

COMPREHENSIVE ANNUAL FINANCIAL REPORT

July 1, 2018 - June 30, 2019
Las Vegas, Nevada

Las Vegas-Clark County

LIBRARY
DISTRICT

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Comprehensive Annual Financial Report

**Las Vegas - Clark County
Library District**

July 1, 2018 - June 30, 2019

Las Vegas, Nevada

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

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

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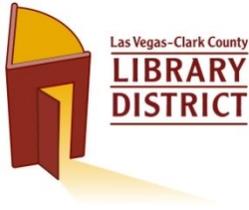
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INTRODUCTORY SECTION

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December 13, 2019

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

Nevada Revised Statutes (NRS) 354.624(6) require the Las Vegas-Clark County Library District (the District) to submit, within six 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, 2019, 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, 2019, 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 unmodified opinion that the District's basic financial statements as of and for the year ended June 30, 2019, 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 has a 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 District 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 Thursday following the third Monday in May, and to adopt a final budget on or before June 1. The appropriate 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, including Meadows Library, an outreach branch located inside the Stupak Community Center. 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. Previous recessionary effects of the national economy were not as traumatic on Las Vegas as they were on other metropolitan areas until the "Great Recession" as it is now known. The State's economy, up until the Great Depression of 1929, 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, sports, recreation, and gaming. While the resort and gaming

industries (tourism) remain the mainstay of the local economy, industrial parks, retirement communities, professional sports, distribution centers and light manufacturing provide a balance to the service intensity of the local economy.

During the Great Recession, 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%. Since the Great Recession, the unemployment rate decreased to 4.8%, up from 4.7% in June 2018. In addition, the metropolitan area has seen a small increase in population.

Although housing prices continue to increase in the Las Vegas valley, sales have leveled amid rising interest rates and inventory. However, revenue from property taxes continued to increase during the fiscal year just ended, and is expected to increase again over the next several fiscal years.

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 more tourists visiting Las Vegas who are spending their leisure time on dining and entertainment.

Long-term financial planning

In an effort to maintain the sustainability of District operations, the District completes a five-year to a fifteen-year financial forecast annually to evaluate the impact of changing economic conditions, revenue and expenditure trends, and the impact of new proposed economic strategies. District management uses the forecasts to assist in negotiations with collective bargaining units, manage vacant positions, and evaluate possible strategies as the District strives to maintain fiscal integrity through sound financial policies.

As a result, the District will have to monitor closely the local economy regarding housing prices and sales, consumer spending, and the local travel and tourism industry. Based on the outcome of these factors, the District will make annual adjustments to its budgeted expenditures.

Other efforts of sustainability include maintaining a higher ending fund balance, higher than the healthy financial cushion of 5% to 10% ratio of the ending fund balance to the general fund expenditures. 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 \$20 and \$23 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.

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 10% and 12% of operating expenditures. Any surplus exceeding this threshold may be transferred to the capital projects fund.

The District has established capital related programs in the capital projects fund to finance the acquisition, replacement or construction of major capital projects and facilities. This fund includes nine programs to accumulate available resources that will be appropriated in subsequent budget years. These programs are the Library Services Platform Replacement, Technology Replacements and Upgrades, Building Repair and Maintenance, Capital Construction, Library Materials, Vehicle Purchase and Replacement, Furniture Purchase and Replacement, Financial Services, and Community Engagement/Programming and Venues.

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, 2018. 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 Financial Services and Branding & Marketing Departments. 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,



Dr. Ronald R. Heezen
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, 2018

Christopher P. Morill

Executive Director/CEO

Board of Trustees

May 2019



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Chair



Felipe A. Ortiz
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Sandra Ramaker



Brian Wilson



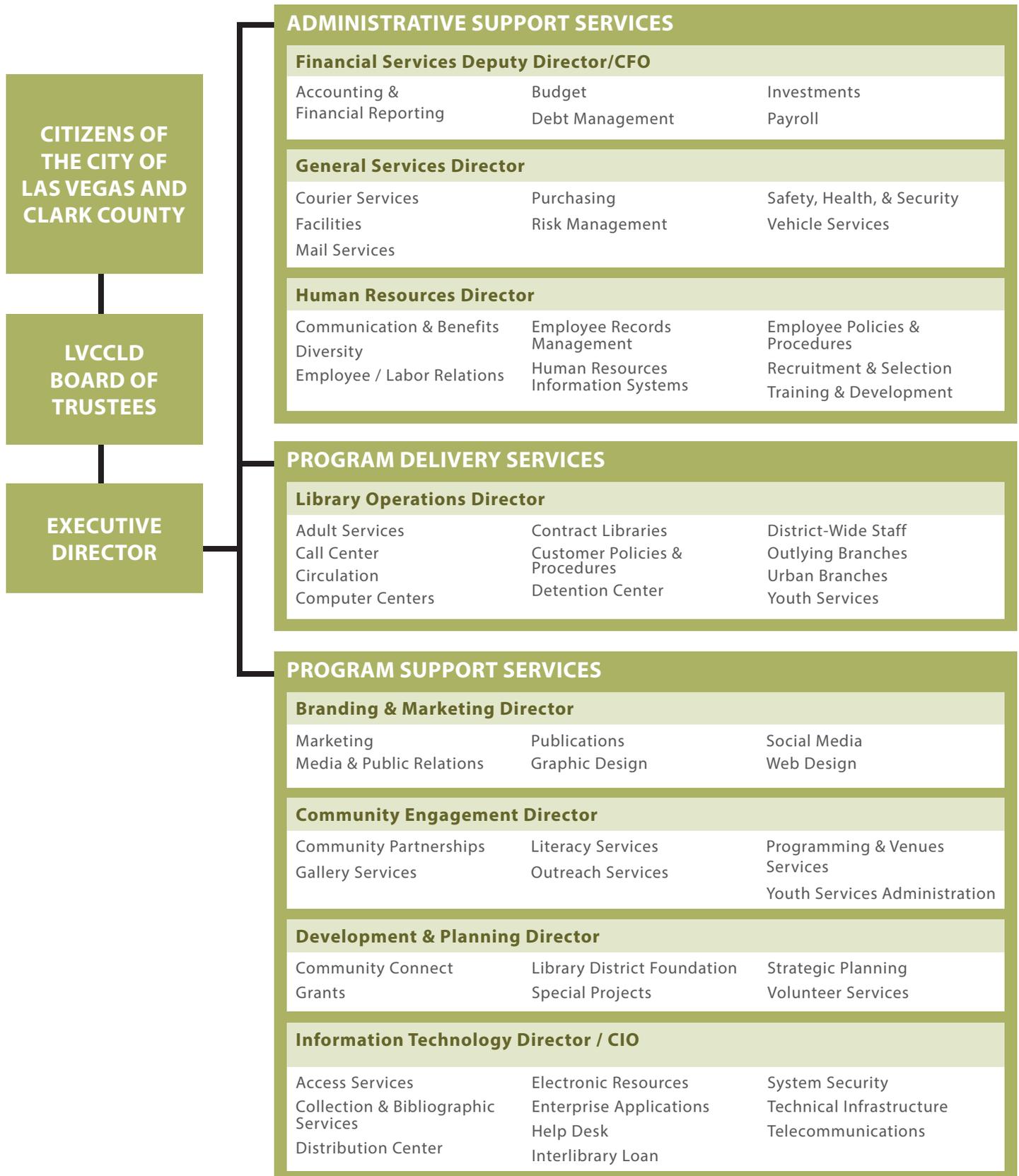
Dr. Ronald R. Heezen
Executive Director

LIBRARY DISTRICT MISSION STATEMENT

"The Las Vegas-Clark County Library District nurtures the social, economic, and educational well-being of people and communities. The District is committed to building communities of people who can come together to pursue their individual and group aspirations."

Organizational Chart

May 2019



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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, 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

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

opinion.

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

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 10-17 and 47-51 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 November 20, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Las Vegas, Nevada

November 20, 2019, except for introductory and statistical sections as to which the date is December 13, 2019

MANAGEMENT'S DISCUSSION and ANALYSIS

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As management of the Las Vegas-Clark County Library District (the District), we offer readers of the Annual Financial Report this narrative overview and analysis of the financial activities of the District as of and for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information provided in our letter of transmittal.

Financial Highlights

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$156,712,560 (net position).
- The District's total net position increased by \$1,494,221 (1%). This increase is primarily attributable to property tax and intergovernmental revenue increases, which were offset by higher personnel costs and capital outlays in the current year. The District expects to experience net position increases in future years partially as a result of improving tax revenues and the District continuing its conservative spending practices, which are designed to provide fiscal stability, but not to adversely affect the provision of library services.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$48,187,152, a decrease of \$23,149,462 (32%) from the prior year. This decrease is primarily attributable to spending for construction of capital assets and debt repayments. Approximately 30% of the total fund balance (\$14,576,974) is available for spending at the District's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$14,576,974, 23% of total general fund expenditures.
- The District's general obligation debt decreased by \$7,265,000 during the current fiscal year, due to scheduled bond principal payments.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change

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

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

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

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

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

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

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

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

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

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

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

Las Vegas-Clark County Library District
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2019

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

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

Government-wide Financial Analysis

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

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

Las Vegas-Clark County Library District Net Position

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

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

At the prior fiscal year end, the District has positive balances in all three categories of net position. However, in the current year the District 1) expended \$16,549,531 for the construction of the East Las Vegas library facilities of which

Las Vegas-Clark County Library District
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2019

\$8,508,844 was from unrestricted resources, and 2) recognized \$17,981,600 in restricted net position related to long-term notes receivable held in a special revenue fund that when collected must be used for a specified purpose. As a result, the District is reporting a net position deficit of \$18,712,560 in the current year.

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

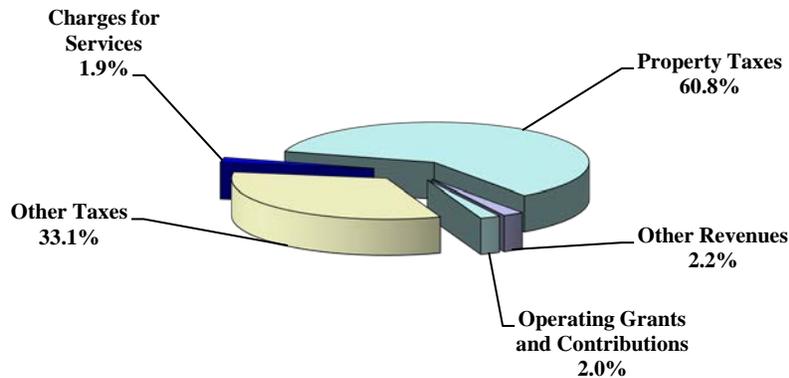
Governmental activities. Governmental activities increased the District's net position by \$1,460,277 (1%). Key elements of this increase are as follows:

Las Vegas-Clark County Library District Changes in Net Position

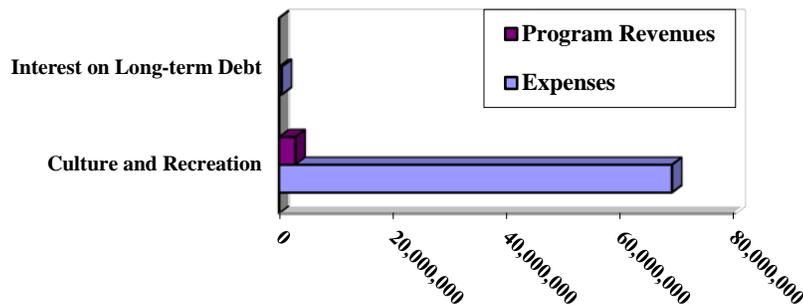
	Year Ended June 30,	
	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 1,361,116	\$ 1,447,893
Operating grants and contributions	1,483,012	1,559,827
General revenues:		
Property taxes	43,107,497	40,516,887
Intergovernmental consolidated taxes	23,443,319	22,010,620
Other	1,541,763	920,893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

- Property taxes increased \$2,590,610 (6%) while intergovernmental consolidated taxes increased \$1,432,699 (7%). The increase in property taxes in Southern Nevada is primarily due to recovering property values and the effect of a statutory limit on the increase of property taxes in any single year. The increase in intergovernmental consolidated taxes is due to increased consumer spending (tourist and local).
- Culture and recreation expenses increased \$2,527,239 (4%). This change can be primarily attributed to increased salaries, wages and benefit costs and additional depreciation expense primarily related to the completion of the Mesquite and East Las Vegas library facilities.
- Interest expense relative to long-term debt decreased \$241,816 (35%) primarily due to decreasing interest as old debt was paid-in-full during the current fiscal year.

Revenues by Source



Expenses and Program Revenues



Financial Analysis of the District's Funds

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

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

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

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

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

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

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

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

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

General Fund Budgetary Highlights

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

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

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets as of June 30, 2019, amounts to \$182,068,692 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, library media

Las Vegas-Clark County Library District
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2019

materials, and furniture and equipment. The net increase in the District's investment in capital assets for the current fiscal year was \$17,145,070 (10%).

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

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

Capital assets at year end were as follows:

Las Vegas-Clark County Library District Capital Assets (net of accumulated depreciation)		
	June 30,	
	2019	2018
Land	\$ 5,706,578	\$ 5,706,578
Construction in progress		8,757,894
Buildings	115,954,458	93,474,170
Improvements	620,136	268,657
Library media materials	57,063,820	53,950,567
Furniture and equipment	2,723,700	2,765,756
	<u>\$ 182,068,692</u>	<u>\$ 164,923,622</u>

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

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

Las Vegas-Clark County Library District Outstanding General Obligation Debt		
	June 30,	
	2019	2018
Bond issue series 2009		\$ 7,265,000
LVCIC QLICI – Loan A	\$ 11,335,600	11,335,600
LVCIC QLICI – Loan B	5,154,400	5,154,400
Clearinghouse QLICI – Loan A	6,646,000	6,646,000
Clearinghouse QLICI – Loan B	3,154,000	3,154,000
	<u>\$ 26,290,000</u>	<u>\$ 33,555,000</u>

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

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

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clark County is currently 4.8%, which is an increase from a rate of 4.7% a year ago. The United States national average unemployment rate is 3.8% and the State of Nevada's average unemployment rate is 4.5%.
- Inflationary trends in the District are comparable to the United States national indices.
- Businesses, within Clark County, reported taxable sales of \$4.1 billion, exceeding sales of \$3.8 billion reported in the previous year.
- Gaming establishments, within Clark County, reported gaming revenues of \$906.7 million compared to \$790.9 million reported in the prior fiscal year.

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

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

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Statement of Net Position
June 30, 2019

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

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Statement of Net Position (Continued)

June 30, 2019

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

Las Vegas-Clark County Library District

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

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	\$ (68,992,741)	\$ 1,361,116	\$ 1,483,012	\$ -	\$ (66,148,613)
Long-term debt interest	(449,745)				(449,745)
Total function/program	\$ (69,442,486)	\$ 1,361,116	\$ 1,483,012	\$ -	(66,598,358)
General revenues:					
Property taxes					43,107,497
Intergovernmental revenues, consolidated taxes, unrestricted					23,443,319
Interest					703,199
Miscellaneous					838,564
Total general revenues					68,092,579
Change in net position					1,494,221
Net position, beginning of year					155,218,339
Net position, end of year					<u>\$ 156,712,560</u>

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FUND FINANCIAL STATEMENTS

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Las Vegas-Clark County Library District**Balance Sheet****June 30, 2019**

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

(Continued)

Las Vegas-Clark County Library District

Balance Sheet (Continued)
June 30, 2019

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

(Continued)

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

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

Las Vegas-Clark County Library District

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

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

(Continued)

Las Vegas-Clark County Library District

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

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

Las Vegas-Clark County Library District

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

Net change in fund balances \$ (23,149,462)

Amounts reported in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

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

Expenditures for capital assets	\$ 30,620,636	
Contributed capital assets	(1,620,202)	
Current year depreciation and loss on disposal of capital assets	<u>(11,855,364)</u>	17,145,070

Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:

Change in unavailable revenue, interest income	9,567	
Change in unavailable revenue, property taxes	<u>85,838</u>	95,405

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

Change in accrued interest	181,625	
Principal payments	<u>7,265,000</u>	7,446,625

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

Change in inventories and prepaid items		(83,033)
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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	28,247	
Change in long-term compensated absences	(374,075)	
Change in obligation for postemployment benefits other than pensions	98,247	
Change in net pension liability and related deferred outflows and inflows of resources	<u>287,197</u>	<u>39,616</u>

Change in net position \$ 1,494,221

NOTES TO BASIC FINANCIAL STATEMENTS

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Note 1. Summary of Significant Accounting Policies

The Reporting Entity

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

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

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

Blended Component Units

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

The QALICB fund is comprised of East Las Vegas QALICB, Inc. (ELV) and Mesquite QALICB, Inc. (MQ), which were formed as Nevada Non-Profit Corporations on June 28, 2017 and October 12, 2017, respectively, for the

exclusive benefit of the District. The purpose of the QALICB fund is to hold title to property, complete construction of the East Las Vegas and Mesquite libraries facilities, and lease said property and buildings to the District. The entities within the QALICB fund are operated in such a way that they both qualify as a Qualified Active Low-Income Community Business (QALICB) under the definition of the NMTC Program and Internal Revenue Code (IRC) §45(d).

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

Basic Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

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

Fund Financial Statements

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

and interest. All other revenue sources are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, obligations for pensions and other postemployment benefits, and claims and judgments are recorded only when payment is due.

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

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

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

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

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

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

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

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

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

The District has no nongovernmental fund types.

Assets, Liabilities, and Net Position or Fund Balance

Deposits and Investments

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

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

Receivables, Payables and Transfers

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

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

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

Restricted Assets

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

Prepaid Items and Inventory

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

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

Notes Receivable

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

face amount of \$6,646,000, bears interest at 1.203% per annum, is payable in quarterly interest only payments through September 15, 2024, and quarterly principal and interest payments thereafter through December 19, 2043.

Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	5-50
Library media materials	5
Furniture and equipment	5-20

Compensated Absences

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

Deferred Compensation Plan

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

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

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

Deferred Inflows and Outflows of Resources

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

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

Long-term Obligations

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

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

Fund Balance

Governmental fund balances are classified and reported as follows:

- Nonspendable fund balances include items that cannot be spent. This includes amounts that are not in a spendable form (for example, inventories and prepaid items) and amounts that are legally or contractually required to remain intact, such as a permanent fund principal balance.
- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.
- Committed fund balances can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board, the District's highest level of decision-making authority. These constraints remain binding unless removed or changed in the same manner used to create the constraints.
- Assigned fund balance includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Such intent is expressed by the Board or appropriately authorized officials. The District's Chief Financial Officer has been authorized by the Board in the budget approval process to make all fund balance assignments. Constraints imposed on the use of assigned fund

balances can be removed or changed without formal Board action. For governmental funds, other than the general fund, this is the classification for residual amounts that are not restricted, committed or nonspendable.

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

Prioritization and Use of Available Resources

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

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

1. Prior to April 15, the District submits the tentative budget for the next fiscal year, commencing on July 1, to the State Department of Taxation. The Las Vegas City Council and the Board of County Commissioners have the ability to reject the tentative budget prior to its submission to the State. The budget, as submitted, contains the proposed expenditures and the means of financing them.
2. The State Department of Taxation notifies the District of its acceptance of the tentative budget.
3. Public hearings are conducted on the Thursday after the third Monday in May.
4. After all changes have been noted and the hearings closed, the District's Board adopts the budget on or before June 1.
5. Augmentations of the budget are accomplished through formal Board action.
6. The NRS require budget controls to be exercised at the function level. The Executive Director of the District is authorized to transfer budget amounts between functions within a fund. However, the Board's approval is required for all transfers between funds.
7. The District cannot expend any money, incur any liability or enter into any contract, which by its terms involves the expenditure of money in excess of the amount appropriated for a given function, except for bond payments, short-term financing payments and any other long-term contracts expressly authorized by law.

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

New Accounting Pronouncements

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

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

Tax Abatements

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

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

Note 3. Detailed Notes on all Funds

Deposits and Investments

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

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

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

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

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

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

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

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

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

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2019

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

Investments:	Reported	<u>Investment Maturities (In Years)</u>	
	amount/fair value	<u>Less than 1</u>	<u>1 to 5</u>
U.S. Treasuries (Level 1)	\$ 4,625,263	\$ 2,658,008	\$ 1,967,255
U.S. Agencies (Level 2)	<u>3,683,185</u>	<u>2,139,054</u>	<u>1,544,131</u>
	<u>\$ 8,308,448</u>	<u>\$ 4,797,062</u>	<u>\$ 3,511,386</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 formal investment policy mitigates this risk by limiting investments to the safest types of securities, pre-qualifying entities (*e.g.*, financial institutions, intermediaries, advisors) and diversifying its investment portfolio. At June 30, 2019, all of the District's investments were rated "AAA" or "AA."

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

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

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

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2019

Property and Equipment

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

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

Interfund Receivables, Payables, and Transfers

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

Due to/from other funds:

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

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

Interfund transfers:

<u>Transfer out</u>	<u>Transfer in</u>	<u>Amount</u>
General	Capital projects	\$ 6,200,000

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2019

Operating Lease Commitments

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

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

<u>Years ending June 30,</u>	
2020	\$ 14,680

General Obligation Bonds and Notes Payable

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

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

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

Annual debt service requirements to maturity were as follows:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020		\$ 296,367	\$ 296,367
2021		296,367	296,367
2022		296,367	296,367
2023		296,367	296,367
2024		293,061	293,061
2025-2029	\$ 3,620,142	1,395,774	5,015,916
2030-2034	4,241,672	1,166,026	5,407,698
2035-2039	4,481,913	924,823	5,406,736
2040-2044	4,735,876	669,839	5,405,715
2045-2049	4,285,456	421,056	4,706,512
2050-2054	2,812,567	209,535	3,022,102
2055-2058	<u>2,112,374</u>	<u>42,553</u>	<u>2,154,927</u>
	<u>\$ 26,290,000</u>	<u>\$ 6,308,135</u>	<u>\$ 32,598,135</u>

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2019

Changes in Long-term Liabilities

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

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

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

Note 4. Other Information

Risk Management

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

Contingent liabilities

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

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

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

PERS is a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits, as required by NRS, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the system on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the system on or after January 1, 2010, there is a 2.5% multiplier. Regular members entering PERS on or after July 1, 2015, have a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579, which for members entering the system before January 1, 2010, is equal to the lesser of:

1. 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or
2. The average percentage increase in the Consumer Price Index (or other PERS Board approved index) for the three preceding years.

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

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

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

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the system on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of

Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2019

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

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

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

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS. New hires, in agencies which did not elect the employer-pay contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two alternative contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer pay contributions only. Under the matching employee/employer contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan. The District elected the EPC plan prior to July 1, 1983.

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

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

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

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

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

Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2019

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

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

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

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

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

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

PERS’s policies, which determine the investment portfolio target asset allocation, are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS.

Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2019

The following target asset allocation policy was adopted as of June 30, 2018:

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

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

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Net pension liability	\$ 70,753,489	\$ 46,397,158	\$ 26,158,217

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

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

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2019

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

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

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

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

<u>Years ending June 30.</u>	
2020	\$ 1,427,731
2021	380,257
2022	(978,805)
2023	529,724
2024	607,348
Thereafter	82,356

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

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

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

Postemployment Benefits Other Than Pensions (OPEB)

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

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

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2019

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

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

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

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

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

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

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

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

	1% Decrease in <u>Discount Rate</u>	<u>Discount Rate</u>	1% Increase in <u>Discount Rate</u>
Total OPEB liability	\$ 2,123,364	\$ 1,886,724	\$ 1,688,580
	1% Decrease in <u>Healthcare Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	1% Increase in <u>Healthcare Cost Trend Rate</u>
Total OPEB liability	\$ 1,698,372	\$ 1,886,724	\$ 2,106,110

Las Vegas-Clark County Library District
Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2019

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

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

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

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

**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, 2019**

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

Las Vegas-Clark County Library District

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

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

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

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

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

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

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

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

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

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

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

Note 1. Budget Information

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

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

Note 2. Postemployment Benefits Other Than Pensions

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

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

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

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

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

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

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Other Supplementary Information

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**COMBINING and
INDIVIDUAL FUND
STATEMENTS and
SCHEDULES**

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Major Fund

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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.

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

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

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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.

Debt Service Fund

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

Permanent Fund

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

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Las Vegas-Clark County Library District

Combining Balance Sheet
Non-Major Funds
June 30, 2019

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

Las Vegas-Clark County Library District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Non-Major Funds
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds			Debt Service Fund	Permanent Fund	Aggregate Non-Major Funds
	Grant	Gift	Total			
Revenues						
Property taxes				\$ 51		\$ 51
Grants	\$ 1,075,934		\$ 1,075,934			1,075,934
Interest				87,687		87,687
Contributions		\$ 295,659	295,659			295,659
Total revenues	<u>1,075,934</u>	<u>301,229</u>	<u>1,377,163</u>	<u>87,738</u>		<u>1,464,901</u>
Expenditures						
Culture and recreation:						
Salaries and wages	254,020	40,000	294,020			294,020
Employee benefits	114,381		114,381			114,381
Supplies and services	467,151	215,158	682,309	8,572		690,881
Capital outlay	240,382		240,382			240,382
Debt service:						
Principal				7,265,000		7,265,000
Interest				363,250		363,250
Total expenditures	<u>1,075,934</u>	<u>255,158</u>	<u>1,331,092</u>	<u>7,636,822</u>		<u>8,967,914</u>
Net change in fund balances		46,071	46,071	(7,549,084)		(7,503,013)
Fund balances, beginning of year	146,753	442,254	589,007	8,150,495	\$ 10,000	8,749,502
Fund balances, end of year	<u>\$ 146,753</u>	<u>\$ 488,325</u>	<u>\$ 635,078</u>	<u>\$ 601,411</u>	<u>\$ 10,000</u>	<u>\$1,246,489</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, 2019**

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

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

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Las Vegas-Clark County Library District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 20, 2019.

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

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

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

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

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct

and material effect on the determination of basic financial statement amounts, including whether the funds established by the District, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the District in a separate letter dated November 20, 2019.

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

A handwritten signature in cursive script that reads "Pricy Bowler Taylor & Keen".

Las Vegas, Nevada
November 20, 2019

STATISTICAL SECTION

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Statistical Tables

June 30, 2019

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	Employment by Industry

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



Las Vegas-Clark County Library District

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net investment in capital assets	\$ 117,524,364	\$ 125,034,812	\$ 128,554,069	\$ 125,799,958	\$ 124,927,270	\$ 129,077,870	\$ 129,379,355	\$ 136,561,586	\$ 143,991,244	\$ 155,778,692
Restricted	11,966,598	12,025,669	7,885,463	459,944	461,109	380,565	383,086	417,594	10,036,860	19,635,206
Unrestricted	34,048,157	41,383,677	44,791,443	58,831,642	62,064,928	21,924,101	29,872,347	23,778,953	1,190,235	(18,701,338)
Total Governmental Activities Net Position	<u>\$ 163,539,119</u>	<u>\$ 178,444,158</u>	<u>\$ 181,230,975</u>	<u>\$ 185,091,544</u>	<u>\$ 187,453,307</u>	<u>\$ 151,382,536</u>	<u>\$ 159,634,788</u>	<u>\$ 160,758,133</u>	<u>\$ 155,218,339</u>	<u>\$ 156,712,560</u>



Las Vegas-Clark County Library District

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES										
Governmental Activities:										
Culture and recreation	\$ 54,660,313	\$ 49,827,192	\$ 51,462,073	\$ 52,270,309	\$ 54,507,423	\$ 56,210,061	\$ 57,957,100	\$ 61,465,229	\$ 66,465,502	\$ 68,992,741
Interest on long-term debt	2,550,600	2,283,357	2,027,418	1,619,751	1,453,830	1,255,025	1,018,947	742,550	691,561	449,745
Total Governmental Activities Expenses	57,210,913	52,110,549	53,489,491	53,890,060	55,961,253	57,465,086	58,976,047	62,207,779	67,157,063	69,442,486
PROGRAM REVENUES										
Governmental Activities:										
Charges for services	2,285,086	2,305,611	2,298,715	2,154,897	1,995,572	1,912,010	1,940,056	1,798,891	1,447,893	1,361,116
Operating grants and contributions	872,812	1,184,571	893,351	944,139	901,829	1,040,401	4,253,809	1,325,657	1,559,827	1,483,012
Total Governmental Activities Program Revenues	3,157,898	3,490,182	3,192,066	3,099,036	2,897,401	2,952,411	6,193,865	3,124,548	3,007,720	2,844,128
Total Primary Government Net (Expenses)/Revenues	(54,053,015)	(48,620,367)	(50,297,425)	(50,791,024)	(53,063,852)	(54,512,675)	(52,782,182)	(59,083,231)	(64,149,343)	(66,598,358)
GENERAL REVENUES										
Governmental Activities:										
Taxes:										
Ad valorem	53,047,378	46,820,800	39,418,245	36,969,297	36,548,070	36,689,006	37,782,285	38,694,173	40,516,887	43,107,497
Other	15,017,657	15,622,697	16,504,108	17,366,883	18,345,024	19,457,174	20,118,630	21,019,709	22,010,620	23,443,319
Interest	1,267,478	322,065	203,912	71,191	381,508	486,814	483,057	492,694	347,460	703,199
Gain on sale of capital assets							2,365,772			
Miscellaneous	1,723,728	759,844	642,882	244,222	151,013	220,734	284,690		573,433	838,564
Total Governmental Activities General Revenues	71,056,241	63,525,406	56,769,147	54,651,593	55,425,615	56,853,728	61,034,434	60,206,576	63,448,400	68,092,579
CHANGE IN NET POSITION										
Total Primary Government Change in Net Position	\$ 17,003,226	\$ 14,905,039	\$ 6,471,722	\$ 3,860,569	\$ 2,361,763	\$ 2,341,053	\$ 8,252,252	\$ 1,123,345	\$ (700,943)	\$ 1,494,221



Las Vegas-Clark County Library District

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

	<u>2010</u>	<u>2011</u> ¹	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u> ³	<u>2019</u> ⁴
GENERAL FUND										
Unassigned		\$ 19,160,430	\$ 23,632,545	\$ 15,653,488 ²	\$ 17,893,241	\$ 17,156,400	\$ 9,666,594	\$ 16,073,788	\$ 15,168,032	\$ 14,576,974
Unreserved	\$ 10,669,266									
Total General Fund	<u>\$ 10,669,266</u>	<u>\$ 19,160,430</u>	<u>\$ 23,632,545</u>	<u>\$ 15,653,488</u>	<u>\$ 17,893,241</u>	<u>\$ 17,156,400</u>	<u>\$ 9,666,594</u>	<u>\$ 16,073,788</u>	<u>\$ 15,168,032</u>	<u>\$ 14,576,974</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 17,991,600	\$ 10,000
Restricted		24,559,745	20,783,931	5,407,725	451,109	370,565	373,086	407,594	10,026,860	19,625,206
Assigned		25,636,752	24,760,964	47,339,941 ²	48,580,793	46,752,191	60,781,220	48,589,411	28,150,122	13,974,972
Reserved	\$ 66,357,954									
Unreserved, reported in:										
Aggregate non-major funds	483,024									
Total All Other Governmental Funds	<u>\$ 66,840,978</u>	<u>\$ 50,206,497</u>	<u>\$ 45,554,895</u>	<u>\$ 52,757,666</u>	<u>\$ 49,041,902</u>	<u>\$ 47,132,756</u>	<u>\$ 61,164,306</u>	<u>\$ 49,007,005</u>	<u>\$ 56,168,582</u>	<u>\$ 33,610,178</u>

¹ Fund Balances for fiscal year 2011 through 2018 have been classified in accordance with new GASB 54 fund balance reporting standards.

² The decrease in unreserved fund balance was due to transfers to assigned fund balance.

³ The decrease in assigned fund balance was due to increases in nonspendable and restricted fund balances related to the New Markets Tax Credits Program.



Las Vegas-Clark County Library District

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Taxes	\$ 52,840,566	\$ 46,964,634	\$ 39,677,405	\$ 37,238,359	\$ 36,679,479	\$ 36,726,674	\$ 37,867,310	\$ 38,620,551	\$ 40,584,070	\$ 43,021,659
Intergovernmental revenues	16,429,393	15,622,697	16,504,108	17,366,883	18,345,024	19,457,174	20,118,630	21,019,709	22,010,620	23,443,319
Grants	667,224	936,001	624,286	778,939	744,343	865,263	965,454	963,837	1,046,584	1,075,934
Charges for services	2,285,086	2,305,611	2,298,715	2,154,897	1,995,572	1,912,010	1,940,056	1,798,891	1,447,893	1,361,116
Interest	1,267,478	322,065	203,912	71,191	381,508	486,814	483,057	140,393	283,855	693,632
Contributions	205,588	248,570	269,065	165,200	157,486	175,138	3,288,355	361,820	22,464,890	11,043,529
Miscellaneous	311,992	759,844	642,882	244,222	151,013	220,734	284,690	352,301	591,766	1,053,147
Total Revenues	74,007,327	67,159,422	60,220,373	58,019,691	58,454,425	59,843,807	64,947,552	63,257,502	88,429,678	81,692,336
EXPENDITURES										
Culture and recreation:										
Salaries and wages	25,358,689	23,037,110	23,387,955	23,154,918	23,970,365	25,070,408	26,114,814	27,120,711	27,889,427	29,775,173
Employee benefits	7,987,041	7,997,674	7,941,164	8,038,605	8,594,916	8,864,159	9,530,751	10,099,865	10,484,274	11,297,628
Supplies and services	11,450,498	9,438,927	9,908,877	11,189,919	11,749,579	12,467,514	12,611,647	12,682,493	38,299,341	25,223,743
Capital outlay	33,132,712	25,617,191	7,607,351	8,782,135	7,984,226	8,458,563	9,515,846	11,475,790	25,372,946	30,620,637
Debt Service:										
Principal	6,325,000	6,610,000	9,235,000	5,635,000	5,805,000	6,035,000	6,280,000	6,590,000	6,920,000	7,265,000
Interest	2,365,598	2,601,837	2,319,513	1,995,400	1,826,350	1,594,150	1,352,750	1,038,750	830,319	659,617
Total Expenditures	86,619,538	75,302,739	60,399,860	58,795,977	59,930,436	62,489,794	65,405,808	69,007,609	109,796,307	104,841,798
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of capital assets							7,000,000		1,034,254	
Issuance of debt									26,290,000	
Transfers in	11,315,117	8,903,500	7,629,500	46,799,036	6,600,000	8,100,000	18,100,000		7,400,000	6,200,000
Transfer out	(11,315,117)	(8,903,500)	(7,629,500)	(46,799,036)	(6,600,000)	(8,100,000)	(18,100,000)		(7,400,000)	(6,200,000)
Total Other Financing Sources (Uses)							7,000,000		27,324,254	-
Net Change in Fund Balances	\$ (12,612,211)	\$ (8,143,317)	\$ (179,487)	\$ (776,286)	\$ (1,476,011)	\$ (2,645,987)	\$ 6,541,744	\$ (5,750,107)	\$ 5,957,625	\$ (23,149,462)
Debt service as a percentage of noncapital expenditures	16%	19%	22%	15%	15%	14%	14%	13%	9%	11%



Las Vegas-Clark County Library District

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

Fiscal Year	Property Taxes	Intergovernmental Consolidated Sales Tax *	Interest	Other	Total
2010	\$ 52,840,566	\$ 16,429,393	\$ 1,267,478	\$ 3,469,890	\$ 74,007,327
2011	46,964,634	15,622,697	322,065	4,250,026	67,159,422
2012	39,677,405	16,504,108	203,912	3,834,948	60,220,373
2013	37,238,359	17,366,883	744,343	2,670,106	58,019,691
2014	36,679,479	18,345,024	381,508	3,048,414	58,454,425
2015	36,726,674	19,457,174	486,814	3,173,145	59,843,807
2016	37,867,310	20,118,630	483,057	6,478,555	64,947,552
2017	38,620,551	21,019,709	140,393	3,476,849	63,257,502
2018	40,584,070	22,010,620	283,855	25,551,133	88,429,678
2019	43,021,659	23,443,319	693,632	14,533,726	81,692,336

*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 2019 and 2010
(unaudited)**

Taxpayer	2010			2019		
	Assessed Value	Rank	Percent of Total Assessed Valuation	Assessed Value	Rank	Percent of Total Assessed Valuation
MGM Resorts International	\$ 5,596,281,109	1	6.44%	\$ 4,499,272,037	1	5.53%
Caesar's Entertainment Corporation	2,641,900,413	2	3.04%	2,144,272,433	2	2.63%
Nevada Energy	1,499,669,490	4	1.72%	1,803,093,747	3	2.21%
Wynn Resorts Limited	1,096,969,562	6	1.26%	1,112,597,471	4	1.37%
Las Vegas Sands Corporation	1,205,866,316	5	1.39%	1,036,719,867	5	1.27%
Station Casinos LLC	791,711,253	8	0.91%	857,275,431	6	1.05%
Boyd Gaming Corporation	948,673,823	7	1.09%	521,614,080	7	0.64%
Howard Hughes Corporation				432,051,425	8	0.53%
Eldorado Energy LLC				398,697,770	9	0.49%
Nevada Property 1 LLC				398,201,834	10	0.49%
General Growth Properties	1,646,740,509	3	1.89%			
Turnberry Associates	439,365,294	9	0.51%			
Olympia Group Limited Liability Co.	363,530,756	10	0.42%			
Total, ten largest taxpayers	\$ 16,230,708,525		18.67%	\$ 13,203,796,095		16.21%
Clark County Assessed Valuation	\$ 86,961,001,865			\$ 81,419,209,409		

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Las Vegas-Clark County Library District	0.0909	0.1011	0.0942	0.0942	0.0942	0.0942	0.0942	0.0942	0.0942	0.0942
County Direct Rate:										
General Operating	0.4070	0.4070	0.4470	0.4470	0.4470	0.4470	0.4470	0.4599	0.4599	0.4599
General Operating – Redirect to State	0.0400	0.0400	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Family Court	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192
Cooperative Extension	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
Debt Service	0.0129	0.0129	0.0129	0.0129	0.0129	0.0129	0.0129	0.0000	0.0000	0.0000
Medical Assistance to Indigent Persons	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
County Capital	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Total County Direct Rate	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391
Clark County School District Rate	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034
State of Nevada Rate	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
City Rates										
Boulder City	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	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	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715
Mesquite	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520
North Las Vegas	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637
Unincorporated Town Rates										
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
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	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416
Moapa	0.1094	0.1094	0.1094	0.1094	0.1094	0.1094	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
Mt. 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	0.0600	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	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 Special District Rates										
Boulder City Library	0.1485	0.1595	0.1755	0.2030	0.2030	0.1880	0.2039	0.2239	0.2239	0.2239
Clark County Fire Service District	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197
Coyote Spring Valley Groundwater Basin	0.0018	0.0023	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Emergency 9-1-1	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Henderson City Library	0.0581	0.0577	0.0575	0.0586	0.0585	0.0593	0.0594	0.0602	0.0604	0.0606
Kyle Canyon Water District Debt	0.0346	0.0346	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Las Vegas Artesian Basin	0.0011	0.0015	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Las Vegas Metropolitan Police Manpower – City	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Las Vegas Metropolitan Police Manpower – 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	0.0006	0.0008	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Mt. Charleston Fire District	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813
North Las Vegas Library	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 Treasurer'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			
2010	\$ 86,961,001,865	\$ 4,772,231,316	\$ 91,733,233,181	0.6391	\$ 262,094,951,945	35%
2011	60,420,431,199	3,706,515,345	64,126,946,544	0.6391	183,219,847,268	35%
2012	53,342,794,997	3,369,755,692	56,712,550,689	0.6391	162,035,859,110	35%
2013	48,963,146,030	4,303,923,931	53,267,069,961	0.6391	152,191,628,459	35%
2014	49,809,243,448	4,906,452,131	54,715,695,579	0.6391	156,330,558,797	35%
2015	57,491,891,230	5,099,798,428	62,591,689,658	0.6391	178,833,399,022	35%
2016	65,063,984,029	5,458,301,376	70,522,285,405	0.6391	201,492,244,014	35%
2017	70,542,809,530	6,658,463,516	77,201,273,046	0.6391	220,575,065,846	35%
2018	75,393,978,406	7,263,442,050	82,657,420,456	0.6391	236,164,058,446	35%
2019	81,419,209,409	7,233,309,253	88,652,518,622	0.6391	253,292,910,463	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.

*Per \$100 of assessed 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
2010	\$ 2,265,081,059	\$ 2,216,524,825	97.86%	\$ 47,910,801	\$ 2,264,435,626	99.97%
2011	1,769,884,395	1,736,374,718	98.11%	33,308,997	1,769,683,715	99.99%
2012	1,600,780,073	1,576,913,229	98.51%	23,688,333	1,600,601,562	99.99%
2013	1,460,343,898	1,446,101,302	99.02%	14,063,183	1,460,164,485	99.99%
2014	1,467,895,008	1,453,536,810	99.02%	14,179,683	1,467,716,493	99.99%
2015	1,515,669,116	1,506,098,697	99.37%	9,327,379	1,515,426,076	99.98%
2016	1,582,445,065	1,572,445,147	99.37%	9,600,934	1,582,046,081	99.97%
2017	1,630,047,588	1,620,796,470	99.43%	8,513,245	1,629,309,715	99.95%
2018	1,719,434,284	1,709,641,829	99.43%	6,863,304	1,716,505,133	99.83%
2019	1,842,006,531	1,830,050,092	99.35%	*	1,830,050,092	99.35%

*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**
2010	1,466,833	\$ 69,675,050	\$ 60,375,000	\$ 11,956,598	\$ 48,418,402	0.07%	\$ 33.01	\$ 0.47
2011	1,453,267	48,857,565	53,765,000	11,546,058	42,218,942	0.09%	29.05	0.41
2012	1,468,720	43,960,887	44,530,000	7,730,244	36,799,756	0.08%	25.06	0.36
2013	1,463,675	41,434,276	38,895,000	38,895,000	-	-	-	-
2014	1,483,581	42,108,592	33,090,000	33,090,000	-	-	-	-
2015	1,515,619	47,887,915	27,055,000	27,055,000	-	-	-	-
2016	1,542,404	52,377,637	20,775,000	20,775,000	-	-	-	-
2017	1,579,317	56,206,825	14,295,270	14,295,270	-	-	-	-
2018	1,614,816	59,493,519	33,583,247	612,187	32,971,060	0.06%	20.42	0.31
2019	1,633,649	63,598,612	26,290,000	1,008,528	25,281,472	0.04%	15.48	****

* 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.

Source: Clark County Assessor's Office.

***Amounts include unamortized bond premiums.

**** Not available at time of printing



Las Vegas-Clark County Library District

Table Eleven
 Computation of Legal Debt Margin
 June 30, 2019
 (unaudited)

Assessed value of all taxable property in the Las Vegas-Clark County Library District	<u>\$ 63,598,612,187</u>
Debt limit applicable to the Las Vegas-Clark County Library District (10% of assessed value)	\$ 6,359,861,219
Amount of debt applicable to the debt limit - General Obligation Bonds and Notes Payable of the Las Vegas-Clark County Library District	<u>26,290,000</u>
Legal debt margin	<u>\$ 6,333,571,219</u>

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 7,484,818,853	\$ 5,273,559,103	\$ 4,765,985,606	\$ 4,489,071,304	\$ 4,572,605,789	\$ 230,357,408	\$ 5,237,763,701	\$ 5,620,682,527	\$ 5,949,351,949	\$ 6,359,861,219
Total net debt subject to limitation	<u>60,375,000</u>	<u>53,765,000</u>	<u>44,530,000</u>	<u>38,895,000</u>	<u>33,090,000</u>	<u>27,055,000</u>	<u>20,775,000</u>	<u>14,185,000</u>	<u>33,583,247</u>	<u>26,290,000</u>
Legal debt margin	<u>\$ 7,424,443,853</u>	<u>\$ 5,219,794,103</u>	<u>\$ 4,721,455,606</u>	<u>\$ 4,450,176,304</u>	<u>\$ 4,539,515,789</u>	<u>\$ 203,302,408</u>	<u>\$ 5,216,988,701</u>	<u>\$ 5,606,497,527</u>	<u>\$ 5,915,768,702</u>	<u>\$ 6,333,571,219</u>
Total net debt subject to limitation as a percentage of debt limit	0.81%	1.02%	0.93%	0.87%	0.72%	11.74%	0.40%	0.25%	0.56%	0.41%

Source: LVCCLD Debt Management Policy 2019



Las Vegas-Clark County Library District

**Table Twelve
General Obligation Direct and Overlapping Government Debt
June 30, 2019
(unaudited)**

	<u>Debt Outstanding</u>	<u>Percent Applicable</u>	<u>Applicable Debt</u>
Direct Debt			
Las Vegas-Clark County Library District	\$ 26,290,000	100%	\$ 26,290,000
Overlapping Debt			
Clark County	3,783,892,715	100%	3,783,892,715
City of Las Vegas	524,679,000	100%	524,679,000
Total Overlapping Debt	<u>4,308,571,715</u>		<u>4,308,571,715</u>
Total Direct and Overlapping Debt	<u>\$ 4,334,861,715</u>		<u>\$ 4,334,861,715</u>

Sources: Debt outstanding provided by each governmental unit.

*The boundaries of the District are contiguous with Clark County and the City of Las Vegas, therefore the residents of the District are responsible for the entire debt of Clark County and the City of Las Vegas.



Las Vegas-Clark County Library District

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

<u>Calendar Year</u>	<u>County Population*</u>	<u>Total Personal Income**</u>	<u>Per Capita Personal Income**</u>	<u>Median Age*</u>	<u>School Enrollment***</u>	<u>Unemployment Rate ****</u>
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	108,593,284	38,920	36.2	311,429	9.60%
2014	1,483,581	81,821,005	39,533	36.4	314,643	7.70%
2015	1,515,619	88,411,529	41,915	36.8	318,040	7.00%
2016	1,542,404	91,150,359	42,284	37.2	319,713	6.90%
2017	1,579,317	97,457,342	44,217	37.5	320,559	5.10%
2018	1,614,816	105,087,856	47,090	37.7	321,695	4.70%
2019	****	****	****	37.9	319,917	4.80%

* Source: Nevada State Demographer, LVGEA Perspective 2019

** Source: United States Bureau of Economic Analysis

*** Source: Clark County School District, LVGEA Perspective 2019

**** Not available at time of printing

***** Source: United States Bureau of Labor Statistics, Center for Business & Economic Research



Las Vegas-Clark County Library District

**Table Fourteen
Employment by Industry
Fiscal Year 2019 and 2010
(unaudited)**

Industry	2010		2019	
	Employees	Percent of Total County Employment	Employees	Percent of Total County Employment
Leisure and Hospitality	256,900	31.81%	301,900	29.52%
Trade, Transportation and Utilities	146,500	18.14%	175,700	17.18%
Professional and Business Services	100,400	12.43%	147,400	14.41%
Education and Health Services	69,700	8.63%	105,000	10.27%
Government	95,300	11.80%	98,200	9.60%
Construction	46,400	5.74%	66,700	6.52%
Financial Activities	40,100	4.96%	56,200	5.50%
Other Services	23,400	2.90%	33,900	3.31%
Manufacturing	19,600	2.43%	25,600	2.50%
Information	9,100	1.13%	11,600	1.13%
Mining and Logging	300	0.04%	500	0.05%
Total Employment in Clark County as of June 30	807,700		1,022,700	

Source: United States Bureau of Labor Statistics



Las Vegas-Clark County Library District

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

FUNCTION/PROGRAM	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Culture and recreation	466	462	463	468	485	496	512	506	519	523

* Source: Las Vegas-Clark County Library District



Las Vegas-Clark County Library District

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

Fiscal Year	Circulation*	Percent Increase (Decrease)	Library Media Materials*
2010	13,744,009	4%	6,399,227
2011	12,637,724	(8%)	5,851,591
2012	13,449,178	6.4%	6,649,948
2013	13,574,331	1.0%	7,093,436
2014	13,757,192	1.33%	7,085,910
2015	13,418,861	(2.46%)	6,964,109
2016	13,758,171	2.53%	6,251,874
2017	11,014,656	(19.94%)	5,498,795
2018	10,138,181	(8%)	6,848,616
2019	9,267,338	(9%)	6,744,383

* 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)**

FUNCTION/PROGRAM	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Culture and recreation:										
Library branches	24	25	25	25	25	25	25	25	25	25
Library branches with theaters	4	5	5	5	5	5	6	6	6	6
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	13	13	13	13
Library branches with microcomputer centers	5	5	5	5	5	5	5	5	5	5
Library media materials*	6,399,227	5,851,591	6,649,948	7,093,436	7,085,910	6,964,109	6,251,874	5,498,795	6,848,616	6,744,383

* Source: Las Vegas-Clark County Library District

**SINGLE AUDIT AND
ACCOMPANYING INFORMATION**

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

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

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

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

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

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

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

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance. We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 20, 2019, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. However, our report on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District includes a reference to other auditors who audited the financial statements of the Las Vegas-Clark County Library District Foundation fund, as described therein. This report does not include the results of the other auditors' testing of compliance, internal control over compliance and other matters that are reported on separately by those auditors.

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



Las Vegas, Nevada
November 20, 2019

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

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

* A "major" program.

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Section I - Summary of Auditors' Results:

Financial Statements:

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

Federal Awards:

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

Identification of major programs:

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

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

None reported

Section III – Findings and questioned costs for federal awards, including audit findings required by 2 CFR 200.516(a):

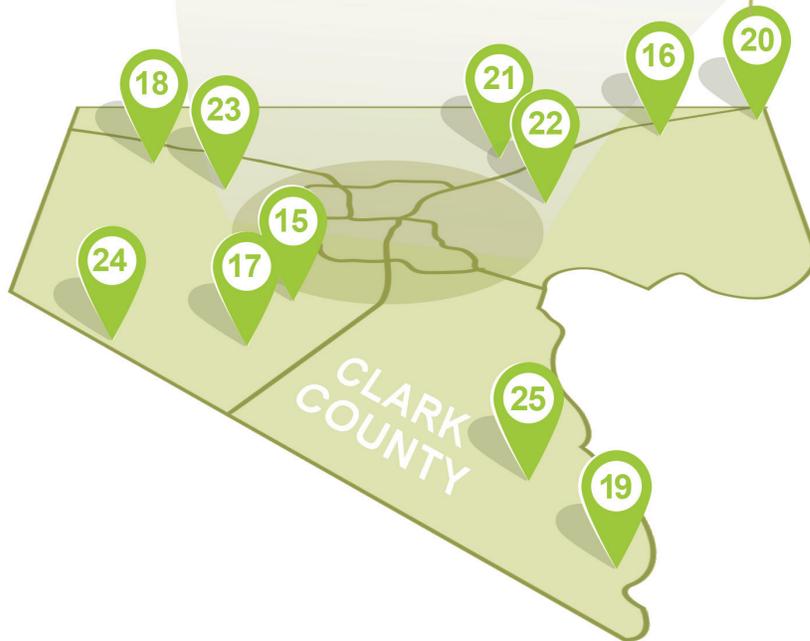
None reported

Service Area and Branch Locations

May 2019

URBAN BRANCHES

1. Centennial Hills
2. Clark County
3. East Las Vegas
4. Enterprise
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.