



# HENDERSON LIBRARIES

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended  
June 30, 2023



HENDERSON DISTRICT PUBLIC LIBRARIES, NEVADA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FISCAL YEAR-ENDED JUNE 30, 2023

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# HENDERSON LIBRARIES

Report Prepared By:  
Tawana Keels  
Chief Financial Officer  
Henderson District Public Libraries  
280 South Green Valley Parkway  
Henderson, Nevada 89012

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HENDERSON DISTRICT PUBLIC LIBRARIES, NEVADA  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
FISCAL YEAR ENDED JUNE 30, 2023

**TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION:</b>	<b>Page</b>
Letter of Transmittal .....	1
Library Officials .....	4
Organizational Chart .....	5
Certificate of Achievement for Excellence in Financial Reporting.....	6
 <b>FINANCIAL SECTION:</b>	
Independent Auditor’s Report .....	7
Management’s Discussion and Analysis.....	11
 <b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	21
Statement of Activities .....	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	23
Reconciliation of the Balance Sheet – Governmental Funds to the Government-Wide Statement of Net Position .....	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Government-Wide Statement of Activities.....	26
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund .....	27
Notes to the Financial Statements .....	28
 <b>Required Supplementary Information:</b>	
Multi-Employer Cost-Sharing Defined Benefit Pension Plan Proportionate Share of the Collective Net Pension Liability Information.....	53
Multi-Employer Cost-Sharing Defined Benefit Pension Plan Proportionate Share of the Schedule of Statutorily Required Contribution Information.....	54
Schedule of Changes in the Net OPEB Liability and Related Ratios – RHPP.....	55
Schedule of Changes in the Net OPEB Liability and Related Ratios – PEPB .....	56
Schedule of OPEB Contributions – RHPP .....	57
Schedule of OPEB Contributions – PEBP .....	58
Notes to Required Supplementary Information .....	59
 <b>Governmental Funds:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Construction Fund – Major Fund .....	61
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Contributions and Grants Fund – Nonmajor Fund.....	62

HENDERSON DISTRICT PUBLIC LIBRARIES, NEVADA  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
 FISCAL YEAR ENDED JUNE 30, 2023

**TABLE OF CONTENTS (continued)**

<b>STATISTICAL SECTION:</b>	<b>Table</b>	<b>Page</b>
Financial Trends:		
Net Position by Components .....	1	63
Changes in Net Position .....	2	64
Fund Balances, Governmental Funds .....	3	65
Changes in Fund Balance, Governmental Funds.....	4	66
Revenue Capacity:		
Assessed and Estimated Actual Value of Taxable Property.....	5	67
Property Tax Rates - Direct and Overlapping Governments .....	6	68
Principal Property Taxpayers .....	7	69
Property Tax Levies and Collections.....	8	70
Debt Capacity:		
Ratios of Outstanding Debt by Type .....	9	71
Ratios of Net General Bonded Debt Outstanding.....	10	72
Direct and Overlapping Governmental Activities Debt.....	11	73
Debt Limit Information .....	12	74
Demographic and Economic Information:		
Demographic and Economic Information .....	13	75
Principal Employers .....	14	76
Operating Information:		
Full-Time Equivalent Employees by Function .....	15	77
Library Materials and Circulation Summary .....	16	78
Circulation by Location .....	17	79
Service Location Information.....	18	80
Percentage of General Fund Expenditures Spent on Library Books and Materials.....	19	81
 <b>COMPLIANCE SECTION:</b>		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....		83
Independent Auditor's Report on State Legal Compliance .....		85





**INTRODUCTORY**  
*SECTION*



November 7, 2023

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

We are pleased to present Henderson District Public Libraries' Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This report contains the financial statements and other financial information and statistical data that provide complete and full disclosure of all material aspects of the Henderson District Public Libraries. The financial statements in this ACFR conform to generally accepted accounting principles (GAAP) as applicable to governmental entities.

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

Henderson Libraries' financial statements have been audited by HintonBurdick CPAs & Advisors, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Henderson Libraries for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Henderson Libraries' financial statements for fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Henderson Libraries' MD&A can be found immediately following the report of the independent auditors.

### **Profile of Henderson District Public Libraries**

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

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

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

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

### **Factors Affecting Financial Conditions**

**Local Economy** - According to UNLV's Center for Business and Economic Research (CBER), Clark County displayed somewhat favorable signs in its local economic activity. Seasonally adjusted employment added 1,400 jobs in May. The unemployment rate, however, stayed at 5.8% from the prior month. May Harry Reid International Airport passengers were up by 8.2% from last year. May visitor volume increased 1.5% from the last year. May gaming revenue decreased by 1.0% over the same period last year and April taxable sales rose by 1.9% year-over-year. May residential permits rebounded, up 79.7% from last year after 10 consecutive months of year-over-year declines amid low inventories.

### **Long-term Financial Planning**

Long range financial planning is vital in prioritizing implementation of strategic plan initiatives as well as the capital needs of Henderson Libraries. State projections indicate increased property tax valuations will continue in 2024 and beyond. Management strives to balance increasing expenditures and capital needs with this projected revenue flow. A 5-year projection model is used to aid management in determining short-term budgeting for operations and prioritizing long term capital needs.

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

### **Major Initiatives**

Henderson Libraries continued to grow our community presence while streamlining our backend processes in fiscal year 2023. In addition to opening the new West Henderson Library to serve the growing West Henderson community, we also added an Outreach Coordinator and Outreach vehicle to our team. Outreach services allow us the ability to provide library resources in the community—both at special events, and through regular visits with those who have barriers to accessing our facilities. We also continued to streamline our backend processes by installing automatic materials handling units at the three branch libraries that did not have them and began converting our collection to radio frequency identification (RFID) tags to support more efficient operations. These upgrades have allowed Henderson Libraries to create efficiencies on the backend so that we can maximize our impact in the community.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the twenty-third consecutive year that Henderson Libraries has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Cordially,



Marcie L. Smedley  
Executive Director



Tawana Keels  
Chief Financial Officer



## **HENDERSON DISTRICT PUBLIC LIBRARIES**

### **Library Officials**

#### **Board of Trustees**

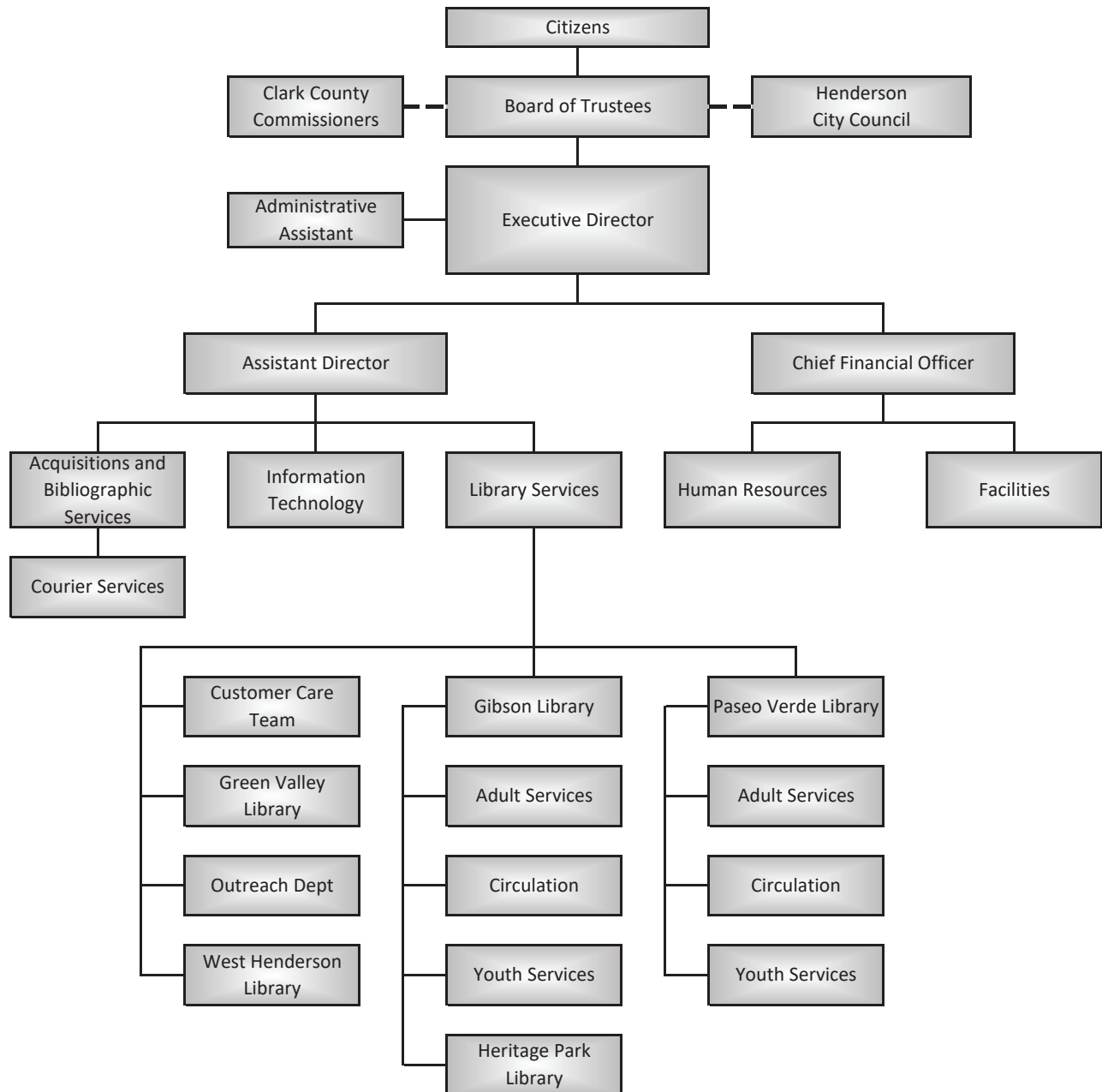
David Ortlipp	Chair
Angela Brommel	Vice Chair
Jennifer Andricopolus	Secretary
Bette Silverman	Trustee
James Green	Trustee
Kip Noschese	Trustee
Gerri Schroder	Trustee

#### **Administrative Staff**

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

# HENDERSON DISTRICT PUBLIC LIBRARIES

## Organizational Chart As of June 30, 2023







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Henderson District Public Libraries  
Nevada**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO





**FINANCIAL**  
*SECTION*





## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Henderson District Public Libraries (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Change in Accounting Principle***

In fiscal year 2023, the District implemented, as described in Note 2 to the financial statements, the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to these matters.

#### ***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance; and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the proportionate share of the net pension liability, contributions, schedules related to other post-employment benefits, and notes to required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

## ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The individual major and nonmajor fund budgetary comparison schedules are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the individual major and nonmajor fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information, as listed in the table of contents, comprises the introductory section and statistical section, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Based on the work performed, we did not find any uncorrected material misstatements of the other information.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

*HintonBurdick, PLLC*

Mesquite, Nevada  
November 7, 2023

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**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

As management of the Henderson District Public Libraries, we offer readers of the Henderson Libraries' financial statements this narrative overview and analysis of the financial activities of Henderson Libraries for the fiscal year ended June 30, 2023. This should be read in conjunction with the transmittal letter in the Introduction Section and Henderson Libraries' financial statement following this section.

### **Financial Highlights**

- The assets and deferred outflows of resources exceeded Henderson Libraries' liabilities and deferred inflows of resources at the end of fiscal year 2023 by \$15,229,927 (net position).
- Henderson Libraries' total net position increased by \$1,998,239. See the section on Government-Wide Financial Analysis for details.
- At the end of fiscal year 2023, Henderson Libraries' governmental funds had combined fund balances of \$12,573,207, an increase of \$2,179,522 from the previous year. Approximately 0.8%, or \$93,734 of ending fund balances is nonspendable, 1.6%, or \$207,818, is restricted for a specific purpose by external sources, 74.8%, or \$9,408,536, is assigned by management for a specific purpose, and 22.8%, or \$2,863,119, is available for spending at Henderson Libraries' discretion.
- As of June 30, 2023, fund balance in the General Fund, excluding nonspendable fund balance, was \$4,824,119 or 52.9% of General Fund expenditures.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Henderson Libraries' basic financial statements. Henderson Libraries' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements themselves.

**Government-Wide Financial Statements** - The government-wide financial statements are designed to provide readers with a broad overview of Henderson Libraries' finances in a manner similar to a private-sector business.

The statement of net position presents information on all of Henderson Libraries' 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 Henderson Libraries is improving or deteriorating.

The statement of activities presents information showing how Henderson Libraries' net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**Fund Financial Statements** - A fund is a self-balancing set of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Henderson Libraries uses fund accounting to demonstrate legal compliance and to aid in financial management. All of the funds of Henderson Libraries are categorized as governmental funds. Henderson Libraries does not currently maintain any proprietary or fiduciary funds.

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

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

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



**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2023, Henderson Libraries is reporting net position of \$15,229,927, a net increase of \$1,998,239 from the previous year. The following table provides a summary of Henderson Libraries' net position for the years ended June 30, 2023 and 2022.

**Henderson Libraries Net Position**

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
		(Restated)
Assets:		
Current and other assets	\$ 13,091,554	\$ 11,127,814
Capital Assets	14,921,265	14,845,175
Total Assets	<u>28,012,819</u>	<u>25,972,989</u>
Deferred outflow of resources	<u>4,066,578</u>	<u>3,088,486</u>
Liabilities:		
Current liabilities	464,253	674,598
Long-term liabilities	13,875,825	9,630,367
Total liabilities	<u>14,340,078</u>	<u>10,304,965</u>
Deferred inflow of resources	<u>2,509,392</u>	<u>5,524,822</u>
Net position:		
Net investment in capital assets	13,855,317	13,654,268
Restricted by grants and donors	207,818	187,055
Unrestricted	1,166,792	(609,635)
Total net position	<u>\$ 15,229,927</u>	<u>\$ 13,231,688</u>

The largest portion of Henderson Libraries' net position, \$13,855,317 or 91.0%, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. Capital assets consist of land, buildings, furniture and equipment, land improvements, lease improvements, library materials, right-to-use lease equipment, right-to-use SBITAs, and vehicles. These assets are used to provide services to the patrons of Henderson Libraries and are not available for future spending. Although Henderson Libraries' investment in capital assets is reported net of related debt, it should be noted that the resources used to repay the debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Henderson Libraries' net position, \$207,818 or 1.4%, reflects resources that are subject to external restrictions on how they may be used.

The remaining portion of Henderson Libraries' net position is a positive unrestricted net position of \$1,166,792, or 7.6%.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Henderson Libraries Changes in Net Position**

	Governmental Activities	
	<u>2023</u>	<u>2022</u> (Restated)
Revenues:		
Program Revenues:		
Charges for services	\$ 88,979	\$ 83,616
Operating grants and contributions	231,596	167,987
Capital grants and contributions	160,061	149,882
General Revenues:		
Ad valorem taxes	7,804,819	7,370,913
Consolidated taxes	3,412,653	3,289,123
Unrestricted investment earnings/(loss)	398,039	(22,845)
Gain on disposal of capital assets	4,000	-
Total revenues	<u>12,100,147</u>	<u>11,038,676</u>
Expenses:		
Cultural and recreation	10,070,795	8,708,291
Interest on leases	31,113	4,797
Total expenses	<u>10,101,908</u>	<u>8,713,088</u>
Increase/(decrease) in net position	1,998,239	2,325,588
Net position, beginning of year	13,231,688	10,906,100
Net position, end of year	<u>\$ 15,229,927</u>	<u>\$ 13,231,688</u>

**Governmental Activities** - Governmental activities increased Henderson Libraries' net position by \$1,998,239 or 15.1%, during the current fiscal year. Key elements of this increase are as follows:

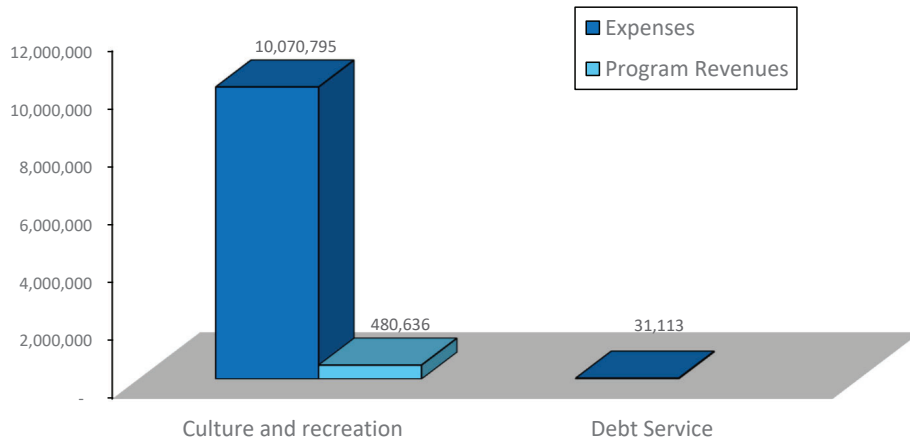
- Operating grants and contributions increased by \$63,609 or 37.9%, and capital grants and contributions increased by \$10,179 or 6.8%. These changes are due to normal variations in the types of grants and contributions received by the District.
- Ad valorem property taxes increased by \$433,906 or 5.9%, while consolidated taxes increased by \$123,530, or 3.8%. The increase in ad valorem property taxes is due to an increase in assessed value and new property coming onto the tax rolls. The increase in consolidated taxes is due to growth in the local economy.
- Unrestricted investment earnings increased by \$420,884 or 1,842.3%. This is due to higher earnings on investments.
- Expenses increased by \$1,388,820, or 15.9%. A large portion of this was due to a increase of \$941,138 in Henderson Libraries' portion of the net pension expense from the state retirement plan and \$346,573 increase in salaries and wages. The remaining increase was due increases in benefits and operating expense during the current fiscal year.

As shown by the chart below, revenues generated by Henderson Libraries' programs are not sufficient to cover the costs. Henderson Libraries relies on ad valorem property taxes and consolidated taxes to cover the costs associated with the programs.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Expenses and Program Revenues**  
Governmental Activities



### Financial Analysis of Governmental Funds

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

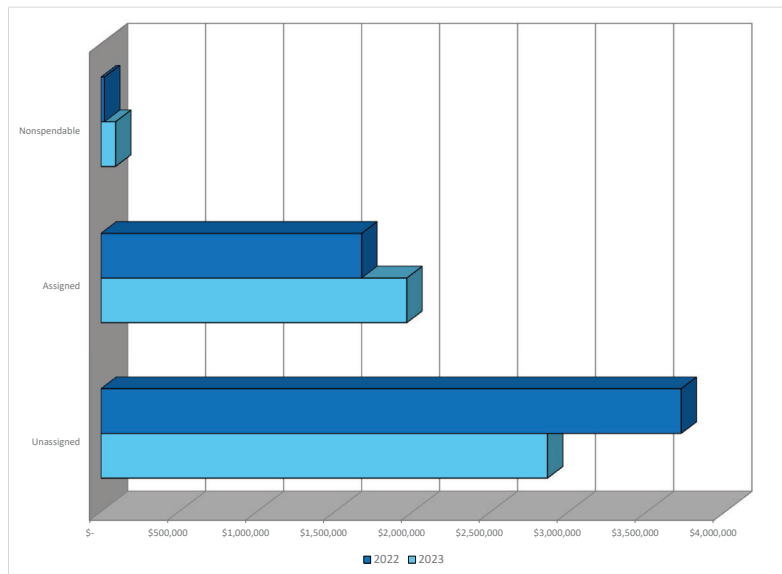
The focus of Henderson Libraries' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Henderson Libraries' financing requirements. In particular, unassigned fund balance may serve as a useful measure of Henderson Libraries' net resources available for discretionary use as they represent the portion of the fund balance which has not yet been limited to use for a particular purpose by either an external party, Henderson Libraries itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by Henderson Libraries' Board of Trustees.

As of the end of the current fiscal year, Henderson Libraries' governmental funds reported combined ending fund balances of \$12,573,207 an increase of \$2,179,522 from the prior fiscal year. Of the current fiscal year's ending fund balances, \$2,863,119 or 22.8%, constitutes unassigned fund balance and is available for spending at Henderson Libraries' discretion; \$9,408,536, or 74.8%, is assigned by management for specific purposes; \$207,818, or 1.6% is restricted by external sources; and \$93,734, or .8%, is nonspendable.

**General Fund** - The General Fund is the chief operating fund of Henderson Libraries. At the end of the current fiscal year, the General Fund had an ending fund balance of \$4,917,853, of which \$2,863,119 was unassigned, \$1,961,000 is assigned for use in next year's operations, and \$93,734 is nonspendable.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**General Fund  
Components of Fund Balance  
June 30, 2023 and 2022**



The General Fund’s fund balance decreased by \$495,123 during the current fiscal year. This decrease in fund balance is primarily due to a transfer to the Capital Construction Fund which was offset by increases in ad valorem taxes and consolidated taxes, and increases in salaries, benefits and capital outlay.

**Capital Construction Fund** - The Capital Construction Fund, a major fund, had a fund balance of \$7,299,147, an increase of \$2,643,976 from the previous fiscal year. The primary reason for this increase was a \$3,000,000 transfer from the General Fund to fund future capital improvement projects.

### **General Fund Budgetary Highlights**

The original, final fiscal year 2023 budget was approved May 19, 2022. State regulations require budget controls to be exercised at the function level.

Pursuant to NRS 354.598005(5), the District may transfer appropriations between functions, if such a transfer does not increase the total appropriations for any fiscal year and is not in conflict with other statutory provisions. The District did no such transfer during fiscal year 2023.

The final budget projected ad valorem property taxes and consolidated taxes, which account for 99.1% of the General Fund’s total revenue, to be \$8,094,033 and \$3,233,043 respectively. Ad valorem property tax revenue came in at \$7,794,002, a negative variance of \$300,031, or -3.7%. Consolidated tax revenues came in at \$3,412,653, a positive variance of \$179,610 or 5.6%.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Actual expenditures were 90.3% of appropriations, or \$982,643 lower than the final budget. The main areas of savings are summarized below:

- Salaries and wages were \$320,208 below the final budget and employee benefits were \$120,144 below the final budget. These were due to savings associated with vacant positions and attrition.
- Services and supplies were \$640,715 below the final budget. This was due to conservative spending practices.
- Capital outlay was \$230,111 below the final budget. This was due conservative spending practices.

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

## Capital Assets

At June 30, 2023, Henderson Libraries had \$14,921,265 invested in capital assets (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and equipment, land improvements, leasehold improvements, right-to-use lease equipment, right-to-use subscription-based information technology arrangements (SBITAs), library materials, and vehicles. This amount represents a net increase of \$76,090 from last year. The following table reflects capital assets of Henderson Libraries at June 30, 2023 and 2022.

**Henderson Libraries Capital Assets**  
(net of accumulated depreciation)

	<u>June 30, 2023</u>	<u>June 30, 2022</u> (Restated)
Land	\$ 1,406,051	\$ 1,406,051
Buildings	8,815,584	9,422,575
Furniture and equipment	1,088,098	631,690
Land improvements	179,973	209,969
Leasehold improvements	7,663	9,753
Library materials	2,269,408	1,931,544
Right-to-use lease equipment and right-to-use SBITAs	1,060,022	1,185,179
Vehicles	94,466	48,414
	<u>\$ 14,921,265</u>	<u>\$ 14,845,175</u>

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

- Effective March 16, 2023, Henderson District Public Libraries changed its capitalization threshold for capital assets from \$2,500 to \$5,000.
- Capitalized library materials were recorded at a cost of \$985,265. Donated materials totaled \$87,166.
- Technology purchases included a Microsoft Surface Hub and server at a cost of \$29,419.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

- A replacement vehicle was purchased at a cost of \$36,339. Customization of the Outreach vehicle was completed at a cost of \$23,050.
- Radio Frequency Identification (RFID) gates were added to all four libraries at a cost of \$47,241 and Automated Materials Handling units were added to Gibson, Green Valley and West Henderson Libraries at a cost of \$319,368.
- Two SBITAs were added at a cost of \$182,633.
- Building improvements included a new rooftop HVAC unit at Gibson Library at a cost of \$45,846, a new cooling tower at Paseo Verde Library at a cost of \$99,766, and boiler at Paseo Verde Library at a cost of \$21,996.
- Depreciation and amortization expenses for the fiscal year was \$1,818,416.
- Additional information on Henderson Libraries' capital assets can be found in Notes 1, 5, 6 and 8 to the financial statements in this report.

### **Long-term Debt**

At the end of the current fiscal year, Henderson Libraries had long-term obligation of \$1,065,948 comprised of leases payable in the amount of \$672,333 and SBITA liabilities in the amount of \$393,615

Per NRS 379.0225, the debt limitation for the District is equal to 10 percent of the total assessed value of all taxable property. The debt limitation currently applicable to June 30, 2023 is \$1,945,547,443.

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

Additional information on Henderson Libraries' long-term debt can be found in Notes 1 and 7 to the financial statements in this report.

### **Economic Factors and Next Year's Budgets**

The following economic factors currently affect Henderson Libraries and were considered in developing the 2023-2024 fiscal year budget.

- The unemployment rate for Clark County increased to 6%, which is up 0.3% from the prior year. The United States national average unemployment rate is 3.8% and the State's average unemployment rate is 5.7%.
- Businesses within Clark County reported taxable sales of \$5.512 billion, a 1.6% increase from the previous year.
- Property within Henderson Libraries' assessment district raised in value to \$19,455,474,426, an increase of \$2,187,401,505 or 12.7%.

At the end of the current fiscal year, the spendable fund balance in the general fund was \$4,824,119. Henderson Libraries has appropriated \$1,961,000 of this amount for spending in the 2023-2024 fiscal year budget. This action was taken to allow for a transfer of \$3,000,000 to the Capital Construction Fund that will fund future capital projects.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Requests for Information**

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

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**BASIC FINANCIAL**  
*STATEMENTS*



# HENDERSON DISTRICT PUBLIC LIBRARIES

## STATEMENT OF NET POSITION

JUNE 30, 2023

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 12,227,667
Accounts receivable	10,022
Interest receivable	46,872
Due from other governments	683,084
Leases receivable	15,300
Prepays	93,734
Deposits Held	14,875
Capital assets not being depreciated	1,406,051
Capital assets, net of accumulated depreciation/amortization	13,515,214
Total assets	<u>28,012,819</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	3,492,855
Other postemployment benefits related	573,723
Total deferred outflows of resources	<u>4,066,578</u>
<b>LIABILITIES</b>	
Accounts payable	319,383
Accrued payroll	105,266
Accrued interest	10,170
Unearned revenue	29,434
Non-current liabilities:	
Due within one year	2,575,306
Due in more than one year	11,300,519
Total liabilities	<u>14,340,078</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Lease related	15,206
Pension related	38,941
Other postemployment benefits related	2,455,245
Total deferred inflows of resources	<u>2,509,392</u>
<b>NET POSITION</b>	
Net investment in capital assets	13,855,317
Restricted by grants and donors	207,818
Unrestricted	1,166,792
Total net position	<u>\$ 15,229,927</u>

See notes to the financial statements.

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>FUNCTIONS/PROGRAMS</b>					
Governmental Activities:					
Culture and recreation	\$ 10,070,795	\$ 88,979	\$ 231,596	\$ 160,061	\$ (9,590,159)
Interest	31,113				(31,113)
Total governmental activities	<u>\$ 10,101,908</u>	<u>\$ 88,979</u>	<u>\$ 231,596</u>	<u>\$ 160,061</u>	<u>(9,621,272)</u>
General revenues:					
Ad valorem taxes					7,804,819
Intergovernmental revenues, consolidated taxes, unrestricted					3,412,653
Unrestricted investment earnings					398,039
Gain on disposal of capital assets					4,000
Total general revenues					<u>11,619,511</u>
Change in net position					1,998,239
Net position, beginning of year (restated)					<u>13,231,688</u>
Net position, end of year					<u>\$ 15,229,927</u>

See notes to the financial statements.

# HENDERSON DISTRICT PUBLIC LIBRARIES

## GOVERNMENTAL FUNDS

### BALANCE SHEET JUNE 30, 2023

	General Fund	Capital Construction Fund	Total Nonmajor Governmental Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 4,578,655	\$ 7,299,147	\$ 349,865	\$ 12,227,667
Receivables	-	-	10,022	10,022
Interest receivable	46,872	-	-	46,872
Lease receivable	15,300	-	-	15,300
Due from other governments	683,084	-	-	683,084
Prepays	93,734	-	-	93,734
Deposits held	14,875	-	-	14,875
Total assets	<u>\$ 5,432,520</u>	<u>\$ 7,299,147</u>	<u>\$ 359,887</u>	<u>\$ 13,091,554</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 315,703	\$ -	\$ 3,680	\$ 319,383
Unearned revenue	29,434	-	-	29,434
Accrued payroll	105,266	-	-	105,266
Total liabilities	<u>450,403</u>	<u>-</u>	<u>3,680</u>	<u>454,083</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property tax	49,058	-	-	49,058
Lease related	15,206	-	-	15,206
Total deferred inflows of resources	<u>64,264</u>	<u>-</u>	<u>-</u>	<u>64,264</u>
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Prepaid items	93,734	-	-	93,734
<b>Restricted for:</b>				
Materials	-	-	155,956	155,956
Outreach	-	-	13,136	13,136
Paseo Verde Library	-	-	1,478	1,478
Programming	-	-	37,248	37,248
<b>Assigned for:</b>				
Capital projects	-	7,299,147	-	7,299,147
Fund balance for next year operations	1,961,000	-	-	1,961,000
Programming and events	-	-	148,389	148,389
<b>Unassigned</b>	<u>2,863,119</u>	<u>-</u>	<u>-</u>	<u>2,863,119</u>
Total fund balances	<u>4,917,853</u>	<u>7,299,147</u>	<u>356,207</u>	<u>12,573,207</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,432,520</u>	<u>\$ 7,299,147</u>	<u>\$ 359,887</u>	<u>\$ 13,091,554</u>

See notes to the financial statements.



# HENDERSON DISTRICT PUBLIC LIBRARIES

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION JUNE 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 12,573,207
Capital assets, net of accumulated depreciation/amortization used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets	\$ 29,815,976	
Less accumulated depreciation	(15,954,733)	
Right-to-use assets at historical costs	1,619,398	
Accumulated amortization	<u>(559,376)</u>	
		14,921,265
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	3,492,855	
Deferred outflows -OBEP related	573,723	
Deferred inflows - pension related	(38,941)	
Deferred inflows -OBEP related	<u>(2,455,245)</u>	
		1,572,392
Other deferred inflows of resources that were not available to fund current expenditures and, therefore, were not report.		
Unavailable revenue, property taxes		49,058
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences	(971,449)	
Interest payable	(10,170)	
Lease liability	(672,333)	
Subscription liability	(393,615)	
Net pension liability	(9,447,841)	
Obligations for postemployment benefits other than pensions	<u>(2,390,587)</u>	
		<u>(13,885,995)</u>
Net position of governmental activities		<u>\$ 15,229,927</u>

See notes to the financial statements.

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>General Fund</b>	<b>Capital Construction Fund</b>	<b>Total Nonmajor Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Ad valorem property taxes	\$ 7,794,002	\$ -	\$ -	\$ 7,794,002
Intergovernmental:				
Consolidated tax, unrestricted	3,412,653	-	-	3,412,653
Grants	-	-	177,009	177,009
Miscellaneous:				
Fines and forfeits	43,540	-	-	43,540
Contributions from private sources	-	-	127,482	127,482
Investment income	139,827	247,257	10,955	398,039
Other	44,279	-	1,160	45,439
Total revenues	<u>11,434,301</u>	<u>247,257</u>	<u>316,606</u>	<u>11,998,164</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Salaries and wages	4,496,792	-	-	4,496,792
Employee benefits	1,814,856	-	-	1,814,856
Services and supplies	1,548,685	52,647	139,053	1,740,385
Debt service:				
Principal	307,592	-	-	307,592
Interest	20,943	-	-	20,943
Capital outlay:				
Culture and recreation	927,189	550,634	146,884	1,624,707
Total expenditures	<u>9,116,057</u>	<u>603,281</u>	<u>285,937</u>	<u>10,005,275</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,318,244</u>	<u>(356,024)</u>	<u>30,669</u>	<u>1,992,889</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	(3,000,000)	3,000,000	-	-
Finance Lease and SBITA	182,633	-	-	182,633
Proceeds from sale of capital assets	4,000	-	-	4,000
Total other financing sources (uses)	<u>(2,813,367)</u>	<u>3,000,000</u>	<u>-</u>	<u>186,633</u>
Net change in fund balances	<u>(495,123)</u>	<u>2,643,976</u>	<u>30,669</u>	<u>2,179,522</u>
Fund balances, beginning of year	<u>5,412,976</u>	<u>4,655,171</u>	<u>325,538</u>	<u>10,393,685</u>
Fund balances, end of year	<u>\$ 4,917,853</u>	<u>\$ 7,299,147</u>	<u>\$ 356,207</u>	<u>\$ 12,573,207</u>

See notes to the financial statements.

# HENDERSON DISTRICT PUBLIC LIBRARIES

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BLANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - total governmental funds	\$ 2,179,522
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	\$ 1,807,340	
Less current year depreciation	<u>(1,818,416)</u>	(11,076)

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

Change in unavailable property tax	10,817	
Donated capital assets	<u>87,166</u>	97,983

Debt proceeds provide current financial resources to the governmental funds, but issuing debt increases the the long-term liabilities in the Statement of Net Position. Repayment of the debt principal is an expenditure in the governmental funds, but repayment reduces the long-term liabilities in the Statement of Net Position.

SBITAs issued	(182,633)	
Principal payments	<u>307,592</u>	124,949

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

Change in long-term compensated absences	(44,785)	
Changes in accrued interest	(10,170)	
Change in net pension liability and related deferred outflows and inflows of resources	(366,552)	
Change in obligations for postemployment benefits other than pensions and related deferred outflows and inflows of resources	<u>28,358</u>	(393,149)

Change in net position of governmental activities	<u>\$ 1,998,239</u>
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See notes to the financial statements.



# HENDERSON DISTRICT PUBLIC LIBRARIES

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original and Final Budget	Actual Amounts	Variance with Original and Final Budget
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$ 8,094,033	\$ 7,794,002	\$ (300,031)
Intergovernmental:			
Consolidated tax, unrestricted	3,233,043	3,412,653	179,610
Miscellaneous:			
Fines and forfeits	50,000	43,540	(6,460)
Investment income	20,024	139,827	119,803
Other	30,000	44,279	14,279
Total revenues	<u>11,427,100</u>	<u>11,434,301</u>	<u>7,201</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation:			
Salaries and wages	4,817,000	4,496,792	320,208
Employee benefits	1,935,000	1,814,856	120,144
Services and supplies	2,189,400	1,548,685	640,715
Debt Service:			
Principal	-	307,592	(307,592)
Interest	-	20,943	(20,943)
Capital outlay:			
Culture and recreation	1,157,300	927,189	230,111
Total expenditures	<u>10,098,700</u>	<u>9,116,057</u>	<u>982,643</u>
Excess of revenue over expenditures	<u>1,328,400</u>	<u>2,318,244</u>	<u>989,844</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(3,000,000)	(3,000,000)	-
Finance Lease and SBITA	-	182,633	182,633
Proceeds from sale of capital assets	-	4,000	4,000
Total other financing sources (uses)	<u>(3,000,000)</u>	<u>(2,813,367)</u>	<u>186,633</u>
Net change in fund balances*	1,671,600	(495,123)	1,176,477
Fund balances, beginning of year	5,013,100	5,412,976	399,876
Fund balances, end of year	<u>\$ 3,341,500</u>	<u>\$ 4,917,853</u>	<u>\$ 1,576,353</u>

\*The net change in fund balances was included in the budget as an appropriation (i.e. spenddown) of fund balance.

See notes to the financial statements.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 – Summary of Significant Accounting Policies**

**Reporting Entity**

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

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

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements report information on all of the activities of Henderson Libraries. As a general rule, eliminations have been made to minimize the double-counting of internal activities.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Exceptions to this general rule are charges for services between the governmental activities and business-type activities, of which Henderson Libraries does not perform. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

The fund financial statements provide information about Henderson Libraries' funds. Funds are classified into three categories: governmental, proprietary and fiduciary. During fiscal year 2023, Henderson Libraries used only the governmental fund category. The emphasis of fund financial statements is on the major governmental funds, which are each displayed in a separate column. The remaining governmental funds are aggregated and reported as nonmajor funds.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *measurable* when the amount of the transaction can be determined and *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Henderson Libraries considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when the related liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other postemployment benefits, are recorded only when payment is due (or when payment is made).

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



**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Henderson Libraries reports unearned revenue in the fund financial statements. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenues are recognized.

Henderson Libraries classifies and reports the following as major governmental funds:

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

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

Additionally, Henderson Libraries reports the following nonmajor governmental fund type:

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

Henderson Libraries has no nongovernmental fund types.

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

**Cash, Cash Equivalents and Investments**

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

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

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Prepaid Items

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

Capital Assets

Capital assets are defined as those assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Library books and materials purchased throughout the fiscal year are combined together as one item and considered a capital asset. All purchased or constructed capital assets are reported at cost or estimated historical cost. Donated assets are valued at their estimated acquisition value on the date received. Book deletions are computed using the average cost per book, as determined from the purchases over a period of years. Depreciation is calculated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Lives</u>
Buildings	30
Furniture and equipment	5-20
Land improvements	20
Leasehold improvements	5
Library materials	5
Right-to-use lease equipment and SBITAs	5
Vehicles	5-7

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. Henderson Libraries has three such items that qualify for reporting in this category. Unavailable revenue from ad valorem property taxes is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements, Henderson Libraries reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Net Position

For government-wide reporting, the differences between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted net position* consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provisions or enabling legislation.

*Unrestricted net position* is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes, Henderson Libraries will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is Henderson Libraries' policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflow of resources is called "fund balance". Henderson Libraries' governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

*Nonspendable* fund balance represents the amounts that are either not in a spendable form or are legally or contractually required to be maintained intact.

*Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

*Committed* fund balance represents amounts that can be used only for a specific purpose determined by the adoption of a resolution committing fund balance for a specific purpose by Henderson Libraries' Board of Trustees prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until the resources have been spent for the specified purpose or the Board of Trustees adopts another resolution to remove or revise the limitation.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Assigned* fund balance represents amounts that are intended to be used by Henderson Libraries for specific purposes but do not meet the criteria to be classified as committed. The Board of Trustees, has by formal board action, adopted Henderson Libraries's fund balance policy delegating authority to assign fund balances to the Executive Director. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

*Unassigned* fund balance represents the residual amount for the General Fund that is not contained in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

As previously mentioned, sometimes, Henderson Libraries will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is Henderson Libraries' policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Leases and Subscription Based Information Technology Arrangements (SBITAs)

*Lessee:* Henderson Libraries is a lessee for a noncancellable lease of equipment, SBITAs, and a noncancellable building lease. Henderson Libraries recognizes lease liabilities, subscription liabilities, and intangible right-to-use assets (lease assets and SBITA assets) in the government-wide financial statements. Henderson Libraries recognizes lease and subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease or SBITA arrangement, Henderson Libraries initially measures the lease or SBITA liability at the present value of payments expected to be made during the term. Subsequently, the lease or SBITA liability is reduced by the principal portion of lease or SBITA payments made. The lease asset or SBITA asset is initially measured as the initial amount of the lease or SBITA liability adjusted for lease or SBITA payments made at or before the lease or SBITA commencement date, plus certain initial direct costs. Subsequently, the lease asset or SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases and SBITAs includes how Henderson Libraries determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- Henderson Libraries uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, Henderson Libraries generally uses the Applicable Federal Rate (AFR) as the discount rate for leases. Under GASB 96, the incremental borrowing rate (IBR) is generally calculated for each individual SBITA using the Nevada State Treasurer bond sale results adjusted to reflect a "lease credit" interest rate.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

- The lease term includes the noncancellable period of the lease or SBITA agreement.

Henderson Libraries monitors changes in circumstances that would require a remeasurement of its lease or SBITA agreement and will remeasure the lease or SBITA assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease or SBITA liabilities.

Lease and SBITA assets are reported with other capital assets, and lease and SBITA liabilities are reported with long-term debt on the statement of net position.

*Lessor:* Henderson Libraries is a lessor for a noncancellable lease for a portion of the Paseo Verde Library building. Henderson Libraries recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, Henderson Libraries initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how Henderson Libraries determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- Henderson Libraries uses the Applicable Federal Rate (AFR) as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

Henderson Libraries monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Compensated Absences

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

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Other Postemployment Benefits Other Than Pensions (OPEB)

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

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

For purposes of measuring Henderson Libraries' net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the pension plan's fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 – Stewardship, Compliance and Accountability**

**Budgetary Information**

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

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

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

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

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Compliance with Nevada Revised Statutes**

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

**New Accounting Pronouncements**

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for financial statements starting with the fiscal year that ends June 30, 2023. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) requiring recognition of right-to-use subscription software as an intangible asset and a corresponding liability. Management has implemented this statement in this fiscal year, which resulted in a \$2,909 restatement of the fiscal year 2022 net position.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, effective for financial statements starting with the fiscal year that ends June 30, 2024. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management has not yet completed its assessment of this statement.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, effective for financial statements starting with the fiscal year that ends December 31, 2024. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management has not yet completed its assessment of this statement.

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

**Tax Abatements**

All tax abatement agreement/programs, entered into by the State of Nevada, have been summarized, by type of agreement/program and the gross, accrual basis reduction of Henderson Libraries' taxes for the year ended June 30, 2023 aggregated as follows:

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

Amount abated during the year ended June 30, 2023 - \$375

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

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

Amount abated during the year ended June 30, 2023 - \$17,637

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

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Amount abated during the year ended June 30, 2023 - \$6,745

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

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

Amount abated during the year ended June 30, 2023 - \$2,155

Specific tax being abated - Sales and use taxes

All tax abatement agreement/programs, entered into by Clark County, Nevada, have been summarized, by type of agreement/program and the gross, accrual basis reduction of Henderson Libraries' taxes for the year ended June 30, 2023 aggregated as follows:

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

Amount abated during the year ended June 30, 2023 - \$23,073

Specific tax being abated - Personal property taxes

Agreement/program description - NRS 361.4724 - Partial abatement of taxes levied on certain residential rental dwellings

Amount abated during the year ended June 30, 2023 - \$22

Specific tax being abated - Personal property taxes

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

Amount abated during the year ended June 30, 2023 - \$40,911

Specific tax being abated - Personal property taxes

Agreement/program description - NRS 701A - Energy-related tax incentives (NRS 701A.110 Partial abatement of certain taxes for buildings or structures that meet certain standards under Green Building Rating System, NRS 701A.200 Exemption from certain taxes for qualified energy systems, NRS 701A-210 Exemption from certain property taxes for businesses and facilities using recycled materials)

Amount abated during the year ended June 30, 2023 - \$40,321

Specific tax being abated - Personal property taxes

**NOTE 3 – Cash, Cash Equivalents and Investments**

The following summarizes Henderson Libraries' cash and investment balances as of June 30, 2023:

Cash on hand	\$	1,670
Cash in financial institutes		148,346
Investments		12,077,651
Total cash, cash equivalents, and investments	\$	<u>12,227,667</u>

**Deposits**

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



**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2023, the recorded amount of Henderson Libraries' deposits were \$148,346 and the bank balances were \$171,778. The bank statement balances are covered by federal depository insurance.

**Investments**

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

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

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

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

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

As of June 30, 2023, Henderson Libraries had the following investments and maturities:

	<u>Maturities</u>	<u>Fair Value</u>
<b>Pooled Investments:</b>		
State of Nevada Local Government Investment Pool (LGIP)	113 days*	\$ 12,077,651
*Represents average weighted maturity		

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

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

At June 30, 2023, Henderson Libraries' 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.

Henderson Libraries has the following recurring fair value measurements as of June 30, 2023:

	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Total Investment</u>
<b>Investments by fair value measurement</b>			
State of Nevada Local Government Investment Pool (LGIP)	\$ 4,770,672	\$ 7,306,979	\$ 12,077,651

### **Interest Rate Risk**

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

### **Credit Risk**

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

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 – Interfund Activity**

Interfund transfers for the year ended June 30, 2023 consisted of one \$3,000,000 transfer from the General Fund to the Capital Construction Fund. This transfer was made to move unrestricted revenues collected in the General Fund to finance capital improvements in accordance with budgetary authorization.

**NOTE 5 – Capital Assets**

The following schedule summarizes the changes in capital assets for the year ended June 30, 2023:

Governmental Activities:	Balance June 30, 2022 (restated)	Changes in Capitalization Threshold	As Adjusted	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated:						
Land	\$ 1,406,051	\$ -	\$ 1,406,051	\$ -	\$ -	\$ 1,406,051
Total capital assets, not being depreciated	1,406,051	-	1,406,051	-	-	1,406,051
Capital assets, being depreciated:						
Buildings	18,685,816	-	18,685,816	16,417	-	18,702,233
Furniture and equipment	1,486,524	(128,428)	1,358,096	563,636	(40,981)	1,880,751
Land improvements	599,912	-	599,912	-	-	599,912
Leasehold improvements	10,450	-	10,450	-	-	10,450
Library materials	6,716,861	-	6,716,861	1,072,431	(740,842)	7,048,450
Right-to-use lease equipment	878,586	-	878,586	-	-	878,586
Right-to-use software subscriptions	558,179	-	558,179	182,633	-	740,812
Vehicles	139,247	-	139,247	59,389	(30,507)	169,129
Total capital assets, being depreciated	29,075,575	(128,428)	28,947,147	1,894,506	(812,330)	30,029,323
Less accumulated depreciation for:						
Buildings	(9,263,241)	-	(9,263,241)	(623,408)	-	(9,886,649)
Furniture and equipment	(843,803)	117,397	(726,406)	(107,228)	40,981	(792,653)
Land improvements	(389,943)	-	(389,943)	(29,996)	-	(419,939)
Leasehold improvements	(697)	-	(697)	(2,090)	-	(2,787)
Library materials	(4,785,317)	-	(4,785,317)	(734,567)	740,842	(4,779,042)
Right-to-use leased equipment	(48,798)	-	(48,798)	(175,718)	-	(224,516)
Right-to-use software subscriptions	(202,788)	-	(202,788)	(132,072)	-	(334,860)
Vehicles	(90,833)	-	(90,833)	(13,337)	30,507	(73,663)
Total accumulated depreciation	(15,625,420)	117,397	(15,508,023)	(1,818,416)	812,330	(16,514,109)
Total capital assets, being depreciated, net	\$ 13,450,155	\$ (11,031)	\$ 13,439,124	\$ 76,090	\$ -	\$ 13,515,214
Governmental activities capital assets, net	\$ 14,856,206	\$ (11,031)	\$ 14,845,175	\$ 76,090	\$ -	\$ 14,921,265

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 6 – Change in Capital Threshold**

Effective March 16, 2023, Henderson District Public Libraries changed its capitalization threshold for capital assets from \$2,500 to \$5,000. Consistent with the change, assets in the amount of \$128,428 were removed from the beginning balance of capital assets. This represents assets with an original cost value below the new threshold. A breakdown by type of asset is provided in the *Change in Capitalization Threshold* column in Note 5. Accumulated depreciation in the amount of \$117,397, related thereto, has also been removed. The detail by type of asset is also shown in Note 5. The net book value of the assets, \$11,031, has been reflected as a reduction in net assets.

**NOTE 7– Long-Term Liabilities**

Long-term liabilities activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022 (restated)	Additions	Deletions	Balance June 30, 2023	Due in 2023-2024
Compensated absences	\$ 926,664	\$ 641,561	\$ (596,776)	\$ 971,449	\$ 599,535
Lease liability	838,425	-	(166,092)	672,333	171,880
Other post-employee benefits	2,859,375	682,957	(1,151,745)	2,390,587	171,408
Net pension liability	4,653,421	5,370,027	(575,607)	9,447,841	1,489,500
Subscription liability	352,482	182,633	(141,500)	393,615	142,983
Total Long-Term Liabilities	<u>\$ 9,630,367</u>	<u>\$ 6,877,178</u>	<u>\$ (2,631,720)</u>	<u>\$ 13,875,825</u>	<u>\$ 2,575,306</u>

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

**NOTE 8 – Leases and Service Based IT Arrangements (SBITAs)**

*Lease receivable* - During fiscal year 2021, Henderson Libraries renewed a lease for five hundred sixteen (516) square feet in the Paseo Verde Library to a third party. The lease was for 2 years with an option to renew for 2 additional years. It is expected the additional term will be exercised. The monthly lease payments are \$516.00. Henderson Libraries recognized \$6,023 in lease revenue and \$169 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, Henderson Libraries' receivable for lease payments was \$15,300. Also, Henderson Libraries has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$15,206.

*Lease payable* - During the prior fiscal year, Henderson Libraries entered into a five-year lease agreement as lessee for a 3,500 square foot building to house the West Henderson Library. An initial lease liability was recorded in the amount of \$809,853 at that time. As of June 30, 2023, the value of this lease liability was \$637,324. Henderson Libraries was required to make monthly principal and interest payments of \$13,300 until May 2022 when monthly principal and interest payments increased to \$13,566. The lease has an interest rate of 1%. Henderson Libraries does not anticipate extending this lease at the end of the lease term. The value of the right-to-use asset as of the end of the current fiscal year was \$809,853 and had accumulated amortization of \$188,516.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Henderson Libraries also has existing lease agreements for copier equipment. As of June 30, 2023, the value of these lease liabilities was \$35,009. Henderson Libraries is required to make monthly principal and interest payment of \$1,371 for these leases. These leases have interest rates varying from 7.42% to 8.47% and remaining terms of 2-3 years. Henderson Libraries does not anticipate extending these leases at the end of the lease terms. The value of these right-to-use assets as of the end of the current fiscal year was \$68,733 and had accumulated amortization of \$36,000. The future principal and interest lease payments on all leases as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 171,881	\$ 7,780	\$ 179,661
2025	176,141	5,109	181,250
2025	174,349	2,559	176,908
2027	149,962	719	150,681
Totals	<u>\$ 672,333</u>	<u>\$ 16,167</u>	<u>\$ 688,500</u>

*Service-Based IT Arrangements (SBITAs)* - Henderson Libraries is committed under right-to-use subscription-based information technology arrangements (SBITAs). At June 30, 2023, Henderson Libraries has six qualifying SBITAs under GASB 96. At the commencement of the SBITA arrangement, Henderson Libraries initially measures the SBITA at the present value of payments expected to be made during the arrangement term. Subsequently, the subscription liability is reduced by the principal portion of the SBITA payments. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the arrangement commencement date. Under GASB 96, an incremental borrowing rate (IBR) is calculated for each individual SBITA. The present value of the SBITAs are aggregated on a fund basis. Government funds report SBITAs as current expenditures in fund level Statement of Revenue, Expenses and Changes of Fund Balances, while total economic resources are reported in the government-wide statements.

Henderson Libraries will capitalize SBITA costs based on annual subscription costs of negotiated multi-year price arrangements with annual costs of \$5,000 or more. Negotiated multi-year price guarantees (typically with annual price increases) are treated as options to extend software arrangements beyond the procurement cycle of SBITAs which is 5 years. Annual arrangements with no extension options or price guarantees are treated as short-term and expensed as incurred.

At June 30, 2023, the value of right-to-use SBITA assets was \$740,812 and had accumulated amortization of \$334,860. Henderson Libraries is required to make principal and interest payment for these SBITAs. In the current fiscal year, Henderson Libraries paid \$141,500 in principal and \$10,574 in interest for SBITA arrangements. The SBITAs have interest rates varying from 3.00% to 4.65%, with the length of subscriptions ranging from 3 - 5 years. Henderson Libraries' procedure is to presume 5 years of use. The right-to-use period may be less than 5 years if the district does not renew the subscription. Annual SBITA arrangements with no extension options or price guarantees are treated as short-term and expensed as incurred.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The future principal and interest payments on right-to-use SBITA assets as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 142,983	\$ 13,092	\$ 156,075
2025	151,827	8,502	160,329
2026	58,363	3,635	61,998
2027	40,442	1,556	41,998
Totals	<u>\$ 393,615</u>	<u>\$ 26,785</u>	<u>\$ 420,400</u>

**NOTE 9 – Multiple-Employer Cost-Sharing Defined Benefit Pension Plan**

Henderson Libraries 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. Henderson Libraries does not exercise any control over PERS. NRS 286.110 states that “The respective participating public employers are not liable for any obligations of the system.”

**Plan Description**

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

**Benefits Provided**

Benefits, as required by the Nevada Revised Statutes (NRS), are determined by the number of years of accredited service at time of retirement and the member’s highest average compensation in any 36 consecutive months with special provisions for members entering the system on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.50% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Vesting**

Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 62 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with 10 years of service, at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

Police/Fire members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 55 with 10 years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, at age 50 with 20 years of service, or at any age with 30 years of service. Only service performed in a position as a police officer or firefighter may be counted toward the eligibility for retirement as police/fire accredited service.

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

**Contributions**

The authority for establishing and amending the obligation to make contributions, and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. In one plan, contributions are shared equally by employer and employee. In the other plan, employees can take a reduced salary and have contributions made by the employer (EPC). Henderson Libraries is an employee-choice agency.

PERS' 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 the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2022, the statutory Employer/Employee matching rate was 15.50% for regular and 22.75% for Police/Fire members. The Employer-Pay contribution (EPC) was 29.75% for regular and 44.00% for Police/Fire members.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Investment Policy**

PERS's policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following target asset allocation policy was adopted by the PERS Board as of June 30, 2022:

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

\*As of June 30, 2022, PERS' long-term inflation assumption was 2.50%

**Net Pension Liability**

PERS collective net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total PERS pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Police/Fire: 4.60% to 14.50%, depending on service Rates include inflation and productivity increases
Investment rate of return	7.25%
Other assumptions	Same as those used in the June 30, 2022 funding actuarial valuation

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discounted rate used to measure the total pension liability was 7.25% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position at June 30, 2022, was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Henderson Libraries' proportionate share of the net pension liability at June 30, 2022, calculated using the discount rate of 7.25%, as well as what Henderson Libraries' proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net Pension Liability	\$14,505,965	\$9,447,841	\$5,274,651

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

Henderson Libraries' proportionate share (amount) of the collective net pension liability was \$9,447,841 which represents 0.05233% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2022 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, 2022.

For the period ended June 30, 2023, Henderson Libraries' pension expense was \$961,255 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2023, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,223,339	\$ 6,749
Changes in assumptions	1,213,641	-
Net difference between projected and actual earnings on investments	115,270	
Changes in proportion and differences between actual contributions and proportionate share of contributions	345,902	32,192
Contributions made subsequent to the measurement date	594,703	

At June 30, 2022, the average expected remaining service life is 5.7 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$594,703 will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2024	\$ 438,601
2025	416,259
2026	371,650
2027	1,438,008
2028	194,694
Thereafter	0

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

Net pension liability, beginning of year	\$ 4,653,421
Pension expense	961,255
Employer contributions	(575,607)
Net new deferred inflows and outflows of resources	4,408,772
Net pension liability, end of year	<u>\$ 9,447,841</u>

At June 30, 2023, \$141,315 is payable to PERS for the June 2023 required contribution and is included in accounts payable.

**NOTE 10 – Postemployment Benefits Other Than Pensions (OPEB)**

**General Information about the Postemployment Benefits Other Than Pension (OPEB)**

*Plan Description* - The Retiree Health Program Plan (RHPP) is a non-trust, single-employer defined benefit postemployment healthcare plan administered by Clark County, Nevada. Retirees may choose between the Clark County Self-Funded Group Medical and Dental Benefits Plan (PPO) and an exclusive provider organization (EPO) plan.

Financial information on these plans may be found in the Clark County annual financial report as an internal service fund (the Self-Funded Group Insurance Fund). This report is available at [http://www.clarkcountynv.gov/government/departments/finance/financial\\_reporting/comptroller/ACFR.php](http://www.clarkcountynv.gov/government/departments/finance/financial_reporting/comptroller/ACFR.php).

*Plan Description* - Henderson Libraries subsidizes eligible retirees' contributions to the Public Employee Benefit Program (PEBP), a non-trust multiple-employer defined benefit postemployment healthcare plan administered by the State of Nevada. NRS 287-041 assigns the authority to establish and amend benefit provision to the PEBP nine-member board of trustees. The plan is now closed to future retirees, however, Henderson Libraries employees who previously met the eligibility requirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under PEBP with a subsidy provided by Henderson Libraries as determined by their number of years of services.

The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Public Employee's Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV, 89701, by calling (775) 684-7000, or by accessing the website at <http://pebp.nv.gov/resources/reports/fiscal-utilization-reports>.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Benefits Provided**

RHPP provides medical, dental, prescription drug, and life insurance coverage to eligible active and retired employees and beneficiaries. Benefit provisions are established and amended through negotiations between Henderson Libraries and Clark County.

PEBP plan provides medical, dental, prescription drug, Medicare Part B, and life insurance coverage to eligible retirees and their spouses. Benefits are provided through a third-party insurer.

**Employees Covered by Benefit Terms**

At June 30, 2023, the following employees were covered by the benefit terms:

	RHPP	PEBP	Total all Plans
Inactive employees or beneficiaries currently receiving benefit payments	4	6	10
Active employees	54	-	54
Total	58	6	64

As of September 1, 2008, PEPB was closed to any new participants.

**Total OPEB Liability**

Henderson Libraries's total OPEB liability of \$2,390,587 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs:* The total OPEB liability for all plans as of June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.54%
Pre-Medicare Trend Rate	Select:6.5%, Ultimate 4.0%
Post-Medicare Trend Rate	Select:5.5%, Ultimate 4.0%
Mortality Table	Pub-2010 headcount weighted mortality table, projected generationally using Scale MP-2021, gender-specific and job class basis.
Termination Tables	2021 NPERS Actuarial Valuation
Retirement Tables	2021 NPERS Actuarial Valuation

**Rational for Assumptions:**

The demographic assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2016 through June 30, 2020. Salary scale and inflation assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2016 through June 30, 2020.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Net OPEB Liability

RHPP

	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (a)-(b)
Balances at June 30, 2022	\$ 2,736,625	\$ -	\$ 2,736,625
Changes during the period:			
Service cost	146,196	-	146,196
Interest cost	62,397	-	62,397
Employer contributions	-	(11,902)	11,902
Differences between expected and actual experience	473,809	-	473,809
Changes in assumptions or other inputs	(1,135,543)	-	(1,135,543)
Benefit payments	11,902 *	11,902	-
Net changes	(441,239)	-	(441,239)
Balances at June 30, 2023	\$ 2,295,386	\$ -	\$ 2,295,386

\* Retiree premium contributions received exceeded the claims payments during FY2022.

PEBP

	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (a)-(b)
Balances at June 30, 2022	\$ 122,750	\$ -	\$ 122,750
Changes during the period:			
Service cost	-	-	-
Interest cost	2,584	-	2,584
Employer contributions	-	6,283	(6,283)
Differences between expected and actual experience	(7,648)	-	(7,648)
Changes in assumptions or other inputs	(16,202)	-	(16,202)
Benefit payments	(6,283)	(6,283)	-
Net changes	(27,549)	-	(27,549)
Balances at June 30, 2023	\$ 95,201	\$ -	\$ 95,201

*Sensitivity of the net OPEB liability to changes in the discount rate* - The following presents the net OPEB liability of Henderson Libraries, as well as what Henderson Libraries's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Net OPEB Liability - PEBP	\$ 107,000	\$ 95,201	\$ 85,000
Net OPEB Liability - RHPP	2,762,000	2,295,386	1,930,000



**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates* - The following presents the net OPEB liability of Henderson Libraries, as well as what Henderson Libraries' net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Discount Rate	1% Increase
Net OPEB Liability - PEBP	\$ 86,000	\$ 95,201	\$ 104,000
Net OPEB Liability - RHPP	1,905,000	2,295,386	2,805,000

**OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, Henderson Libraries recognized OPEB expenses for RHPP of negative \$21,266 and for PEBP of negative \$12,710.

At June 30, 2023, Henderson Libraries reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>RHPP</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption	\$ 127,708	\$ 1,002,530
Differences between expected and actual experience	439,732	1,452,751
Total RHPP	<u>\$ 567,440</u>	<u>\$ 2,455,245</u>
 <u>PEBP</u>		
Contributions made in fiscal year ending 2023 after July 1, 2022 measurement date	\$ 6,283	\$ -
Total PEBP	<u>\$ 6,283</u>	<u>\$ -</u>

The amount \$6,283 reported as deferred inflows of resources related to OPEB resulting from Henderson Libraries contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2024	\$ (221,303)
2025	(221,303)
2026	(221,303)
2027	(220,479)
2028	(169,695)
Thereafter	(833,722)

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Combined Balances for OPEB Plans**

The combined balances for both plans as of and for the year ended June 30, 2023 are as follows:

	RHPP	PEBP	Combined
Net OPEB Liability	\$ 2,295,386	\$ 95,201	\$ 2,390,587
Deferred Outflows	567,440	6,283	573,723
Deferred Inflows	2,455,245	-	2,455,245
OPEB Expense	(12,710)	(21,266)	(33,976)

**NOTE 11 – Risk Management**

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

**NOTE 12 – Contracts**

Henderson Libraries continued the interlocal agreement with the City of Henderson (the City) whereby the City provides for assistance in updating or revising the Henderson Libraries master plan and allows the Henderson Libraries to provide library services at facilities owned or operated by the City. In addition, this agreement provides for the appointment of two members of the Board of Trustees by the Henderson City Council. The original term of the interlocal agreement was six years, ending on June 30, 2007. This agreement was renegotiated for another six years effective July 1, 2007, July 1, 2013 and June 1, 2019. The current agreement will terminate on June 30, 2025 unless renewed for an additional six years by mutual agreement of both parties.

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

**NOTE 13 – Restatement Adjustment**

The net position as of July 1, 2022 was restated due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* and changes made to the capitalization threshold for capital assets. The total restatement is \$8,122. See below for details.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Net position as of July 1, 2022 has been restated as follows for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

	<u>Governmental Activities</u>
Restatement adjustment:	
SBITA assets	\$ 355,391
SBITA liabilities	(352,482)
Total restatement adjustment	<u>\$ (2,909)</u>

Net position as of July 1, 2022 has been restated as follows due the change of the capitalization threshold from \$2,500 to \$5,000. Capital assets and the associated accumulated depreciation under the new threshold were removed from the beginning balance of capital assets.

	<u>Governmental Activities</u>
Restatement adjustment:	
Capital Assets	\$ (128,428)
Accumulated Depreciation	117,397
Total restatement adjustment	<u>\$ 11,031</u>





**REQUIRED SUPPLEMENTARY  
INFORMATION**  
*SECTION*



**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**MULTI-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN  
PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023 AND LAST NINE FISCAL YEARS<sup>1</sup>**

<b>Valuation Date</b>	<b>Proportion of the Collective Net Pension Liability</b>	<b>Proportion of the Collective Net Pension Liability</b>	<b>Covered Payroll</b>	<b>Proportion of the Collective Net Pension Liability as a Percentage of Covered Payroll</b>	<b>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</b>
2022	0.05233%	\$ 9,447,841	\$ 3,871,114	244.06%	75.10%
2021	0.05103%	4,653,421	3,639,337	131.48%	86.51%
2020	0.04984%	6,941,544	3,551,755	195.44%	77.04%
2019	0.05002%	6,820,850	3,431,730	198.76%	76.46%
2018	0.04860%	6,627,355	3,213,842	206.21%	75.24%
2017	0.04729%	6,289,728	3,026,147	207.85%	74.42%
2016	0.04972%	6,690,690	3,025,224	221.16%	72.23%
2015	0.04868%	5,578,394	2,914,162	191.42%	75.13%
2014	0.04508%	4,698,399	2,646,589	177.53%	76.31%

<sup>1</sup> Information for the multiple-employer cost-sharing benefit pension plan is not available for years prior to the year ended June 30, 2014. As information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**MULTI-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN  
PROPORTIONATE SHARE OF STATUTORILY REQUIRED CONTRIBUTION INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023 AND LAST NINE FISCAL YEARS<sup>1</sup>**

<b>Valuation Date</b>	<b>Statutorily Required Contribution</b>	<b>Contributions in relation to the Statutorily Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2023	\$ 594,703	\$ 594,703	\$ -	\$ 3,988,506	14.91%
2022	575,607	575,607	-	3,871,114	14.87%
2021	534,095	534,095	-	3,639,337	14.68%
2020	519,370	519,370	-	3,551,755	14.62%
2019	481,535	481,535	-	3,431,730	14.03%
2018	450,822	450,822	-	3,213,842	14.03%
2017	424,487	424,487	-	3,026,147	14.03%
2016	421,540	421,540	-	3,025,224	13.93%
2015	375,695	375,695	-	2,914,162	12.89%

<sup>1</sup> Information for the multiple-employer cost-sharing benefit pension plan is not available for years prior to the year ended June 30, 2015. As information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

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

**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
RETIREE HEALTH PROGRAM PLAN  
JUNE 30, 2023  
LAST 10 FISCAL YEARS<sup>1</sup>**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total OPEB liability						
Service cost	\$ 315,889	\$ 304,386	\$ 108,373	\$ 129,628	\$ 164,102	\$ 146,196
Interest cost	106,452	128,865	82,957	87,948	58,515	62,397
Difference between expected and actual experience	-	-	-	(120,387)	-	473,809
Assumption changes	(518,643)	(291,766)	146,324	(4,674)	27,796	(1,135,543)
Benefit payments <sup>2</sup>	(2,620)	3,337	9,885	10,691	5,193	11,902
Plan experience	(25,542)	(1,408,068)	-	-	-	-
Net change in total OPEB liability	(124,464)	(1,263,246)	347,539	103,206	255,606	(441,239)
Total OPEB liability - beginning	<u>3,417,984</u>	<u>3,293,520</u>	<u>2,030,274</u>	<u>2,377,813</u>	<u>2,481,019</u>	<u>2,736,625</u>
Total OPEB liability - ending	<u>\$ 3,293,520</u>	<u>\$ 2,030,274</u>	<u>\$ 2,377,813</u>	<u>\$ 2,481,019</u>	<u>\$ 2,736,625</u>	<u>\$ 2,295,386</u>
Plan fiduciary net position						
Employer contributions	\$ 2,620	\$ (3,337)	\$ (9,885)	\$ (10,691)	\$ (5,193)	\$ (11,902)
Benefit payments	(2,620)	3,337	9,885	10,691	5,193	11,902
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	\$ 3,293,520	\$ 2,030,274	\$ 2,377,813	\$ 2,481,019	\$ 2,736,625	\$ 2,295,386
Covered-employee payroll	\$ 3,135,190	\$ 3,238,588	\$ 3,477,361	\$ 3,660,126	\$ 3,654,849	\$ 3,898,351
Net OPEB liability as a percentage of covered payroll	105.05%	62.69%	68.38%	67.79%	74.88%	58.88%

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

<sup>2</sup> Retiree premium contributions received exceeded the claims payable resulting in a negative payment for Fiscal Years 2019-2023.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
PUBLIC EMPLOYEE BENEFIT PROGRAM  
JUNE 30, 2023  
LAST 10 FISCAL YEARS<sup>1</sup>**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB liability						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest cost	6,822	4,602	4,127	3,840	2,668	2,584
Difference between expected and actual experience	-	-	-	(6,340)	-	(7,648)
Assumption changes	(24,751)	(104,971)	4,944	19,775	2,522	(16,202)
Benefit payments	(6,105)	(6,355)	(5,734)	(6,283)	(6,283)	(6,283)
Plan experience	<u>(1,828)</u>	<u>(168)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	(25,862)	(106,892)	3,337	10,992	(1,093)	(27,549)
Total OPEB liability - beginning	<u>242,268</u>	<u>216,406</u>	<u>109,514</u>	<u>112,851</u>	<u>123,843</u>	<u>122,750</u>
Total OPEB liability - ending	<u>\$ 216,406</u>	<u>\$ 109,514</u>	<u>\$ 112,851</u>	<u>\$ 123,843</u>	<u>\$ 122,750</u>	<u>\$ 95,201</u>
Plan fiduciary net position						
Employer contributions	\$ 6,105	\$ 6,355	\$ 5,734	\$ 6,283	\$ 6,283	\$ 6,283
Benefit payments	<u>(6,105)</u>	<u>(6,355)</u>	<u>(5,734)</u>	<u>(6,283)</u>	<u>(6,283)</u>	<u>(6,283)</u>
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	\$ 216,406	\$ 109,514	\$ 112,851	\$ 123,843	\$ 122,750	\$ 95,201
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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



**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF OPEB CONTRIBUTIONS  
RETIREE HEALTH PROGRAM PLAN  
JUNE 30, 2023  
LAST 10 FISCAL YEARS<sup>1</sup>**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Contractually required contributions <sup>2</sup>	\$ 2,620	\$ (3,337)	\$ (9,885)	\$ (10,691)	\$ (5,193)	\$ (11,902)
Contributions in relation to the						
contractually required contributions	(2,620)	3,337	9,885	10,691	5,193	11,902
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 3,238,588	 \$ 3,477,361	 \$ 3,660,126	 \$ 3,654,849	 \$ 3,898,351	 \$ 3,999,433
 Contributions as a percentage of						
covered-employee payroll	0.08%	-0.10%	-0.27%	-0.29%	-0.13%	-0.30%

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

<sup>2</sup> Retiree premium contributions received exceeded the claims payable resulting in a negative payment for Fiscal Years 2019-2023.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF OPEB CONTRIBUTIONS  
PUBLIC EMPLOYEE BENEFIT PROGRAM  
JUNE 30, 2023  
LAST 10 FISCAL YEARS<sup>1</sup>**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contributions <sup>2</sup>	\$ 6,105	\$ 6,355	\$ 5,734	\$ 6,283	\$ 6,283	\$ 6,283
Contributions in relation to the contractually required contributions	(6,105)	(6,355)	(5,734)	(6,283)	(6,283)	(6,283)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

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

There are no key assumption changes on the actuary's updated study.

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

Additional pension plan information can be found in Note 9 to the basic financial statements.

**NOTE 2 – Other Post Employee Benefits**

Certain key assumptions were changed as part of the actuary's updated study. Those changes are summarized below:

1. The discount rate was updated from 2.16% to 3.54%.
2. The Pre-Medicare Trend Rate was decreased from 6.75% to 6.5%.
3. The Post-Medicare Trend Rate was decreased from 5.75% to 5.5%.
4. The Nevada PERS retirement and termination rates were updated to the rates from the 2021 Experience Study and Review of Actuarial Assumptions.
5. The mortality projection scale was updated from MP-2020 to MP-2021 to reflect the Society of Actuaries recent mortality study.

At June 30, 2023, no assets were accumulated in a qualifying trust in which the assets contributed and earnings thereon are irrevocable, dedicated solely to providing postemployment benefits and are legally protected from creditors.

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

Additional information related to postemployment benefits other than pensions can be found in Note 10 to the basic financial statements.

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# GOVERNMENTAL FUNDS *SECTION*

## **MAJOR CAPITAL PROJECTS FUND**

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

## **NONMAJOR CONTRIBUTIONS AND GRANTS FUND**

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



**HENDERSON DISTRICT PUBLIC LIBRARIES**

**MAJOR - CAPITAL PROJECTS FUND - CAPITAL CONSTRUCTION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Miscellaneous:				
Investment income	\$ 10,000	\$ 10,000	\$ 247,257	\$ 237,257
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Services and supplies	250,000	82,000	52,647	29,353
Capital outlay:				
Culture and recreation:	463,000	631,000	550,634	80,366
Total expenditures	<u>713,000</u>	<u>713,000</u>	<u>603,281</u>	<u>109,719</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(703,000)</u>	<u>(703,000)</u>	<u>(356,024)</u>	<u>346,976</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
Net change in fund balances	2,297,000	2,297,000	2,643,976	346,976
Fund balances, beginning of year	<u>4,581,650</u>	<u>4,581,650</u>	<u>4,655,171</u>	<u>73,521</u>
Fund balances, end of year	<u>\$ 6,878,650</u>	<u>\$ 6,878,650</u>	<u>\$ 7,299,147</u>	<u>\$ 420,497</u>

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**NONMAJOR - SPECIAL REVENUE FUND - CONTRIBUTIONS AND GRANTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Intergovernmental:				
Grants, federal and state	\$ 69,840	\$ 177,009	\$ 177,009	\$ -
Miscellaneous:				
Contributions from private sources	4,200	13,499	127,482	113,983
Investment income	560	560	10,955	10,395
Other	-	-	1,160	1,160
Total revenues	<u>74,600</u>	<u>191,068</u>	<u>316,606</u>	<u>125,538</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Services and supplies	87,455	162,799	139,053	23,746
Capital outlay:				
Culture and recreation:	109,945	151,069	146,884	4,185
Total expenditures	<u>197,400</u>	<u>313,868</u>	<u>285,937</u>	<u>27,931</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(122,800)</u>	<u>(122,800)</u>	<u>30,669</u>	<u>153,469</u>
Net change in fund balances*	(122,800)	(122,800)	30,669	153,469
Fund balances, beginning of year	<u>277,800</u>	<u>277,800</u>	<u>325,538</u>	<u>47,738</u>
Fund balances, end of year	<u>\$ 155,000</u>	<u>\$ 155,000</u>	<u>\$ 356,207</u>	<u>\$ 201,207</u>

\*The net change in fund balances was included in the budget as an appropriation (i.e. spenddown) of fund balance.





# STATISTICAL SECTION

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

## CONTENTS

### FINANCIAL TRENDS ..... 63-66

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

### REVENUE CAPACITY ..... 67-70

These schedules contain information to help the reader assess the factors affecting HDPL's most significant local revenue source, the property tax.

### DEBT CAPACITY ..... 71-74

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

### DEMOGRAPHIC AND ECONOMIC INFORMATION ..... 75-76

These schedules offer demographic and economic indicators to help the reader understand the environments within which HDPL's financial activities take place and to help make comparisons over time and with other governments.

### OPERATING INFORMATION ..... 77-81

These schedules contain information about HDPL's operations and resources to help the reader understand how HDPL's financial information relates to the services HDPL provides and the activities it performs.

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



**HENDERSON DISTRICT PUBLIC LIBRARIES**

**Net Position by Components**

**Last Ten Fiscal Years**

*(accrual basis of accounting)*

(unaudited)

**Governmental activities**

Fiscal Year	Net investment in capital assets	Restricted by grants and donors	Unrestricted	Total
2013-2014 <sup>1</sup>	\$ 17,279,487	\$ 233,711	\$ (4,013,566)	\$ 13,499,632
2014-2015	18,173,212	328,177	(5,544,627)	12,956,762
2015-2016	17,725,369	395,956	(5,707,198)	12,414,127
2016-2017 <sup>1</sup>	17,084,396	224,784	(6,184,440)	11,124,740
2017-2018	15,455,328	241,524	(5,005,347)	10,691,505
2018-2019	14,840,342	266,148	(4,269,922)	10,836,568
2019-2020	14,610,773	250,379	(4,207,768)	10,653,384
2020-2021 <sup>1</sup>	13,983,702	220,559	(3,290,039)	10,914,222
2021-2022 <sup>1</sup>	13,654,268	187,055	(609,635)	13,231,688
2022-2023	13,855,317	207,818	1,166,792	15,229,927

<sup>1</sup> Restated

## HENDERSON DISTRICT PUBLIC LIBRARIES

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

	Fiscal Year									
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
(Restated)										
<b>Expenses</b>										
Governmental Activities:										
Culture and recreation	\$ 7,839,070	\$ 8,139,743	\$ 8,297,427	\$ 9,562,031	\$ 8,840,297	\$ 8,999,165	\$ 9,346,467	\$ 9,382,790	\$ 8,708,291	\$ 10,070,795
Debt service:										
Interest on long-term debt	36,043	1,754	-	-	-	-	-	-	4,797	31,113
Total governmental activities expenses	<u>\$ 7,875,113</u>	<u>\$ 8,141,497</u>	<u>\$ 8,297,427</u>	<u>\$ 9,562,031</u>	<u>\$ 8,840,297</u>	<u>\$ 8,999,165</u>	<u>\$ 9,346,467</u>	<u>\$ 9,382,790</u>	<u>\$ 8,713,088</u>	<u>\$ 10,101,908</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services	\$ 181,480	\$ 206,464	\$ 229,292	\$ 202,895	\$ 200,238	\$ 200,431	\$ 127,845	\$ 22,513	\$ 83,616	\$ 88,979
Operating grants and contributions	257,682	360,226	258,677	321,778	205,940	345,810	210,486	135,247	167,987	231,596
Capital grants and contributions	521,035	230,594	192,908	216,309	216,591	140,862	87,217	37,504	149,882	160,061
Total governmental activities program revenues	<u>\$ 960,197</u>	<u>\$ 797,284</u>	<u>\$ 680,877</u>	<u>\$ 740,982</u>	<u>\$ 622,769</u>	<u>\$ 687,103</u>	<u>\$ 425,548</u>	<u>\$ 195,264</u>	<u>\$ 401,485</u>	<u>\$ 480,636</u>
<b>Net (Expense)/Revenue, governmental activities</b>	<u><b>\$ (6,914,916)</b></u>	<u><b>\$ (7,344,213)</b></u>	<u><b>\$ (7,616,550)</b></u>	<u><b>\$ (8,821,049)</b></u>	<u><b>\$ (8,217,528)</b></u>	<u><b>\$ (8,312,062)</b></u>	<u><b>\$ (8,920,919)</b></u>	<u><b>\$ (9,187,526)</b></u>	<u><b>\$ (8,311,603)</b></u>	<u><b>\$ (9,621,272)</b></u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Ad valorem taxes	\$ 4,714,283	\$ 4,680,208	\$ 4,875,965	\$ 4,991,327	\$ 5,265,797	\$ 5,695,131	\$ 6,099,264	\$ 6,731,289	\$ 7,370,913	\$ 7,804,819
Consolidated taxes	1,999,330	2,118,460	2,188,417	2,520,623	2,438,874	2,605,464	2,498,279	2,707,724	3,289,123	3,412,653
Gain on sale of assets	-	-	-	-	17,946	-	-	-	-	4,000
Investment earnings/(loss)	2,086	2,675	9,533	19,712	61,676	156,530	140,192	9,746	(22,845)	398,039
Total governmental activities	<u>\$ 6,715,699</u>	<u>\$ 6,801,343</u>	<u>\$ 7,073,915</u>	<u>\$ 7,531,662</u>	<u>\$ 7,784,293</u>	<u>\$ 8,457,125</u>	<u>\$ 8,737,735</u>	<u>\$ 9,448,759</u>	<u>\$ 10,637,191</u>	<u>\$ 11,619,511</u>
<b>Changes in Net Position, governmental activities</b>	<u><b>\$ (199,217)</b></u>	<u><b>\$ (542,870)</b></u>	<u><b>\$ (542,635)</b></u>	<u><b>\$ (1,289,387)</b></u>	<u><b>\$ (433,235)</b></u>	<u><b>\$ 145,063</b></u>	<u><b>\$ (183,184)</b></u>	<u><b>\$ 261,233</b></u>	<u><b>\$ 2,325,588</b></u>	<u><b>\$ 1,998,239</b></u>

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*  
(unaudited)

	Fiscal Year									
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
<b>General Fund</b>										
Nonspendable	\$ 100,830	\$ 44,906	\$ 100,258	\$ 73,992	\$ 75,257	\$ 61,553	\$ 37,562	\$ 100,698	\$ 22,595	\$ 93,734
Assigned	100,797	93,000	100,000	424,500	373,000	662,000	450,000	2,352,500 <sup>4</sup>	1,671,600	1,961,000
Unassigned	1,742,131	2,166,494	2,480,675	2,995,391	3,393,545	3,476,616	3,627,401	3,326,204	3,718,781	2,863,119
Total General Fund	\$ 1,943,758	\$ 2,304,400	\$ 2,680,933	\$ 3,493,883	\$ 3,841,802	\$ 4,200,169	\$ 4,114,963	\$ 5,779,402	\$ 5,412,976	\$ 4,917,853
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ 2,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	233,711	328,177	197,978	224,784	241,524	266,148	250,379	220,559	187,055	207,818
Assigned	1,822,817	230,455 <sup>1</sup>	119,168	172,384	1,453,334 <sup>2</sup>	2,052,983 <sup>3</sup>	2,563,627 <sup>3</sup>	2,234,858	4,793,654 <sup>3</sup>	7,447,536 <sup>3</sup>
Total All Other Governmental Funds	2,056,528	558,632	317,146	399,853	1,694,858	2,319,131	2,814,006	2,455,417	4,980,709	7,655,354
Total All Governmental Funds	\$ 4,000,286	\$ 2,863,032	\$ 2,998,079	\$ 3,893,736	\$ 5,536,660	\$ 6,519,300	\$ 6,928,969	\$ 8,234,819	\$ 10,393,685	\$ 12,573,207

Notes:

<sup>1</sup> The decrease in the assigned fund balance of the Debt Service Fund was due to the payoff of the outstanding debt done in July 2014.

<sup>2</sup> The increase in the assigned fund balance of the Capital Construction Fund was due to the proceeds received from the sale of the Malcolm Library building. The proceeds were assigned for future capital improvements.

<sup>3</sup> The increase in the assigned fund balance of the Capital Construction Fund was a transfer from the General Fund for future construction projects.

<sup>4</sup> The increase in the assigned fund balance of the General Fund was due to an increase in the amount of fund balance assigned for next year operations. This budgeted increase was necessary to cover an anticipated shortfall in consolidated tax revenue due to the coronavirus pandemic, however, this shortfall never materialized so the assignment were not used.

**HENDERSON DISTRICT PUBLIC LIBRARIES**

[illegible]

## HENDERSON DISTRICT PUBLIC LIBRARIES

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

Fiscal Year	Real Property		Personal Property		Total		Percentage of Taxable Assessed Value to Estimated Actual Taxable Value	Total Direct Tax Rate
	Assessed Value	Estimated Value	Assessed Value	Estimated Value	Assessed Value	Estimated Value		
2013-2014	\$ 8,020,000,967	\$ 22,914,288,477	\$ 444,819,304	\$ 1,270,912,297	\$ 8,464,820,271	\$ 24,185,200,774	35%	0.0585
2014-2015	9,299,031,454	26,568,661,297	475,596,219	1,358,846,340	9,774,627,673	27,927,507,637	35%	0.0593
2015-2016	10,374,179,331	29,640,512,374	583,414,483	1,666,898,523	10,957,593,814	31,307,410,897	35%	0.0594
2016-2017	11,363,112,300	32,466,035,143	616,081,682	1,760,233,377	11,979,193,982	34,226,268,520	35%	0.0602
2017-2018	12,182,829,161	34,808,083,317	733,138,946	2,094,682,703	12,915,968,107	36,920,766,020	35%	0.0604
2018-2019	12,894,918,627	36,842,624,649	817,719,128	2,336,340,366	13,712,637,755	39,178,965,015	35%	0.0606
2019-2020	14,343,170,205	40,980,486,300	814,558,568	2,327,310,194	15,157,728,773	43,307,796,494	35%	0.0607
2020-2021	15,446,670,989	44,133,345,683	994,707,569	2,842,021,626	16,441,378,558	46,975,367,309	35%	0.0608
2021-2022	16,309,351,080	46,598,145,943	958,721,841	2,739,205,260	17,268,072,921	49,337,351,203	35%	0.0620
2022-2023	18,358,054,144	52,451,583,269	1,097,420,282	3,135,486,520	19,455,474,426	55,587,069,789	35%	0.0607

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

Source: Clark County Assessor's Office



# HENDERSON DISTRICT PUBLIC LIBRARIES

## Property Tax Rates<sup>1</sup> - Direct and Overlapping Governments Last Ten Fiscal Years (unaudited)

Fiscal Year	Henderson District Public Libraries		Overlapping Rates				Total Direct & Overlapping Rates	
	Direct Rate	State of Nevada	School District	County	City	Total Overlapping Rates	Total Direct & Overlapping Rates	
2013-2014	0.0585	0.1700	1.3034	0.6541	0.7108	2.8383		
2014-2015	0.0593	0.1700	1.3034	0.6541	0.7108	2.8383	2.8976	
2015-2016	0.0594	0.1700	1.3034	0.6541	0.7108	2.8383	2.8977	
2016-2017	0.0602	0.1700	1.3034	0.6541	0.7108	2.8383	2.8985	
2017-2018	0.0604	0.1700	1.3034	0.6541	0.7108	2.8383	2.8987	
2018-2019	0.0606	0.1700	1.3034	0.6541	0.7108	2.8383	2.8989	
2019-2020	0.0607	0.1700	1.3034	0.6541	0.7108	2.8383	2.8990	
2020-2021	0.0608	0.1700	1.3034	0.6541	0.7408	2.8683	2.8991	
2021-2022	0.0620	0.1700	1.3034	0.6541	0.7708	2.8983	2.9603	
2022-2023	0.0607	0.1700	1.3034	0.6541	0.7708	2.8983	2.9590	

### Notes:

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

Source: State of Nevada

Table 7

**HENDERSON DISTRICT PUBLIC LIBRARIES**

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

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Station Casinos Limited Liability Company	\$ 194,813,020	1	1.00%	\$ 90,676,461	2	1.07%
Lennar Corporation	115,683,130	2	0.59%	----		----
Google LLC	112,339,485	3	0.58%	----		----
Universal Health Services, Inc	83,909,993	4	0.43%	----		----
Gaming and Leisure Properties Inc	81,266,537	5	0.42%	----		----
Harsch Investment Properties	76,846,820	6	0.39%	30,742,381	8	0.36%
KB Homes Nevada Inc	66,153,819	7	0.34%	26,503,140	10	0.31%
Ovation Development Corp	64,942,220	8	0.33%	----		----
Invitation Homes	53,052,417	9	0.27%	----		----
Picerne Real Estate Group	51,343,887	10	0.26%	33,544,366	7	0.40%
Green Valley Ranch Gaming LLC	----		----	92,985,073	1	1.10%
Basic Management Inc	----		----	60,312,094	3	0.71%
W.L. Nevada, Inc	----		----	48,401,640	4	0.57%
Greenspun Corporation	----		----	43,735,991	5	0.52%
M Resort	----		----	42,007,197	6	0.50%
Ranch Center Associates Limited Partnership	----		----	29,949,663	9	0.35%
	<u>\$ 900,351,328</u>		<u>4.61%</u>	<u>\$ 498,858,006</u>		<u>5.89%</u>
Total Assessed Valuation	\$19,455,474,426			\$ 8,464,820,271		

Source: Clark County Assessor's Office

**HENDERSON DISTRICT PUBLIC LIBRARIES**

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

Fiscal Year	Levy	Collected within the Levy Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of the Levy		Amount	Percentage of the Current Levy <sup>1</sup>
2013-2014	\$ 63,178,223	\$ 62,745,339	99.31%	\$ 429,147	\$ 63,174,486	99.99%
2014-2015	66,787,901	62,085,894	92.96%	4,698,167	66,784,061	99.99%
2015-2016	71,332,180	70,929,121	99.43%	399,119	71,328,240	99.99%
2016-2017	74,487,465	74,081,196	99.45%	402,302	74,483,498	99.99%
2017-2018	80,905,321	80,478,708	99.47%	422,523	80,901,231	99.99%
2018-2019	88,833,093	88,354,151	99.46%	473,438	88,827,589	99.99%
2019-2020	97,675,910	97,167,897	99.48%	500,871	97,668,768	99.99%
2020-2021	108,686,540	108,232,705	99.58%	440,868	108,673,573	99.99%
2021-2022	120,428,222	120,375,100	99.96%	(25,686)	120,349,414	99.93%
2022-2023	134,533,814	133,829,160	99.48%	-	133,829,160	99.48%

Notes:

<sup>1</sup> Figured on collections to net levy (actual levy less stricken taxes).

Source: Clark County Treasurer's Office

Table 9

**HENDERSON DISTRICT PUBLIC LIBRARIES**

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

Fiscal Year	General Obligation Bonds	Financing Leases & SBITAs	Total Outstanding Debt	Population <sup>1</sup>	Debt per Capita	Personal Income <sup>2</sup>	Debt as a Percentage of Personal Income
2013-2014	\$ 1,517,900	\$ -	\$ 1,517,900	279,226	\$ 5.44	9,039,623,004	0.02%
2014-2015	-	-	-	286,273	-	8,355,722,814	0.00%
2015-2016	-	-	-	291,432	-	8,775,373,195	0.00%
2016-2017	-	-	-	299,278	-	9,658,153,376	0.00%
2017-2018	-	-	-	307,928	-	10,501,006,590	0.00%
2018-2019	-	-	-	314,414	-	11,596,051,390	0.00%
2019-2020	-	-	-	321,781	-	12,743,720,359	0.00%
2020-2021	-	-	-	330,367	-	13,454,895,768	0.00%
2021-2022	-	838,424	838,424	331,913	2.53	15,208,507,314	0.01%
2022-2023	-	1,065,948	1,065,948	333,755	3.19	15,440,929,056	0.01%

Sources:

<sup>1</sup> City of Henderson Community Development Department

<sup>2</sup> Applied Analysis, 6385 S. Rainbow Blvd, Suite 105, Las Vegas, NV 89118 or [www.appliedanalysis.com](http://www.appliedanalysis.com)

**HENDERSON DISTRICT PUBLIC LIBRARIES**

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Population<sup>1</sup></u>	<u>Debt per Capita</u>	<u>Estimated Actual Value of Taxable Property<sup>2</sup></u>	<u>Debt as a Percentage of Personal Income</u>
2013-2014	\$ 1,517,900	279,226	\$ 5.44	\$ 24,185,200,774	0.006%
2014-2015	-	286,273	-	27,927,507,637	0.000%
2015-2016	-	291,432	-	31,307,410,897	0.000%
2016-2017	-	299,278	-	34,226,268,520	0.000%
2017-2018	-	307,928	-	36,902,766,020	0.000%
2018-2019	-	314,414	-	39,178,965,014	0.000%
2019-2020	-	321,781	-	43,307,796,494	0.000%
2020-2021	-	330,367	-	46,975,367,309	0.000%
2021-2022	-	331,913	-	49,337,351,203	0.000%
2022-2023	-	333,755	-	55,587,069,786	0.000%

Sources:

State of Nevada, unless otherwise indicated

<sup>1</sup> City of Henderson Community Development Department

<sup>2</sup> Clark County Assessor's Office



**HENDERSON DISTRICT PUBLIC LIBRARIES**

**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2023**  
(unaudited)

	Governmental Activities Debt	Less Debt Service Fund Balance	Net Governmental Activities Debt	Percentage Applicable*	Applicable Net Governmental Activities Debt
<b>Direct Debt</b>					
Henderson District Public Libraries	\$ 1,065,948	\$ -	\$ 1,065,948	100%	\$ 1,065,948
<b>Overlapping Debt</b>					
Clark County <sup>1</sup>	775,268,864	134,618,396	640,650,468	16.25%	104,105,701
Clark County School District <sup>2</sup>	3,310,923,960	661,993,692	2,648,930,268	16.25%	430,451,169
City of Henderson <sup>3</sup>	187,405,097	9,913,172	178,211,925	100.00%	178,211,925
Total Overlapping Debt	<u>4,273,597,921</u>	<u>805,805,260</u>	<u>3,467,792,661</u>		<u>712,768,795</u>
Total Direct and Overlapping Debt	<u>\$ 4,274,663,869</u>	<u>\$ 805,805,260</u>	<u>\$ 3,468,858,609</u>		<u>\$ 713,834,743</u>

Sources:

<sup>1</sup> Clark County Assessor's Office

<sup>2</sup> Clark County School District Finance Department

<sup>3</sup> City of Henderson Finance Department

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

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

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

[illegible]

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**Demographic and Economic Information**  
**Last Ten Fiscal Years**  
(unaudited)

Fiscal Year	City of Henderson Population <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita Personal Income	Clark County Unemployment Rate <sup>3</sup>	Clark County School Enrollment <sup>4</sup>
2012-2013	279,226	\$ 9,039,623,004	\$ 32,374	7.90%	315,087
2014-2015	286,273	8,355,722,814	29,188	7.00%	318,040
2015-2016	291,432	8,775,373,195	30,111	6.90%	319,713
2016-2017	299,278	9,658,153,376	32,272	5.10%	320,559
2017-2018	307,928	10,501,006,590	34,102	4.70%	321,648
2018-2019	314,414	11,596,051,390	36,881	4.80%	319,257
2019-2020	321,781	12,743,720,359	39,604	17.80%	316,808
2020-2021	330,367	13,454,895,768	40,727	9.60%	300,907
2021-2022	331,913	15,208,507,314	45,821	5.70%	301,495
2022-2023	333,755	15,440,929,056	46,264	6.00%	295,439

Sources:

<sup>1</sup> City of Henderson Community Development Department

<sup>2</sup> Applied Analysis, 6385 S. Rainbow Blvd, Suite 105, Las Vegas, NV 89118 or [www.appliedanalysis.com](http://www.appliedanalysis.com)

<sup>3</sup> Bureau of Labor Statistics - Local Area Unemployment Statistics

<sup>4</sup> Clark County School District (4th week) - Public School Enrollment Only

Table 14

## HENDERSON DISTRICT PUBLIC LIBRARIES

### Principal Employers Current Year and Nine Years Ago (unaudited)

	Fiscal Year 2023			Fiscal Year 2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of Henderson <sup>1</sup>	3,315	1	1.88%	3,138	1	2.36%
Barclays Services, LLC	1,000-4,999	2	0.61-3.06%	----		----
Green Valley Ranch Station Casino	1,000-4,999	3	0.61-3.06%	1,500-1,999	2	1.13-1.50%
St. Rose Dominican Hospital - Siena	1,000-4,999	4	0.61-3.06%	1,500-1,999	3	1.13-1.50%
Sunset Station Hotel & Casino	1,000-4,999	5	0.61-3.06%	1,000-1,499	5	0.75-1.13%
Amazon LAS1 Distribution Center	1,000-4,999	6	0.61-3.06%	----		----
Henderson Hospital	500-999	7	0.31-0.61%	----		----
St. Rose Dominican Hospital-Rose de Lima	500-999	8	0.31-0.61%	700-799	6	0.53-0.60%
M Resort Spa & Casino	500-999	9	0.31-0.61%	1,000-1,499	4	0.75-1.13%
Las Vegas Raiders	250-499	10	0.15-0.31%	----		----
Fiesta Lake Mead Station	----		----	600-699	7	0.45-0.53%
Titanium Metals Corp of America	----		----	500-599	8	0.38-0.45%
Wal-Mart Stores, Inc	----		----	400-499	9	0.30-0.38%
Unilever Manufacturing, Inc	----		----	400-499	10	0.30-0.38%

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

Sources:

<sup>1</sup>City of Henderson - City of Henderson Finance Department

All others from Applied Analysis, 6385 S. Rainbow Blvd, Suite 105, Las Vegas, NV 89118 or [www.appliedanalysis.com](http://www.appliedanalysis.com).



**HENDERSON DISTRICT PUBLIC LIBRARIES**

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

	Full-Time Equivalent Employees as of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021 <sup>1</sup>	2022	2023 <sup>2</sup>
Library Services:										
Adult Services	15.0	15.0	15.0	17.0	16.5	16.5	15.5	10.0	11.0	10.5
Circulation	25.5	25.5	26.0	26.0	26.0	25.5	26.5	16.0	16.0	15.0
Neighborhood Libraries	---	---	---	---	---	---	---	7.0	8.0	9.0
Youth Services	14.5	14.5	15.0	15.0	15.0	14.5	15.5	11.0	11.0	11.0
Acquisition & Bibliographic Services	6.5	6.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Administration	8.0	8.0	7.0	7.0	8.0	8.0	7.0	9.0	8.0	10.0
Customer Care Department	---	---	---	---	---	---	---	5.0	4.5	5.5
Information Technology	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0
Outreach Department	---	---	---	---	---	---	---	---	---	1.0
Total	<u>75.5</u>	<u>75.5</u>	<u>74.5</u>	<u>76.5</u>	<u>77.0</u>	<u>76.0</u>	<u>76.0</u>	<u>69.5</u>	<u>69.0</u>	<u>72.5</u>

**Note:**

<sup>1</sup> HDPL reorganized the Green Valley Library during fiscal year 2021 to be a neighborhood library. Neighborhood libraries are smaller locations with reduced services and staffing. Remaining staff were allocated to the new Customer Care Department and a new neighborhood library in West Henderson. This new library opened to the public during fiscal year 2023.

<sup>2</sup> The Outreach Department was created in fiscal year 2023 and is responsible for providing library services to underserved areas of the community.

**HENDERSON DISTRICT PUBLIC LIBRARIES**

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

<u>Fiscal Year</u>	<u>Items Owned</u>	<u>Cost of Total Collection</u>	<u>Cost of New Acquisitions</u>	<u>Cost of Disposed Items</u>	<u>Net Book Value of Collections<sup>1</sup></u>	<u>Number of Items Circulated</u>	<u>Turnover Rate<sup>2</sup></u>
2013-2014	486,129	\$ 10,486,569	\$ 966,594	\$ (1,148,570)	\$ 2,083,824	1,696,453	3.49
2014-2015	474,508	10,304,593	1,016,608	(1,303,928)	2,123,562	1,723,783	3.63
2015-2016	392,978	10,017,273	1,035,222	(1,109,486)	2,190,116	1,697,746	4.32
2016-2017	357,399	9,943,009	927,380	(1,229,743)	2,129,574	1,683,276	4.71
2017-2018	335,440	9,640,646	924,412	(647,072)	2,071,672	1,626,074	4.85
2018-2019	326,406	9,917,986	1,024,142	(1,503,253)	2,121,770	1,704,345	5.22
2019-2020	293,791	9,438,875	932,479	(1,998,244)	2,068,696	1,368,740	4.66
2020-2021	237,313	8,385,990	778,931	(2,213,503)	1,889,204	986,693 <sup>3</sup>	4.16
2021-2022	231,185	6,951,418	962,385	(1,196,942)	1,931,544	1,523,345	6.59
2022-2023	239,980	6,716,861	1,072,431	(740,842)	2,269,408	1,645,464	6.86

Notes:

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

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

<sup>3</sup> The downturn in circulation numbers were due to library closures and restrictions due to the coronavirus pandemic. All libraries were closed on March 16, 2020 and remained closed to the public until February 28, 2021. Limited curbside services began on June 1, 2020. On March 1, 2021, the libraries reopened with limited services and capacity. Full capacity was restricted until June 1, 2021.

Table 17

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**Circulation by Location  
Last Ten Fiscal Years  
(unaudited)**

<b>Fiscal Year</b>	<b>Green Valley Library</b>	<b>Heritage Park Senior Facility Library</b>	<b>James I. Gibson Library</b>	<b>Paseo Verde Library</b>	<b>Remote Services</b>	<b>West Henderson Library</b>	<b>Total</b>
2013-2014	300,809	10,129	395,951	835,318	154,246	---	1,696,453
2014-2015	285,222	7,368	370,030	840,173	220,990	---	1,723,783
2015-2016	273,242	8,550	348,143	831,912	235,899	---	1,697,746
2016-2017	269,988	7,140	337,697	820,399	248,052	---	1,683,276
2017-2018	258,882	6,251	335,737	839,287	185,917	---	1,626,074
2018-2019	244,853	5,081	335,543	851,481	267,387	---	1,704,345
2019-2020	157,739	3,682	234,669	632,788	339,862	---	1,368,740
2020-2021 <sup>1</sup>	59,917	485	152,716	409,453	364,122	---	986,693
2021-2022	56,962	4,662	294,575	800,973	366,173	---	1,523,345
2022-2023	103,189	6,830	301,753	755,835	379,747	98,110	1,645,464

**Notes:**

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

Table 18

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**Service Location Information**  
**Last Ten Fiscal Years**  
(unaudited)

Library	Current Status	Square Footage as of Fiscal Year End									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Green Valley Library 2797 N Green Valley Pkwy Henderson, NV 89015	Owned	21,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410
Heritage Park Senior Facility 300 S Racetrack Road Henderson, NV 89015	Occupied <sup>1</sup>	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829
James I. Gibson Library 100 W Lake Mead Parkway Henderson, NV 89015	Owned	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
Lydia Malcolm Library 2960 Sunridge Heights Pkwy Henderson, NV 89074	Sold <sup>2</sup>	6,030	6,030	6,030	6,030	----	----	----	----	----	----
Paseo Verde Library 280 S Green Valley Pkwy Henderson, NV 89012	Owned	43,313	43,313	43,313	43,313	43,313	43,313	43,313	43,313	43,313	43,313
West Henderson Library 3243 Bicentennial Pkwy Henderson, NV 89044	Leased <sup>3</sup>	----	----	----	----	----	----	----	----	3,500	3,500

Note:

<sup>1</sup> The Heritage Park Senior Facility Library is located in the Heritage Senior Facility as a joint partnership with the City of Henderson. The City owns the facility, while the District operates a library in a portion of the facility.

<sup>2</sup> Library services at the Lydia Malcolm Library were discontinued in November 2012. HDPL sold the building in February 2018.

<sup>3</sup> The West Henderson Library building was leased in July 2021, however, construction issues delayed taking possession of the building until May 2022. The library opened to the public in July 2022.



**HENDERSON DISTRICT PUBLIC LIBRARIES**

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

<u>Fiscal Year</u>	<u>Total Expenditures</u>	<u>Less Capital Outlay Other than Books</u>	<u>Total Operating Expenditures</u>	<u>Total Library Books and Materials Expenditures</u>	<u>Percentage of Total Operating Expenditures</u>
2013-2014	\$ 6,254,734	\$ (38,945)	\$ 6,215,789	\$ 620,211	9.98%
2014-2015	6,599,601	(17,456)	6,582,145	535,482	8.14%
2015-2016	6,821,292	(7,950)	6,813,342	489,095	7.18%
2016-2017	6,709,174	(48,990)	6,660,184	495,575	7.44%
2017-2018	7,102,311	(33,582)	7,068,729	588,694	8.33%
2018-2019	7,732,879	(29,895)	7,702,984	726,265	9.43%
2019-2020	7,891,878	(37,402)	7,854,476	697,288	8.88%
2020-2021	7,840,376	(27,868)	7,812,508	599,252	7.67%
2021-2022	8,881,616	(835,002)	8,046,614	785,152	9.76%
2022-2023	9,116,057	(65,758)	9,050,299	861,431	9.52%

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**COMPLIANCE**  
*SECTION*





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Henderson District Public Libraries (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 7, 2023.

**Internal Control over Financial Reporting**

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

*HintonBurdick, PLLC*

Mesquite, Nevada  
November 7, 2023







## **Independent Auditor's Report on State Legal Compliance**

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

We have audited the basic financial statements of Henderson District Public Libraries (the District), for the year ended June 30, 2023, and have issued our report thereon dated November 7, 2023. Our audit also included test work on the District's compliance with selected requirements identified in the State of Nevada Revised Statutes (NRS) including, but not limited to, NRS section 354.624 and section 354.6241.

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

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

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

Capital project fund:  
    Capital Construction Fund  
Debt Service Fund  
Special revenue fund:  
    Contributions and Grants Fund

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

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

Capital Construction Fund	Board resolution, NRS 354.6113
Debt Service Fund	Board resolution
Contributions and Grant Fund	Board resolution

The District had no statutory compliance findings from fiscal year 2022. We noted no new instances of noncompliance during the fiscal year.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the District complied, in all material respects, with the requirements identified above for the year ended June 30, 2023.

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

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

*HintonBurdick, PLLC*

Mesquite, Nevada  
November 7, 2023

