

COMPREHENSIVE ANNUAL FINANCIAL REPORT

July 1, 2012 - June 30, 2013
Las Vegas, Nevada



Las Vegas-Clark County

**LIBRARY
DISTRICT**

www.lvccd.org



Comprehensive Annual Financial Report

July 1, 2012 - June 30, 2013
Las Vegas, Nevada

Las Vegas-Clark County Library District
7060 W. Windmill Lane
Las Vegas, Nevada 89113

Prepared by:
The Business Office of the
Las Vegas-Clark County Library District
7060 W. Windmill Lane
Las Vegas, Nevada 89113

Under the direction of the
Deputy Director/Chief Financial Officer



Las Vegas-Clark County Library District

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INTRODUCTORY SECTION

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December 6, 2013

To the Board of Trustees and the Citizens of the City of Las Vegas and Clark County, Nevada:

Nevada Revised Statutes (NRS) 354.624 require the Las Vegas-Clark County Library District (the District) to submit, within five months of the close of each fiscal year, a “complete set” of financial statements presented in accordance with accounting principles generally accepted in the United States and audited by a firm of independent certified public accountants in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, the Comprehensive Annual Financial Report for the District as of and for the year ended June 30, 2013, is hereby submitted.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, District management has established a comprehensive internal control framework that is designed, among other things, both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the District's financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this Comprehensive Annual Financial Report is complete and reliable in all material respects.

The District's basic financial statements were audited by Piercy Bowler Taylor & Kern, Certified Public Accountants & Business Advisors. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District as of and for the year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's basic financial statements as of and for the year ended June 30, 2013, are fairly presented in all material respects in conformity with accounting principles generally accepted in the United States. The Independent Auditors' Report on Financial Statements and Supplementary Information is presented as the first component of the financial section of this report. In addition, the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* is presented as the last component of the financial section of this report.

Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in a specified form called Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The District was created in 1985 by the Nevada State Legislature to form a single taxing entity for the City of Las Vegas (the City) and the Clark County Library District. It replaced the Clark County Library District and its contractual arrangement with the City to operate the City's libraries. The District serves all persons living in the 7,927 square miles of Clark County (the County) except for those living in the incorporated City of North Las Vegas and those living in areas served by the Henderson and Boulder City Library Districts.

The District is governed by a ten-member Board of Trustees (the Board), with five members appointed by the Clark County Board of Commissioners (the County Commission) and five appointed by the Las Vegas City Council (the City Council), all with staggered four-year terms of office and a two-term limit. There is no potential for the District to provide a financial benefit to, or impose a financial burden on, the City or the County. The Board is an independent policy body that is separate from the County Commission and the City Council. The Board appoints an Executive Director for the District and has exclusive policy and budget authority for the programs, activities and level of services provided by the District. The County serves in a ministerial capacity as the taxing authority, even though the District is fiscally independent of the County.

The District's Board may propose the issuance of general obligation bonds for the purpose of acquiring, constructing or improving buildings and other real property to be used for library purposes or for purchasing books, materials or equipment for newly constructed libraries. However, the Board cannot issue bonds or any other form of indebtedness unless a public hearing on the proposal is first held before the County Commission and the City Council. After such public hearing, the County Commission and the City Council may each adopt a resolution that supports or opposes in whole or in part the District's proposal and transmit the resolution to the Clark County Debt Management Commission for consideration. If the Clark County Debt Management Commission approves, the question of issuing the bonds must be submitted to the electorate of the District for a vote. If a majority of the electors voting on the question favors the proposal, the Board shall issue the bonds as general obligations of the District pursuant to the provisions of the Local Government Securities Law. Bonds issued for purchasing books, materials or equipment for newly constructed libraries must be redeemed within five years after issuance and bonds for construction must be redeemed within a maximum of 20 years.

The District adopts an annual budget, which serves as the foundation for financial planning and control. Prior to April 15, the District submits the tentative budget for the next fiscal year, commencing on July 1, to the Department of Taxation of the State of Nevada (the State). The City Council and the County Commission have the ability to reject the tentative budget prior to its submission to the State. The District is required to hold a public hearing on the proposed budget, conducted on the third Thursday in May, and to adopt a final budget on or before June 1. The appropriated budget controls are required, by NRS, 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, Board approval is required for all transfers between funds.

The District provides broadly decentralized services through large branch libraries rather than the traditional smaller branches. Fourteen urban libraries are distributed over an area of 436 square miles in the Las Vegas metropolitan area. Eleven outlying libraries serve the vast area of the County, outside the metropolitan Las Vegas area, providing library service to largely rural towns and communities over an area of 7,491 square miles.

Factors Affecting Financial Condition

Local economy. Before the "Great Recession" as it is now known, previous recessionary effects of the national economy were not as traumatic on Las Vegas as they were on other metropolitan areas. As a matter of fact, up until the Great Depression of 1929, the State's economy relied solely on railroading, mining and ranching. To counter the effects of the Depression, the State Legislature passed legislation legalizing gambling in 1931. Today, the Las Vegas-Clark County metropolitan area enjoys a multi-faceted economy with industries that include professional services, transportation, construction, banking and finance, manufacturing, hospitality, recreation and gaming. While the resort and gaming industries (tourism) remain the mainstay of the local economy, industrial parks, retirement communities, distribution centers and light manufacturing provide a balance to the service intensity of the local economy.

Despite diversification of the State's economy since the Depression, the Las Vegas metropolitan area saw large layoffs due to drops in business income in its major local industries, which resulted in an unusually high rate of unemployment of 14%. Despite decline in the unemployment rate from 12.2% at June 2012 to the current rate of 10.1%, Las Vegas still has one of the highest unemployment rates in the nation that is well above its pre-recession lows.

Since June 2012, the Las Vegas valley continues to see a strong uptick in the construction of new homes. With low interest rates and a fewer number of homeowners going into foreclosure, the pricing of existing homes has been

stabilizing with some modest increase in growth over the past year. This is good news from the standpoint that revenue from property taxes should stop decreasing and start to stabilize over the coming year.

The Las Vegas valley has also seen a steady month over month growth in sales tax revenues over the past year. Over the same period, tourism has shown to be resilient with an increased number of tourists visiting Las Vegas who are spending their leisure time dining and on entertainment.

Long-term financial planning. The Las Vegas valley continues to be ranked among the top ten metropolitan areas in the nation in the number of home foreclosures over the last several years. As you would expect, this has caused a related decrease in the collection of property tax revenue. The good news is that the foreclosure rate has decreased, which has caused housing pricing to increase during the last part of the past fiscal year. Thus, the year to year drop in the property tax revenue should be stabilizing for the coming year.

To provide the District with a sustainable operation for the coming and subsequent fiscal years, the District had to make major cuts in expenditures over the last several years to be in line with its revenues forecasted for the next five to ten years. To continue with this effort, the District will have to closely monitor the local economy regarding housing prices and sales, consumer spending, and the local travel and tourism industry. Based on these factors, the District will make annual adjustments to its budgeted expenditures accordingly.

In past efforts to maintain the sustainability of District operations, permanent cuts of approximately \$4.9 million had to be realized in prior years. The cuts included the elimination of 96 positions, reduced expenditures on library materials, and a reduction in urban branch hours from 72 per week to 60. Also, the District was able to get a two-year agreement from its employees' union to maintain salaries at current levels, and to decrease its union related healthcare costs over the same time period. This concession eliminated the need to make further cuts in staffing levels or to reduce its current seven-days-a-week operation.

Other efforts include maintaining a higher ending fund balance, higher than the 5% to 10% ratio of ending fund balance to the general fund expenditures, which is considered a healthy financial cushion. The implementation of the above-mentioned measures reflects the District's conservative and sound stewardship of resources during the past volatile economic period.

Collections for the District's secondary funding source (consolidated sales tax) have stabilized to levels between \$17 and \$18 million after years of double-digit percentage decreases due to slowdowns in spending by tourists and Las Vegas locals. Accordingly, the District will continue to adjust its operating expenditures to match revised revenue forecasts.

During April 2011, the District opened the new Windmill Library and Service Center to the public and staff. This building houses a 28,879-square-foot library (which includes a 300-seat auditorium and an additional 7,354 square feet for future expansion) and an 88,257-square-foot service center which allows for the centralization of all library support functions and a materials handling center. The construction of the Windmill Library and Service Center was secured through medium-term financing of \$50 million and was completed on time and under budget.

At June 30, 2013, the outstanding combined principal and interest balance was \$45.8 million payable over the next six years with the final payment due in 2019. In keeping with the viability of its long-term planning strategy, the District transferred a combined \$45 million from the general fund (\$16m) and the capital projects fund (\$29m) to the debt service fund to cover the remaining six years of outstanding bond payments.

Relevant financial policies. It is the District's policy that "one time" resource inflows *not* be used for operating purposes. Accordingly, the District normally maintains a general fund balance between 5% to 10% of operating expenditures. Any surplus exceeding this threshold may be transferred to the capital projects fund's programs.

Major initiatives. The District has established capital projects programs in the capital projects fund to finance the acquisition, replacement or construction of major capital projects and facilities. This fund includes six programs to accumulate available resources to be appropriated in subsequent budget years. These programs are the Integrated Library Systems, Technology Replacements and Upgrades, Building Repair and Maintenance, Capital Construction, Library Materials, and Vehicle Purchase and Replacement.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Las Vegas-Clark County Library District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this CAFR could not have been accomplished without the efforts and dedication of the staff of the Business Office and Marketing Department. A special thanks to the firm of Piercy Bowler Taylor & Kern, Certified Public Accountants & Business Advisors, for its timely and professional service to the District as its independent auditors.

We wish to commend the members of the District's Board of Trustees for their continued interest in conducting the financial operations of the District in a responsible and prudent manner.

Respectfully submitted,



Jeanne Goodrich
Executive Director



Frederick James, CPA
Deputy Director/Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Las Vegas-Clark County
Library District, Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Board of Trustees

As of October 23, 2013



Keiba Crear
Chair



Michael Saunders
Vice Chair



Randy Ence
Secretary



Ydoleena Yturalde
Treasurer



Kelly Benavidez



Shannon Bilbray-Axelrod



Marilyn Francis Drake



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Felipe A. Ortiz

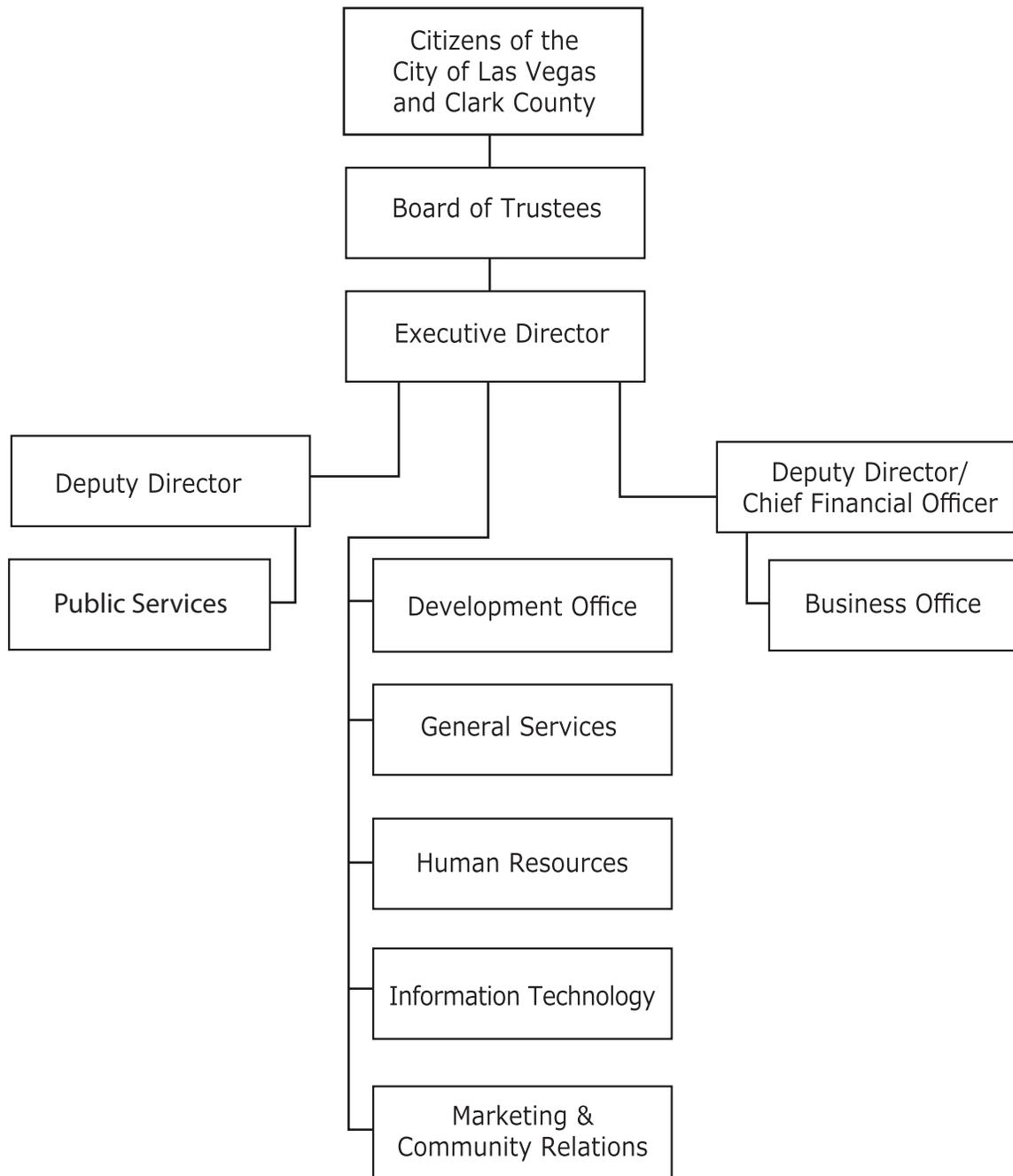


Robin Wadley-Munier



Jeanne Goodrich
Executive Director

Organizational Chart



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FINANCIAL SECTION

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P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Las Vegas - Clark County Library District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress and budgetary comparison information on pages 21-28 and 59-61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have

applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Las Vegas, Nevada

October 23, 2013, except for introductory and statistical sections as to which the date is December 6, 2013

MANAGEMENT'S DISCUSSION and ANALYSIS

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Las Vegas-Clark County Library District

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

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, 2013. We encourage readers to consider the information presented here in conjunction with additional information provided in our letter of transmittal, which can be found on pages 7-10 of this report.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$185,091,544 (net position). Of this amount, \$58,831,642 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$3,860,569 (2.1%), which is \$2,611,153 (40.3%) less than the restated prior year net position increase. This decrease is primarily attributable to lower property tax revenues in the current year. The District expects to continue 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 \$68,411,154, a decrease of \$776,286 (1.1%) from the prior year. Approximately 23% of the total fund balance (\$15,653,488) 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 \$15,653,488, 33% of total general fund expenditures.
- The District's general obligation debt decreased by \$5,635,000 (13%) during the current fiscal year, due to scheduled bond principal payments.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two 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 assets 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



Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2013

occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (*e.g.*, uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 33-34 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 seven 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, debt service, and capital projects funds, all of which are considered to be major funds. Data from the remaining four non-major governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The fund financial statements can be found on pages 37-40 of this report.

Notes to 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 the financial statements can be found on pages 43-55 of this report.

Other 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. A budgetary comparison schedule has been provided for the general fund to demonstrate the District's compliance with this budget.

The required supplementary information can be found on pages 59-61 of this report.



Las Vegas-Clark County Library District

**Management’s Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2013**

The combining statements referred to earlier in connection with the four non-major governmental funds are presented immediately following the required supplementary information.

The combining statements and individual fund schedules can be found on pages 69-85 of this report.

Government-wide Financial Analysis

As noted, net position may serve as a useful indicator over time of a government’s financial position. In the case of the District, at the close of the most recent fiscal year, assets exceeded liabilities by \$185,091,544.

By far, the largest portion of the District’s net position (68%) 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,	
	<u>2013</u>	<u>2012</u> (Restated)
Capital assets	\$ 160,630,545	\$ 161,693,068
Other assets	<u>72,535,074</u>	<u>73,615,212</u>
	<u>233,165,619</u>	<u>235,308,280</u>
Long-term liabilities outstanding	36,605,706	42,117,070
Other liabilities	<u>11,468,369</u>	<u>11,960,235</u>
	<u>48,074,075</u>	<u>54,077,305</u>
Net position:		
Net investment in capital assets	125,799,958	128,554,069
Restricted	459,944	7,885,463
Unrestricted	<u>58,831,642</u>	<u>44,791,443</u>
	<u>\$ 185,091,544</u>	<u>\$ 181,230,975</u>

Resources that are subject to external restrictions on how they may be used represent an additional portion of the District’s net assets (0.2%). The remaining balance of unrestricted net assets (\$58,831,642) may be used to meet the District’s ongoing obligations.

At the current fiscal year end, the District has positive balances in all three categories of net assets. The same situation was true for the prior fiscal year.

There was a decrease of \$2,754,111 (2%) in net investment in capital assets. This decrease resulted from normal business operations and depreciation. See the discussion on capital assets for further explanations.



Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2013

Governmental activities. Governmental activities increased the District's net position by \$3,860,569 (2.1%). Key elements of this increase are as follows:

Las Vegas-Clark County Library District Changes in Net Position

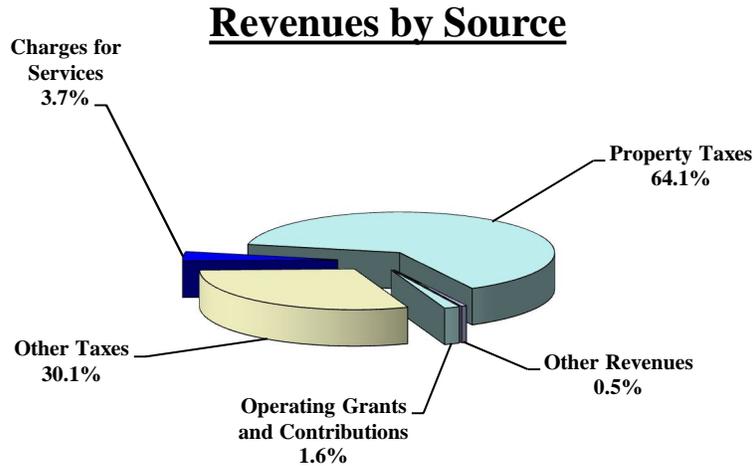
	Year Ended June 30,	
	2013	2012 (Restated)
Revenues:		
Program revenues:		
Charges for services	\$ 2,154,897	\$ 2,298,715
Operating grants and contributions	944,139	893,351
General revenues:		
Property taxes	36,969,297	39,418,245
Intergovernmental consolidated taxes	17,366,883	16,504,108
Other	315,413	846,794
	<u>57,750,629</u>	<u>59,961,213</u>
Expenses:		
Culture and recreation	52,270,309	51,462,073
Long-term debt interest	1,619,751	2,027,418
	<u>53,890,060</u>	<u>53,489,491</u>
Increase in net position	3,860,569	6,471,722
Net position, beginning of year, as previously reported	181,563,951	175,011,193
Adjustment	(332,976)	(251,940)
Net position, beginning of year, as adjusted	<u>181,230,975</u>	<u>174,759,253</u>
Net position, end of year	<u>\$ 185,091,544</u>	<u>\$ 181,230,975</u>

- Operating grants and contributions increased by \$50,788 (6%) due to normal variations in the types of grants received by the District.
- Property taxes decreased \$2,448,948 (6%) while intergovernmental consolidated taxes increased \$862,775 (5%). The decrease in property taxes is due to a housing downturn in Southern Nevada. The increase in intergovernmental consolidated taxes is due to increased consumer spending (tourist and local).
- Other revenues decreased \$531,381 (63%) due primarily to a decrease in investment interest and receipt of a vendor reimbursement payment in the prior year.
- Culture and recreation expenses increased \$808,236 (2%). This change can be primarily attributed to increases in capital outlay (\$1,174,784), including purchases of library media materials.
- Interest expense relative to long-term debt decreased \$407,667 (20%) primarily due to decreasing interest payments as bonds approach retirement.

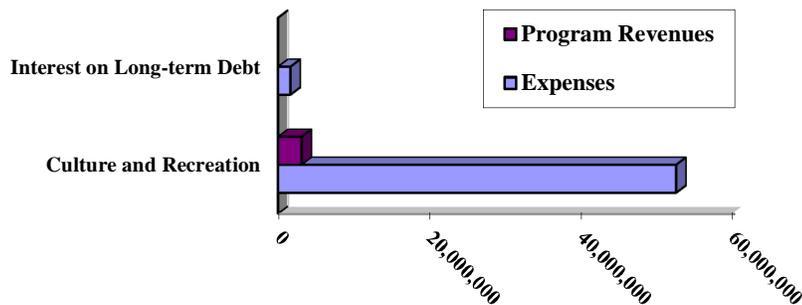


Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2013



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.



Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2013

At June 30, 2013, the District's governmental funds reported combined ending fund balances of \$68,411,154, a decrease of \$776,286 (1.1%) from the prior year. Approximately 23% of the total fund balance (\$15,653,488) 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 (\$45,300,727), 2) the acquisition, construction or improvement of capital assets (\$6,996,995), 3) grant and other programs (\$449,944), 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, 2013, the fund balance of the general fund was \$15,653,488. 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 33% of total general fund expenditures.

The fund balance of the District's general fund decreased by \$7,979,057 (34%) during the current fiscal year. The change in fund balance is primarily due to a \$9,849,536 increase in transfers to other funds.

The debt service fund has a total fund balance of \$45,300,727, all of which is restricted or assigned for the payment of debt service. The increase in fund balance during the current year in the debt service fund was \$37,570,483 (486%) from the prior year, due to transfers from other funds of \$45,181,350 offset by normal interest and principal payments.

The capital projects fund has a total fund balance of \$6,996,995. The net decrease in fund balance during the current year in the capital projects fund was \$30,339,461 (81%) from the prior year. The primary reason for the decrease was a transfer of \$29,320,000 to the debt service fund.

The aggregate non-major funds have a combined total fund balance of \$459,944. The net decrease in fund balance during the current year in the aggregate non-major funds was \$28,251 (6%) from the prior year, and was primarily due to increased expenditures in the expendable trust fund offset by a transfer from the general fund to the grant fund.

General Fund Budgetary Highlights

During the year, revenues were more than the final budgetary estimate by \$1,403,507 (3%) primarily due to higher property tax and intergovernmental consolidated tax collections, and expenditures were less than the final budgetary estimate by \$4,580,237 (9%), primarily due to the District's conservative spending practices. All functions were within appropriation authority. Actual ending fund balance was \$15,653,488 (62%) more than the final budgetary estimate.

Additional information on the District's general fund budget can be found on pages 48-49, 59 and 61 of this report.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets as of June 30, 2013, amounts to \$160,630,545 (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 \$1,062,523 (0.6%). Major capital asset events during the current fiscal year included the following:



Las Vegas-Clark County Library District

**Management’s Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2013**

- The expansion of the Mesquite Library was capitalized at a cost of \$506,297, including construction in progress additions totaling \$110,113.
- Construction in progress additions were purchased at a cost of \$592,587 for the implementation of a human resources information system.
- The District purchased library media materials, at a cost of \$7,616,595, an increase of \$565,078 from the prior fiscal year purchases.
- Furniture and equipment additions were purchased at a cost of \$462,840.
- Depreciation expense for the fiscal year was \$9,832,377.

Capital assets at year end were as follows:

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

	June 30,	
	2013	2012
Land	\$ 4,396,578	\$ 4,396,578
Construction in progress	592,587	396,184
Buildings	103,350,067	106,067,766
Improvements	883,450	646,821
Library media materials	44,968,138	42,604,625
Furniture and equipment	6,439,725	7,581,094
	\$ 160,630,545	\$ 161,693,068

Additional information on the District’s capital assets can be found on pages 46, 51 and 85 of this report.

Long-term debt. At June 30, 2013, the District had total bonded debt outstanding of \$38,895,000, all of which is backed by the full faith and credit of the District.

Las Vegas–Clark County Library District Outstanding Debt
General Obligation Bonds

	June 30,	
	2013	2012
Bond issue series:		
2009	\$ 38,895,000	\$ 44,530,000

The District’s total long-term debt decreased by \$5,635,000 (13%), as a result of repayments made during the current fiscal year. All of the District’s general obligation bonds were issued with AAA and AA ratings.

State statutes limit the amount of general obligation debt the District may issue to 10% of its total assessed valuation. The current debt limitation for the District is \$4,489,071,304, which is significantly in excess of the District’s outstanding general obligation debt.



Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2013

Additional information on the District's long-term debt can be found on pages 47 and 52 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clark County is currently 10.1%, which is a decrease from a rate of 12.2% a year ago. The United States national average unemployment rate is 7.8% and the State's average unemployment rate is 9.9%.
- Inflationary trends in the District are comparable to the United States national indices.
- Businesses, within Clark County, reported taxable sales of \$2.85 billion, a slight decrease from sales of \$2.86 billion reported in the previous year.
- Gaming establishments, within Clark County, reported gaming revenues of \$673.6 million, a 4.8% decrease from the \$707.3 million reported in the prior fiscal year.

All of these factors were considered in preparing the District's budget for the 2014 fiscal year.

The unassigned fund balance (actual) in the general fund decreased 34% to \$15,653,488 from the prior year. This amount is \$9,081,581 higher than the original budgeted ending fund balance for the 2013 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 Business Office, 7060 West Windmill Lane, Las Vegas, Nevada 89113.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Las Vegas-Clark County Library District

**Statement of Net Position
June 30, 2013**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents:	
Unrestricted	\$ 21,555,639
Restricted	3,017,041
Investments:	
Unrestricted	40,907,064
Restricted	1,950,740
Receivables:	
Taxes	1,001,519
Interest	73,727
Other, net	122,468
Due from other governments	3,201,703
Prepaid items	705,173
Property and equipment, net of accumulated depreciation:	
Land	4,396,578
Construction in progress	592,587
Buildings	103,350,067
Improvements	883,450
Library media materials	44,968,138
Furniture and equipment	6,439,725
Total assets	233,165,619
LIABILITIES	
Accounts payable	1,210,003
Accrued payroll	1,350,488
Deposits payable	78,397
Accrued interest payable	913,175
General obligation bonds payable, including unamortized premiums:	
Due within one year	5,805,000
Due in more than one year	33,983,368
Accrued compensated absences:	
Due within one year	2,111,306
Due in more than one year	2,438,066
Obligation for postemployment benefits other than pensions, due in more than one year	184,272
Total liabilities	48,074,075
NET POSITION	
Net investment in capital assets	125,799,958
Restricted for:	
Grant programs	146,755
Other programs	303,189
Purchase of library media materials, nonexpendable	10,000
Unrestricted	58,831,642
Total net position	\$ 185,091,544

See notes to basic financial statements.



Las Vegas-Clark County Library District

**Statement of Activities
For the Fiscal Year Ended June 30, 2013**

Function / program	Governmental Activities				Net (Expenses) Revenues and Change in Net Position
	Expenses	Program Revenues		Capital Grants and Contributions	
		Charges for Services	Operating Grants and Contributions		
Culture and recreation	\$ (52,270,309)	\$ 2,154,897	\$ 944,139	\$ -	\$ (49,171,273)
Long-term debt interest	(1,619,751)				(1,619,751)
Total function / program	\$ (53,890,060)	\$ 2,154,897	\$ 944,139	\$ -	(50,791,024)
General revenues:					
Property taxes					36,969,297
Intergovernmental consolidated taxes					17,366,883
Interest					71,191
Miscellaneous					244,222
Total general revenues					54,651,593
Change in net position					3,860,569
Net position, beginning of year, as previously reported					181,563,951
Adjustment					(332,976)
Net position, beginning of year, as adjusted					181,230,975
Net position, end of year					\$ 185,091,544

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

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Las Vegas-Clark County Library District

**Balance Sheet
June 30, 2013**

	Governmental Funds				
	Major Funds			Aggregate Non-Major Funds	Total
	General	Debt Service	Capital Projects		
ASSETS					
Cash and cash equivalents:					
Unrestricted	\$ 8,485,985	\$ 10,608,079	\$ 2,103,204	\$ 358,371	\$ 21,555,639
Restricted		3,007,041		10,000	3,017,041
Investments:					
Unrestricted	6,111,980	29,683,834	5,111,250		40,907,064
Restricted		1,950,740			1,950,740
Receivables:					
Taxes	973,324	28,195			1,001,519
Interest	11,569	54,550	7,608		73,727
Other, net	100,653			21,815	122,468
Due from other governments	3,087,960			113,743	3,201,703
Total assets	\$ 18,771,471	\$ 45,332,439	\$ 7,222,062	\$ 503,929	\$ 71,829,901
LIABILITIES					
Accounts payable	\$ 971,531	\$ 4,541	\$ 225,067	\$ 8,864	\$ 1,210,003
Accrued payroll	1,315,367			35,121	1,350,488
Deposits payable	78,397				78,397
Total liabilities	2,365,295	4,541	225,067	43,985	2,638,888
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, property taxes	752,688	27,171			779,859
FUND BALANCES					
Nonspendable:					
Permanent fund principal				10,000	10,000
Restricted for:					
Debt service		4,957,781			4,957,781
Grant programs				146,755	146,755
Other programs				303,189	303,189
Assigned to:					
Capital projects			6,996,995		6,996,995
Debt service		40,342,946			40,342,946
Unassigned	15,653,488				15,653,488
Total fund balances	15,653,488	45,300,727	6,996,995	459,944	68,411,154
Total liabilities, deferred inflows of resources and fund balances	\$ 18,771,471	\$ 45,332,439	\$ 7,222,062	\$ 503,929	\$ 71,829,901

See notes to basic financial statements.



Las Vegas-Clark County Library District

Reconciliation of the Balance Sheet to the Statement of Net Position June 30, 2013

Fund balances \$ 68,411,154

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	\$ 235,862,826	
Less accumulated depreciation	<u>(75,232,281)</u>	160,630,545

Long-term liabilities, including bonds payable, are not
due and payable in the current period; and therefore,
are not reported in governmental funds:

Bonds payable	(38,895,000)	
Bond interest payable	(913,175)	
Unamortized bond premiums	<u>(893,368)</u>	(40,701,543)
Compensated absences		(4,549,372)
Obligation for postemployment benefits other than pensions		(184,272)

Prepaid items represent current fund expenditures that
benefit future periods; and therefore, are not reported in
governmental funds. 705,173

Unavailable revenue represents amounts that are not available
to fund current expenditures; and therefore, are not
reported as revenues in governmental funds. 779,859

Net position \$ 185,091,544



Las Vegas-Clark County Library District

**Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013**

	Governmental Funds				Total
	Major Funds			Aggregate	
	General	Debt Service	Capital Projects	Non-Major Funds	
Revenues					
Property taxes	\$ 37,214,770	\$ 23,589			\$ 37,238,359
Intergovernmental consolidated taxes	17,366,883				17,366,883
Grants				\$ 778,939	778,939
Charges for services	2,154,897				2,154,897
Interest	23,735	30,958	\$ 16,498		71,191
Contributions				165,200	165,200
Miscellaneous	244,222				244,222
Total revenues	57,004,507	54,547	16,498	944,139	58,019,691
Expenditures					
Culture and recreation:					
Salaries and wages	22,880,717			274,201	23,154,918
Employee benefits	7,932,248			106,357	8,038,605
Supplies and services	9,029,855	35,014	1,677,288	447,762	11,189,919
Capital outlay	7,661,708		858,671	261,756	8,782,135
Debt service:					
Principal		5,635,000			5,635,000
Interest		1,995,400			1,995,400
Total expenditures	47,504,528	7,665,414	2,535,959	1,090,076	58,795,977
Excess (deficiency) of revenues over (under) expenditures	9,499,979	(7,610,867)	(2,519,461)	(145,937)	(776,286)
Other financing sources (uses)					
Transfers in		45,181,350	1,500,000	117,686	46,799,036
Transfers out	(17,479,036)		(29,320,000)		(46,799,036)
Net change in fund balances	(7,979,057)	37,570,483	(30,339,461)	(28,251)	(776,286)
Fund balances, beginning of year	23,632,545	7,730,244	37,336,456	488,195	69,187,440
Fund balances, end of year	\$ 15,653,488	\$ 45,300,727	\$ 6,996,995	\$ 459,944	\$ 68,411,154

See notes to basic financial statements.



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, 2013**

Net change in fund balances \$ (776,286)

Amounts reported in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:

Expenditures for capital assets	\$ 8,782,135	
Loss on disposal of capital assets	(12,282)	
Less current year depreciation	<u>(9,832,377)</u>	(1,062,524)

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		(269,062)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded bonds issued:

Change in accrued interest	84,525	
Principal payments	<u>5,635,000</u>	5,719,525

Some expenditures reported in governmental funds benefit future periods; and therefore, are not reported in the statement of activities:

Change in prepaid items		228,551
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Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds:

Current year amortization of bond premiums	291,124	
Change in long-term compensated absences	(267,357)	
Change in obligation for postemployment benefits other than pensions	<u>(3,402)</u>	<u>20,365</u>

Change in net position \$ 3,860,569

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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Las Vegas-Clark County Library District

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2013

Note 1. Summary of Significant Accounting Policies

The Reporting Entity

The Las Vegas–Clark County Library District (the District) was established in 1985 under the provisions of Chapter 379 of the Nevada Revised Statutes (NRS) and serves all persons living in Clark County, Nevada (the County), except for those living in the incorporated area of North Las Vegas and the library districts of Henderson and Boulder City, Nevada. The District is governed by a Board of Trustees (the Board), which consists of ten members, five appointed by the Board of County Commissioners and five appointed by the Las Vegas City Council, all of whom have staggered terms of office and may be removed for cause at any time.

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* and Statement No. 61, *The Financial Reporting Entity: Omnibus*, 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 Statements Nos. 14 and 39 by examining its position relative to the County and the City of Las Vegas (the City) and determined that there are no requirements that would cause the basic financial statements of the District to be included in either of the entities' comprehensive annual financial reports (CAFR).

The 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. Although the District expects to receive a future financial benefit from the Foundation, the District is not required to provide financial support to the Foundation, does not appoint a voting majority of the members of the Foundation's Board of Directors or have the ability to otherwise control or impose its will on the Foundation, does not have immediate access to the Foundation's resources, and the Foundation's resources are not significant to the District. Therefore, the Foundation is not considered to be and is not reported as a component unit of the District. Furthermore, no other entities were determined to be component units of the District.

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 nonfiduciary activities, which are comprised of governmental activities and are accounted for in governmental fund types. The effect of interfund activity has been removed from these statements. The District does not currently maintain any business or fiduciary fund types.



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2013

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

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

Fund Financial Statements

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal year end. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property taxes, intergovernmental consolidated taxes 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 postemployment benefits other than pensions, 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.

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.



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2013

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 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).

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 as determined by quoted market prices, 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/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

Upon the certification of tax rates by the State 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



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2013

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

Unspent proceeds from bond issuances are reported as restricted assets in both the government-wide and fund financial statements because their use is limited by applicable bond documents for the improvement, acquisition or construction of major capital assets or repayment of debt obligations. Other financial resources that are legally restricted to the extent that only earnings, and not principal, may be used are also reported as restricted assets in both the government-wide and fund financial statements.

Prepaid Items

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

Capital Assets

Capital assets are reported only in the government-wide financial statements. These assets include land, buildings, library media materials, furniture and equipment, and construction in progress. All purchased capital assets are valued at cost where historical records are available and, where no historical records exist, at estimated historical cost. Donated capital assets are valued at their estimated fair 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/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.



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2013

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.

Postemployment Benefits Other Than Pensions (OPEB)

Effective July 1, 2008, the District implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In accordance with the transition rules of the statement, the District elected to apply its measurement and recognition requirements on a prospective basis and set its beginning net OPEB obligation at zero for the year ended June 30, 2009. The annual OPEB cost reported in the accompanying financial statements is based on the annual required contribution (ARC) of the District, calculated by using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The net OPEB obligation at June 30, 2013, is determined by adding the annual OPEB cost to the net OPEB obligation at the beginning of the year and deducting any contributions to the plan during the year.

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. Bond issuance costs are expensed in the period incurred.

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.



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2013

- 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 should be 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.

Prioritization and Use of Available Resources

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

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

The District adopts annual budgets for all funds except for the capital projects fund, which adopts a project-length budget, the expendable trust special revenue fund and the permanent fund, which are not budgeted. All budget augmentations made during the year ended June 30, 2013, 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 of Nevada (the State) Department of Taxation. The 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 third Thursday 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.



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2013

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.

Prior Period Adjustment

Net position as of July 1, 2012, has been retroactively adjusted to reflect the effect of adopting GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, resulting in a decrease in assets and net position of \$332,976.

New Accounting Pronouncements

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. Management has not yet completed its assessment of this statement.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. Management has not yet completed its assessment of this statement.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. Management has not yet completed its assessment of this statement.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for periods beginning after June 15, 2013. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. Management has not yet completed its assessment of this statement.

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.



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2013**

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.

The District has a written custodial tri-party collateral agreement with a Bank's Trust Department for demand deposits and certificates of deposit. The custodial agreement pledges securities totaling 102% of the District's deposits.

At year end, the District's carrying amount of deposits was \$10,632,416, and the bank balance was \$11,306,099. The Federal Depository Insurance Corporation (FDIC) covered \$250,000 of the bank balance at fiscal year end. However, the District's bank balance is collateralized with securities held by the pledging bank's trust department or agent in the District's name up to 102% of the average bank balance in excess of the FDIC limit. The District often carries cash and cash equivalents on deposit with financial institutions in excess of federally-insured limits, and the risk of losses related to such concentrations may be increasing as a result of current economic instability.

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 investment policy, one of the ways that the District manages its exposure to interest rate risk is 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.

At June 30, 2013, the District had the following investments and maturities:

Investments:	Reported amount/fair value	<u>Investment Maturities (In Years)</u>		
		<u>Less than 1</u>	<u>1 to 3</u>	<u>3 to 5</u>
U.S. Treasuries	\$ 11,095,283	\$ 4,051,612	\$ 7,043,671	
U.S. Agencies	<u>31,762,521</u>	<u>6,554,467</u>	<u>21,265,554</u>	<u>\$ 3,942,500</u>
	<u>\$ 42,857,804</u>	<u>\$ 10,606,079</u>	<u>\$ 28,309,225</u>	<u>\$ 3,942,500</u>

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 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, 2013, all of the District's investments were rated "AAA" or "AA". On August 5, 2011, the credit rating on all investments in U.S. government securities was lowered from AAA to AA by Standard & Poor's.



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2013**

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 represent 5% or more of the District's total investments at June 30, 2013, were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported amount/ fair value</u>
Federal Home Loan Mortgage Corp.	U.S. Agencies	\$ 14,449,325
Federal National Mortgage Association	U.S. Agencies	8,242,499
Federal Home Loan Bank	U.S. Agencies	8,072,467

Property and Equipment

Changes in capital assets for the year ended June 30, 2013, are as follows:

	<u>Balance July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2013</u>
Capital assets not being depreciated:				
Land	\$ 4,396,578			\$ 4,396,578
Construction in progress	<u>396,184</u>	<u>\$ 702,700</u>	<u>\$ (506,297)</u>	<u>592,587</u>
	<u>4,792,762</u>	<u>702,700</u>	<u>(506,297)</u>	<u>4,989,165</u>
Capital assets being depreciated:				
Buildings	135,569,633			135,569,633
Improvements	2,982,670	506,297	(4,131)	3,484,836
Library media materials	71,007,708	7,616,595	(3,677,406)	74,946,897
Furniture and equipment	<u>17,051,404</u>	<u>462,840</u>	<u>(641,949)</u>	<u>16,872,295</u>
	<u>226,611,415</u>	<u>8,585,732</u>	<u>(4,323,486)</u>	<u>230,873,661</u>
Less accumulated depreciation for:				
Buildings	(29,501,867)	(2,717,699)		(32,219,566)
Improvements	(2,335,849)	(269,668)	4,131	(2,601,386)
Library media materials	(28,403,083)	(5,253,082)	3,677,406	(29,978,759)
Furniture and equipment	<u>(9,470,310)</u>	<u>(1,591,928)</u>	<u>629,668</u>	<u>(10,432,570)</u>
	<u>(69,711,109)</u>	<u>(9,832,377)</u>	<u>4,311,205</u>	<u>(75,232,281)</u>
	<u>\$ 161,693,068</u>	<u>\$ (543,945)</u>	<u>\$ (518,578)</u>	<u>\$ 160,630,545</u>

Interfund Receivables, Payables, and Transfers

Interfund balances as of June 30, 2013, were as follows:

Interfund transfers:

<u>Transfer out</u>	<u>Transfer in</u>	<u>Amount</u>
General	Capital projects	\$ 1,500,000
General	Debt service	15,861,350
General	Aggregate non-major funds	117,686
Capital projects	Debt service	29,320,000



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2013**

Transfers are used to move revenues to finance various programs that are accounted for in other funds in accordance with budgetary authorizations.

Operating Lease Commitments

The District leases certain facilities and equipment under non-cancelable operating leases, which expire in May 2014. At June 30, 2013, approximate future minimum lease payments were \$13,372. Rent expense was \$16,046 for the year ended June 30, 2013.

General Obligation Bonds

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

General obligation bonds outstanding at June 30, 2013, are as follows:

<u>Bond issue series</u>	<u>Maturity date</u>	<u>Original amount</u>	<u>Interest rate</u>	<u>Balance June 30, 2013</u>
2009	January 2019	<u>\$ 50,000,000</u>	3.00-5.00 %	<u>\$ 38,895,000</u>

Annual debt service requirements to maturity are as follows:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 5,805,000	\$ 1,826,350	\$ 7,631,350
2015	6,035,000	1,594,150	7,629,150
2016	6,280,000	1,352,750	7,632,750
2017	6,590,000	1,038,750	7,628,750
2018	6,920,000	709,250	7,629,250
2019	<u>7,265,000</u>	<u>363,250</u>	<u>7,628,250</u>
	<u>\$38,895,000</u>	<u>\$ 6,884,500</u>	<u>\$ 45,779,500</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2013, was as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Due within one year</u>
Bond issue series					
2009	\$ 44,530,000		\$ (5,635,000)	\$ 38,895,000	\$ 5,805,000
Compensated absences	4,282,015	\$ 2,327,168	(2,059,811)	4,549,372	2,111,306
Obligation for postemployment benefits other than pensions	<u>180,870</u>	<u>132,004</u>	<u>(128,602)</u>	<u>184,272</u>	<u>.</u>
	<u>\$ 48,992,885</u>	<u>\$ 2,459,172</u>	<u>\$ (7,823,413)</u>	<u>\$ 43,628,644</u>	<u>\$ 7,916,306</u>

The net OPEB obligation and compensated absences are normally liquidated by the general fund.



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2013

Note 4. Other Information

Risk Management

The District is exposed to various risks of loss related to torts; theft of, or 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.

Over the last few years, the United States has experienced a widespread decline in residential real estate sales, mortgage lending and related construction activity, high unemployment, as well as weakness in the commercial and investment banking systems, which has had, and is likely to continue to have, far-reaching effects on the economic activity in the country. The near- and long-term impact of these factors on the Southern Nevada economy and the District's operating activities cannot be predicted 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 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.

Retirement Plan

The District's employees are covered by the State's Public Employees' Retirement System (PERS). PERS was established on July 1, 1949, by the State Legislature and is governed by the Public Employees Retirement Board whose seven members are appointed by the governor. All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing multiple-employer defined benefit retirement plan.

The District does not exercise any control over PERS. NRS 286.110 states, "Respective participating public employers are not liable for any obligation of the System."

Benefits, as required by NRS, are determined by the number of years of accredited service at the time of retirement and the participant's highest average compensation in any 36 consecutive months. Benefit payments to which participants in PERS may be entitled include pension, disability, and death benefits.

PERS issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by writing to PERS at 693 West Nye Lane, Carson City, Nevada 89703-1599 or by calling (775) 687-4200.

Contribution rates are established by the NRS, are tied to the increase in taxable sales within the State each year and provide for yearly increases until such time as the actuarially determined unfunded liability of PERS is reduced to zero. The District is obligated to contribute all amounts due under PERS.



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2013**

The District’s contributions to PERS are as follows:

<u>Years ending June 30.</u>	<u>Rate</u>	<u>Amount</u>
2013	23.75 %	\$ 4,500,453
2012	23.75 %	4,468,259
2011	21.50 %	4,046,183

Postemployment Benefits Other Than Pensions (OPEB)

Plan Information

In accordance with NRS, the District provides other postemployment benefits to retirees by participating in the State of Nevada’s Public Employee Benefit Plan (PEBP), an agent multiple-employer defined benefit plan administered by a nine member governing board. PEBP provides medical, prescription, dental and vision benefits to retirees. 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.

Eligibility and subsidy requirements are governed by 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 does not provide any other postemployment benefits (either directly or indirectly).

Funding Policy and Annual OPEB Cost

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 fiscal year 2013, this subsidy ranged from \$8 to \$650 per retiree, per month.

Annual OPEB cost for the plan is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The District’s annual OPEB cost for the year, the amount contributed to the plan and the changes in the District’s net OPEB obligation for 2013 were as follows:

Annual required contribution (ARC)	\$ 135,176
Interest on net OPEB obligation	6,330
Adjustment to ARC	<u>(9,502)</u>
Annual OPEB cost	132,004
Contributions made	<u>(128,602)</u>
Increase in net OPEB obligation	3,402
Net OPEB obligation beginning of year	<u>180,870</u>
Net OPEB obligation end of year	<u>\$ 184,272</u>

The schedule of funding progress is presented as required supplementary information to provide multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2013**

<u>Valuation date</u>	<u>Actuarial value of assets</u>	<u>Actuarial accrued liability (AAL)</u>	<u>Unfunded actuarial accrued liability (UAAL)</u>	<u>Funded ratio</u>	<u>Annual covered payroll</u>	<u>UAAL as a percent of covered payroll</u>
July 1, 2011	\$ -0-	\$ 2,486,159	\$ 2,486,159	0%	N/A*	N/A*

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

The District's annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plan and the net OPEB obligations were as follows:

<u>Year Ended</u>	<u>Annual OPEB cost</u>	<u>OPEB cost contributed</u>	<u>Percentage contributed</u>	<u>Net OPEB obligation</u>
June 30, 2013	\$ 132,004	\$ 128,602	97 %	\$ 184,272
June 30, 2012	131,848	140,850	107 %	180,870
June 30, 2011	245,155	181,420	74 %	189,872

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the valuation date and the pattern of sharing benefit costs between the District and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are as follows:

Actuarial valuation date	July 1, 2011
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	No assets in trust
Actuarial assumptions:	
Average retiree age	65.2 years
Average retiree life expectancy	19.4 years
Estimated Inflation Rate	3%
Investment rate of return	3.5%
Projected salary increases	N/A*
Subsidy trend rate for:	
Fiscal year 2011	Actual benefit levels
Fiscal year 2012	Actual benefit levels
Fiscal year 2013	8.5%
Fiscal year 2014	8%
Fiscal year 2015	7.5%
Fiscal year 2016	7%
Fiscal year 2017	6.5%
Fiscal year 2018	6%
Fiscal year 2019	5.5%
Fiscal year 2020 and subsequent years	5%

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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REQUIRED SUPPLEMENTARY INFORMATION

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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, 2013**

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 36,480,000	\$36,480,000	\$ 37,214,770	\$ 734,770
Intergovernmental consolidated taxes	16,396,000	16,396,000	17,366,883	970,883
Charges for services	2,375,000	2,375,000	2,154,897	(220,103)
Interest	50,000	50,000	23,735	(26,265)
Miscellaneous	300,000	300,000	244,222	(55,778)
Total revenues	55,601,000	55,601,000	57,004,507	1,403,507
Expenditures				
Culture and recreation:				
Salaries and wages	23,473,991	23,473,991	22,880,717	593,274
Employee benefits	8,796,269	8,796,269	7,932,248	864,021
Supplies and services	11,502,065	11,502,065	9,029,855	2,472,210
Capital outlay	8,312,440	8,312,440	7,661,708	650,732
Total expenditures	52,084,765	52,084,765	47,504,528	4,580,237
Excess of revenues over expenditures	3,516,235	3,516,235	9,499,979	5,983,744
Other financing uses				
Transfers out	(17,479,036)	(17,479,036)	(17,479,036)	
Net change in fund balance	(13,962,801)	(13,962,801)	(7,979,057)	5,983,744
Fund balance, beginning of year	20,534,708	20,534,708	23,632,545	3,097,837
Fund balance, end of year	\$ 6,571,907	\$ 6,571,907	\$ 15,653,488	\$ 9,081,581



Las Vegas-Clark County Library District

**Schedule of Funding Progress
Postemployment Benefits Other Than Pension
For the Fiscal Year Ended June 30, 2013**

Valuation Date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded actuarial accrued liability (UAAL)	Funded ratio	Annual covered payroll	UAAL as a percent of covered payroll
July 1, 2011	\$ -0-	\$ 2,486,159	\$ 2,486,159	0%	N/A*	N/A*
July 1, 2008	-0-	4,444,208	4,444,208	0%	N/A*	N/A*

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



Las Vegas-Clark County Library District

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2013

Note 1. Basis of Presentation

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 with 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 District’s basic financial statements on pages 48-49 of this report.

Note 2. Postemployment Benefits Other Than Pensions

For the year ended June 30, 2013, no significant events occurred that would have affected; and therefore, would have changed the benefit provision, size or composition of those covered by the other postemployment benefit plans, or the actuarial methods and assumptions used in the actuarial valuation reports dated July 1, 2011 and July 1, 2008.

The actuarial accrued liability and unfunded actuarial accrued liability involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The estimates are subject to continual revision.

The actuarial valuation reports dated July 1, 2011 and July 1, 2008 are the only valuations to date of the postemployment benefit plan. As additional actuarial valuations are obtained this schedule will ultimately present information from the three most recent valuations. Additional information related to postemployment benefits other than pensions can be found on pages 47, 52, 54-55 and 60 of this report.

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COMBINING and INDIVIDUAL FUND STATEMENTS and SCHEDULES

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Major Funds

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General Fund

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

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Las Vegas-Clark County Library District

**Balance Sheets - General Fund
June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 8,485,985	\$ 13,174,220
Investments	6,111,980	8,781,357
Receivables:		
Taxes	973,324	1,848,259
Interest	11,569	7,028
Other, net	100,653	146,646
Due from other funds		117,686
Due from other governments	<u>3,087,960</u>	<u>2,917,306</u>
 Total assets	 <u><u>\$ 18,771,471</u></u>	 <u><u>\$ 26,992,502</u></u>
LIABILITIES		
Accounts payable	\$ 971,531	\$ 702,274
Accrued payroll	1,315,367	1,620,098
Deposits payable	<u>78,397</u>	<u>43,099</u>
 Total liabilities	 2,365,295	 2,365,471
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue, property taxes	<u>752,688</u>	<u>994,486</u>
FUND BALANCE		
Unassigned	<u>15,653,488</u>	<u>23,632,545</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u><u>\$ 18,771,471</u></u>	 <u><u>\$ 26,992,502</u></u>

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Debt Service Fund

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

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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, 2013**

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Property taxes			\$ 23,589	\$ 23,589
Interest	\$ 120,000	\$ 120,000	30,958	(89,042)
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>54,547</u>	<u>(65,453)</u>
Expenditures				
Culture and recreation:				
Supplies and services	30,000	30,000	35,014	(5,014)
Debt service:				
Principal	5,635,000	5,635,000	5,635,000	
Interest	1,995,400	1,995,400	1,995,400	
Total expenditures	<u>7,660,400</u>	<u>7,660,400</u>	<u>7,665,414</u>	<u>(5,014)</u>
Deficiency of revenues under expenditures	(7,540,400)	(7,540,400)	(7,610,867)	(70,467)
Other financing sources (uses)				
Transfers in	45,181,350	45,181,350	45,181,350	
Net change in fund balance	37,640,950	37,640,950	37,570,483	(70,467)
Fund balance, beginning of year	8,146,946	8,146,946	7,730,244	(416,702)
Fund balance, end of year	<u>\$ 45,787,896</u>	<u>\$ 45,787,896</u>	<u>\$ 45,300,727</u>	<u>\$ (487,169)</u>

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Non-Major Funds

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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 expendable trust accounts for financial resources where both the earnings and principal may be used for purposes that support the District's programs.

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.

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Las Vegas-Clark County Library District

**Combining Balance Sheet
Non-Major Funds
June 30, 2013**

	Special Revenue Funds			Permanent Fund	Aggregate Non-Major Funds
	Grant	Gift	Expendable Trust		
ASSETS					
Cash and cash equivalents:					
Unrestricted	\$ 67,895	\$ 206,710	\$ 83,766	\$ 358,371	\$ 358,371
Restricted				\$ 10,000	10,000
Receivables:					
Other, net		21,815		21,815	21,815
Due from other governments	113,743			113,743	113,743
Total assets	<u>\$ 181,638</u>	<u>\$ 228,525</u>	<u>\$ 83,766</u>	<u>\$ 493,929</u>	<u>\$ 503,929</u>
LIABILITIES					
Accounts payable	\$ 3,044	\$ 5,820		\$ 8,864	\$ 8,864
Accrued payroll	31,839	3,282		35,121	35,121
Total liabilities	<u>34,883</u>	<u>9,102</u>		<u>43,985</u>	<u>43,985</u>
FUND BALANCES					
Nonspendable:					
Permanent fund principal				\$ 10,000	10,000
Restricted for:					
Grant programs	146,755			146,755	146,755
Other programs		219,423	\$ 83,766	303,189	303,189
Total fund balances	<u>146,755</u>	<u>219,423</u>	<u>83,766</u>	<u>449,944</u>	<u>459,944</u>
Total liabilities and fund balances	<u>\$ 181,638</u>	<u>\$ 228,525</u>	<u>\$ 83,766</u>	<u>\$ 493,929</u>	<u>\$ 503,929</u>



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, 2013**

	<u>Special Revenue Funds</u>			<u>Permanent Fund</u>	<u>Aggregate Non-Major Funds</u>	
	<u>Grant</u>	<u>Gift</u>	<u>Expendable Trust</u>			<u>Total</u>
Revenues						
Grants	\$ 778,939			\$ 778,939	\$ 778,939	
Contributions		\$ 165,200		165,200	165,200	
Total revenues	<u>778,939</u>	<u>165,200</u>		<u>944,139</u>	<u>944,139</u>	
Expenditures						
Culture and recreation:						
Salaries and wages	220,232	53,969		274,201	274,201	
Employee benefits	80,543	25,814		106,357	106,357	
Supplies and services	360,876	86,886		447,762	447,762	
Capital outlay	117,765	1,625	\$ 142,366	261,756	261,756	
Total expenditures	<u>779,416</u>	<u>168,294</u>	<u>142,366</u>	<u>1,090,076</u>	<u>1,090,076</u>	
Deficiency of revenues under expenditures	(477)	(3,094)	(142,366)	(145,937)	(145,937)	
Other financing uses						
Operating transfers in	117,686			117,686	117,686	
Net change in fund balances	<u>117,209</u>	<u>(3,094)</u>	<u>(142,366)</u>	<u>(28,251)</u>	<u>(28,251)</u>	
Fund balances, beginning of year	<u>29,546</u>	<u>222,517</u>	<u>226,132</u>	<u>478,195</u>	<u>\$ 10,000</u>	<u>488,195</u>
Fund balances, end of year	<u>\$ 146,755</u>	<u>\$ 219,423</u>	<u>\$ 83,766</u>	<u>\$ 449,944</u>	<u>\$ 10,000</u>	<u>\$ 459,944</u>



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, 2013**

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Grants	\$ 1,300,000	\$ 1,300,000	\$ 778,939	\$ (521,061)
Expenditures				
Culture and recreation:				
Salaries and wages	371,000	371,000	220,232	150,768
Employee benefits	102,500	102,500	80,543	21,957
Supplies and services	351,500	351,500	360,876	(9,376)
Capital outlay	475,000	475,000	117,765	357,235
Total expenditures	1,300,000	1,300,000	779,416	520,584
Deficiency of revenues under expenditures			(477)	(477)
Other financing sources (uses)				
Operating transfers in	117,686	117,686	117,686	
Net change in fund balance	117,686	117,686	117,209	(477)
Fund balance, beginning of year	28,846	28,846	29,546	700
Fund balance, end of year	\$ 146,532	\$ 146,532	\$ 146,755	\$ 223



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, 2013**

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Interest				
Contributions	\$ 300,000	\$ 300,000	\$ 165,200	\$ (134,800)
Miscellaneous	200,000	200,000		(200,000)
Total revenues	500,000	500,000	165,200	(334,800)
Expenditures				
Culture and recreation:				
Salaries and wages	50,200	50,200	53,969	(3,769)
Employee benefits	27,000	27,000	25,814	1,186
Supplies and services	300,000	300,000	86,886	213,114
Capital outlay	122,800	122,800	1,625	121,175
Total expenditures	500,000	500,000	168,294	331,706
Net change in fund balance			(3,094)	(3,094)
Fund balance, beginning of year	214,633	214,633	222,517	7,884
Fund balance, end of year	\$ 214,633	\$ 214,633	\$ 219,423	\$ 4,790

CAPITAL ASSETS

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Las Vegas-Clark County Library District

Schedule of Capital Assets - by Source June 30, 2013

General fixed assets

Land	\$ 4,396,578
Construction in progress	592,587
Buildings	135,569,633
Improvements	3,484,836
Library media materials	74,946,897
Furniture and equipment	16,872,295
	<u>\$ 235,862,826</u>

Investment in general fixed assets by source

General fund revenues	\$ 51,995,071
Special revenue funds revenues	5,222,150
Capital projects fund revenues:	
General obligation bonds	92,134,350
Grants	8,231,871
Intergovernmental	386,016
Interest	5,244,950
Other	72,648,418
	<u>\$ 235,862,826</u>

* All capital assets are used in the culture and recreation function.

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P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Las Vegas - Clark County Library District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 23, 2013.

Internal Control over Financial Reporting. In planning and performing our audit of the basic financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts, including whether the funds established by the District, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Peirce Bowler Taylor & Kuen

Las Vegas, Nevada
October 23, 2013

STATISTICAL SECTION

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Las Vegas - Clark County Library District

Statistical Tables June 30, 2013

Financial Trends Information

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Table One	Net Position by Component
Table Two	Changes in Net Position
Table Three	Fund Balances, Governmental Funds
Table Four	Changes in Fund Balances, Governmental Funds

Revenue Capacity

These schedules present information to help the reader assess the District's most significant local revenue source, property taxes.

Table Five	General Governmental Revenues by Source
Table Six	Principal Property Tax Payers
Table Seven	Schedule of Property Tax Rates - Direct and Overlapping Governments
Table Eight	Assessed and Estimated Actual Value of Taxable Property in Clark County
Table Nine	Property Tax Levies and Collections for Clark County

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Table Ten	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita
Table Eleven	Computation of Legal Debt Margin
Table Twelve	General Obligation Direct and Overlapping Government Debt

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Table Thirteen	Demographic Statistics - Clark County
Table Fourteen	Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Table Fifteen	Full-Time Equivalent Employees by Function
Table Sixteen	Circulation Summary
Table Seventeen	Capital Assets Statistics by Function/Program

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Las Vegas-Clark County Library District



Table One
 Net Position by Component
 Last Ten Fiscal Years
 (unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net investment in capital assets	\$ 43,964,090	\$ 51,001,455	\$ 61,045,385	\$ 69,166,219	\$ 85,748,261	\$ 110,947,823	\$ 117,524,364	\$ 125,034,812	\$ 128,554,069	\$ 125,799,958
Restricted	15,291,528	9,789,351	7,514,941	7,757,316	8,738,441	7,981,664	11,966,598	12,025,669	7,885,463	459,944
Unrestricted	3,676,236	16,302,068	23,951,098	35,374,184	37,351,037	27,606,406	34,048,157	41,383,677	44,791,443	58,831,642
Total Governmental Activities Net Position	\$ 62,931,854	\$ 77,092,874	\$ 92,511,424	\$ 112,297,719	\$ 131,837,739	\$ 146,535,893	\$ 163,539,119	\$ 178,444,158	\$ 181,230,975	\$ 185,091,544



Las Vegas-Clark County Library District

**Table Two
Changes in Net Position
Last Ten Fiscal Years
(unaudited)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Governmental Activities:										
Culture and recreation	\$ 40,743,441	\$ 42,757,961	\$ 44,322,565	\$ 47,855,999	\$ 53,788,690	\$ 58,167,689	\$ 54,660,313	\$ 49,827,192	\$ 51,462,073	\$ 52,270,309
Interest on long-term debt	2,578,251	1,688,263	1,455,850	1,256,120	1,069,978	1,377,053	2,550,600	2,283,357	2,027,418	1,619,751
Total Governmental Activities Expenses	43,321,692	44,446,224	45,778,415	49,112,119	54,858,668	59,544,742	57,210,913	52,110,549	53,489,491	53,890,060
PROGRAM REVENUES										
Governmental Activities:										
Charges for services	1,976,270	2,159,810	2,140,499	2,103,100	2,304,081	2,314,298	2,285,086	2,305,611	2,298,715	2,154,897
Operating grants and contributions	588,510	675,680	1,080,469	1,393,706	1,377,351	746,911	872,812	1,184,571	893,351	944,139
Capital grants and contributions	56,935									
Total Governmental Activities Program Revenues	2,621,715	2,835,490	3,220,968	3,496,806	3,681,432	3,061,209	3,157,898	3,490,182	3,192,066	3,099,036
Total Primary Government Net (Expenses)/Revenues	(40,699,977)	(41,610,734)	(42,557,447)	(45,615,313)	(51,177,236)	(56,483,533)	(54,053,015)	(48,620,367)	(50,297,425)	(50,791,024)
GENERAL REVENUES										
Governmental Activities:										
Taxes:										
Ad valorem	35,079,303	38,200,757	38,210,744	43,543,706	48,920,483	52,904,182	53,047,378	46,820,800	39,418,245	36,969,297
Other	15,080,466	16,823,083	18,309,380	18,760,634	18,402,065	16,352,780	15,017,657	15,622,697	16,504,108	17,366,883
Interest	115,780	452,601	1,061,898	2,224,637	2,654,125	1,203,871	1,267,478	322,065	203,912	71,191
Miscellaneous	85,567	294,858	393,975	872,631	740,583	720,854	1,723,728	759,844	642,882	244,222
Total Governmental Activities General Revenues	50,361,116	55,771,299	57,975,997	65,401,608	70,717,256	71,181,687	71,056,241	63,525,406	56,769,147	54,651,593
CHANGE IN NET POSITION										
Total Primary Government Change in Net Position	\$ 9,661,139	\$ 14,160,565	\$ 15,418,550	\$ 19,786,295	\$ 19,540,020	\$ 14,698,154	\$ 17,003,226	\$ 14,905,039	\$ 6,471,722	\$ 3,860,569



Las Vegas-Clark County Library District

Table Three
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL FUND										
Unassigned	\$ 5,718,780	\$ 7,614,311	\$ 6,191,796	\$ 6,645,897	\$ 5,337,615	\$ 5,717,661	\$ 10,669,266	\$ 19,160,430	\$ 23,632,545	\$ 15,653,488
Unreserved	\$ 5,718,780	\$ 7,614,311	\$ 6,191,796	\$ 6,645,897	\$ 5,337,615	\$ 5,717,661	\$ 10,669,266	\$ 19,160,430	\$ 23,632,545	\$ 15,653,488
Total General Fund										
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable								\$ 10,000	\$ 10,000	\$ 10,000
Restricted								24,559,745	20,783,931	5,407,725
Assigned								25,636,752	24,760,964	47,339,941
Reserved	\$ 15,291,528	\$ 20,835,780	\$ 27,738,209	\$ 39,027,463	\$ 43,426,499	\$ 83,928,262	\$ 66,357,954			
Unreserved, reported in:	472,418	472,523	504,645	446,024	424,057	476,532	483,024			
Aggregate non-major funds										
Total All Other Governmental Funds	\$ 15,763,946	\$ 21,308,303	\$ 28,242,854	\$ 39,473,487	\$ 43,850,556	\$ 84,404,794	\$ 66,840,978	\$ 50,206,497	\$ 45,554,895	\$ 52,757,666



Las Vegas-Clark County Library District

**Table Four
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(unaudited)**

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Taxes	\$ 35,081,440	\$ 38,265,940	\$ 38,157,840	\$ 43,506,280	\$ 48,535,406	\$ 52,519,404	\$ 52,840,566	\$ 46,964,634	\$ 39,677,405	\$ 37,238,359
Intergovernmental revenues	15,080,466	16,823,083	18,587,355	19,412,265	18,970,363	16,731,429	16,429,393	15,622,697	16,504,108	17,366,883
Grants	471,951	559,012	847,865	1,013,816	1,052,777	613,153	667,224	936,001	624,286	778,939
Charges for services	1,976,270	2,159,810	2,140,499	2,103,100	2,304,081	2,314,298	2,285,086	2,305,611	2,298,715	2,154,897
Interest	115,780	452,601	1,061,898	2,224,637	2,654,125	1,203,871	1,267,478	322,065	203,912	71,191
Contributions	173,494	116,668	232,604	379,890	324,574	133,758	205,588	248,570	269,065	165,200
Miscellaneous	85,567	294,858	116,000	221,000	172,285	342,205	311,992	759,844	642,882	244,222
Total Revenues	52,984,968	58,671,972	61,144,061	68,860,988	74,013,611	73,858,118	74,007,327	67,159,422	60,220,373	58,019,691
EXPENDITURES										
Culture and recreation:										
Salaries and wages	18,966,735	19,306,202	20,744,981	21,786,183	22,574,934	23,734,656	25,358,689	23,037,110	23,387,955	23,154,918
Employee benefits	5,197,147	5,560,741	5,508,891	5,789,566	6,974,248	7,679,737	7,987,041	7,997,674	7,941,164	8,038,605
Supplies and services	7,683,004	8,783,499	8,680,277	9,378,527	11,377,564	14,258,214	11,450,498	9,438,927	9,908,877	11,189,919
Capital outlay	9,308,420	9,266,088	12,189,557	13,249,157	23,031,997	31,862,591	33,132,712	25,617,191	7,607,351	8,782,135
Debt Service:										
Principal	6,205,000	6,475,000	6,930,000	5,620,000	5,825,000	6,050,000	6,325,000	6,610,000	9,235,000	5,635,000
Interest	2,311,773	1,840,554	1,578,319	1,352,819	1,161,081	955,281	2,365,598	2,601,837	2,319,513	1,995,400
Total Expenditures	49,672,079	51,232,084	55,632,025	57,176,252	70,944,824	85,162,741	86,619,538	75,302,739	60,399,860	58,795,977
OTHER FINANCING SOURCES (USES)										
Proceeds of refunding bonds	16,968,277									
Payment to refunding bonds escrow agent	(16,808,712)									
Transfers in	4,430,000	5,000,000	10,500,000	11,700,000	13,500,000	12,895,000	11,315,117	8,903,500	7,629,500	46,799,036
Transfer out	(4,430,000)	(5,000,000)	(10,500,000)	(11,700,000)	(13,500,000)	(12,895,000)	(11,315,117)	(8,903,500)	(7,629,500)	(46,799,036)
Bond Issuance						50,000,000				
Bond Premium						2,238,907				
Total Other Financing Sources (Uses)	159,565					52,238,907				
Net Change in Fund Balances	\$ 3,472,454	\$ 7,439,888	\$ 5,512,036	\$ 11,684,736	\$ 3,068,787	\$ 40,934,284	\$ (12,612,211)	\$ (8,143,317)	\$ (179,487)	\$ (776,286)
Debt service as a percentage of noncapital expenditures	21%	20%	20%	16%	15%	13%	16%	19%	22%	15%



Las Vegas-Clark County Library District

**Table Five
General Governmental Revenues by Source
Last Ten Fiscal Years
(unaudited)**

Fiscal Year	Ad Valorem	Consolidated Sales Tax *	Investment	Other	Total
2003-04	\$ 35,081,440	\$ 15,080,466	\$ 112,318	\$ 2,707,282	\$ 52,981,506
2004-05	38,265,940	16,823,083	346,714	3,130,348	58,566,085
2005-06	38,157,840	18,587,355	1,061,898	3,336,968	61,144,061
2006-07	43,506,280	19,412,265	2,224,637	3,717,806	68,860,988
2007-08	48,535,406	18,402,065	2,654,125	4,422,015	74,013,611
2008-09	52,519,404	16,731,429	1,203,871	3,403,414	73,858,118
2009-10	52,840,566	16,429,393	1,267,478	3,469,890	74,007,327
2010-11	46,964,634	15,622,697	322,065	4,250,026	67,159,422
2011-12	39,677,405	16,504,108	203,912	3,834,948	60,220,373
2012-13	37,238,359	17,366,883	71,191	3,343,258	58,019,691

*Previously called Supplemental City-County Relief Tax and Motor Vehicle Tax.



Las Vegas-Clark County Library District

**Table Six
Principal Property Tax Payers
Fiscal Year 2013 and 2004
(unaudited)**

Taxpayer	2004			2013		
	Assessed Value	Rank	Percent of Total Assessed Valuation	Assessed Value	Rank	Percent of Total Assessed Valuation
MGM Mirage	\$ 1,454,573,759	1	3.65%	\$ 2,453,765,826	1	5.01%
Nevada Energy	694,359,883	4	1.74%	1,618,820,753	2	3.09%
Caesar's Entertainment, Inc.				1,514,349,117	3	3.31%
Las Vegas Sands Corporation				958,971,521	4	1.96%
Wynn Las Vegas, LLC				720,065,000	5	1.47%
Station Casinos Incorporated	320,166,459	7	0.80%	486,757,127	6	0.99%
Boyd Gaming Corporation				323,806,369	7	0.66%
Nevada Property 1 LLC				279,418,598	8	0.57%
Howard Hughes Corporation				164,087,944	9	0.34%
General Growth Properties				161,490,791	10	0.33%
Mandalay Resort Group	944,533,263	2	2.37%			
Park Place Entertainment	832,007,688	3	2.09%			
F.S. Rouse Limited Liability Company	486,889,805	5	1.22%			
Venetian Resort Hotel Casino	425,805,794	6	1.07%			
Harrah's Club	289,793,058	8	0.73%			
Coast Resorts Incorporated	238,753,638	9	0.60%			
Pulte Homes	183,582,836	10	0.46%			
Total, ten largest taxpayers	\$ 5,870,466,183		14.73%	\$ 8,681,533,046		17.73%
Clark County Assessed Valuation	\$ 36,258,580,003			\$ 53,342,794,997		

Source: Clark County Assessor's Office.



Las Vegas-Clark County Library District

Table Seven

Schedule of Property Tax Rates * - Direct and Overlapping Governments Last Ten Fiscal Years (unaudited)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Las Vegas-Clark County Library District										
Countywide:	0.9777	0.0958	0.0866	0.0866	0.0866	0.0809	0.0909	0.1011	0.0942	0.0942
Clark County Funds	0.6502	0.6502	0.6425	0.6416	0.6541	0.6391	0.6391	0.6391	0.6391	0.6391
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1850	0.1850	0.1850	0.1850	0.1850
Cities:										
Boulder City	0.2038	0.2038	0.1844	0.2038	0.2188	0.2188	0.2600	0.2600	0.2600	0.2600
Henderson	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108
Las Vegas	0.7796	0.7792	0.7774	0.7777	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715
Mesquite	0.3020	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520
North Las Vegas	1.1987	1.1987	1.0037	1.1637	1.1587	1.1637	1.1637	1.1637	1.1637	1.1637
Unincorporated Towns:										
Bunkerville	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Enterprise	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Glendale										
Indian Springs	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Laughlin	0.8416	0.8416	0.8146	0.8146	0.8146	0.8416	0.8416	0.8416	0.8416	0.8416
Moapa Town	0.2344	0.2344	0.2344	0.2344	0.2344	0.2344	0.1094	0.1094	0.1094	0.1094
Moapa Valley	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Mount Charleston	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Paradise	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Searchlight	0.1153	0.1172	0.1223	0.1222	0.1212	0.1212	0.0600	0.0200	0.0200	0.0200
Spring Valley	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Summerlin	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Sunrise Manor	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Whitney	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Winchester	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Other:										
Boulder City Library District	0.1655	0.1640	0.1625	0.1555	0.1405	0.1405	0.1485	0.1595	0.1755	0.203
Clark County Fire Department	0.2197	0.2197	0.2197	0.2197	0.2147	0.2147	0.2197	0.2197	0.2197	0.2197
Colorado Ground Water Basin	0.0575	0.0575								
Coyote Spring Valley Groundwater Basin	0.0402	0.0402	0.0522	0.0496	0.0052	0.0039	0.0018	0.0023	0.0000	0.0000
Emergency 911 District	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Henderson Library District	0.0535	0.0533	0.0533	0.0533	0.0582	0.0581	0.0577	0.0577	0.0586	0.0586
Kyle Canyon Water District	0.0417	0.0414	0.0351	0.0351	0.0346	0.0346	0.0346	0.0346	0.0000	0.0000
Las Vegas Artesian Basin	0.0018	0.0016	0.0013	0.0009	0.0008	0.0008	0.0011	0.0015	0.0000	0.0000
Las Vegas Metro Police - City	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Las Vegas Metro Police - Mpwver - County	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Lower Moapa Groundwater Basin										
Mount Charleston Fire Department	0.8813	0.8813	0.8813	0.8813	0.8813	0.8913	0.8813	0.8813	0.8813	0.8813
Muddy River Springs Area Groundwater Basin	0.0937	0.0899	0.0785							
North Las Vegas Library District	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632

* Per \$100 of assessed value. Constitutional limit is \$3.64 on any one area's combined tax rate.
Source: Clark County Comptroller's Office.



Las Vegas-Clark County Library District

Table Eight

**Assessed and Estimated Actual Value of Taxable Property in Clark County
Last Ten Fiscal Years
(unaudited)**

Fiscal Year	Property Value Assessed			Total Direct Tax Rate	Total Real and Personal Estimated Market Value	Total Assessed Value as a Percentage of Total Estimated Market Value
	Real	Personal	Total			
2003-04	\$ 39,852,173,918	\$ 4,774,487,190	\$ 44,626,661,108	0.6502	\$ 127,504,746,022	35%
2004-05	45,391,834,363	5,029,248,112	50,421,082,475	0.6502	144,060,235,642	35%
2005-06	61,060,915,772	5,787,270,132	66,848,185,904	0.6425	190,994,816,868	35%
2006-07	87,405,016,148	5,954,162,886	93,359,179,034	0.6146	266,740,511,525	35%
2007-08	102,349,025,402	6,300,900,438	108,649,925,840	0.6391	310,428,359,542	35%
2008-09	106,988,178,756	5,817,306,838	112,805,485,594	0.6391	322,301,387,411	35%
2009-10	86,961,001,865	4,772,231,316	91,733,233,181	0.6391	262,094,951,945	35%
2010-11	60,420,431,199	3,706,515,345	64,126,946,544	0.6391	183,219,847,268	35%
2011-12	53,342,794,997	3,369,755,692	56,712,550,689	0.6391	162,035,859,110	35%
2012-13	48,963,146,030	4,303,923,931	53,267,069,961	0.6391	152,191,628,459	35%

Source: Clark County Assessor's Office.

Note: Property in Clark County is reassessed each year. Property is assessed at 35% percent of estimated actual value.



Las Vegas-Clark County Library District

**Table Nine
Property Tax Levies and Collections for Clark County
Last Ten Fiscal Years
(unaudited)**

Fiscal Year	County Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003-04	\$ 1,262,337,653	\$ 1,251,864,740	99.17%	\$ 10,437,295	\$ 1,262,302,035	99.99%
2004-05	1,449,273,775	1,439,911,686	99.35%	9,315,813	1,449,227,499	99.99%
2005-06	1,639,440,075	1,632,191,297	99.56%	7,174,961	1,639,366,258	99.99%
2006-07	1,927,504,172	1,909,964,723	99.09%	16,709,790	1,926,674,513	99.99%
2007-08	2,180,151,410	2,144,481,519	98.36%	25,922,975	2,170,404,494	99.55%
2008-09	2,359,508,218	2,310,905,968	97.94%	30,112,990	2,341,018,958	99.22%
2009-10	2,267,779,838	2,216,524,825	97.74%	32,607,231	2,249,132,056	99.18%
2010-11	1,770,127,142	1,736,374,718	98.09%	22,550,172	1,736,374,718	98.09%
2011-12	1,600,895,122	1,576,913,229	98.50%	17,694,791	1,576,913,229	98.50%
2012-13	1,460,234,637	1,446,101,302	99.03%	*	1,446,101,302	99.03%

*Not available at time of printing.
Source: Clark County Treasurer's Office.



Las Vegas-Clark County Library District

**Table Ten
Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt per Capita
Last Ten Fiscal Years
(unaudited)**

Fiscal Year	County Population		Assessed Value (in thousands)	Gross Bonded Debt	Debt Service Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita	Net Bonded Debt per Personal Income***
2003-04	1,210,311	*	\$ 35,327,864	\$ 47,600,000	\$ 8,968,825	\$ 38,631,175	0.11%	\$ 31.92	\$ 0.71
2004-05	1,264,106	*	39,359,677	41,125,000	9,779,351	31,345,649	0.08%	24.80	0.54
2005-06	1,305,324	**	49,970,302	34,195,000	7,504,940	26,690,060	0.05%	20.45	0.45
2006-07	1,359,824	**	68,140,319	28,575,000	7,747,316	20,827,684	0.03%	15.32	0.30
2007-08	1,409,522	**	80,475,640	22,750,000	8,728,441	14,021,559	0.02%	9.95	0.18
2008-09	1,467,823	**	85,646,381	66,700,000	7,971,664	58,728,336	0.07%	40.01	0.59
2009-10	1,466,833	**	69,675,050	60,375,000	11,956,598	48,418,402	0.07%	33.01	0.48
2010-11	1,453,267	**	48,857,565	53,765,000	11,546,058	42,218,942	0.09%	29.05	0.41
2011-12	1,468,720	**	43,960,887	44,530,000	7,730,244	36,799,756	0.08%	25.06	0.36
2012-13	1,463,675	**	41,434,276	38,895,000	38,895,000	-	-	-	****

* Excludes the City of Boulder City, City of North Las Vegas, and 90% of the City of Henderson.

** Excludes the City of Boulder City, City of North Las Vegas, and the City of Henderson.

*** Calculated based on Total Personal Income presented in Table Thirteen.

**** Not available at time of printing.

Source: Clark County Assessor's Office.



Las Vegas-Clark County Library District

Table Eleven
Computation of Legal Debt Margin
June 30, 2013
(unaudited)

Assessed value of all taxable property in the Las Vegas-Clark County Library District	\$ 44,890,713.035
Debt limit applicable to the Las Vegas-Clark County Library District (10% of assessed value)	\$ 4,489,071,304
Amount of debt applicable to the debt limit - General Obligation Bonds of the Las Vegas-Clark County Library District	38,895,000
Legal debt margin	\$ 4,450,176,304

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 3,668,806,169	\$ 4,117,404,007	\$ 5,277,041,898	\$ 7,374,826,156	\$ 8,724,508,654	\$ 11,280,548,559	\$ 7,484,818,853	\$ 5,273,559,103	\$ 4,765,985,606	\$ 4,489,071,304
Total net debt subject to limitation	47,600,000	41,125,000	34,195,000	28,575,000	22,750,000	66,700,000	60,375,000	53,765,000	44,530,000	38,895,000
Legal debt margin	\$ 3,621,206,169	\$ 4,076,279,007	\$ 5,242,846,898	\$ 7,346,251,156	\$ 8,701,758,654	\$ 11,213,848,559	\$ 7,424,443,853	\$ 5,219,794,103	\$ 4,721,455,606	\$ 4,450,176,304
Total net debt subject to limitation as a percentage of debt limit	1.30%	1.00%	0.65%	0.39%	0.26%	0.59%	0.81%	1.02%	0.93%	0.87%

Source: LVCCLD Debt Management Policy 2013



Las Vegas-Clark County Library District

Table Twelve
General Obligation Direct and Overlapping Government Debt
June 30, 2013
(unaudited)

	<u>Debt Outstanding</u>	<u>Percent Applicable</u>	<u>Applicable Debt</u>
Direct Debt			
Las Vegas-Clark County Library District	\$ 38,895,000	100%	\$ 38,895,000
Overlapping Debt			
Clark County	2,631,660,000	100%	2,631,660,000
City of Las Vegas	478,721,047	100%	478,721,047
Total Overlapping Debt	3,110,381,047		3,110,381,047
Total Direct and Overlapping Debt	\$ 3,149,276,047		\$ 3,149,276,047

Sources: Debt outstanding provided by each governmental unit.



Las Vegas-Clark County Library District

**Table Thirteen
Demographic Statistics - Clark County
Last Ten Calendar Years
(unaudited)**

Calendar Year	County Population*	Total Personal Income**	Per Capita Personal Income**	Median Age*	School Enrollment***	Unemployment Rate ****
2004	1,715,337	\$ 54,339,731	\$ 32,963	47.9	282,367	3.50%
2005	1,796,380	57,916,300	33,764	47.5	291,510	4.00%
2006	1,815,700	59,793,250	37,089	47.5	303,000	4.00%
2007	1,874,837	69,445,800	38,281	50.1	308,000	6.50%
2008	1,954,319	77,278,600	40,353	35.7	311,417	6.30%
2009	1,986,146	99,620,809	37,691	35.7	311,240	12.30%
2010	1,493,699	99,851,379	36,919	35.3	309,476	14.60%
2011	1,453,267	103,956,791	38,173	35.3	309,893	14.00%
2012	1,468,720	103,076,310	37,361	35.4	308,447	11.60%
2013	1,463,675	****	****	36.2	311,429	9.60%

* Source: Nevada State Demographer
 ** Source: Bureau of Economic Analysis
 *** Source: Clark County School District
 **** Not available at time of printing
 ***** Source: Bureau of Labor Statistics



Las Vegas-Clark County Library District

**Table Fourteen
Principal Employers
Fiscal Year 2013 and 2004
(unaudited)**

Taxpayer	2004			2013		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Clark County School District	28,500	1	3.66%	35,000	1	4.25%
Clark County	9,250	2	1.19%	8,250	2	1.00%
Wynn Las Vegas LLC				8,250	3	1.00%
Bellagio				7,750	4	0.94%
MGM Grand Hotel/Casino				7,750	5	0.94%
Aria Resort & Casino LLC				7,250	6	0.88%
Mandalay Bay Resort & Casino	6,750	3	0.87%	6,750	7	0.82%
Caesar's Palace Hotel & Casino	4,750	8	0.61%	6,250	8	0.76%
University of Nevada-LV	5,250	6	0.67%	5,250	9	0.64%
Las Vegas Metropolitan Police	4,750	7	0.61%	4,750	10	0.57%
Mirage Casino Hotel	5,750	4	0.74%			
Rio Suite Hotel & Casino	4,250	9	0.55%			
State of Nevada	5,250	5	0.67%			
Luxor	3,750	10	0.48%			

Source: Clark County Comptroller's Office



Las Vegas-Clark County Library District

**Table Fifteen
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years
(unaudited)**

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
473	484	493	500	528	523	466	462	463	468	

FUNCTION/PROGRAM
Culture and recreation



Las Vegas-Clark County Library District

**Table Sixteen
Circulation Summary
Last Ten Fiscal Years
(unaudited)**

Fiscal Year	Circulation	Percent Increase (Decrease)	Library Media Materials*
2003-04	10,161,315	15.11%	2,197,203
2004-05	10,763,363	5.92%	2,289,634
2005-06	10,396,713	(3.41%)	2,710,591
2006-07	10,593,661	2%	2,815,628
2007-08	12,170,182	15%	2,925,000
2008-09	13,242,715	9%	6,096,673
2009-10	13,744,009	4%	6,399,227
2010-11	12,637,724	(8%)	5,851,591
2011-12	13,449,178	6.4%	6,649,948
2012-13	13,574,331	1.0%	7,093,436

* Source: Las Vegas-Clark County Library District



Las Vegas-Clark County Library District

**Table Seventeen
Capital Assets Statistics by Function/Program
Last Ten Fiscal Years
(unaudited)**

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
FUNCTION/PROGRAM										
Culture and recreation:										
Library branches	23	23	23	23	23	24	24	25	25	25
Library branches with theaters	4	4	4	4	4	4	4	5	5	5
Library branches with lecture hall	1	1	1	1	1	1	1	1	1	1
Library branches with auditorium	1	1	1	1	1	1	1	1	1	1
Library branches with concert hall	1	1	1	1	1	1	1	1	1	1
Library branches with art galleries	14	14	14	14	14	14	14	14	14	14
Library branches with microcomputer centers	5	5	5	5	5	5	5	5	5	5
Library media materials*	2,197,203	2,289,634	2,710,591	2,815,628	2,925,000	6,096,673	6,399,227	5,851,591	6,649,948	7,093,436

* Source: Las Vegas-Clark County Library District

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**SINGLE AUDIT AND
ACCOMPANYING INFORMATION**

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P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

We have audited the compliance of the Las Vegas - Clark County Library District (the District) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2013. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Auditors' Responsibility. Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Major Federal Program. In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the District's major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance. The District's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal

program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133. 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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 23, 2013, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Las Vegas, Nevada
October 23, 2013



Las Vegas-Clark County Library District

**Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013**

<u>Federal Grantor/Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
Institute of Museum and Library Services			
Passed Through State of Nevada, Department of Cultural Affairs, Nevada State Library & Archives			
Grants to States	45.310	LG-48-13-0073 LSTA 2012-11	\$ 196,363
National Endowment for the Arts			
Passed Through State of Nevada, Department of Cultural Affairs, Nevada Arts Council			
Promotion of the Arts, Partnership Agreements	45.025	AEP12:0:12	1,963
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 *	13-607-32000 13-608-32000 13-608-32001 13-608-32002	513,142
Total federal assistance expended			\$ 711,468

* A "major" program.



Las Vegas-Clark County Library District

Notes to Schedule of Federal Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2013

Note 1. Reporting Entity

The accompanying supplementary schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Las Vegas–Clark County Library District (the District). The reporting entity is defined in Note 1 to the basic financial statements. The schedule includes all expended federal financial assistance received directly from federal agencies as well as passed through other government agencies.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



Las Vegas-Clark County Library District

**Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013**

Section I - Summary of Auditors' Results:

Financial Statements:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No

Identification of major programs:

CFDA 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:	\$300,000
Auditee qualified as low-risk auditee?	Yes

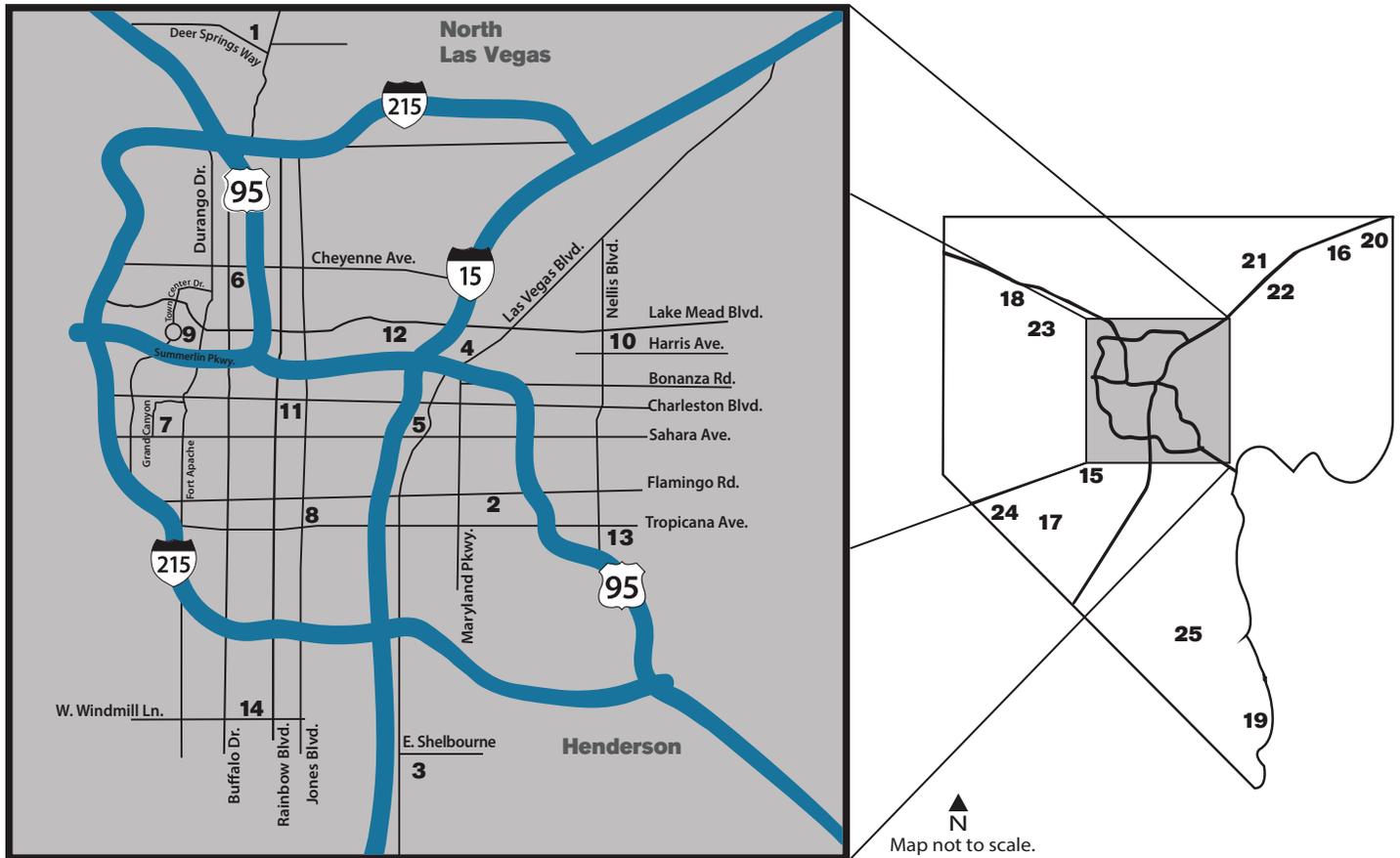
Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*:

None reported

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a):

None reported

Las Vegas-Clark County Library District Service Area and Branch Locations



Urban Branches

- 1 Centennial Hills
- 2 Clark County
- 3 Enterprise
- 4 Las Vegas
- 5 Meadows
- 6 Rainbow
- 7 Sahara West
- 8 Spring Valley
- 9 Summerlin
- 10 Sunrise
- 11 West Charleston
- 12 West Las Vegas
- 13 Whitney
- 14 Windmill

Outlying Branches

- 15 Blue Diamond
- 16 Bunkerville
- 17 Goodsprings
- 18 Indian Springs
- 19 Laughlin
- 20 Mesquite
- 21 Moapa Town
- 22 Moapa Valley
- 23 Mt. Charleston
- 24 Sandy Valley
- 25 Searchlight

All urban branches are open Monday – Thursday from 10 a.m. to 8 p.m. and Friday, Saturday and Sunday from 10 a.m. to 6 p.m. Outlying branch hours vary; please call for hours.

(702) 734-READ