

COMPREHENSIVE ANNUAL FINANCIAL REPORT

July 1, 2015 - June 30, 2016

Las Vegas, Nevada

Las Vegas-Clark County

LIBRARY

DISTRICT

www.lvccld.org

This page intentionally left blank.

Comprehensive Annual Financial Report

**Las Vegas - Clark County
Library District**

July 1, 2015 - June 30, 2016

Las Vegas, Nevada

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

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

This page intentionally left blank



Las Vegas-Clark County Library District

Table of Contents For the Fiscal Year Ended June 30, 2016

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	7
Certificate of Achievement for Excellence in Financial Reporting	11
Board of Trustees	12
Organizational Chart	13
 FINANCIAL SECTION	
Independent Auditors' Report on Financial Statements and Supplementary Information	17
Management's Discussion and Analysis	21
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	33
Statement of Activities	35
Fund Financial Statements:	
Balance Sheet	39
Reconciliation of the Balance Sheet to the Statement of Net Position	40
Statement of Revenues, Expenditures and Changes in Fund Balances	41
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	42
Notes to Basic Financial Statements	45



Las Vegas-Clark County Library District

Table of Contents (continued) For the Fiscal Year Ended June 30, 2016

	<u>Page</u>
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	67
Schedule of Funding Progress - Postemployment Benefits Other Than Pensions	68
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan: Proportionate Share of the Collective Net Pension Liability Information	69
Proportionate Share of Statutorily Required Pension Contribution Information	70
Notes to Required Supplementary Information	71
Other Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Major Funds:	
Debt Service Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	81
Capital Projects Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	85
Non-Major Funds:	
Special Revenue Funds and Permanent Fund	
Combining Balance Sheet	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	92
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Grant Fund	93
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Gift Fund	94
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	95



Las Vegas-Clark County Library District

Table of Contents (continued) For the Fiscal Year Ended June 30, 2016

	<u>Table</u>	<u>Page</u>
STATISTICAL SECTION		
Net Position by Component	1	100
Changes in Net Position	2	101
Fund Balances, Governmental Funds	3	102
Changes in Fund Balances, Governmental Funds	4	103
General Governmental Revenues by Source	5	104
Principal Property Tax Payers	6	105
Schedule of Property Tax Rates - Direct and Overlapping Governments	7	106
Assessed and Estimated Actual Value of Taxable Property in Clark County	8	107
Property Tax Levies and Collections for Clark County	9	108
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita	10	109
Computation of Legal Debt Margin	11	110
General Obligation Direct and Overlapping Government Debt	12	111
Demographic Statistics - Clark County	13	112
Principal Employers	14	113
Full-Time Equivalent Employees by Function	15	114
Circulation Summary	16	115
Capital Assets Statistics by Function/Program	17	116
 SINGLE AUDIT AND ACCOMPANYING INFORMATION		
Independent Auditors' Report on Compliance for each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance		119
Schedule of Expenditures of Federal Awards		121
Notes to Schedule of Expenditures of Federal Awards		122
Schedule of Findings and Questioned Costs		123

This page intentionally left blank

INTRODUCTORY SECTION

This page intentionally left blank



November 21, 2016

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

Nevada Revised Statutes (NRS) 354.624(6) require the Las Vegas-Clark County Library District (the District) to submit, within six months of the close of each fiscal year, a “complete set” of financial statements presented in accordance with accounting principles generally accepted in the United States and audited by a firm of independent certified public accountants in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, the Comprehensive Annual Financial Report for the District as of and for the year ended June 30, 2016, is hereby submitted.

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

The District's basic financial statements were audited by Piercy Bowler Taylor & Kern, Certified Public Accountants & Business Advisors. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District as of and for the year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's basic financial statements as of and for the year ended June 30, 2016, are fairly presented in all material respects in conformity with accounting principles generally accepted in the United States. The Independent Auditors' Report on Financial Statements and Supplementary Information is presented as the first component of the financial section of this report. In addition, the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* is presented as the last component of the financial section of this report.

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

Profile of the District

The District was created in 1985 by the Nevada State Legislature to form a single taxing entity for the City of Las Vegas (the City) and the Clark County Library District. It replaced the Clark County Library District and has a

contractual arrangement with the City to operate the City's libraries. The District serves all persons living in the 7,927 square miles of Clark County (the County) except for those living in the incorporated City of North Las Vegas and those living in areas served by the Henderson and Boulder City Library Districts.

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

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

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

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

Factors Affecting Financial Condition

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

However, during the Great Recession, the Las Vegas metropolitan area saw large layoffs due to drops in business income in its major local industries, which resulted in an unusually high rate of unemployment of 14%. Despite a

decline in the unemployment rate from 7% at June 2015 to the current rate of 6.9%, Las Vegas still has one of the highest unemployment rates in the nation that is well above its pre-recession lows of 4.6%.

Regardless of the fact that the Las Vegas valley is one of the top five communities in the nation for home foreclosures, it continues to see a strong uptick in the construction of new homes due to low interest rates. With low interest rates, the pricing of existing homes has been stabilizing with some modest increase in growth over the past two years. This is good news from the standpoint that revenue from property taxes has increased during the fiscal year just ended, and is now expected to increase again over the next several fiscal years.

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

Long-term financial planning. In an effort to maintain the sustainability of District operations, permanent cuts of approximately \$4.9 million were realized in prior years. The cuts included the elimination of 96 positions, reduced expenditures on library materials, and a reduction in urban branch hours from 72 per week to 64. Also, the District has completed the second of a two-year agreement with its employees' unions to maintain salaries at current levels, and to decrease its union related healthcare costs over the same time period. This concession eliminated the need to make further cuts in staffing levels or to reduce its seven-days-a-week operation.

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

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

Collections for the District's secondary funding source (consolidated sales tax) have stabilized to levels between \$19 and \$21 million after years of double-digit percentage decreases due to slowdowns in spending by tourists and Las Vegas locals. Accordingly, the District will continue to adjust its operating expenditures to match revised revenue forecasts.

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

In 2013, in keeping with its long-term planning strategy, the District transferred a combined \$45 million from the general fund (\$16M) and the capital projects fund (\$29M) to the debt service fund to cover the remaining six years of outstanding bond payments. At June 30, 2016, the outstanding combined principal and interest balance was \$22.9 million, payable over the next four years with the final payment due in 2019.

It is the District's policy that "one time" resource inflows *not* be used for operating purposes. Accordingly, the District normally maintains a general fund balance between 10% and 12% of operating expenditures. Any surplus exceeding this threshold may be transferred to the capital projects fund.

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

Construction, Library Materials, Vehicle Purchase and Replacement, Furniture Purchase and Replacement, Financial Services, and Programming and Venues.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Las Vegas-Clark County Library District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Dr. Ronald R. Heezen
Executive Director



Frederick James, CPA
Deputy Director/Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Board of Trustees



Michael Saunders
Chair



Randy Ence
Vice Chair



Ydoleena Yturralde
Secretary



Shannon Bilbray-Axelrod
Treasurer



Keiba Crear



Marilyn Francis Drake



Jose L. Melendrez



Sheila Moulton



Felipe A. Ortiz

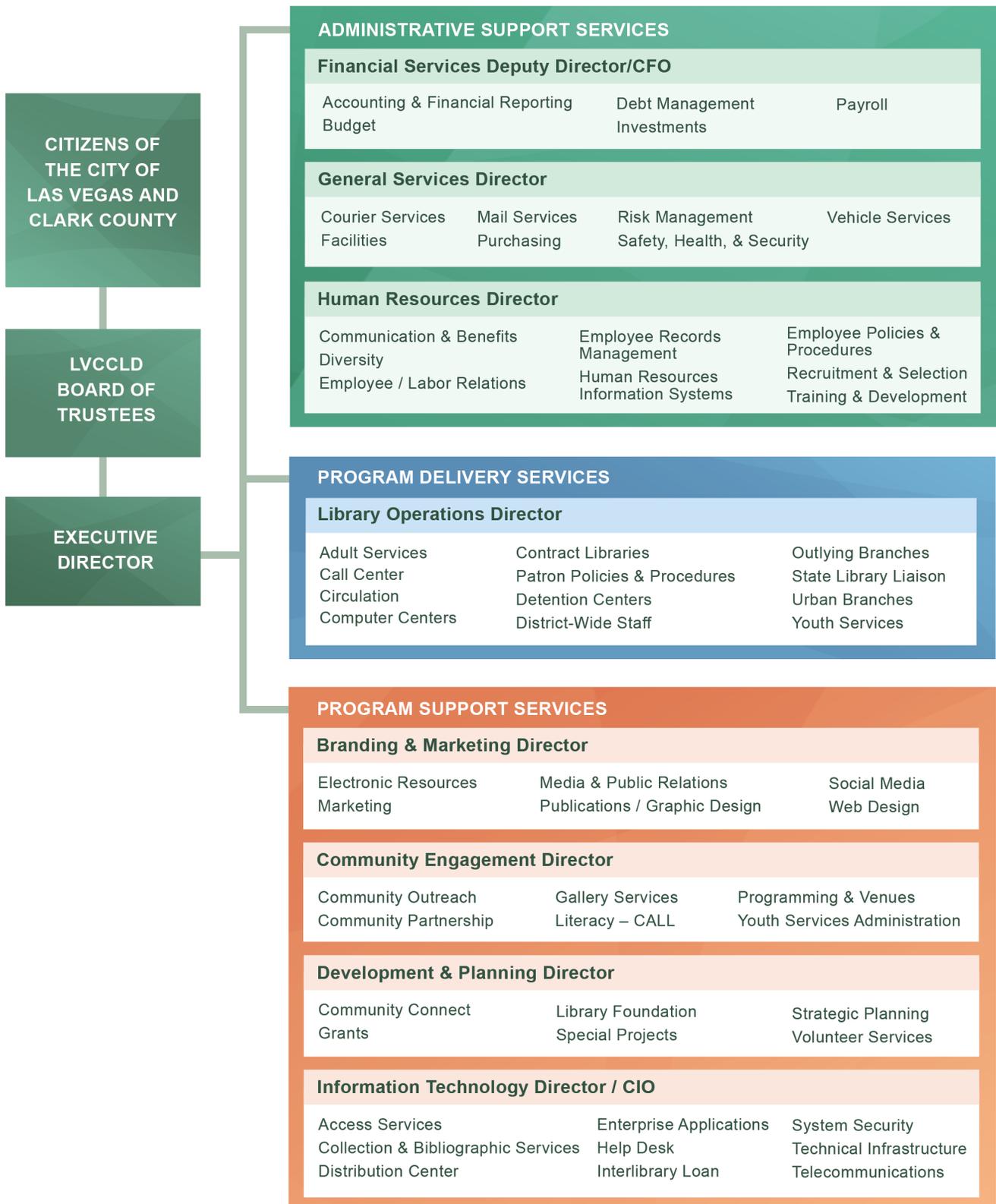


Robin Wadley-Munier



Dr. Ronald R. Heezen
Executive Director

Organizational Chart



This page intentionally left blank

FINANCIAL SECTION

This page intentionally left blank

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Las Vegas - Clark County Library District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding

progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 21-28 and 67-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Las Vegas, Nevada

September 30, 2016, except for introductory and statistical sections as to which the date is November 21, 2016

MANAGEMENT'S DISCUSSION and ANALYSIS

This page intentionally left blank



Las Vegas-Clark County Library District

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

As management of the Las Vegas-Clark County Library District (the District), we offer readers of the Annual Financial Report this narrative overview and analysis of the financial activities of the District as of and for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information provided in our letter of transmittal, which can be found on pages 7-10 of this report.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$159,634,788 (net position). Of this amount, \$29,872,347 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$8,252,252 (5%), which is \$5,911,199 (253%) more than the prior year net position increase. This increase is primarily attributable to higher property tax and intergovernmental revenues, private contributions, and a gain on the sale of capital assets in the current year. The District expects to continue to experience net position increases in future years partially as a result of improving tax revenues and the District continuing its conservative spending practices, which are designed to provide fiscal stability, but not to adversely affect the provision of library services.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$70,830,900, an increase of \$6,541,744 (10%) from the prior year. Approximately 14% of the total fund balance (\$9,666,594) is available for spending at the District's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,666,594, 18% of total general fund expenditures.
- The District's general obligation debt decreased by \$6,280,000 (23%) during the current fiscal year, due to scheduled bond principal payments.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for



Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2016

some items that will only result in cash flows in future fiscal periods (*e.g.*, uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 33-35 of this report.

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

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

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

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

The fund financial statements can be found on pages 39-42 of this report.

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

The notes to basic financial statements can be found on pages 45-63 of this report.

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

The required supplementary information can be found on pages 67-71 of this report.



Las Vegas-Clark County Library District

**Management’s Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2016**

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

The combining statements and individual fund schedules can be found on pages 81-94 of this report.

Government-wide Financial Analysis

As previously noted, net position may serve as a useful indicator over time of a government’s financial condition. In the case of the District, at the close of the most recent fiscal year, assets exceeded liabilities by \$159,634,788.

By far, the largest portion of the District’s net position (81%) is its investment in capital assets (land, buildings, improvements, library media materials, and furniture and equipment), less any related debt used to acquire these assets, which are used to provide services to citizens; consequently, these assets are not available for future expenditures. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Las Vegas-Clark County Library District Net Position

	June 30,	
	2016	2015
Capital assets	\$ 150,396,075	\$ 156,551,393
Other assets	<u>75,103,728</u>	<u>68,752,934</u>
	<u>225,499,803</u>	<u>225,304,327</u>
Deferred outflows of resources	<u>7,003,836</u>	<u>5,500,569</u>
Long-term liabilities outstanding	55,581,758	57,992,429
Other liabilities	<u>12,314,533</u>	<u>12,556,575</u>
	<u>67,896,291</u>	<u>70,549,004</u>
Deferred inflows of resources	<u>4,972,560</u>	<u>8,873,356</u>
Net position:		
Net investment in capital assets	129,379,355	129,077,870
Restricted	383,086	380,565
Unrestricted	<u>29,872,347</u>	<u>21,924,101</u>
	<u>\$ 159,634,788</u>	<u>\$ 151,382,536</u>

Resources that are subject to external restrictions on how they may be used represent an additional portion of the District’s net position (0.2%). The remaining balance of unrestricted net position (\$29,872,347) may be used to meet the District’s ongoing obligations.

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



Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2016

There was an increase of \$301,485 (0.2%) in net investment in capital assets. This increase resulted from normal business operations and depreciation. See the discussion on capital assets for further explanations.

Governmental activities. Governmental activities increased the District's net position by \$8,252,252 (5%). Key elements of this increase are as follows:

Las Vegas-Clark County Library District Changes in Net Position

	Year Ended June 30,	
	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 1,940,056	\$ 1,912,010
Operating grants and contributions	4,253,809	1,040,401
General revenues:		
Property taxes	37,782,285	36,689,006
Intergovernmental consolidated taxes	20,118,630	19,457,174
Other	3,133,519	707,548
	67,228,299	59,806,139
Expenses:		
Culture and recreation	57,957,100	56,210,061
Long-term debt interest	1,018,947	1,255,025
	58,976,047	57,465,086
Change in net position	8,252,252	2,341,053
Net position, beginning of year, as previously reported	151,382,536	187,453,307
Adjustment	—	(38,411,824)
Net position, beginning of year, as adjusted	151,382,536	149,041,483
Net position, end of year	\$ 159,634,788	\$ 151,382,536

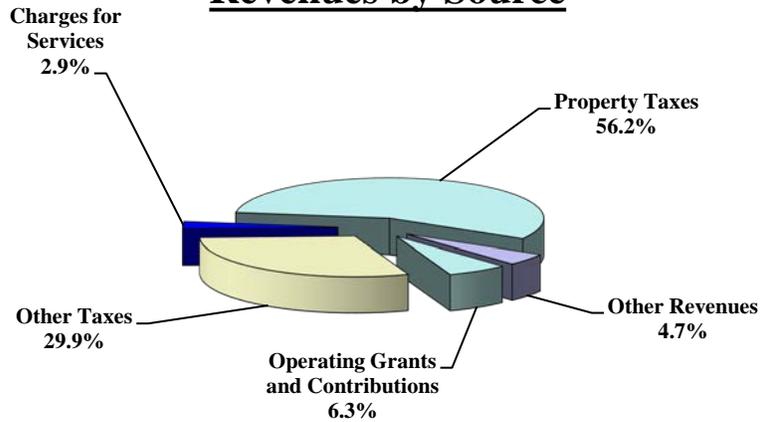
- Operating grants and contributions increased by \$3,213,408 (309%) due to a \$3,055,000 private contribution received by the District.
- Property taxes increased \$1,093,279 (3%) while intergovernmental consolidated taxes increased \$661,456 (3%). The increase in property taxes in Southern Nevada is primarily due to recovering property values and the effect of a statutory limit on the increase of property taxes in any single year. The increase in intergovernmental consolidated taxes is due to increased consumer spending (tourist and local).
- Other revenues increased \$2,425,971 (343%) due primarily to a gain on sale of capital assets.
- Culture and recreation expenses increased \$1,747,039 (3%). This change can be primarily attributed to increases in personnel costs (\$1,710,898).
- Interest expense relative to long-term debt decreased \$236,078 (19%) primarily due to decreasing interest as bonds approach retirement.



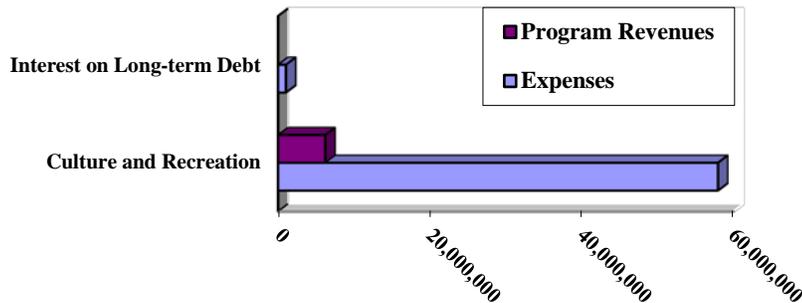
Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2016

Revenues by Source



Expenses and Program Revenues



Financial Analysis of the District's Funds

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

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



Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2016

At June 30, 2016, the District's governmental funds reported combined ending fund balances of \$70,830,900, an increase of \$6,541,744 (10%) from the prior year. Approximately 14% of the total fund balance (\$9,666,594) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the combined ending fund balances is not available for spending because it has already been restricted or assigned to 1) pay debt service (\$23,260,728), 2) the acquisition, construction or improvement of capital assets (\$37,520,492), 3) grant and other programs (\$373,086), or 4) generate income to pay for the purchase of library media materials (\$10,000).

The general fund is the chief operating fund of the District. At June 30, 2016, the fund balance of the general fund was \$9,666,594. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 18% of total general fund expenditures.

The fund balance of the District's general fund decreased by \$7,489,806 (44%) during the current fiscal year. The change in fund balance is primarily due to increases in personnel costs, services and supplies expenditures and transfers to other funds, which were partially offset by increases in property taxes, intergovernmental consolidated taxes, and private contributions.

The debt service fund has a total fund balance of \$23,260,728, all of which is assigned for the payment of debt service. The decrease in fund balance during the current year in the debt service fund was \$7,382,916 (24%) from the prior year, due to normal debt interest and principal payments.

The capital projects fund has a total fund balance of \$37,520,492. The net increase in fund balance during the current year in the capital projects fund was \$21,411,945 (133%) from the prior year. The primary reasons for the increase were transfers from other funds and proceeds for the sale of capital assets.

The aggregate non-major funds have a combined total fund balance of \$383,086. The net increase in fund balance during the current year in the aggregate non-major funds was \$2,521 (0.7%) from the prior year, and was due to increased contributions in the gift fund.

General Fund Budgetary Highlights

During the year, revenues were less than the final budgetary estimate by \$3,935,556 (6%) primarily due to building sale proceeds recognized in the capital projects fund instead of the general fund offset by private contributions. Expenditures were less than the final budgetary estimate by \$6,798,383 (11%), primarily due to the District's conservative spending practices. All functions were within appropriation authority. Actual ending fund balance was \$3,094,800 (47%) more than the final budgetary estimate.

Additional information on the District's general fund budget can be found on pages 50-51, 67 and 71 of this report.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets as of June 30, 2016, amounts to \$150,396,075 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, library media materials, and furniture and equipment. The net decrease in the District's investment in capital assets for the current fiscal year was \$6,155,318 (4%).



Las Vegas-Clark County Library District

**Management’s Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2016**

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

- Construction in progress additions were purchased at a cost of \$1,199,797 for the construction of new buildings.
- A building was sold for a gain of \$2,365,772.
- The District purchased library media materials, at a cost of \$7,884,304, a decrease of \$23,599 from the prior fiscal year purchases.
- Furniture and equipment additions were purchased at a cost of \$364,084.
- Depreciation expense for the fiscal year was \$11,036,936.

Capital assets at year end were as follows:

Las Vegas-Clark County Library District Capital Assets (net of accumulated depreciation)		
	June 30,	
	2016	2015
Land	\$ 5,096,578	\$ 4,396,578
Construction in progress	1,256,043	56,246
Buildings	90,007,399	97,914,669
Improvements	386,898	428,115
Library media materials	49,689,708	48,622,517
Furniture and equipment	3,959,449	5,133,268
	<u>\$ 150,396,075</u>	<u>\$ 156,551,393</u>

Additional information on the District’s capital assets can be found on pages 48 and 54 of this report.

Long-term debt. At June 30, 2016, the District had total bonded debt outstanding of \$20,775,000, all of which is backed by the full faith and credit of the District.

Las Vegas–Clark County Library District Outstanding Debt General Obligation Bonds		
	June 30,	
	2016	2015
Bond issue series:		
2009	<u>\$ 20,775,000</u>	<u>\$ 27,055,000</u>

The District’s total long-term debt decreased by \$6,280,000 (23%), as a result of repayments made during the current fiscal year. All of the District’s general obligation bonds were issued with AAA and AA ratings.

State statutes limit the amount of general obligation debt the District may issue to 10% of its total assessed valuation. The current debt limitation for the District is \$5,237,763,701, which is significantly in excess of the District’s outstanding general obligation debt.



Las Vegas-Clark County Library District

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2016

Additional information on the District's long-term debt can be found on pages 49 and 55-56 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clark County is currently 6.9%, which is a slight decrease from a rate of 7% a year ago. The United States national average unemployment rate is 4.9% and the State's average unemployment rate is 6.4%.
- Inflationary trends in the District are comparable to the United States national indices.
- Businesses, within Clark County, reported taxable sales of \$3.6 billion, an increase from sales of \$3.27 billion reported in the previous year.
- Gaming establishments, within Clark County, reported gaming revenues of \$761.6 million, a 7.3% increase from the \$709.6 million reported in the prior fiscal year.

All of these factors were considered in preparing the District's budget for the 2017 fiscal year.

The unassigned fund balance (actual) in the general fund decreased 44% to \$9,666,594 from the prior year. This amount is \$3,094,800 higher than the final budgeted ending fund balance for the 2016 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This page intentionally left blank



Las Vegas-Clark County Library District

Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents:	
Unrestricted	\$ 34,593,266
Restricted	10,000
Investments	31,552,634
Receivables:	
Taxes	927,679
Interest	75,442
Other, net	3,317,680
Due from other governments	3,790,720
Prepaid items	836,307
Property and equipment, net of accumulated depreciation:	
Land	5,096,578
Construction in progress	1,256,043
Buildings	90,007,399
Improvements	386,898
Library media materials	49,689,708
Furniture and equipment	3,959,449
	<hr/>
Total assets	225,499,803
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	7,003,836
	<hr/>
LIABILITIES	
Accounts payable	1,418,690
Accrued payroll	1,377,214
Deposits payable	114,860
Accrued interest payable	519,375
General obligation bonds payable, including unamortized premiums:	
Due within one year	6,590,000
Due in more than one year	14,426,720
Accrued compensated absences:	
Due within one year	2,294,394
Due in more than one year	2,520,977
Obligation for postemployment benefits other than pensions, due in more than one year	201,468
Net pension liability, due in more than one year	38,432,593
	<hr/>
Total liabilities	67,896,291
	<hr/>



Las Vegas-Clark County Library District

Statement of Net Position (Continued)
June 30, 2016

	<u>Governmental Activities</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	4,972,560
	<hr/>
NET POSITION	
Net investment in capital assets	129,379,355
Restricted for:	
Grant programs	146,753
Other programs	226,333
Permanent fund principal, nonexpendable	10,000
Unrestricted	29,872,347
	<hr/>
Total net position	<u><u>\$ 159,634,788</u></u>



Las Vegas-Clark County Library District

**Statement of Activities
For the Fiscal Year Ended June 30, 2016**

Function/program	Governmental Activities				Net (Expenses) Revenues and Change in Net Position
	Expenses	Program Revenues		Capital Grants and Contributions	
		Charges for Services	Operating Grants and Contributions		
Culture and recreation	\$ (57,957,100)	\$ 1,940,056	\$ 4,253,809	\$ -	\$ (51,763,235)
Long-term debt interest	(1,018,947)				(1,018,947)
Total function/program	\$ (58,976,047)	\$ 1,940,056	\$ 4,253,809	\$ -	(52,782,182)
General revenues:					
Property taxes					37,782,285
Intergovernmental revenues, consolidated taxes, unrestricted					20,118,630
Interest					483,057
Gain on sale of capital assets					2,365,772
Miscellaneous					284,690
Total general revenues					61,034,434
Change in net position					8,252,252
Net position, beginning of year					151,382,536
Net position, end of year					\$ 159,634,788

This page intentionally left blank

FUND FINANCIAL STATEMENTS

This page intentionally left blank



Las Vegas-Clark County Library District

Balance Sheet June 30, 2016

	Governmental Funds				
	Major Funds			Aggregate	Total
	General	Debt Service	Capital Projects	Non-Major Funds	
ASSETS					
Cash and cash equivalents:					
Unrestricted	\$ 4,945,909	\$ 4,851,167	\$ 24,721,279	\$ 74,911	\$ 34,593,266
Restricted				10,000	10,000
Investments		18,374,609	13,178,025		31,552,634
Receivables:					
Taxes	909,852	17,827			927,679
Interest	830	39,525	35,087		75,442
Other, net	3,158,500			159,180	3,317,680
Due from other funds	24,187				24,187
Due from other governments	3,520,002			270,718	3,790,720
Total assets	\$ 12,559,280	\$ 23,283,128	\$ 37,934,391	\$ 514,809	\$ 74,291,608
LIABILITIES					
Accounts payable	\$ 940,162	\$ 4,734	\$ 413,899	\$ 59,895	\$ 1,418,690
Accrued payroll	1,329,573			47,641	1,377,214
Deposits payable	114,860				114,860
Due to other funds				24,187	24,187
Total liabilities	2,384,595	4,734	413,899	131,723	2,934,951
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, property taxes	508,091	17,666			525,757
FUND BALANCES					
Nonspendable:					
Permanent fund principal				10,000	10,000
Restricted for:					
Grant programs				146,753	146,753
Other programs				226,333	226,333
Assigned to:					
Capital projects			37,520,492		37,520,492
Debt service		23,260,728			23,260,728
Unassigned	9,666,594				9,666,594
Total fund balances	9,666,594	23,260,728	37,520,492	383,086	70,830,900
Total liabilities, deferred inflows of resources and fund balances	\$ 12,559,280	\$ 23,283,128	\$ 37,934,391	\$ 514,809	\$ 74,291,608



Las Vegas-Clark County Library District

**Reconciliation of the Balance Sheet
to the Statement of Net Position
June 30, 2016**

Fund balances		\$ 70,830,900
<p>Amounts reported in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:</p>		
Capital assets	\$ 234,653,444	
Less accumulated depreciation	<u>(84,257,369)</u>	150,396,075
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period; and therefore, are not reported in governmental funds:</p>		
Bonds payable	(20,775,000)	
Bond interest payable	(519,375)	
Unamortized bond premiums	<u>(241,720)</u>	(21,536,095)
Compensated absences		(4,815,371)
Obligation for postemployment benefits other than pensions		(201,468)
Net pension liability	(38,432,593)	
Deferred outflows of resources related to pensions	7,003,836	
Deferred inflows of resources related to pensions	<u>(4,972,560)</u>	(36,401,317)
<p>Prepaid items represent current fund expenditures that benefit future periods; and therefore, are not reported in governmental funds.</p>		
		836,307
<p>Unavailable revenue represents amounts that are not available to fund current expenditures; and therefore, are not reported as revenues in governmental funds.</p>		
		<u>525,757</u>
Net position		<u><u>\$ 159,634,788</u></u>



Las Vegas-Clark County Library District

**Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016**

	Governmental Funds				
	Major Funds			Aggregate Non-Major Funds	Total
	General	Debt Service	Capital Projects		
Revenues					
Property taxes	\$ 37,865,551	\$ 1,759			\$ 37,867,310
Intergovernmental revenues, consolidated taxes	20,118,630				20,118,630
Grants				\$ 965,454	965,454
Charges for services	1,940,056				1,940,056
Interest	15,517	274,214	\$ 193,326		483,057
Contributions	3,055,000			233,355	3,288,355
Miscellaneous	284,690				284,690
Total revenues	63,279,444	275,973	193,326	1,198,809	64,947,552
Expenditures					
Culture and recreation:					
Salaries and wages	25,863,970			250,844	26,114,814
Employee benefits	9,420,795			109,956	9,530,751
Supplies and services	9,670,176	26,139	2,249,839	665,493	12,611,647
Capital outlay	7,714,309		1,631,542	169,995	9,515,846
Debt service:					
Principal		6,280,000			6,280,000
Interest		1,352,750			1,352,750
Total expenditures	52,669,250	7,658,889	3,881,381	1,196,288	65,405,808
Excess (deficiency) of revenues over (under) expenditures	10,610,194	(7,382,916)	(3,688,055)	2,521	(458,256)
Other financing sources (uses)					
Proceeds from sale of capital assets			7,000,000		7,000,000
Transfers in			18,100,000		18,100,000
Transfers out	(18,100,000)				(18,100,000)
Net change in fund balances	(7,489,806)	(7,382,916)	21,411,945	2,521	6,541,744
Fund balances, beginning of year	17,156,400	30,643,644	16,108,547	380,565	64,289,156
Fund balances, end of year	\$ 9,666,594	\$ 23,260,728	\$ 37,520,492	\$ 383,086	\$ 70,830,900



Las Vegas-Clark County Library District

**Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
to the Statement of Activities
For the Fiscal Year Ended June 30, 2016**

Net change in fund balances \$ 6,541,744

Amounts reported in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

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

Expenditures for capital assets	\$ 9,515,846	
Gain on sale of capital assets	2,365,772	
Proceeds from sale of capital assets	(7,000,000)	
Current year depreciation	<u>(11,036,936)</u>	(6,155,318)

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

Change in unavailable revenue		(85,025)
-------------------------------	--	----------

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

Change in accrued interest	157,000	
Principal payments	<u>6,280,000</u>	6,437,000

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

Change in prepaid items		188,980
-------------------------	--	---------

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

Current year amortization of bond premiums	176,803	
Change in long-term compensated absences	(226,762)	
Change in obligation for postemployment benefits other than pensions	(3,303)	
Change in net pension liability and related deferred outflows and inflows of resources	<u>1,378,133</u>	<u>1,324,871</u>

Change in net position \$ 8,252,252

NOTES TO BASIC FINANCIAL STATEMENTS

This page intentionally left blank



Las Vegas-Clark County Library District

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2016

Note 1. Summary of Significant Accounting Policies

The Reporting Entity

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

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

The District has complied with GASB Statement Nos. 14, 39, 61 and 80 by examining its position relative to the County and the City of Las Vegas (the City) and determined that there are no requirements that would cause the basic financial statements of the District to be included in either of the entities' comprehensive annual financial reports (CAFR). The Las Vegas-Clark County Library District Foundation, Inc. (the Foundation), a Nevada Non-Profit Corporation, was formed in 2002 for the exclusive purpose of providing aid, support, and assistance in the promotion, growth, and improvement of the District. Although the District expects to receive a future financial benefit from the Foundation, the District is not required to provide financial support to the Foundation, does not appoint a voting majority of the members of the Foundation's Board of Directors or have the ability to otherwise control or impose its will on the Foundation, does not have immediate access to the Foundation's resources, and the Foundation's resources are not currently significant to the District. Therefore, the Foundation is not considered to be and is not reported as a component unit of the District. Furthermore, no other entities were determined to be component units of the District.

Basic Financial Statements

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

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



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

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

Fund Financial Statements

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal year end. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property taxes, intergovernmental consolidated taxes, grants and interest. All other revenue sources are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, obligations for pensions and other postemployment benefits, and claims and judgments are recorded only when payment is due.

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

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

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

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



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

Additionally, the District reports the following governmental fund types:

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

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

The District has no nongovernmental fund types.

Assets, Liabilities, and Net Position or Fund Balance

Deposits and Investments

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

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

Receivables, Payables and Transfers

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

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

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



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

Restricted Assets

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

Prepaid Items

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

Capital Assets

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

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

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

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

Compensated Absences

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

Deferred Compensation Plan

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

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



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

Postemployment Benefits Other Than Pensions (OPEB)

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

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

Deferred Inflows and Outflows of Resources

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

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

Long-term Obligations

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

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



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

Fund Balance

Governmental fund balances are classified and reported as follows:

- Nonspendable fund balances include items that cannot be spent. This includes amounts that are not in a spendable form (for example, inventories and prepaid items) and amounts that are legally or contractually required to remain intact, such as a permanent fund principal balance.
- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.
- Committed fund balances can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board, the District's highest level of decision-making authority. These constraints remain binding unless removed or changed in the same manner used to create the constraints.
- Assigned fund balance includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Such intent is expressed by the Board or appropriately authorized officials. The District's Chief Financial Officer has been authorized by the Board in the budget approval process to make all fund balance assignments, which for the year ended June 30, 2016, included the assignment of \$23,260,728 and \$37,520,492, with the intent that these funds be used for debt service and capital projects, respectively. Constraints imposed on the use of assigned fund balances can be removed or changed without formal Board action. For governmental funds, other than the general fund, this is the classification for residual amounts that are not restricted, committed or nonspendable.
- Unassigned fund balance is the classification used by the general fund for residual amounts not included in the four categories described above. The general fund is the only fund that reports a positive unassigned fund balance.

Prioritization and Use of Available Resources

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

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

1. Prior to April 15, the District submits the tentative budget for the next fiscal year, commencing on July 1, to the State Department of Taxation. The City Council and the Board of County Commissioners have the ability to reject the tentative budget prior to its submission to the State. The budget, as submitted, contains the proposed expenditures and the means of financing them.



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

2. The State Department of Taxation notifies the District of its acceptance of the tentative budget.
3. Public hearings are conducted on the third Thursday in May.
4. After all changes have been noted and the hearings closed, the District's Board adopts the budget on or before June 1.
5. Augmentations of the budget are accomplished through formal Board action.
6. The NRS require budget controls to be exercised at the function level. The Executive Director of the District is authorized to transfer budget amounts between functions within a fund. However, the Board's approval is required for all transfers between funds.
7. The District cannot expend any money, incur any liability, or enter into any contract, which by its terms involves the expenditure of money in excess of the amount appropriated for a given function, except for bond payments, short-term financing payments, and any other long-term contracts expressly authorized by law.
8. All unencumbered appropriations lapse at the fiscal year end, except for amounts appropriated for specific capital projects or Federal and State grant expenditures.

New Accounting Pronouncements

In March 2016, the GASB issued Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for periods beginning after June 15, 2016. This Statement addresses issues regarding 1) the presentation of payroll-related measures in required supplementary information, 2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and 3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Management has not yet completed its assessment of this statement.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, effective for periods beginning after December 15, 2016. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. Management has not yet completed its assessment of this statement.

In June 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, effective for periods beginning after June 15, 2016. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. Management has completed its assessment of this statement and determined that it will not have a material effect on the District's financial position or changes therein.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for periods beginning after December 15, 2015. This Statement addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for*



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

Pensions. Management has completed its assessment of this statement and determined that it will not have a material effect on the District's financial position or changes therein.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for periods beginning after December 15, 2015. This statement addresses the need for financial statements prepared by state and local governments in conformity with generally accepted accounting principles to provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017. This statement addresses the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB) and the information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after June 15, 2016. This statement addresses the usefulness of information about postemployment benefits other than pensions (OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. Management has completed its assessment of this statement and determined that it will not have a material effect on the District's financial position or changes therein.

Note 3. Detailed Notes on all Funds

Deposits and Investments

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

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

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

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



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

At year end, the District's carrying amount of deposits was \$28,648,124, and the bank balance was \$29,113,942. The Federal Depository Insurance Corporation (FDIC) covered \$250,000 of the bank balance at fiscal year end. However, the District's bank balance is collateralized with securities held by the pledging bank's trust department or agent in the District's name up to 102% of the average bank balance in excess of the FDIC limit. The District often carries cash and cash equivalents on deposit with financial institutions in excess of federally-insured limits, and the risk of losses related to such concentrations, as a result of continuing economic instability, is not subject to estimation at this time.

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

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

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

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

At June 30, 2016, 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.

At June 30, 2016, the District had the following investments and maturities:

Investments:	Reported amount/fair value	Investment Maturities (In Years)	
		Less than 1	1 to 3
U.S. Treasuries (Level 1)	\$ 12,050,279	\$ 5,005,100	\$ 7,045,179
U.S. Agencies (Level 2)	<u>19,502,355</u>	<u>2,568,490</u>	<u>16,933,865</u>
	<u>\$ 31,552,634</u>	<u>\$ 7,573,590</u>	<u>\$ 23,979,044</u>

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical organization. The District's investment policy mitigates this risk by limiting investments to the safest types of securities, pre-qualifying entities (e.g., financial institutions, intermediaries, advisors), and diversifying its investment portfolio. At June 30, 2016, all of the District's investments were rated "AAA" or "AA."



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

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

In addition to the District's investment in U.S. Treasuries, investments in any one issuer that represents 5% or more of the District's total investments at June 30, 2016, were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported amount/ fair value</u>
Federal Home Loan Mortgage Corp.	U.S. Agencies	\$ 7,649,244
Federal National Mortgage Association	U.S. Agencies	2,314,902
Federal Home Loan Bank	U.S. Agencies	8,137,861

Property and Equipment

Changes in capital assets for the year ended June 30, 2016, were as follows:

	<u>Balance July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2016</u>
Capital assets not being depreciated:				
Land	\$ 4,396,578	\$ 700,000		\$ 5,096,578
Construction in progress	<u>56,246</u>	<u>1,199,797</u>		<u>1,256,043</u>
	<u>4,452,824</u>	<u>1,899,797</u>		<u>6,352,621</u>
Capital assets being depreciated:				
Buildings	135,556,808		\$ (10,849,277)	124,707,531
Improvements	3,515,834	67,661	(409,249)	3,174,246
Library media materials	81,037,529	7,884,304	(6,105,652)	82,816,181
Furniture and equipment	<u>17,461,179</u>	<u>364,084</u>	<u>(222,398)</u>	<u>17,602,865</u>
	<u>237,571,350</u>	<u>8,316,049</u>	<u>(17,586,576)</u>	<u>228,300,823</u>
Less accumulated depreciation for:				
Buildings	(37,642,139)	(2,573,042)	5,515,049	(34,700,132)
Improvements	(3,087,719)	(108,878)	409,249	(2,787,348)
Library media materials	(32,415,012)	(6,817,113)	6,105,652	(33,126,473)
Furniture and equipment	<u>(12,327,911)</u>	<u>(1,537,903)</u>	<u>222,398</u>	<u>(13,643,416)</u>
	<u>(85,472,781)</u>	<u>(11,036,936)</u>	<u>12,252,348</u>	<u>(84,257,369)</u>
	<u>\$ 156,551,393</u>	<u>\$ (821,090)</u>	<u>\$ (5,334,228)</u>	<u>\$ 150,396,075</u>



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2016**

Interfund Receivables, Payables, and Transfers

Interfund balances as of June 30, 2016, were as follows:

Due to/from other funds:		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Aggregate non-major	\$ 24,187
Interfund transfers:		
<u>Transfer out</u>	<u>Transfer in</u>	<u>Amount</u>
General	Capital projects	\$ 18,100,000

The amount due to the general fund represents expenditures paid by the general fund on behalf of other funds.

Transfers are used to move revenues to finance various programs that are accounted for in other funds in accordance with budgetary authorizations. General fund transfers are made to provide funds for the improvement, acquisition or construction of major capital assets, which is budgeted and accounted for in the capital projects fund.

Operating Lease Commitments

The District leases certain facilities under a non-cancelable operating lease, which expires (including renewal periods) in May 2020. Rent expense resulting from such leases was \$16,569 for the year ended June 30, 2016.

At June 30, 2016, approximate future minimum lease payments were as follows:

	<u>Years ending June 30,</u>	
	2017	16,776
	2018	16,776
	2019	16,776
	2020	12,582

General Obligation Bonds

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

General obligation bonds outstanding at June 30, 2016, were as follows:

<u>Bond issue series</u>	<u>Maturity date</u>	<u>Original amount</u>	<u>Interest rate</u>	<u>Balance June 30, 2016</u>
2009	January 2019	<u>\$ 50,000,000</u>	3.00-5.00 %	<u>\$ 20,775,000</u>



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2016**

Annual debt service requirements to maturity were as follows:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 6,590,000	\$ 1,038,750	\$ 7,628,750
2018	6,920,000	709,250	7,629,250
2019	<u>7,265,000</u>	<u>363,250</u>	<u>7,628,250</u>
	<u>\$20,775,000</u>	<u>\$ 2,111,250</u>	<u>\$ 22,886,250</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2016, was as follows:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Due within one year</u>
Bond issue series: 2009	\$ 27,055,000		\$ (6,280,000)	\$ 20,775,000	\$ 6,590,000
Compensated absences	4,588,609	\$ 2,454,329	(2,227,567)	4,815,371	2,294,394
Obligation for postemployment benefits other than pensions	198,165	116,286	(112,983)	201,468	
Net pension liability	<u>34,406,663</u>	<u>4,469,902</u>	<u>(443,972)</u>	<u>38,432,593</u>	<u> </u>
	<u>\$ 66,248,437</u>	<u>\$ 7,040,517</u>	<u>\$ (9,064,522)</u>	<u>\$ 64,224,432</u>	<u>\$ 8,884,394</u>

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

Note 4. Other Information

Risk Management

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

Contingent liabilities

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

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



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

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

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

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

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

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

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

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

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Police/fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/fire members entering the system on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

service performed in a position as a police officer or firefighter may be counted toward the eligibility for retirement as police/fire accredited service.

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

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS. New hires, in agencies which did not elect the employer-pay contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two alternative contribution plans. Contributions are shared equally by employer and employee in which employees can take a reduced salary and have contributions made by the employer or can make contributions by a payroll deduction matched by the employer.

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 years ended June 30, 2015, the required employer/employee matching rate was 13.25% for regular and 20.75% for police/fire members. The EPC rate was 25.75% for regular and 40.50% for police/fire members.

Effective July 1, 2015, the required contribution rates for regular members were increased to 14.5% and 28% for employer/employee matching and EPC, respectively. The required contribution rates for police/fire members remained the same.

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

PERS collective net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following actuarial assumptions (based on the results of an experience review completed in 2013), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2015
Inflation rate	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%, including inflation
Discount rate	8.00%
Productivity pay increase	0.75%
Consumer price index	3.50%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.50%, depending on service Rates include inflation and productivity increases



Las Vegas-Clark County Library District

Notes to Basic Financial Statements (continued) For the Fiscal Year Ended June 30, 2016

At June 30, 2015, assumed mortality rates and projected life expectancies for selected ages were as follows:

<u>Age</u>	Regular Members			
	Mortality Rates		Expected Years of Life Remaining	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
40	0.10%	0.05%	41.1	44.4
50	0.17%	0.12%	31.6	34.7
60	0.55%	0.42%	22.4	25.4
70	1.82%	1.39%	14.3	17.0
80	5.65%	3.79%	7.7	10.1

<u>Age</u>	Police/Fire Members			
	Mortality Rates		Expected Years of Life Remaining	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
40	0.10%	0.06%	40.2	42.5
50	0.19%	0.15%	30.7	32.8
60	0.63%	0.54%	21.5	23.6
70	2.02%	1.72%	13.5	15.5
80	6.41%	4.63%	7.1	9.0

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

- For non-disabled male regular members – RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA
- For non-disabled female regular members – RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year
- For all non-disabled police/fire members – RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year
- For all disabled regular members and all disabled police/fire members – RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years

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, 2015:

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

* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 3.5%.



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2016**

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on that assumption, PERS's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

The District's proportionate share of the net pension liability at year end, calculated using the discount rate of 8.00%, 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 (7.00%) or 1% higher (9.00%) than the current discount rate was as follows:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Net pension liability	\$ 58,563,509	\$ 38,432,593	\$ 21,692,275

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

The District's proportionate share (amount) of the collective net pension liability was \$38,432,593, which represents 0.33538% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2015, 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, 2015.

For the year ended June 30, 2016, the District's pension expense was \$4,469,902 and its reported deferred outflows and inflows of resources related to pensions were as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		\$ 2,890,796
Net difference between projected and actual earnings on investments		2,081,764
Changes in proportion and differences between actual contributions and proportionate share of contributions	\$ 1,141,453	
Contributions subsequent to measurement date	5,862,383	

At June 30, 2015, the average expected remaining service life is 6.70 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$5,862,383 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2016**

Years ending June 30,

2017	\$ (1,190,421)
2018	(1,190,421)
2019	(1,190,421)
2020	223,662
2021	(368,098)
Thereafter	(115,408)

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

Net pension liability, beginning of year	\$ 34,406,663
Pension expense	4,469,902
Employer contributions	(5,176,735)
Changes in net deferred outflows and inflows	<u>4,732,763</u>
Net pension liability, end of year	<u>\$ 38,432,593</u>

At June 30, 2016, \$6,151 payable to PERS, equal to the June 2016 required contribution, was included in accounts payable.

Postemployment Benefits Other Than Pensions (OPEB)

In accordance with NRS, the District provides other postemployment benefits to retirees by participating in the State's Public Employee Benefit Plan (PEBP), an agent multiple-employer defined benefit plan administered by a nine member governing board. PEBP provides medical, prescription, dental and vision benefits to retirees. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the following address: Public Employee Benefit Plan, 901 South Stewart Street, Suite 101, Carson City, NV 89701.

Eligibility and subsidy requirements are governed by NRS and can only be amended through legislation. In 2008, NRS were amended. As a result of this amendment, the number of retirees for whom the District is obligated to provide postemployment benefits is limited to eligible employees who retired from District service prior to September 1, 2008. The District does not provide any other postemployment benefits (either directly or indirectly).

The District is required to provide a subsidy, based on years of service for its retirees that have enrolled in the PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. In the current fiscal year this subsidy ranged from \$9 to \$772 per retiree, per month.



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2016**

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

Annual required contribution (ARC)	\$ 119,760
Interest on net OPEB obligation	6,936
Adjustment to ARC	<u>(10,410)</u>
Annual OPEB cost	116,286
Contributions made	<u>(112,983)</u>
Increase in net OPEB obligation	3,303
Net OPEB obligation beginning of year	<u>198,165</u>
Net OPEB obligation end of year	<u>\$ 201,468</u>

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

<u>Valuation date</u>	<u>Actuarial value of assets</u>	<u>Actuarial accrued liability (AAL)</u>	<u>Unfunded actuarial accrued liability (UAAL)</u>	<u>Funded ratio</u>	<u>Annual covered payroll</u>	<u>UAAL as a percent of covered payroll</u>
July 1, 2014	\$ -0-	\$ 2,202,637	\$ 2,202,637	0%	N/A*	N/A*

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

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

<u>Year Ended</u>	<u>Annual OPEB cost</u>	<u>OPEB cost contributed</u>	<u>Percentage contributed</u>	<u>Net OPEB obligation</u>
June 30, 2016	\$ 116,286	\$ 112,983	97%	\$ 201,468
June 30, 2015	116,332	113,711	98%	198,165
June 30, 2014	131,946	120,674	91%	195,544



Las Vegas-Clark County Library District

**Notes to Basic Financial Statements (continued)
For the Fiscal Year Ended June 30, 2016**

Actuarial Methods and Assumptions

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

Significant methods and assumptions were as follows:

Actuarial valuation date	July 1, 2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	No assets in trust
Actuarial assumptions:	
Total retirees	46
Average retiree age	68.3 years
Average retiree life expectancy	19.8 years
Estimated Inflation Rate	3%
Investment rate of return	3.5%
Projected salary increases	N/A*
Projected medical Inflation:	
Fiscal year 2015	Actual benefit levels
Fiscal year 2016	7%
Fiscal year 2017	6.5%
Fiscal year 2018	6%
Fiscal year 2019	5.5%
Fiscal year 2020 and subsequent years	5%

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

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

Subsequent Events

In July 2016, the District transferred a 6-acre parcel of land to the Southern Nevada Regional Housing Authority in exchange for an 8-acre parcel.

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank



Las Vegas-Clark County Library District

**Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 37,700,000	\$37,700,000	\$ 37,865,551	\$ 165,551
Intergovernmental revenues, consolidated taxes	19,800,000	19,800,000	20,118,630	318,630
Charges for services	2,325,000	2,325,000	1,940,056	(384,944)
Interest	30,000	30,000	15,517	(14,483)
Contributions			3,055,000	3,055,000
Miscellaneous	7,360,000	7,360,000	284,690	(7,075,310)
Total revenues	67,215,000	67,215,000	63,279,444	(3,935,556)
Expenditures				
Culture and recreation:				
Salaries and wages	27,850,680	27,850,680	25,863,970	1,986,710
Employee benefits	11,239,338	11,239,338	9,420,795	1,818,543
Supplies and services	11,610,862	11,610,862	9,670,176	1,940,686
Capital outlay	8,766,753	8,766,753	7,714,309	1,052,444
Total expenditures	59,467,633	59,467,633	52,669,250	6,798,383
Excess of revenues over expenditures	7,747,367	7,747,367	10,610,194	2,862,827
Other financing uses				
Transfers out	(18,100,000)	(18,100,000)	(18,100,000)	
Net change in fund balance	(10,352,633)	(10,352,633)	(7,489,806)	2,862,827
Fund balance, beginning of year	16,924,427	16,924,427	17,156,400	231,973
Fund balance, end of year	\$ 6,571,794	\$ 6,571,794	\$ 9,666,594	\$ 3,094,800



Las Vegas-Clark County Library District

**Schedule of Funding Progress
Postemployment Benefits Other Than Pensions
For the Fiscal Year Ended June 30, 2016**

Valuation Date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded actuarial accrued liability (UAAL)	Funded ratio	Annual covered payroll	UAAL as a percent of covered payroll
July 1, 2014	\$ -0-	\$ 2,202,637	\$ 2,202,637	0%	N/A*	N/A*
July 1, 2011	-0-	2,486,159	2,486,159	0%	N/A*	N/A*
July 1, 2008	-0-	4,444,208	4,444,208	0%	N/A*	N/A*

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



Las Vegas-Clark County Library District

**Proportionate Share of the Collective
Net Pension Liability Information
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
For the Fiscal Year Ended June 30, 2016 and Prior Nine Fiscal Years ***

Valuation Date	Proportion of the collective net pension liability	Proportionate share of the collective net pension liability (asset)	Covered-employee payroll	Proportionate share of the collective net pension liability as a percentage of covered-employee payroll	PERS fiduciary net position as a percentage of the total pension liability
2015	0.33538%	\$ 34,406,663	\$ 19,776,530	173.97725%	75.12612%
2014	0.33014%	\$ 43,412,266	\$ 19,036,828	228.04359%	76.31210%

* Information for the multiple-employer cost-sharing defined 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.



Las Vegas-Clark County Library District

**Proportionate Share of Statutorily Required
Pension Contribution Information
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
For the Fiscal Year Ended June 30, 2016 and Prior Nine Fiscal Years ***

Valuation Date	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2016	\$ 5,862,383	\$ 5,862,383	\$ -0-	\$ 20,429,244	28.69603%
2015	\$ 5,191,083	\$ 5,191,083	\$ -0-	\$ 19,776,530	26.24870%

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



Las Vegas-Clark County Library District

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2016

Note 1. Budget Information

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

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

Note 2. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

For the year ended June 30, 2016, 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, 2015.

Additional information related to the multiple-employer cost-sharing defined benefit pension plan can be found in Note 4 to the District's basic financial statements.

Note 3. Postemployment Benefits Other Than Pensions

For the year ended June 30, 2016, no significant events occurred that would have affected; and therefore, would have changed the benefit provision, size or composition of those covered by the other postemployment benefit plans, or the actuarial methods and assumptions used in the actuarial valuation reports dated July 1, 2014, July 1, 2011 and July 1, 2008.

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

Additional information related to postemployment benefits other than pensions can be found in Note 4 to the District's basic financial statements.

This page intentionally left blank

Other Supplementary Information

This page intentionally left blank

COMBINING and INDIVIDUAL FUND STATEMENTS and SCHEDULES

This page intentionally left blank

Major Funds

This page intentionally left blank

Debt Service Fund

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

This page intentionally left blank



Las Vegas-Clark County Library District

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Debt Service Fund
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Property taxes			\$ 1,759	\$ 1,759
Interest	\$ 150,000	\$ 150,000	274,214	124,214
Total revenues	150,000	150,000	275,973	125,973
Expenditures				
Culture and recreation:				
Supplies and services	60,000	60,000	26,139	33,861
Debt service:				
Principal	6,280,000	6,280,000	6,280,000	
Interest	1,352,750	1,352,750	1,352,750	
Total expenditures	7,692,750	7,692,750	7,658,889	33,861
Net change in fund balance	(7,542,750)	(7,542,750)	(7,382,916)	159,834
Fund balance, beginning of year	30,334,244	30,334,244	30,643,644	309,400
Fund balance, end of year	<u>\$ 22,791,494</u>	<u>\$ 22,791,494</u>	<u>\$ 23,260,728</u>	<u>\$ 469,234</u>

This page intentionally left blank

Capital Projects Fund

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

This page intentionally left blank



Las Vegas-Clark County Library District

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Capital Projects Fund
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Interest	\$ 100,000	\$ 100,000	\$ 193,326	\$ 93,326
Miscellaneous	7,000,000	7,000,000		(7,000,000)
Total revenues	7,100,000	7,100,000	193,326	(6,906,674)
Expenditures				
Culture and recreation:				
Supplies and services	5,954,000	5,954,000	2,249,839	3,704,161
Capital outlay	4,055,000	4,055,000	1,631,542	2,423,458
Total expenditures	10,009,000	10,009,000	3,881,381	6,127,619
Deficiency of revenues under expenditures	(2,909,000)	(2,909,000)	(3,688,055)	(779,055)
Other financing sources (uses)				
Proceeds from sale of capital assets			7,000,000	(7,000,000)
Transfers in	18,100,000	18,100,000	18,100,000	
Net change in fund balance	15,191,000	15,191,000	21,411,945	6,220,945
Fund balance, beginning of year	14,853,099	14,853,099	16,108,547	1,255,448
Fund balance, end of year	\$ 30,044,099	\$ 30,044,099	\$ 37,520,492	\$ 7,476,393

This page intentionally left blank

Non-Major Funds

This page intentionally left blank

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or otherwise restricted to expenditures for specific purposes.

The grant fund accounts for revenues and expenditures of monies received from State and Federal grants.

The gift fund accounts for gifts to the District accepted by the Board of Trustees.

Permanent Fund

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

This page intentionally left blank



Las Vegas-Clark County Library District

**Combining Balance Sheet
Non-Major Funds
June 30, 2016**

	<u>Special Revenue Funds</u>			<u>Permanent Fund</u>	<u>Aggregate Non-Major Funds</u>
	<u>Grant</u>	<u>Gift</u>	<u>Total</u>		
ASSETS					
Cash and cash equivalents:					
Unrestricted		\$ 74,911	\$ 74,911		\$ 74,911
Restricted				\$ 10,000	10,000
Receivables:					
Other, net		159,180	159,180		159,180
Due from other governments	\$ 270,718		270,718		270,718
Total assets	<u>\$ 270,718</u>	<u>\$ 234,091</u>	<u>\$ 504,809</u>	<u>\$ 10,000</u>	<u>\$ 514,809</u>
LIABILITIES					
Accounts payable	\$ 52,137	\$ 7,758	\$ 59,895		\$ 59,895
Accrued payroll	47,641		47,641		47,641
Due to other funds	24,187		24,187		24,187
Total liabilities	<u>123,965</u>	<u>7,758</u>	<u>131,723</u>		<u>131,723</u>
FUND BALANCES					
Nonspendable:					
Permanent fund principal				\$ 10,000	10,000
Restricted for:					
Grant programs	146,753		146,753		146,753
Other programs		226,333	226,333		226,333
Total fund balances	<u>146,753</u>	<u>226,333</u>	<u>373,086</u>	<u>10,000</u>	<u>383,086</u>
Total liabilities and fund balances	<u>\$ 270,718</u>	<u>\$ 234,091</u>	<u>\$ 504,809</u>	<u>\$ 10,000</u>	<u>\$ 514,809</u>



Las Vegas-Clark County Library District

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Funds
For the Fiscal Year Ended June 30, 2016**

	Special Revenue Funds			Permanent Fund	Aggregate Non-Major Funds
	Grant	Gift	Total		
Revenues					
Grants	\$ 965,454		\$ 965,454		\$ 965,454
Contributions		\$ 233,355	233,355		233,355
Total revenues	965,454	233,355	1,198,809		1,198,809
Expenditures					
Culture and recreation:					
Salaries and wages	250,844		250,844		250,844
Employee benefits	109,956		109,956		109,956
Supplies and services	447,638	217,855	665,493		665,493
Capital outlay	157,016	12,979	169,995		169,995
Total expenditures	965,454	230,834	1,196,288		1,196,288
Net change in fund balances		2,521	2,521		2,521
Fund balances, beginning of year	146,753	223,812	370,565	\$ 10,000	380,565
Fund balances, end of year	<u>\$ 146,753</u>	<u>\$ 226,333</u>	<u>\$ 373,086</u>	<u>\$ 10,000</u>	<u>\$ 383,086</u>



Las Vegas-Clark County Library District

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Grant Fund
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Grants	\$ 1,300,000	\$ 1,300,000	\$ 965,454	\$ (334,546)
Total revenues	1,300,000	1,300,000	965,454	(334,546)
Expenditures				
Culture and recreation:				
Salaries and wages	380,000	380,000	250,844	129,156
Employee benefits	110,000	110,000	109,956	44
Supplies and services	400,000	400,000	447,638	(47,638)
Capital outlay	410,000	410,000	157,016	252,984
Total expenditures	1,300,000	1,300,000	965,454	334,546
Net change in fund balance				
Fund balance, beginning of year	146,753	146,753	146,753	
Fund balance, end of year	\$ 146,753	\$ 146,753	\$ 146,753	\$



Las Vegas-Clark County Library District

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Gift Fund
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues				
Contributions	\$ 300,000	\$ 300,000	\$ 233,355	\$ (66,645)
Miscellaneous	200,000	200,000		(200,000)
Total revenues	500,000	500,000	233,355	(266,645)
Expenditures				
Culture and recreation:				
Supplies and services	400,000	400,000	217,855	182,145
Capital outlay	100,000	100,000	12,979	87,021
Total expenditures	500,000	500,000	230,834	269,166
Net change in fund balance			2,521	2,521
Fund balance, beginning of year	220,590	220,590	223,812	3,222
Fund balance, end of year	\$ 220,590	\$ 220,590	\$ 226,333	\$ 5,743

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Las Vegas - Clark County Library District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated September 30, 2016.

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

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

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

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

under *Government Auditing Standards*.

We noted certain matters that we reported to the District in a separate letter dated September 30, 2016.

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

Piercy Bowler Taylor & Keren

Las Vegas, Nevada
September 30, 2016

STATISTICAL SECTION

This page intentionally left blank



Las Vegas-Clark County Library District

Statistical Tables June 30, 2016

Financial Trends Information

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

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

Revenue Capacity

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

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

Debt Capacity

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

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

Demographic and Economic Information

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

Table Thirteen	Demographic Statistics - Clark County
Table Fourteen	Principal Employers

Operating Information

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

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



Las Vegas-Clark County Library District

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities										
Net investment in capital assets	\$ 69,166,219	\$ 85,748,261	\$ 110,947,823	\$ 117,524,364	\$ 125,034,812	\$ 128,554,069	\$ 125,799,958	\$ 124,927,270	\$ 129,077,870	\$ 129,379,355
Restricted	7,757,316	8,738,441	7,981,664	11,966,598	12,025,669	7,885,463	459,944	461,109	380,565	383,086
Unrestricted	35,374,184	37,351,037	27,606,406	34,048,157	41,383,677	44,791,443	58,831,642	62,064,928	21,924,101	29,872,347
Total Governmental Activities Net Position	<u>\$ 112,297,719</u>	<u>\$ 131,837,739</u>	<u>\$ 146,535,893</u>	<u>\$ 163,539,119</u>	<u>\$ 178,444,158</u>	<u>\$ 181,230,975</u>	<u>\$ 185,091,544</u>	<u>\$ 187,453,307</u>	<u>\$ 151,382,536</u>	<u>\$ 159,634,788</u>



Las Vegas-Clark County Library District

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES										
Governmental Activities:										
Culture and recreation	\$ 47,855,999	\$ 53,788,690	\$ 58,167,689	\$ 54,660,313	\$ 49,827,192	\$ 51,462,073	\$ 52,270,309	\$ 54,507,423	\$ 56,210,061	\$ 57,957,100
Interest on long-term debt	1,256,120	1,069,978	1,377,053	2,550,600	2,283,357	2,027,418	1,619,751	1,453,830	1,255,025	1,018,947
Total Governmental Activities Expenses	49,112,119	54,858,668	59,544,742	57,210,913	52,110,549	53,489,491	53,890,060	55,961,253	57,465,086	58,976,047
PROGRAM REVENUES										
Governmental Activities:										
Charges for services	2,103,100	2,304,081	2,314,298	2,285,086	2,305,611	2,298,715	2,154,897	1,995,572	1,912,010	1,940,056
Operating grants and contributions	1,393,706	1,377,351	746,911	872,812	1,184,571	893,351	944,139	901,829	1,040,401	4,253,809
Total Governmental Activities Program Revenues	3,496,806	3,681,432	3,061,209	3,157,898	3,490,182	3,192,066	3,099,036	2,897,401	2,952,411	6,193,865
Total Primary Government Net (Expenses)/Revenues	(45,615,313)	(51,177,236)	(56,483,533)	(54,053,015)	(48,620,367)	(50,297,425)	(50,791,024)	(53,063,852)	(54,512,675)	(52,782,182)
GENERAL REVENUES										
Governmental Activities:										
Taxes:										
Ad valorem	43,543,706	48,920,483	52,904,182	53,047,378	46,820,800	39,418,245	36,969,297	36,548,070	36,689,006	37,782,285
Other	18,760,634	18,402,065	16,352,780	15,017,657	15,622,697	16,504,108	17,366,883	18,345,024	19,457,174	20,118,630
Interest	2,224,637	2,654,125	1,203,871	1,267,478	322,065	203,912	71,191	381,508	486,814	483,057
Gain on sale of capital assets										2,365,772
Miscellaneous	872,631	740,583	720,854	1,723,728	759,844	642,882	244,222	151,013	220,734	284,690
Total Governmental Activities General Revenues	65,401,608	70,717,256	71,181,687	71,056,241	63,525,406	56,769,147	54,651,593	55,425,615	56,853,728	61,034,434
CHANGE IN NET POSITION										
Total Primary Government Change in Net Position	\$ 19,786,295	\$ 19,540,020	\$ 14,698,154	\$ 17,003,226	\$ 14,905,039	\$ 6,471,722	\$ 3,860,569	\$ 2,361,763	\$ 2,341,053	\$ 8,252,252



Las Vegas-Clark County Library District

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u> ³	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
GENERAL FUND										
Unassigned					\$ 19,160,430	\$ 23,632,545	\$ 15,653,488 ⁴	\$ 17,893,241	\$ 17,156,400	\$ 9,666,594
Unreserved	\$ 6,645,897	\$ 5,337,615	\$ 5,717,661	\$ 10,669,266						
Total General Fund	<u>\$ 6,645,897</u>	<u>\$ 5,337,615</u>	<u>\$ 5,717,661</u>	<u>\$ 10,669,266</u>	<u>\$ 19,160,430</u>	<u>\$ 23,632,545</u>	<u>\$ 15,653,488</u>	<u>\$ 17,893,241</u>	<u>\$ 17,156,400</u>	<u>\$ 9,666,594</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable					\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Restricted					24,559,745	20,783,931	5,407,725	451,109	370,565	373,086
Assigned					25,636,752	24,760,964	47,339,941 ⁴	48,580,793	46,752,191	60,781,220
Reserved	\$ 39,027,463	\$ 43,426,499	\$ 83,928,262 ¹	\$ 66,357,954 ²						
Unreserved, reported in:										
Aggregate non-major funds	446,024	424,057	476,532	483,024						
Total All Other Governmental Funds	<u>\$ 39,473,487</u>	<u>\$ 43,850,556</u>	<u>\$ 84,404,794</u>	<u>\$ 66,840,978</u>	<u>\$ 50,206,497</u>	<u>\$ 45,554,895</u>	<u>\$ 52,757,666</u>	<u>\$ 49,041,902</u>	<u>\$ 47,132,756</u>	<u>\$ 61,164,306</u>

¹ The increase in reserved fund balance was due to the issuance of \$50,000,000 of General Obligation Medium-Term Bonds to construct the Windmill Library and Service Center.

² The decrease in reserved fund balance was due to construction of the Windmill Library and Service Center.

³ Fund Balances for fiscal year 2011 through 2016 have been classified in accordance with new GASB 54 fund balance reporting standards.

⁴ The decrease in unreserved fund balance was due to transfers to assigned fund balance.



Las Vegas-Clark County Library District

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
REVENUES										
Taxes	\$ 43,506,280	\$ 48,535,406	\$ 52,519,404	\$ 52,840,566	\$ 46,964,634	\$ 39,677,405	\$ 37,238,359	\$ 36,679,479	\$ 36,726,674	\$ 37,867,310
Intergovernmental revenues	19,412,265	18,970,363	16,731,429	16,429,393	15,622,697	16,504,108	17,366,883	18,345,024	19,457,174	20,118,630
Grants	1,013,816	1,052,777	613,153	667,224	936,001	624,286	778,939	744,343	865,263	965,454
Charges for services	2,103,100	2,304,081	2,314,298	2,285,086	2,305,611	2,298,715	2,154,897	1,995,572	1,912,010	1,940,056
Interest	2,224,637	2,654,125	1,203,871	1,267,478	322,065	203,912	71,191	381,508	486,814	483,057
Contributions	379,890	324,574	133,758	205,588	248,570	269,065	165,200	157,486	175,138	3,288,355
Miscellaneous	221,000	172,285	342,205	311,992	759,844	642,882	244,222	151,013	220,734	284,690
Total Revenues	68,860,988	74,013,611	73,858,118	74,007,327	67,159,422	60,220,373	58,019,691	58,454,425	59,843,807	64,947,552
EXPENDITURES										
Culture and recreation:										
Salaries and wages	21,786,183	22,574,934	23,734,656	25,358,689	23,037,110	23,387,955	23,154,918	23,970,365	25,070,408	26,114,814
Employee benefits	5,789,566	6,974,248	7,679,737	7,987,041	7,997,674	7,941,164	8,038,605	8,594,916	8,864,159	9,530,751
Supplies and services	9,378,527	11,377,564	14,258,214	11,450,498	9,438,927	9,908,877	11,189,919	11,749,579	12,467,514	12,611,647
Capital outlay	13,249,157	23,031,997	31,862,591	33,132,712	25,617,191	7,607,351	8,782,135	7,984,226	8,458,563	9,515,846
Debt Service:										
Principal	5,620,000	5,825,000	6,050,000	6,325,000	6,610,000	9,235,000	5,635,000	5,805,000	6,035,000	6,280,000
Interest	1,352,819	1,161,081	955,281	2,365,598	2,601,837	2,319,513	1,995,400	1,826,350	1,594,150	1,352,750
Total Expenditures	57,176,252	70,944,824	85,162,741	86,619,538	75,302,739	60,399,860	58,795,977	59,930,436	62,489,794	65,405,808
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of capital assets										7,000,000
Transfers in	11,700,000	13,500,000	12,895,000	11,315,117	8,903,500	7,629,500	46,799,036	6,600,000	8,100,000	18,100,000
Transfer out	(11,700,000)	(13,500,000)								(18,100,000)
Bond Issuance			50,000,000							
Bond Premium			2,238,907							
Total Other Financing Sources (Uses)			65,133,907							7,000,000
Net Change in Fund Balances	\$ 11,684,736	\$ 3,068,787	\$ 53,829,284	\$ (12,612,211)	\$ (8,143,317)	\$ (179,487)	\$ (776,286)	\$ (1,476,011)	\$ (2,645,987)	\$ 6,541,744
Debt service as a percentage of noncapital expenditures	16%	15%	13%	16%	19%	22%	15%	15%	14%	14%



Las Vegas-Clark County Library District

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

Fiscal Year	Property Taxes	Intergovernmental Consolidated Sales Tax *	Interest	Other	Total
2007	\$ 43,506,280	\$ 19,412,265	\$ 2,224,637	\$ 3,717,806	\$ 68,860,988
2008	48,535,406	18,402,065	2,654,125	4,422,015	74,013,611
2009	52,519,404	16,731,429	1,203,871	3,403,414	73,858,118
2010	52,840,566	16,429,393	1,267,478	3,469,890	74,007,327
2011	46,964,634	15,622,697	322,065	4,250,026	67,159,422
2012	39,677,405	16,504,108	203,912	3,834,948	60,220,373
2013	37,238,359	17,366,883	744,343	2,670,106	58,019,691
2014	36,679,479	18,345,024	381,508	3,048,414	58,454,425
2015	36,726,674	19,457,174	486,814	3,173,145	59,843,807
2016	37,867,310	20,118,630	483,057	6,478,555	64,947,552

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



Las Vegas-Clark County Library District

**Table Six
Principal Property Tax Payers
Fiscal Year 2016 and 2007
(unaudited)**

Taxpayer	2007			2016		
	Assessed Value	Rank	Percent of Total Assessed Valuation	Assessed Value	Rank	Percent of Total Assessed Valuation
MGM Resorts International	\$ 4,031,327,322	1	4.61%	\$ 3,463,940,674	1	5.32%
Caesar's Entertainment Corporation	1,921,119,111	2	2.20%	1,829,517,435	2	2.81%
Nevada Power Company	863,248,002	4	0.99%	1,745,262,140	3	2.68%
Las Vegas Sands Corporation				988,434,935	4	1.52%
Wynn Resorts Limited	672,513,677	6	0.77%	863,528,905	5	1.33%
Station Casinos Incorporated	537,242,794	8	0.61%	577,441,319	6	0.89%
Nevada Property 1 LLC				417,970,291	7	0.64%
Eldorado Energy LLC				357,230,311	8	0.55%
Howard Hughes Corporation				331,120,927	9	0.51%
Boyd Gaming Corporation	747,995,905	5	0.86%	306,871,653	10	0.47%
Harrah's Entertainment, Inc.						
General Growth Properties	1,595,846,417	3	1.83%			
Las Vegas Sands Corporation	572,825,799	7	0.66%			
Focus Property Group	518,180,810	9	0.59%			
Olympia Group LLC	444,532,919	10	0.50%			
Total, ten largest taxpayers	\$ 11,904,832,756		13.62%	\$ 10,881,318,590		16.72%
Clark County Assessed Valuation	\$ 87,405,016,148			\$ 65,063,984,029		

Source: Clark County Assessor's Office.



Las Vegas-Clark County Library District

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Las Vegas-Clark County Library District	0.0866	0.0866	0.0809	0.0909	0.1011	0.0942	0.0942	0.0942	0.0942	0.0942
Countywide:										
Clark County Funds	0.6416	0.6541	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034
State of Nevada	0.1700	0.1700	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
Cities:										
Boulder City	0.2038	0.2188	0.2188	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600
Henderson	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108
Las Vegas	0.7777	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715
Mesquite	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520
North Las Vegas	1.1637	1.1587	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637
Unincorporated Towns:										
Bunkerville	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Enterprise	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Indian Springs	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Laughlin	0.8146	0.8146	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416
Moapa Town	0.2344	0.2344	0.2344	0.1094	0.1094	0.1094	0.1094	0.1094	0.1094	0.1094
Moapa Valley	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Mount Charleston	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Paradise	0.2064	0.0206	0.0206	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Searchlight	0.1222	0.1212	0.1212	0.0600	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Spring Valley	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Summerlin	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Sunrise Manor	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Whitney	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Winchester	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Other:										
Boulder City Library District	0.1555	0.1405	0.1405	0.1485	0.1595	0.1755	0.2030	0.2030	0.1880	0.2039
Clark County Fire Department	0.2197	0.2147	0.2147	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197
Coyote Spring Valley Groundwater Basin	0.0496	0.0052	0.0039	0.0018	0.0023	0.0000	0.0000	0.0000	0.0000	0.0000
Emergency 911 District	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Henderson Library District	0.0533	0.0582	0.0590	0.0581	0.0577	0.0575	0.0586	0.0586	0.0593	0.0594
Kyle Canyon Water District	0.0351	0.0346	0.0346	0.0346	0.0346	0.0000	0.0000	0.0000	0.0000	0.0000
Las Vegas Artesian Basin	0.0009	0.0008	0.0008	0.0011	0.0015	0.0000	0.0000	0.0000	0.0000	0.0000
Las Vegas Metro Police - Manpower - City	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Las Vegas Metro Police - Manpower - County	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Lower Moapa Groundwater Basin	0.0000	0.0000	0.0000	0.0006	0.0008	0.0000	0.0000	0.0000	0.0000	0.0000
Mount Charleston Fire District	0.8813	0.8813	0.8913	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813
North Las Vegas Library District	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632

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



Las Vegas-Clark County Library District

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

Fiscal Year	Property Value Assessed			Total Direct Tax Rate*	Total Real and Personal Estimated Market Value	Total Assessed Value as a Percentage of Total Estimated Market Value
	Real	Personal	Total			
2007	\$ 87,405,016,148	\$ 5,954,162,886	\$ 93,359,179,034	0.6146	\$ 266,740,511,525	35%
2008	102,349,025,402	6,300,900,438	108,649,925,840	0.6391	310,428,359,542	35%
2009	106,988,178,756	5,817,306,838	112,805,485,594	0.6391	322,301,387,411	35%
2010	86,961,001,865	4,772,231,316	91,733,233,181	0.6391	262,094,951,945	35%
2011	60,420,431,199	3,706,515,345	64,126,946,544	0.6391	183,219,847,268	35%
2012	53,342,794,997	3,369,755,692	56,712,550,689	0.6391	162,035,859,110	35%
2013	48,963,146,030	4,303,923,931	53,267,069,961	0.6391	152,191,628,459	35%
2014	49,809,243,448	4,906,452,131	54,715,695,579	0.6391	156,330,558,797	35%
2015	57,491,891,230	5,099,798,428	62,591,689,658	0.6391	178,833,399,022	35%
2016	65,063,984,029	5,458,301,376	70,522,285,405	0.6391	201,492,244,014	35%

Source: Clark County Assessor's Office.

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

*Per \$100 of assessed value.



Las Vegas-Clark County Library District

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

Fiscal Year	County Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 1,927,504,172	\$ 1,909,964,723	99.09%	\$ 16,709,790	\$ 1,926,674,513	99.99%
2008	2,180,151,410	2,144,481,519	98.36%	25,922,975	2,170,404,494	99.55%
2009	2,359,508,218	2,310,905,968	97.94%	30,112,990	2,341,018,958	99.22%
2010	2,267,779,838	2,216,524,825	97.74%	32,607,231	2,249,132,056	99.18%
2011	1,770,127,142	1,736,374,718	98.09%	22,550,172	1,736,374,718	98.09%
2012	1,600,895,122	1,576,913,229	98.50%	17,694,791	1,576,913,229	98.50%
2013	1,460,623,235	1,446,101,302	99.01%	10,447,387	1,456,548,689	99.72%
2014	1,467,944,839	1,453,563,810	99.02%	10,617,546	1,464,154,356	99.74%
2015	1,515,879,919	1,506,098,697	99.35%	7,194,671	1,513,293,368	99.83%
2016	1,582,884,063	1,572,445,147	99.34%	*	1,572,445,147	99.34%

*Not available at time of printing.

Source: Clark County Treasurer's Office.



Las Vegas-Clark County Library District

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

Fiscal Year	County Population *	Assessed Value (in thousands)	Gross Bonded Debt	Debt Service Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita	Net Bonded Debt per Personal Income**
2007	1,359,824	\$ 68,140,319	\$ 28,575,000	\$ 7,747,316	\$ 20,827,684	0.03%	\$ 15.32	0.27
2008	1,409,522	80,475,640	22,750,000	8,728,441	14,021,559	0.02%	9.95	0.14
2009	1,467,823	85,646,381	66,700,000	7,971,664	58,728,336	0.07%	40.01	0.59
2010	1,466,833	69,675,050	60,375,000	11,956,598	48,418,402	0.07%	33.01	0.47
2011	1,453,267	48,857,565	53,765,000	11,546,058	42,218,942	0.09%	29.05	0.41
2012	1,468,720	43,960,887	44,530,000	7,730,244	36,799,756	0.08%	25.06	0.36
2013	1,463,675	41,434,276	38,895,000	38,895,000	-	-	-	-
2014	1,483,581	42,108,592	33,090,000	33,090,000	-	-	-	-
2015	1,515,619	47,887,915	27,055,000	27,055,000	-	-	-	-
2016	1,542,404	52,377,637	20,775,000	20,775,000	-	-	-	-

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

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

Source: Clark County Assessor's Office.



Las Vegas-Clark County Library District

Table Eleven
 Computation of Legal Debt Margin
 June 30, 2016
 (unaudited)

Assessed value of all taxable property in the Las Vegas-Clark County Library District	<u>\$ 52,377,637,009</u>
Debt limit applicable to the Las Vegas-Clark County Library District (10% of assessed value)	\$ 5,237,763,701
Amount of debt applicable to the debt limit - General Obligation Bonds of the Las Vegas-Clark County Library District	<u>20,775,000</u>
Legal debt margin	<u>\$ 5,216,988,701</u>

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 7,374,826,156	\$ 8,724,508,654	\$ 11,280,548,559	\$ 7,484,818,853	\$ 5,273,559,103	\$ 4,765,985,606	\$ 4,489,071,304	\$ 4,572,605,789	\$ 230,357,408	\$ 5,237,763,701
Total net debt subject to limitation	<u>28,575,000</u>	<u>22,750,000</u>	<u>66,700,000</u>	<u>60,375,000</u>	<u>53,765,000</u>	<u>44,530,000</u>	<u>38,895,000</u>	<u>33,090,000</u>	<u>27,055,000</u>	<u>20,775,000</u>
Legal debt margin	<u>\$ 7,346,251,156</u>	<u>\$ 8,701,758,654</u>	<u>\$ 11,213,848,559</u>	<u>\$ 7,424,443,853</u>	<u>\$ 5,219,794,103</u>	<u>\$ 4,721,455,606</u>	<u>\$ 4,450,176,304</u>	<u>\$ 4,539,515,789</u>	<u>\$ 203,302,408</u>	<u>\$ 5,216,988,701</u>
Total net debt subject to limitation as a percentage of debt limit	0.39%	0.26%	0.59%	0.81%	1.02%	0.93%	0.87%	0.72%	11.74%	0.40%

Source: LVCCLD Debt Management Policy 2016



Las Vegas-Clark County Library District

**Table Twelve
General Obligation Direct and Overlapping Government Debt
June 30, 2016
(unaudited)**

	<u>Debt Outstanding</u>	<u>Percent Applicable</u>	<u>Applicable Debt</u>
Direct Debt			
Las Vegas-Clark County Library District	\$ 20,775,000	100%	\$ 20,775,000
Overlapping Debt			
Clark County	2,668,202,771	100%	2,668,202,771
City of Las Vegas	495,005,000	100%	495,005,000
Total Overlapping Debt	<u>3,163,207,771</u>		<u>3,163,207,771</u>
Total Direct and Overlapping Debt	<u>\$ 3,183,982,771</u>		<u>\$ 3,183,982,771</u>

Sources: Debt outstanding provided by each governmental unit.

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



Las Vegas-Clark County Library District

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

<u>Calendar Year</u>	<u>County Population*</u>	<u>Total Personal Income**</u>	<u>Per Capita Personal Income**</u>	<u>Median Age*</u>	<u>School Enrollment***</u>	<u>Unemployment Rate ****</u>
2007	1,874,837	\$ 69,445,800	\$ 38,281	50.1	308,000	6.50%
2008	1,954,319	77,278,600	40,353	35.7	311,417	6.30%
2009	1,986,146	99,620,809	37,691	35.7	311,240	12.30%
2010	1,493,699	99,851,379	36,919	35.3	309,476	14.60%
2011	1,453,267	103,956,791	38,173	35.3	309,893	14.00%
2012	1,468,720	103,076,310	37,361	35.4	308,447	11.60%
2013	1,463,675	108,593,284	38,920	36.2	311,429	9.60%
2014	1,483,581	81,821,005	39,533	36.4	314,643	7.70%
2015	1,515,619	****	****	36.8	318,040	7.00%
2016	1,542,404	****	****	37.2	319,713	6.90%

* Source: Nevada State Demographer, LVGEA Perspective 2016

** Source: Bureau of Economic Analysis

*** Source: Clark County School District, LVGEA Perspective 2016

**** Not available at time of printing

***** Source: Bureau of Labor Statistics



Las Vegas-Clark County Library District

**Table Fourteen
Principal Employers
Fiscal Year 2016 and 2007
(unaudited)**

Taxpayer	2007			2016		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Clark County School District	25,000	1	3.2%	35,000	1	
Clark County	9,250	2	1.1%	8,750	2	
MGM Grand Hotel/Casino	8,250	5	0.9%	8,250	3	
Wynn Las Vegas	8,750	4	1.0%	8,250	4	
Bellagio LLC	9,250	3	1.0%	7,750	5	
Mandalay Bay Resort and Casino	8,250	6	0.9%	7,250	6	
Aria Resort & Casino LLC				7,250	7	
Caesar's Palace	5,250	9	0.6%	5,250	8	
University of Nevada - LV				5,250	9	
Las Vegas Metropolitan Police	4,750	10	0.6%	4,750	10	
Venetian Casino Resorts, LLC	5,750	7	0.6%			
The Mirage Hotel & Casino	5,750	8	0.6%			

Source: State of Nevada - Department of Employment, Training and Rehabilitation



Las Vegas-Clark County Library District

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

FUNCTION/PROGRAM	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Culture and recreation	500	528	523	466	462	463	468	485	496	512



Las Vegas-Clark County Library District

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

Fiscal Year	Circulation*	Percent Increase (Decrease)	Library Media Materials*
2007	10,593,661	2%	2,815,628
2008	12,170,182	15%	2,925,000
2009	13,242,715	9%	6,096,673
2010	13,744,009	4%	6,399,227
2011	12,637,724	(8%)	5,851,591
2012	13,449,178	6.4%	6,649,948
2013	13,574,331	1.0%	7,093,436
2014	13,757,192	1.33%	7,085,910
2015	13,418,861	(2.46%)	6,964,109
2016	13,758,171	2.53%	6,251,874

* Source: Las Vegas-Clark County Library District



Las Vegas-Clark County Library District

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

FUNCTION/PROGRAM	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Culture and recreation:										
Library branches	23	23	24	24	25	25	25	25	25	25
Library branches with theaters	4	4	4	4	5	5	5	5	5	6
Library branches with lecture hall	1	1	1	1	1	1	1	1	1	1
Library branches with auditorium	1	1	1	1	1	1	1	1	1	1
Library branches with concert hall	1	1	1	1	1	1	1	1	1	1
Library branches with art galleries	14	14	14	14	14	14	14	14	14	13
Library branches with microcomputer centers	5	5	5	5	5	5	5	5	5	5
Library media materials*	2,815,628	2,925,000	6,096,673	6,399,227	5,851,591	6,649,948	7,093,436	7,085,910	6,964,109	6,251,874

* Source: Las Vegas-Clark County Library District

**SINGLE AUDIT AND
ACCOMPANYING INFORMATION**

This page intentionally left blank

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

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

We have audited the compliance of the Las Vegas - Clark County Library District (the District) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2016. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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

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

Opinion on Major Federal Program. In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the District's major federal program for the year ended June 30, 2016.

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance. We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated September 30, 2016, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Piercy Bowler Taylor & Keen

Las Vegas, Nevada
September 30, 2016



Las Vegas - Clark County Library District

**Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016**

<u>Federal Grantor/Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Amount Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
Institute of Museum and Library Services				
National Leadership Grants	45.312		N/A	\$ 75,400
Passed Through State of Nevada, Library and Archives, Department of Administration				
Grants to States	45.31	LS-00-0029-15	N/A	33,443
Total Institute of Museum and Library Services				108,843
U.S. Department of Education, Office of Vocational and Adult Education				
Passed Through State of Nevada, Department of Education				
Adult Education, Basic Grants to States	84.002 *	16-607-32000 16-608-32000	N/A	789,283
Total federal assistance expended				\$ 898,126

* A "major" program.



Las Vegas-Clark County Library District

Notes to Schedule of Federal Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2016

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Las Vegas-Clark County Library District (the District) under programs of the federal government for the year ended June 30, 2016. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to, and does not, present the District's financial position or changes therein.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Summary of Significant Accounting Policies

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



Las Vegas – Clark County Library District

**Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016**

Section I - Summary of Auditors' Results:

Financial Statements:

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

Federal Awards:

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

Identification of major programs:

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

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

None reported

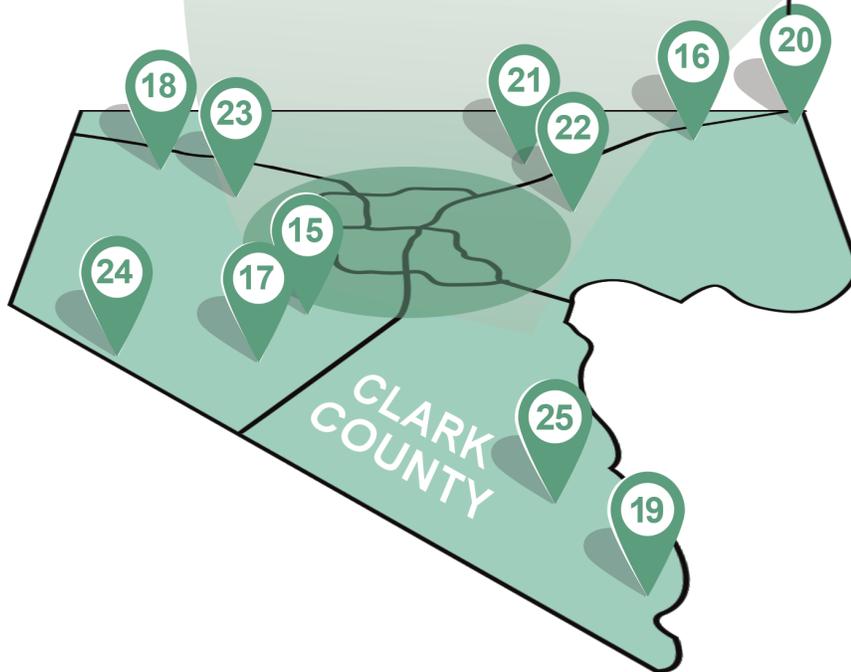
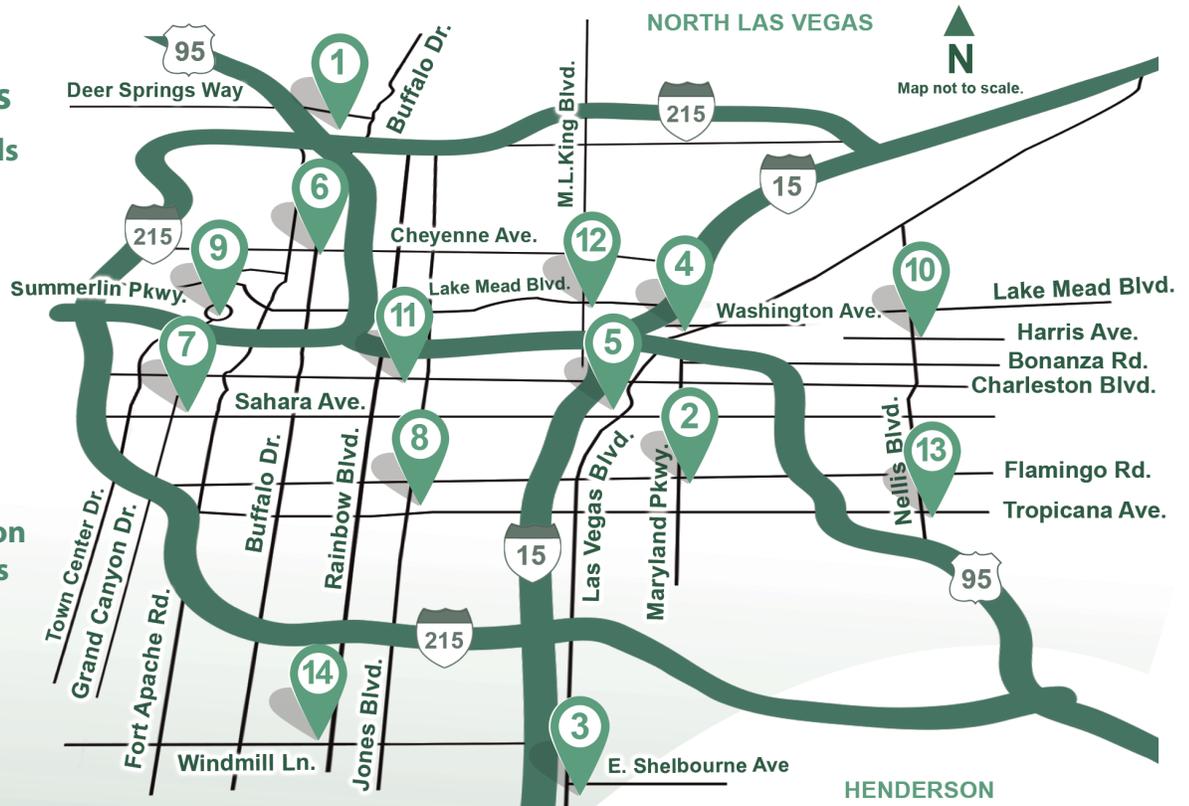
Section III – Findings and questioned costs for federal awards, including audit findings required by 2 CFR 200.516(a):

None reported

Service Area and Branch Locations

Urban Branches

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



Outlying Branches

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

All urban branches are open
 Monday – Thursday from 10 a.m. to 8 p.m. and
 Friday, Saturday, and Sunday from 10 a.m. to 6 p.m.

Outlying branch hours vary. Please call for hours **702.734.READ.**