

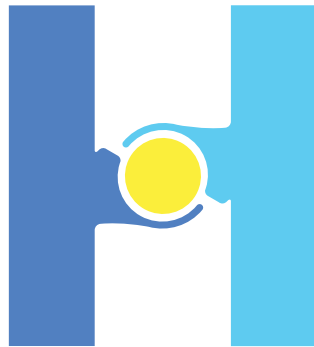


HENDERSON
LIBRARIES

ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT

Fiscal Year Ended
June 30, 2021

HENDERSON DISTRICT PUBLIC LIBRARIES, NEVADA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021



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
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

INTRODUCTORY SECTION:	Page
Letter of Transmittal	1
Library Officials	4
Organizational Chart	5
Certificate of Achievement for Excellence in Financial Reporting.....	6
 FINANCIAL SECTION:	
Independent Auditor’s Report	7
Management’s Discussion and Analysis.....	9
 Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	19
Reconciliation of the Balance Sheet – Governmental Funds to the	
Government-Wide Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds.....	21
Reconciliation of the Statement of Revenues, Expenditures and Changes	
in Fund Balances – Governmental Funds to the Government-Wide	
Statement of Activities.....	22
Statement of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – General Fund	23
Notes to the Financial Statements	24
 Required Supplementary Information:	
Multi-Employer Cost-Sharing Defined Benefit Pension Plan Proportionate	
Share of the Collective Net Pension Liability Information.....	47
Multi-Employer Cost-Sharing Defined Benefit Pension Plan Proportionate	
Share of the Schedule of Statutorily Required Contribution Information.....	48
Schedule of Changes in the Net OPEB Liability and Related Ratios – RHPP	49
Schedule of Changes in the Net OPEB Liability and Related Ratios – PEPB.....	50
Schedule of OPEB Contributions – RHPP.....	51
Schedule of OPEB Contributions – PEPB	52
Notes to Required Supplementary Information	53
 Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Capital Construction Fund – Major Fund	55
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Contributions and Grants Fund – Nonmajor Fund.....	56

HENDERSON DISTRICT PUBLIC LIBRARIES, NEVADA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (continued)

STATISTICAL SECTION:	Table	Page
Financial Trends:		
Net Position by Components	1	57
Changes in Net Position	2	58
Fund Balances, Governmental Funds	3	59
Changes in Fund Balance, Governmental Funds.....	4	60
Revenue Capacity:		
Assessed and Estimated Actual Value of Taxable Property.....	5	61
Property Tax Rates - Direct and Overlapping Governments	6	62
Principal Property Taxpayers	7	63
Property Tax Levies and Collections.....	8	64
Debt Capacity:		
Ratios of Outstanding Debt	9	65
Direct and Overlapping Governmental Activities Debt.....	10	66
Debt Limit Information	11	67
Demographic and Economic Information:		
Demographic and Economic Information	12	68
Principal Employers	13	69
Operating Information:		
Full-Time Equivalent Employees by Function	14	70
Library Materials and Circulation Summary	15	71
Circulation by Location	16	72
Service Location Information.....	17	73
Percentage of General Fund Expenditures Spent on Library Books and Materials.....	18	74
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 <i>Government Auditing Standards</i>		75
Independent Auditor's Report on State Legal Compliance		77



INTRODUCTORY *section*



During the pandemic closure, library teams developed “take and make” craft kits. Different kits for children, teens and adults were available at curbside pickup each week. Special care was used during the making and delivering of the kits to keep them hygienic. The kits were so popular, this offering continues.

PANDEMIC
innovations

November 4, 2021

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

We are pleased to present Henderson District Public Libraries' Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. 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 ACFR 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 misstatement. 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, 2021 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, 2021, 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 displayed robust signs in its local economic activity. Seasonally adjusted employment gained 6,500 jobs in June. June gaming revenue increased significantly by 12.0% from June 2019, although June visitor volume still experienced a loss of 20.6 % over the same period. May taxable sales rose strongly by 12.6% from two years ago and skyrocketed by 54.3% from last year due to the lockdown caused by the coronavirus pandemic in May 2020. Residential housing permits/unit in June also climbed 3.0% and 22.1%, respectively, month-over-month and year-over-year. The local tourism sectors returned with pent-up demands thanks to the vaccine rollouts and federal relief money.

Long-term Financial Planning

Long range financial planning is vital in prioritizing implementation of strategic plan initiatives as well as the capital needs of the District. State projections indicate increased property tax valuations will continue in 2022 and beyond. Management strives to balance increasing expenditures and capital needs with this projected revenue flow. A 5-year projection model is used to aid management in determining short-term budgeting for operations and prioritizing long term capital needs.

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

For Henderson Libraries, much of fiscal year 2021 was spent on pandemic response, reorganization, and realignment. Our libraries rolled out curbside services, virtual programming, and increased digital access to materials through a newly implemented digital library card to support our community through the early phases of the pandemic. Additionally, our team worked to ensure safety in our physical buildings upon reopening. We continue to see community members utilizing library services in a variety of ways – both in person and virtually.

Additionally, during closures we were able to evaluate the allocation of resources to services and began the process of reorganizing to align our resources with our strategic priorities and community need. A new Customer Care Team was established to serve patrons remotely – via telephone, email, and chat. We also developed a new service model, the neighborhood library, that will allow us to align resources that appropriately match use in the community. The first two neighborhood libraries will roll out in fiscal year 2022; one will be a remodel of an existing facility and the other will allow the libraries to expand into an underserved community in Henderson. Finally, an automated materials handling unit was installed at the Paseo Verde Library (with the remaining branches to receive similar units in the future) to support streamlined back-end processes so that our public services team can focus on direct patron services.

As we continue to work through the challenges of the pandemic, the team at Henderson Libraries is positioned to grow and innovate – realizing a new horizon for library services.

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 annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the twenty-first 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 annual comprehensive 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 annual comprehensive 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 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

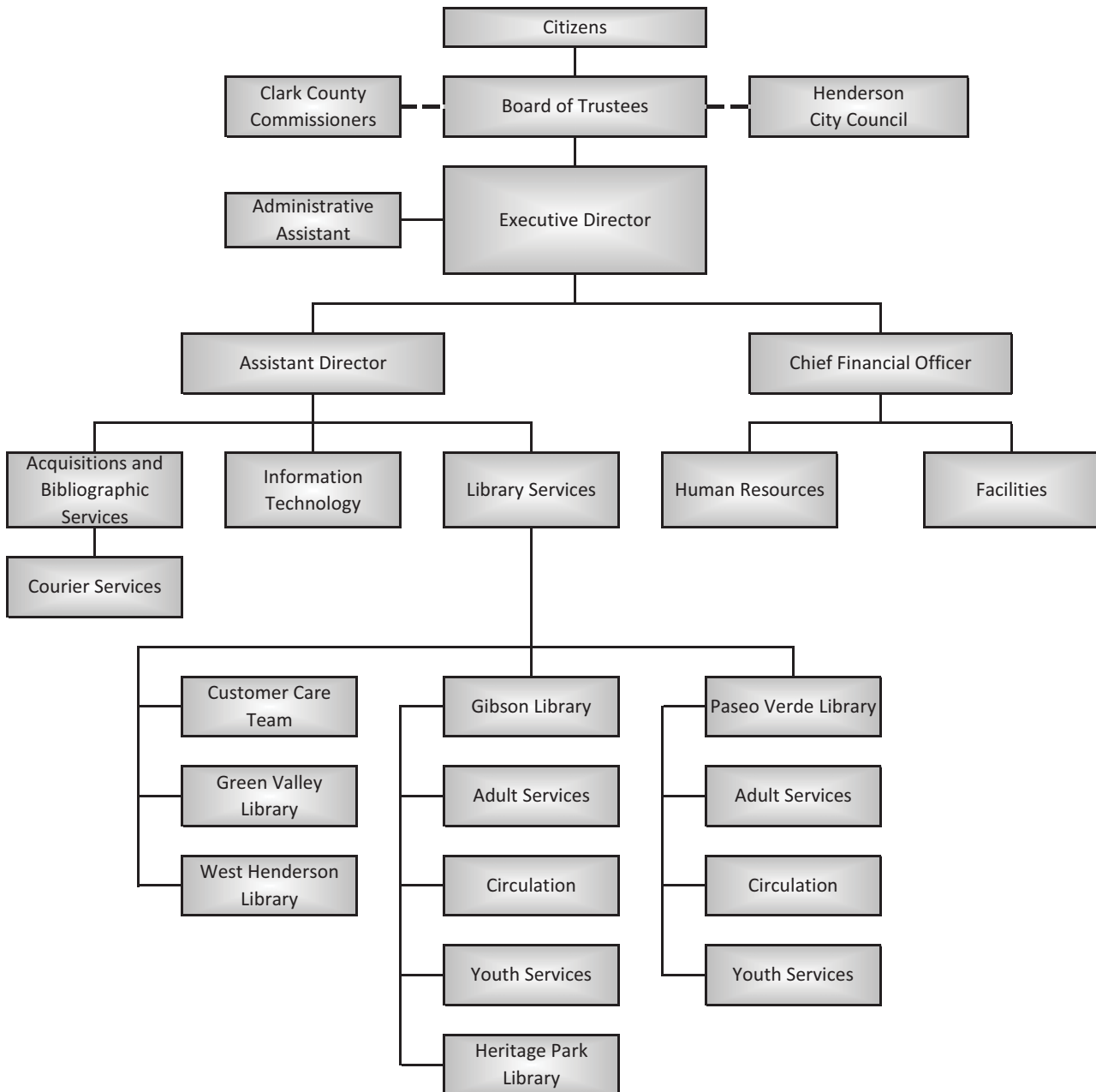
David Ortlipp	Chair
Kip Noschese	Vice Chair
Bette Silverman	Secretary
Jennifer Andricopulos	Trustee
Angela Brommel	Trustee
James Green	Trustee
Patricia Iannuzzi	Trustee

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, 2021





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, 2020

Christopher P. Morill

Executive Director/CEO



FINANCIAL *section*



With libraries closed and most people working and schooling from home, the Henderson Libraries team developed virtual programming. Craft demonstrations, book clubs, storytimes, lectures, trivia and an online reader's advisory - Keeping our community connected.

PANDEMIC
innovations



HINTONBURDICK
CPAs & ADVISORS

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

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, 2021, 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 November 4, 2021, 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
November 4, 2021



**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021. 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 the District's liabilities and deferred inflows of resources at the end of fiscal year 2021 by \$10,914,617 (net position).
- The District's total net position increased by \$261,233. See the section on Government-Wide Financial Analysis for details.
- At the end of fiscal year 2021, the District's governmental funds had combined fund balances of \$8,234,819, an increase of \$1,305,850 from the previous year. Approximately 1.2%, or \$100,698, of ending fund balances is nonspendable, 2.7%, or \$220,559, is restricted for a specific purpose by external sources, 55.7%, or \$4,587,358, is assigned by management for a specific purpose, and 40.4%, or \$3,326,204, is available for spending at the District's discretion.
- As of June 30, 2021, fund balance in the General Fund, excluding nonspendable fund balance, was \$5,678,704 or 72.4% 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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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.

Required Supplementary 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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Other Information -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, 2021, the District is reporting net position of \$10,914,617. The following table provides a summary of the District's net position for the years ended June 30, 2021 and 2020.

Henderson District Public Libraries Net Position

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Assets:		
Current and other assets	\$ 8,951,365	\$ 7,890,794
Capital Assets	13,984,097	14,610,773
Total Assets	<u>22,935,462</u>	<u>22,501,567</u>
Deferred outflow of resource	1,362,755	1,632,202
Liabilities:		
Current liabilities	675,911	881,606
Long-term liabilities	10,441,920	10,058,728
Total liabilities	<u>11,117,831</u>	<u>10,940,334</u>
Deferred inflow of resources	2,265,769	2,540,051
Net position:		
Net investment in capital assets	13,984,097	14,610,773
Restricted by grants and donors	220,559	250,379
Unrestricted	(3,290,039)	(4,207,768)
Total net position	<u>\$ 10,914,617</u>	<u>\$ 10,653,385</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 \$3,290,039 is unrestricted net position.

There was a decrease of \$626,679 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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Governmental Activities - Governmental activities increased the District's net position by \$261,233, or 2.5%, during the current fiscal year. Key elements of this increase are as follows:

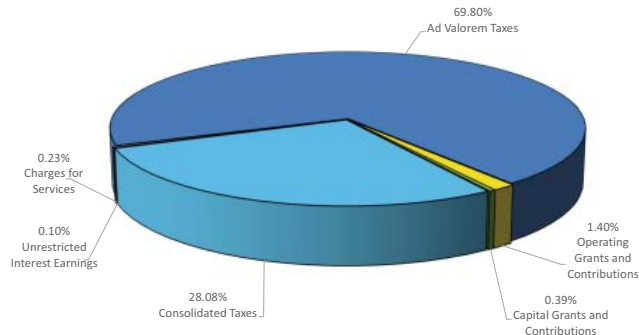
Henderson District Public Libraries Changes in Net Position

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 22,513	\$ 127,845
Operating grants and contributions	135,247	210,486
Capital grants and contributions	37,504	87,217
General Revenues:		
Ad valorem taxes	6,731,289	6,099,264
Consolidated taxes	2,707,724	2,498,279
Unrestricted investment earning	9,746	140,192
Total revenues	<u>9,644,023</u>	<u>9,163,283</u>
Expenses:		
Cultural and recreation	<u>9,382,790</u>	<u>9,346,467</u>
Total expenses	<u>9,382,790</u>	<u>9,346,467</u>
Increase/(decrease) in net position	261,233	(183,184)
Net position, beginning of year	10,653,384	10,836,568
Net position, end of year	<u>\$ 10,914,617</u>	<u>\$ 10,653,384</u>

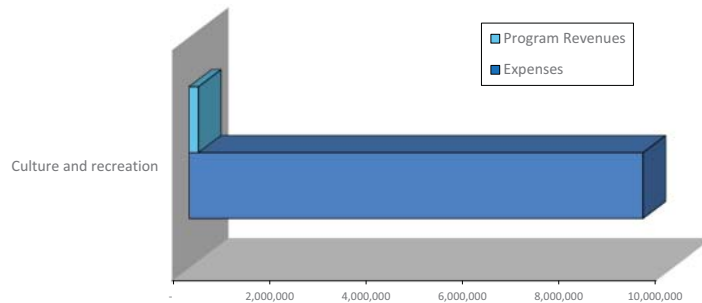
- Charges for services decreased by \$105,332, or 82.4%. This decrease was due to reduced library services during the coronavirus pandemic. While reduced services were provided, fines and other charges for services were minimal. Full library services did not resume until June 2021.
- Operating grants and contributions decreased by \$75,239, or 35.7%, and capital grants and contributions decreased by \$49,713, or 57.0%. These changes are due to normal variations in the types of grants received by the District.
- Ad valorem property taxes increased by \$632,025 or 10.4%, while consolidated taxes increased by \$209,724, or 8.4%. The increase in ad valorem property taxes is due to an increase in assessed value and new property coming onto the tax rolls. The increase in consolidated taxes is due to increased spending as a result of federal relief packages.
- Unrestricted investment earnings decreased by \$130,446, or 93.0%.

HENDERSON DISTRICT PUBLIC LIBRARIES MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Revenue by Source Governmental Activities



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 \$8,234,819, an increase of \$1,305,850 from fiscal year 2020. Of the 2021 ending fund balances, \$3,326,204 or 40.4%, constitutes unassigned fund balance and is available for spending at the District’s discretion; \$4,587,358, or 55.7%, is assigned by management for specific purposes; \$220,559, or 2.7%, is restricted by external sources; and \$100,698, or 1.2%, is nonspendable.

**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

General Fund - The General Fund is the chief operating fund of the District. At the end of fiscal year 2021, the General Fund had an ending fund balance of \$5,779,402, of which \$3,326,204 was unassigned, \$2,352,500 is assigned for use in next year's operations, and \$100,698 is nonspendable.

The General Fund's fund balance increased by \$1,664,439 during the current fiscal year. This increase in fund balance is primarily due to increases in ad valorem taxes and consolidated taxes attributed to a raising housing market and additional spending resulting from federal relief packages, a decrease in capital outlays, and a slight decrease in services and supplies due to reducing in-person programming.

Capital Construction Fund - The Capital Construction Fund had a fund balance of \$2,113,617, a decrease of \$277,413 from the previous fiscal year. The primary reason for this decrease was the purchase of an automated materials handling unit and a roof repair project completed in this fiscal year.

Non-major Funds - The remaining non-major fund, the Contributions and Grants Fund, had a fund balance of \$341,800, a decrease of \$81,176 from the prior year. Limited library services during the majority of this fiscal year, due to the coronavirus pandemic, resulted in reduced donations and the reduced fund balance.

General Fund Budgetary Highlights

The original fiscal year 2021 budget was approved May 21, 2020. 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 no such transfer during fiscal year 2021.

The final budget projected ad valorem property taxes and consolidated taxes, which account for 97.6% of the General Fund's total revenue, to be \$6,539,514 and \$1,453,391 respectively. Ad valorem property tax revenue came in at \$6,770,873, a positive variance of \$231,359, or 3.5%. For fiscal year 2021, fearing fallout from the coronavirus, consolidated tax revenues were budgeted substantially lower, however, this revenue source actually came in at pre-pandemic levels of \$2,707,724, a positive variance of \$1,254,333 or 86.3%.

Actual expenditures were 90.7% of appropriations, or \$802,624 lower than the final budget. The main areas of savings are summarized below:

- Salaries and wages were \$244,068 below the final budget and employee benefits were \$69,438 below the final budget. These were due to savings associated with positions left vacant due to reduced library services being provided.
- Services and supplies were \$378,738 below the final budget. This was due to reduced spending associated with limited library services during the majority of the fiscal year.
- Capital outlay was \$110,380 below the final budget. This was due to normal variations in library materials purchasing.

**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, the District had \$13,984,097 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 \$626,676, or 4.3%, from last year. The following table reflects capital assets of the District at June 30, 2021 and 2020.

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Land	\$ 1,406,051	\$ 1,406,051
Buildings	9,852,432	10,396,262
Land improvements	239,965	269,960
Library materials	1,889,204	2,081,576
Furniture and equipment	596,445	456,924
	<u>\$ 13,984,097</u>	<u>\$ 14,610,773</u>

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

- An automated materials handling unit was added at the Paseo Verde Library for a cost of \$181,554.
- The District capitalized library materials at a cost of \$778,931, including donated materials totaling \$20,894.
- Depreciation expense for the fiscal year was \$1,702,434.

Additional information on the District's capital assets can be found in Notes 1 and 4 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, 2021 is \$1,644,137,855.

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

**HENDERSON DISTRICT PUBLIC LIBRARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Economic Factors and Next Year's Budgets

- The unemployment rate for Clark County has decreased dramatically and is currently 9.6%, which is down 8.2% from last year. The United States national average unemployment rate is 5.92% and the State's average unemployment rate is 8.3%.
- Businesses within Clark County reported taxable sales of \$4.881 billion, a 36.6% decrease from the previous year.
- Property within the District's assessment district raised in value to \$16,441,378,558, an increase of \$1,283,649,785 or 8.5%.

These factors were considered in preparing the District's budget for fiscal year 2022.

The fund balance in the General Fund increased by 40.5% to \$5,779,402 from the prior year. This amount is \$2,449,402 higher than the final budgeted ending fund balance for the 2021 fiscal year.

The District assigned \$2,352,500 of this fund balance to eliminate a projected budgetary deficit in the fiscal year 2022 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*



When the coronavirus pandemic closed public libraries, the only resources available were those that could be reached from home. Henderson Libraries developed a digital library card that could be obtained without visiting the library, granting access to digital downloads, databases, streaming services and more!

PANDEMIC
innovations

HENDERSON DISTRICT PUBLIC LIBRARIES

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	\$ 8,250,242
Accounts receivable	22,238
Interest receivable	1,128
Due from other governments	577,059
Prepays	100,698
Capital assets (net of accumulated depreciation, where applicable):	
Land	1,406,051
Property and equipment	10,688,842
Library books and materials	1,889,204
Total assets	<u>22,935,462</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	1,231,354
Deferred outflows of resources related to other postemployment benefits	131,401
Total deferred outflows of resources	<u>1,362,755</u>
LIABILITIES	
Accounts payable	280,534
Accrued payroll	339,464
Unearned revenue	55,913
Non-current liabilities:	
Portion due or payable within one year:	
Compensated absences	436,300
Portion due or payable in more than one year:	
Compensated absences	459,214
Other postemployment benefit liabilities	2,604,862
Net pension liability	6,941,544
Total liabilities	<u>11,117,831</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	491,771
Deferred inflows of resources related to other postemployment benefits	1,773,998
Total deferred inflows of resources	<u>2,265,769</u>
NET POSITION	
Net investment in capital assets	13,984,097
Restricted by grants and donors	220,559
Unrestricted (deficit)	(3,290,039)
Total net position	<u>\$ 10,914,617</u>

See notes to the financial statements.

HENDERSON DISTRICT PUBLIC LIBRARIES

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Program Revenues				Net (Expense)
					Revenue and
					Changes in
					Net Position
	Expenses	Charges for	Operating	Capital Grants	
		Services	Grants and	and	
			Contributions	Contributions	
FUNCTIONS/PROGRAMS					Governmental
					Activities
Governmental Activities:					
Culture and recreation	\$ 9,382,790	\$ 22,513	\$ 135,247	\$ 37,504	\$ (9,187,526)
General revenues:					
Ad valorem taxes					6,731,289
Intergovernmental revenues, consolidated taxes, unrestricted					2,707,724
Unrestricted investment earnings					9,746
Total general revenues					9,448,759
Change in net position					261,233
Net position, beginning of year					10,653,384
Net position, end of year					\$ 10,914,617

See notes to the financial statements.

HENDERSON DISTRICT PUBLIC LIBRARIES

GOVERNMENTAL FUNDS

BALANCE SHEET JUNE 30, 2021

	General Fund	Capital Construction Fund	Total Nonmajor Governmental Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 5,763,164	\$ 2,113,617	\$ 373,461	\$ 8,250,242
Accounts receivable	-	-	22,238	22,238
Interest receivable	1,128	-	-	1,128
Due from other governments	577,059	-	-	577,059
Prepays	100,698	-	-	100,698
Total assets	<u>\$ 6,442,049</u>	<u>\$ 2,113,617</u>	<u>\$ 395,699</u>	<u>\$ 8,951,365</u>
LIABILITIES				
Accounts payable	\$ 237,291	\$ -	\$ 43,243	\$ 280,534
Unearned revenue	45,257	-	10,656	55,913
Accrued payroll	339,464	-	-	339,464
Total liabilities	<u>622,012</u>	<u>-</u>	<u>53,899</u>	<u>675,911</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property tax	<u>40,635</u>	<u>-</u>	<u>-</u>	<u>40,635</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	100,698	-	-	100,698
Restricted for:				
Green Valley Library	-	-	7,547	7,547
Materials	-	-	133,046	133,046
Outreach	-	-	3,549	3,549
Paseo Verde Library	-	-	5,512	5,512
Programming	-	-	70,905	70,905
Assigned for:				
Capital projects	-	2,113,617	-	2,113,617
Fund balance for next year operations	2,352,500	-	-	2,352,500
Programming and events	-	-	121,241	121,241
Unassigned	<u>3,326,204</u>	<u>-</u>	<u>-</u>	<u>3,326,204</u>
Total fund balances	<u>5,779,402</u>	<u>2,113,617</u>	<u>341,800</u>	<u>8,234,819</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,442,049</u>	<u>\$ 2,113,617</u>	<u>\$ 395,699</u>	<u>\$ 8,951,365</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, 2021

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

Total fund balances - governmental funds (page 19)		\$	8,234,819
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds			
Governmental capital assets	\$	28,924,841	
Less: Accumulated depreciation		<u>(14,940,744)</u>	
			13,984,097
Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds.			
Resources related to pensions		1,231,354	
Resources related to other postemployment benefits		<u>131,401</u>	
			1,362,755
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Compensated absences		(895,514)	
Net pension liability		(6,941,544)	
Obligations for postemployment benefits other than pensions		<u>(2,604,862)</u>	
			(10,441,920)
Deferred inflows of resources represent amounts that were not available to fund current expenditures; and therefore, are not reported.			
Resources related to pensions		(491,771)	
Resources related to other postemployment benefits		(1,773,998)	
Unavailable revenue, property taxes		<u>40,635</u>	
			(2,225,134)
Net position of governmental activities		\$	<u>10,914,617</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, 2021

	General Fund	Capital Construction Fund	Total Nonmajor Governmental Fund	Total Governmental Funds
REVENUES				
Taxes:				
Ad valorem	\$ 6,770,873	\$ -	\$ -	\$ 6,770,873
Intergovernmental:				
Consolidated tax, unrestricted	2,707,724	-	-	2,707,724
Grants, federal and state	-	-	53,515	53,515
Grants, local	-	-	13,544	13,544
Miscellaneous:				
Fines and forfeits	12,561	-	-	12,561
Contributions from private sources	-	-	84,798	84,798
Investment income	7,382	2,063	301	9,746
Other	6,275	-	3,677	9,952
Total revenues	<u>9,504,815</u>	<u>2,063</u>	<u>155,835</u>	<u>9,662,713</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Salaries and wages	4,273,932	-	2,864	4,276,796
Employee benefits	1,688,062	-	136	1,688,198
Services and supplies	1,251,262	21,711	58,615	1,331,588
Capital outlay	627,120	257,765	175,396	1,060,281
Total expenditures	<u>7,840,376</u>	<u>279,476</u>	<u>237,011</u>	<u>8,356,863</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,664,439</u>	<u>(277,413)</u>	<u>(81,176)</u>	<u>1,305,850</u>
Net change in fund balances	<u>1,664,439</u>	<u>(277,413)</u>	<u>(81,176)</u>	<u>1,305,850</u>
Fund balances, beginning of year	<u>4,114,963</u>	<u>2,391,030</u>	<u>422,976</u>	<u>6,928,969</u>
Fund balances, end of year	<u>\$ 5,779,402</u>	<u>\$ 2,113,617</u>	<u>\$ 341,800</u>	<u>\$ 8,234,819</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, 2021**

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) \$ 1,305,850

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	\$ 1,060,281	
Disposition of assets	(5,417)	
Less: Current year depreciation	<u>(1,702,434)</u>	
		(647,570)

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	(39,584)	
Donated capital assets	<u>20,894</u>	
		(18,690)

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	(148,300)	
Change in net pension liability and related deferred outflows and inflows of resources	(166,508)	
Change in obligations for postemployment benefits other than pensions and related deferred outflows and inflows of resources	<u>(63,549)</u>	
		<u>(378,357)</u>

Change in net position of governmental activities	<u><u>\$ 261,233</u></u>
---	--------------------------

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, 2021**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes:			
Ad valorem	\$ 6,539,514	\$ 6,770,873	\$ 231,359
Intergovernmental:			
Consolidated tax, unrestricted	1,453,391	2,707,724	1,254,333
Miscellaneous:			
Fines and forfeits	90,000	12,561	(77,439)
Investment income	60,000	7,382	(52,618)
Other	50,095	6,275	(43,820)
Total revenues	<u>8,193,000</u>	<u>9,504,815</u>	<u>1,311,815</u>
EXPENDITURES			
Current:			
Culture and recreation:			
Salaries and wages	4,518,000	4,273,932	244,068
Employee benefits	1,757,500	1,688,062	69,438
Services and supplies	1,630,000	1,251,262	378,738
Capital outlay	<u>737,500</u>	<u>627,120</u>	<u>110,380</u>
Total expenditures	<u>8,643,000</u>	<u>7,840,376</u>	<u>802,624</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(450,000)</u>	<u>1,664,439</u>	<u>2,114,439</u>
Net change in fund balances	(450,000)	1,664,439	2,114,439
Fund balances, beginning of year	<u>3,780,000</u>	<u>4,114,963</u>	<u>334,963</u>
Fund balances, end of year	<u>\$ 3,330,000</u>	<u>\$ 5,779,402</u>	<u>\$ 2,449,402</u>

See notes to the financial statements.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

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 2021, 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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 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, 2021.

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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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:

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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for financial statements starting with the fiscal year that ends June 30, 2022. The objective of this Statement is to better meet the informational 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.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for financial statements starting with the fiscal year that ends June 30, 2023. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements. Management has not yet completed its assessment of this statement.

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

Tax Abatements

All tax abatement 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, 2021 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, 2021 - \$171

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, 2021 - \$6,125

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

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Amount abated during the year ended June 30, 2021 - \$14,802

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, 2021 - \$3,736

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, 2021 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, 2021 - \$23,772

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, 2021 - \$4,885

Specific tax being abated - Personal property taxes

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, NRS 701A-210 Exemption from certain property taxes for businesses and facilities using recycled materials)

Amount abated during the year ended June 30, 2021 - \$27,577

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, 2021:

Cash on hand	\$ 1,770
Cash in financial institutes	326,824
Investments	7,921,648
Total cash, cash equivalents, and investments	<u>\$ 8,250,242</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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, the recorded amount of the District's deposits was \$326,824 and the bank balances were \$347,196. 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:

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

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, the District had the following investments and maturities:

	<u>Maturities</u>	<u>Fair Value</u>
Pooled Investments:		
State of Nevada Local Government Investment Pool (LGIP)	143 days*	\$ 7,921,648
*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.

At June 30, 2021, the District's Level 1 investments were valued based on quoted market prices provided by recognized broker dealers and its Level 2 investments were valued, by recognized broker dealers, based on a matrix pricing model that maximizes the use of observable inputs for similar securities.

The District has the following recurring fair value measurements as of June 30, 2021:

	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Total Investment</u>
Investments by fair value measurement			
State of Nevada Local Government Investment Pool (LGIP)	\$ 2,588,795	\$ 5,332,853	\$ 7,921,648

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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 – Capital Assets

The following schedule summarizes the changes in capital assets for the year ended June 30, 2021:

Governmental Activities:	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
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	18,420,215	72,598	-	18,492,813
Furniture and equipment	1,289,409	229,646	(44,408)	1,474,647
Land Improvement	599,912	-	-	599,912
Library materials	8,385,990	778,931	(2,213,503)	6,951,418
Total capital assets, being depreciated	28,695,526	1,081,175	(2,257,911)	27,518,790
Less accumulated depreciation for:				
Buildings	(8,023,953)	(616,428)	-	(8,640,381)
Furniture and equipment	(832,485)	(84,708)	38,991	(878,202)
Land improvements	(329,952)	(29,995)	-	(359,947)
Library materials	(6,304,414)	(971,303)	2,213,503	(5,062,214)
Total accumulated depreciation	(15,490,804)	(1,702,434)	2,252,494	(14,940,744)
Total capital assets, being depreciated, net	13,204,722	(621,259)	(5,417)	12,578,046
Governmental activities capital assets, net	\$ 14,610,773	\$ (621,259)	\$ (5,417)	\$ 13,984,097

NOTE 5 – Long-Term Liabilities

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

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due in 2021-2022
Compensated absences	\$ 747,214	\$ 566,001	\$ (417,701)	\$ 895,514	\$ 436,300
Other post-employee benefits	2,490,664	240,925	(126,727)	2,604,862	-
Net pension liability	6,820,850	640,064	(519,370)	6,941,544	-
Total Long-Term Liabilities	\$ 10,058,728	\$ 1,446,990	\$ (1,063,798)	\$ 10,441,920	\$ 436,300

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

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 6 – 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."

Plan Description

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 Provided

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.

Vesting

Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with 5 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 5 years of service, at age 62 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 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 5 years of service, at age 55 with 10 years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service, at age 50 with 20 years of

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

service, or at any age with 30 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.

Contributions

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. In one plan, contributions are shared equally by employer and employee. In the other plan, employees can take a reduced salary and have contributions made by the employer (EPC). 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, 2020, the statutory Employer/Employee matching rate was 15.25% for regular and 22.00% for police/fire members. The Employer-Pay contribution (EPC) was 29.25% for regular and 42.50% for police/fire members.

Investment Policy

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, 2020:

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, 2020, PERS' long-term inflation assumption was 2.75%

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Additional Information

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

Net Pension Liability

PERS collective net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2020 funding actuarial valuation

Actuarial assumptions used in the June 30, 2020 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, 2020. 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, 2020, was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

The District's proportionate share of the net pension liability at June 30, 2020, 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	\$10,826,656	\$6,941,544	\$3,711,983

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Detailed information about PERS fiduciary net position is available in the PERS 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 Annual Financial Report. PERS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The District's proportionate share (amount) of the collective net pension liability was \$6,941,544, which represents 0.04984% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2020, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2020.

For the period ended June 30, 2021, the District's pension expense was \$700,601 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2021, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 215,669	\$ 89,632
Changes in assumptions	194,980	-
Net difference between projected and actual earnings on investments	-	262,223
Changes in proportion and differences between actual contributions and proportionate share of contributions	286,610	139,916
Contributions made subsequent to the measurement date	534,095	

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

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$534,095 will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

For the Year Ended June 30,	
2022	\$ (383,616)
2023	190,868
2024	220,430
2025	154,221
2026	22,027
Thereafter	1,558

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Net pension liability, beginning of year	\$ 6,820,850
Pension expense	700,603
Employer contributions	(519,370)
Net new deferred inflows and outflows of resources	(60,539)
Net pension liability, end of year	<u>\$ 6,941,544</u>

At June 30, 2021, \$81,229 is payable to PERS for the June 2021 required contribution and is included in accounts payable.

NOTE 7 – 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 Clark 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.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021 for each plan are shown below. All retirees must contribute the full amount in order to continue coverage at retirement.

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 2021, 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 \$10,691 for the year ended June 30, 2021 (measurement period ended June 30, 2020).

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 \$6,283 for the year ended June 30, 2021 (measurement period ended June 30, 2020).

Employees covered by benefit terms

RHPP

There are 56 active employees and five retirees participating in the plan as of the July 2021 valuation.

PEPB

There are no active employees covered by or eligible for coverage under PEPB. 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 annual financial report as an internal service fund (the Self-Funded Group Insurance Fund). The CCSF report is available at http://www.clarkcountynv.government/departments/finance/financial_reporting/comptroller/CAFR.php.

PEPB

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

OPEB Liability

Net OPEB Liability

At June 30, 2021, the District reported a net OPEB liability of \$123,843 for PEBP and \$2,481,019 for RHPP. The net liability was measured as of June 30, 2020 and the total liability was determined by an actuarial valuation as of June 30, 2020. 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, 2020 reflects a change in the use of discount rates of 2.21%. Other key assumption changes may be found in the Notes to Required Supplemental Information.

OPEB Liability Discount Rate Sensitivity

The following presents the net OPEB liability calculated using the discount rate of 2.21%, 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:

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	1% Decrease	Discount Rate	1% Increase
Net OPEB Liability - PEBP	\$ 143,0000	\$ 123,843	\$ 109,000
Net OPEB Liability - RHPP	3,006,000	2,481,019	2,072,000

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:

	1% Decrease	Discount Rate	1% Increase
Net OPEB Liability - PEBP	\$ 110,000	\$ 123,843	\$ 141,000
Net OPEB Liability - RHPP	2,071,000	2,481,019	3,002,000

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, 2020
Reporting Date	June 30, 2021
Discount Rate	3.50% per annum (BOY) 2.21% per annum (EOY)
Salary Increase Rate	3.0% per annum
Marriage Rate	30% of future retirees are assumed married with a spouse at retirement, eligible for plan benefits. This is based on current retiree population.
Spouse Age	Male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All future retirees are assumed to be eligible for Medicare at age 65, unless specified in the census data provided by the County. Indicators were provided for retirees not eligible for Medicare.
Actuarial Cost Method	Entry Age Normal based on level percentage of salary
Amortization Cost Method	Experience/Assumptions gains and losses are amortized over a closed period of 13.9 average remaining service to expected retirement age of active and inactive plan members (who have no future service).
Mortality Rates	Pub-2010 headcount weighted mortality table, projected generationally using Scale MP-2020, applied on a gender-specific basis for general and safety personnel.
Healthcare Cost Trend Rates	Pre-Medicare Medical and Rx Benefits: 7.00% decreasing at a rate of 0.25% per year until reaching the ultimate trend rate of 4.00% Medicare Benefits: 6.00% decreasing at a rate of 0.25% per year until reaching the ultimate trend rate of 4.00% Administrative Fees: 4.00% Dental: 4.00%

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Changes in the Net OPEB Liability

<u>RHPP</u>	Increase(decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a)-(b)
Balances at June 30, 2020	\$ 2,377,813	\$ -	\$ 2,377,813
Changes during the period:			
Service cost	129,628	-	129,628
Interest cost	87,948	-	87,948
Employer contributions		(10,691)	10,691
Differences between expected and actual experience	(120,387)	-	(120,387)
Changes in assumptions or other inputs	(4,674)	-	(4,674)
Benefit payments	10,691 *	10,691	-
Net changes	103,206	-	103,206
Balances at June 30, 2021	\$ 2,481,019	\$ -	\$ 2,481,019

* Retiree premium contributions received exceeded the claims payments during FY2020.

<u>PEBP</u>	Increase(decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a)-(b)
Balances at June 30, 2020	\$ 112,851	\$ -	\$ 112,851
Changes during the period:			
Service cost	-	-	-
Interest cost	3,840	-	3,840
Employer contributions	-	6,283	6,283
Differences between expected and actual experience	(6,340)	-	(6,340)
Changes in assumptions or other inputs	19,775	-	19,775
Benefit payments	(6,283)	(6,283)	-
Net changes	10,992	-	10,992
Balances at June 30, 2021	\$ 123,843	\$ -	\$ 123,843

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, 2021, the District recognized OPEB expenses for RHPP of \$41,867 and for PEBP of \$17,275.

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2021, 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	\$ 125,118	\$ 544,973
Differences between expected and actual experience		1,229,025
Total	<u>\$ 125,118</u>	<u>\$ 1,773,998</u>

Expected average remaining service life: 13.9 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:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2022	\$ (175,709)
2023	(175,709)
2024	(175,709)
2025	(175,709)
2026	(175,709)
Thereafter	(770,335)

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

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, 2021 are as follows:

	RHPP	PEBP	Combined
Net OPEB Liability	\$ 2,481,019	\$ 123,843	\$ 2,604,862
Deferred Outflows	125,118	6,283	131,401
Deferred Inflows	1,773,998	-	1,773,998
OPEB Expense	41,867	17,275	59,142

**HENDERSON DISTRICT PUBLIC LIBRARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 8 – 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 9 – 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 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.



REQUIRED SUPPLEMENTARY INFORMATION

section



Binge watching during the coronavirus pandemic helped many people cope with staying home and staying healthy. Library team members made it easy by creating Binge Boxes available at curbside pickup

PANDEMIC
innovations

**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, 2021 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
2020	0.04984%	\$ 6,941,544	\$ 3,551,755	195.44%	77.04%
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, 2021 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
2021	\$ 534,095	\$ 534,095	\$ -	\$ 3,639,337	14.68%
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, 2021
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)	Reporting Fiscal Year (Measurement Date) 2021 (2020)
Total OPEB liability				
Service cost	\$ 315,889	\$ 304,386	\$ 108,373	\$ 129,628
Interest cost	106,452	128,865	82,957	87,948
Difference between expected and actual experience	-	-	-	(120,387)
Assumption changes	(518,643)	(291,766)	146,324	(4,674)
Benefit payments ²	(2,620)	3,337	9,885	10,691
Plan experience	(25,542)	(1,408,068)	-	-
Net change in total OPEB liability	(124,464)	(1,263,246)	347,539	103,206
Total OPEB liability - beginning	3,417,984	3,293,520	2,030,274	2,377,813
Total OPEB liability - ending (a)	<u>\$ 3,293,520</u>	<u>\$ 2,030,274</u>	<u>\$ 2,377,813</u>	<u>\$ 2,481,019</u>
Plan fiduciary net position				
Employer contributions	\$ 2,620	\$ (3,337)	\$ (9,885)	\$ (10,691)
Benefit payments	(2,620)	3,337	9,885	10,691
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 3,293,520	\$ 2,030,274	\$ 2,377,813	\$ 2,481,019
Covered-employee payroll	\$ 3,135,190	\$ 3,238,588	\$ 3,477,361	\$ 3,660,126
Net OPEB liability as a percentage of covered payroll	105.05%	62.69%	68.38%	67.79%

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 Years 2018, 2019, and 2020.

**HENDERSON DISTRICT PUBLIC LIBRARIES
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC EMPLOYEE BENEFIT PROGRAM
JUNE 30, 2021
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)	Reporting Fiscal Year (Measurement Date) 2021 (2020)
Total OPEB liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest cost	6,822	4,602	4,127	3,840
Difference between expected and actual experience	-	-	-	(6,340)
Assumption changes	(24,751)	(104,971)	4,944	19,775
Benefit payments	(6,105)	(6,355)	(5,734)	(6,283)
Plan experience	(1,828)	(168)	-	-
Net change in total OPEB liability	(25,862)	(106,892)	3,337	10,992
Total OPEB liability - beginning	242,268	216,406	109,514	112,851
Total OPEB liability - ending (a)	<u>\$ 216,406</u>	<u>\$ 109,514</u>	<u>\$ 112,851</u>	<u>\$ 123,843</u>
Plan fiduciary net position				
Employer contributions	\$ 6,105	\$ 6,355	\$ 5,734	\$ 6,283
Benefit payments	(6,105)	(6,355)	(5,734)	(6,283)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 216,406	\$ 109,514	\$ 112,851	\$ 123,843
Covered-employee payroll	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll	0.00%	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, 2021
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)	Reporting Fiscal Year (Measurement Date) 2021 (2020)
Contractually required contributions ²	\$ 2,620	\$ (3,337)	\$ (9,885)	\$ (10,691)
Contributions in relation to the contractually required contributions	(2,620)	3,337	9,885	10,691
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,238,588	\$ 3,477,361	\$ 3,660,126	\$ 3,654,849
Contributions as a percentage of covered-employee payroll	0.08%	\$ -0.10%	\$ -0.27%	\$ -0.29%

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 Years 2018, 2019, and 2020.

**HENDERSON DISTRICT PUBLIC LIBRARIES
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF OPEB CONTRIBUTIONS
PUBLIC EMPLOYEE BENEFIT PROGRAM
JUNE 30, 2021
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)	Reporting Fiscal Year (Measurement Date) 2021 (2020)
Contractually required contributions ²	\$ 6,105	\$ 6,355	\$ 5,734	\$ 6,283
Contributions in relation to the contractually required contributions	(6,105)	(6,355)	(5,734)	(6,283)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	N/A ²	N/A ²	N/A ²	N/A ²
Contributions as a percentage of covered-employee payroll	0.00%	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, 2021**

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

For the year ended June 30, 2021, 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, 2020.

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 6 to the basic financial statements.

NOTE 2 – Other Post Employee Benefits

The following changes were made since the prior valuation:

1. The discount rate was updated from 3.50% to 2.21% based on the municipal bond rate as of June 30, 2020.
2. The tread rates were reset to an initial rate of 7.00% (6.00% for post-Medicare), grading down by .025% per year until reaching the ultimate rate of 4.00% based on current Healthcare Analytics (HCA) Consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate.
3. The mortality tables were updated to utilize the Pub-2010 table with the MP-2020 improvement scales (previously the RP-2014 with MP-2018 scales).
4. The marriage assumption is updated to 30% based on the current retiree population data.
5. The plan election rate is updated to 80% PPO and 20% HMO based on the current retiree elections.

At June 30, 2021, 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 7 to the basic financial statements.

This page left blank intentionally.



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.



To help our community access the virtual world - work and school - Henderson Libraries added internet hotspots and Chromebooks that come with an internet hotspot, available for check out through contactless curbside pickup.

PANDEMIC
innovations

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, 2021**

	Original and Final Budget	Actual Amounts	Variance with Original and Final Budget
REVENUES			
Miscellaneous:			
Investment income	\$ 15,000	\$ 2,063	\$ (12,937)
EXPENDITURES			
Current:			
Culture and recreation:			
Services and supplies	300,000	21,711	278,289
Capital outlay	780,000	257,765	522,235
Total expenditures	1,080,000	279,476	800,524
Excess (Deficiency) of revenues over (under) expenditures	(1,065,000)	(277,413)	787,587
Net change in fund balances	(1,065,000)	(277,413)	787,587
Fund balances, beginning of year	2,390,500	2,391,030	530
Fund balances, end of year	\$ 1,325,500	\$ 2,113,617	\$ 788,117

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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental:				
Grants, federal and state	\$ -	\$ 35,985	\$ 53,515	\$ 17,530
Grants, local		24,200	13,544	(10,656)
Miscellaneous:				
Contributions from private sources	93,600	96,600	84,798	(11,802)
Investment income	4,000	4,000	301	(3,699)
Other	-	-	3,677	3,677
Total revenues	<u>97,600</u>	<u>160,785</u>	<u>155,835</u>	<u>(4,950)</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Salaries and wages	-	2,864	2,864	-
Employee benefits	-	136	136	-
Services and supplies	74,801	111,983	58,615	53,368
Capital outlay	<u>178,579</u>	<u>190,852</u>	<u>175,396</u>	<u>15,456</u>
Total expenditures	<u>253,350</u>	<u>305,835</u>	<u>237,011</u>	<u>68,824</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(155,750)</u>	<u>(145,050)</u>	<u>(81,176)</u>	<u>63,874</u>
Net change in fund balances	(155,750)	(145,050)	(81,176)	63,874
Fund balances, beginning of year	<u>384,250</u>	<u>384,250</u>	<u>422,976</u>	<u>38,726</u>
Fund balances, end of year	<u>\$ 228,500</u>	<u>239,200</u>	<u>\$ 341,800</u>	<u>\$ 102,600</u>



STATISTICAL *section*

This part of HDPL's 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.

CONTENTS

FINANCIAL TRENDS.....57-60

REVENUE CAPACITY.....61-64

DEBT CAPACITY.....65-67

DEMOGRAPHIC AND ECONOMIC INFORMATION68-69

OPERATING INFORMATION.....70-74

SOURCES: Unless otherwise noted, the information in these schedules is derived from the 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

Fiscal Year	Net investment in capital assets	Restricted by grants and donors	Unrestricted	Total
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
2020-2021	13,984,097	220,559	(3,290,039)	10,914,617

¹ Restated

HENDERSON DISTRICT PUBLIC LIBRARIES

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

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
						(Restated)				
Expenses										
Governmental Activities:										
Culture and recreation	\$ 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	\$ 9,382,790
Debt service:										
Interest on long-term debt	66,597	40,810	36,043	1,754	-	-	-	-	-	-
Total governmental activities expenses	\$ 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	\$ 9,382,790
Program Revenues										
Governmental Activities:										
Charges for services	\$ 259,648	\$ 221,201	\$ 181,480	\$ 206,464	\$ 229,292	\$ 202,895	\$ 200,238	\$ 200,431	\$ 127,845	\$ 22,513
Operating grants and contributions	212,403	202,180	257,682	360,226	258,677	321,778	205,940	345,810	210,486	135,247
Capital grants and contributions	316,981	282,844	521,035	230,594	192,908	216,309	216,591	140,862	87,217	37,504
Total governmental activities program revenues	\$ 789,032	\$ 706,225	\$ 960,197	\$ 797,284	\$ 680,877	\$ 740,982	\$ 622,769	\$ 687,103	\$ 425,548	\$ 195,264
Net (Expense)/Revenue, governmental activities	<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>	<u>\$ (9,187,526)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Ad valorem taxes	\$ 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	\$ 6,731,289
Consolidated taxes	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	2,707,724
Gain on sale of assets	-	-	-	-	-	-	17,946	-	-	-
Investment earnings	482	1,886	2,086	2,675	9,533	19,712	61,676	156,530	140,192	9,746
Total governmental activities	<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>	<u>\$ 9,448,759</u>
Changes in Net Position, governmental activities	<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>	<u>\$ 261,233</u>

HENDERSON DISTRICT PUBLIC LIBRARIES

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
General Fund										
Nonspendable	\$ 18,924	\$ 70,121	\$ 100,830	\$ 44,906	\$ 100,258	\$ 73,992	\$ 75,257	\$ 61,553	\$ 37,562	\$ 100,698
Assigned	339,913	109,447	100,797	93,000	100,000	424,500	373,000	662,000	450,000	2,352,500 ⁵
Unassigned	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	3,326,204
Total General Fund	\$ 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	\$ 5,779,402
All Other Governmental Funds										
Nonspendable	\$ -	\$ 3,187	\$ -	\$ -	\$ -	\$ 2,685	\$ -	\$ -	\$ -	\$ -
Restricted	125,477	177,901	233,711	328,177	197,978	224,784	241,524	266,148	250,379	220,559
Assigned	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 ⁴	2,234,858
Total All Other Governmental Funds	740,251	832,048	2,056,528	558,632	317,146	399,853	1,694,858	2,319,131	2,814,006	2,455,417
Total All Governmental Funds	\$ 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	\$ 8,234,819

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.

⁵ The increase in the assigned fund balance of the General Fund was due to an increase in the amount of fund balance assigned for next year operations. This budgeted increase was necessary to cover an anticipated shortfall in consolidated tax revenue due to the coronavirus pandemic; however, this shortfall never materialized so the assignment were not used.

HENDERSON DISTRICT PUBLIC LIBRARIES

Changes in Fund Balance, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Revenues										
Ad valorem taxes	\$ 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	\$ 6,770,873
Consolidated taxes	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	2,707,724
Grants	93,686	35,472	46,912	96,374	46,197	22,457	37,086	86,161	22,111	67,059
Fines and forfeits	156,290	155,588	157,630	149,798	142,080	140,707	129,848	117,688	82,969	12,561
Contributions	169,494	189,890	512,148	265,288	241,370	307,919	224,912	278,839	200,486	84,798
Investment income	482	1,886	2,086	2,675	9,533	19,712	61,676	156,530	140,192	9,746
Other income	83,543	58,079	51,199	56,666	60,166	62,188	70,390	82,763	44,876	9,952
Total revenues	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	9,662,713
Expenditures										
Culture and recreation:										
Salaries and wages	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	4,276,796
Employee benefits	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	1,688,198
Services and supplies	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	1,331,588
Capital Outlay	878,014	740,397	1,239,378	845,895	1,063,854	860,538	818,432	935,443	1,389,363	1,060,281
Debt Services:										
Interest	63,376	41,407	36,201	4,220	-	-	-	-	-	-
Principal	2,015,000	172,300	177,500	1,517,900	-	-	-	-	-	-
Administrative and other costs	400	400	400	-	-	-	-	-	-	-
Total expenditures	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	8,356,863
Excess (deficiency) of revenues over (under) expenditures	(1,656,718)	444,176	244,289	(1,137,254)	108,001	895,657	711,408	982,640	409,669	1,305,850
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	\$ 253,482	\$ 444,176	\$ 245,289	\$ (1,137,254)	\$ 135,047	\$ 895,657	\$ 1,642,924	\$ 982,640	\$ 409,669	\$ 1,305,850
Debt Service as a percentage of noncapital expenditures	25.8%	3.6%	3.6%	19.8%	0.0%	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		
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
2020-2021	15,446,670,989	44,133,345,683	994,707,569	2,842,021,626	16,441,378,558	46,975,367,309	35%	0.0608

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	
	Direct Rate	State of Nevada	School District	County	City	Total Overlapping Rates	Total Direct & Overlapping Rates	
2011-2012	0.0575	0.1700	1.3034	0.6541	0.7108	2.8383		
2012-2013	0.0586	0.1700	1.3034	0.6541	0.7108	2.8383	2.8969	
2013-2014	0.0585	0.1700	1.3034	0.6541	0.7108	2.8383	2.8968	
2014-2015	0.0593	0.1700	1.3034	0.6541	0.7108	2.8383	2.8976	
2015-2016	0.0594	0.1700	1.3034	0.6541	0.7108	2.8383	2.8977	
2016-2017	0.0602	0.1700	1.3034	0.6541	0.7108	2.8383	2.8985	
2017-2018	0.0604	0.1700	1.3034	0.6541	0.7108	2.8383	2.8987	
2018-2019	0.0606	0.1700	1.3034	0.6541	0.7108	2.8383	2.8989	
2019-2020	0.0607	0.1700	1.3034	0.6541	0.7108	2.8383	2.8990	
2020-2021	0.0608	0.1700	1.3034	0.6541	0.7408	2.8683	2.9291	

Notes:

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

Source: State of Nevada

Table 7

HENDERSON DISTRICT PUBLIC LIBRARIES

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

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Station Casinos Incorporated	\$ 195,375,342	1	1.19%	\$ 89,509,204	1	1.01%
Basic Management Incorporated	101,699,266	2	0.62%	58,673,113	4	0.66%
M Resort	78,955,588	3	0.48%	46,889,933	6	0.53%
Picerne Real Estate Group	67,868,486	4	0.41%	----		----
Harsch Investment Properties	62,339,773	5	0.38%	27,044,754	8	0.30%
Ascaya Incorporated	56,159,373	6	0.34%	----		----
Ovation Development Corp	49,670,909	7	0.30%	----		----
Invitation Homes	46,396,539	8	0.28%	----		----
Universal Health Services, Inc	45,442,638	9	0.28%	----		----
Lennar Corporation	43,021,278	10	0.26%	----		----
Green Valley Ranch Gaming LLC	----		----	78,609,908	2	0.89%
Greenspun Corporation	----		----	73,579,471	3	0.83%
W.L. Nevada, Inc	----		----	54,070,100	5	0.61%
Ranch Center Associates Limited Partnership	----		----	29,039,760	7	0.33%
Focus Property Group	----		----	26,609,630	9	0.30%
Federal National Mortgage Association	----		----	25,077,730	10	0.28%
	<u>\$ 746,929,192</u>		<u>4.54%</u>	<u>\$ 509,103,603</u>		<u>5.74%</u>
Total Assessed Valuation	\$16,441,378,558			\$ 8,871,352,751		

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
2011-2012	\$ 68,067,035	\$ 62,318,519	91.55%	\$ 5,746,776	\$ 68,065,295	100.00%
2012-2013	62,538,047	62,001,607	99.14%	534,697	62,536,304	100.00%
2013-2014	63,178,223	62,745,339	99.31%	429,138	63,174,477	99.99%
2014-2015	66,787,901	62,085,894	92.96%	4,698,158	66,784,052	99.99%
2015-2016	71,332,180	70,929,121	99.43%	398,599	71,327,720	99.99%
2016-2017	74,487,465	74,081,196	99.45%	400,247	74,481,443	99.99%
2017-2018	80,905,349	80,478,708	99.47%	417,824	80,896,532	99.99%
2018-2019	88,833,213	88,354,151	99.46%	446,858	88,801,009	99.96%
2019-2020	97,676,529	97,167,897	99.48%	404,927	97,572,824	99.89%
2020-2021	108,691,896	108,232,705	99.58%	-	108,232,705	99.58%

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
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%
2020-2021	-	330,367	-	13,454,895,768	0.00%	46,975,367,309	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, 2021
(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	800,661,029	128,839,258	671,821,771	15.67%	105,274,472
Clark County School District ²	3,174,828,184	361,337,999	2,813,490,185	15.67%	440,873,912
City of Henderson ³	169,438,311	6,399,429	163,038,882	100.00%	163,038,882
Total Overlapping Debt	<u>4,144,927,524</u>	<u>496,576,686</u>	<u>3,648,350,838</u>		<u>709,187,266</u>
Total Direct and Overlapping Debt	<u>\$ 4,144,927,524</u>	<u>\$ 496,576,686</u>	<u>\$ 3,648,350,838</u>		<u>\$ 709,187,266</u>

Sources:

¹ Clark County Assessor's Office² Clark County School District Finance Department³ 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									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Assessed valuation	\$ 8,871,352,751	\$ 8,207,069,673	\$ 8,464,820,271	\$ 9,774,627,673	\$ 10,957,593,814	\$ 11,979,193,982	\$ 12,915,968,107	\$ 13,712,637,755	\$ 15,157,728,773	\$ 16,441,378,558
Debt limit - 10% of assessed value	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	1,644,137,856
Debt outstanding applicable to the limit	1,867,700	1,695,400	1,517,900	-	-	-	-	-	-	-
Legal debt margin	\$ 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	\$ 1,644,137,856
Legal debt margin as a percentage of debt limit	99.79%	99.79%	99.82%	100.00%	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
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
2020-2021	330,367	13,454,895,768	40,727	9.60%	300,907

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 2021			Fiscal Year 2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of Henderson ¹	3,076	1	2.74%	2,980	1	2.38%
Barclays Services, LLC	1,000-4,999	2	0.89-4.46%	----		----
Green Valley Ranch Station Casino	1,000-4,999	3	0.89-4.46%	1,500-1,999	3	1.20-1.60%
St. Rose Dominican Hospital - Siena	1,000-4,999	4	0.89-4.46%	1,500-1,999	2	1.20-1.60%
Sunset Station Hotel & Casino	1,000-4,999	5	0.89-4.46%	1,000-1,499	5	0.80-1.20%
Amazon LAS1 Distribution Center	500-999	6	0.45-0.89%	----		----
CaptionCall, LLC	500-999	7	0.45-0.89%	----		----
Fiesta Lake Mead Station	500-999	8	0.45-0.89%	600-699	7	0.48-0.56%
Henderson Hospital	500-999	9	0.45-0.89%			
St. Rose Dominican Hospital-Rose de Lima	500-999	10	0.45-0.89%	700-799	6	0.56-0.64%
M Resort Spa & Casino	----		----	1,000-1,499	4	0.80-1.20%
Medco Health LLC	----		----	600-699	8	0.48-0.56%
Zappos CLT Inc	----		----	500-599	9	0.40-0.48%
Wal-Mart Superstore	----		----	500-599	10	0.40-0.48%

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									
	2012	2013 ¹	2014	2015	2016	2017	2018	2019	2020	2021 ²
Library Services:										
Adult Services	13.5	13.5	15.0	15.0	15.0	17.0	16.5	16.5	15.5	10.0
Circulation	25.0	24.0	25.5	25.5	26.0	26.0	26.0	25.5	26.5	16.0
Neighborhood Libraries	---	---	---	---	---	---	---	---	---	7.0
Outreach	4.0	---	---	---	---	---	---	---	---	---
Youth Services	16.0	14.0	14.5	14.5	15.0	15.0	15.0	14.5	15.5	11.0
Acquisition & Bibliographic Services	7.0	6.5	6.5	6.5	5.5	5.5	5.5	5.5	5.5	5.5
Administration	9.5	8.5	8.0	8.0	7.0	7.0	8.0	8.0	7.0	9.0
Customer Care Department	---	---	---	---	---	---	---	---	---	5.0
Information Technology	6.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Total	<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>	<u>69.5</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.

² HDPL reorganized the Green Valley Library during fiscal year 2021 to be a neighborhood library. Neighborhood libraries are smaller locations with reduced services and staffing. Remaining staff were allocated to the new Customer Care Department and a new neighborhood library in West Henderson. This new library is slated to open during fiscal year 2022. Staff allocated to this library are assisting in other libraries and performing outreach services until that opening.

Table 15

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>
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	4.66
2020-2021	237,313	8,385,990	778,931	(2,213,503)	1,889,204	986,693 ³	4.16

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 library closures and restrictions due to the coronavirus pandemic. All libraries were closed on March 16, 2020 and remained closed to the public until February 28, 2021. Limited curbside services began on June 1, 2020. On March 1, 2021, the libraries reopened with limited services and capacity. Full capacity was restricted until June 1, 2021.

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
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
2020-2021 ³	----	59,917	485	152,716	----	409,453	364,122	986,693

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.

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 library closures and restrictions due to the coronavirus pandemic. All libraries were closed on March 16, 2020 and remained closed to the public until February 28, 2021. Limited curbside services began on June 1, 2020. On March 1, 2021, the libraries reopened with limited services and capacity. Full capacity was restricted until June 1, 2021.

Table 17

HENDERSON DISTRICT PUBLIC LIBRARIES

Service Location Information
Last Ten Fiscal Years
(unaudited)

Library	Current Status	Square Footage as of Fiscal Year-End									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Galleria Library 1300 W. Sunset Rd, Ste 1121 Henderson, NV 89014	Leased ¹	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	----	----	----	----
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.

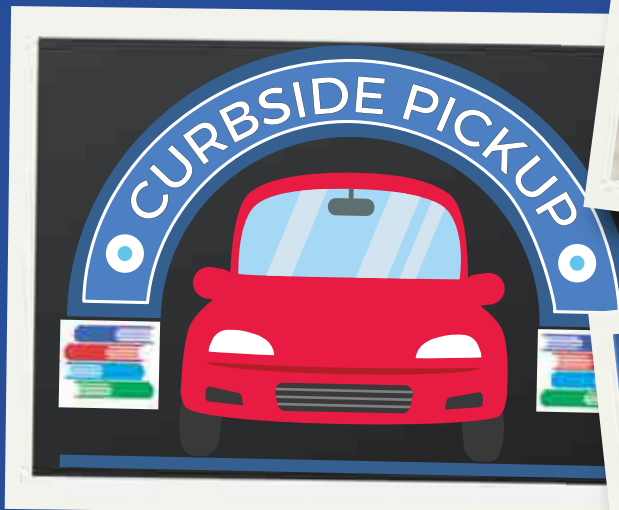
HENDERSON DISTRICT PUBLIC LIBRARIES

General Fund
Percentage of Expenditures Spent on Library Books and Materials
Last Ten Fiscal Years
(unaudited)

<u>Fiscal Year</u>	<u>Total</u> <u>Expenditures</u>	<u>Less Capital</u> <u>Outlay Other</u> <u>than Books</u>	<u>Total</u> <u>Operating</u> <u>Expenditures</u>	<u>Total</u> <u>Library Books</u> <u>and Materials</u> <u>Expenditures</u>	<u>Percentage of</u> <u>Total Operating</u> <u>Expenditures</u>
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	7,891,878	(37,402)	7,854,476	697,288	8.88%
2020-2021	7,840,376	(27,868)	7,812,508	599,252	7.67%



COMPLIANCE *section*



When the coronavirus pandemic closed libraries, Henderson Libraries staff quickly formulated a plan for contactless, curbside pickup. Returned materials were quarantined for 72 hours.

PANDEMIC
innovations



**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, 2021, 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 November 4, 2021.

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
November 4, 2021





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, 2021, and have issued our report thereon dated November 4, 2021. 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 2020. 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, 2021.

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
November 4, 2021

