# PROPOSED AGENDA
## LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
## Board of Trustees' Finance and Audit Committee
## November 14, 2019

## PUBLIC MEETING

**DATE:** November 14, 2019

**TIME:** 6:00 p.m.

**PLACE:** Centennial Hills Library
6711 N. Buffalo Drive
Las Vegas, NV 89131

The Finance and Audit Committee, comprised of Kelly Benavidez, Committee Chair; Shannon Bilbray-Axelrod; Robin Wadley-Munier; Brian Wilson; and Felipe Ortiz, ex-officio, all members of the Las Vegas-Clark County Library District Board of Trustees, will meet to discuss the Fiscal Year 2018—2019 Audit performed by Piercy Bowler Taylor & Kern.

I. Roll Call

II. Public Comment

Topics raised under this item must be limited to matters on today's Agenda. Persons wishing to speak in public comment must sign in on the sign-in sheet before this item is addressed.

The public comment period at Library District Board meetings shall be limited to a maximum of forty-five (45) minutes for both periods of public comment. Remarks by speakers during the public comment period shall be limited to three (3) minutes each. A speaker may not transfer time to another speaker; although, the chair has the authority to grant additional time to a speaker. When more than fifteen (15) people wish to comment, the chair shall proportionately reduce the time allotted to the forty-five minute maximum.

III. Committee Action to Accept the Proposed Agenda (For possible action)

IV. New Business (For possible action)

Discussion and possible Committee action regarding a recommendation to accept the Fiscal Year 2018-2019 Audit Report and recommend approval of the Fiscal Year 2018-2019 Audit at the Board of Trustees' meeting on November 14, 2019.

V. Public Comment

Topics raised under this item cannot be acted upon until the notice provisions of the Open Meeting Law have been met. Persons wishing to speak in public comment must sign in on the sign-in sheet before this item is addressed.

The public comment period at Library District Board meetings shall be limited to a maximum of forty-five (45) minutes for both periods of public comment. Remarks by speakers during the public comment period shall be limited to three (3) minutes each. A speaker may not transfer time to another speaker; although, the chair has the authority to grant additional time to a speaker. When more than fifteen (15) people wish to comment, the chair shall proportionately reduce the time allotted to the forty-five minute maximum.

VI. Adjournment

NOTE: AT ANY TIME, ANY ITEM ON THIS AGENDA MAY BE TAKEN OUT OF ORDER, COMBINED WITH ONE OR MORE OTHER ITEMS ON THE AGENDA OR REMOVED FROM THE AGENDA, EITHER AT THE DISCRETION OF THE CHAIR OR BY VOTE OF THE BOARD.

NOTE: REASONABLE EFFORTS WILL BE MADE TO ASSIST AND ACCOMMODATE PERSONS WITH PHYSICAL DISABILITIES DESIRING TO ATTEND THE MEETING. PLEASE CALL ALLISON BOYER AT (702) 507-6186 SO THAT ARRANGEMENTS FOR ATTENDANCE MAY BE MADE.

NOTE: PLEASE CONTACT ALLISON BOYER AT (702) 507-6186 OR boyera@lvccld.org TO REQUEST THE SUPPORTING MATERIAL FOR THIS MEETING. SUPPORTING MATERIAL WILL BE MADE AVAILABLE AT THE MEETING LOCATION ON THE DAY OF THE MEETING AFTER 3:00 P.M.

Pursuant to NRS 241.020, written notice of the meeting of the Las Vegas-Clark County Library District Board of Trustees was given on November 7, 2019, i.e., given at least three (3) working days before the meeting, including in the notice the time, place, location and agenda of the meeting:

A. By delivering a copy of the notice to each Library Trustee;

B. By posting a copy of the notice at the principal office of the Library Trustees, or if there is no principal office, at the building in which the meeting is to be held, and at least three other separate, prominent places within the jurisdiction of the Trustees, to wit:

1. Centennial Hills Library
   6711 N. Buffalo Drive
   Las Vegas, NV 89131

2. Clark County Library
   1401 E. Flamingo Road
   Las Vegas, NV 89119

3. East Las Vegas Library
   2851 E. Bonanza Road
   Las Vegas, NV 89101

4. Sunrise Library
   5400 Harris Avenue
   Las Vegas, NV 89110

5. West Charleston Library
   6301 W. Charleston Boulevard
   Las Vegas, NV 89146

6. West Las Vegas Library
   951 W. Lake Mead Boulevard
   Las Vegas, NV 89106

7. Windmill Library
   7060 W. Windmill Lane
   Las Vegas, NV 89113

8. Las Vegas-Clark County Library District website
   www.lvccld.org

C. By mailing a copy of the notice to each person, if any, who has requested notice of the meetings of the Las Vegas-Clark County Library District Board of Trustees in the same manner in which notice is requested to be mailed to a member of the Library Board of Trustees.

Las Vegas-Clark County LIBRARY DISTRICT

# AGENDA ITEM

## NOVEMBER 14, 2019 MEETING OF THE BOARD OF TRUSTEES' FINANCE AND AUDIT COMMITTEE

### Agenda Item #IV.:

Discussion and possible Committee action regarding a recommendation to accept the Fiscal Year 2018-2019 Audit Report and recommend approval of the Fiscal Year 2018-2019 Audit Report at the Board of Trustees' meeting on November 14, 2019.

**Background:** Presentation of the Fiscal Year 2018-2019 Auditor's Report by representatives of Piercy Bowler Taylor & Kern.

### Recommended Action:

Motion to accept the Fiscal Year 2018-2019 Audit Report and recommend approval of the Fiscal Year 2018-2019 Audit as presented by the auditors at the Board of Trustees' meeting on November 14, 2019.

**Draft as of 11/7/2019**

# Annual
# Financial Report

## Las Vegas - Clark County
## Library District

**July 1, 2018 - June 30, 2019**

**Las Vegas, Nevada**

Las Vegas-Clark County

LIBRARY

DISTRICT

www.lvccld.org

**Draft as of 11/7/2019**

# Annual
# Financial Report

## Las Vegas - Clark County
## Library District

**July 1, 2018 - June 30, 2019**

**Las Vegas, Nevada**

Las Vegas - Clark County
Library District Headquarters
7060 West Windmill Lane
Las Vegas, Nevada 89113

Dr. Ronald R. Heezen, Executive Director
Frederick J. James, CPA, Deputy Director/Chief Financial Officer

# Financial Section

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Board of Trustees
Las Vegas-Clark County Library District
Las Vegas, Nevada

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Las Vegas-Clark County Library District (the District) as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**Auditors' Responsibility.** Our responsibility is to express an opinion on the basic financial statements based on our audit.

We did not audit the financial statements of the Las Vegas-Clark County Library District Foundation fund, which is a major fund that represents 9.2%, 9.1%, and 1.4% of the assets, net position and revenues, respectively, of the District's total governmental activities.

Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts reported for the Las Vegas-Clark County Library District Foundation fund and the amounts included in the District's total governmental activities, is based solely on the report of the other auditors.

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

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

**Opinion.** In our opinion, based on our audit and the report of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters.** Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 3-10 and 41-45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information.** Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards*.** In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Las Vegas, Nevada
November 14, 2019

Draft as of 11/7/2019

# Management's Discussion and Analysis

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

**Las Vegas-Clark County Library District**

**Management's Discussion and Analysis**
**For the Fiscal Year Ended June 30, 2019**

As management of the Las Vegas-Clark County Library District (the District), we offer readers of the Annual Financial Report this narrative overview and analysis of the financial activities of the District as of and for the fiscal year ended June 30, 2019.

## Financial Highlights

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $156,712,560 (net position).

- The District's total net position increased by $1,494,221 (1%). This increase is primarily attributable to property tax and intergovernmental revenue increases, which were offset by higher personnel costs and capital outlays in the current year. The District expects to experience net position increases in future years partially as a result of improving tax revenues and the District continuing its conservative spending practices, which are designed to provide fiscal stability, but not to adversely affect the provision of library services.

- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $48,187,152, a decrease of $23,149,462 (32%) from the prior year. This decrease is primarily attributable to spending for construction of capital assets and debt repayments. Approximately 30% of the total fund balance ($14,576,974) is available for spending at the District's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the general fund was $14,576,974, 23% of total general fund expenditures.

- The District's general obligation debt decreased by $7,265,000 during the current fiscal year, due to scheduled bond principal payments.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

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

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

The statement of activities presents information showing how the District'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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (*e.g.*, uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements present the governmental activities of the District, which are principally supported by property taxes and intergovernmental revenues.

The government-wide financial statements can be found in the "Basic Financial Statements" section of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain accounting control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds. The District does not currently maintain any proprietary or fiduciary funds.

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

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

The District maintains eight governmental funds. Information is presented separately in the balance sheet and in the statement of revenues, expenditures and changes in fund balances for the general fund, the Las Vegas-Clark County Library District and QALICB special revenue funds and the capital projects fund, all of which are considered to be major funds. Data from the remaining four non-major governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The fund financial statements can be found in the "Basic Financial Statements" section of this report.

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

The notes to basic financial statements can be found in the "Basic Financial Statements" section of this report.

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The District adopts an annual appropriated budget for its general fund and a budgetary comparison schedule has been provided to demonstrate the District's compliance with this budget. This section also includes certain information related to the District's net pension liability and other postemployment benefit obligations.

The required supplementary information can be found immediately following the notes to the basic financial statements in this report.

**Other supplementary information.** The combining statements, referred to earlier in connection with the four non-major governmental funds, and individual fund schedules can be found immediately following the required supplementary information in this report.

## Government-wide Financial Analysis

As previously noted, net position may serve as a useful indicator over time of a government's financial condition. In the case of the District, at the close of the most recent fiscal year, assets exceeded liabilities by $156,712,560.

By far, the largest portion of the District's net position (99%) is its investment in capital assets (land, buildings, improvements, library media materials, and furniture and equipment), less any related debt used to acquire these assets, which are used to provide services to citizens; consequently, these assets are not available for future expenditures. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Las Vegas-Clark County Library District Net Position

| | June 30, | |
|---|---|---|
| | 2019 | 2018 |
| Capital assets | $ 182,068,692 | $ 164,923,622 |
| Other assets | 55,960,595 | 79,426,265 |
| | 238,029,287 | 244,349,887 |
| Deferred outflows of resources | 8,151,984 | 7,377,111 |
| Long-term liabilities outstanding | 78,191,592 | 77,395,845 |
| Other liabilities | 8,661,536 | 16,124,671 |
| | 86,853,128 | 93,520,516 |
| Deferred inflows of resources | 2,615,583 | 2,988,143 |
| Net position: | | |
| Net investment in capital assets | 155,778,692 | 143,991,244 |
| Restricted | 19,635,206 | 10,036,860 |
| Unrestricted | (18,701,338) | 1,190,235 |
| | $ 156,712,560 | $ 155,218,339 |

Resources that are subject to external restrictions on how they may be used represent an additional portion of the District's net position (1%).

At the prior fiscal year end, the District has positive balances in all three categories of net position. However, in the current year the District 1) expended $16,549,531 for the construction of the East Las Vegas library facilities of which $8,508,844 was from unrestricted resources, and 2) recognized $17,981,600 in restricted net position related to long-term notes receivable held in a special revenue fund that when collected must be used for a specified purpose. As a result, the District is reporting a net position deficit of $18,712,560 in the current year.

There was an increase of $11,787,448 (8%) in net investment in capital assets. This increase resulted from normal business operations and construction of the new East Las Vegas library facilities. See the discussion on capital assets, below, for further details.

**Governmental activities.** Governmental activities increased the District's net position by $1,460,277 (1%). Key elements of this increase are as follows:

Las Vegas-Clark County Library District Changes in Net Position

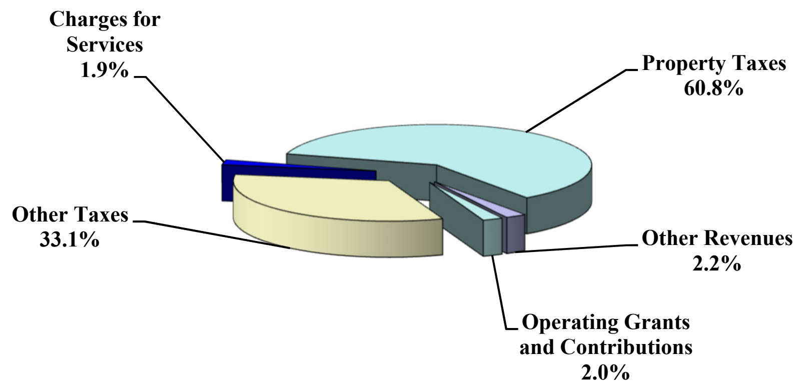
| | Year Ended June 30, | |
|---|---|---|
| | 2019 | 2018 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | $ 1,361,116 | $ 1,447,893 |
| Operating grants and contributions | 1,483,012 | 1,559,827 |
| General revenues: | | |
| Property taxes | 43,107,497 | 40,516,887 |
| Intergovernmental consolidated taxes | 23,443,319 | 22,010,620 |
| Other | 1,541,763 | 920,893 |
| | 70,936,707 | 66,456,120 |
| Expenses: | | |
| Culture and recreation | 68,992,741 | 66,465,502 |
| Long-term debt interest | 449,745 | 691,561 |
| | 69,442,486 | 67,157,063 |
| Change in net position | 1,494,221 | (700,943) |
| Net position, beginning of year | 155,218,339 | 155,919,282 |
| Net position, end of year | $ 156,712,560 | $ 155,218,339 |

- Property taxes increased $2,590,610 (6%) while intergovernmental consolidated taxes increased $1,432,699 (7%). The increase in property taxes in Southern Nevada is primarily due to recovering property values and the effect of a statutory limit on the increase of property taxes in any single year. The increase in intergovernmental consolidated taxes is due to increased consumer spending (tourist and local).

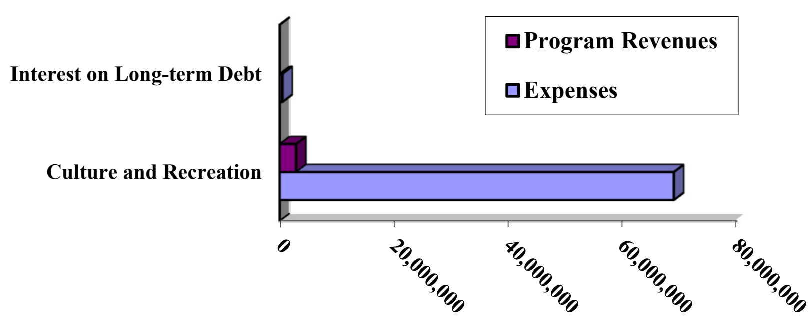
- Culture and recreation expenses increased $2,527,239 (4%). This change can be primarily attributed to increased salaries, wages and benefit costs and additional depreciation expense primarily related to the completion of the Mesquite and East Las Vegas library facilities.

- Interest expense relative to long-term debt decreased $241,816 (35%) primarily due to decreasing interest as old debt was paid-in-full during the current fiscal year.

## Revenues by Source




## Expenses and Program Revenues




### Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to better ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at fiscal year end.

At June 30, 2019, the District's governmental funds reported combined ending fund balances of $48,187,152, a decrease of $23,149,462 (32%) from the prior year. Approximately 30% of the total fund balance ($14,576,974) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the combined ending fund balances is not available for spending because it has already been restricted or assigned to 1) pay debt service ($1,609,939), 2) the acquisition, construction or improvement of capital assets ($9,926,478), 3) grant and other programs ($22,063,761), or 4) generate income to pay for the purchase of library media materials ($10,000).

The general fund is the chief operating fund of the District. At June 30, 2019, the fund balance of the general fund was $14,576,974. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 23% of total general fund expenditures.

The fund balance of the District's general fund decreased by $591,058 (4%) during the current fiscal year. The change in fund balance is primarily due to increases in salaries and benefits and employee benefits, offset by increases in property taxes and intergovernmental consolidated taxes.

The Las Vegas-Clark County Library District Foundation fund has an ending fund balance of $21,428,683, an increase of $192,938, due to normal business operations.

The QALICB fund has an ending fund balance of $1,008,528 a decrease of $8,429,325 (89%) from the prior year, primarily as a result of capital outlay expenditures for construction of the East Las Vegas library facilities totaling $18,170,133 that was offset by contributions totaling $10,129,846.

The capital projects fund has a total fund balance of $9,926,478. The net decrease in fund balance during the current year in the capital projects fund was $6,819,004 (41%) from the prior year. The primary reason for the decrease was contributions to the QALICB fund for the construction of the East Las Vegas library facilities.

The aggregate non-major funds have a combined total fund balance of $1,246,489. The net decrease in fund balance during the current year in the aggregate non-major funds was $7,503,013 (86%) from the prior year, primarily due to the final debt interest and principal payments in the debt service fund.

## General Fund Budgetary Highlights

During the year, revenues were more than the final budgetary estimate by $1,883,131 (3%) primarily due to increased property taxes and intergovernmental revenues. Expenditures were less than the final budgetary estimate by $5,327,226 (8%), primarily due to the District's conservative spending practices. All functions were within appropriation authority. Actual ending fund balance was $14,576,974 (78%) more than the final budgetary estimate.

Additional information on the District's general fund budget can be found in the required supplementary information immediately following the notes to the basic financial statements in this report.

## Capital Asset and Debt Administration

**Capital assets.** The District's investment in capital assets as of June 30, 2019, amounts to $182,068,692 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, library media materials, and furniture and equipment. The net increase in the District's investment in capital assets for the current fiscal year was $17,145,070 (10%).

Major capital asset events during the current fiscal year included the following:

- Building additions were added at a cost of $16,549,531 for the construction of the new East Las Vegas library facilities.
- The District purchased library media materials, at a cost of $10,946,010, an increase of $1,670,740 from the prior fiscal year purchases.
- Furniture and equipment additions were purchased at a cost of $1,038,786.
- Depreciation expense for the fiscal year was $11,844,187.

Capital assets at year end were as follows:

Las Vegas-Clark County Library District Capital Assets
(net of accumulated depreciation)

| | June 30, 2019 | June 30, 2018 |
|---|---|---|
| Land | $ 5,706,578 | $ 5,706,578 |
| Construction in progress | | 8,757,894 |
| Buildings | 115,954,458 | 93,474,170 |
| Improvements | 620,136 | 268,657 |
| Library media materials | 57,063,820 | 53,950,567 |
| Furniture and equipment | 2,723,700 | 2,765,756 |
| | $ 182,068,692 | $ 164,923,622 |

Additional information on the District's capital assets can be found in Notes 1 and 3 to the basic financial statements in this report.

**Long-term debt.** At June 30, 2019, the District had total bonded debt outstanding of $26,290,000, all of which is backed by the full faith and credit of the District.

Las Vegas–Clark County Library District Outstanding General Obligation Debt

| | June 30, 2019 | June 30, 2018 |
|---|---|---|
| Bond issue series 2009 | | $ 7,265,000 |
| LVCIC QLICI – Loan A | $ 11,335,600 | 11,335,600 |
| LVCIC QLICI – Loan B | 5,154,400 | 5,154,400 |
| Clearinghouse QLICI – Loan A | 6,646,000 | 6,646,000 |
| Clearinghouse QLICI – Loan B | 3,154,000 | 3,154,000 |
| | $ 26,290,000 | $ 33,555,000 |

The District's total long-term debt increased by $7,265,000 as a result of scheduled debt principal payments. All of the District's general obligation debt were issued with AAA and AA ratings.

State statutes limit the amount of general obligation debt the District may issue to 10% of its total assessed valuation. The current debt limitation for the District is $6,359,861,219, which is significantly in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Notes 1 and 3 to the basic financial statements in this report.

## Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clark County is currently 4.8%, which is an increase from a rate of 4.7% a year ago. The United States national average unemployment rate is 3.8% and the State of Nevada's average unemployment rate is 4.5%.

- Inflationary trends in the District are comparable to the United States national indices.

- Businesses, within Clark County, reported taxable sales of $4.1 billion, exceeding sales of $3.8 billion reported in the previous year.

- Gaming establishments, within Clark County, reported gaming revenues of $906.7 million compared to $790.9 million reported in the prior fiscal year.

All of these factors were considered in preparing the District's budget for the 2020 fiscal year.

The unassigned fund balance (actual) in the general fund decreased 4% to $14,576,974 from the prior year. This amount is $6,370,630 higher than the final budgeted ending fund balance for the 2019 fiscal year.

## Requests for Information

The accompanying financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Financial Services department, 7060 West Windmill Lane, Las Vegas, Nevada 89113.

# Basic Financial Statements

# Government-Wide Financial Statements

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

# Las Vegas-Clark County Library District

## Statement of Net Position
## June 30, 2019

| | Governmental Activities |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents: | |
| Unrestricted | $ 19,268,732 |
| Restricted | 893,632 |
| Investments | 11,363,448 |
| Receivables: | |
| Taxes | 770,082 |
| Notes | 17,981,600 |
| Interest | 112,955 |
| Buildings | 65,450 |
| Due from other governments | 4,410,448 |
| Prepaid items and other assets | 1,094,248 |
| Property and equipment, net of accumulated depreciation: | |
| Land | 5,706,578 |
| Buildings | 115,954,458 |
| Improvements | 620,136 |
| Library media materials | 57,063,820 |
| Furniture and equipment | 2,723,700 |
| Total assets | 238,029,287 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Deferred amounts related to pensions | 8,151,984 |
| **LIABILITIES** | |
| Accounts payable | 3,883,812 |
| Accrued payroll | 1,956,619 |
| Deposits payable | 133,891 |
| Unearned revenue | 29,998 |
| Accrued interest payable | 116,265 |
| General obligation bonds and notes payable, including unamortized premiums: | |
| Due in more than one year | 26,290,000 |
| Accrued compensated absences: | |
| Due within one year | 2,540,951 |
| Due in more than one year | 3,617,710 |
| Obligation for postemployment benefits other than pensions, due in more than one year | 1,886,724 |
| Net pension liability, due in more than one year | 46,397,158 |
| Total liabilities | 86,853,128 |

(Continued)

Las Vegas-Clark County Library District

## Statement of Net Position (Continued)
## June 30, 2019

| | Governmental Activities |
|---|---|
| **DEFERRED INFLOWS OF RESOURCES** | |
| Deferred amounts related to pensions | 2,615,583 |
| **NET POSITION** | |
| Net investment in capital assets | 155,778,692 |
| Restricted for: | |
| Debt service | 1,008,528 |
| Grant programs | 146,753 |
| Other programs | 18,469,925 |
| Permanent fund principal, nonexpendable | 10,000 |
| Unrestricted | (18,701,338) |
| Total net position | $ 156,712,560 |

See notes to basic financial statements.

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

# Las Vegas-Clark County Library District

## Statement of Activities
## For the Fiscal Year Ended June 30, 2019

| | Governmental Activities | | | | |
|---|---|---|---|---|---|
| | | Program Revenues | | | Net (Expenses) Revenues and Change in Net Position |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| **Function/program** | | | | | |
| Culture and recreation | $ (68,992,741) | $ 1,361,116 | $ 1,483,012 | $ - | $ (66,148,613) |
| Long-term debt interest | (449,745) | | | | (449,745) |
| Total function/program | $ (69,442,486) | $ 1,361,116 | $ 1,483,012 | $ - | (66,598,358) |
| **General revenues:** | | | | | |
| Property taxes | | | | | 43,107,497 |
| Intergovernmental revenues, consolidated taxes, unrestricted | | | | | 23,443,319 |
| Interest | | | | | 703,199 |
| Miscellaneous | | | | | 838,564 |
| Total general revenues | | | | | 68,092,579 |
| **Change in net position** | | | | | 1,494,221 |
| **Net position, beginning of year** | | | | | 155,218,339 |
| **Net position, end of year** | | | | | $ 156,712,560 |

See notes to basic financial statements.

This page intentionally left blank.

# Fund Financial Statements

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

# Las Vegas-Clark County Library District

## Balance Sheet
## June 30, 2019

| | Governmental Funds | | | | | |
|---|---|---|---|---|---|---|
| | Major Funds | | | | | |
| | | Special Revenue | | | | |
| | General | Las Vegas-Clark County Library District Foundation | QALICB | Capital Projects | Aggregate Non-Major Funds | Total |
| **ASSETS** | | | | | | |
| Cash and cash equivalents: | | | | | | |
| Unrestricted | $ 13,995,273 | $ 544,626 | $ 18,156 | $ 3,656,100 | $ 1,054,577 | $ 19,268,732 |
| Restricted | | | 883,632 | | 10,000 | 893,632 |
| Investments | | 3,055,000 | | 8,308,448 | | 11,363,448 |
| Receivables: | | | | | | |
| Taxes | 754,204 | | | | 15,878 | 770,082 |
| Notes | | 17,981,600 | | | | 17,981,600 |
| Interest | 3,461 | 73,173 | | 35,727 | 594 | 112,955 |
| Other, net | 47,633 | 17,497 | | 320 | - | 65,450 |
| Due from other funds | 114,522 | | 100,000 | | 58,195 | 272,717 |
| Due from other governments | 4,152,707 | | | | 257,741 | 4,410,448 |
| Other assets | | | 16,333 | | | 16,333 |
| Total assets | $ 19,067,800 | $ 21,671,896 | $ 1,018,121 | $ 12,000,595 | $ 1,396,985 | $ 55,155,397 |
| **LIABILITIES** | | | | | | |
| Accounts payable | $ 1,751,580 | $ 2,184 | | $ 2,074,117 | $ 55,931 | $ 3,883,812 |
| Accrued payroll | 1,903,197 | 1,143 | | | 52,279 | 1,956,619 |
| Deposits payable | 133,891 | | | | | 133,891 |
| Unearned revenue | | 20,415 | $ 9,583 | | | 29,998 |
| Due to other funds | 100,000 | 146,298 | 10 | - | 26,409 | 272,717 |
| Total liabilities | 3,888,668 | 170,040 | 9,593 | 2,074,117 | 134,619 | 6,277,037 |

(Continued)

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

## Las Vegas-Clark County Library District

### Balance Sheet (Continued)
### June 30, 2019

| | Governmental Funds | | | | | |
|---|---|---|---|---|---|---|
| | Major Funds | | | | | |
| | | Special Revenue | | | | |
| | General | Las Vegas-Clark County Library District Foundation | QALICB | Capital Projects | Aggregate Non-Major Funds | Total |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Unavailable revenue, interest income | | 73,173 | | | | 73,173 |
| Unavailable revenue, property taxes | 602,158 | | | | 15,877 | 618,035 |
| Total deferred inflows of resources | 602,158 | 73,173 | | | 15,877 | 691,208 |
| **FUND BALANCES** | | | | | | |
| Nonspendable: | | | | | | |
| Permanent fund principal | | | | | 10,000 | 10,000 |
| Restricted for: | | | | | | |
| Debt service | | | 1,008,528 | | | 1,008,528 |
| Grant programs | | | | | 146,753 | 146,753 |
| Other programs | | 17,981,600 | | | 488,325 | 18,469,925 |
| Assigned to: | | | | | | |
| Capital projects | | | | 9,926,478 | | 9,926,478 |
| Debt service | | | | | 601,411 | 601,411 |
| Other programs | | 3,447,083 | | | | 3,447,083 |
| Unassigned | 14,576,974 | | | | | 14,576,974 |
| Total fund balances | 14,576,974 | 21,428,683 | 1,008,528 | 9,926,478 | 1,246,489 | 48,187,152 |
| Total liabilities, deferred inflows of resources and fund balances | $ 19,067,800 | $ 21,671,896 | $ 1,018,121 | $ 12,000,595 | $ 1,396,985 | $ 55,155,397 |

(Continued)

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

## Las Vegas-Clark County Library District

## Reconciliation of the Balance Sheet to the Statement of Net Position June 30, 2019

| | | |
|---|---|---|
| **Fund balances** | | $ 48,187,152 |
| Amounts reported in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds: | | |
| Capital assets | $ 280,806,296 | |
| Less accumulated depreciation | (98,737,604) | 182,068,692 |
| Other assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds: | | |
| Other assets | | 134,711 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period; and therefore, are not reported in governmental funds: | | |
| Bonds and notes payable | (26,290,000) | |
| Interest payable | (116,265) | (26,406,265) |
| Compensated absences | | (6,158,661) |
| Obligation for postemployment benefits other than pensions | | (1,886,724) |
| Net pension liability | (46,397,158) | |
| Deferred outflows of resources related to pensions | 8,151,984 | |
| Deferred inflows of resources related to pensions | (2,615,583) | (40,860,757) |
| Prepaid items represent current fund expenditures that benefit future periods; and therefore, are not reported in governmental funds. | | 943,205 |
| Unavailable revenue represents amounts that are not available to fund current expenditures; and therefore, are not reported as revenues in governmental funds. | | 691,207 |
| **Net position** | | $ 156,712,560 |

See notes to basic financial statements.

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

## Las Vegas-Clark County Library District

## Statement of Revenues, Expenditures, and Changes in Fund Balances For the Fiscal Year Ended June 30, 2019

| | Governmental Funds | | | | | |
|---|---|---|---|---|---|---|
| | Major Funds | | | | | |
| | | Special Revenue | | | | |
| | General | Las Vegas-Clark County Library District Foundation | QALICB | Capital Projects | Aggregate Non-Major Funds | Total |
| **Revenues** | | | | | | |
| Property taxes | $ 43,021,608 | | | | $ 51 | $ 43,021,659 |
| Intergovernmental revenues, consolidated taxes | 23,443,319 | | | | | 23,443,319 |
| Grants | | | | | $ 1,075,934 | 1,075,934 |
| Charges for services | 1,361,116 | | | | | 1,361,116 |
| Interest | 111,160 | $ 217,498 | $ 3,074 | $ 274,213 | 87,687 | 693,632 |
| Contributions | 211,346 | 406,678 | 10,129,846 | | 295,659 | 11,043,529 |
| Miscellaneous | 399,582 | 336,973 | 214,583 | 96,439 | 5,570 | 1,053,147 |
| Total revenues | 68,548,131 | 961,149 | 10,347,503 | 370,652 | 1,464,901 | 81,692,336 |
| **Expenditures** | | | | | | |
| Culture and recreation: | | | | | | |
| Salaries and wages | 29,449,204 | 31,949 | | | 294,020 | 29,775,173 |
| Employee benefits | 11,182,265 | 982 | | | 114,381 | 11,297,628 |
| Supplies and services | 12,089,521 | 735,280 | 310,328 | 11,397,733 | 690,881 | 25,223,743 |
| Capital outlay | 10,218,199 | | 18,170,133 | 1,991,923 | 240,382 | 30,620,637 |
| Debt service: | | | | | | |
| Principal | | | | | 7,265,000 | 7,265,000 |
| Interest | | | 296,367 | | 363,250 | 659,617 |
| Total expenditures | 62,939,189 | 768,211 | 18,776,828 | 13,389,656 | 8,967,914 | 104,841,798 |

(Continued)

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

## Las Vegas-Clark County Library District

## Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued) For the Fiscal Year Ended June 30, 2019

| | Governmental Funds | | | | | |
|---|---|---|---|---|---|---|
| | Major Funds | | | | | |
| | | Special Revenue | | | | |
| | General | Las Vegas-Clark County Library District Foundation | QALICB | Capital Projects | Aggregate Non-Major Funds | Total |
| Excess (deficiency) of revenues over (under) expenditures | 5,608,942 | 192,938 | (8,429,325) | (13,019,004) | (7,503,013) | (23,149,462) |
| **Other financing sources (uses)** | | | | | | |
| Transfers in | | | | 6,200,000 | | 6,200,000 |
| Transfers out | (6,200,000) | | | | | (6,200,000) |
| Total financing sources (uses) | (6,200,000) | | | 6,200,000 | | |
| **Net change in fund balances** | (591,058) | 192,938 | (8,429,325) | (6,819,004) | (7,503,013) | (23,149,462) |
| Fund balance, beginning of year | 15,168,032 | 21,235,745 | 9,437,853 | 16,745,482 | 8,749,502 | 71,336,614 |
| **Fund balances, end of year** | $ 14,576,974 | $ 21,428,683 | $ 1,008,528 | $ 9,926,478 | $ 1,246,489 | $ 48,187,152 |

See notes to basic financial statements.

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

## Las Vegas-Clark County Library District

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Fiscal Year Ended June 30, 2019

| | | |
|---|---|---|
| **Net change in fund balances** | | $ (23,149,462) |
| Amounts reported in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives: | | |
| Expenditures for capital assets | $ 30,620,636 | |
| Contributed capital assets | (1,620,202) | |
| Current year depreciation and loss on disposal of capital assets | (11,855,364) | 17,145,070 |
| Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds: | | |
| Change in unavailable revenue, interest income | 9,567 | |
| Change in unavailable revenue, property taxes | 85,838 | 95,405 |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded bonds issued: | | |
| Change in accrued interest | 181,625 | |
| Principal payments | 7,265,000 | 7,446,625 |
| Some expeditures reported in governmental funds benefit future periods; and therefore, are not reported in the statement of activities: | | |
| Change in inventories and prepaid items | | (83,033) |
| Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds: | | |
| Current year amortization of bond premiums | 28,247 | |
| Change in long-term compensated absences | (374,075) | |
| Change in obligation for postemployment benefits other than pensions | 98,247 | |
| Change in net pension liability and related deferred outflows and inflows of resources | 287,197 | 39,616 |
| **Change in net position** | | $ 1,494,221 |

See notes to basic financial statements.

# Notes to Basic Financial Statements

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

**Las Vegas-Clark County Library District**

**Notes to Basic Financial Statements**
**For the Fiscal Year Ended June 30, 2019**

**Note 1. Summary of Significant Accounting Policies**

The Reporting Entity

The Las Vegas-Clark County Library District (the District) was established in 1985 under the provisions of Chapter 379 of the Nevada Revised Statutes (NRS) and serves all persons living in Clark County, Nevada (the County), except for those living in the incorporated area of North Las Vegas and the library districts of Henderson and Boulder City, Nevada. The District is governed by a Board of Trustees (the Board), which consists of ten members, five appointed by the Board of County Commissioners and five appointed by the Las Vegas City Council, all of whom have staggered terms of office and may be removed for cause at any time. The accompanying basic financial statements present the financial position of the District and its blended component units for which the District is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the District's operations.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 39, *Determining Whether Certain Organizations are Component Units*, Statement No. 61, *The Financial Reporting Entity: Omnibus* and Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, defines the reporting entity as the primary government and those component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the organization's governing board and either the ability of the primary government to impose its will on the organization or the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government. In addition to financial accountability, component units can be other organizations in which the economic resources received or held by that organization are entirely or almost entirely for the direct benefit of the primary government, the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by that organization and the resources to which the primary government is entitled or has the ability to otherwise access are significant to the primary government.

The District has complied with GASB Statement Nos. 14, 39, 61 and 80 by examining its position relative to the County and the City of Las Vegas (the City) and determined that there are no requirements that would cause the basic financial statements of the District to be included in either of the entities' comprehensive annual financial reports (CAFR). The financial information of the component units, discussed below, is blended with the District's financial information and presented in the District's financial reports because of the significance of their operations and financial relationship with the District, District management has operational (accounting) responsibility for these entities or because the District's Board appoints a voting majority of the component unit's governing body.

Blended Component Units

The Las Vegas-Clark County Library District Foundation, Inc. (the Foundation), a Nevada Non-Profit Corporation, was formed in 2002 for the exclusive purpose of providing aid, support, and assistance in the promotion, growth, and improvement of the District. During the year ended June 30, 2018, the Foundation entered into several transactions in order to make additional funds available to it through the New Markets Tax Credit (NMTC) Program. The NMTC Program permits taxpayers to claim, over a seven-year period, a credit against federal income taxes for Qualified Equity Investments (QEIs) in designated Community Development Entities (CDEs). These designated CDEs must use substantially all of the proceeds to make Qualified Low-Income Community Investments (QLICIs).

The QALICB fund is comprised of East Las Vegas QALICB, Inc. (ELV) and Mesquite QALICB, Inc. (MQ), which were formed as Nevada Non-Profit Corporations on June 28, 2017 and October 12, 2017, respectively, for the exclusive benefit of the District. The purpose of the QALICB fund is to hold title to property, complete construction of the East Las Vegas and Mesquite libraries facilities, and lease said property and buildings to the District. The entities within the QALICB fund are operated in such a way that they both qualify as a Qualified Active Low-Income Community Business (QALICB) under the definition of the NMTC Program and Internal Revenue Code (IRC) §45(d).

The Foundation, ELV, and MQ each prepare separate stand-alone financial statements that can be obtained from the District's Financial Services Department, 7060 West Windmill Lane, Las Vegas, Nevada, 89113.

Basic Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities and present consolidated information for the District's activities, which are comprised solely of governmental activities, accounted for in governmental fund types. The District does not currently maintain any proprietary or fiduciary fund types. The effect of interfund activity has been removed from these statements.

Included in the statement of net position are capital assets and long-term liabilities including general obligation bonds, employee benefit and pension obligations, and compensated absences. Net position is classified as 1) net investment in capital assets, 2) restricted, or 3) unrestricted.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions, which are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not restricted for use by a particular function or segment are reported as general revenues.

Separate fund financial statements are provided with each major individual governmental fund reported in a separate column. Fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances. Schedules are presented to reconcile fund balances presented in the fund financial statements to net position presented in the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are presented 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 the 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.

Fund Financial Statements

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal year end. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property taxes, intergovernmental consolidated taxes, grants and interest. All other revenue sources are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, obligations for pensions and other postemployment benefits, and claims and judgments are recorded only when payment is due.

The District classifies and reports the following as major governmental funds:

General Fund – The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Las Vegas-Clark County Library District Foundation Fund – This special revenue fund accounts for contributions that are to be used for charitable and educational purposes to aid, support, and assist the promotion, growth, and improvement of the District.

QALICB Fund – This special revenue fund accounts for loan proceeds and lease income to be used for the acquisition and leasing of real or personal property that is subject to certain restrictions and limitations for use in furtherance of the operational purposes of the District.

Capital Projects Fund – The capital projects fund is used to account for financial resources to be used for the improvement, acquisition or construction of major capital assets.

Additionally, the District reports the following non-major governmental fund types:

Special Revenue Funds – The special revenue funds are used to account for the proceeds of specific revenue sources that are legally or otherwise restricted to expenditures for specific purposes (other than capital projects and debt service).

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

Permanent Fund – The permanent fund accounts for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs. Pursuant to the trust agreement, the earnings of this fund are restricted for the purchase of library media materials.

The District has no nongovernmental fund types.

Assets, Liabilities and Net Position or Fund Balance

Deposits and Investments

The District's cash equivalents are considered to be short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value regardless of the length of time remaining to maturity.

Receivables, Payables and Transfers

During the course of operations, individual funds engage in numerous transactions with one another for goods provided or services rendered. The resulting payables and receivables that are outstanding at year end are reported as due to/from other funds. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

Upon the certification of tax rates by the State of Nevada (the State) Tax Commission, the County Commission levies the tax rate for the fiscal period beginning with the succeeding July 1. Effective upon the tax levy on July 1 each year, a perpetual lien is recorded against the property assessed until the tax and any penalty charges and interest, which may accrue thereon, are paid. The County Assessor assesses all real and personal property and the County Treasurer bills and collects the District's share of property taxes. Real property taxes are due on the third Monday in August of each year and may be paid in quarterly installments on or before the third Monday in August and first Mondays in October, January and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a 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 County Treasurer remits on a monthly basis current and delinquent property tax collections to the District.

Property taxes receivable that are not expected to be collected within 60 days of year end are classified as unavailable revenue in the fund financial statements, rather than current revenue, since the asset is not available to satisfy current obligations. Unearned revenues arise when the District receives resources before it has a legal claim to them as when property taxes for the following tax year are received before year end. Other receivables are shown net of an allowance for uncollectible amounts.

Restricted Assets

Financial resources that are legally restricted to pay debt service, finance construction projects or to the extent that only earnings, and not principal, may be used are reported as restricted assets in both the government-wide and fund financial statements.

Prepaid Items and Inventory

Certain payments to vendors reflect costs applicable to future periods and are recorded as expenditures in the fund financial statements and as prepaid items in the government-wide financial statements. In the fund financial statements, prepaid items are recorded as expenditures when purchased rather than when consumed.

Inventory comprised solely of books and other donated library materials is reported at estimated market value. In the governmental fund financial statements, inventory is recorded as expenditures when purchased rather than when consumed and is included in other assets in the entity-wide financial statements.

Notes Receivable

Notes receivables are due to the Foundation as a result of transactions related to the NMTC Program. The first note in the face amount of $11,335,600, bears interest at 1.0% per annum, is payable in annual interest only payments through July 26, 2024, and annual principal and interest payments thereafter through July 25, 2045. The second note in the face amount of $6,646,000, bears interest at 1.203% per annum, is payable in quarterly interest only payments through September 15, 2024, and quarterly principal and interest payments thereafter through December 19, 2043.

Capital Assets

Capital assets are reported only in the government-wide financial statements. These assets include land, buildings, library media materials, furniture and equipment, and construction in progress. All purchased capital assets are valued at cost where historical records are available and, where no historical records exist, at estimated historical cost. Donated capital assets are valued at their estimated acquisition value on the date received. The District has a capitalization threshold of $5,000.

The cost of normal maintenance and repairs that do not significantly increase the functionality of the assets or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed.

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

| Assets | Years |
|---|---|
| Buildings and improvements | 5-50 |
| Library media materials | 5 |
| Furniture and equipment | 5-20 |

Compensated Absences

It is the District's policy to permit employees to accumulate earned vacation and sick leave benefits that would be paid to them upon separation from District service if not previously taken. Accrued vacation and sick leave are reported in the government-wide financial statements. A liability for compensated absences is reported in the fund financial statements only to the extent that payment is due, for example, as a result of employee resignations and retirements prior to year end. Expenditures for compensated absences are recognized by the applicable fund when paid.

Deferred Compensation Plan

The District offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all District employees, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

The Plan assets are held in trust outside the control of the District. Since the assets, liabilities and income of the Plan are not considered those of the District and are not subject to the claims of the District's general creditors, they are not reported in the government-wide or fund financial statements.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The District uses the same basis used in the Public Employees' Retirement System of Nevada's (PERS) Comprehensive Annual Financial Report, for reporting its proportionate share of the PERS collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information related to PERS fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized by PERS when due and payable in accordance with the benefit terms. PERS investments are reported at fair value.

Deferred Inflows and Outflows of Resources

Deferred outflows of resources, represents a consumption of net position or fund balance that applies to future periods; and therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide statement of net position reports 1) the changes in proportion and differences between actual contributions and proportionate share of contributions related to pensions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, 2) the net difference between projected and actual earnings on investments, which will be amortized over five years, and 3) contributions made subsequent to the measurement date, which will be recognized in the subsequent year.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds balance sheet reports unavailable property tax revenues, which will be recognized as revenue in the period that the amounts become available. The government-wide statement of net position reports 1) the differences between expected and actual experience and changes of assumptions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, and 2) the net difference between projected and actual earnings on investments, which will be amortized over five years.

Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities, net of unamortized bond premiums in the statement of net position. Bond premiums are deferred and amortized over the life of the related bonds using the effective interest method.

In the fund financial statements, bond premiums and issuance costs are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

Governmental fund balances are classified and reported as follows:

- Nonspendable fund balances include items that cannot be spent. This includes amounts that are not in a spendable form (for example, inventories and prepaid items) and amounts that are legally or contractually required to remain intact, such as a permanent fund principal balance.

- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

- Committed fund balances can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board, the District's highest level of decision-making authority. These constraints remain binding unless removed or changed in the same manner used to create the constraints.

- Assigned fund balance includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Such intent is expressed by the Board or appropriately authorized officials. The District's Chief Financial Officer has been authorized by the Board in the budget approval process to make all fund balance assignments. Constraints imposed on the use of assigned fund balances can be removed or changed without formal Board action. For governmental funds, other than the general fund, this is the classification for residual amounts that are not restricted, committed or nonspendable.

- Unassigned fund balance is the classification used by the general fund for residual amounts not included in the four categories described above. The general fund is the only fund that reports a positive unassigned fund balance.

Prioritization and Use of Available Resources

When both restricted resources and other resources (*i.e.*, committed, assigned and unassigned) can be used for the same purposes, it is the District's policy to use restricted resources first. Furthermore, when committed, assigned and unassigned resources can be used for the same purpose, it is the District's policy to use committed resources first, assigned second, and unassigned last.

**Note 2. Stewardship, Compliance and Accountability**

Budgetary Information

The District adopts annual budgets for all funds except for the permanent, Foundation and QALICB funds, which are not budgeted. All budget augmentations made during the current year were as prescribed by law. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States and used by the District for financial reporting.

The District uses the following procedures to establish, modify, and control budgetary data:

1. Prior to April 15, the District submits the tentative budget for the next fiscal year, commencing on July 1, to the State Department of Taxation. The Las Vegas City Council and the Board of County Commissioners have the ability to reject the tentative budget prior to its submission to the State. The budget, as submitted, contains the proposed expenditures and the means of financing them.

2. The State Department of Taxation notifies the District of its acceptance of the tentative budget.

3. Public hearings are conducted on the Thursday after the third Monday in May.

4. After all changes have been noted and the hearings closed, the District's Board adopts the budget on or before June 1.

5. Augmentations of the budget are accomplished through formal Board action.

6. The NRS require budget controls to be exercised at the function level. The Executive Director of the District is authorized to transfer budget amounts between functions within a fund. However, the Board's approval is required for all transfers between funds.

7. The District cannot expend any money, incur any liability or enter into any contract, which by its terms involves the expenditure of money in excess of the amount appropriated for a given function, except for bond payments, short-term financing payments and any other long-term contracts expressly authorized by law.

8. All unencumbered appropriations lapse at the fiscal year end, except for amounts appropriated for specific capital projects or Federal and State grant expenditures.

New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for periods beginning after December 15, 2019. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognition of deferred inflows or outflows of resources based on the payment provisions of the contract. Management has not yet completed its assessment of this statement.

Management has completed its assessment of all other new, but not yet effective GASB statements and determined that they will not have a material effect on financial position or changes therein.

Tax Abatements

All tax abatement agreements/programs, entered into by the State of Nevada, have been summarized, by type of agreement/program and the gross, accrual basis reduction of the District's taxes for the year ended June 30, 2019 aggregated as follows:

| | |
|---|---|
| Agreement/program description | Nevada Revised Statutes 360.753 - Partial abatement of certain taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircraft |
| Amount abated during the current year | $4,719 |
| Specific tax being abated | Personal property taxes and/or sales and use taxes |
| Agreement/program description | NRS 360.754 - Partial abatement of certain taxes imposed on new or expanded data center |
| Amount abated during the current year | $51,374 |
| Specific tax being abated | Property taxes and/or sales and use taxes |
| Agreement/program description | NRS 701A - Energy-related tax incentives (NRS 701A.110 Partial abatement of certain property taxes for buildings or structures that meet certain standards under Green Building Rating System, NRS 701A.200 Exemption from certain property taxes for qualified energy systems, NRS 701A.210 Partial abatement of certain property taxes for businesses and facilities using recycled material) |
| Amount abated during the current year | $42,403 |
| Specific tax being abated | Property taxes and/or sales and use taxes |
| Agreement/program description | NRS 374.357 - Abatement for eligible machinery or equipment used by certain new or expanded businesses |
| Amount abated during the current year | $45,571 |
| Specific tax being abated | Sales and use taxes |

**Note 3. Detailed Notes on all Funds**

Deposits and Investments

The District has a formal investment policy that is designed to ensure conformity with the NRS and to limit exposure to investment risks as described in the following paragraphs.

Allowable District investments include obligations of the U.S. Treasury and U.S. agencies, not to exceed ten years maturity; negotiable notes or short-term negotiable bonds issued by other local governments of the State; bankers' acceptances eligible for rediscount with Federal Reserve Banks, not to exceed 180 days maturity and 20% of total investments; commercial paper having an "A-1" rating or equivalent, not to exceed 270 days maturity and 20% of total investments; and money market mutual funds invested only in federal government agency securities with an "AAA" rating or equivalent or in repurchase agreements fully collateralized by such securities.

When investing monies, the District is required to comply with the NRS. District monies must be deposited with federally insured banks. The District is authorized to use demand accounts, time accounts and certificates of deposit. The NRS do not specifically require collateral for demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible State investments. Permissible State investments are similar to allowable District investments, described above, except that some State investments are for longer terms and include securities issued by municipalities outside of the State.

At year end, the District's carrying amount of deposits was $17,086,034, and the bank balance was $17,245,239. The Federal Depository Insurance Corporation (FDIC) covered $250,000 of the bank balance at fiscal year end. However, the District's bank balance is collateralized with securities held by the pledging bank's trust department or agent in the District's name up to 102% of the average bank balance in excess of the FDIC limit. The District often carries cash and cash equivalents on deposit with financial institutions in excess of federally-insured limits, and the risk of losses related to such concentrations, as a result of continuing economic instability, is not subject to estimation at this time.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the District's formal investment policy, the District manages its exposure to interest rate risk by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1. Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2. Inputs are other observable inputs.
- Level 3. Inputs are unobservable.

The fair value measurement level within the hierarchy is based on the lowest level of any input that is deemed significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

At June 30, 2019, the District's Level 1 investments were valued based on quoted market prices provided by recognized broker dealers and its Level 2 investments were valued, by recognized broker dealers, based on a matrix pricing model that maximizes the use of observable inputs for similar securities.

At June 30, 2019, the District had the following investments and maturities:

| Investments: | Reported amount/fair value | Investment Maturities (In Years) Less than 1 | 1 to 5 |
|---|---|---|---|
| U.S. Treasuries (Level 1) | $ 4,625,263 | $ 2,658,008 | $ 1,967,255 |
| U.S. Agencies (Level 2) | 3,683,185 | 2,139,054 | 1,544,131 |
| | $ 8,308,448 | $ 4,797,062 | $ 3,511,386 |

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical organization. The District's formal investment policy mitigates this risk by limiting investments to the safest types of securities, pre-qualifying entities (*e.g.*, financial institutions, intermediaries, advisors) and diversifying its investment portfolio. At June 30, 2019, all of the District's investments were rated "AAA" or "AA."

The District's policy places no limits on the amount that can be invested in any one issuer beyond that stipulated by the NRS.

In addition to the District's investment in U.S. Treasuries, investments in any one issuer that represents 5% or more of the District's total investments at June 30, 2019, were as follows:

| Issuer | Investment Type | Reported amount/ fair value |
|---|---|---|
| Federal Home Loan Bank | U.S. Agencies | $ 579,356 |
| Federal Home Loan Mortgage Corp. | U.S. Agencies | 1,264,292 |
| Federal National Mortgage Assn. | U.S. Agencies | 558,761 |
| Federal Farm Credit Bank Funding Corp. | U.S. Agencies | 1,280,775 |

Property and Equipment

Changes in capital assets for the year ended June 30, 2019, were as follows:

| | Balance June 30, 2018 | Increases | Decreases | Balance June 30, 2019 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 5,706,578 | | | $ 5,706,578 |
| Construction in progress | 8,757,894 | $ 16,549,532 | $ (25,307,426) | . |
| | 14,464,472 | 16,549,532 | (25,307,426) | 5,706,578 |
| Capital assets being depreciated: | | | | |
| Buildings | 133,181,599 | 25,307,426 | | 158,489,025 |
| Improvements | 3,289,983 | 465,667 | | 3,755,650 |
| Library media materials | 89,917,610 | 10,946,010 | (5,757,252) | 95,106,368 |
| Furniture and equipment | 18,118,228 | 1,038,786 | (1,408,339) | 17,748,675 |
| | 244,507,420 | 37,757,889 | (7,165,591) | 275,099,718 |
| Less accumulated depreciation for: | | | | |
| Buildings | (39,707,429) | (2,827,138) | | (42,534,567) |
| Improvements | (3,021,326) | (114,188) | | (3,135,514) |
| Library media materials | (35,967,044) | (7,832,756) | 5,757,252 | (38,042,548) |
| Furniture and equipment | (15,352,471) | (1,070,105) | 1,397,601 | (15,024,975) |
| | (94,048,270) | (11,844,187) | 7,154,853 | (98,737,604) |
| | $ 164,923,622 | $ 42,463,234 | $ (25,318,164) | $ 182,068,692 |

Interfund Receivables, Payables, and Transfers

At June 30, 2019, amounts due to and from other funds resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

Due to/from other funds:

| Receivable fund | Payable fund | Amount |
|---|---|---|
| General | Grant | $ 26,409 |
| General | Las Vegas-Clark County Library District Foundation | 88,103 |
| General | QALICB | 10 |
| Gift | Las Vegas-Clark County Library District Foundation | 58,195 |
| QALICB | General | 100,000 |

Transfers of revenues collected in various funds are used to finance various programs and expenditures accounted for in other funds in accordance with budgetary authorization or legal requirements. Interfund balances as of June 30, 2019, were as follows:

Interfund transfers:

| Transfer out | Transfer in | Amount |
|---|---|---|
| General | Capital projects | $ 6,200,000 |

Operating Lease Commitments

The District leases certain facilities under non-cancelable operating leases, which expire (including renewal periods) in May 2020. Rent expense resulting from such leases was $17,616 for the year ended June 30, 2019.

At June 30, 2019, approximate future minimum lease payments were as follows:

| Years ending June 30, | |
|---|---|
| 2020 | $ 14,680 |

General Obligation Bonds and Notes Payable

The District issues general obligation bonds and notes payable to provide funds for the improvement, acquisition or construction of major capital assets. These constitute general obligations of the District, and the full faith and credit of the District are pledged for the payment of principal and interest.

General obligation bonds and notes payable outstanding at June 30, 2019, were as follows:

| | Maturity date | Original amount | Interest rate | Balance June 30, 2019 |
|---|---|---|---|---|
| Bond issue series 2009 | January 2019 | $ 50,000,000 | 3.00-5.00 % | |
| LVCIC QLICI – Loan A | July 2057 | 11,335,600 | 1.203 % | $ 11,335,600 |
| LVCIC QLICI – Loan B | July 2057 | 5,154,400 | 1.203 % | 5,154,400 |
| Clearinghouse QLICI – Loan A | December 2047 | 6,646,000 | 1.00 % | 6,646,000 |
| Clearinghouse QLICI – Loan B | December 2047 | 3,154,000 | 1.00 % | 3,154,000 |
| | | $ 76,290,000 | | $ 26,290,000 |

Annual debt service requirements to maturity were as follows:

| Years ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2020 | | $ 296,367 | $ 296,367 |
| 2021 | | 296,367 | 296,367 |
| 2022 | | 296,367 | 296,367 |
| 2023 | | 296,367 | 296,367 |
| 2024 | | 293,061 | 293,061 |
| 2025-2029 | $ 3,620,142 | 1,395,774 | 5,015,916 |
| 2030-2034 | 4,241,672 | 1,166,026 | 5,407,698 |
| 2035-2039 | 4,481,913 | 924,823 | 5,406,736 |
| 2040-2044 | 4,735,876 | 669,839 | 5405,715 |
| 2045-2049 | 4,285,456 | 421,056 | 4,706,512 |
| 2050-2054 | 2,812,567 | 209,535 | 3,022,102 |
| 2055-2058 | 2,112,374 | 42,553 | 2,154,927 |
| | $ 26,290,000 | $ 6,308,135 | $ 32,598,135 |

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2019, was as follows:

| | Balance June 30, 2018 | Additions | Reductions | Balance June 30, 2019 | Due within one year |
|---|---|---|---|---|---|
| Bond issue series 2009 | $ 7,265,000 | | $ (7,265,000) | | |
| LVCIC QLICI – Loan A | 11,335,600 | | | $ 11,335,600 | |
| LVCIC QLICI – Loan B | 5,154,400 | | | 5,154,400 | |
| Clearinghouse QLICI – Loan A | 6,646,000 | | | 6,646,000 | |
| Clearinghouse QLICI – Loan B | 3,154,000 | | | 3,154,000 | |
| Compensated absences | 5,784,586 | $ 2,880,773 | (2,506,698) | 6,158,661 | $ 2,540,951 |
| Obligation for postemployment benefits other than pensions | 1,984,971 | 63,980 | (162,227) | 1,886,724 | |
| Net pension liability | 45,536,922 | 3,307,297 | (2,447,061) | 46,397,158 | . |
| | $ 86,861,479 | $ 6,252,050 | $ (12,380,986) | $ 80,732,543 | $ 2,540,951 |

The compensated absences, obligation for postemployment benefits other than pensions and net pension liability are normally liquidated by the general fund.

**Note 4. Other Information**

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains a risk management program to assess coverage of potential risks of loss. Under this program, the District participates in workers' compensation and unemployment programs provided by the State. For all other risks, the District purchases insurance coverage subject to nominal deductibles. Settled claims and awards have not exceeded this commercial coverage in any of the past three fiscal years.

Contingent liabilities

In the ordinary course of its operations, claims are filed against the District. It is the opinion of management that, except as disclosed in the following paragraph, these claims will not result in any material adverse effect on the District's financial statements.

The District does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters, but rather records such period costs when the services are rendered.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The District's employees are covered by the Public Employees' Retirement System of Nevada (PERS), which was established by the Nevada Legislature in 1947, effective July 1, 1948, and is governed by the Public Employees' Retirement Board (the PERS Board) whose seven members are appointed by the governor. The District does not exercise any control over PERS.

PERS is a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. 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, as required by NRS, 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 the system on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the system on or after January 1, 2010, there is a 2.5% multiplier. Regular members entering PERS on or after July 1, 2015, have a 2.25% multiplier. 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, which for members entering the system before January 1, 2010, is equal to the lesser of:

1. 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or

2. The average percentage increase in the Consumer Price Index (or other PERS Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph 1, above, if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other PERS Board approved index) for the period between retirement and the date of increase.

For members entering the system on or after January 1, 2010, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

For members with an effective date of membership on or after July 1, 2015, the post-retirement increases are 2% per year following the third anniversary of the commencement of benefits, 2.5% per year following the sixth anniversary and the lesser of 3% or the CPI for the preceding calendar year following the ninth anniversary.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the system on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members entering the system on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

Police/fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/fire members entering the system on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Police/Fire entering the system on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with twenty years of, and at any age with 33 1/3 years of service. Only service performed in a position as a police officer or firefighter may be counted toward the eligibility for retirement as police/fire accredited service.

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

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS. 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 alternative 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 elected, the member cannot convert to the Employee/Employer Contribution plan. The District elected the EPC plan prior to July 1, 1983.

PERS's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. PERS receives an actuarial valuation on an annual basis for determining the prospective funding contribution rates required to fund the system on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by NRS. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuarial funding method used is the entry age normal cost method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2019, the required employer/employee matching rate was 14.5% for regular and 20.75% for police/fire members. The EPC rate was 28% for regular and 40.50% for police/fire members.

Effective July 1, 2019, the required employer/employee matching rate was changed to 15.25% for regular and 22.0% for police/fire members. The EPC rate was changed to 29.25% for regular and 42.50% for police/fire members.

PERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplemental information. This report is available on the PERS website, www.nvpers.org under publications.

PERS collective net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following actuarial assumptions (based on the results of an experience review completed in 2017), applied to all periods included in the measurement:

| | |
|---|---|
| Actuarial valuation date | June 30, 2018 |
| Inflation rate | 2.75%, beginning of year<br>2.75%, end of year |
| Payroll growth | 5.50% for regular employees and 6.50% for police/fire, including inflation |
| Investment rate of return | 7.5%, beginning of year<br>7.5%, end of year |
| Discount rate | 7.5% |
| Productivity pay increase | 0.5% |
| Consumer price index | 2.75% |
| Actuarial cost method | Entry age normal and level percentage of payroll |
| Projected salary increases | Regular: 4.25% to 9.15%, depending on service<br>Police/Fire: 4.55% to 13.9%, depending on service<br>Rates include inflation and productivity increases |

At June 30, 2017, assumed mortality rates and projected life expectancies for selected ages were as follows:

| | All Members | | | |
|---|---|---|---|---|
| | Mortality Rates | | Expected Years of Life Remaining | |
| Age | Males | Females | Males | Females |
| 40 | 0.20% | 0.14% | 40.4 | 43.6 |
| 50 | 0.49% | 0.38% | 31.4 | 34.5 |
| 60 | 0.90% | 0.59% | 23.2 | 25.9 |
| 70 | 1.81% | 1.26% | 15.6 | 17.7 |
| 80 | 4.55% | 3.42% | 9.1 | 10.5 |

These mortality rates and projected life expectancies are based on the following:

- For non-disabled, healthy members – Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016.

- For all disabled members – Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years.

- For pre-retirement members – Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.

PERS's 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 target asset allocation policy was adopted as of June 30, 2018:

| Asset Class | Target Allocation | Long-term Geometric Expected Real Rate of Return * |
|---|---|---|
| Domestic equity | 42% | 5.50% |
| International equity | 18% | 5.75% |
| Domestic fixed income | 30% | 0.25% |
| Private markets | 10% | 6.80% |

* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 2.75%.

The discount rate used to measure the total pension liability was 7.5% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on that assumption, PERS's fiduciary net position at June 30, 2018, 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 (7.5%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

The District's proportionate share of the net pension liability at year end, calculated using the discount rate of 7.5%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current discount rate was as follows:

| | 1% Decrease in Discount Rate | Discount Rate | 1% Increase in Discount Rate |
|---|---|---|---|
| Net pension liability | $ 70,753,489 | $ 46,397,158 | $ 26,158,217 |

Detailed information about PERS fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website, www.nvpers.org under publications. PERS fiduciary net position and additions to/deductions from it have been determined on the same basis used in the PERS Comprehensive Annual Financial Report. PERS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The District's proportionate share (amount) of the collective net pension liability was $46,397,158, which represents 0.34021% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2018, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2018.

For the year ended June 30, 2018, the District's pension expense was $3,307,297 and its reported deferred outflows and inflows of resources related to pensions were as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 1,453,493 | $ 2,153,625 |
| Changes in assumptions | 2,444,837 | |
| Net difference between projected and actual earnings on investments | | 220,895 |
| Changes in proportion and differences between actual contributions and proportionate share of contributions | 765,865 | 241,063 |
| Contributions subsequent to measurement date | 3,487,789 | |

At June 30, 2018, the average expected remaining service life was 6.22 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $3,487,789 will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Years ending June 30, | |
|---|---|
| 2020 | $ 1,427,731 |
| 2021 | 380,257 |
| 2022 | (978,805) |
| 2023 | 529,724 |
| 2024 | 607,348 |
| Thereafter | 82,356 |

Changes in the District's net pension liability were as follows:

| | |
|---|---|
| Net pension liability, beginning of year | $ 45,536,922 |
| Pension expense | 3,307,297 |
| Employer contributions | (3,156,140) |
| Change in net deferred outflows and inflows | 709,079 |
| Net pension liability, end of year | $ 46,397,158 |

At June 30, 2019, $301,415 is payable to PERS, for the June 2019 required contribution, and is included in accrued payroll.

Postemployment Benefits Other Than Pensions (OPEB)

In accordance with NRS, the District provides other postemployment benefits to retirees by participating in the State's Public Employee Benefit Plan (PEBP), an agent multiple-employer, cost-sharing defined benefit plan administered by a ten member governing board of which nine members are appointed by the State's Governor and the Director of the Department of Administration or their designee. PEBP provides medical, prescription, dental and vision benefits to retirees. The District does not provide any other postemployment benefits (either directly or indirectly).

The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the following address: Public Employee Benefit Plan, 901 South Stewart Street, Suite 101, Carson City, NV 89701.

PEBP eligibility and subsidy requirements are governed by the NRS and can only be amended through legislation. In 2008, NRS were amended. As a result of this amendment, the number of retirees for whom the District is obligated to provide postemployment benefits is limited to eligible employees who retired from District service prior to September 1, 2008.

The District is required to provide a subsidy, based on years of service for its retirees that have enrolled in the PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. In the current fiscal year, this subsidy ranged from $10 to $983 per retiree, per month.

At June 30, 2019, 36 retirees were covered by and receiving benefits from the PEBP.

The District's total OPEB obligation was determined using the following actuarial assumptions applied to all periods included in the measurement:

| | |
|---|---|
| Actuarial valuation date | July 1, 2019 |
| Measurement date | June 30, 2019 |
| Discount rate | 3.3%, beginning of year<br>3.0%, end of year |
| Actuarial cost method | Entry age normal, level percent-of-pay |
| Total retirees | 36 |
| Average retiree age | 73.7 years |
| Average retiree life expectancy | 15.2 years |
| Projected salary increases | N/A* |
| Projected trend on payments to PEBP | 7.0% per annum, decreasing 0.25 to 0.5% per year to an ultimate rate of 5.0% |
| Mortality rates | Society of Actuaries RPH-2014 Total Dataset Mortality table with Scale MP-2018 Full Generational Improvement |

* PEBP is a closed plan; and therefore, there are no current District employees covered by the PEBP.

There were no changes in OPEB benefit terms that affected the measurement of the District's total OPEB liability during the year ended June 30, 2019.

At year end, the District's total OPEB obligation sensitivity to changes in the discount rate and healthcare cost trend rate was as follows:

| | 1% Decrease in Discount Rate | Discount Rate | 1% Increase in Discount Rate |
|---|---|---|---|
| Total OPEB liability | $ 2,123,364 | $ 1,886,724 | $ 1,688,580 |

| | 1% Decrease in Healthcare Cost Trend Rate | Healthcare Cost Trend Rate | 1% Increase in Healthcare Cost Trend Rate |
|---|---|---|---|
| Total OPEB liability | $ 1,698,372 | $ 1,886,724 | $ 2,106,110 |

At June 30, 2019, changes in the District's total OPEB obligation were as follows:

| | |
|---|---|
| Total OPEB obligation, beginning of year | $ 1,984,971 |
| Service cost | N/A* |
| Interest on total OPEB obligation | 63,980 |
| Differences between expected and actual experience | (80,090) |
| Changes of assumptions or other inputs | 10,199 |
| Benefit payments | (92,336) |
| Net change in total OPEB obligation | (98,247) |
| Total OPEB obligation end of year | $ 1,886,724 |

* PEBP is a closed plan; and therefore, there are no current District employees covered by the PEBP.

As the District's OPEB obligation includes only retirees, the average expected remaining service life is zero; and therefore, deferred outflows and inflows of resources do not apply.

.

# Required Supplementary Information

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

## Las Vegas-Clark County Library District

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund For the Fiscal Year Ended June 30, 2019

| | Budget | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance to Final Budget |
| **Revenues** | | | | |
| Property taxes | $ 41,826,000 | $ 41,826,000 | $ 43,021,608 | $ 1,195,608 |
| Intergovernmental revenues, consolidated taxes | 22,489,000 | 22,489,000 | 23,443,319 | 954,319 |
| Charges for services | 1,570,000 | 1,570,000 | 1,361,116 | (208,884) |
| Interest | 15,000 | 15,000 | 111,160 | 96,160 |
| Contributions | | | 211,346 | 211,346 |
| Miscellaneous | 765,000 | 765,000 | 399,582 | (365,418) |
| Total revenues | 66,665,000 | 66,665,000 | 68,548,131 | 1,883,131 |
| **Expenditures** | | | | |
| Culture and recreation: | | | | |
| Salaries and wages | 31,035,496 | 31,035,496 | 29,449,204 | 1,586,292 |
| Employee benefits | 11,647,492 | 11,647,492 | 11,182,265 | 465,227 |
| Supplies and services | 15,348,749 | 15,348,749 | 12,089,521 | 3,259,228 |
| Capital outlay | 10,234,678 | 10,234,678 | 10,218,199 | 16,479 |
| Total expenditures | 68,266,415 | 68,266,415 | 62,939,189 | 5,327,226 |
| Excess (deficiency) of revenues over expenditures | (1,601,415) | (1,601,415) | 5,608,942 | 7,210,357 |
| **Other financing uses** | | | | |
| Transfers to Other Funds | (6,200,000) | (6,200,000) | (6,200,000) | |
| **Net change in fund balance** | (7,801,415) | (7,801,415) | (591,058) | 7,210,357 |
| Fund balance, beginning of year | 16,007,759 | 16,007,759 | 15,168,032 | (839,727) |
| **Fund balance, end of year** | $ 8,206,344 | $ 8,206,344 | $ 14,576,974 | $ 6,370,630 |

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

## Las Vegas-Clark County Library District

## Schedule of Changes in Total OPEB Liability
## Postemployment Benefits Other Than Pensions
## For the Fiscal Year Ended June 30, 2019 and Prior Nine Fiscal Years *

| Public Employee Benefit Program | Service Cost | Interest on Total OPEB Liability | Changes in Benefit Terms | Differences Between Expected and Actual Experience | Changes in Assumptions or Other Inputs | Benefit Payments** | Net Change in Total OPEB Liability | Total OPEB Liability, Beginning of Year | Total OPEB Liability, End of Year | Covered-Employee Payroll | Total OPEB Liability, End of Year as a Percentage of Covered-Employee Payroll |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2019 | N/A*** | $ 63,980 | $ -0- | $ (80,090) | $ 10,199 | $ (92,336) | $ (98,247) | $ 1,984,971 | $ 1,886,724 | N/A*** | N/A*** |
| 2018 | N/A*** | 71,482 | -0- | (165,020) | 22,856 | (93,503) | (164,185) | 2,149,156 | 1,984,971 | N/A*** | N/A*** |

* Information for the multiple-employer defined benefit postemployment benefit plan is not available for measurement years prior to the year ended June 30, 2018. As information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

** Benefit payments are equal to the statutorily required employer contributions.

*** PEBP is a closed plan; and therefore, no current employees are covered by PEBP and there is no current service cost.

Las Vegas-Clark County
LIBRARY
DISTRICT
www.lvccld.org

## Las Vegas-Clark County Library District

## Proportionate Share of the Collective Net Pension Liability Information Multiple-Employer Cost-Sharing Defined Benefit Pension Plan For the Fiscal Year Ended June 30, 2019 and Prior Nine Fiscal Years *

| Valuation Date | Proportion of the collective net pension liability | Proportionate share of the collective net pension liability (asset) | Covered payroll | Proportionate share of the collective net pension liability as a percentage of covered payroll | PERS fiduciary net position as a percentage of the total pension liability |
|---|---|---|---|---|---|
| 2018 | 0.34021% | $ 46,397,158 | $ 21,929,216 | 211.57691% | 75.23536% |
| 2017 | 0.34239% | 45,536,922 | 21,261,880 | 214.17166% | 74.22995% |
| 2016 | 0.34184% | 46,002,178 | 20,429,244 | 225.17807% | 72.22995% |
| 2015 | 0.34184% | 38,432,593 | 19,776,530 | 194.33436% | 75.12612% |
| 2014 | 0.33538% | 34,406,633 | 19,036,828 | 180.73722% | 76.31210% |

* Information for the multiple-employer cost-sharing defined benefit pension plan is not available for measurement years prior to the year ended June 30, 2014. As information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

# Las Vegas-Clark County Library District

## Proportionate Share of Statutorily Required Pension Contribution Information
## Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
## For the Fiscal Year Ended June 30, 2019 and Prior Nine Fiscal Years *

| Valuation Date | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percentage of covered payroll |
|---|---|---|---|---|---|
| 2019 | $ 6,761,114 | $ 6,761,114 | $ -0- | $ 23,794,894 | 28.41414% |
| 2018 | 6,098,873 | 6,098,873 | -0- | 21,929,216 | 27.81163% |
| 2017 | 6,174,110 | 6,174,110 | -0- | 21,261,880 | 29.03840% |
| 2016 | 5,862,383 | 5,862,383 | -0- | 20,429,244 | 28.69603% |
| 2015 | 5,191,083 | 5,191,083 | -0- | 19,776,530 | 26.24870% |

* Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2015. As information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

## Notes to Required Supplementary Information
## For the Fiscal Year Ended June 30, 2019

**Note 1. Budget Information**

The accompanying required supplementary schedule of revenues, expenditures and changes in fund balance presents the original adopted budget, the final amended budget and actual general fund data. The original budget was adopted on a basis consistent with the Las Vegas-Clark County Library District's (the District) financial accounting policies and accounting principles generally accepted in the United States. All amendments made to the original budget were as prescribed by law and similarly consistent.

Additional budgetary information can be found in Note 2 to the basic financial statements.

**Note 2. Postemployment Benefits Other Than Pensions**

For the year ended June 30, 2019, no significant events occurred that had an effect on the benefit provision, size or composition of those covered by the postemployment benefit plans. The only significant change in actuarial methods and assumptions used was a decrease in the discount rate from 3.3% at the beginning of the year to 3.0% at the end of the year.

Actuarial information for postemployment benefits other than pensions is not available for measurement years prior to the year ended June 30, 2018. As information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

Additional information related to the agent multiple-employer, cost-sharing defined benefit postemployment plan can be found in Note 4 to the basic financial statements.

**Note 3. Multiple-Employer, Cost-Sharing Defined Benefit Pension Plan**

For the year ended June 30, 2019, there were no changes in the pension benefit plan terms or to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2018.

Additional information related to the multiple-employer cost-sharing defined benefit pension plan can be found in Notes 1 and 4 to the basic financial statements.

This page intentionally left blank.

# Other Supplementary Information

# Combining and Individual Fund Statements and Schedules

# Major Fund

# Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the improvement, acquisition or construction of major capital assets.

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

## Las Vegas-Clark County Library District

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund For the Fiscal Year Ended June 30, 2019

| | Budget | | | Variance to |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues** | | | | |
| Interest | $ 50,000 | $ 50,000 | $ 274,213 | $ 224,213 |
| Miscellaneous | | | 96,439 | 96,439 |
| Total revenues | 50,000 | 50,000 | 370,652 | 320,652 |
| **Expenditures** | | | | |
| Culture and recreation: | | | | |
| Supplies and services | 4,355,700 | 4,355,700 | 11,397,733 | (7,042,033) |
| Capital outlay | 9,170,903 | 9,170,903 | 1,991,923 | 7,178,980 |
| Total expenditures | 13,526,603 | 13,526,603 | 13,389,656 | 136,947 |
| Deficiency of revenues under expenditures | (13,476,603) | (13,476,603) | (13,019,004) | 457,599 |
| **Other financing sources (uses)** | | | | |
| Transfers from Other Funds | 6,200,000 | 6,200,000 | 6,200,000 | |
| **Net change in fund balance** | (7,276,603) | (7,276,603) | (6,819,004) | 457,599 |
| Fund balance, beginning of year | 15,526,623 | 15,526,623 | 16,745,482 | 1,218,859 |
| **Fund balance, end of year** | $ 8,250,020 | $ 8,250,020 | $ 9,926,478 | $ 1,676,458 |

This page intentionally left blank.

# Non-Major Funds

# Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or otherwise restricted to expenditures for specific purposes.

The grant fund accounts for revenues and expenditures of monies received from state and federal grants

The gift fund accounts for gifts to the District accepted by the Board of Trustees.

# Debt Service Fund

The debt service fund is used to account for the accumulation of resources for and the payment of long-term debt.

# Permanent Fund

The permanent fund accounts for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

# Las Vegas-Clark County Library District

## Combining Balance Sheet
## Non-Major Funds
## June 30, 2019

| | Special Revenue Funds | | | Debt Service Fund | Permanent Fund | Aggregate Non-Major Funds |
|---|---|---|---|---|---|---|
| | Grant | Gift | Total | | | |
| **ASSETS** | | | | | | |
| Cash and cash equivalents: | | | | | | |
| Unrestricted | | $ 453,680 | $ 453,680 | $ 600,897 | | $ 1,054,577 |
| Restricted | | | | | $ 10,000 | 10,000 |
| Receivables: | | | | | | |
| Taxes | | | | 15,878 | | 15,878 |
| Interest | | | | 594 | | 594 |
| Due from other funds | | 58,195 | 58,195 | | | 58,195 |
| Due from other governments | $ 257,741 | | 257,741 | | | 257,741 |
| Total assets | $ 257,741 | $ 511,875 | $ 769,616 | $ 617,369 | $ 10,000 | $ 1,396,985 |
| **LIABILITIES** | | | | | | |
| Accounts payable | $ 32,300 | $ 23,550 | $ 55,850 | $ 81 | | $ 55,931 |
| Accrued payroll | 52,279 | | 52,279 | | | 52,279 |
| Due to other funds | 26,409 | - | 26,409 | | | 26,409 |
| Total liabilities | 110,988 | 23,550 | 134,538 | 81 | | 134,619 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Unavailable revenue, property taxes | | | | 15,877 | | 15,877 |
| **FUND BALANCES** | | | | | | |
| Nonspendable: | | | | | | |
| Permanent fund principal | | | | | $ 10,000 | 10,000 |
| Restricted for: | | | | | | |
| Grant programs | 146,753 | | 146,753 | | | 146,753 |
| Other programs | | 488,325 | 488,325 | | | 488,325 |
| Assigned to: | | | | | | |
| Debt service | | | | 601,411 | | 601,411 |
| Total fund balances | 146,753 | 488,325 | 635,078 | 601,411 | 10,000 | 1,246,489 |
| Total liabilities and fund balances | $ 257,741 | $ 511,875 | $ 769,616 | $ 617,369 | $ 10,000 | $ 1,396,985 |

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

# Las Vegas-Clark County Library District

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Non-Major Funds For the Fiscal Year Ended June 30, 2019

| | Special Revenue Funds | | | Debt Service Fund | Permanent Fund | Aggregate Non-Major Funds |
|---|---|---|---|---|---|---|
| | Grant | Gift | Total | | | |
| **Revenues** | | | | | | |
| Property taxes | | | | $ 51 | | $ 51 |
| Grants | $ 1,075,934 | | $ 1,075,934 | | | 1,075,934 |
| Interest | | | | 87,687 | | 87,687 |
| Contributions | | $ 295,659 | 295,659 | | | 295,659 |
| Total revenues | 1,075,934 | 301,229 | 1,377,163 | 87,738 | | 1,464,901 |
| **Expenditures** | | | | | | |
| Culture and recreation: | | | | | | |
| Salaries and wages | 254,020 | 40,000 | 294,020 | | | 294,020 |
| Employee benefits | 114,381 | | 114,381 | | | 114,381 |
| Supplies and services | 467,151 | 215,158 | 682,309 | 8,572 | | 690,881 |
| Capital outlay | 240,382 | | 240,382 | | | 240,382 |
| Debt service: | | | | | | |
| Principal | | | | 7,265,000 | | 7,265,000 |
| Interest | | | | 363,250 | | 363,250 |
| Total expenditures | 1,075,934 | 255,158 | 1,331,092 | 7,636,822 | | 8,967,914 |
| **Net change in fund balances** | | 46,071 | 46,071 | (7,549,084) | | (7,503,013) |
| Fund balances, beginning of year | 146,753 | 442,254 | 589,007 | 8,150,495 | $ 10,000 | 8,749,502 |
| **Fund balances, end of year** | $ 146,753 | $ 488,325 | $ 635,078 | $ 601,411 | $ 10,000 | $1,246,489 |

Las Vegas-Clark County Library District

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Grant Fund
## For the Fiscal Year Ended June 30, 2019

| | Budget | | | Variance to |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues** | | | | |
| Grants | $ 1,800,000 | $ 1,800,000 | $ 1,075,934 | $ (724,066) |
| **Expenditures** | | | | |
| Culture and recreation: | | | | |
| Salaries and wages | 480,000 | 480,000 | 254,020 | 225,980 |
| Employee benefits | 210,000 | 210,000 | 114,381 | 95,619 |
| Supplies and services | 500,000 | 500,000 | 467,151 | 32,849 |
| Capital outlay | 610,000 | 610,000 | 240,382 | 369,618 |
| Total expenditures | 1,800,000 | 1,800,000 | 1,075,934 | 724,066 |
| **Net change in fund balance** | | | | |
| Fund balance, beginning of year | 146,753 | 146,753 | 146,753 | |
| **Fund balance, end of year** | $ 146,753 | $ 146,753 | $ 146,753 | $ - |

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

## Las Vegas-Clark County Library District

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Gift Fund
### For the Fiscal Year Ended June 30, 2019

| | Budget | | | Variance to |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues** | | | | |
| Contributions | $ 615,000 | $ 615,000 | $ 295,659 | $ (319,341) |
| Miscellaneous | 200,000 | 200,000 | 5,570 | (194,430) |
| Total revenues | 815,000 | 815,000 | 301,229 | (513,771) |
| **Expenditures** | | | | |
| Culture and recreation: | | | | |
| Salaries and wages | | | 40,000 | (40,000) |
| Supplies and services | 715,000 | 715,000 | 215,158 | 499,842 |
| Capital outlay | 100,000 | 100,000 | | 100,000 |
| Total expenditures | 815,000 | 815,000 | 255,158 | 559,842 |
| **Net change in fund balance** | | | 46,071 | 46,071 |
| Fund balance, beginning of year | 260,841 | 260,841 | 442,254 | 181,413 |
| **Fund balance, end of year** | $ 260,841 | $ 260,841 | $ 488,325 | $ 227,484 |

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

# Las Vegas-Clark County Library District

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund For the Fiscal Year Ended June 30, 2019

| | Budget | | | Variance to |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues** | | | | |
| Property taxes | | | $ 51 | $ 51 |
| Interest | $ 45,000 | $ 45,000 | 87,687 | 42,687 |
| Total revenues | 45,000 | 45,000 | 87,738 | 42,738 |
| **Expenditures** | | | | |
| Culture and recreation: | | | | |
| Supplies and services | 30,000 | 30,000 | 8,572 | 21,428 |
| Debt service: | | | | |
| Principal | 7,265,000 | 7,265,000 | 7,265,000 | |
| Interest | 363,250 | 363,250 | 363,250 | |
| Total expenditures | 7,658,250 | 7,658,250 | 7,636,822 | 21,428 |
| **Net change in fund balance** | (7,613,250) | (7,613,250) | (7,549,084) | 64,166 |
| Fund balance, beginning of year | 8,106,938 | 8,106,938 | 8,150,495 | 43,557 |
| **Fund balance, end of year** | $ 493,688 | $ 493,688 | $ 601,411 | $ 107,723 |

This page intentionally left blank.

# INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Las Vegas-Clark County Library District
Las Vegas, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Las Vegas-Clark County Library District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 14, 2019.

Our report on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District includes a reference to other auditors who audited the financial statements of the Las Vegas-Clark County Library District Foundation fund, as described therein. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting.** In planning and performing our audit of the basic financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters.** As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts, including whether the funds established by the District, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. 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*.

We noted certain matters that we reported to the District in a separate letter dated November 14, 2019.

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

Las Vegas, Nevada
November 14, 2019

# Single Audit
# and Accompanying Information

# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Las Vegas-Clark County Library District
Las Vegas, Nevada

We have audited the compliance of the Las Vegas-Clark County Library District (the District) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2019. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility.** The District's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility.** Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Major Federal Program.** In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the District's major federal program for the year ended June 30, 2019.

**Report on Internal Control Over Compliance.** The District's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.** We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 14, 2019, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. However, our report on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District includes a reference to other auditors who audited the financial statements of the Las Vegas-Clark County Library District Foundation fund, as described therein. This report does not include the results of the other auditors' testing of compliance, internal control over compliance and other matters that are reported on separately by those auditors.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Las Vegas, Nevada
November 14, 2019

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

## Las Vegas - Clark County Library District

## Schedule of Expenditures of Federal Awards
## For the Fiscal Year Ended June 30, 2019

| Federal Grantor/Pass-through Grantor / Program Title | Federal CFDA Number | Pass-through Entity Idendifying Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|---|---|---|---|---|
| Institute of Museum and Library Services | | | | |
| Passed Through State of Nevada, Library, Archives and Public Records, Department of Administration | | | | |
| Grants to States | 45.310 | LS-00-17-0029-18 | N/A | $ 100,000 |
| U.S. Department of Education, Office of Vocational and Adult Education | | | | |
| Passed Through State of Nevada, Department of Education | | | | |
| Adult Education, Basic Grants to States | 84.002 * | 19-608-122000 | N/A | 753,453 |
| **Total federal assistance expended** | | | | **$ 853,453** |

* A "major" program.

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

**Las Vegas-Clark County Library District**

**Notes to Schedule of Federal Expenditures of Federal Awards**
**For the Fiscal Year Ended June 30, 2019**

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Las Vegas-Clark County Library District (the District) under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to, and does not, present the District's financial position or changes therein.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3. Indirect Cost Rate**

The District has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Las Vegas-Clark County LIBRARY DISTRICT www.lvccld.org

## Las Vegas – Clark County Library District

## Schedule of Findings and Questioned Costs
## For the Fiscal Year Ended June 30, 2019

**Section I - Summary of Auditors' Results:**

**Financial Statements:**

| | |
|---|---|
| Type of auditors' report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| Noncompliance material to financial statements? | No |

**Federal Awards:**

| | |
|---|---|
| Internal control over major programs: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| Type of auditors' report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

**Identification of major programs:**

| | |
|---|---|
| CFDA Number: | 84.002 |
| Name of Federal Program or Cluster: | U.S. Department of Educations, Office of Vocational and Adult Education, Adult Education, Basic Grants to States |
| Dollar threshold used to distinguish between Type A and Type B programs: | $750,000 |
| Auditee qualified as low-risk auditee? | Yes |

| | |
|---|---|
| **Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*:** | None reported |
| **Section III – Findings and questioned costs for federal awards, including audit findings required by 2 CFR 200.516(a):** | None reported |

This page intentionally left blank.

Draft as of 11/7/2019

# LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT

## REQUIRED COMMUNICATIONS LETTER

## TO THE FINANCE AND AUDIT COMMITTEE AND BOARD OF TRUSTEES

## FOR THE YEAR ENDED JUNE 30, 2019

# Draft as of 11/7/2019

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT**

**REQUIRED COMMUNICATIONS LETTER**

**CONTENTS**

Finance and Audit Committee
and Board of Trustees
Las Vegas-Clark County Library District
7060 West Windmill Lane
Las Vegas, Nevada 89113

RE: Required Communications

Ladies and gentlemen:

As part of our engagement to audit the basic financial statements of the Las Vegas-Clark County Library District (the District) as of June 30, 2019, and for the year then ended, we are required under applicable auditing standards to communicate certain matters to those charged with governance responsibilities for the District for the purpose of assisting them in meeting their responsibilities with regard to the financial reporting process. This report contains those required communications.

The matters reported herein were considered in forming our opinion on the District's basic financial statements contained in our report dated November 14, 2019, and these matters do not change that report.

The purpose of this communication, among other things, is to describe the scope of our testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

November 14, 2019

Copies provided to:
Dr. Ronald R. Heezen, Executive Director
Fred James, Chief Financial Officer/Deputy Director
Floresto Cabias, Assistant Finance Director

## MANAGEMENT'S RESPONSIBILITY

It is management's responsibility to provide those charged with governance responsibilities, prior to issuance of the District's annual basic financial statements and our report thereon, with detailed information related to the District's 1) initial selection of, and changes in, significant accounting policies and practices, 2) significant estimates, 3) significant unusual transactions, and 4) corrected and uncorrected misstatements, if any.

Appended to this communication is a copy of the letter of representation, requested by us, to be executed by management with regard to our audit services.

## SIGNIFICANT AUDIT ADJUSTMENTS (CORRECTED MISSTATEMENTS)

Our audit resulted in no significant adjustments to the District's basic financial statements.

## DIFFICULTIES OR CONTENTIOUS MATTERS ENCOUNTERED IN PERFORMING THE AUDIT

Management cooperated fully, and no significant difficulties or contentious matters were encountered in completing the June 30, 2019, audit.

## MATTERS INVOLVING INTERNAL CONTROL

We planned and performed our audit of the basic financial statements of the District as of June 30, 2019 and for the year then ended, in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* issued by the Comptroller General of the United States. We considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the District's basic financial statements. Such procedures were not performed for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The principal objectives of effective internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that all transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of basic financial statements in accordance with accounting principles generally accepted in the United States. The concept of reasonable assurance requires that management, in fulfilling its responsibility, make estimates and judgments to assess the expected benefit and related costs of control procedures. Because of inherent limitations in any internal control, errors or fraudulent acts, particularly when involving forgery and collusion, may occur and not be detected. In addition, there is a risk that procedures may become inadequate in future periods because of changes in conditions and the degree of compliance with the procedures may deteriorate.

**Definitions.** A *deficiency* in internal control over financial reporting 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 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 District's basic 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 with governance. Our consideration of internal control would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

**Findings.** Our procedures did not identify any internal control deficiencies that we consider to be a material weakness.

## OTHER GOVERNANCE MATTERS

**Auditors' responsibility under applicable professional standards.** As stated in our report on the District's basic financial statements, our responsibility as independent auditors, under applicable professional standards, is to express an opinion, based on our audit, on the District's basic financial statements, which are the responsibility of the District's management. Our responsibilities, as contrasted with management's, are spelled out more fully in our letter of engagement.

Despite any limited assistance we may have provided to management in its preparation, our responsibility for information accompanying the District's basic financial statements is limited to 1) reading such information to ascertain that it is materially consistent with information presented in the District's basic financial statements 2) considering whether any statements contained therein may appear to be materially misstated, and 3) assuring the satisfactory resolution of our concerns, if any. In this instance, we performed the required procedures, and any changes requested by us in this process were satisfactorily made and all questions satisfactorily resolved.

In considering the matters reported herein, you should be cognizant of your responsibility for oversight of the financial reporting process and management's responsibilities for establishing and maintaining an effective internal control subject to regulatory and ownership approval, and for the District's basic financial statements.

**Fraudulent or other illegal or abusive activities.** We did not become aware of any possible fraudulent or other illegal or abusive activities or any significant complaints or concerns regarding the District's accounting and financial reporting.

**Significant accounting policies.** The significant accounting policies employed by the District are disclosed in the notes to the District's basic financial statements and are essentially as prescribed, recommended or permitted under applicable authoritative literature for, or commonly used by, other entities in your industry. The accounting policies have been consistently applied and are not controversial or lacking in authoritative guidance or consensus.

**Significant estimates**. The basic financial statements do not contain any significant management estimates except with regard to the valuation of investments reported at estimated fair value, the useful lives of the capital assets and valuation of the other postemployment benefit obligation and net pension liabillity.

**Significant unusual transactions.** Significant unusual transactions are those that occur outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature. We are not aware of any significant unusual transactions.

**Related parties.** No significant audit issues were encountered in connection with the District's related party transactions, for example, nondisclosure by management or questionable authorization/purpose.

**Disagreements or pre-retention discussions with, and consultations with other accountants by, management.** We are also required by professional standards to communicate any significant disagreements with management, consultations by management with other accountants that we become aware of, or discussions with us prior to our retention regarding any major issues, over the application of accounting principles, management's judgments about accounting estimates, disclosures to be made in the District's basic financial statements, the scope of the audit or the wording of the auditors' report, regardless of whether the matter was satisfactorily resolved. No such disagreements were encountered in our audit, nor are we aware of any consultations with other accountants, nor were we consulted prior to retention, regarding any such matters.

**Licensing and independence.** This will confirm that we are duly licensed to perform this engagement. In addition, in our professional judgment, we are independent of the District and, when applicable, its affiliated entities under all applicable rules, regulations, and interpretations, and we represent that we know of no relationships that a reasonably informed person might consider an impairment of our independence under such requirements with regard to this engagement.

**Management consulting services.** We have not provided the District with any management consulting services.

**Compliance with laws, regulations, contracts and grants.** Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

In accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we have issued our report dated November 14, 2019, on our consideration of the District's internal control over financial reporting and on our tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and should be considered in assessing the results of our audit.

In accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we have issued our report dated November 14, 2019, on our consideration of the District's compliance with requirements applicable to major programs and on internal control over compliance. The purpose of that report is to describe the scope of our testing of compliance and internal control over compliance and the results of that testing, and to provide an opinion on the District's compliance with such requirements, but not to provide an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance. This report is an integral part of an audit performed in accordance with the requirements of the Uniform Guidance, auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and should be considered in assessing the results of our audit.

Material instances of noncompliance are failures to follow requirements or violations of prohibitions contained in laws, regulations, contracts and grants, that when aggregated, in our judgment, are material to the District's basic financial statements or a major grant program. The results of our tests of compliance and internal control over compliance did not disclose material instances of noncompliance or material weaknesses in internal control over compliance.

# REPRESENTATIONS SOUGHT FROM MANAGEMENT

November 14, 2019

Piercy Bowler Taylor & Kern
Certified Public Accountants
6100 Elton Avenue, Suite 1000
Las Vegas, Nevada 89107

To the Firm:

In this letter, the use of the phrase "financial statements" refers to the basic financial statements and related disclosures of the Las Vegas-Clark County Library District and its blended component units (the District), including any accompanying or supplemental information, as of June 30, 2019 and for the year then ended. It is in relation to these financial statements and in connection with the professional audit services that you provided that we make the representations contained herein.

Certain representations in this letter are described as referring or being limited to matters that are "material" to, or that could have a "material effect" on, the financial statements. We understand that items are considered qualitatively material, regardless of size, if they involve an omission or misstatement of information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. However, such materiality considerations do not apply to those representations contained herein that are not directly related to amounts included in the financial statements. For purposes of these representations, any matters having a possible effect of $15,000 individually or $20,000 in the aggregate, on the financial statements are considered quantitatively material.

## GENERAL REPRESENTATION OF TRUTHFULNESS

We have responded fully and truthfully to all inquiries made to us by you and confirm, to the best of our knowledge and belief, all representations we have previously made (or should have made) including, but not limited to, those specifically stated in this letter.

We reconfirm, to the best of our knowledge and belief, those representations previously made with respect to all comparative prior period information presented with the current period financial statements updated as necessary in this letter.

We agree to hold you harmless and indemnify you for any costs incurred as a result of your reliance on any false representations made to you by management personnel in connection with your services.

## TRANSACTIONS, RECORDS, ESTIMATES, ADJUSTMENTS, AND FINANCIAL REPORTING

**1**. We are responsible for authorizing, initiating, processing, and reporting transactions only in connection with the legitimate business purposes and best interests of the District, including, but not limited to, all related party and other transactions outside the normal course of business, if any.

It is also our responsibility to ensure that such transactions comply with various laws, regulations, and contractual agreements applicable to the District and the District has complied with all such requirements that would have a material effect on the financial statements in the event of non-compliance.

The District has complied with all restrictions on resources, including donor restrictions, and all aspects of contractual and grant agreements that would have a material effect on the financial statements.

We are responsible for evaluating the classification of contract and grant revenues as either contributions or exchange transactions in accordance with the provisions of applicable standards and for ensuring that all such revenues are appropriately reported.

We have properly classified and reported the District's equity and changes therein, in accordance with the provisions of applicable standards.

The District has complied with all applicable laws and regulations in adopting and amending the budget, and the budget information presented in financial statements includes all approved amendments.

The funds established by the District are in the required form and are being used expressly for the purpose(s) for which they were created in accordance with all applicable statutory and regulatory requirements, including specifically the provisions of Nevada Revised Statutes 354. In addition, reserves, if any, in each fund are limited to an amount that is reasonable and necessary to carry out the purpose(s) of the fund.

We have determined that there are no component units or joint ventures that require disclosure under applicable *Governmental Accounting Standards*.

**2**. We are unaware of any material transactions that have not been recorded in the financial records underlying the financial statements including, but not limited to, related party transactions, (such as sales or purchases of goods or services, loans, transfers, leasing arrangements or guarantees) and related amounts receivable or payable or illegal transactions.

**3**. We have made available to you all financial records and related data underlying the financial statements of which management is aware of and believes are relevant to the preparation of the financial statements and any additional items that you requested, including but not limited to, 1) the names of all related parties and all relationships and transactions with related parties, and 2) minutes of and related resolutions (or accurate and complete summaries of discussions held and actions taken at) all meetings of those charged with governance through the date of this letter. Such minutes or summaries include and fairly describe all decisions made and actions taken by the respective bodies that bear significantly on the financial statements. Furthermore, we have provided you with unrestricted access to persons within the District that you have selected to obtain audit evidence from.

**4**. We are responsible for and have identified all fair value and other accounting estimates that materially affect the financial statements including, specifically, those that are susceptible to material revision during the first year subsequent to the end of the most recent period presented as a result of evolving events that have a reasonable probability of occurrence. We have informed you of the key factors and significant assumptions that underlie those estimates.

We understand that the service(s) provided by you did not include preparing, or assisting in the preparation of, any fair value estimates contained in the District's financial statements.

**5**. We are responsible for all recorded accounting estimates, including all asset valuation allowances. Such estimates reflect management's best judgment considering all reasonably available facts, including management's knowledge and experience about past events and current circumstances, and expected courses of action and are not materially misstated.

**6**. We have evaluated and have recorded (or will record) adjustments to the books of account for all financial statement misstatements identified by us or by you, if any, during the course of your engagement. There are no misstatements that remain unadjusted as a result of perceived immateriality, both individually and, if applicable, in the aggregate.

**7**. We are responsible for the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States. In other words, it is our responsibility to ensure that the financial statements and related disclosures are free of material misstatements in relation to the requirements of accounting principles generally accepted in the United States, which financial reporting framework we have evaluated and determined to be acceptable and appropriate.

We are responsible for the fair presentation of the accompanying supplemental information.

We are responsible for the financial statements including all disclosures required by laws and regulations or other applicable standards to which the District is subject.

We are responsible for performing a search for agreements, including those of other governments, that may affect the District's tax revenues and determining which agreements meet the definition of "tax abatements" under GASB Statement No. 77. We have performed such a search, identified all agreements that we believe meet such definition, and believe the financial statements contain all required disclosures.

We are responsible for the proper classification of revenues in the statement of activities and reporting of all inter-fund, internal, and intra-entity activity and balances in accordance with Governmental Accounting Standards Board Statement No. 34, as amended.

We are responsible for identifying all funds that meet the quantitative criteria in Governmental Accounting Standards Board Statement No. 34, as amended for presentation as a major fund and for ensuring that all qualifying funds are reported as such. In addition, any fund presented as a major fund that does not meet the quantitative criteria has qualitative significance to users of the financial statements.

Any assistance that you provided to us in connection with the preparation of the financial statements and/or analysis of accounts including that which resulted in proposed adjustments was evaluated, reviewed, and approved by Fred James, Chief Financial Officer/Deputy Director, a member of the District's management team, who possesses suitable skills, knowledge, and/or experience to do so, meaning that this individual understands the services performed sufficiently to oversee them, but is not required to possess the expertise to perform or re-perform the services.

**8**. There have been no significant changes in business activities, accounting practices or internal controls that might affect the financial statements.

**9**. We have reviewed and approved what we intend to be the final draft of the financial statements.

## SPECIFIC DISCLOSURE REPRESENTATIONS

1. **Delayed adoption of new accounting principle(s).** As indicated in the notes to the financial statements, management has opted to delay the adoption of certain new accounting principle(s) until required to do so, and the expected future effect of adoption is disclosed therein.

2. **Related party transactions and balances**. Except as disclosed in the financial statements or an attachment to this letter, there are no material related party transactions and related amounts receivable or payable.

3. **Concentrations, risks and uncertainties.** Except as disclosed in the financial statements or an attachment to this letter, there are no concentrations of credit or other business or economic risks (including, but not limited to, customers, suppliers, lenders, products, services, sources of labor or materials, franchise or other licenses, operating areas, markets, *etc*.) that make the District vulnerable to a severe impact within the first year subsequent to the end of the most recent period presented. In addition, we are not aware of any undisclosed matters regarding the financial stability of depository banks or other financial institutions that might affect your judgment about the significance of any risk of loss to the District associated with uninsured deposits.

4. **Receivables.** All material receivables recorded in the financial statements represent valid claims arising as a result of sales, loans or advances or other transactions occurring within or before the end of the most recent period presented and have been reduced to their estimated net realizable value by appropriate collection and/or other applicable valuation allowances.

5. **Investments in marketable securities.** All material investments in marketable debt and equity securities are classified and valued appropriately, in accordance with the District's intent and ability, and futures contracts, held as hedges, if any, are accounted for pursuant to applicable standards. There are no significant concentrations of market risk associated with such investments.

6. **Financial instruments.** Management has used the methods and assumptions disclosed in the financial statements, and taken all reasonable, appropriate and practical steps in the circumstances, to ascertain the appropriate accounting for and objectively estimate the fair value of material financial instruments and other assets carried or reflected in the financial statements or disclosures, if any, including instruments that do not have readily determinable market values, pursuant to applicable standards.

7. **Fair value measurements.** All assets and liabilities recorded in the financial statements at estimated fair value are appropriately segregated into fair value measurement input categories ("Level 1", "Level 2" or "Level 3") subject to any applicable and disclosed practicability exceptions. Such fair value measurements are based upon the methods and assumptions disclosed in the financial statements, and management has taken all reasonable, appropriate and practical steps in the circumstances, to objectively estimate the fair value of such assets and liabilities including those that do not have readily determinable market values and all such fair value measurements are supported by appropriate documentation.

8. **Title, carrying values and classification of assets.** There are no management plans or intentions that may materially affect the carrying value or classification of any District assets and the District has satisfactory title to such assets. All recorded carrying costs are recoverable, net of any impairment write-downs and other recorded valuation allowances and provisions, which are adequate, and we are unaware of any undisclosed value impairment indications, including those relating to long-lived assets, liens, encumbrances or other title impairments as of the end of the most recent period presented.

9. **Inventories.** There are no material amounts of obsolete, damaged, slow-moving, excessive or

otherwise unsaleable or overvalued inventories, or commitments to purchase inventory quantities in excess of normal requirements or at a price in excess of market that have not been appropriately written down (or reserved).

**10**. **Debt covenants.** No debt covenants have been violated and/or no events of default have occurred through the date of this letter. Furthermore, the District has not received any correspondence from lenders related to possible debt covenant violations or events of default.

**11**. **Commitments, contingencies and accruable liabilities.** Except as disclosed in the financial statements or an attachment to this letter, there are no matters of pending or threatened litigation, asserted or unasserted claims or assessments that our lawyers have advised or that we are aware of that are probable of assertion, that could have a material effect on the financial statements, including, but not limited to, 1) environmental remediation obligations, 2) gain or loss contingencies that require recognition or disclosure in accordance with applicable accounting standards, 3) guarantees (written or oral) or "in-substance" guarantees of the obligations of other entities or individuals (including, for example, general partnership interests) or for which the District is contingently liable to a bank or other lending institution, 4) warranties or rights of return, 5) arrangements with financial institutions involving compensating balances or other restrictions on cash balances, 6) lines-of-credit or similar arrangements, 7) unconditional promises to contribute or otherwise transfer cash or other assets, 8) conditional promises to contribute or otherwise transfer cash or other assets that would require accrual or disclosure under applicable standards, 9) potential losses from unfavorable sales commitments, 10) other commitments requiring disclosure in the financial statements (including for the issuance of capital stock or partnership or other equity units, asset repurchase agreements, capital stock reserved for options, warrants, conversions or similar rights), 11) side agreements or other arrangements (either written or oral) with others, or 12) other unrecorded liabilities.

**12**. **Multiple-employer cost-sharing defined healthcare benefit plan(s).** We have no intention to terminate or materially modify the District's defined healthcare benefit plan(s). Although it is possible that a liability would be incurred by the District in the event of its withdrawal from participation in, or the termination of, such plan(s), the liability is not subject to reasonable estimation based on available information. Adequate provision has been made for the defined benefit obligations using actuarial assumptions and methods that reflect the conclusions of qualified actuaries as stated in actuarial report dated September 19, 2019, which are appropriate in the circumstances.

**13**. **Multiple-employer cost-sharing defined pension benefit plan(s).** We have no intention to terminate or materially modify the District's defined pension benefit plan(s). Although it is possible that a liability would be incurred by the District in the event of its withdrawal from participation in, or the termination of, such plan(s), the liability is not subject to reasonable estimation based on available information. Furthermore, all contributions required for the District's defined benefit plan(s) have been made or recorded as liabilities as of the end of the most recent period presented.

The District records its proportionate share of the net pension liability of the Nevada Public Employees' Retirement System in accordance with applicable standards. Management has agreed its contributions to the amounts and allocation metrics used by the Nevada Public Employees' Retirement System in determining the the District's proportionate share, which is appropriate in the circumstances.

**14**. **Solvency.** We understand that you have neither determined nor will opine as to whether the District is solvent or insolvent for bankruptcy or other purposes since such would be a legal determination that may be made only by a court.

**15**. **Use of a specialist and/or reliance on government pension plan auditors in connection with the valuation of assets or liabilities.** For assets and liabilities valued with the assistance of a valuation specialist and/or government pension plan auditor, we made an objective evaluation of their qualifications, objectivity or independence to perform the assignment and did not do anything that might have materially biased or influenced their conclusion(s).

**16**. **Subsequent events.** We are responsible for evaluating events or transactions that have occurred subsequent to the end of the most recent period presented, but before the financial statements are issued or available for issuance (subsequent events), through the date of this letter, for recognition and disclosure. We have performed appropriate subsequent events evaluation procedures, which are sufficient in the circumstances. There have been no significant events subsequent to the end of the most recent period presented that, in our judgment, would materially affect and, therefore, require adjustment to, or disclosure in, the financial statements.

## INTERNAL CONTROL OVER FINANCIAL REPORTING AND FRAUD

**1**. We are responsible for designing, implementing, establishing and maintaining effective internal control over financial reporting that provides reasonable assurance that 1) the financial statements are fairly presented in conformity with accounting principles generally accepted in the United States, 2) the District's resources are adequately safeguarded, 3) the District is in compliance with all applicable laws, regulations and contractual requirements, and 4) fraudulent and other illegal acts are detected and prevented, including those involving both fraudulent financial reporting and misappropriation of assets possibly leading to financial statement misstatements.

**2**. We are responsible for evaluating the qualifications of all service organizations employed by the District including, but not limited to, computer service bureaus, financial institutions, investment advisors, brokers and other agents that we engage, particularly as to their integrity and ability to perform the services requested in accordance with management’s authorization(s), and do not use or rely upon any services that your Firm performs in making these evaluations.

**3**. We are unaware of any fraud that is either material, probably material or that, although not material, involves management or other employees who have a significant role in internal control over financial reporting.

**4**. There has been no communication from or action by law enforcement or regulatory agencies concerning possible, alleged or suspected fraud, deficiencies in financial reporting practices or other noncompliance with laws, regulations or contractual requirements or any other illegal acts that should be considered for disclosure or for recording a loss contingency.

**5**. We are responsible for assessing the expected benefits and the related costs of all control procedures, including any additional or alternative procedures recommended by you.

**6**. We are responsible for considering and have considered the cause(s) of proposed adjustments (whether or not made and without distinction between those proposed by us or you), if any, including those that may have resulted, in whole or in part, from deficiencies in the design and operation of related controls.

**7**. There have been no changes in internal control over financial reporting or any other factors subsequent to the end of the most recent period presented that might significantly affect internal control over financial reporting, including any corrective actions taken by management with regard to any identified material weaknesses and other significant deficiencies.

**8**. We understand that a *deficiency* in internal control over financial reporting 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected. A *significant deficiency* is a deficiency, or combination of deficiencies, that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

**9**. We are responsible for and continually assess the effectiveness of internal control over financial reporting including disclosure controls, and do not use or rely upon procedures performed by your Firm for this purpose.

**10**. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting, including disclosure controls, that were identified as part of management's assessment or otherwise, specifically identifying all such deficiencies that are material weaknesses and other significant deficiencies as defined above, if any.

**11**. All control deficiencies identified by management, or by you during or as a result of previous engagements, if any, have been communicated to those charged with governance of the District and resolved to management's satisfaction.

## COMPLIANCE WITH AND INTERNAL CONTROL OVER FEDERALLY FUNDED PROGRAMS

**1**. We are responsible for complying, and have complied, with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), various other laws, regulations, and provisions of contracts, including grant agreements applicable to each of the District's federal programs and represent that the District has complied, in all material respects, with all such requirements.

We have specifically identified and disclosed to you the provisions of contracts and grant agreements that have a direct and material effect on each of the District's federal programs.

We have identified and disclosed to you all amounts questioned and any known instances of non-compliance with the requirements of federal awards, including the results of, or current status of, other audits or program reviews through the date of this letter.

We are responsible for tracking the status of all audit and program review findings and have identified and disclosed to you all such findings. In addition, we are responsible for the preparation and implementation of the corrective action plan and a copy thereof has been provided to you.

**2**. We have made available to you all records and related data for our federal programs, including but not limited to: 1) a schedule of expenditures of federal awards prepared in accordance with the Uniform Guidance, which includes all expenditures made during the most recent period presented for all awards provided by federal agencies (including those passed through other entities) in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property, donated surplus property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance; 2) all contracts and grant agreements, including amendments, if any, and other correspondence with federal agencies or pass-through entities related to the District's federal programs; and 3) all documentation related to the compliance requirements, including information related to federal program financial reports, and claims for advances and reimbursements.

**3**. We have specifically identified and disclosed to you all amounts that have been awarded to us under the authority of the *American Recovery and Reinvestment Act of 2009*, including any such amounts expended or received by us.

**4**. All federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared. The copies of federal program financial reports provided to you are true copies of the reports submitted (including electronically transmitted) to the applicable federal agency or pass-through entity.

**5**. We are responsible for and have monitored subrecipients compliance with applicable laws and regulations including the Uniform Guidance, reviewed and issued decision(s) as to subrecipient audit findings, if any, and ensured that corrective action was taken timely. In connection with reviewing the subrecipients' audit findings, we have considered the possible need for adjustment to our own books and records and made such adjustments as determined to be necessary.

**6**. All costs charged to federal programs, including allocated indirect costs, if any, are in compliance with applicable cost principles.

**7**. We are responsible for the accurate preparation of the summary schedule of prior audit findings, which includes all findings required to be included by the Uniform Guidance. We are also responsible for the completion of the "data collection form" and the submission of our "reporting package" as required by the Uniform Guidance.

Furthermore, we understand that if we fail to submit the "data collection form" and "reporting package" timely, it will preclude us from being classified as a "low-risk" auditee in each of the subsequent two years and may result in increased audit fees for each of those years.

**8**. We are responsible for designing, implementing, establishing and maintaining effective internal control over compliance for federal programs that provides reasonable assurance that we are managing federal awards in compliance with all applicable laws, regulations, and provisions of contracts, including grant agreements, which could have a material effect on our federal programs.

**9**. There have been no changes in internal control over compliance for federal programs subsequent to the most recent financial reporting period presented that might significantly affect internal control over compliance or have a direct and material effect on any of the District's federal programs. In addition, there have been no known instances of non-compliance occurring subsequent to the most recent financial reporting period presented through the date of this letter.

## INTENDED USERS OF THE FINANCIAL STATEMENTS

The financial statements are intended solely for the third party users specified in the District's letter of engagement with you or in a supplemental written communication to you and no others without your prior written approval.

There are no current plans for the issuance of public debt (*i.e.*, municipal bonds including revenue bonds) during the first year subsequent to the end of the most recent period presented; and therefore, the financial statements are not expected to be included in any offering documents.

**NATURE AND PURPOSE OF THE PROFESSIONAL SERVICE YOUR FIRM PROVIDED**

**Purpose of audit**. We understand that your audit of the District's financial statements was made for the purpose of enabling you to express an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States.

We understand that the required supplementary information (management's discussion and analysis, budgetary comparison schedules and other required information) presented with the financial statements is not a required part of the financial statements, but is required by applicable standards to be presented and that although you applied limited procedures to this information you did not audit it; and therefore, you will express no opinion on the required supplementary information.

We understand that the other supplementary information (introductory section, combining and individual fund financial statements and schedules andstatistical section) presented with the financial statements is not a required part of the financial statements.

We understand that the introductory section and statistical section were not subjected to the procedures applied in the audit of the District's financial statements; and therefore, you will express no opinion on this information.

We understand that the combining and individual fund financial statements and schedules were subjected to the procedures applied in the audit of the financial statements; and therefore, you will express an opinion on this information in relation to the financial statements taken as a whole.

We understand that the nature of the service that you provided requires that your service team exercise professional judgment in connection with virtually every aspect of and throughout the engagement, and that such judgment(s) might vary from those of another professional in the same or similar circumstances.

Very truly yours,

Las Vegas-Clark County Library District and its blended component units

____________________________________________

Dr. Ronald R. Heezen, Executive Director

____________________________________________

Fred James, Chief Financial Officer/Deputy Director