

**PROPOSED AGENDA
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
Board of Trustees' Finance and Audit Committee
November 9, 2021**

PUBLIC MEETING

DATE: November 9, 2021

TIME: 1:00 p.m.

PLACE: Online via YouTube

The Agenda and Board meeting documents can be found at
<https://lvccld.org/board/board-of-trustees-meetings/>

The Finance and Audit Committee, comprised of Dr. Keith Rogers, Committee Chair; Kelly Benavidez; Sandra Ramaker; Nathaniel Waugh; and Brian Wilson, ex-officio, all members of the Las Vegas-Clark County Library District Board of Trustees, will meet to discuss the Fiscal Year 2020—2021 Audit performed by BDO USA, LLP.

I. Roll Call

II. Public Comment

Topics raised under this item must be limited to matters on today's Agenda. Commenters should state if they want their remarks included in the minutes of the meeting. If there is no agenda item listed, the person will be called on at the end of the meeting.

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.

Anyone wishing to comment via email under this item must send an email to boardcomments@lvccld.org. The email must include the commenter's name, legal address, and the agenda item that is being commented on. Email comments are limited to 500 in words in length and must also identify whether the commenter wants their remarks to be included in the minutes of the meeting. Any comments which do not state the commenter's name, legal address, or exceed 500 words in length shall not be considered.

Any comments which do not identify an agenda item will be read at the end of the meeting.

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

IV. New Business

A. Discussion and possible Committee action regarding a recommendation to accept the Fiscal Year 2020-2021 Audit Report and recommend approval of the Fiscal Year 2020-2021 Audit at the Board of Trustees' meeting on November 10, 2021. (For possible action)

B. Update on the District's financials and update of projections. (For discussion only)

V. Public Comment

Topics raised under this item cannot be acted upon until the notice provisions of the Open Meeting Law have been met.

Anyone wishing to comment via email during the meeting must send an email to boardcomments@lvccld.org. The email must include the commenter's name, legal address, and this agenda item. Email comments are limited to 500 in words in length and must also identify whether the commenter wants their remarks to be included in the minutes of the meeting. Any comments which do not state the commenter's name, legal address, or exceed 500 words in length shall not be considered.

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 LYNN WING AT (702) 507-6172 SO THAT ARRANGEMENTS FOR ATTENDANCE MAY BE MADE.

NOTE: PLEASE CONTACT LYNN WING AT (702) 507-6172 OR wingl@lvccld.org TO REQUEST THE SUPPORTING MATERIAL FOR THIS MEETING. SUPPORTING MATERIAL WILL BE MADE AVAILABLE ON THE DAY OF THE MEETING AFTER 12:00 P.M.

Pursuant to NRS 241.020, this item has been properly noticed and posted online at the Las Vegas-Clark County Library District website, www.lvccld.org and at Nevada Public Notice at <https://notice.nv.gov>. Written notice of the meeting of the Las Vegas-Clark County Library District Board of Trustees was given on Wednesday, November 3, 2021, i.e., given at least three (3) working days before the meeting, including in the notice the time, way to access the meeting, 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. Clark County Library
1401 E. Flamingo Road
Las Vegas, NV 89119
 - 2. East Las Vegas Library
2851 E. Bonanza Road
Las Vegas, NV 89101
 - 3. Sunrise Library
5400 Harris Avenue
Las Vegas, NV 89110
 - 4. West Charleston Library
6301 W. Charleston Boulevard
Las Vegas, NV 89146
 - 5. West Las Vegas Library
951 W. Lake Mead Boulevard
Las Vegas, NV 89106
 - 6. Windmill Library
7060 W. Windmill Lane
Las Vegas, NV 89113
 - 7. 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.

D. Live Stream Connection Information:

<https://youtu.be/E8POY3EiXM8>

Visit the Library District's YouTube channel:
YouTube.com/TheLibraryDistrict

PROPOSED AGENDA
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
Board of Trustees' Finance and Audit Committee
November 9, 2021

PUBLIC MEETING

DATE: November 9, 2021

TIME: 1:00 p.m.

PLACE: Online via YouTube

The Agenda and Board meeting documents can be found at
<https://lvccld.org/board/board-of-trustees-meetings/>

The Finance and Audit Committee, comprised of Dr. Keith Rogers, Committee Chair; Kelly Benavidez; Sandra Ramaker; Nathaniel Waugh; and Brian Wilson, ex-officio, all members of the Las Vegas-Clark County Library District Board of Trustees, will meet to discuss the Fiscal Year 2020—2021 Audit performed by BDO USA, LLP.

I. Roll Call

II. Public Comment

Topics raised under this item must be limited to matters on today's Agenda. Commenters should state if they want their remarks included in the minutes of the meeting. If there is no agenda item listed, the person will be called on at the end of the meeting.

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.

Anyone wishing to comment via email under this item must send an email to boardcomments@lvccld.org. The email must include the commenter's name, legal address, and the agenda item that is being commented on. Email comments are limited to 500 in words in length and must also identify whether the commenter wants their remarks to be included in the minutes of the meeting. Any comments which do not state the commenter's name, legal address, or exceed 500 words in length shall not be considered.

Any comments which do not identify an agenda item will be read at the end of the meeting.

Agenda-Finance and Audit Committee Meeting
November 9, 2021
Page 2

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

IV. New Business

A. Discussion and possible Committee action regarding a recommendation to accept the Fiscal Year 2020-2021 Audit Report and recommend approval of the Fiscal Year 2020-2021 Audit at the Board of Trustees' meeting on November 10, 2021. (For possible action)

B. Update on the District's financials and update of projections. (For discussion only)

V. Public Comment

Topics raised under this item cannot be acted upon until the notice provisions of the Open Meeting Law have been met.

Anyone wishing to comment via email during the meeting must send an email to boardcomments@lvccld.org. The email must include the commenter's name, legal address, and this agenda item. Email comments are limited to 500 in words in length and must also identify whether the commenter wants their remarks to be included in the minutes of the meeting. Any comments which do not state the commenter's name, legal address, or exceed 500 words in length shall not be considered.

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 LYNN WING AT (702) 507-6172 SO THAT ARRANGEMENTS FOR ATTENDANCE MAY BE MADE.

Agenda-Finance and Audit Committee Meeting
November 9, 2021
Page 3

NOTE: PLEASE CONTACT LYNN WING AT (702) 507-6172 OR wingl@lvccld.org TO REQUEST THE SUPPORTING MATERIAL FOR THIS MEETING. SUPPORTING MATERIAL WILL BE MADE AVAILABLE ON THE DAY OF THE MEETING AFTER 12:00 P.M.

Pursuant to NRS 241.020, this item has been properly noticed and posted online at the Las Vegas-Clark County Library District website, www.lvccld.org and at Nevada Public Notice at <https://notice.nv.gov>. Written notice of the meeting of the Las Vegas-Clark County Library District Board of Trustees was given on Wednesday, November 3, 2021, i.e., given at least three (3) working days before the meeting, including in the notice the time, way to access the meeting, 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. Clark County Library
1401 E. Flamingo Road
Las Vegas, NV 89119
 - 2. East Las Vegas Library
2851 E. Bonanza Road
Las Vegas, NV 89101
 - 3. Sunrise Library
5400 Harris Avenue
Las Vegas, NV 89110
 - 4. West Charleston Library
6301 W. Charleston Boulevard
Las Vegas, NV 89146
 - 5. West Las Vegas Library
951 W. Lake Mead Boulevard
Las Vegas, NV 89106
 - 6. Windmill Library
7060 W. Windmill Lane
Las Vegas, NV 89113
 - 7. Las Vegas-Clark County Library District website
www.lvccld.org

Agenda-Finance and Audit Committee Meeting
November 9, 2021
Page 4

- 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.
- D. Live Stream Connection Information:
<https://youtu.be/E8PQY3EiXM8>
Visit the Library District's YouTube channel:
[YouTube.com/TheLibraryDistrict](https://www.youtube.com/TheLibraryDistrict)

ITEM IV.A.



AGENDA ITEM

NOVEMBER 9, 2021 MEETING OF THE BOARD OF TRUSTEES' FINANCE AND AUDIT COMMITTEE

Agenda Item #IV.A.:

Discussion and possible Committee action regarding a recommendation to accept the Fiscal Year 2020-2021 Audit Report and recommend approval of the Fiscal Year 2020-2021 Audit Report at the Board of Trustees' meeting on November 10, 2021.

Background: At the March 11, 2021 meeting of the Board of Trustees, the Board authorized staff to appoint BDO USA, LLP for auditing services for the fiscal year ending June 30, 2021.

Recommended Action:

Motion to accept the Fiscal Year 2020-2021 Audit Report and recommend approval of the Fiscal Year 2020-2021 Audit as presented by the auditors at the Board of Trustees' meeting on November 10, 2021.

Report to Finance and Audit Committee and Board of Trustees

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT

Audit Wrap Up:
Year Ended June 30, 2021

IBDO[®]

Contents

QUICK ACCESS TO THE FULL REPORT

<u>INTRODUCTION</u>	3
<u>EXECUTIVE SUMMARY</u>	4
<u>INTERNAL CONTROL OVER FINANCIAL REPORTING</u>	9
<u>ADDITIONAL REQUIRED COMMUNICATIONS</u>	11
<u>APPENDIX</u>	15

The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Client and is not intended and should not be used by anyone other than these specified parties.

Welcome

November 10, 2021

Finance and Audit Committee and Board of Trustees
Las Vegas-Clark County Library District

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On September 20, 2021, we presented an overview of our plan for the audit of the financial statements of Las Vegas-Clark County Library District (the “District”) as of and for the year ended June 30, 2021, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the District’s accounting practices and policies, management’s judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the District and look forward to meeting with you to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Executive Summary

DRAFT

Status of Our Audit

We have substantially completed our audit of the financial statements as of and for the year ended June 30, 2021. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- ▶ We expect to issue an unmodified opinion on the financial statements and release our report on **November 10, 2021**.
- ▶ We expect to issue our 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*.
- ▶ Our responsibility for other information in documents containing the District's audited financial statements (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) does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the District and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were freely available for our inspection.
- ▶ Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of District personnel throughout the course of our work.



Results of the Audit

ACCOUNTING PRACTICES, POLICIES, ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the District's accounting practices, policies, and estimates:

The District's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- ▶ A summary of recently issued accounting pronouncements is included in Note 2 to the District's financial statements.
- ▶ There were no changes in significant accounting policies and practices during fiscal year 2021.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The District's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in notes of the financial statements.

Significant Accounting Estimates

Fair value measurement of investments

Net pension liabilities

Other post-employment benefits obligations (OPEB)

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2021.

Results of the Audit

QUALITY OF THE DISTRICT'S FINANCIAL REPORTING

A discussion was held regarding the quality of the District's financial reporting, which included:



Results of the Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of management, except for an adjustment to record a cumulative catch-up of rental expense, and due to related party, in the amount of \$293,182, in order to recognize rental expense on a straight-line basis over the expected term of the lease agreement between the District and East Las Vegas QALICB, Inc.

There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.



Internal Control Over Financial Reporting

DRAFT

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 opinions on the 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.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the District's internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Control Deficiency	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.
Significant Deficiency	A deficiency or 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.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted no material weaknesses.



Additional Required Communications

DRAFT

Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the District:

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risks of material misstatement, including fraud risks; or tips or complaints regarding the District's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	<p>The nature and extent of specialized skills or knowledge needed to perform the planned audit procedures or evaluate audit results related to significant risks are outlined below:</p> <ul style="list-style-type: none"> ➤ We used BDO Financial Services Group, specializing in investment valuations, to assist in evaluating management's determination of investment fair values. ➤ We used BDO actuarial specialists, specializing in pension and OPEB valuations, to assist in evaluating management's determination of the net pension and OPEB liabilities.

Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the District:

Requirement	Discussion Point
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
If applicable, significant matters identified by component auditors	During the component auditor's procedures, there were no significant matters identified that were deemed necessary to bring to group management's attention.
Significant findings and issues arising during the audit in connection with the District's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.
Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management	There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management.

Other Required Communications

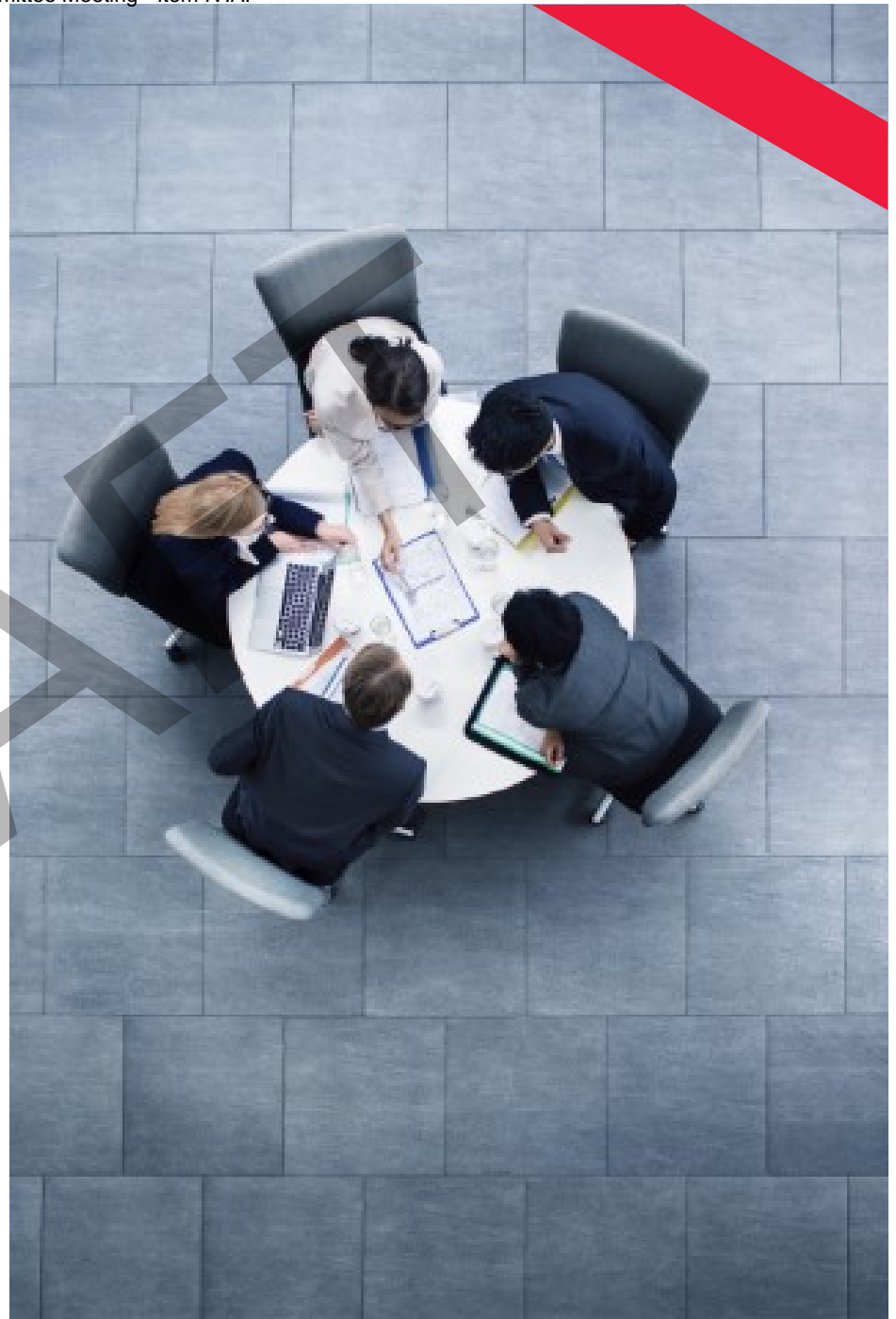
Following is a summary of other required items, along with specific discussion points as they pertain to the District:

Requirement	Discussion Point
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the District's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Matters that are difficult or contentious for which the auditor consulted outside the engagement team	There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process.
If applicable, other matters significant to the oversight of the District's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the District's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.



Independence

Our engagement letter to you dated March 19, 2021, describes our responsibilities in accordance with professional standards and certain regulatory authorities and *Government Auditing Standards* with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the District with respect to independence as agreed to by the District. Please refer to that letter for further information.





Appendix

DRAFT



Implementation of New GASB Standards

DRAFT

New GASB Standards

In light of the COVID-19 Pandemic, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, to provide relief to governments. This Statement, which was effective upon the issuance date of May 8, 2020, postponed the effective dates of certain provisions in Statements that were first effective for reporting periods beginning after June 15, 2018. The effective dates of certain provisions contained in the following pronouncements were postponed by one year:

- ▶ Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- ▶ Statement No. 91, *Conduit Debt Obligations*
- ▶ Statement No. 93, *Replacement of Interbank Offered Rates*

The effective date of Statement No. 87, *Leases*, has been postponed by 18 months.

Earlier application of the standards is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

GASB Statement No. 87, *Leases*

Effective Dates	Date per Pronouncement (as amended)	Date as amended per GASB Statement No. 95
	Fiscal Years Beginning After 12/15/2019	Fiscal Years Beginning After 6/15/2021

- ▶ Requires recognition of certain lease assets and liabilities for leases that are currently classified as operating leases.
- ▶ New definition of a lease - a contract that conveys the right to use another entity's nonfinancial asset for a period in an exchange or exchange-like transaction.
- ▶ Eliminates the distinction between operating and capital leases.
- ▶ Excludes short-term leases, leases that transfer ownership and service concession arrangements that are covered by GASB Statement No. 60.
- ▶ Lessees would recognize a lease liability and an intangible right-to-use lease asset which would be amortized in a systematic and reasonable manner over the shorter of the lease term or the useful life of the underlying asset.
- ▶ Lessors would recognize a lease receivable and deferred inflow of resources which would be recognized as revenue in a systematic and rational manner over the term of the lease.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Reporting Periods Beginning After 12/15/2019	Reporting Periods Beginning After 12/15/2020

- ▶ Upon implementation, in financial statements using the economic resources measurement focus (business-type activities and enterprise funds) interest incurred during construction should be recognized as an expense of the period.
- ▶ Interest costs on construction-in-progress will be capitalized only to the implementation date of this Statement. The provisions of this Statement are to be applied prospectively and will therefore not require a restatement of any balances.
- ▶ In financial statements using the current financial resources measurement focus (governmental funds), interest incurred during construction should be recognized as an expenditure (no change).
- ▶ If a government has regulated operations as defined by paragraph 476 of GASB Statement No. 62, this Statement does not eliminate or remove the requirement to capitalize qualifying interest costs as a regulatory asset.

GASB Statement No. 91, *Conduit Debt Obligations*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Reporting Periods Beginning After 12/15/2020	Reporting Periods Beginning After 12/15/2021

- ▶ Clearly defines the characteristics of a conduit debt obligation and establishes that a conduit debt obligation is not a liability of the issuer.
- ▶ An issuer should recognize a liability associated with an additional commitment or voluntary commitment to support debt service if certain recognition criteria are met.
- ▶ As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether the recognition criteria are met. An issuer that has only made a limited commitment should evaluate whether those recognition criteria are met when an event occurs that cause the issuer to evaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.
- ▶ Standard addresses accounting for arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities.
- ▶ Standard enhances note disclosures related to conduit debt.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Effective as Noted Below	Paragraphs 13 and 14 are Effective for Fiscal Years Beginning After June 15, 2021

- ▶ Effective for Reporting Periods Beginning After June 15, 2020:
 - Provides exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment.
 - Clarifies the hedge accounting termination provisions when a hedged item is amended to replace the reference rate.
 - Clarifies that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable.
 - Identifies a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.
 - Clarifies the definition of reference rate, as it is used in Statement 53, as amended.
 - Provides an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. (paragraphs 13 and 14)
- ▶ Effective for Reporting Periods Ending After December 31, 2021:
 - Removes LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap (paragraph 11b).

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Effective Dates	Date per Pronouncement
	Fiscal Years Beginning After June 15, 2022

- ▶ For the Public-Private and Public-Public Partnerships (P3s) that meet the definition of a service concession arrangement (SCA), this Statement carries forward the financial reporting requirements for SCAs that were included in Statement 60, with modifications to apply the more extensive requirements related to recognition and measurement of leases to SCAs.
- ▶ For P3s that meet the definition of a lease, the guidance in Statement No. 87 should be applied, if existing assets of the transferor that are not required to be improved by the operator as part of the P3 arrangement are the only underlying P3 assets and the P3s do not meet the definition of an SCA.
- ▶ This Statement provides specific guidance for all other P3s from the perspective of both a government that transfers rights to another party and governmental operators that receive those rights.
- ▶ The Statement requires governments to account for Availability Payment Arrangement (APAs) in which ownership of the asset transfers by the end of the contract as a financed purchase of the underlying infrastructure or other nonfinancial asset. It also requires a government to report an APA that is related to operating or maintaining a nonfinancial asset as an outflow of resources (for example, expense) in the period to which payments relate

GASB Statement No. 96, *Subscription Based Information Technology Arrangements*

Effective Dates	Date per Pronouncement
	Fiscal Years Beginning After June 15, 2022

- ▶ Addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Standard is based on the standards established in Statement No. 87, Leases.
- ▶ Defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.
- ▶ Requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months).
- ▶ Provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Plans Deferred Compensation Plans

Effective Dates	Date per Pronouncement
	Effective as Noted Below

- ▶ Effective Upon Statement Issuance - June 23, 2020:
 - Requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically performs.
 - Requires that the financial benefit burden criteria in Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension and OPEB plans administered through a trust.
- ▶ Effective for Fiscal Years Beginning After June 15, 2021
 - Requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan.
 - Requires that a Section 457 plan that meets the definition of a pension apply all accounting and financial reporting requirements relevant to pensions.
 - Clarifies that Statement 84, as amended, should be applied to all Section 457 plans to determine whether those arrangements should be reported as fiduciary activities.

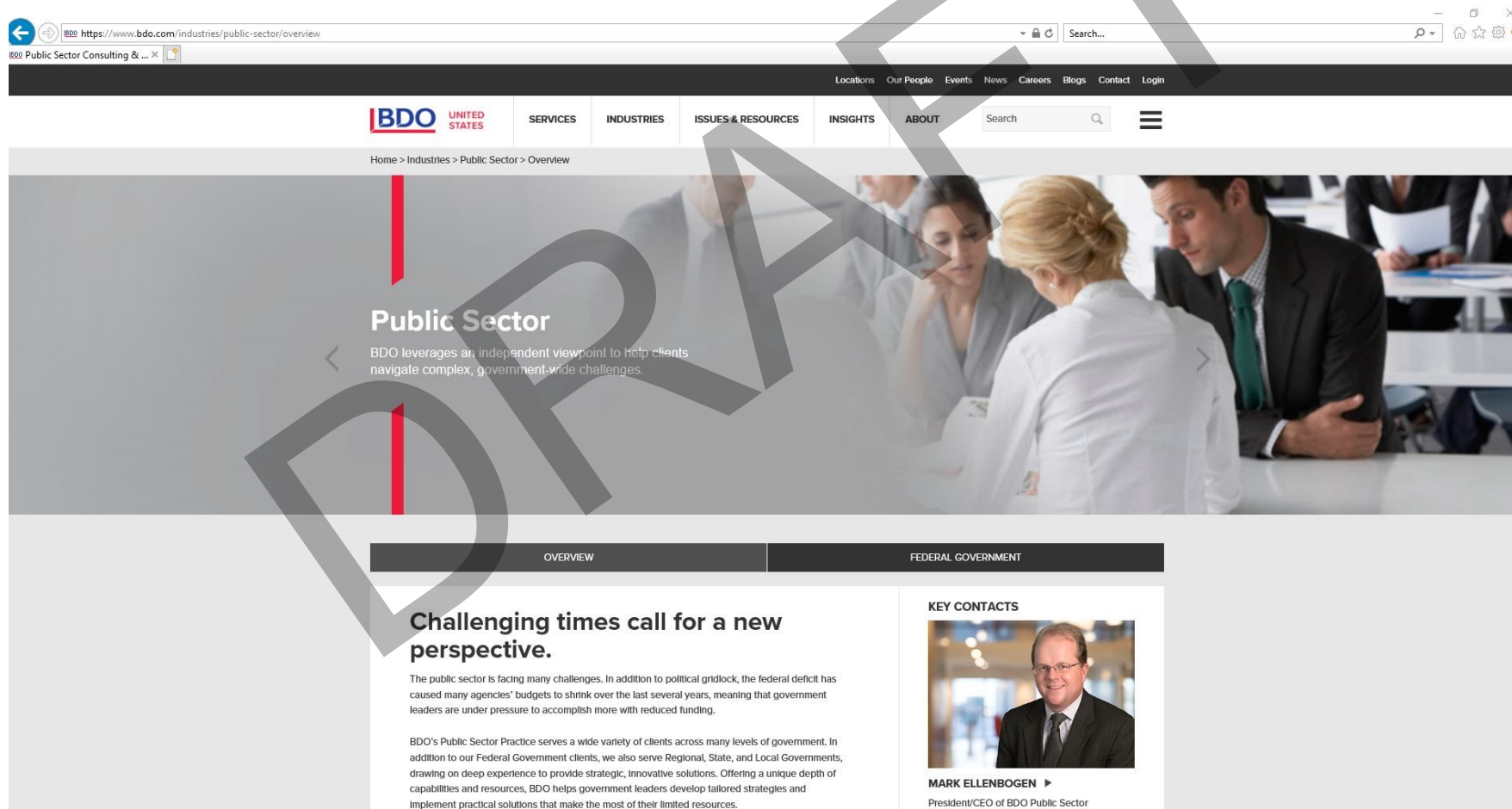


Industry Resources



Industry Risk and Resources

- ▶ BDO's industry focus is part of who we are and how we serve our clients and has been for over a century. We demonstrate our experience through knowledgeable professionals, relevant client work and participation in the industries we serve.
- ▶ Our industry practices bring perspective on trends, opportunities, issues and regulations that frame our services and approach to address your needs and your industry.



Accounting, Audit and Other Compliance Considerations for Public Sector Entities Related to COVID-19

The global pandemic is having unprecedented impacts on federal, state, local, tribal and territory governments. Our [COVID-19 resource center](#) helps organizations stay abreast of the latest developments and mitigate risk during this time of uncertainty. For government organizations, the stakes are high as agencies and elected officials work overtime to flatten the curve, save lives and ensure the safety of the American people.

While circumstances are changing daily, our FAQs for the Public Sector answer the most frequently asked questions by government organizations, along with resources to help them respond and plan around each on.

DRAFT

BDO is the brand name for BDO USA, LLP, a U.S. professional services firm providing assurance, tax, and advisory services to a wide range of publicly traded and privately held companies. For more than 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through more than 65 offices and over 740 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of more than 90,000 people working out of nearly 1,650 offices across 165 countries.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.

www.bdo.com

Material discussed in this publication is meant to provide general information and should not be acted on without professional advice tailored to your needs.

© 2021 BDO USA, LLP. All rights reserved. www.bdo.com



DRAFT

Annual Financial Report

Las Vegas-Clark County

Library District

July 1, 2020 - June 30, 2021

Las Vegas, Nevada

Las Vegas-Clark County

**LIBRARY
DISTRICT**

www.lvcclld.org

DRAFT

DRAFT

Annual Financial Report

Las Vegas-Clark County

Library District

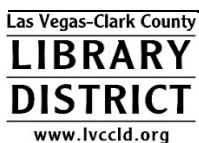
July 1, 2020 - June 30, 2021

Las Vegas, Nevada

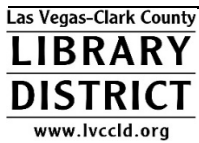
Las Vegas-Clark County
Library District Headquarters
7060 West Windmill Lane
Las Vegas, Nevada 89113

Kelvin Watson, Executive Director
Floresto Cabias, CPA, Chief Financial Officer

DRAFT

DRAFT**Las Vegas-Clark County Library District****Table of Contents****For the Fiscal Year Ended June 30, 2021**

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditors' Report on Financial Statements and Supplementary Information	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet	17
Reconciliation of the Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	22
Notes to Basic Financial Statements	23
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	45
Schedule of Changes in total OPEB Liability - Postemployment Benefits Other Than Pensions	46
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan:	
Proportionate Share of the Collective Net Pension Liability Information	47
Proportionate Share of Statutorily Required Pension Contribution Information	48
Notes to Required Supplementary Information	49

DRAFT**Las Vegas-Clark County Library District****Table of Contents (continued)****For the Fiscal Year Ended June 30, 2021**

	<u>Page</u>
Other Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Major Fund:	
Capital Projects Fund	
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual	51
Non-Major Funds:	
Special Revenue Funds, Debt Service Fund and Permanent Fund	
Combining Balance Sheet	53
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances	55
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual - Grant Fund	57
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual - Gift Fund	58
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual - Debt Service Fund	59
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 <i>Government Auditing Standards</i>	61
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	63
Schedule of Expenditures of Federal Awards	67
Notes to Schedule of Expenditures of Federal Awards	68
Schedule of Findings and Questioned Costs	69

DRAFT

Financial Section

DRAFT



Tel: 702-384-1120
Fax: 702-870-2474
www.bdo.com

6100 Elton Avenue, #1000
Las Vegas, NV 89107

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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%, 13.9%, and 1.5% of the assets, net position and revenues, respectively, of the District's total governmental activities. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such major fund, is based solely on the reports of the other auditor.

Basis for Opinions

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

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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 13-22 and 53-61** be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions 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, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

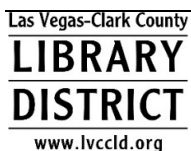
In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

November 10, 2021
Las Vegas, Nevada

DRAFT

Management's Discussion and Analysis

DRAFT

DRAFT**Las Vegas-Clark County Library District****Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

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, 2021.

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 \$170,237,579 (net position).
- The District's total net position increased by \$11,920,795 over the prior year. This increase is primarily attributable to increases in property tax and intergovernmental consolidated taxes, reductions in services and supplies and personnel costs, and minimal spending on capital projects. The District expects to experience net position increases in future years partially as a result of 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 \$62,965,401, an increase of 11,188,331 or 21.6% from the prior year. The increase is primarily attributable to minimal spending for construction of capital assets, suspending technology upgrades and renovations, increases in property tax and intergovernmental consolidated tax revenues, and zero debt repayments. Approximately 49.3% of the total fund balance (\$31,059,998) 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 \$31,059,998 which is 49.1% of total general fund expenditures.

Overview of the Financial Statements

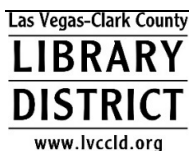
This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.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

DRAFT



Las Vegas-Clark County Library District

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2021**

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 Foundation special revenue fund and the capital projects fund, all of which are considered to be major funds. Data from the remaining five 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 obligation.

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

DRAFT**Las Vegas-Clark County Library District**

Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2021

Other supplementary information. The combining statements, referred to earlier in connection with the five 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 \$170,237,579.

By far, the largest portion of the District's net position (92%) 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,	
	2021	2020
Capital assets	\$ 182,369,176	\$ 182,430,490
Other assets	68,964,740	57,243,563
	<u>251,333,916</u>	<u>239,674,053</u>
Deferred outflows of resources	7,597,726	9,494,884
Long-term liabilities outstanding	77,453,585	81,060,030
Other liabilities	8,021,705	5,630,884
	<u>85,475,290</u>	<u>86,690,914</u>
Deferred inflows of resources	3,218,773	3,961,239
Net position:		
Net investment in capital assets	156,079,176	156,140,490
Restricted	19,774,586	19,556,460
Unrestricted	(5,616,183)	(17,380,166)
	<u>\$ 170,237,579</u>	<u>\$ 158,316,784</u>

Resources that are subject to external restrictions on how they may be used represent an additional 8% of the District's total net position, which includes contributions, grants, and notes receivable.

The District is reporting a net position deficit of \$5,616,183 as a result from District's construction of the East Las Vegas library facilities from prior fiscal years, which cost \$16.5 million.

DRAFT**Las Vegas-Clark County Library District**

Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2021

Net investment in capital assets remained flat compared to prior year as construction projects were put on hold and capital programs were reduced to operational minimums. See the discussion on capital assets, below, for further details.

Governmental activities. Governmental activities increased the District's net position by \$11,920,795 or 7.5% over the prior year. Key elements of this increase are as follows:

Las Vegas-Clark County Library District Changes in Net Position

	Year Ended June 30,	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 660,408	\$ 1,035,009
Operating grants and contributions	1,461,662	1,491,555
General revenues:		
Property taxes	50,132,189	46,305,279
Intergovernmental revenues, consolidated taxes, unrestricted	24,212,142	22,414,958
Other	1,088,969	1,811,680
	<u>77,555,370</u>	<u>73,058,481</u>
Expenses:		
Culture and recreation	65,338,208	71,157,890
Long-term debt interest	296,367	296,367
	<u>65,634,575</u>	<u>71,454,257</u>
Change in net position	11,920,795	1,604,224
Net position, beginning of year	<u>158,316,784</u>	<u>156,712,560</u>
Net position, end of year	<u>\$ 170,237,579</u>	<u>\$ 158,316,784</u>

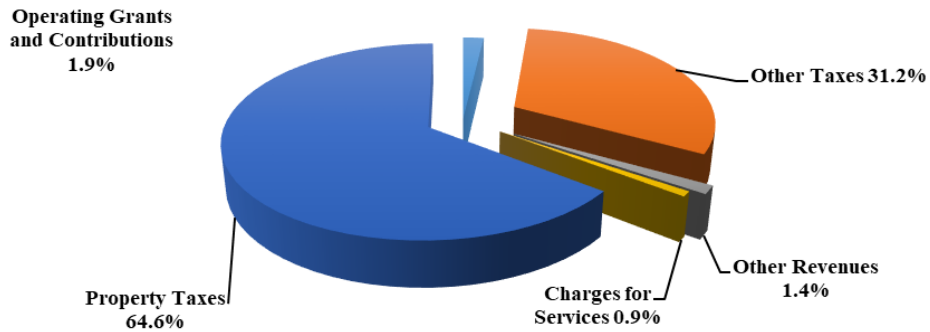
- Property taxes increased \$3,826,910 or 8.3% and intergovernmental consolidated taxes increased \$1,797,184 or 8.0% compared to the prior year. The increase in property taxes in Southern Nevada is due to increased property tax values, which is primarily due to lower supply, higher demand, and low interest rates. The increase in intergovernmental consolidated taxes is due to growth in consumer spending as businesses and the economy steadily resumed operations during the COVID-19 pandemic.
- Culture and recreation expenses decreased \$5,819,682 or 8.2% over the prior year. This change can be primarily attributed to reduced spending in personnel costs and services and supplies, and lower depreciation expense in order to build a reserve to mitigate the effects of the COVID-19 pandemic.
- Interest expense relative to long-term debt remained the same \$296,367 compared to prior year.

DRAFT

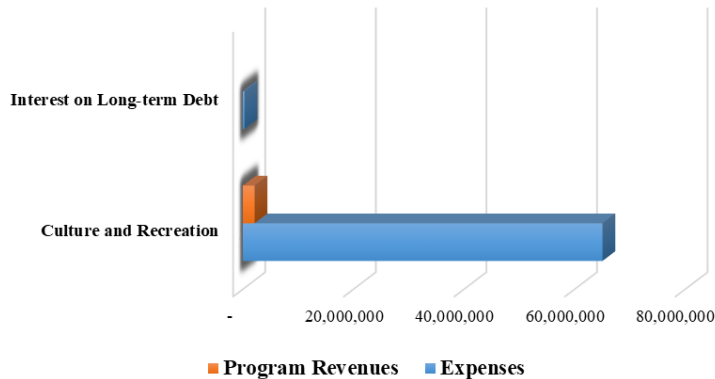
Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2021

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.

DRAFT**Las Vegas-Clark County Library District**

Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2021

At June 30, 2021, the District's governmental funds reported combined ending fund balances of \$62,965,401, an increase of \$11,188,331 or 21.6% from the prior year. Approximately 49.3% or \$31,059,998 of the total fund balance, 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 (\$1,769,858), 2) the acquisition, construction or improvement of capital assets (\$7,890,083), 3) grant and other programs (\$22,235,462), 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, 2021, the fund balance of the general fund was \$31,059,998. 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 49.1% of total general fund expenditures.

The fund balance of the District's general fund increased by \$12,286,039 or 65.4% during the current fiscal year. The increase in fund balance is primarily due to reduced transfers to other funds combined with decreased spending in personnel costs, services and supplies and capital projects in order to build a reserve to mitigate the effects of the COVID-19 pandemic.

The Las Vegas-Clark County Library District Foundation fund has an ending fund balance of \$21,621,103, an increase of \$14,866 over prior year, due to normal business operations.

The capital projects fund has a total ending fund balance of \$7,890,083, a decrease of \$1,331,284 from the previous fiscal year. This decrease was primarily due to zero transfers from the General Fund partially offset by reduced expenditures.

The aggregate non-major funds have a combined total fund balance of \$2,394,217, an increase of \$218,710 from the prior year, due to normal business operations.

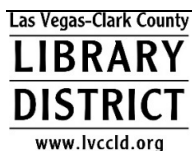
General Fund Budgetary Highlights

During the year, total revenues were 9.6% or \$6,643,018 higher than the final budgetary estimate. This was primarily due to consolidated taxes revenue, which was \$17,800,000 compared to \$24,212,142 actual. The \$6,412,142 increase is primarily attributable to the increased consumer spending as a result of federal stimulus as the economy reopened. Expenditures were less than the final budgetary estimate by \$6,824,889 or 9.7%, primarily due to reduced spending in personnel costs, supplies and services, and a decrease in capital outlay to mitigate the economic effects of the COVID-19 pandemic. All functions were within appropriation authority. Actual ending fund balance was \$31,059,998, 106.8% 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, 2021, amounts to \$182,369,176 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, library media materials, and furniture and equipment. The net decrease in the District's investment in capital assets for the current fiscal year was \$61,314.

DRAFT**Las Vegas-Clark County Library District**
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2021

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

- The District purchased library media materials, at a cost of \$9,407,129, an increase of \$50,889 from the prior fiscal year purchases.
- Furniture and equipment additions were purchased at a cost of \$290,115.
- Depreciation expense for the fiscal year was \$9,758,558.

Capital assets at year-end were as follows:

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

	June 30,	
	2021	2020
Land	\$ 5,706,578	\$ 5,706,578
Buildings	109,258,264	112,609,822
Improvements	420,814	517,729
Library media materials	64,607,908	60,766,200
Furniture and equipment	2,375,612	2,830,161
	<u>\$ 182,369,176</u>	<u>\$ 182,430,490</u>

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

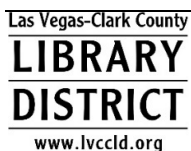
Long-term debt. At June 30, 2021, the District had total bonded debt outstanding of \$26,290,000, all of which is backed by the full faith and credit of the District.

Las Vegas-Clark County Library District Outstanding General Obligation Debt

	June 30,	
	2021	2020
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
	<u>\$ 26,290,000</u>	<u>\$ 26,290,000</u>

The District's total long-term debt remained flat as principal payments do not begin until fiscal year 2025. All of the District's general obligation debt were issued with AAA and AA ratings.

DRAFT



Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2021

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 \$7,517,771,902, 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 9.6 %, which is a decrease from a rate of 17.7% a year ago due to the massive business shutdowns and layoffs caused by the spread of COVID-19. The United States national average unemployment rate is 5.9% and the State of Nevada's average unemployment rate is 7.8%.
- Inflationary trends in the District are comparable to the United States national indices.
- Businesses, within Clark County, reported taxable sales of \$4.9 billion, compared to sales of \$3.6 billion reported in the previous year.
- Gaming establishments, within Clark County, reported gaming revenues of \$1.0 billion compared to \$441.1 million reported in June of prior fiscal year.
- As discussed in Note 4 to the basic financial statements, the District implemented several cost saving strategies designed to ensure financial sustainability in response to the COVID-19 pandemic. These strategies successfully provided the District with additional resources to withstand any subsequent financial downturns in the near term. Combined with the improving economic conditions in Southern Nevada, these measures allowed the District to resume transferring funds to the Capital Projects Fund, build reserves, and continue spending on critical projects. However, the future impact of the COVID-19 pandemic is unknown and rapidly evolving.

All of these factors were considered in preparing the District's budget for the 2022 fiscal year.

The unassigned fund balance (actual) in the general fund increased 65.0% from the prior year to \$31,059,998. This amount is \$16,037,278 higher than the final budgeted ending fund balance for the 2021 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.

DRAFT

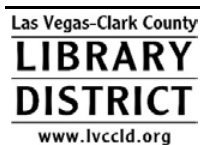
Basic Financial Statements

DRAFT

DRAFT

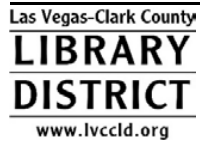
Government-Wide Financial Statements

DRAFT

DRAFT**Las Vegas-Clark County Library District**
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents:	
Unrestricted	\$ 31,810,403
Restricted	578,636
Investments	
Unrestricted	7,604,494
Restricted	3,364,421
Receivables:	
Taxes	767,749
Notes	17,981,600
Interest	18,578
Other, net	132,605
Due from other governments	5,010,545
Prepaid items and other assets	1,695,709
Property and equipment, net of accumulated depreciation:	
Land	5,706,578
Buildings	109,258,264
Improvements	420,814
Library media materials	64,607,908
Furniture and equipment	2,375,612
Total assets	<u>251,333,916</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	<u>7,597,726</u>
LIABILITIES	
Accounts payable	1,211,122
Accrued payroll	2,219,638
Deposits payable	77,993
Unearned revenue	9,583
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	4,387,104
Due in more than one year	1,233,077
Obligation for other postemployment benefits	1,744,645
Net pension liability	48,185,863
Total liabilities	<u>85,475,290</u>

(Continued)

DRAFT**Las Vegas-Clark County Library District**
Statement of Net Position (Continued)
June 30, 2021

	<u>Governmental Activities</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	3,218,773
NET POSITION	
Net investment in capital assets	156,079,176
Restricted for:	
Debt service	1,168,627
Grant programs	157,031
Other programs	18,438,928
Permanent fund principal, nonexpendable	10,000
Unrestricted	(5,616,183)
Total net position	<u><u>\$ 170,237,579</u></u>

DRAFT

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, 2021

	Governmental Activities				
		Program Revenues			Net (Expenses)
			Operating	Capital	Revenues and
		Charges for	Grants and	Grants and	Change in
Function/program	Expenses	Services	Contributions	Contributions	Net Position
Culture and recreation	\$ (65,338,208)	\$ 660,408	\$ 1,461,662	\$ -	\$ (63,216,138)
Long-term debt interest	(296,367)				(296,367)
Total function/program	<u>\$ (65,634,575)</u>	<u>\$ 660,408</u>	<u>\$ 1,461,662</u>	<u>\$ -</u>	<u>(63,512,505)</u>
General revenues:					
Property taxes					50,132,189
Intergovernmental revenues, consolidated taxes, unrestricted					24,212,142
Interest					303,208
Miscellaneous					<u>785,761</u>
Total general revenues					<u>75,433,300</u>
Change in net position					11,920,795
Net position, beginning of year					<u>158,316,784</u>
Net position, end of year					\$ 170,237,579

See notes to basic financial statements.

DRAFT

This page intentionally left blank.

DRAFT

Fund Financial Statements

DRAFT

DRAFT

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

Las Vegas-Clark County Library District

Balance Sheet
June 30, 2021

	Governmental Funds				
	Major Funds				
	Special Revenue				
		Las Vegas- Clark County Library District Foundation	Capital Projects	Aggregate Non-Major Funds	Total
	General				
ASSETS					
Cash and cash equivalents:					
Unrestricted	\$ 26,558,605	\$ 366,659	\$ 3,643,203	\$ 1,241,936	\$ 31,810,403
Restricted				578,636	578,636
Investments					
Unrestricted	3,082,216		4,522,278		7,604,494
Restricted		3,364,421			3,364,421
Receivables:					
Taxes	751,887			15,862	767,749
Notes		17,981,600			17,981,600
Interest	2,197		16,378	3	18,578
Other, net	42,347	90,258			132,605
Due from other funds	83,074			408,135	491,209
Due from other governments	4,735,075			275,470	5,010,545
Other assets				16,333	16,333
Total assets	\$ 35,255,401	\$ 21,802,938	\$ 8,181,859	\$ 2,536,375	\$ 67,776,573
LIABILITIES					
Accounts payable	\$ 897,667	\$ 3,340	\$ 291,776	\$ 18,339	1,211,122
Accrued payroll	2,200,198	1,319		18,121	2,219,638
Deposits payable	77,993				77,993
Unearned revenue				9,583	9,583
Due to other funds	305,079	103,056		83,074	491,209
Total liabilities	3,480,937	107,715	291,776	129,117	4,009,545

(Continued)

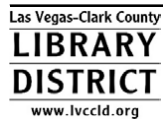
DRAFT

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

Las Vegas-Clark County Library District

Balance Sheet (Continued)
June 30, 2021

	Governmental Funds				
	Major Funds				
	Special Revenue				
		Las Vegas-Clark County Library District Foundation	Capital Projects	Aggregate Non-Major Funds	Total
	General				
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, interest income		74,120			74,120
Unavailable revenue, property taxes	714,466			13,041	727,507
Total deferred inflows of resources	714,466	74,120		13,041	801,627
FUND BALANCES					
Nonspendable:					
Permanent fund principal				10,000	10,000
Restricted for:					
Debt service				1,168,627	1,168,627
Grant programs				157,031	157,031
Other programs		17,981,600		457,328	18,438,928
Assigned to:					
Capital projects			7,890,083		7,890,083
Debt service				601,231	601,231
Other programs		3,639,503			3,639,503
Unassigned	31,059,998				31,059,998
Total fund balances	31,059,998	21,621,103	7,890,083	2,394,217	62,965,401
Total liabilities, deferred inflows of resources and fund balances	\$ 35,255,401	\$ 21,802,938	\$ 8,181,859	\$ 2,536,375	\$ 67,776,573

DRAFT**Las Vegas-Clark County Library District**

**Reconciliation of the Balance Sheet
to the Statement of Net Position
June 30, 2021**

Fund balances		\$ 62,965,401
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	293,412,855	
Less accumulated depreciation	<u>(111,043,679)</u>	182,369,176
Other assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Other assets		173,795
Long-term liabilities, including bonds payable, are not due and payable in the current period; and therefore, are not reported in governmental funds:		
General obligation bonds and notes payable, including unamortized premiums	(26,290,000)	
Accrued interest payable	<u>(116,265)</u>	(26,406,265)
Accrued compensated absences		(5,620,181)
Obligation for other postemployment benefits		(1,744,645)
Net pension liability	(48,185,863)	
Deferred outflows of resources related to pensions	7,597,726	
Deferred inflows of resources related to pensions	<u>(3,218,773)</u>	(43,806,910)
Prepaid items represent current fund expenditures that benefit future periods; and therefore, are not reported in governmental funds.		1,505,581
Unavailable revenue represents amounts that are not available to fund current expenditures; and therefore, are not reported as revenues in governmental funds.		<u>801,627</u>
Net position		<u><u>\$ 170,237,579</u></u>

See notes to basic financial statements.

DRAFT

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, 2021**

	Governmental Funds				
	Major Funds				
	Special Revenue				
		Las Vegas- Clark County Library District Foundation	Capital Projects	Aggregate Non-Major Funds	Total
	General				
Revenues					
Property taxes	\$ 50,053,117			\$ 5,357	\$ 50,058,474
Intergovernmental revenues, consolidated taxes	24,212,142				24,212,142
Grants				1,074,591	1,074,591
Charges for services	660,408				660,408
Interest	11,188	\$ 275,063	\$ 10,743	115	297,109
Contributions	211,351	324,571		288,061	823,983
Miscellaneous	394,812	97,767		608,182	1,100,761
Total revenues	75,543,018	697,401	10,743	1,976,306	78,227,468
Expenditures					
Culture and recreation:					
Salaries and wages	30,189,194	32,823		421,276	30,643,293
Employee benefits	11,427,568	1,008		134,887	11,563,463
Supplies and services	12,472,836	648,704	1,051,912	665,318	14,838,770
Capital outlay	9,167,381		290,115	239,748	9,697,244
Debt service:					
Interest				296,367	296,367
Total expenditures	63,256,979	682,535	1,342,027	1,757,596	67,039,137

(Continued)

DRAFT

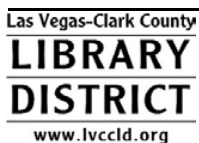
Las Vegas-Clark County
LIBRARY
DISTRICT
 www.lvccld.org

Las Vegas-Clark County Library District

**Statement of Revenues, Expenditures,
 and Changes in Fund Balances (Continued)
 For the Fiscal Year Ended June 30, 2021**

	Governmental Funds				
	Major Funds				
	Special Revenue				
	Las Vegas-Clark County Library District Foundation		Capital Projects	Aggregate Non-Major Funds	Total
	General				
Excess (deficiency) of revenues over (under) expenditures	12,286,039	14,866	(1,331,284)	218,710	11,188,331
Net change in fund balances	12,286,039	14,866	(1,331,284)	218,710	11,188,331
Fund balance, beginning of year	18,773,959	21,606,237	9,221,367	2,175,507	51,777,070
Fund balances, end of year	\$ 31,059,998	\$ 21,621,103	\$ 7,890,083	\$ 2,394,217	\$ 62,965,401

See notes to basic financial statements.

DRAFT**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, 2021**

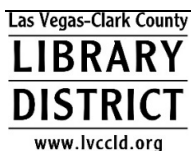
Net change in fund balances		\$ 11,188,331
Amounts reported in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:		
Expenditures for capital outlay	\$ 9,697,244	
Current year depreciation	<u>(9,758,558)</u>	(61,314)
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	6,099	
Change in unavailable revenue, property taxes	<u>73,715</u>	79,814
Some expenditures reported in governmental funds benefit future periods; and therefore, are not reported in the statement of activities:		
Change in prepaid items and other assets		465,048
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:		
Change in long-term accrued compensated absences	1,474,317	
Change in obligation for other postemployment benefits	(8,891)	
Change in net pension liability and related deferred outflows and inflows of resources	<u>(1,216,510)</u>	<u>248,916</u>
Change in net position		<u><u>\$ 11,920,795</u></u>

See notes to basic financial statements.

DRAFT

Notes to Basic Financial Statements

DRAFT

DRAFT**Las Vegas-Clark County Library District**
**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**
Note 1. Summary of Significant Accounting PoliciesThe 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.

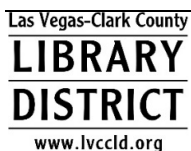
Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 39, *Determining Whether Certain Organizations are Component Units*, Statement No. 61, *The Financial Reporting Entity: Omnibus* and Statement No. 80, *Blending Requirements 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' annual comprehensive financial reports (ACFR). 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

DRAFT**Las Vegas-Clark County Library District**
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

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.

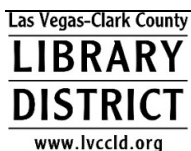
Separate fund financial statements are provided with each major individual governmental fund reported in a separate column. Fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances. Schedules are presented to reconcile fund balances presented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

Measurement Focus, Basis of Accounting, and Financial Statement PresentationGovernment-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,

DRAFT**Las Vegas-Clark County Library District**
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

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.

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.

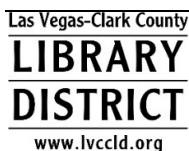
Assets, Liabilities and Net Position or Fund Balance
Deposits and Investments

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.

DRAFT**Las Vegas-Clark County Library District**
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

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. In the governmental fund financial statements, these payments are recorded as expenditures when purchased rather than when consumed and are reported as prepaid items in the entity-wide financial statements.

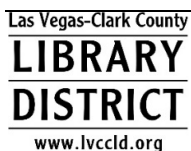
Inventory comprised solely of books and other donated library materials. In the governmental fund financial statements, inventory is recorded as expenditures when purchased rather than when consumed and is reported as library media materials in the entity-wide financial statements.

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 1.474% 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.

DRAFT**Las Vegas-Clark County Library District**
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

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:

<u>Assets</u>	<u>Years</u>
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) Annual Comprehensive 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, changes in assumptions 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

DRAFT

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

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 and interest income, 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 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, and 2) the net difference between projected and actual earnings on investments, which will be amortized over five years.

Long-term Obligations

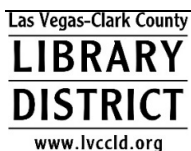
In the government-wide financial statements, long-term obligations are reported as liabilities, net of unamortized bond premiums in the statement of net position. Bond premiums are deferred and amortized over the life of the related bonds using the effective interest method.

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.

DRAFT**Las Vegas-Clark County Library District**
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021
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 AccountabilityBudgetary 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.

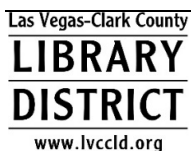
The District uses the following procedures to establish, modify, and control budgetary data:

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 June 15, 2021. 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

DRAFT



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021**

outflows of resources based on the payment provisions of the contract. Management has not yet completed its assessment of this statement.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users and requires recognition of right to use assets and corresponding liabilities for SBITA's that meet certain criteria. Management has not yet completed its assessment of this statement.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this statement related to Internal Revenue Code Section 457 Deferred Compensation Plans are effective for periods beginning after June 15, 2021, all other requirements were effective and adopted for the year ended June 30, 2020. This statement provides guidance to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board, 2) mitigate costs associated with the reporting of certain defined contribution pension plans, and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The requirements of this statement that were effective and adopted for the year ended June 30, 2020, did not have a material effect on the District's financial position or changes therein. Management has not yet completed its assessment of the requirements of this statement related to Internal Revenue Code Section 457 Deferred Compensation Plans.

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 the District's financial position or changes therein.

DRAFT**Las Vegas-Clark County Library District**

Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

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, 2021 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	\$1,432
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	\$51,142
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	\$123,593
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	\$31,197
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.

DRAFT

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

At year end, the District's carrying amount of deposits was \$20,497,310, and the bank balance was \$20,921,108. The Federal Depositary 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, 2021, 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 or, for certificates of deposit, amortized cost.

At June 30, 2021, 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)	\$ 7,233,668	\$ 480,351	\$ 6,753,317
Certificates of deposit (Level 2)	2,296,916	1,412,281	884,635
U.S. Agencies (Level 2)	847,234		847,234
Corporate Bond Notes (Level 1)	591,097		591,097
	<u>\$ 10,968,915</u>	<u>\$ 1,892,632</u>	<u>\$ 9,076,283</u>

DRAFT

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

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, 2021, 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.

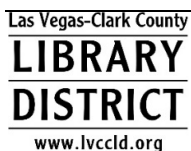
In addition to the District's investment in U.S. Treasuries, investments in any one issuer that represents 5% or more of the District's total investments at June 30, 2021, were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported amount/ fair value</u>
Federal Home Loan Mortgage Corp.	U.S. Agencies	\$ 677,943

Property and Equipment

Changes in capital assets for the year ended June 30, 2021, were as follows:

	<u>Balance June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
Capital assets not being depreciated:				
Land	\$ 5,706,578			\$ 5,706,578
Capital assets being depreciated:				
Buildings	158,489,025			158,489,025
Improvements	3,755,650			3,755,650
Library media materials	101,277,002	\$ 9,407,129	\$ (3,004,283)	107,679,848
Furniture and equipment	17,698,299	290,115	(206,660)	17,781,754
	<u>281,219,976</u>	<u>9,697,244</u>	<u>(3,210,943)</u>	<u>287,706,277</u>
Less accumulated depreciation for:				
Buildings	(45,879,203)	(3,351,558)		(49,230,761)
Improvements	(3,237,921)	(96,915)		(3,334,836)
Library media materials	(40,510,802)	(5,565,421)	3,004,283	(43,071,940)
Furniture and equipment	(14,868,138)	(744,664)	206,660	(15,406,142)
	<u>(104,496,064)</u>	<u>(9,758,558)</u>	<u>3,210,943</u>	<u>(111,043,679)</u>
	<u>\$ 182,430,490</u>	<u>\$ (61,314)</u>	<u>\$ -</u>	<u>\$ 182,369,176</u>

DRAFT**Las Vegas-Clark County Library District**
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021
Interfund Receivables, Payables, and Transfers

At June 30, 2021, 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:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Grant	\$ 83,074
Gift	Las Vegas-Clark County Library District - Foundation	14,953
QALICB	Las Vegas-Clark County Library District - Foundation	88,103
QALICB	General	305,079

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. As of June 30, 2021, there were no Interfund transfers.

Operating Lease Commitments

The District leases certain facilities under non-cancelable operating leases, which expire (including three two-year renewal periods) in May 2028. Rent expense resulting from such leases was \$17,616 for the year ended June 30, 2021.

At June 30, 2021, approximate future minimum lease payments were as follows:

<u>Years ending June 30,</u>	
2022	\$ 17,616
2023	17,616
2024	17,616
2025	17,616
2026	17,616
2027-2028	32,296

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.

DRAFT

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

Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

General obligation bonds and notes payable outstanding at June 30, 2021, were as follows:

	<u>Maturity date</u>	<u>Original amount</u>	<u>Interest rate</u>	<u>Balance June 30, 2021</u>
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	1.000%	6,646,000
Clearinghouse QLICI – Loan B	December 2047	3,154,000	1.000%	3,154,000
		<u>\$ 26,290,000</u>		<u>\$ 26,290,000</u>

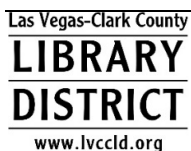
Annual debt service requirements to maturity were as follows:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022		\$ 296,367	\$ 296,367
2023		296,367	296,367
2024		293,061	293,061
2025	\$ 391,035	298,067	689,102
2026	793,993	287,764	1,081,757
2027-2031	4,306,011	1,259,656	5,565,667
2032-2036	4,346,525	1,076,785	5,423,310
2037-2041	4,592,694	830,617	5,423,311
2042-2046	4,852,920	570,390	5,423,310
2047-2051	3,186,772	331,398	3,518,170
2052-2056	2,880,642	161,291	3,041,932
2057-2058	939,410	13,638	953,048
	<u>\$ 26,290,000</u>	<u>\$ 5,715,402</u>	<u>\$ 32,005,402</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2021, was as follows:

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Due within one year</u>
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	7,094,497	\$ 2,795,371	\$ (4,269,688)	5,620,181	\$ 4,387,104
Obligation for postemployment benefits other than pensions	1,735,754	44,022	(35,131)	1,744,645	
Net pension liability	47,924,045	4,506,599	(4,244,781)	48,185,863	
	<u>\$ 83,044,296</u>	<u>\$ 7,345,992</u>	<u>\$ (8,549,600)</u>	<u>\$ 81,840,689</u>	<u>\$ 4,387,104</u>

DRAFT**Las Vegas-Clark County Library District**
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

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

Note 4. Other InformationRisk 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.

During the first quarter of 2020, the outbreak of the COVID-19 pandemic caused significant volatility in U.S. and international economies and has led to a global health emergency. As a result, all non-essential business operations in Nevada ceased on March 17, 2020, and did not begin reopening until mid-May 2020. However, a significant portion of the District's revenues are from property and intergovernmental consolidated (sales and use) taxes, which to date have not been significantly impacted by COVID-19 pandemic.

For the fiscal year ended June 30, 2021, the COVID-19 pandemic had the unexpected effect of increasing property tax and consolidated sales tax revenues. This impact appears to be due to economic stimulus provided by the federal government, intermittent lifting of various economic restrictions, and pent up demand. To mitigate the uncertainty regarding COVID-19 pandemic impact, the District took immediate action to maintain financial sustainability in the prior fiscal year, which also resulted in a positive impact on expenditures in the fiscal year ended June 30, 2021.

The future impact of the COVID-19 pandemic is unknown and rapidly evolving. The ultimate long-term impact on the District's financial position and changes therein cannot be determined at this time, but may be substantial.

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

DRAFT**Las Vegas-Clark County Library District**

Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

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 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed 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 are summarized as follows:

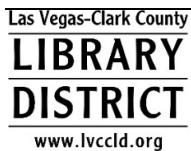
Retirees are eligible for annual benefit increases starting the fourth year of initially receiving benefits. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years four, five, and six; increase to 3% in years seven, eight, and nine; 3.5% in years ten, eleven, and twelve; 4% for years thirteen and fourteen; and 5% in year fifteen and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items).

Retirees who enter the System on or after January 1, 2010, are eligible for annual benefit increases starting the fourth year of initially receiving benefits. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years four, five, and six; increase to 3% in years seven, eight, and nine; 3.5% in years ten, eleven, and twelve; and 4% in year thirteen and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items)

Retirees who enter the System on or after July 1, 2015, are eligible for annual benefit increases starting the fourth year of initially receiving benefits. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years four, five, and six; increase to 2.5% in years seven, eight, and nine; then adjust to the lesser of 3% or the increase, if any, in the Consumer Price Index (all items) for the preceding calendar year following the tenth year and every year thereafter.

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

DRAFT**Las Vegas-Clark County Library District**
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

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 service, 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.

Members with the years of service necessary to receive a retirement benefit but who have not reached the age for an unreduced benefit may retire at any age with the benefit reduced by 4% for each full year they are under the required age. Members entering the System on or after January 1, 2010, with the years of service necessary to receive a retirement benefit but who have not reached the age for an unreduced benefit may retire at any age with the benefit reduced by 6% for each full year they are under the required age.

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 and cannot withdraw these contributions. 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, 2021, the required employer/employee matching rate was 15.25% for regular and 22.0% for police/fire members. The EPC rate was 29.25% for regular and 42.50% for police/fire members.

PERS issues a publicly available Annual Comprehensive 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, 2020, 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.

DRAFT

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

The total PERS pension liability was determined using the following actuarial assumptions (based on the results of an experience study for the period July 1, 2012 through June 30, 2016), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2020
Inflation rate	2.75%, beginning of year 2.75%, end of year
Payroll growth	5.50% for regular employees and 6.50% for police/fire, including inflation
Investment rate of return	7.50%, beginning of year 7.50%, end of year
Discount rate	7.50%
Productivity pay increase	0.50%
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 Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases

At June 30, 2020, assumed mortality rates and projected life expectancies for selected ages were as follows:

Age	All Members			
	Mortality Rates		Expected Years of Life Remaining	
	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 members at age 50 from the employees mortality table listed above. 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.

DRAFT

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

The following target asset allocation policy was adopted as of June 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Geometric Expected Real Rate of Return *</u>
U.S. Stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%

* 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%.

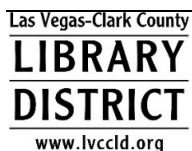
The discount rate used to measure the total pension liability was 7.5% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. Based on that assumption, PERS fiduciary net position at June 30, 2020, 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, 2020.

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:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Net pension liability	\$ 75,152,282	\$ 48,185,863	\$ 25,766,408

Detailed information about PERS fiduciary net position is available in the PERS Annual Comprehensive 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 Annual Comprehensive 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 \$48,185,863, which represents 0.34596% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2020, 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, 2020.

DRAFT**Las Vegas-Clark County Library District**
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

For the year ended June 30, 2020, the District's pension expense was \$4,506,599 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	\$ 1,497,101	\$ 622,196
Changes in assumptions	1,353,489	
Net difference between projected and actual earnings on investments		1,820,259
Changes in proportion and differences between actual contributions and proportionate share of contributions	1,278,375	776,318
Contributions subsequent to measurement date	3,468,761	

At June 30, 2020, the average expected remaining service life was 6.13 years.

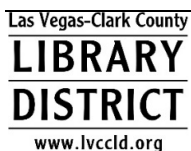
Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$3,468,761 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending June 30,</u>	
2022	1,699,195
2023	(845,436)
2024	(976,376)
2025	(683,109)
2026	(97,566)
2027	(6,900)

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

Net pension liability, beginning of year	\$ 47,924,045
Pension expense	4,506,599
Employer contributions	(3,605,292)
Change in net deferred outflows and inflows	<u>(639,489)</u>
Net pension liability, end of year	<u>\$ 48,185,863</u>

At June 30, 2021, \$411,198 was payable to PERS, for the June 2021 required contribution, and is included in accrued payroll.

DRAFT**Las Vegas-Clark County Library District**
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021
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 \$932 per retiree, per month.

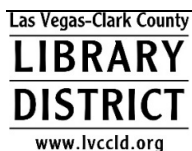
At June 30, 2021, 33 retirees were covered by and receiving benefits from the PEBP.

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, 2021
Measurement date	June 30, 2021
Discount rate	2.6%, beginning of year
	2.0%, end of year
Actuarial cost method	Entry age normal, level percent-of-pay
Total retirees	33
Average retiree age	75.8 years
Average retiree life expectancy	14.0 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 4.5%
Mortality rates	Society of Actuaries Pub-2010 Public Retirement Plans Headcount - Weighted General Mortality Tables using Scale MP-2020 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, 2021.

DRAFT

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2021

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Total OPEB liability	\$ 1,947,326	\$ 1,744,645	\$ 1,572,747
	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
Total OPEB liability	\$ 1,583,675	\$ 1,744,645	\$ 1,929,546

At June 30, 2021, changes in the District's total OPEB obligation were as follows:

Total OPEB obligation, beginning of year	<u>\$ 1,735,754</u>
Service cost	N/A*
Interest on total OPEB obligation	44,022
Differences between expected and actual experience	20,429
Changes of assumptions or other inputs	29,658
Benefit payments	<u>85,218</u>
Net change in total OPEB obligation	<u>8,891</u>
Total OPEB obligation end of year	<u><u>\$ 1,744,645</u></u>

* 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, changes in deferred outflows and inflows of resources are recognized in OPEB expense in the year incurred.

DRAFT

This page intentionally left blank

DRAFT

Required Supplementary Information

DRAFT

DRAFT

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, 2021**

	Budget			Variance to
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	\$ 49,300,000	\$ 49,300,000	\$ 50,053,117	\$ 753,117
Intergovernmental revenues, consolidated taxes	17,800,000	17,800,000	24,212,142	6,412,142
Charges for services	1,020,000	1,020,000	660,408	(359,592)
Interest	15,000	15,000	11,188	(3,812)
Contributions			211,351	211,351
Miscellaneous	765,000	765,000	394,812	(370,188)
Total revenues	68,900,000	68,900,000	75,543,018	6,643,018
Expenditures				
Culture and recreation:				
Salaries and wages	31,770,976	31,770,976	30,189,194	1,581,782
Employee benefits	12,499,827	12,499,827	11,427,568	1,072,259
Supplies and services	15,301,681	15,301,681	12,472,836	2,828,845
Capital outlay	10,509,384	10,509,384	9,167,381	1,342,003
Total expenditures	70,081,868	70,081,868	63,256,979	6,824,889
Excess (deficiency) of revenues over expenditures	(1,181,868)	(1,181,868)	12,286,039	13,467,907
Net change in fund balance	(1,181,868)	(1,181,868)	12,286,039	13,467,907
Fund balance, beginning of year	16,204,588	16,204,588	18,773,959	2,569,371
Fund balance, end of year	\$ 15,022,720	\$ 15,022,720	\$ 31,059,998	\$ 16,037,278

DRAFT

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, 2021 and Prior Nine Fiscal Years ***

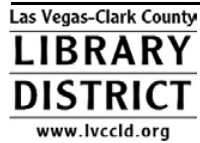
Valuation Year	Service Cost	Interest on Total OPEB Liability	Changes in Benefit Terms	Differences Between Expected and Actual Experience	Changes in Assumptions or Other Inputs	Benefit Payments**	Net Change in Total OPEB Liability	Total OPEB Liability, Beginning of Year	Total OPEB Liability, End of Year	Covered- Employee Payroll	Total OPEB Liability, End of Year as a Percentage of Covered- Employee Payroll
2021	N/A***	\$ 44,022	\$ -	\$ 20,429	\$ 29,658	\$ 85,218	\$ 8,891	\$ 1,735,754	\$ 1,744,645	N/A***	N/A***
2020	N/A***	55,202	-	1,781	(114,655)	(93,298)	(150,970)	1,886,724	1,735,754	N/A***	N/A***
2019	N/A***	63,980	-	(80,090)	10,199	(92,336)	(98,247)	1,984,971	1,886,724	N/A***	N/A***
2018	N/A***	71,482	-	(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.

Source: Lewis & Ellis Actuarials (GASB 75)

DRAFT**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, 2021 and Prior Nine Fiscal Years ***

Valuation Year	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
2020	0.34596%	\$ 48,185,863	\$ 25,005,967	192.69746%	77.03999%
2019	0.35145%	47,924,045	23,794,894	201.40474%	76.45733%
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.

DRAFT

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

Las Vegas-Clark County Library District

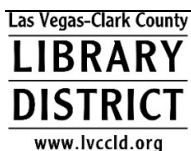
**Proportionate Share of Statutorily Required
 Pension Contribution Information**

**Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
 For the Fiscal Year Ended June 30, 2021 and Prior Nine Fiscal Years ***

Valuation Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2021	\$ 6,937,523	\$ 6,937,523	\$ -	\$ 25,712,125	26.98152%
2020	7,567,929	7,567,929	-	25,005,967	30.26449%
2019	6,761,114	6,761,114	-	23,794,894	28.41414%
2018	6,328,094	6,328,094	-	21,929,216	28.85691%
2017	6,174,110	6,174,110	-	21,261,880	29.03840%
2016	5,862,383	5,862,383	-	20,429,244	28.69603%
2015	5,191,083	5,191,083	-	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.

DRAFT



Las Vegas-Clark County Library District

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2021

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, 2021, 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 2.6% at the beginning of the year to 2.0% at the end of the year.

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, 2021, 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, 2020.

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.

DRAFT

This page intentionally left blank

DRAFT

Other Supplementary Information

DRAFT

DRAFT

Combining and Individual Fund Statements and Schedules

DRAFT

DRAFT

Major Fund

DRAFT

DRAFT

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.

DRAFT

DRAFT

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, 2021**

	Budget			Variance to
	Original	Final	Actual	Final Budget
Revenues				
Interest	\$ 50,000	\$ 50,000	\$ 10,743	\$ (39,257)
Expenditures				
Culture and recreation:				
Supplies and services	2,926,700	2,926,700	1,051,912	1,874,788
Capital outlay	1,132,000	1,132,000	290,115	841,885
Total expenditures	4,058,700	4,058,700	1,342,027	2,716,673
Deficiency of revenues under expenditures	(4,008,700)	(4,008,700)	(1,331,284)	2,677,416
Net change in fund balance	(4,008,700)	(4,008,700)	(1,331,284)	2,677,416
Fund balance, beginning of year	8,391,378	8,391,378	9,221,367	829,989
Fund balance, end of year	<u>\$ 4,382,678</u>	<u>\$ 4,382,678</u>	<u>\$ 7,890,083</u>	<u>\$ 3,507,405</u>

DRAFT

This page intentionally left blank.

DRAFT

Non-Major Funds

DRAFT

DRAFT

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.

The QALICB 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.

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.

DRAFT

DRAFT**Las Vegas-Clark County Library District**

**Combining Balance Sheet
Non-Major Funds
June 30, 2021**

	Special Revenue Funds				Debt Service Fund	Permanent Fund	Aggregate Non-Major Funds
	Grant	Gift	QALICB	Total			
ASSETS							
Cash and cash equivalents:							
Unrestricted	\$ -	\$ 443,390	\$ 200,059	\$ 643,449	\$ 598,487		\$ 1,241,936
Restricted			568,636	568,636		\$ 10,000	578,636
Receivables:							
Taxes					15,862		15,862
Interest					3		3
Due from other funds		14,953	393,182	408,135			408,135
Due from other governments	275,470			275,470			275,470
Other assets			16,333	16,333			16,333
Total assets	<u>\$ 275,470</u>	<u>\$ 458,343</u>	<u>\$ 1,178,210</u>	<u>\$ 1,912,023</u>	<u>\$ 614,352</u>	<u>\$ 10,000</u>	<u>\$ 2,536,375</u>
LIABILITIES							
Accounts payable	\$ 17,244	\$ 1,015		\$ 18,259	\$ 80		\$ 18,339
Accrued payroll	18,121			18,121			18,121
Unearned revenue			\$ 9,583	9,583			9,583
Due to other funds	83,074			83,074			83,074
Total liabilities	<u>118,439</u>	<u>1,015</u>	<u>9,583</u>	<u>129,037</u>	<u>80</u>		<u>129,117</u>

(Continued)

DRAFT

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

Las Vegas-Clark County Library District

Combining Balance Sheet (Continued)
Non-Major Funds
June 30, 2021

	Special Revenue Funds			Debt Service Fund	Permanent Fund	Aggregate Non-Major Funds
	Grant	Gift	QALICB	Total		
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue, property taxes				\$ 13,041		\$ 13,041
FUND BALANCES						
Nonspendable:						
Permanent fund principal					\$ 10,000	10,000
Restricted for:						
Debt service			1,168,627	1,168,627		1,168,627
Grant programs	157,031			157,031		157,031
Other programs		457,328		457,328		457,328
Assigned to:						
Debt service				601,231		601,231
Total fund balances	157,031	457,328	1,168,627	1,782,986	10,000	2,394,217
Total liabilities and fund balances	\$ 275,470	\$ 458,343	\$ 1,178,210	\$ 1,912,023	\$ 10,000	\$ 2,536,375

DRAFT

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, 2021**

	Special Revenue Funds				Debt Service Fund	Permanent Fund	Aggregate Non-Major Funds
	Grant	Gift	QALICB	Total			
Revenues							
Property taxes					\$ 5,357		\$ 5,357
Grants	\$ 1,074,591			\$ 1,074,591			1,074,591
Interest			\$ 69	69	46		115
Contributions	62,500	\$ 225,561		288,061			288,061
Miscellaneous			608,182	608,182			608,182
Total revenues	1,137,091	225,561	608,251	1,970,903	5,403		1,976,306
Expenditures							
Culture and recreation:							
Salaries and wages	351,276	70,000		421,276			421,276
Employee benefits	134,887			134,887			134,887
Supplies and services	400,902	173,135	86,461	660,498	4,820		665,318
Capital outlay	239,748			239,748			239,748
Debt service:							
Interest			296,367	296,367			296,367
Total expenditures	1,126,813	243,135	382,828	1,752,776	4,820		1,757,596

(Continued)

DRAFT

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 (Continued)
 Non-Major Funds
 For the Fiscal Year Ended June 30, 2021**

	Special Revenue Funds				Debt Service Fund	Permanent Fund	Aggregate Non-Major Funds
	Grant	Gift	QALICB	Total			
Net change in fund balances	10,278	(17,574)	225,423	218,127	583		218,710
Fund balances, beginning of year	146,753	474,902	943,204	1,564,859	600,648	\$ 10,000	2,175,507
Fund balances, end of year	\$ 157,031	\$ 457,328	\$ 1,168,627	\$ 1,782,986	\$ 601,231	\$ 10,000	\$ 2,394,217

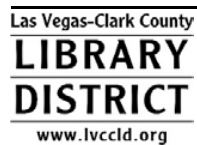
DRAFT

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 - Grant Fund
 For the Fiscal Year Ended June 30, 2021**

	Budget			Variance to
	Original	Final	Actual	Final Budget
Revenues				
Grants	\$ 1,800,000	\$ 1,800,000	\$ 1,074,591	\$ (725,409)
Contributions			62,500	62,500
Total revenues	1,800,000	1,800,000	1,137,091	(662,909)
Expenditures				
Culture and recreation:				
Salaries and wages	480,000	480,000	351,276	128,724
Employee benefits	210,000	210,000	134,887	75,113
Supplies and services	500,000	500,000	400,902	99,098
Capital outlay	610,000	610,000	239,748	370,252
Total expenditures	1,800,000	1,800,000	1,126,813	673,187
Net change in fund balance	-	-	10,278	(10,278)
Fund balance, beginning of year	146,753	146,753	146,753	-
Fund balance, end of year	<u>\$ 146,753</u>	<u>\$ 146,753</u>	<u>\$ 157,031</u>	<u>\$ (10,278)</u>

DRAFT**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, 2021**

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Contributions	\$ 615,000	\$ 615,000	\$ 225,561	\$ (389,439)
Miscellaneous	200,000	200,000		(200,000)
Total revenues	815,000	815,000	225,561	(589,439)
Expenditures				
Culture and recreation:				
Salaries and wages			70,000	(70,000)
Supplies and services	715,000	715,000	173,135	541,865
Capital outlay	100,000	100,000		100,000
Total expenditures	815,000	815,000	243,135	571,865
Net change in fund balance	-	-	(17,574)	(17,574)
Fund balance, beginning of year	488,325	488,325	474,902	(13,423)
Fund balance, end of year	<u>\$ 488,325</u>	<u>\$ 488,325</u>	<u>\$ 457,328</u>	<u>\$ (30,997)</u>

DRAFT

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, 2021**

	Budget			Variance to
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	-	-	\$ 5,357	\$ 5,357
Interest	\$ 10,000	\$ 10,000	46	(9,954)
Total revenues	10,000	10,000	5,403	(4,597)
Expenditures				
Culture and recreation:				
Supplies and services	10,000	10,000	4,820	5,180
Net change in fund balance	-	-	583	583
Fund balance, beginning of year	601,411	601,411	600,648	(763)
Fund balance, end of year	<u>\$ 601,411</u>	<u>\$ 601,411</u>	<u>\$ 601,231</u>	<u>\$ (180)</u>

DRAFT

This page intentionally left blank.



Tel: 702-384-1120
Fax: 702-870-2474
www.bdo.com

6100 Elton Avenue, #1000
Las Vegas, NV 89107

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

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated **November 10, 2021**. Our report includes a reference to other auditors who audited the financial statements of the Las Vegas-Clark County Library District Foundation fund, as described in our report on the District's financial statements. 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 financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

November 10, 2021

Las Vegas, Nevada

DRAFT

Single Audit and Accompanying Information

DRAFT



Tel: 702-384-1120
Fax: 702-870-2474
www.bdo.com

6100 Elton Avenue, #1000
Las Vegas, NV 89107

**Independent Auditor's Report on Compliance For Each Major Federal 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

Report on Compliance

Opinion on Compliance for Each Major Federal Program

We have audited the Las Vegas-Clark County Library District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2021. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 its major federal program for the year ended June 30, 2021.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the types of compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

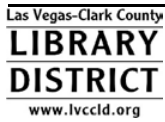
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated **November 10, 2021**, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. 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 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.

November 10, 2021

DRAFT

This page intentionally left blank.

DRAFT**Las Vegas - Clark County Library District**
**Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021**

Federal Grantor/Pass-through Grantor / Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Provided 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-246180-OLS-20	\$ -	\$ 55,000
Grants to States	45.310	LS-24654-OLS-20	-	51,943
Total Institute of Museum and Library Services				<u>106,943</u>
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 *	21-608-122000	-	777,403
Federal Emergency Management Agency				
Passed Through State of Nevada, Department of Public Safety's Division of Emergency Management				
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036 **	PA-09-NV-4523	-	10,279
Total federal assistance expended			<u>\$ -</u>	<u>\$ 894,625</u>

* A "major" program.

 ** See Notes to Schedule of Federal Expenditures of Federal Awards
 The accompanying Notes are an integral part of this schedule

DRAFT
DRAFT

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, 2021****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, 2021. 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 financial position, or changes in net assets, or cash flows of the District.

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.

In the year ended June 30, 2021, expenditures awarded from the Federal Emergency Management Agency (FEMA), under COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters), Assistance Listing Number 97.036, must be presented on the schedule of expenditures of federal awards (SEFA) when: 1) FEMA has approved the District's Project Worksheet (PW) and 2) the District has incurred the eligible expenditures. Federal awards expended in years prior to the fiscal year in which FEMA approves the PW are to be recorded on the District's SEFA in those respective approval years. Therefore, \$10,279 of eligible expenditures incurred in the year ended June 30, 2020 are included on the SEFA for the year ended June 30, 2021 because FEMA approved the District's PW for those expenditures in the year ended June 30, 2021.

Note 3. Indirect Cost Rate

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

DRAFT

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, 2021
Section I - Summary of Auditors' Results:**Financial Statements:**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	No
Material weaknesses identified?	
Significant deficiencies?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

Assistance Listing Number:	84.002
Name of Federal Program or Cluster:	U.S. Department of Education, 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

DRAFT

This page intentionally left blank.

ITEM IV.B.



AGENDA ITEM

NOVEMBER 9, 2021 MEETING OF THE BOARD OF TRUSTEES' FINANCE AND AUDIT COMMITTEE

Agenda Item #IV.B.:

Update on the District's financials and update of projections.

Background: The Chief Financial Officer will present information regarding the District's current financial status and future revenue and expenditure projections.

Recommended Action:

For discussion only.

FINANCIAL SERVICES UPDATE

Fiscal Year 2021-2022

Las Vegas-Clark County

**LIBRARY
DISTRICT**

LVCCLD.org



Review of FY 2020-2021 Audited Financials (General Fund)



Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget v. Actual – General Fund FY 2021
REVENUES

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 49,300,000	\$ 49,300,000	\$ 50,053,117	\$ 753,117
Intergovernmental revenues, consolidated taxes	17,800,000	17,800,000	24,212,142	6,412,142
Charges for services	1,020,000	1,020,000	660,408	(359,592)
Interest	15,000	15,000	11,188	(3,812)
Contributions	-	-	211,351	211,351
Miscellaneous	765,000	765,000	394,812	(370,188)
Total revenues	68,900,000	68,900,000	75,543,018	6,643,018

- Actual property taxes \$753K higher than budgeted
- Consolidates sales taxes (CTX) \$6.4M higher than budgeted
 - Reopening economy
 - Federal stimulus
 - Pent-up demand

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget v. Actual – General Fund FY 2021 (Continued)
EXPENDITURES AND ENDING FUND BALANCE

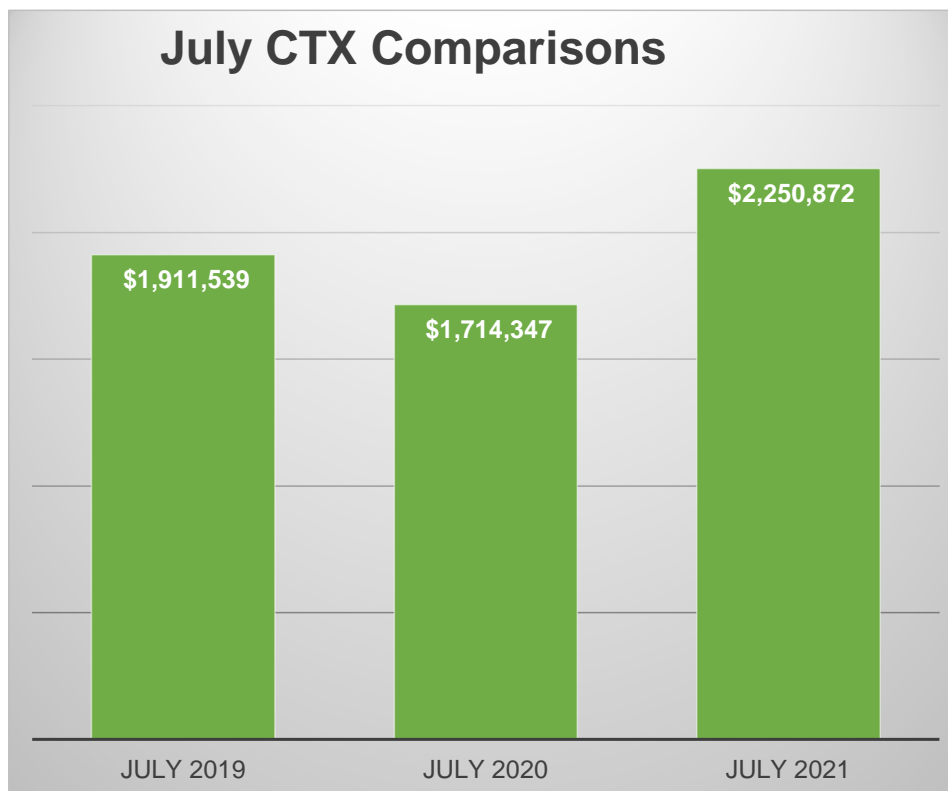
	Budget		Actual	Variance to Final Budget
	Original	Final		
Expenditures				
Culture and recreation:				
Salaries and wages	31,770,976	31,770,976	30,189,194	1,581,782
Employee benefits	12,499,827	12,499,827	11,427,568	1,072,259
Supplies and services	15,301,681	15,301,681	12,179,654	3,122,027
Capital outlay	10,509,384	10,509,384	9,167,381	1,342,003
Total expenditures	70,081,868	70,081,868	62,963,797	7,118,071
Excess (deficiency) of revenues over expenditures	(1,181,868)	(1,181,868)	12,579,221	13,761,089
Net change in fund balance	(1,181,868)	(1,181,868)	12,579,221	13,761,089
Fund balance, beginning of year	16,204,588	16,204,588	18,773,959	2,569,371
Fund balance, end of year	\$ 15,022,720	\$ 15,022,720	\$ 31,353,180	\$ 16,330,460

- Total personnel costs \$2.7M lower than budgeted
 - Savings are after spending \$4.5M in Voluntary Employee Separation Program (VESP) payouts
- Supplies and services were scrutinized throughout the fiscal year, resulting in expenditures that were \$3.1M less than budgeted
- Capital outlay represents library material purchases
 - The materials budget is equal to 15% of total budgeted expenditures, but purchases are driven by the needs of the collection, resulting in savings (\$1.3M)
- Higher revenues and lower expenditures contributed to \$16.3M in additional fund balance compared to the budget

FY 2022 Financial Update/Forecast (General Fund)



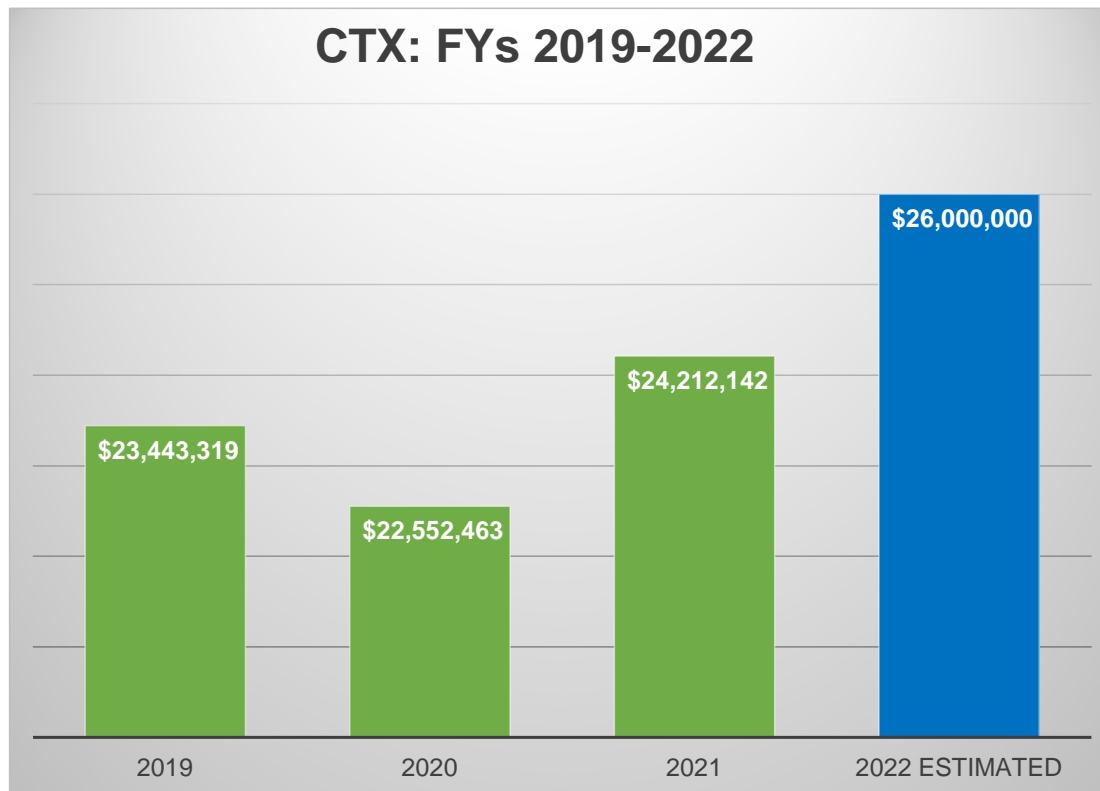
July CTX Over the Years



- July 2021 CTX received in September 2021
 - First CTX collection of FY 2022
 - 31% higher than July 2020
 - 18% higher than July 2019 (Pre-Pandemic)
- Various factors contributed to the July 2021 increase
 - Minimal restrictions compared to July 2020
 - Pent-up demand (Visitor volume increased 130% from July 2020)
 - Stimulus

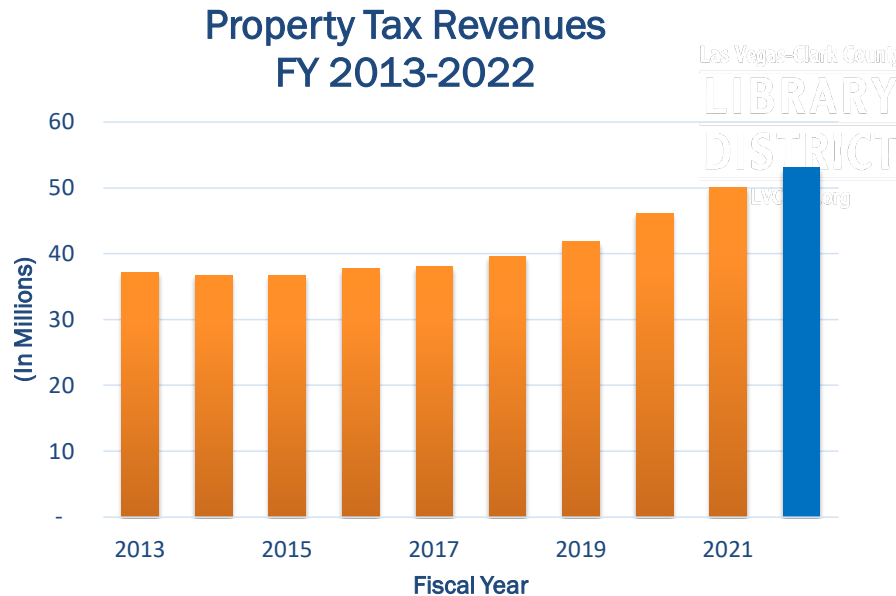
Las Vegas–Clark County
**LIBRARY
DISTRICT**
LVCCLD.org

Total CTX by Fiscal Years



- FY 2022 CTX budget is based on the State of Nevada's estimate (\$23.4M)
- Subsequent to budget preparation, staff estimated a FY 2022 CTX of \$25M based on pre-pandemic estimates
 - Based on the July 2021 CTX, \$26M or higher may be possible
- Staff will continue adjusting estimates, but volatility continues in a positive direction

Property Tax Revenues

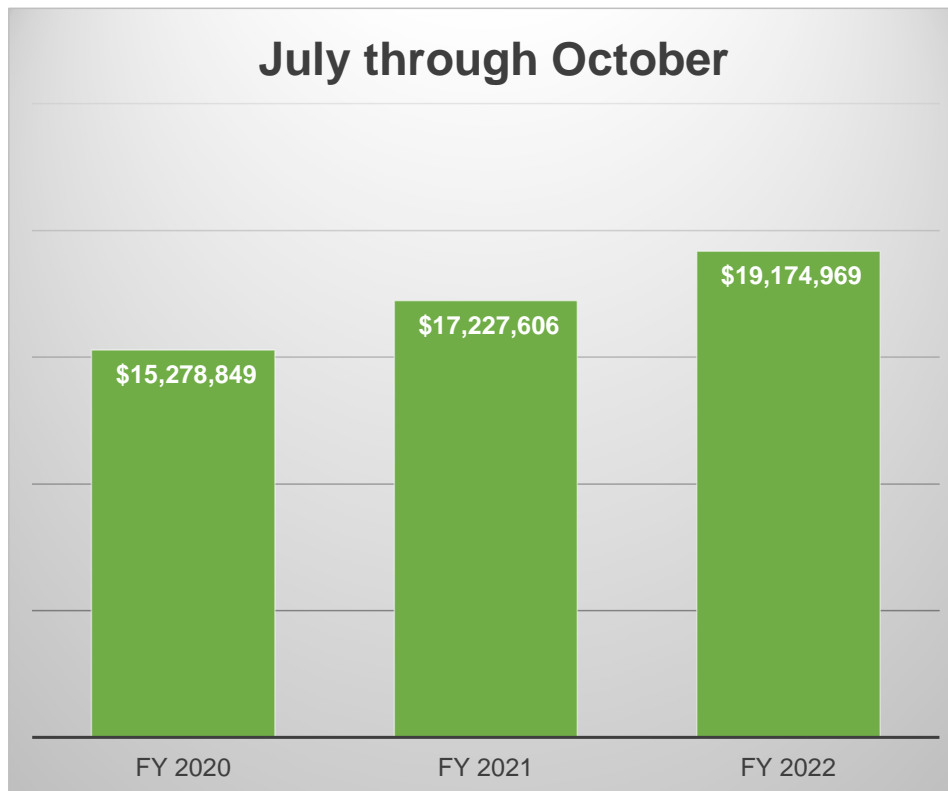


Property taxes

FY 2022 – \$53.1M Budgeted
 FY 2021 – \$50.1M Actual
 FY 2020 – \$46.2M Actual
 FY 2019 – \$43.0M Actual
 FY 2018 – \$40.6M Actual
 FY 2017 – \$38.6M Actual
 FY 2016 – \$37.9M Actual
 FY 2015 – \$36.7M Actual
 FY 2014 – \$36.7M Actual
 FY 2013 – \$36.2M Actual

- Property taxes continue their upward trajectory
- Expected headwinds in the real estate market have not adversely affected property values so far
- Low supply and high demand continues
- Increased investment activity in Southern Nevada real estate
- Migration from other states

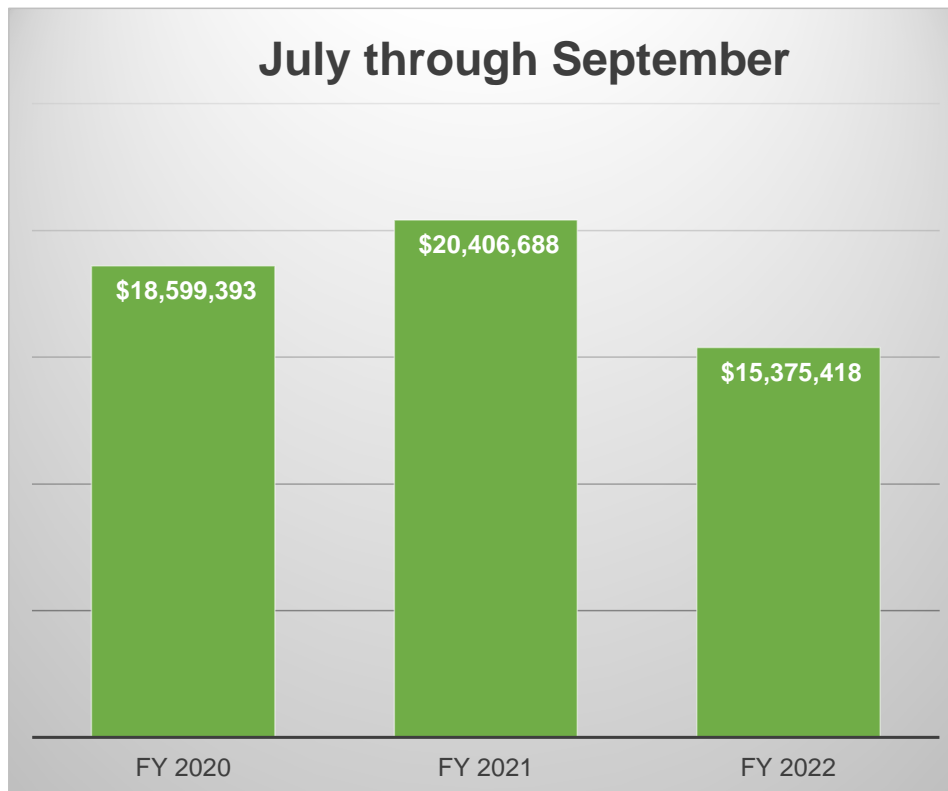
Property Taxes From July-October FY 2020-2022



- The COVID-19 pandemic has not negatively impacted property taxes
- Property tax collections so far in FY 2022 is on track to reach the total budgeted amount (\$53.1M)
- Collections in FY 2022 so far is 11% higher than the amount collected for the same period last year
 - Total property tax revenue is budgeted to increase 8%

Las Vegas-Clark County
**LIBRARY
DISTRICT**
LVCCLD.org

Total Expenditures From July-September FY 2020-2022



- FY 2020 represents a pre-pandemic period
- The increase from FY 2020 to FY 2021 is primarily due to personnel costs from the VESP
- The decrease in FY 2022 from prior-year periods is primarily due to the staggered approach to filling vacancies subsequent to the VESP payouts

Las Vegas-Clark County

**LIBRARY
DISTRICT**

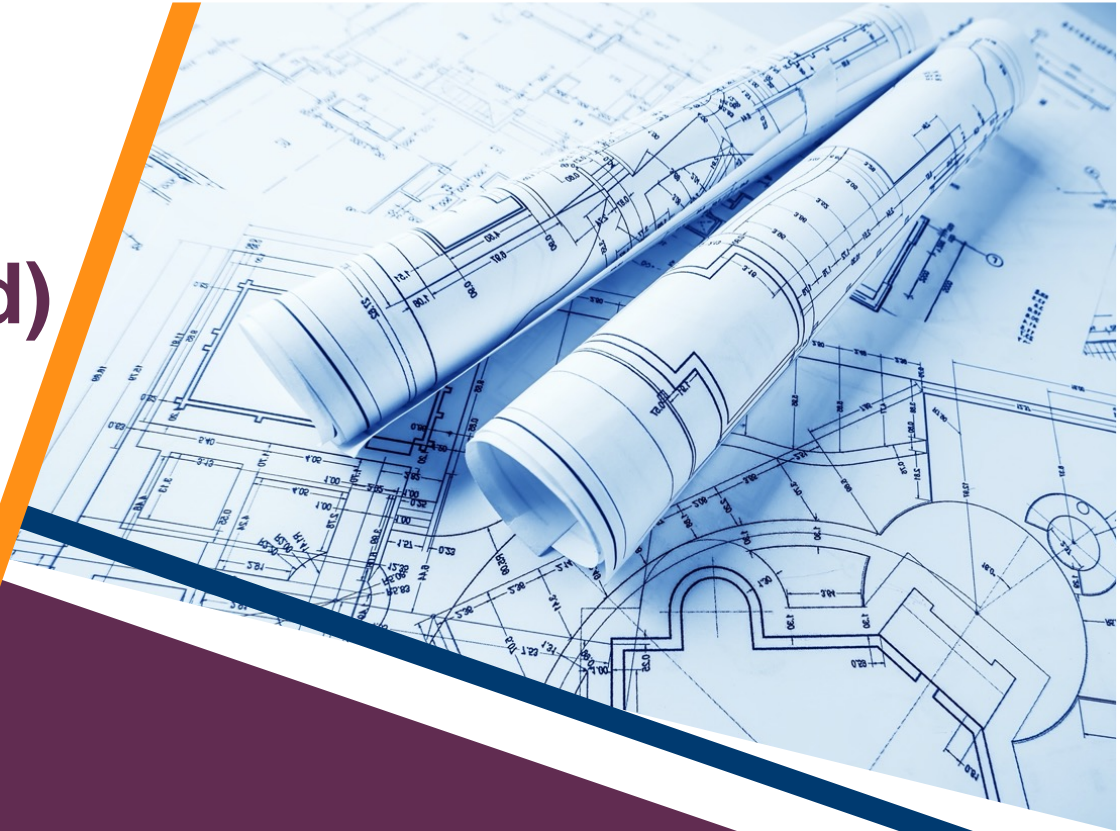
LVCCLD.org

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget v. Actual – General Fund FY 2022 (Estimated)**

	Budget	Estimated	Variance to Budget
Total revenues	78,310,000	81,090,000	2,780,000
Expenditures			
Total expenditures	71,811,600	65,800,000	6,011,600
Excess of revenues over expenditures	6,498,400	15,290,000	8,791,600
Other financing uses			
Transfers out	(19,000,000)	(19,000,000)	-
Net change in fund balance	(12,501,600)	(3,710,000)	8,791,600
Fund balance, beginning of year	26,497,185	31,353,180	4,855,995
Fund balance, end of year	\$ 13,995,585	\$ 27,643,180	\$ 13,647,595

- Revenues increased (\$2.8M) due to estimated increases in CTX and property taxes
- Expenditures savings (\$6M) due to estimated decreases in personnel costs and supplies and services expenditures
- Increased revenues and decreased expenditures in FY 2021 resulted in a higher beginning fund balance in FY 2022
- These factors will contribute to a potential ending fund balance increase of \$13.6M

Future Outlook (Capital Projects Fund)



12

Statement of Revenues, Expenditures, and Changes in Fund Balance Estimated Budget v. Actual – Capital Projects Fund FY 2021 (Audited)

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Interest	\$ 50,000	\$ 50,000	\$ 10,744	\$ (39,256)
Miscellaneous			-	-
Total revenues	50,000	50,000	10,744	(39,256)
Expenditures				
Culture and recreation:				
Supplies and services	2,926,700	2,926,700	1,051,912	1,874,788
Capital outlay	1,132,000	1,132,000	290,116	841,884
Total expenditures	4,058,700	4,058,700	1,342,028	2,716,672
Deficiency of revenues under expenditures	(4,008,700)	(4,008,700)	(1,331,284)	2,677,416
Net change in fund balance	(4,008,700)	(4,008,700)	(1,331,284)	2,677,416
Fund balance, beginning of year	8,391,378	8,391,378	9,221,367	829,989
Fund balance, end of year	<u>\$ 4,382,678</u>	<u>\$ 4,382,678</u>	<u>\$ 7,890,083</u>	<u>\$ 3,507,405</u>

- Expenditures totaled \$2.7M less than budgeted because spending was limited to critical operating needs
- Ending fund balance decreased by \$1.3M because the General Fund made no transfers to the Capital Projects Fund
- Reserves in capital programs would fund critical programs for at least two more years, even with no additional transfers from the General Fund
- \$19M in transfers budgeted for FY 2022 to replenish reserves and prepare for future projects

Las Vegas–Clark County

**LIBRARY
DISTRICT**

LVCCLD.org

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Estimated Budget v. Actual – Capital Projects Fund FY 2022
(Estimated)**

	Budget	Estimated	Variance to Budget
Revenues			
Total revenues	30,000	30,000	-
Expenditures			
Total expenditures	5,941,500	5,941,500	-
Deficiency of revenues under expenditures	(5,911,500)	(5,911,500)	-
Other financing sources			
Total financing sources	19,000,000	19,000,000	-
Net change in fund balance	13,088,500	13,088,500	-
Fund balance, beginning of year	5,688,867	7,890,083	2,201,216
Fund balance, end of year	\$18,777,367	\$ 20,978,583	\$ 2,201,216

- \$19M transfer from the General Fund and a higher than budgeted fund balance (\$2.2M increase) from FY 2021 results in a \$21M estimated ending fund balance
- Based on the higher than budgeted FY 2022 General Fund estimated ending fund balance, an additional \$13.6M will be available for transfer to the Capital Projects Fund in FY 2023
- After replenishing reserves in critical capital programs, these additional resources can be distributed to future projects to support the Playbook 2026

Las Vegas-Clark County
LIBRARY
DISTRICT
LVCCLD.org

Questions?