

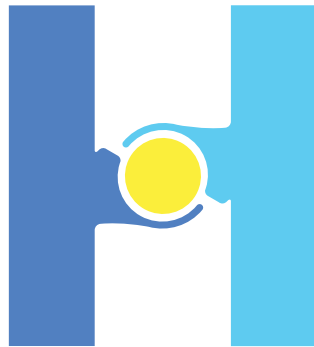


HENDERSON
LIBRARIES

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

Fiscal Year Ended
June 30, 2020

HENDERSON DISTRICT PUBLIC LIBRARIES, NEVADA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020



HENDERSON LIBRARIES

Report Prepared By:
Debra M. Englund
Chief Financial Officer
Henderson District Public Libraries
280 South Green Valley Parkway
Henderson, Nevada 89012

HENDERSON DISTRICT PUBLIC LIBRARIES, NEVADA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020

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HENDERSON DISTRICT PUBLIC LIBRARIES, NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2020

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INTRODUCTORY *section*

October 27, 2020

To the Board of Trustees and the Citizens of the Henderson District Public Libraries:

We are pleased to present Henderson District Public Libraries' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. This report contains the financial statements and other financial information and statistical data that provide complete and full disclosure of all material aspects of the Henderson District Public Libraries (the District). The financial statements in this CAFR conform to generally accepted accounting principles (GAAP) as applicable to governmental entities.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by HintonBurdick CPAs & Advisors, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement 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 Henderson District Public Libraries

The District's history begins in 1943 when a petition was formed to create the Henderson School Public Library. The petition was approved by the Board of County Commissioners, Clark County, Nevada on January 22, 1944, with a rate of ten cents for ad valorem property taxes per annum fixed for the expenses. In an attempt to overhaul educational laws, the Henderson School Public Library became a county library district in 1956 during a special session of the Nevada Legislature. At that time, statutes providing for public libraries based on school district boundaries were replaced and county library districts were automatically established with identical boundaries. Since that time, library district boundaries have been adjusted three times. The latest adjustment, in April 2005, made the library district boundaries contiguous with the City of Henderson boundaries.

The District was established and operates as an independent governmental unit under authority of NRS 379. The District is governed by a seven-member Board of Trustees. Five trustees are appointed to four-year terms by the Board of County Commissioners of Clark County, Nevada. The remaining two trustees are appointed to three-year terms by the City of Henderson Council. The Board of Trustees is responsible for establishing policy and for the overall operations of the District.

The mission of the District is to imagine possibilities, discover opportunities and connect with our community. This mission is achieved through the operation of three full service libraries and one limited service library located throughout the city.

The District is required to adopt a final budget on or before June 1st of each year. This annual budget serves as the foundation for the District's financial planning and control. The budget is prepared by fund and function but management is authorized to transfer resources between functions or funds if the amounts do not exceed total appropriations for the year and the Board of Trustees is notified at the next regular meeting.

Factors Affecting Financial Conditions

Local Economy - According to UNLV's Center for Business and Economic Research (CBER), Clark County posted highly unfavorable signals in local economic activity. Seasonally adjusted employment lost 205,900 jobs in April. The unemployment rate skyrocketed to 33.7%, the largest percentage change among large metro areas. Total McCarran Airport passengers and visitor volume in March dropped significantly by 96.4% and 97.0% respectively, from last year due to the effort to contain the coronavirus. April gaming revenue also plummeted by 99.5% over the same period. The local tourism sector will post similar dismal readings in May as casinos began reopening on June 4th. Residential housing permits/units in April decreased by 37.7% year-over-year, showing better performance than originally thought amid the stay-at-home order. The speed of the economic recovery remained uncertain as we do not know how a "new normal" will affect the local tourism this year.

Long-term Financial Planning

Long range financial planning is vital in prioritizing implementation of strategic plan initiatives as well as capital needs of the District. A 5-year projection model is used to aid management in determining short-term budgeting for operations and prioritizing long term capital needs.

State projections indicate increased property tax valuations will continue in 2021, however, due to the uncertain affect of the coronavirus pandemic, this continued increase is not anticipated. The District will monitor the local economy regarding housing prices and sales and consumer spending closely. Based on the outcomes of these factors, the District will continue to adjust its operating expenditures to match revised revenue forecasts.

Through conservative and sound stewardship of resources, the District has managed to maintain a higher ending fund balance, higher than the 5% - 10% ratio of ending fund balance to general fund expenditures, which is considered a healthy financial cushion.

Major Initiatives - In fiscal year 2020, Henderson Libraries has focused on growing partnerships and implementing new strategic initiatives. One such initiative is our Born to Read program, in partnership with Henderson Hospital. Through this program, our libraries provide a new book, early literacy information and a library card for every family delivering a new baby at Henderson Hospital. Our VIBE Tech Networking event was a product of another great partnership effort. This event allowed us to partner with technology

firms across the valley to bring information to community members about the skills needed to transition into careers in technology fields.

Henderson Libraries also focused on some facilities updates in fiscal year 2020. Of note, we completed a remodel project at our Green Valley Library to create a new computer lab out in the main part of the library, and convert the existing lab into additional, needed programming space. We also replaced the chiller tower (which was over 30 years old) at the Green Valley Library. At our Paseo Verde Library we undertook a project to replace flooring throughout the building. We were able to accomplish this during closures due to the pandemic so it did not cause a disruption in our services.

Shortly before fiscal year 2020 came to a close, we were affected by the COVID-19 pandemic. Since March 2020, we've been shifting our service models and adapting to meet the needs of our community in a new way.

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 District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the twentieth consecutive year that the District has achieved this prestigious award. 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 one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The report preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire management staff, Finance Department staff and the staff of the independent auditors for the District, HintonBurdick CPAs & Advisors.

Thank you, the Board of Trustees, for your continued interest and support in planning and conducting the financial operations of the Henderson District Public Libraries in a responsible and progressive manner.

Cordially,



Marcie L. Smedley
Executive Director



Debra M. Englund
Chief Financial Officer

HENDERSON DISTRICT PUBLIC LIBRARIES

Library Officials

Board of Trustees

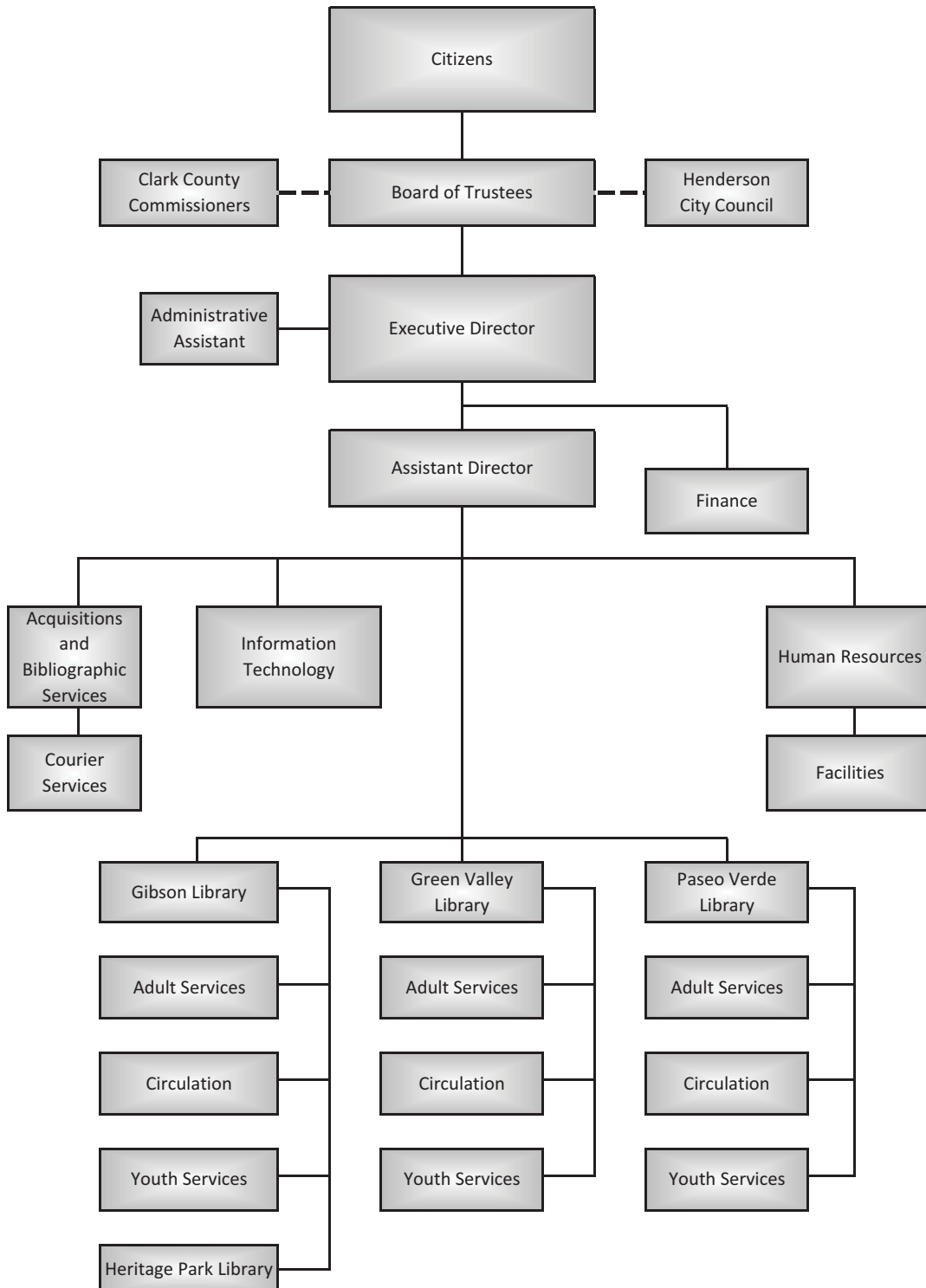
Mark McGinty	Chair
David Ortlipp	Vice Chair
Kip Noschese	Secretary
Angela Brommel	Trustee
Dan Doherty	Trustee
James Green	Trustee
Bette Silverman	Trustee

Administrative Staff

Marcie L. Smedley	Executive Director
Joy Gunn	Assistant Director
Debra M. Englund	Finance/Human Resources
Sean M. Hill	Information Technology
Michelle L. Mazzanti	Acquisitions & Bibliographic Services

HENDERSON DISTRICT PUBLIC LIBRARIES

Organizational Chart As of June 30, 2020





Government Finance Officers Association

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

Presented to

**Henderson District Public Libraries
Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



FINANCIAL *section*



Independent Auditor's Report

To the Board of Trustees
Henderson District Public Libraries
Henderson, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Henderson District Public Libraries, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Henderson District Public Libraries, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the proportionate share of the net pension liability, contributions, schedules related to other post-employment benefits, and notes to required supplementary information, as listed in the table of contents, 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 opinions on the financial statements that collectively comprise Henderson District Public Libraries' basic financial statements. The introductory section, individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate 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 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2020, on our consideration of Henderson District Public Libraries' 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 the effectiveness of 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 Henderson District Public Libraries' internal control over financial reporting and compliance.



HintonBurdick, PLLC
Mesquite, Nevada
October 27, 2020



**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

As management of the Henderson District Public Libraries (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. This should be read in conjunction with the transmittal letter in the Introduction Section and the District's financial statement following this section.

Financial Highlights

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of fiscal year 2020 by \$10,653,384 (net position).
- The District's total net position decreased by \$183,184. See the section on Government-Wide Financial Analysis for details.
- At the end of fiscal year 2020, the District's governmental funds had combined fund balances of \$6,928,969, an increase of \$409,669 from the previous year. Approximately 0.5%, or \$37,562, of ending fund balances is nonspendable, 3.6%, or \$250,379, is restricted for a specific purpose by external sources, 43.5%, or \$3,013,627, is assigned by management for a specific purpose, and 52.4%, or \$3,627,401, is available for spending at the District's discretion.
- As of June 30, 2020, fund balance in the General Fund, excluding nonspendable fund balance, was \$4,077,401 or 51.7% of General Fund expenditures.

Overview of the Financial Statements

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

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

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

**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Fund Financial Statements - A fund is a self-balancing set of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to demonstrate legal compliance and to aid in financial management. 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 to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds 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. Both the governmental funds balance sheet and the governmental funds 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 three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund and the Capital Construction Fund, which are considered major funds, and the Contributions and Grants Fund, which is considered a nonmajor fund.

The District adopts an annual appropriated budget for all governmental funds. A budgetary comparison for the District's General Fund has been provided as a component of the basic financial statements to demonstrate compliance with this budget. Budget comparisons for the other funds are provided elsewhere in the report.

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

Notes to the 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 can be found in the "Basic Financial Statements" section of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's changes, proportionate share and actuarially determined contribution information related to the District's pension and OPEB benefits provided to the District's employees.

This information can be found in the "Required Supplementary Information" section of this report.

**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The individual fund schedules can be found in the "Governmental Funds" section of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2020, the District is reporting net position of \$10,653,384. The following table provides a summary of the District's net position for the years ended June 30, 2020 and 2019.

Henderson District Public Libraries Net Position

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Assets:		
Current and other assets	\$ 7,890,794	\$ 7,119,989
Capital Assets	14,610,773	14,840,342
Total Assets	<u>22,501,567</u>	<u>21,960,331</u>
Deferred outflow of resource	1,632,202	1,444,442
Liabilities:		
Current liabilities	881,606	527,923
Long-term liabilities	10,058,728	9,470,012
Total liabilities	<u>10,940,334</u>	<u>9,997,935</u>
Deferred inflow of resources	2,540,051	2,570,270
Net position:		
Net investment in capital assets	14,610,773	14,840,342
Restricted by grants and donors	250,379	266,148
Unrestricted	(4,207,768)	(4,269,922)
Total net position	<u>\$ 10,653,385</u>	<u>\$ 10,836,568</u>

The largest portion of the District's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. Capital assets consist of land, buildings, furniture and equipment, land improvements, and library materials. These assets are used to provide services to the patrons of the District and are not available for future spending. The net investment in capital assets amount exceeds total net position due to a negative unrestricted net position amount unrelated to capital assets.

An additional portion of the District's net position reflects resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$4,207,768 is unrestricted net position.

There was a decrease of \$229,569 in net investments in capital assets. This decrease was primarily due to the depreciation of existing assets. See discussion on Capital Assets for further explanations.

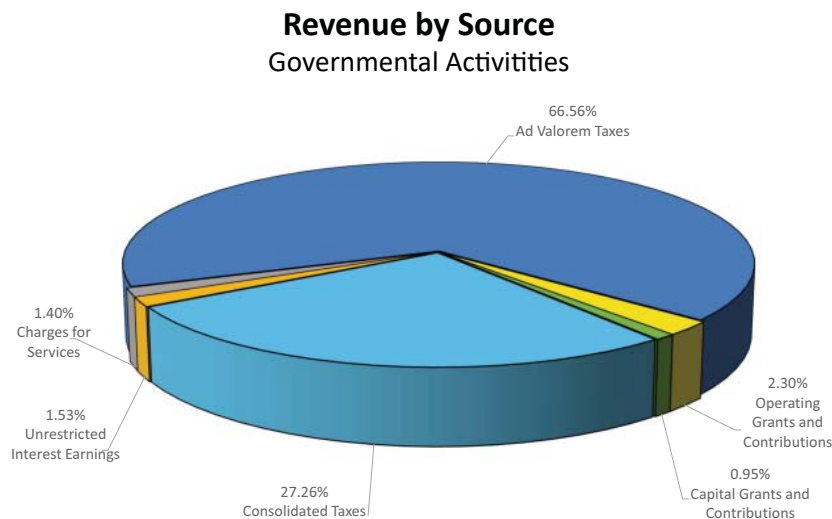
Governmental Activities - Governmental activities decreased the District's net position by \$183,184, or 1.7%, during the current fiscal year. Key elements of this decrease are as follows:

HENDERSON DISTRICT PUBLIC LIBRARIES **MANAGEMENT'S DISCUSSION AND ANALYSIS** **FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Henderson District Public Libraries Changes in Net Position

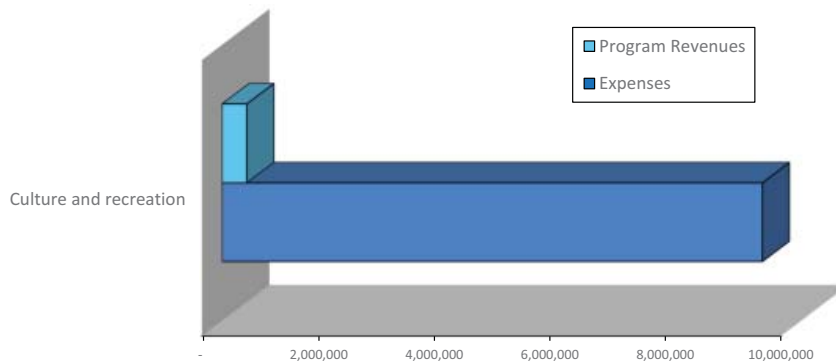
	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 127,845	\$ 200,431
Operating grants and contributions	210,486	345,810
Capital grants and contributions	87,217	140,862
General Revenues:		
Ad valorem taxes	6,099,264	5,695,131
Consolidated taxes	2,498,279	2,605,464
Unrestricted investment earning	140,192	156,530
Total revenues	9,163,283	9,144,228
Expenses:		
Cultural and recreation	9,346,467	8,999,165
Total expenses	9,346,467	8,999,165
Increase/(decrease) in net position	(183,184)	145,063
Net position, beginning of year	10,836,568	10,691,505
Net position, end of year	\$ 10,653,384	\$ 10,836,568

- Operating grants and contributions decreased by \$135,324, or 39.1%. This change is due to normal variations in the types of grants received by the District.
- Ad valorem property taxes increased by \$404,133 or 7.1%, while consolidated taxes decreased by \$107,185, or 4.1%. The increase in ad valorem property taxes is due to an increase in assessed value and new property coming onto the tax rolls, which is a byproduct of the continued growth in the local economy during the first half of the fiscal year. The decrease in consolidated taxes is due the economic shutdown caused by the coronavirus pandemic.
- Culture and recreation expenses increased by \$347,302 or 3.9%, over the last fiscal year. This change can be primarily attributed to an increase in salaries and benefits.



**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Expenses and Program Revenues
Governmental Activities



Fund Financial Analysis

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.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$6,928,969, an increase of \$409,669 from fiscal year 2019. Of the 2020 ending fund balances, \$3,627,401 or 52.5%, constitutes unassigned fund balance and is available for spending at the District's discretion; \$3,013,627, or 43.5%, is assigned by management for specific purposes; \$250,379, or 3.6%, is restricted by external sources; and \$37,562, or 0.5%, is nonspendable.

General Fund - The General Fund is the chief operating fund of the District. At the end of fiscal year 2020, the General Fund had an ending fund balance of \$4,114,963, of which \$3,627,401 was unassigned, \$450,000 is assigned for use in next year's operations, and \$37,562 is nonspendable.

The General Fund's fund balance decreased by \$85,206 during the current fiscal year. This decrease in fund balance is primarily due to a decrease in consolidated taxes due to the coronavirus pandemic, a \$1,000,000 transfer into the Capital Construction Fund, and an increase in salaries and benefits but is offset by an increase in ad valorem property taxes.

Capital Construction Fund - The Capital Construction Fund had a fund balance of \$2,391,030, an increase of \$478,878 from the previous fiscal year. The primary reason for this increase was a transfer of \$1,000,000 into the Capital Construction Fund. A portion of this transfer was spent on capital improvement projects during the year, while the remaining will be available for future capital improvement plans.

**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Non-major Funds - The remaining non-major fund, the Contributions and Grants Fund, has a fund balance of \$422,976, an increase of \$15,997 from the prior year. Due to library closures related to the coronavirus pandemic, the District was unable to put on planned programming and events which resulted in reduced expenditures and the increased fund balance.

General Fund Budgetary Highlights

The original fiscal year 2020 budget was approved May 23, 2019. State regulations require budget controls to be exercised at the function level.

Pursuant to NRS 354.598005(5), the District may transfer appropriations between functions, if such a transfer does not increase the total appropriations for any fiscal year and is not in conflict with other statutory provisions. The District did one such transfer in the General Fund in fiscal year 2020 resulting in increased appropriations for capital outlay and decreased appropriations for services and supplies.

The final budget projected ad valorem property taxes and consolidated tax, which account for 97.1% of the General Fund's total revenue, to be \$6,016,957 and \$2,695,081 respectively. Ad valorem property tax revenue came in at \$6,091,811, a positive variance of \$74,854, or 1.2%. Consolidated tax revenues came in at \$2,498,279, a negative variance of \$196,802 or -7.3%.

Actual expenditures were 91.4% of appropriations, or \$742,622 lower than the final budget. The main areas of savings are summarized below:

- Salaries and wages were \$157,512 below the final budget and employee benefits were \$110,541 below the final budget. These were due to savings associated with vacant positions.
- Services and supplies were \$373,611 below the final budget. This was due to reduced spending during library closures in response to the coronavirus pandemic.
- Capital outlay was \$100,958 below the final budget. This was due to normal variations in library materials purchasing.

Additional information on the District's general fund budget can be found in the "Basic Financial Statements" section of this report.

Capital Assets

At June 30, 2020, the District had \$14,610,773 invested in capital assets (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, library materials, and furniture and equipment. This amount represents a net decrease of \$229,569, or 1.6%, from last year. The following table reflects capital assets of the District at June 30, 2020 and 2019

**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Henderson District Public Libraries Capital Assets
(net of accumulated depreciation)

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Land	\$ 1,406,051	\$ 1,406,051
Buildings	10,396,262	10,528,560
Land improvements	269,960	299,956
Library materials	2,081,576	2,121,770
Furniture and equipment	456,924	484,005
	<u>\$ 14,610,773</u>	<u>\$ 14,840,342</u>

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

- Building improvements were added at a cost of \$481,709 for the replacement of flooring at the Paseo Verde Library and the chiller tower replacement at the Green Valley Library.
- The District capitalized library materials at a cost of \$945,359, including donated materials totaling \$75,106.
- Depreciation expense for the fiscal year was \$1,694,039.

Additional information on the District's capital assets can be found in Notes 1 and 5 to the financial statements in this report.

Long-term Debt

Per NRS 379.0225, the debt limitation for the District is equal to 10 percent of the total assessed value of all taxable property. The debt limitation currently applicable to June 30, 2020 is \$1,515,772,877.

At the end of the current fiscal year, the District does not have any general obligation bonded debt subject to this legal debt margin.

Economic Factors and Next Year's Budgets

- The unemployment rate for Clark County has increased dramatically and is currently 17.8%, which is up 13.0% from last year. The United States national average unemployment rate is 11.2% and the State's average unemployment rate is 15.3%.
- Businesses within Clark County reported taxable sales of \$3.572 billion, a 13.3% decrease from the previous year.
- Property within the District's assessment district raised in value to \$15,157,728,773, an increase of \$1,445,091,018 or 10.5%.

**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

These factors were considered in preparing the District's budget for fiscal year 2021.

The fund balance in the General Fund decreased by 2.0% to \$4,114,963 from the prior year. This amount is \$620,963 higher than the final budgeted ending fund balance for the 2020 fiscal year.

The District assigned \$450,000 of this fund balance to eliminate a projected budgetary deficit in the fiscal year 2021 budget.

Requests for Information

This financial report is designed to provide its users with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions, comments or requests for additional financial information should be addressed to the District's Finance Department at 280 South Green Valley Parkway, Henderson, Nevada 89012.



BASIC FINANCIAL *statements*

HENDERSON DISTRICT PUBLIC LIBRARIES

STATEMENT OF NET POSITION

JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 7,363,335
Accounts receivable	19,205
Interest receivable	5,501
Due from other governments	465,191
Prepays	37,562
Capital assets (net of accumulated depreciation, where applicable):	
Land	1,406,051
Property and equipment	11,123,146
Library books and materials	2,081,576
Total assets	<u>22,501,567</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	1,490,198
Deferred outflows of resources related to OPEB	142,004
Total deferred outflows of resources	<u>1,632,202</u>
LIABILITIES	
Accounts payable	598,242
Accrued payroll	242,499
Unearned revenue	40,865
Non-current liabilities:	
Portion due or payable within one year:	
Compensated absences	393,103
Portion due or payable in more than one year:	
Compensated absences	354,111
Other postemployment benefit liabilities	2,490,664
Net pension liability	6,820,850
Total liabilities	<u>10,940,334</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	704,801
Deferred inflows of resources related to OPEB	1,835,250
Total deferred inflows of resources	<u>2,540,051</u>
NET POSITION	
Net investment in capital assets	14,610,773
Restricted by grants and donors	250,379
Unrestricted (deficit)	(4,207,768)
Total net position	<u>\$ 10,653,384</u>

See notes to the financial statements.

HENDERSON DISTRICT PUBLIC LIBRARIES

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Program Revenues				Net (Expense)
					Revenue and
					Changes in
					Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for	Operating	Capital Grants	Governmental
		Services	Grants and	and	Activities
			Contributions	Contributions	
Governmental Activities:					
Culture and recreation	\$ 9,346,467	\$ 127,845	\$ 210,486	\$ 87,217	\$ (8,920,919)
General revenues:					
Ad valorem taxes					6,099,264
Intergovernmental revenues, consolidated taxes, unrestricted					2,498,279
Unrestricted investment earnings					140,192
Total general revenues					8,737,735
Change in net position					(183,184)
Net position, beginning of year					10,836,568
Net position, end of year					\$ 10,653,384

See notes to the financial statements.

HENDERSON DISTRICT PUBLIC LIBRARIES

GOVERNMENTAL FUNDS

BALANCE SHEET JUNE 30, 2020

	General Fund	Capital Construction Fund	Total Nonmajor Governmental Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 4,255,217	\$ 2,663,319	\$ 444,799	\$ 7,363,335
Accounts receivable	-	-	19,205	19,205
Interest receivable	5,501	-	-	5,501
Due from other governments	465,191	-	-	465,191
Prepays	37,562	-	-	37,562
Total assets	<u>\$ 4,763,471</u>	<u>\$ 2,663,319</u>	<u>\$ 464,004</u>	<u>\$ 7,890,794</u>
LIABILITIES				
Accounts payable	\$ 284,925	\$ 272,289	\$ 41,028	\$ 598,242
Unearned revenue	40,865	-	-	40,865
Accrued payroll	242,499	-	-	242,499
Total Liabilities	<u>568,289</u>	<u>272,289</u>	<u>41,028</u>	<u>881,606</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property tax	<u>80,219</u>	<u>-</u>	<u>-</u>	<u>80,219</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	37,562	-	-	37,562
Restricted for:				
Green Valley Library	-	-	7,693	7,693
Materials	-	-	148,449	148,449
Outreach	-	-	6,580	6,580
Paseo Verde Library	-	-	14,659	14,659
Programming	-	-	72,998	72,998
Assigned for:				
Capital projects	-	2,391,030	-	2,391,030
Fund balance for next year operations	450,000	-	-	450,000
Materials	-	-	51,662	51,662
Programming and events	-	-	120,935	120,935
Unassigned	<u>3,627,401</u>	<u>-</u>	<u>-</u>	<u>3,627,401</u>
Total fund balances	<u>4,114,963</u>	<u>2,391,030</u>	<u>422,976</u>	<u>6,928,969</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,763,471</u>	<u>\$ 2,663,319</u>	<u>\$ 464,004</u>	<u>\$ 7,890,794</u>

See notes to the financial statements.

HENDERSON DISTRICT PUBLIC LIBRARIES

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION JUNE 30, 2020

Amounts reported for governmental activities in the Statement of Net Position (page 17) are different because:

Total fund balances - governmental funds (page 19)		\$	6,928,969
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds			
Governmental capital assets	\$	30,101,577	
Less: Accumulated depreciation		<u>(15,490,804)</u>	
			14,610,773
Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds.			
Resources related to pensions		1,490,198	
Resources related to OPEB		<u>142,004</u>	
			1,632,202
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Compensated absences		(747,214)	
Net pension liability		(6,820,850)	
Obligations for postemployment benefits other than pensions		<u>(2,490,664)</u>	
			(10,058,728)
Deferred inflows of resources represent amounts that were not available to to fund current expenditures; and therefore, are not reported.			
Resources related to pensions			(704,801)
Resources related to OPEB			(1,835,250)
Unavailable revenue, property taxes			<u>80,219</u>
Net position of governmental activities		\$	<u>10,653,384</u>

See notes to the financial statements.

HENDERSON DISTRICT PUBLIC LIBRARIES

GOVERNMENTAL FUNDS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund	Capital Construction Fund	Total Nonmajor Governmental Fund	Total Governmental Funds
REVENUES				
Taxes:				
Ad valorem	\$ 6,091,811	\$ -	\$ -	\$ 6,091,811
Intergovernmental:				
Consolidated tax, unrestricted	2,498,279	-	-	2,498,279
Grants, federal and state	-	-	22,111	22,111
Miscellaneous:				
Fines and forfeits	82,969	-	-	82,969
Contributions from private sources	-	-	200,486	200,486
Investment income	89,368	39,145	11,679	140,192
Other	44,245	-	631	44,876
Total revenues	<u>8,806,672</u>	<u>39,145</u>	<u>234,907</u>	<u>9,080,724</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Salaries and wages	4,250,988	-	-	4,250,988
Employee benefits	1,622,459	-	-	1,622,459
Services and supplies	1,283,741	78,559	45,945	1,408,245
Capital outlay	734,690	481,708	172,965	1,389,363
Total expenditures	<u>7,891,878</u>	<u>560,267</u>	<u>218,910</u>	<u>8,671,055</u>
Excess of revenue over expenditures	<u>914,794</u>	<u>(521,122)</u>	<u>15,997</u>	<u>409,669</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,000,000	-	1,000,000
Transfers out	(1,000,000)	-	-	(1,000,000)
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(85,206)	478,878	15,997	409,669
Fund balances, beginning of year	4,200,169	1,912,152	406,979	6,519,300
Fund balances, end of year	<u>\$ 4,114,963</u>	<u>\$ 2,391,030</u>	<u>\$ 422,976</u>	<u>\$ 6,928,969</u>

See notes to the financial statements.

HENDERSON DISTRICT PUBLIC LIBRARIES

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BLANCES - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATE OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Amounts reported for governmental activities in the Statement of Activities (page 18) are different because:

Net Change in Fund Balances - total governmental funds (page 21)	\$ 409,669
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Governmental funds report capital outlays as expenditures and the proceeds from the sale of assets as other financing sources. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold.

Expenditures for capital assets	\$ 1,389,363	
Less: Current year depreciation	<u>(1,694,038)</u>	
		(304,675)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Change in unavailable property tax	7,453	
Donated capital assets	<u>75,106</u>	
		82,559

Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds.

Change in long-term compensated absences	(44,345)	
Change in net pension liability and related deferred outflows and inflows of resources	(289,101)	
Change in obligations for postemployment benefits other than pensions and related deferred outflows and inflows of resources	<u>(37,291)</u>	
		(370,737)

Change in net position of governmental activities	<u>\$ (183,184)</u>
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See notes to the financial statements.

HENDERSON DISTRICT PUBLIC LIBRARIES

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Ad valorem	\$ 6,016,957	\$ 6,016,957	\$ 6,091,811	\$ 74,854
Intergovernmental:				
Consolidated tax, unrestricted	2,695,081	2,695,081	2,498,279	(196,802)
Miscellaneous:				
Fines and forfeits	100,000	100,000	82,969	(17,031)
Investment income	100,000	100,000	89,368	(10,632)
Other	60,462	60,462	44,245	(16,217)
Total revenues	<u>8,972,500</u>	<u>8,972,500</u>	<u>8,806,672</u>	<u>(165,828)</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Salaries and wages	4,408,500	4,408,500	4,250,988	157,512
Employee benefits	1,733,000	1,733,000	1,622,459	110,541
Services and supplies	1,662,000	1,657,352	1,283,741	373,611
Capital outlay	831,000	835,648	734,690	100,958
Total expenditures	<u>8,634,500</u>	<u>8,634,500</u>	<u>7,891,878</u>	<u>742,622</u>
Excess of revenue over expenditures	<u>338,000</u>	<u>338,000</u>	<u>914,794</u>	<u>576,794</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	-
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	-
Net change in fund balances	(662,000)	(662,000)	(85,206)	576,794
Fund balances, beginning of year	<u>4,156,000</u>	<u>4,156,000</u>	<u>4,200,169</u>	<u>44,169</u>
Fund balances, end of year	<u>\$ 3,494,000</u>	<u>\$ 3,494,000</u>	<u>\$ 4,114,963</u>	<u>\$ 620,963</u>

See notes to the financial statements.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – Summary of Significant Accounting Policies

Reporting Entity

The Henderson District Public Libraries (the District) was established and operates as an independent governmental unit under authority of Nevada Revised Statutes (NRS) Chapter 379. It is governed by a seven-member Board of Trustees. Five of the Board members are appointed to four-year terms by the Board of County Commissioners of Clark County, Nevada. The other two Board members are appointed to three-year terms by the City of Henderson Council. The Board of Trustees is responsible for establishing policy and overall operations of the District maintained within the District's boundaries. The District currently operates four libraries – the Heritage Park Senior Facility Library, the James I. Gibson Library, the Green Valley Library, and the Paseo Verde Library.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 39, *Determining Whether Certain Organizations are Component Units* and Statement No. 61, *The Financial Reporting Entity: Omnibus*, defines the reporting entity as the primary government and those component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the organization's governing board, and either the ability of the primary government to impose its will on the organization or the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government. In addition to financial accountability, component units can be other organizations in which the economic resources received or held by that organization are entirely or almost entirely for the direct benefit of the primary government, the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by that organization and the resources to which the primary government is entitled or has the ability to otherwise access are significant to the primary government. The District is not considered a component unit of any other governmental unit under this criteria.

The Friends of the Henderson Libraries, formed in 2000, and the Henderson Libraries Foundation, formed in 2010, are Nevada Non-Profit Corporations. Both entities were formed for the exclusive purpose of providing aid, support, and assistance in the promotion, growth and improvement of the District. Although the District expects to receive a future financial benefit from both entities, the District is not required to provide financial support to them, does not appoint a voting majority of the members of either Board or have the ability to otherwise control or impose its will on them, does not have immediate access to their resources, and their resources are not significant to the District. Therefore, neither entity is considered to be and is not reported as a component unit of the District. Furthermore, no other entities were determined to be component units of the District.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the District. As a general rule, eliminations have been made to minimize the double-counting of internal activities. Exceptions to this general rule are charges for services between the governmental activities and business-type activities, of which the District does not perform. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function. Program revenues include 1) fees, fines, and charges paid by recipients of goods or services offered by a given program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide information about the District's funds. Funds are classified into three categories: governmental, proprietary and fiduciary. During fiscal year 2020, the District used only the governmental fund category. The emphasis of fund financial statements is on the major governmental funds, which are each displayed in a separate column. The remaining governmental funds are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *measurable* when the amount of the transaction can be determined and *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 end of the current fiscal period. Expenditures are generally recorded when the related liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other postemployment benefits, are recorded only when payment is due (or when payment is made).

Ad valorem property taxes, consolidated tax revenue (sales taxes, cigarette taxes, motor vehicle privilege taxes and liquor taxes), interest associated with the current fiscal period, and federal, state and local grants are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Charges for services, fines and contributions are not susceptible to accrual because generally they are not measurable until received in cash.

Ad valorem property tax revenue is recognized in the fiscal year in which the taxes become due to the extent they are collected during the fiscal year or soon enough thereafter that they can be used to finance current period expenditures (no later than 60 days after year-end).

The District reports unearned revenue in the fund financial statements. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenues are recognized.

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

The **General Fund** is the District's primary operating fund. It accounts for all financial resources and costs associated with library activities, except those that are required to be accounted for in other funds.

The **Capital Construction Fund** is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the improvement, acquisition or construction of capital facilities and other capital assets.

Additionally, the District reports the following nonmajor governmental fund type:

The **Contributions and Grants Special Revenue Fund** is used to account for and report donations and grants that are restricted, committed, or assigned to expenditure for specific purposes generally dictated by the donor or the grant award.

The District has no nongovernmental fund types.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash, Cash Equivalents and Investments

The District maintains two checking accounts and invests resources with the State of Nevada Local Government Investment Pool (LGIP). The District pools cash resources of its various funds in order to facilitate the management of cash and maximize investment earning potential. Cash applicable to a particular fund is readily identifiable.

Cash and cash equivalents include currency on hand, demand deposits with banks and other highly liquid investments, with original maturities of three months or less from the date of acquisition, which are readily convertible to cash.

As more fully described in Note 3, state statutes authorize the District to invest in obligations of the U.S. Treasury, certain farm loan bonds, certain securities issued by Nevada local governments, repurchase agreements, banker's acceptances, commercial paper, negotiable certificates of deposit, Local Government Investment Pool, and money market mutual funds. All investments are stated at fair value.

Ad Valorem Property Taxes

Ad valorem taxes on real property are levied based on the assessed valuations as of January 1st of each year. A lien is placed on the property on July 1st of each year, and the taxes are due on the third Monday in August. The taxes can be paid in four installments on or before the third Monday in August and the first Mondays in

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 deed, the County Treasurer may sell the property to satisfy the tax lien.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets are defined as those assets with an initial cost of \$2,500 or more and an estimated useful life of more than one year. Library books and materials purchased throughout the fiscal year are combined together as one item and considered a capital asset. All purchased or constructed capital assets are reported at cost or estimated historical cost. Donated assets are valued at their estimated acquisition value on the date received. Book deletions are computed using the average cost per book, as determined from the purchases over a period of years. Depreciation is calculated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Buildings	30
Furniture and equipment	5-20
Land improvements	20
Library materials	5

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused paid time off (PTO), subject to cap limits. All PTO is accrued when incurred in the government-wide financial statements. In governmental funds, the current portion of PTO actually paid or accrued as a result of employees who have terminated, is recorded as a payroll expenditure.

Long-Term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. Debt issuance costs are recognized as an expense in the period incurred.

For governmental fund types, bond discounts and issuance costs are recognized during the current period. The face amount of bonds issued is reported as other financing sources, as are bond premiums. Bond

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

discounts and payments to advance refunding agents are recorded as other financing uses. Issuance costs, even if withheld from the proceeds received and payments to current refunding agents, are reported as debt service expenditures.

The District has no such long-term debt as of June 30, 2020.

Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the District's OPEB plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined based on annual actuarial reports. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

For purposes of measuring the District's net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the pension plan's fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in the category; deferred pension related items and deferred other post-employment benefits related items. These amounts are deferred and recognized as an outflow of resources in future periods.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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 District has two such items that qualify for reporting in this category; deferred pension related items and deferred other post-employment benefit related items. These amounts are deferred and recognized as an inflow of resources in future periods. The District also reflects deferred inflows of resources which are unavailable revenue - property taxes, arising only under the modified accrual basis of accounting, which is reported on the governmental funds balance sheet.

Equity Classifications

In the government-wide financial statements, net position is displayed in three components:

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Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or 2) by law through constitutional provisions or enabling legislation.

Unrestricted net position - Consists of all other net position that does not meet the definition of restricted or net investment in capital assets.

Net Position Flow Assumption

Sometimes, the District will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied, but reserves the right to selectively deplete unrestricted – net position first to defer the use of restricted – net position.

Fund Balance Flow Assumption

Sometimes, the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The District would typically use restricted fund balances first, followed by committed fund balances, and then assigned fund balances, as appropriate opportunities arise, but reserves the right to selectively deplete unassigned fund balances first to defer the use of these other classified fund balances.

Fund Balance Policies

Governmental fund balances are classified as follows:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This classification includes prepaid items.

Restricted Fund Balance - Includes constraints placed on the use of these resources that are either externally imposed by creditors (such as debt covenants), grantors, contributors or other governments; or are imposed by laws (through constitutional provisions or enabling legislation).

Committed Fund Balance - Includes amounts that can be used only for a specific purpose because of a formal action (resolution) by the Board of Trustees, which is the District’s highest level of

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
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decision-making authority. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

Assigned Fund Balance – Includes amounts that are constrained by the District’s intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. The Board of Trustees, has by formal board action, adopted the District’s fund balance policy delegating authority to assign fund balances to the District’s Executive Director. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget. Constraints imposed on the use of assigned amounts can be removed without formal action by the Board of Trustees.

Unassigned Fund Balance – This is the residual classification of fund balance in the General Fund, which has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds might report a negative unassigned fund balance as a result of overspending for specific purposes for which amounts have been restricted, committed, or assigned.

NOTE 2 – Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are legally adopted for all funds and use a basis of accounting consistent with GAAP.

Prior to April 15, the Library Board of Trustees submits a tentative budget for the ensuing fiscal year to the Nevada Department of Taxation. The Nevada Department of Taxation notifies the District if the budget is in compliance with the law and appropriate regulations. Public hearings, at which all changes made to the tentative budget are indicated, are conducted no sooner than the third Monday in May and no later than the last day in May. The Board of Trustees adopts the budget prior to June 1 and submits it to the Nevada Department of Taxation for final approval. The revenue classifications and expenditure functions shown in the fund financial statements are those prescribed by the Nevada Department of Taxation.

All revisions to the adopted budget are made a matter of public record by actions of the Board of Trustees. Per Nevada law, Management is authorized to transfer budgeted amounts within functions (in the general fund) or funds if the Board of Trustees is notified during a regular meeting and the action is noted in the official minutes.

Revisions which affect the total fund appropriations or transfers between funds are accomplished through formal Board of Trustees approval. Various supplemental appropriations were approved for the year to reflect necessary changes in spending and the corresponding additional resources available. State statutes require budgetary control to be exercised at the function level.

Compliance with Nevada Revised Statutes

Henderson District Public Libraries conformed to all significant statutory constraints on its financial administration during this year.

**HENDERSON DISTRICT PUBLIC LIBRARIES
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New Accounting Prouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for periods beginning after December 31, 2020. The objective of this Statement is to better meet the information needs of financial statement users by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources 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 it will not have a material effect on financial position or changes therein.

Tax Abatements

All tax abatement agreement/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, 2020 aggregated as follows:

Agreement/program description - NRS 360.753 - Partial abatement of certain taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircrafts

Amount abated during the year ended June 30, 2020 - \$394

Specific tax being abated - Personal property taxes and/or sales and use taxes

Agreement/program description - NRS 360.754 - Partial abatement of certain taxes on a new or expanded data center

Amount abated during the year ended June 30, 2020 - \$8,846

Specific tax being abated - Personal property taxes and/or sales and use taxes

Agreement/program description - NRS 701A.370 - Partial abatement of certain taxes imposed on renewable energy facilities

Amount abated during the year ended June 30, 2020 - \$5,952

Specific tax being abated - Personal property taxes and/or sales and use taxes

Agreement/program description - NRS 374.357 - Abatement for eligible machinery or equipment used by certain new or expanded businesses

Amount abated during the year ended June 30, 2020 - \$5,511

Specific tax being abated - Sales and use taxes

All tax abatement agreement/programs, entered into by Clark County, 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, 2020 aggregated as follows:

Agreement/program description - NRS 361.0687 - Partial abatement of certain taxes imposed on certain new or expanded businesses

Amount abated during the year ended June 30, 2020 - \$25,651

Specific tax being abated - Personal property taxes

Agreement/program description - NRS 361.484 - Abatement of certain taxes on real or personal property acquired by Federal Government, State, or political subdivision

Amount abated during the year ended June 30, 2020 - \$547,442

Specific tax being abated - Personal property taxes

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
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Agreement/program description - NRS 701A - Energy-related tax incentives (NRS 701A.110 Partial abatement of certain taxes for buildings or structures that meet certain standards under Green Building Rating System, NRS 701A.200 Exemption from certain taxes for qualified energy systems)

Amount abated during the year ended June 30, 2020 - \$19,868

Specific tax being abated - Personal property taxes

NOTE 3 – Cash, Cash Equivalents and Investments

The following summarizes the District's cash and investment balances as of June 30, 2020:

Cash on hand	\$	1,632
Cash in financial institutes		352,523
Investments		7,009,180
Total cash, cash equivalents, and investments	\$	<u>7,363,335</u>

Deposits

State statutes govern the District's deposit options. The District monies must be deposited in insured banks, credit unions, or savings and loan associations. The District is authorized to use demand accounts, time accounts and certificates of deposit.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2020, the recorded amount of the District's deposits was \$352,523 and the bank balances were \$387,041. Of the bank statement balances, \$250,000 was covered by federal depository insurance and the remainder was subject to collateralization by the office of the State Treasurer/Nevada Collateral Pool.

Investments

The District invests through pooling of monies. The pooling of monies is theoretically invested on the whole and not as a combination of monies from each fund belonging to the pool. In this manner, the District's Chief Financial Officer is able to invest the monies at a higher interest rate for a longer period of time. Interest revenue is apportioned annually to each fund in the pool based on the average cash balance of the fund for each month. The District investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Chief Financial Officer are regulated by Nevada Revised Statutes (NRS 355.170).

NRS 355.170 sets forth acceptable investments for Nevada local governments. The District has not adopted a formal investment policy that would limit its investment choices or limit its exposure to certain risks beyond that set forth in the statutes.

The following table identifies the investment types and minimum credit ratings authorized for the District by NRS 355.170:

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Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Ratings	
				S & P	Moody's
Banker's acceptances	180	20%	None	N/A	N/A
Commercial paper	270 days	20%	None	A-1	P-1
Money market mutual funds	None	None	None	AAA	Aaa
Negotiable certificates of deposit	None	None	None	N/A	N/A
Collateralized nonnegotiable certificates of deposit	None	None	None	N/A	N/A
Negotiable notes/medium-term obligations of local governments within the State of Nevada	None	None	None	N/A	N/A
Obligations of state and local governments outside of the State of Nevada	None	None	None	N/A	N/A
Repurchase agreements	90 days	None	10%	N/A	N/A
U.S. Treasury obligations	10 years	None	None	N/A	N/A
U.S. Agency securities:				N/A	N/A
Federal National Mortgage Association	10 years	None	None	N/A	N/A
Federal Agricultural Mortgage Corporation	10 years	None	None	N/A	N/A
Federal Farm Credit Bank	10 years	None	None	N/A	N/A
Federal Home Loan Bank	10 years	None	None	N/A	N/A
Federal Home Loan Mortgage Corporation	10 years	None	None	N/A	N/A
Government National Mortgage Association	10 years	None	None	N/A	N/A
Local government investment pool	None	None	None	N/A	N/A
Notes, bonds and other obligations issued by U.S. Corporations	5 years	20%	25%	A	N/A
Collateralized mortgage obligations	None	None	None	AAA	N/A
Asset-backed securities	None	None	None	AAA	N/A

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada and is governed by the provisions of State Law (NRS 355.170). The LGIP is not registered with the SEC as an investment company. The fair value of the District's position in the pool is the same as the value of the pool shares. Deposits in the LGIP are not insured or otherwise guaranteed by the State of Nevada, and participants share proportionally in any realized gains or losses on investments.

As of June 30, 2020, the District had the following investments and maturities:

	Maturities	Fair Value
Pooled Investments:		
State of Nevada Local Government Investment Pool (LGIP)	130 days*	\$ 7,009,180
*Represents average weighted maturity		

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
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At June 30, 2020, 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.

The District has the following recurring fair value measurements as of June 30, 2020:

	Level 1 Inputs	Level 2 Inputs	Total Investment
Investments by fair value measurement			
State of Nevada Local Government Investment Pool (LGIP)	\$ 1,745,987	\$ 5,263,193	\$ 7,009,180

Interest Rate Risk

Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the statutes.

Credit Risk

Generally, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality rating of investments. The LGIP is an unrated external investment pool and as noted above, the District has no formal investment policy that specifies minimum acceptable credit ratings.

NOTE 4 – Interfund Activity

Interfund transfers for the year ended June 30, 2020 consisted of the following:

	Transfers in
	Capital Construction Fund
Transfers out:	
General Fund	\$ 1,000,000

Transfers are made to move unrestricted revenues collected in the General Fund to finance various programs or capital improvements accounted for in other funds in accordance with budgetary authorization.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 – Capital Assets

The following schedule summarizes the changes in capital assets for the year ended June 30, 2020:

Governmental Activities:	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 1,406,051	\$ -	\$ -	\$ 1,406,051
Total capital assets, not being depreciated	1,406,051	-	-	1,406,051
Capital assets, being depreciated:				
Buildings	17,938,506	481,709	-	18,420,215
Furniture and equipment	1,292,198	37,402	(40,191)	1,289,409
Land Improvement	599,912	-	-	599,912
Library materials	9,438,875	945,359	(1,998,244)	8,385,990
Total capital assets, being depreciated	29,269,491	1,464,470	(2,038,435)	28,695,526
Less accumulated depreciation for:				
Buildings	(7,409,946)	(614,007)	-	(8,023,953)
Furniture and equipment	(808,193)	(64,483)	40,191	(832,485)
Land improvements	(299,956)	(29,996)	-	(329,952)
Library materials	(7,317,105)	(985,553)	1,998,244	(6,304,414)
Total accumulated depreciation	(15,835,200)	(1,694,039)	2,038,435	(15,490,804)
Total capital assets, being depreciated, net	13,434,291	(229,569)	-	13,204,722
Governmental activities capital assets, net	\$ 14,840,342	\$ (229,569)	\$ -	\$ 14,610,773

NOTE 6 – Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due in 2020-2021
Compensated absences	\$ 702,869	\$ 444,240	\$ (399,895)	\$ 747,214	\$ 393,103
Other post-employee benefits	2,139,788	350,876	-	2,490,664	-
Net pension liability	6,627,355	675,030	(481,535)	6,820,850	-
Total Long-Term Liabilities	\$ 9,470,012	\$ 1,470,146	\$ (881,430)	\$ 10,058,728	\$ 393,103

Compensated absences, other post employment benefits and termination benefits payable typically have been liquidated by the General Fund.

NOTE 7 – 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. NRS 286.110 states that "The respective participating public employers are not liable for any obligations of the system."

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

Monthly benefit allowances for members are computed as 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.50% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. 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.

Regular members entering the System prior to January 1, 2010, 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 30 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, at age 62 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with 10 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 entering the System prior to January 1, 2010, 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

**HENDERSON DISTRICT PUBLIC LIBRARIES
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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, at age 60 with ten years of service, at age 50 with twenty years of service, or at any age with thirty 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 is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer. The District is an employee-choice agency.

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 statutory Employer/Employee matching rate was 14.50% for regular and 20.75% for police/fire members. The Employer-Pay contribution (EPC) was 28.00% for regular and 40.50% for police/fire members.

PERS's policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following target asset allocation policy was adopted as of June 30, 2019:

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

*As of June 30, 2019, PERS' long-term inflation assumption was 2.75%

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
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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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total PERS pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Investment rate of return	7.50%
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the experience study for the period July 1, 2012 through June 30, 2016.

The discounted rate used to measure the total pension liability was 7.50% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position at June 30, 2019, was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

The District's proportionate share of the net pension liability at June 30, 2019, calculated using the discount rate of 7.50%, 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 (6.50%) or 1% higher (8.50%) than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net Pension Liability	\$10,561,042	\$6,820,850	\$3,711,543

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 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.

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The District's proportionate share (amount) of the collective net pension liability was \$6,820,850, which represents 0.05002% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2019, 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, 2019.

For the period ended June 30, 2020, the District's pension expense was \$808,471 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2020, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 255,774	\$ 196,739
Changes in assumptions	277,580	
Net difference between projected and actual earnings on investments		339,312
Changes in proportion and differences between actual contributions and proportionate share of contributions	437,474	168,750
Contributions made subsequent to the measurement date	519,370	

At June 30, 2019, the average expected remaining service life is 6.18 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$519,370 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

For the Year Ended June 30,	
2021	\$ (1,894,716)
2022	12,765,676
2023	(3,507,046)
2024	(4,344,397)
2025	(2,468,982)
Thereafter	(284,508)

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

Net pension liability, beginning of year	\$ 6,627,355
Pension expense	808,471
Employer contributions	(481,535)
Net new deferred inflows and outflows of resources	(133,441)
Net pension liability, end of year	<u>\$ 6,820,850</u>

At June 30, 2020, \$78,614 is payable to PERS for the June 2020 required contribution and is included in accounts payable.

**HENDERSON DISTRICT PUBLIC LIBRARIES
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NOTE 8 – Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

Retiree Health Program Plan (RHPP)

RHPP allows eligible employees of the District to continue their medical, dental, and prescription insurance coverage upon retirement. Retirees may retire under either the County Self-Funded Group Medical and Dental Benefits Plan (CCSF), an agent multiple-employer defined benefit (PPO) plan, or Health Plan of Nevada (HPN), a fully-insured health maintenance organization (HMO) plan. CCSF and HPN benefit provisions are established and amended through negotiations between the District and Clark County.

Public Employees' Benefit Program (PEBP)

Employees retired prior to September 1, 2008 could opt enrollment in the state program of insurance. This program, the Public Employee Benefit Program (PEBP), is an agent multiple-employer defined benefit OPEB plan. The District pays a subsidy for retirees that elected this plan. The subsidy is shared on a pro-rata basis by the employers for which the retiree has worked and earned PERS service credit.

Eligibility Criteria

The only conditions to be eligible for coverage as a retiree are:

1. The employee must have qualified for and started his or her retirement benefits from Nevada PERS;
2. The employee was eligible for benefits while employed by the District; and
3. The District was the employee's last Nevada public agency employer.

Benefits Provided

Health

Eligible employees and spouses are offered medical, dental, and prescription benefits for life. Retirees may retire under either the Self-Funded Group medical plan, the Health Plan of Nevada plan, or if retired prior to September 1, 2008, the State of Nevada Public Employees' Benefit Program.

Benefits are provided to the spouse for life, regardless of the retiree's death.

Life Insurance

The face amount of life insurance for retirees is \$10,000 while under age 70 and \$5,000 for spouse. The face amount decreases to \$1,000 at age 70 for retirees and spouse.

Participant Contributions

RHPP

The full monthly premium rates as of January 1, 2020 for each plan are shown below. All retirees must contribute the full amount in order to continue coverage at retirement.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

HMO	Pre-Medicare	Post-Medicare
Single	\$589	\$310
Spouse	\$514	\$310
PPO (10 or more years of service)	Pre-Medicare	Post-Medicare
Single	\$528	\$355
Spouse	\$460	\$445
PPO (6-9 years of service)	Pre-Medicare	Post-Medicare
Single	\$581	\$390
Spouse	\$506	\$490
PPO (Less than 5 years of service)	Pre-Medicare	Post-Medicare
Single	\$634	\$425
Spouse	\$552	\$534

PEBP

The Nevada Legislature establishes monthly premium rates annually. The monthly subsidy is based on years of credited service under Nevada PERS, though the level differs for pre-Medicare and Medicare eligible retirees. The subsidy ends at the earlier of the retiree's death or the date he or she discontinues coverage. The subsidy provided to pre-Medicare retirees varies based on the type of plan selected (PPO or HMO) and by the level of coverage taken (e.g., single, two party, family, etc.). The subsidy is paid on a pay-as-you-go basis. In fiscal year 2020, this subsidy for the District ranged from \$22-221 per month, per retiree.

Life Insurance

Premiums are currently at the rate of \$0.75 per month for \$10,000. Retirees are responsible for the entire premium amount.

Employer Contributions

RHPP

District contributions to the Plan occur as benefits are paid to retirees. Benefit payments occur in the form of indirect payments to retirees in the form of higher premiums for active employees ("implicit subsidies"). Retiree contributions received during the measurement period were greater than retiree claims paid during the same measurement period resulting in a negative District contribution of \$9,885 for the year ended June 30, 2020 (measurement period ended June 30, 2019).

PEBP

District contributions to the Plan occur as benefits are paid to retirees. In this PEBP program, the only benefit payments occur in the form of direct payments to PEBP on behalf of currently covered retirees. Contributions to the Plan from the District were \$5,734 for the year ended June 30, 2020 (measurement period ended June 30, 2019).

Employees covered by benefit terms

RHPP

There are 56 active employees, eight retirees participating in the plan as of the July 2020 valuation.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

PEPB

There are no active employees covered by or eligible for coverage under PEBP. There are six retirees for whom the District pays a subsidy toward the cost of PEPB coverage.

Plan Financial Reports

RHPP

The CCSF is not administered as a qualifying trust or equivalent arrangement, as defined by GASB Statement No. 45, and is included in the Clark County comprehensive annual financial report (CAFR) as an internal service fund (the Self-Funded Group Insurance Fund). The CCSF report is available at <http://www.clarkcountynv.gov/finance/comptroller/Pages/CAFR.aspx>.

PEPB

Information about PEBP's financial report is available at <https://pebp.state.nv.us>.

OPEB Liability

Net OPEB Liability

At June 30, 2020, the District reported a net OPEB liability of \$112,851 for PEBP and \$2,377,813 for RHPP. The net liability was measured as of June 30, 2019 and the total liability was determined by an actuarial valuation as of June 30, 2019. An OPEB trust has not been established so the total liability is equal to net liability. There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits. Total OPEB liability as of June 30, 2019 reflects a change in the use of discount rates of 3.50%. Other key assumption remained the same.

OPEB Liability Discount Rate Sensitivity

The following presents the net OPEB liability calculated using the discount rate of 3.50%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability - PEBP	\$ 128,000	\$ 112,851	\$ 100,000
Net OPEB Liability - RHPP	2,888,000	2,377,813	1,983,000

OPEB Liability Healthcare Cost Trend Rates Sensitivity

The following presents the net OPEB liability calculated using current healthcare cost trend rates, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability - PEBP	\$ 100,000	\$ 112,851	\$ 127,000
Net OPEB Liability - RHPP	1,935,000	2,377,813	2,971,000

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Actuarial Assumptions

The total OPEB liability for both plans was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	June 30, 2019
Reporting Date	June 30, 2020
Discount Rate	3.50%
Salary Increase Rate	3.0% per annum
Medical Consumer Price Index	Chained-CPI of 2.0% per annum
Actuarial Cost Method	Entry Age Normal based on level percentage of salary
Healthcare Cost Trend Rates	Pre-Medicare Medical and Rx Benefits: 6.50% decreasing at a rate of 0.5% per year until reaching the ultimate trend rate of 4.50% Medicare Benefits: 5.50% decreasing at a rate of 0.5% per year until reaching the ultimate trend rate of 4.50% Administrative Fees: 4.5% Dental: 4.0%
Mortality Rates	RP-2014 generational table, back-projected to 2006, then scaled to MP-2018, applied on a gender-specific basis

Changes in the Net OPEB Liability

	Increase(decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a)-(b)
Balances at June 30, 2019	\$ 2,030,274	\$ -	\$ 2,030,274
Changes during the period:			
Service cost	108,373	-	108,373
Interest cost	82,957	-	82,957
Expected investment income	-	-	-
Employer contributions	-	(9,885)	9,885
Changes of benefit terms	-	-	-
Benefit payments	9,885 *	9,885	-
Assumption changes	146,324	-	146,324
Plan experience	-	-	-
Investment experience	-	-	-
Net changes	347,539	-	347,539
Balances at June 30, 2020	\$ 2,377,813	\$ -	\$ 2,377,813

* Retiree premium contributions received exceeded the claims payments during FY2019.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>PEBP</u>	Increase(decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a)-(b)
Balances at June 30, 2019	\$ 109,514	\$ -	\$ 109,514
Changes during the period:			
Service cost	-	-	-
Interest cost	4,127	-	4,127
Expected investment income	-	-	-
Employer contributions	-	5,734	(5,734)
Changes of benefit terms	-	-	-
Benefit payments	(5,734)	(5,734)	-
Assumption changes	4,944	-	4,944
Plan experience	-	-	-
Investment experience	-	-	-
Net changes	3,337	-	3,337
Balances at June 30, 2020	\$ 112,851	\$ -	\$ 112,851

Plan Fiduciary Net Position

Detailed information about PEBP's fiduciary net position is available in a separately issued PEBP financial report. CCSF and HPN do not issue separate financial reports.

OPEB Expense

For the year ended June 30, 2020, the District recognized OPEB expenses for RHPP of \$24,618 and for PEBP of \$9,071.

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>RHPP</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption	\$ 135,721	\$ 613,365
Differences between expected and actual experience		1,221,885
Total	\$ 135,721	1,835,250

Expected average remaining service life: 13.8 years

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2021	\$ (166,712)
2022	(166,712)
2023	(166,712)
2024	(166,712)
2025	(166,712)
Thereafter	(865,969)

<u>PEBP</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 6,283	\$ -
Total	\$ 6,283	\$ -

The amount \$6,283 reported as deferred inflows of resources related to OPEB resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

Combined Balances for OPEB Plans

The combined balances for both plans as of and for the year ended June 30, 2020 are as follows:

	RHPP	PEBP	Combined
Net OPEB Liability	\$ 2,377,813	\$ 112,851	\$ 2,490,664
Deferred Outflows	135,721	6,283	142,004
Deferred Inflows	1,835,250	-	1,835,250
OPEB Expense	24,618	9,071	33,689

NOTE 9 – Risk Management

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions. The District participates in Clark County, Nevada's insurance program to provide health insurance coverage for its employees. The District carries insurance policies for liability, fire, theft, auto, inland marine, workers compensation and Directors and Officers coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 – Contracts

The District continued the interlocal agreement with the City of Henderson (the City) whereby the City provides for assistance in updating or revising the the District master plan and allows the District to provide library services at facilities owned or operated by the City. In addition, this agreement provides for the appointment of two members of the Board of Trustees by the Henderson City Council. The original term of the interlocal agreement was six years, ending on June 30, 2007. This agreement was renegotiated for

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

another six years effective July 1, 2007, July 1, 2013 and June 1, 2019. The current agreement will terminate on June 30, 2025 unless renewed for an additional six years by mutual agreement of both parties.

The District continued leasing 4.36 acres of land from the City of Henderson, upon which the Paseo Verde Library is located. This lease is for a period of 50 years, commencing May 16, 2000. The leased land is provided to the District at the nominal sum of \$1 per year in exchange for other considerations, such as payment of all utilities and janitorial services. This lease is renewable for an additional period of 48 years, unless cancelled by the District.

NOTE 11 – Contingency

The coronavirus pandemic has caused business disruptions and has had an economic impact on most of the United States. The District will be impacted in some manner but the extent is uncertain and cannot be estimated at this time.



REQUIRED SUPPLEMENTARY INFORMATION

section

**HENDERSON DISTRICT PUBLIC LIBRARIES
REQUIRED SUPPLEMENTARY INFORMATION**

**MULTI-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN
PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS¹**

Valuation Date	Proportion of the Collective Net Pension Liability	Proportion of the Collective Net Pension Liability	Covered Payroll	Proportion of the Collective Net Pension Liability as a Percentage of Covered Payroll	PERS Fiduciary Net Position as a Percentage of Total Pension Liability
2019	0.05002%	\$ 6,820,850	\$ 3,431,730	198.76%	76.46%
2018	0.04860%	6,627,355	3,213,842	206.21%	75.24%
2017	0.04729%	6,289,728	3,026,147	207.85%	74.42%
2016	0.04972%	6,690,690	3,025,224	221.16%	72.23%
2015	0.04868%	5,578,394	2,914,162	191.42%	75.13%
2014	0.04508%	4,698,399	2,646,589	177.53%	76.31%

¹ Information for the multiple-employer cost-sharing benefit pension plan is not available for 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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
REQUIRED SUPPLEMENTARY INFORMATION**

**MULTI-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN
PROPORTIONATE SHARE OF STATUTORILY REQUIRED CONTRIBUTION INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS¹**

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
2020	\$ 519,370	\$ 519,370	\$ -	\$ 3,551,755	14.62%
2019	481,535	481,535	-	3,431,730	14.03%
2018	450,822	450,822	-	3,213,842	14.03%
2017	424,487	424,487	-	3,026,147	14.03%
2016	421,540	421,540	-	3,025,224	13.93%
2015	375,695	375,695	-	2,914,162	12.89%

¹ Information for the multiple-employer cost-sharing 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.

All contributions shown reflect employer-paid contributions only. Member contributions are excluded. All values are restated due to GASB No. 82, which classifies contributions as member contributions for the purposes of GASB No. 68 if they are made by an employer to satisfy what are actually deemed to be member contribution requirements.

**HENDERSON DISTRICT PUBLIC LIBRARIES
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH PROGRAM PLAN
JUNE 30, 2020
LAST 10 FISCAL YEARS¹**

	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2020 (2019)
Total OPEB liability			
Service Cost	\$ 315,889	\$ 304,386	\$ 108,373
Interest Cost	106,452	128,865	82,957
Changes Of Benefit Terms	-	-	-
Benefit Payments	(2,620)	3,337 ²	9,885 ²
Assumption Changes	(518,643)	(291,766)	146,324
Plan Experience	(25,542)	(1,408,068)	-
Net change in total OPEB liability	(124,464)	(1,263,246)	347,539
Total OPEB liability - beginning	3,417,984	3,293,520	2,030,274
Total OPEB liability - ending (a)	<u>\$ 3,293,520</u>	<u>\$ 2,030,274</u>	<u>\$ 2,377,813</u>
Plan fiduciary net position			
Employer contributions	\$ 2,620	\$ (3,337)	\$ (9,885)
Net investment income	-	-	-
Benefit payments	(2,620)	3,337	9,885
Investment experience	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 3,293,520	\$ 2,030,274	\$ 2,377,813
Covered-employee payroll	\$ 3,135,190	\$ 3,238,588	\$ 3,477,361
Net OPEB liability as a percentage of covered payroll	105.05%	62.69%	68.38%

¹ GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present the information for those years for which information is available.

² Retiree premium contributions received exceeded the claims payable resulting in a negative payment for Fiscal Year 2018 and Fiscal Year 2019.

**HENDERSON DISTRICT PUBLIC LIBRARIES
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC EMPLOYEE BENEFIT PROGRAM
JUNE 30, 2020
LAST 10 FISCAL YEARS¹**

	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2020 (2019)
Total OPEB liability			
Service Cost	\$ -	\$ -	\$ -
Interest Cost	6,822	4,602	4,127
Changes Of Benefit Terms	-	-	-
Benefit Payments	(6,105)	(6,355)	(5,734)
Assumption Changes	(24,751)	(104,971)	4,944
Plan Experience	(1,828)	(168)	-
Net change in total OPEB liability	(25,862)	(106,892)	3,337
Total OPEB liability - beginning	242,268	216,406	109,514
Total OPEB liability - ending (a)	<u>\$ 216,406</u>	<u>\$ 109,514</u>	<u>\$ 112,851</u>
Plan fiduciary net position			
Employer contributions	\$ 6,105	\$ 6,355	\$ 5,734
Net investment income	-	-	-
Benefit payments	(6,105)	(6,355)	(5,734)
Investment experience	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 216,406	\$ 109,514	\$ 112,851
Covered-employee payroll	N/A ²	N/A ²	N/A ²
Net OPEB liability as a percentage of covered payroll	0.00%	0.00%	0.00%

¹ GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present the information for those years for which information is available.

² The Public Employee Benefit Program is a closed plan, therefore, there is not covered payroll.

**HENDERSON DISTRICT PUBLIC LIBRARIES
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF OPEB CONTRIBUTIONS
RETIREE HEALTH PROGRAM PLAN
JUNE 30, 2020
LAST 10 FISCAL YEARS¹**

	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2020 (2019)
Contractually required contributions	\$ 2,620	\$ (3,337) ²	\$ (9,885) ²
Contributions in relation to the contractually required contributions	(2,620)	3,337	9,885
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,238,588	\$ 3,477,361	\$ 3,660,126
Contributions as a percentage of covered-employee payroll	0.08%	\$ -0.10%	\$ -0.27%

¹ GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present the information for those years for which information is available.

² Retiree premium contributions received exceeded the claims payable resulting in a negative payment for Fiscal Year 2018 and Fiscal Year 2019.

**HENDERSON DISTRICT PUBLIC LIBRARIES
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF OPEB CONTRIBUTIONS
PUBLIC EMPLOYEE BENEFIT PROGRAM
JUNE 30, 2020
LAST 10 FISCAL YEARS¹**

	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2020 (2019)
Contractually required contributions	\$ 6,105	\$ 6,355	\$ 5,734
Contributions in relation to the contractually required contributions	(6,105)	(6,355)	(5,734)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	N/A ²	N/A ²	N/A ²
Contributions as a percentage of covered- employee payroll	0.00%	0.00%	0.00%

¹ GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present the information for those years for which information is available.

² The Public Employee Benefit Program is a closed plan, therefore, there is not covered payroll.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 – Multiple-Employer, Cost-Sharing Defined Pension Plan

For the year ended June 30, 2020, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2019.

The actual valuation report dated June 30, 2014, was the first valuation of the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained, these schedules will ultimately present information from the ten most recent valuations.

Additional pension plan information can be found in Notes 1 and 7 to the basic financial statements.

NOTE 2 – Other Post Employee Benefits

The following changes were made since the prior valuation:

1. The discount rate used in the actuarial assumptions was decrease from 3.87% to 3.50%.
2. In December 2019, a Bill repealed the anticipated Affordable Care Act Cadillac Tax on high cost employer sponsored health plans. The valuation of the Excise Tax and its underlying assumptions have been removed. The effect of the Excise Tax on OPEB valuation is immaterial.

At June 30, 2020, no assets were accumulated in a qualifying trust in which the assets contributed and earnings thereon are irrevocable, dedicated solely to providing postemployment benefits and are legally protected from creditors.

Actuarial information for postemployment benefits other than pensions is not available for measurement years prior to the year ending June 30, 2017. As information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

Additional information related to postemployment benefits other than pensions can be found in Note 8 to the basic financial statements.

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GOVERNMENTAL *funds*

MAJOR CAPITAL PROJECTS FUND

To account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the improvement, acquisition or construction of capital facilities and other capital assets.

NONMAJOR CONTRIBUTIONS AND GRANTS FUND

To account for and report donations and grants that are restricted, committed, or assigned to expenditure for specific purpose generally dictated by the donor or the grant award.

HENDERSON DISTRICT PUBLIC LIBRARIES

MAJOR - CAPITAL PROJECTS FUND - CAPITAL CONSTRUCTION FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual Amounts	Variance with Original and Final Budget
REVENUES			
Miscellaneous:			
Investment income	\$ 20,000	\$ 39,145	\$ 19,145
EXPENDITURES			
Current:			
Culture and recreation:			
Services and supplies	262,300	78,559	183,741
Capital outlay	644,200	481,708	162,492
Total expenditures	906,500	560,267	346,233
(Deficiency) of revenues (under) expenditures	(886,500)	(521,122)	365,378
OTHER FINANCING SOURCES			
Transfers in	1,000,000	1,000,000	-
Net change in fund balances	113,500	478,878	365,378
Fund balances, beginning of year	1,889,500	1,912,152	22,652
Fund balances, end of year	\$ 2,003,000	\$ 2,391,030	\$ 388,030

HENDERSON DISTRICT PUBLIC LIBRARIES

NONMAJOR - SPECIAL REVENUE FUND - CONTRIBUTIONS AND GRANTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental:				
Grants, federal and state	\$ -	\$ 22,111	\$ 22,111	\$ -
Miscellaneous:				
Contributions from private sources	155,100	197,100	200,486	3,386
Investment income	6,500	6,500	11,679	5,179
Other	<u>2,000</u>	<u>2,000</u>	<u>631</u>	<u>(1,369)</u>
Total revenues	<u>163,600</u>	<u>227,711</u>	<u>234,907</u>	<u>7,196</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Services and supplies	88,294	98,294	45,945	52,349
Capital outlay	<u>217,006</u>	<u>229,117</u>	<u>172,965</u>	<u>56,152</u>
Total expenditures	<u>305,300</u>	<u>327,411</u>	<u>218,910</u>	<u>108,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(141,700)</u>	<u>(99,700)</u>	<u>15,997</u>	<u>115,697</u>
Net change in fund balances	(141,700)	(99,700)	15,997	115,697
Fund balances, beginning of year	<u>341,700</u>	<u>341,700</u>	<u>406,979</u>	<u>65,279</u>
Fund balances, end of year	<u>\$ 200,000</u>	<u>242,000</u>	<u>\$ 422,976</u>	<u>\$ 180,976</u>



STATISTICAL section

This part of HDPL's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about HDPL's overall financial health.

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SOURCES: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

HENDERSON DISTRICT PUBLIC LIBRARIES

Net Position by Components

Last Ten Fiscal Years

(accrual basis of accounting)

(unaudited)

Governmental activities

<u>Fiscal Year</u>	<u>Net investment in capital assets</u>	<u>Restricted by grants and donors</u>	<u>Unrestricted</u>	<u>Total</u>
2010-2011	\$ 18,958,442	\$ -	\$ 1,667,718	\$ 20,626,160
2011-2012	18,183,276	125,477	1,347,258	19,656,011
2012-2013 ¹	17,416,700	177,901	1,380,475	18,875,076
2013-2014 ¹	17,279,487	233,711	(4,013,566)	13,499,632
2014-2015	18,173,212	328,177	(5,544,627)	12,956,762
2015-2016	17,725,369	395,956	(5,707,198)	12,414,127
2016-2017 ¹	17,084,396	224,784	(6,184,440)	11,124,740
2017-2018	15,455,328	241,524	(5,005,347)	10,691,505
2018-2019	14,840,342	266,148	(4,269,922)	10,836,568
2019-2020	14,610,773	250,379	(4,207,768)	10,653,384

¹ Restated

HENDERSON DISTRICT PUBLIC LIBRARIES

Changes in Net Position Last Ten Fiscal Years *(accrual basis of accounting)* (unaudited)

		Fiscal Year									
		2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017 (Restated)	2017-2018	2018-2019	2019-2020
Expenses											
Governmental Activities:											
Culture and recreation		\$ 8,969,464	\$ 8,473,056	\$ 7,966,369	\$ 7,839,070	\$ 8,139,743	\$ 8,297,427	\$ 9,562,031	\$ 8,840,297	\$ 8,999,165	\$ 9,346,467
Debt service:											
Interest on long-term debt		99,103	66,597	40,810	36,043	1,754	-	-	-	-	-
Total governmental activities expenses		\$ 9,068,567	\$ 8,539,653	\$ 8,007,179	\$ 7,875,113	\$ 8,141,497	\$ 8,297,427	\$ 9,562,031	\$ 8,840,297	\$ 8,999,165	\$ 9,346,467
Program Revenues											
Governmental Activities:											
Charges for services		\$ 263,212	\$ 259,648	\$ 221,201	\$ 181,480	\$ 206,464	\$ 229,292	\$ 202,895	\$ 200,238	\$ 200,431	\$ 127,845
Operating grants and contributions		416,669	212,403	202,180	257,682	360,226	258,677	321,778	205,940	345,810	210,486
Capital grants and contributions		231,452	316,981	282,844	521,035	230,594	192,908	216,309	216,591	140,862	87,217
Total governmental activities program revenues		\$ 911,333	\$ 789,032	\$ 706,225	\$ 960,197	\$ 797,284	\$ 680,877	\$ 740,982	\$ 622,769	\$ 687,103	\$ 425,548
Net (Expense)/Revenue, governmental activities		<u>\$ (8,157,234)</u>	<u>\$ (7,750,621)</u>	<u>\$ (7,300,954)</u>	<u>\$ (6,914,916)</u>	<u>\$ (7,344,213)</u>	<u>\$ (7,616,550)</u>	<u>\$ (8,821,049)</u>	<u>\$ (8,217,528)</u>	<u>\$ (8,312,062)</u>	<u>\$ (8,920,919)</u>
General Revenues and Other Changes in Net Position											
Governmental Activities:											
Taxes											
Ad valorem taxes		\$ 5,439,056	\$ 4,979,157	\$ 4,750,001	\$ 4,714,283	\$ 4,680,208	\$ 4,875,965	\$ 4,991,327	\$ 5,265,797	\$ 5,695,131	\$ 6,099,264
Consolidated taxes		1,712,657	1,800,833	1,889,946	1,999,330	2,118,460	2,188,417	2,520,623	2,438,874	2,605,464	2,498,279
Gain on sale of assets		-	-	-	-	-	-	-	17,946	-	-
Investment earnings		5,961	482	1,886	2,086	2,675	9,533	19,712	61,676	156,530	140,192
Total governmental activities		<u>\$ 7,157,674</u>	<u>\$ 6,780,472</u>	<u>\$ 6,641,833</u>	<u>\$ 6,715,699</u>	<u>\$ 6,801,343</u>	<u>\$ 7,073,915</u>	<u>\$ 7,531,662</u>	<u>\$ 7,784,293</u>	<u>\$ 8,457,125</u>	<u>\$ 8,737,735</u>
Changes in Net Position, governmental activities		<u>\$ (999,560)</u>	<u>\$ (970,149)</u>	<u>\$ (659,121)</u>	<u>\$ (199,217)</u>	<u>\$ (542,870)</u>	<u>\$ (542,635)</u>	<u>\$ (1,289,387)</u>	<u>\$ (433,235)</u>	<u>\$ 145,063</u>	<u>\$ (183,184)</u>

HENDERSON DISTRICT PUBLIC LIBRARIES

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
General Fund										
Nonspendable	\$ 53,572	\$ 18,924	\$ 70,121	\$ 100,830	\$ 44,906	\$ 100,258	\$ 73,992	\$ 75,257	\$ 61,553	\$ 37,562
Assigned	462,449	339,913	109,447	100,797	93,000	100,000	424,500	373,000	662,000	450,000
Unassigned	1,720,692	2,211,733	2,743,381	1,742,131 ¹	2,166,494	2,480,675	2,995,391	3,393,545	3,476,616	3,627,401
Total General Fund	\$ 2,236,713	\$ 2,570,570	\$ 2,922,949	\$ 1,943,758	\$ 2,304,400	\$ 2,680,933	\$ 3,493,883	\$ 3,841,802	\$ 4,200,169	\$ 4,114,963
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ 3,187	\$ -	\$ -	\$ -	\$ 2,685	\$ -	\$ -	\$ -
Restricted	117,806	125,477	177,901	233,711	328,177	197,978	224,784	241,524	266,148	250,379
Assigned	702,820	614,774	650,960	1,822,817 ¹	230,455 ²	119,168	172,384	1,453,334 ³	2,052,983 ⁴	2,563,627
Total All Other Governmental Funds	820,626	740,251	832,048	2,056,528	558,632	317,146	399,853	1,694,858	2,319,131	2,814,006
Total All Governmental Funds	\$ 3,057,339	\$ 3,310,821	\$ 3,754,997	\$ 4,000,286	\$ 2,863,032	\$ 2,998,079	\$ 3,893,736	\$ 5,536,660	\$ 6,519,300	\$ 6,928,969

Notes:

¹ The decrease in the unassigned fund balance of the General Fund and the increase in the assigned fund balance of the Debt Service Fund was due to a transfer between the funds. The transfer was done in anticipation of the early payoff of the outstanding debt done in July 2014.

² The decrease in the assigned fund balance of the Debt Service Fund was due to the payoff of the outstanding debt done in July 2014.

³ The increase in the assigned fund balance of the Capital Construction Fund was due to the proceeds received from the sale of the Malcolm Library building. The proceeds were assigned for future capital improvements.

⁴ The increase in the assigned fund balance of the Capital Construction Fund was a transfer from the General Fund for future construction projects.

HENDERSON DISTRICT PUBLIC LIBRARIES

Changes in Fund Balance, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Revenues										
Ad valorem taxes	\$ 5,439,056	\$ 4,979,157	\$ 4,750,001	\$ 4,363,794	\$ 4,692,251	\$ 4,876,936	\$ 4,985,237	\$ 5,269,078	\$ 5,689,648	\$ 6,091,811
Consolidated taxes	1,712,657	1,800,833	1,889,946	1,999,330	2,118,460	2,188,417	2,520,623	2,438,874	2,605,464	2,498,279
Grants	257,764	93,686	35,472	46,912	96,374	46,197	22,457	37,086	86,161	22,111
Fines and forfeits	167,812	156,290	155,588	157,630	149,798	142,080	140,707	129,848	117,688	82,969
Contributions	204,473	169,494	189,890	512,148	265,288	241,370	307,919	224,912	278,839	200,486
Investment income	5,961	482	1,886	2,086	2,675	9,533	19,712	61,676	156,530	140,192
Other income	95,400	83,543	58,079	51,199	56,666	60,166	62,188	70,390	82,763	44,876
Total revenues	7,883,123	7,283,485	7,080,862	7,406,099	7,381,512	7,564,699	8,058,843	8,231,864	9,017,073	9,080,724
Expenditures										
Culture and recreation:										
Salaries and wages	3,633,975	3,380,183	3,198,403	3,154,235	3,433,852	3,599,075	3,638,969	3,760,059	4,016,536	4,250,988
Employee benefits	1,213,601	1,208,696	1,159,702	1,197,711	1,291,831	1,384,304	1,355,343	1,491,277	1,563,153	1,622,559
Services and supplies	1,605,701	1,394,534	1,324,077	1,356,385	1,425,068	1,409,465	1,308,336	1,450,688	1,519,301	1,408,145
Capital Outlay	803,769	878,014	740,397	1,239,378	845,895	1,063,854	860,538	818,432	935,443	1,389,363
Debt Services:										
Interest	99,103	63,376	41,407	36,201	4,220	-	-	-	-	-
Principal	923,800	2,015,000	172,300	177,500	1,517,900	-	-	-	-	-
Administrative and other costs	-	400	400	400	-	-	-	-	-	-
Total expenditures	8,279,949	8,940,203	6,636,686	7,161,810	8,518,766	7,456,698	7,163,186	7,520,456	8,034,433	8,671,055
Excess (deficiency) of revenues over (under) expenditures	(396,826)	(1,656,718)	444,176	244,289	(1,137,254)	108,001	895,657	711,408	982,640	409,669
Other Financing Sources										
Proceeds from refunding	-	1,867,700	-	-	-	-	-	-	-	-
Proceeds from sales of capital assets	-	42,500	-	1,000	-	27,046	-	931,516	-	-
Total other financing sources	-	1,910,200	-	1,000	-	27,046	-	931,516	-	-
Net change in fund balance	\$ (396,826)	\$ 253,482	\$ 444,176	\$ 245,289	\$ (1,137,254)	\$ 135,047	\$ 895,657	\$ 1,642,924	\$ 982,640	\$ 409,669
Debt Service as a percentage of noncapital expenditures	13.7%	25.8%	3.6%	3.6%	19.8%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 5

HENDERSON DISTRICT PUBLIC LIBRARIES

Assessed and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (unaudited)

Fiscal Year	Real Property		Personal Property		Total		Percentage of Taxable Assessed Value to Estimated Actual Taxable Value	Total Direct Tax Rate
	Assessed Value	Estimated Value	Assessed Value	Estimated Value	Assessed Value	Estimated Value		
2010-2011	\$ 9,497,480,071	\$ 27,135,657,346	\$ 405,817,933	\$ 1,159,479,809	\$ 9,903,298,004	\$ 28,295,137,155	35%	0.0577
2011-2012	8,532,382,809	24,378,236,597	338,969,942	968,485,549	8,871,352,751	25,346,722,146	35%	0.0575
2012-2013	7,808,141,879	22,308,976,797	398,927,794	1,139,793,697	8,207,069,673	23,448,770,494	35%	0.0586
2013-2014	8,020,000,967	22,914,288,477	444,819,304	1,270,912,297	8,464,820,271	24,185,200,774	35%	0.0585
2014-2015	9,299,031,454	26,568,661,297	475,596,219	1,358,846,340	9,774,627,673	27,927,507,637	35%	0.0593
2015-2016	10,374,179,331	29,640,512,374	583,414,483	1,666,898,523	10,957,593,814	31,307,410,897	35%	0.0594
2016-2017	11,363,112,300	32,466,035,143	616,081,682	1,760,233,377	11,979,193,982	34,226,268,520	35%	0.0602
2017-2018	12,182,829,161	34,808,083,317	733,138,946	2,094,682,703	12,915,968,107	36,920,766,020	35%	0.0604
2018-2019	12,894,918,627	36,842,624,649	817,719,128	2,336,340,366	13,712,637,755	39,178,965,015	35%	0.0606
2019-2020	14,343,170,205	40,980,486,300	814,558,568	2,327,310,194	15,157,728,773	43,307,796,494	35%	0.0607

Note: Property is reassessed each year. The county assesses property at 35 percent of actual value. Estimated actual value is calculated by dividing the assessed value by that percentage. Tax rates are per \$100 of assessed value.

Source: Clark County Assessor's Office

HENDERSON DISTRICT PUBLIC LIBRARIES

Property Tax Rates ¹ - Direct and Overlapping Governments Last Ten Fiscal Years (unaudited)

Fiscal Year	Henderson District Public Libraries	Overlapping Rates					Total Direct & Overlapping Rates
		State of Nevada	School District	County	City	Other Special District ²	
2010-2011	Direct Rate	.01700	1.3034	0.6541	0.7108	0.0070	2.9030
2011-2012	0.0577	.01700	1.3034	0.6541	0.7108	-	2.8958
2012-2013	0.0575	.01700	1.3034	0.6541	0.7108	-	2.8969
2013-2014	0.0586	.01700	1.3034	0.6541	0.7108	-	2.8968
2014-2015	0.0585	.01700	1.3034	0.6541	0.7108	-	2.8976
2015-2016	0.0593	.01700	1.3034	0.6541	0.7108	-	2.8977
2016-2017	0.0594	.01700	1.3034	0.6541	0.7108	-	2.8985
2017-2018	0.0602	.01700	1.3034	0.6541	0.7108	-	2.8987
2018-2019	0.0604	.01700	1.3034	0.6541	0.7108	-	2.8989
2019-2020	0.0606	.01700	1.3034	0.6541	0.7108	-	2.8990
	0.0607						

Notes:

¹ Per \$100 of assessed value, constitutional limit is generally \$3.64 on any one area's combined tax rate.

² Tax rate expired in fiscal year 2011.

Source: State of Nevada

Table 7

HENDERSON DISTRICT PUBLIC LIBRARIES

**Principal Property Taxpayers
Current Year and Nine Years Ago**
(unaudited)

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Station Casinos Incorporated	\$ 191,156,779	1	1.26%	\$ 98,714,706	3	1.00%
M Resort	80,097,538	2	0.53%	----		----
Picerne Real Estate Group	66,344,807	3	0.44%	----		----
Harsch Investment Properties	59,257,927	4	0.39%	34,174,547	9	0.35%
Ascaya Incorporated	56,853,494	5	0.38%	----		----
Basic Management Incorporated	45,733,652	6	0.30%	186,432,844	1	1.88%
Universal Health Services, Inc	44,468,412	7	0.29%	----		----
Invitation Homes	41,411,685	8	0.27%	----		----
Ovation Development Corp	39,451,955	9	0.26%	----		----
Ranch Center Associates Limited Partnership	28,206,353	10	0.19%	33,438,926	10	0.34%
Greenspun Corporation	----		----	135,721,423	2	1.37%
Green Valley Ranch Gaming LLC	----		----	89,791,490	4	0.91%
Lake at Las Vegas Joint Ventures	----		----	76,093,407	5	0.77%
Marnell Corrao Associates	----		----	66,158,451	6	0.67%
W.L. Nevada, Inc	----		----	51,122,530	7	0.52%
Focus Property Group	----		----	43,429,062	8	0.44%
	<u>\$ 652,982,602</u>		<u>4.31%</u>	<u>\$ 815,077,386</u>		<u>8.25%</u>
Total Assessed Valuation	\$15,157,728,773			\$ 9,903,298,004		

Source: Clark County Assessor's Office

Table 8

HENDERSON DISTRICT PUBLIC LIBRARIES

Ad Valorem Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Levy	Collected within the Levy Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of the Levy		Amount	Percentage of the Current Levy ¹
2010-2011	\$ 76,105,424	\$ 69,557,584	91.40%	\$ 6,521,767	\$ 76,079,351	99.97%
2011-2012	68,067,035	62,318,519	91.55%	5,729,614	68,048,133	99.97%
2012-2013	62,538,047	62,001,607	99.14%	517,802	62,519,409	99.97%
2013-2014	63,174,826	62,745,339	99.32%	413,417	63,158,756	99.97%
2014-2015	66,784,543	62,085,894	92.96%	4,680,958	66,766,852	99.97%
2015-2016	71,328,861	70,929,121	99.44%	381,903	71,311,024	99.97%
2016-2017	74,484,380	74,081,196	99.46%	380,618	74,461,814	99.97%
2017-2018	80,906,602	80,478,708	99.47%	382,531	80,861,239	99.94%
2018-2019	88,874,680	88,354,151	99.41%	354,974	88,709,125	99.81%
2019-2020	97,696,656	97,167,897	99.46%	-	97,167,897	99.46%

Notes:

¹ Figured on collections to net levy (actual levy less stricken taxes).

Source: Clark County Treasurer's Office

Table 9

HENDERSON DISTRICT PUBLIC LIBRARIES

**Ratios of Outstanding Debt
Last Ten Fiscal Years**
(unaudited)

Fiscal Year	General Obligation Bonds	Population ¹	Debt per Capita	Personal Income ²	Debt as a Percentage of Personal Income	Estimated Actual Value of Taxable Property ³	Debt as a Percentage of Estimated Actual Value of Taxable Property
2010-2011	\$ 2,015,000	277,502	\$ 7.26	\$ 8,841,491,222	0.02%	\$ 28,295,137,155	0.01%
2011-2012	1,867,700	268,301	6.96	8,846,208,756	0.02%	25,346,722,146	0.01%
2012-2013	1,695,400	269,916	6.28	8,690,214,958	0.02%	23,448,770,494	0.01%
2013-2014	1,517,900	279,226	5.44	9,039,623,004	0.02%	24,185,200,774	0.01%
2014-2015	-	286,273	-	8,355,722,814	0.00%	27,927,507,637	0.00%
2015-2016	-	291,432	-	8,775,373,195	0.00%	31,307,410,897	0.00%
2016-2017	-	299,278	-	9,658,153,376	0.00%	34,226,268,520	0.00%
2017-2018	-	307,928	-	10,501,006,590	0.00%	36,902,766,020	0.00%
2018-2019	-	314,414	-	11,596,051,390	0.00%	39,178,965,014	0.00%
2019-2020	-	321,781	-	12,743,720,359	0.00%	43,307,796,494	0.00%

Sources:

State of Nevada, unless otherwise indicated

¹ City of Henderson Community Development Department

² Applied Analysis, 6385 S. Rainbow Blvd, Suite 105, Las Vegas, NV 89118 or www.appliedanalysis.com

³ Clark County Assessor's Office

HENDERSON DISTRICT PUBLIC LIBRARIES

Direct and Overlapping Governmental Activities Debt
As of June 30, 2020
(unaudited)

	Governmental Activities Debt	Less Debt Service Fund Balance	Net Governmental Activities Debt	Percentage Applicable*	Applicable Net Governmental Activities Debt
Direct Debt					
Henderson District Public Libraries	\$ -	\$ -	\$ -	100%	\$ -
Overlapping Debt					
Clark County ¹	831,441,000	115,373,575	716,067,425	15.50%	110,990,451
Clark County School District ²	2,871,155,000	241,246,356	2,629,908,644	15.50%	407,635,840
City of Henderson ³	1,78,001,621	6,478,967	171,522,654	100.00%	171,522,654
Total Overlapping Debt	<u>3,880,597,621</u>	<u>363,098,898</u>	<u>3,517,498,723</u>		<u>690,148,945</u>
Total Direct and Overlapping Debt	<u>\$ 3,880,597,621</u>	<u>\$ 363,098,898</u>	<u>\$ 3,517,498,723</u>		<u>\$ 690,148,945</u>

Sources:

¹ Clark County Assessor's Office

² Clark County School District Finance Department

³ City of Henderson Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the library district. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of Henderson District Public Libraries. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying debt, of each overlapping government.

*The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value. The exception to this is the City of Henderson. The boundaries of Henderson District Public Libraries are contiguous with the City of Henderson, therefore the residents and businesses of Henderson District Public Libraries are responsible for the entire debt of the City of Henderson.

Table 11

HENDERSON DISTRICT PUBLIC LIBRARIES

**Debt Limit Information
Last Ten Fiscal Years**
(unaudited)

	Fiscal Year									
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Assessed valuation	\$ 9,903,298,004	\$ 8,871,352,751	\$ 8,207,069,673	\$ 8,464,820,271	\$ 9,774,627,673	\$ 10,957,593,814	\$ 11,979,193,382	\$ 12,915,968,107	\$ 13,712,637,755	\$ 15,157,728,773
Debt limit - 10% of assessed value	990,329,800	887,135,275	820,706,967	846,482,027	977,462,767	1,095,759,381	1,197,919,398	1,291,596,811	1,371,263,776	1,515,722,877
Debt outstanding applicable to the limit	2,015,000	1,867,700	1,695,400	1,517,900	-	-	-	-	-	-
Legal debt margin	\$ 988,314,800	\$ 885,267,575	\$ 819,011,567	\$ 844,964,127	\$ 977,462,767	\$ 1,095,759,381	\$ 1,197,919,398	\$ 1,291,596,811	\$ 1,371,263,776	\$ 1,515,722,877
Legal debt margin as a percentage of debt limit	99.80%	99.79%	99.79%	99.82%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 12

HENDERSON DISTRICT PUBLIC LIBRARIES

Demographic and Economic Information Last Ten Fiscal Years (unaudited)

Fiscal Year	City of Henderson Population ¹	Personal Income ²	Per Capita Personal Income	Clark County Unemployment Rate ³	Clark County School Enrollment ⁴
2010-2011	277,502	\$ 8,841,491,222	\$ 31,861	13.80%	309,893
2011-2012	268,301	8,846,208,756	32,971	12.20%	308,447
2012-2013	269,916	8,690,214,958	32,196	10.10%	311,429
2013-2014	279,226	9,039,623,004	32,374	7.90%	315,087
2014-2015	286,273	8,355,722,814	29,188	7.00%	318,040
2015-2016	291,432	8,775,373,195	30,111	6.90%	319,713
2016-2017	299,278	9,658,153,376	32,272	5.10%	320,559
2017-2018	307,928	10,501,006,590	34,102	4.70%	321,648
2018-2019	314,414	11,596,051,390	36,881	4.80%	319,257
2019-2020	321,781	12,743,720,359	39,604	17.80%	316,808

Sources:

¹ City of Henderson Community Development Department

² Applied Analysis, 6385 S. Rainbow Blvd, Suite 105, Las Vegas, NV 89118 or www.appliedanalysis.com

³ Nevada Department of Employment Security

⁴ Clark County School District (4th week) - Public School Enrollment Only

Table 13

HENDERSON DISTRICT PUBLIC LIBRARIES

Principal Employers Current Year and Nine Years Ago (unaudited)

	Fiscal Year 2020			Fiscal Year 2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of Henderson ¹	3,019	1	2.88%	2,955	1	2.37%
Barclays Services, LLC	1,000-4,999	2	0.95-4.76%			
Green Valley Ranch Station Casino	1,000-4,999	3	0.95-4.76%	1,000-1,499	5	0.82-1.23%
St. Rose Dominican Hospital - Siena	1,000-4,999	4	0.95-4.76%	1,500-1,999	2	1.23-1.64%
Sunset Station Hotel & Casino	1,000-4,999	5	0.95-4.76%	1,000-1,499	4	0.82-1.23%
Amazon LAS1 Distribution Center	500-999	6	0.48-0.95%			
CaptionCall, LLC	500-999	7	0.48-0.95%			
Fiesta Lake Mead Station	500-999	8	0.48-0.95%	500-599	8	0.41-0.49%
Henderson Hospital	500-999	9	0.48-0.95%			
St. Rose Dominican Hospital-Rose de Lima	500-999	10	0.48-0.95%			
M Resort Spa & Casino	----		----	1,000-1,499	3	0.82-1.23%
Medco Health LLC	----		----	700-799	6	0.57-0.65%
Good Humor-Breyers Ice Cream	----		----	400-499	9	0.40-0.41%
Poly-West, Inc	----		----	400-499	10	0.40-0.41%

Note: For privacy purposes, exact employment numbers are unavailable.

Sources:

¹City of Henderson - City of Henderson Finance Department

All others from Applied Analysis, 6385 S. Rainbow Blvd, Suite 105, Las Vegas, NV 89118 or www.appliedanalysis.com.

HENDERSON DISTRICT PUBLIC LIBRARIES

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

	Full-Time Equivalent Employees as of June 30									
	2011	2012	2013 ¹	2014	2015	2016	2017	2018	2019	2020
Library Services:										
Adult Services	13.5	13.5	13.5	15.0	15.0	15.0	17.0	16.5	16.5	15.5
Circulation	29.0	25.0	24.0	25.5	25.5	26.0	26.0	26.0	25.5	26.5
Outreach	4.0	4.0	---	---	---	---	---	---	---	---
Youth Services	17.5	16.0	14.0	14.5	14.5	15.0	15.0	15.0	14.5	15.5
Acquisition & Bibliographic Services	7.0	7.0	6.5	6.5	6.5	5.5	5.5	5.5	5.5	5.5
Administration	9.5	9.5	8.5	8.0	8.0	7.0	7.0	8.0	8.0	7.0
Information Technology	6.0	6.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Total	<u>86.5</u>	<u>81.0</u>	<u>71.5</u>	<u>75.5</u>	<u>75.5</u>	<u>74.5</u>	<u>76.5</u>	<u>77.0</u>	<u>76.0</u>	<u>76.0</u>

Note:

¹ HDPL closed two smaller libraries and discontinued outreach services during fiscal year 2013. Staff from those locations/department were relocated into vacant positions at remaining locations or laid off.

HENDERSON DISTRICT PUBLIC LIBRARIES

Library Materials and Circulation Summary
Last Ten Fiscal Years
(unaudited)

<u>Fiscal Year</u>	<u>Items Owned</u>	<u>Cost of Total Collection</u>	<u>Cost of New Acquisitions</u>	<u>Cost of Disposed Items</u>	<u>Net Book Value of Collections¹</u>	<u>Number of Items Circulated</u>	<u>Turnover Rate²</u>
2010-2011	497,151	\$ 9,952,594	\$ 938,945	\$ (723,329)	\$ 2,754,585	1,812,475	3.65
2011-2012	509,313	10,168,210	955,418	(663,732)	2,429,447	1,777,626	3.49
2012-2013	502,930	10,459,896	965,768	(939,095)	2,171,676	1,701,858	3.38
2013-2014	486,129	10,486,569	966,594	(1,148,570)	2,083,824	1,696,453	3.49
2014-2015	474,508	10,304,593	1,016,608	(1,303,928)	2,123,562	1,723,783	3.63
2015-2016	392,978	10,017,273	1,035,222	(1,109,486)	2,190,116	1,697,746	4.32
2016-2017	357,399	9,943,009	927,380	(1,229,743)	2,129,574	1,683,276	4.71
2017-2018	335,440	9,640,646	924,412	(647,072)	2,071,672	1,626,074	4.85
2018-2019	326,406	9,917,986	1,024,142	(1,503,253)	2,121,770	1,704,345	5.22
2019-2020	293,791	9,438,875	932,479	(1,998,244)	2,068,696	1,368,740 ³	4.19

Notes:

¹ Net book value represents total acquisition cost of circulating materials less depreciation to date.

² Turnover rate is the number of times an item is checked out. This is an average of publicly circulating items in the total collection.

³ The downturn in circulation numbers were due to libraries closures during the Coronavirus pandemic. Libraries were closed on March 16th, 2020 and remained closed through the end of the fiscal year. Limited curbside services began on June 1st, 2020.

Table 16

HENDERSON DISTRICT PUBLIC LIBRARIES

Circulation by Location Last Ten Fiscal Years (unaudited)

Fiscal Year	Galleria Library	Green Valley Library	Heritage Park Senior Facility Library	James I. Gibson Library	Lydia Malcolm Library	Paseo Verde Library	Remote Services ¹	Total
2010-2011	17,423	388,131	11,537	430,597	129,785	813,516	21,486	1,812,475
2011-2012	15,570	341,536	11,381	431,238	128,926	785,748	63,227	1,777,626
2012-2013	6,267 ²	308,647	10,166	417,838	51,974 ²	827,457	79,509	1,701,858
2013-2014	----	300,809	10,129	395,951	----	835,318	154,246	1,696,453
2014-2015	----	285,222	7,368	370,030	----	840,173	220,990	1,723,783
2015-2016	----	273,242	8,550	348,143	----	831,912	235,899	1,697,746
2016-2017	----	269,988	7,140	337,697	----	820,399	248,052	1,683,276
2017-2018	----	258,882	6,251	335,737	----	839,287	185,917	1,626,074
2018-2019	----	244,853	5,081	335,543	----	851,481	267,387	1,704,345
2019-2020 ³	----	157,739	3,682	234,669	----	632,788	339,862	1,368,740

Notes:

¹ Remote Services includes e-books, remote deposit collections, downloadable materials, and the bookmobile. The remote deposit collections were available between fiscal year 2006 and fiscal year 2013; the bookmobile operated between fiscal year 2006 and fiscal year 2011; and the District expanded its available downloadable books and music during fiscal year 2011.

² The Galleria Library and the Lydia Malcolm Library were closed in November 2012 due to lack of funding.

³ The downturn in circulation numbers were due to libraries closures during the Coronavirus pandemic. Libraries were closed on March 16th, 2020 and remained closed through the end of the fiscal year. Limited curbside services began on June 1st, 2020.

HENDERSON DISTRICT PUBLIC LIBRARIES

Service Location Information Last Ten Fiscal Years (unaudited)

Library	Current Status	Square Footage as of Fiscal Year-End									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Galleria Library 1300 W. Sunset Rd, Ste 1121 Henderson, NV 89014	Leased ¹	1,342	1,342	----	----	----	----	----	----	----	----
Green Valley Library 2797 N Green Valley Pkwy Henderson, NV 89014	Owned	21,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410
Heritage Park Senior Facility 300 S Racetrack Road Henderson, NV 89015	Occupied ²	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829
James I. Gibson Library 100 W Lake Mead Parkway Henderson, NV 89015	Owned	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
Lydia Malcolm Library 2960 Sunridge Heights Pkwy Henderson, NV 89074	Sold ³	6,030	6,030	6,030	6,030	6,030	6,030	6,030	----	----	----
Paseo Verde Library 280 S Green Valley Pkwy Henderson, NV 89012	Owned	43,313	43,313	43,313	43,313	43,313	43,313	43,313	43,313	43,313	43,313

Note:

¹ Library services at the Galleria Library were discontinued in November 2012 and the lease was terminated.

² The Heritage Park Senior Facility Library is located in the Heritage Senior Facility as a joint partnership with the City of Henderson. The City owns the facility, while the District operates a library in a portion of the facility.

³ Library services at the Lydia Malcolm Library were discontinued in November 2012. HDPL sold the building in February 2018.

HENDERSON DISTRICT PUBLIC LIBRARIES
Percentage of Operating Expenditures Spent on Library Books and Materials
Last Ten Fiscal Years
(unaudited)

<u>Fiscal Year</u>	<u>Total Expenditures</u>	<u>Less Capital Outlay Other than Books</u>	<u>Total Operating Expenditures</u>	<u>Total Library Books and Materials Expenditures</u>	<u>Percentage of Total Operating Expenditures</u>
2010-2011	\$ 6,775,880	\$ (19,859)	\$ 6,756,021	\$ 585,469	8.67%
2011-2012	6,443,582	(15,070)	6,428,512	533,857	8.30%
2012-2013	6,281,241	(37,194)	6,244,047	597,903	9.58%
2013-2014	6,254,734	(38,945)	6,215,789	620,211	9.98%
2014-2015	6,599,601	(17,456)	6,582,145	535,482	8.14%
2015-2016	6,821,292	(7,950)	6,813,342	489,095	7.18%
2016-2017	6,709,174	(48,990)	6,660,184	495,575	7.44%
2017-2018	7,102,311	(33,582)	7,068,729	588,694	8.33%
2018-2019	7,732,879	(29,895)	7,702,984	726,265	9.43%
2019-2020	7,873,312	(37,402)	7,835,910	684,408	8.73%



COMPLIANCE *section*



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

To the Board of Trustees
Henderson District Public Libraries
Henderson, 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 Henderson District Public Libraries, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Henderson District Public Libraries' basic financial statements and have issued our report thereon dated October 27, 2020.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Henderson District Public Libraries' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



HintonBurdick, PLLC
Mesquite, Nevada
October 27, 2019





Independent Auditor's Report on State Legal Compliance

To the Board of Trustees
Henderson District Public Libraries
Henderson, Nevada

We have audited the basic financial statements of Henderson District Public Libraries, for the year ended June 30, 2020, and have issued our report thereon dated October 27, 2020. Our audit also included test work on Henderson District Public Libraries' compliance with selected requirements identified in the State of Nevada Revised Statutes (NRS) including, but not limited to, NRS section 354.624 and section 354.6241.

The management of Henderson District Public Libraries is responsible for the District's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit and make specific statements regarding funds established and the status of prior year findings and recommendations; accordingly, we make the following statements:

The District has established a number of funds in accordance with NRS 354.624 as follows:

Funds whose balance is required to be used only for a specific purpose or carried forward to the succeeding fiscal year in any designated amount:

Capital project fund:

Capital Construction Fund

Debt Service Fund

Special revenue fund:

Contributions and Grants Fund

The District appears to be using the funds expressly for the purposes for which they were created and in accordance with NRS 354.624. The funds are being administered in accordance with Generally Accepted Accounting Principles and the reserves, as applicable, appear reasonable and necessary to carry out the purposes of the funds. Sources of revenues available and fund balances are reflected in the individual fund financial statements.

The statutory and regulatory requirements of the funds are as follows:

Capital Construction Fund

Board resolution, NRS 354.6113

Debt Service Fund

Board resolution

Contributions and Grant Fund

Board resolution

The District had no statutory compliance findings from fiscal year 2019. We noted no new instances of noncompliance during the fiscal year.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Henderson District Public Libraries' complied, in all material respects, with the requirements identified above for the year ended June 30, 2020.

The District has no funds to be reported pursuant to NRS 354.5989.

The purpose of this report is solely to describe the scope of testing of the applicable compliance requirements identified in the Nevada Revised Statutes (NRS) and the results of that testing based on state requirements. Accordingly, this report is not suitable for any other purpose.



HintonBurdick, PLLC
Mesquite, Nevada
October 27, 2020

