

AGENDA
SMOKY VALLEY LIBRARY DISTRICT
BOARD OF TRUSTEES MEETING
Round Mountain Public Library
Round Mountain, Nevada
Tuesday August 2, 2022 – 5:00 PM

Members: Rebecca Lim, Chairperson Sara Keehfuss, Treasurer
 Gwenn Snow, Vice-Chairperson
 Sara Sweeney, Secretary/Clerk

SPECIAL NOTE: Below is the agenda items scheduled to be considered. All items are approximate except for bid openings, public hearings, and any other items agendized at a specific time. Items on the agenda without a time designation may be taken out of order. The Board may combine two or more agenda items for consideration. The Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

Action may be taken on those items denoted (FOR ACTION)

ITEM#/SUBJECT

1. Call meeting to order –
2. GENERAL PUBLIC COMMENT – (Three-minute time limit per person.) Action will not be taken on the matter considered during periods until specifically included on an agenda as an action item. **Comments that are irrelevant, repetitious, slanderous, offensive, inflammatory, willfully disruptive or deemed personal attacks will not be permitted.**
3. Approval of Agenda – For action
4. Reading, correction, and approval of minutes for July 5, 2022 - For action
5. REPORTS, INFORMATIONAL ITEMS
 - a. Administrative Reports-
 SVLD Statistic's, RMPL Children's report, correspondence
 - b. SVLD Board Reports – Comments
6. OLD BUSINESS - For action
 - a.
7. NEW BUSINESS – For action
 - a. Discussion and possible decision concerning the updates to the SVLD employee policy
 - b. Discussion and possible decision concerning the updates to the SVLD By-Laws
 - c. Discussion and possible decision concerning changing the Manhattan Library Hours
8. FINANCE – For action
 - a. Approve and sign expenditures for July 5, 2022,
 For Fiscal year 2021-2022 and for 2022-2023
 - b. Cash flow

- c. Indebtedness report
- d. 4th Quarter report
- e. Capital improvement plan
- f. Designation of Chief Financial Officer
- g. Understanding of services report for Annual Financial Report FY 2022

9. GENERAL PUBLIC COMMENT – (Three-minute time limit per person.) Action will not be taken on the matter considered during periods until specifically included on an agenda as an action item. **Comments that are irrelevant, repetitious, slanderous, offensive, inflammatory, willfully disruptive or deemed personal attacks will not be permitted.**

10. SET DATE AND TIME FOR NEXT MEETING

11. ADJOURN

Supporting information for this agenda can be obtained from Andrea Madziarek at the Round Mountain Public Library at 775-377-2215 or andream@svld.net

All agendas are posted at the following locations:

Round Mountain Post Office	Round Mountain Public Library	Manhattan Public Library
83 Hadley Circle	73 Hadley Circle	7 Mineral Street
Round Mountain, NV 89045	Round Mountain, NV 89045	Manhattan, NV 89022

Also, can be found on the Department of Administration website <https://notice.nv.gov>
County – Nye County - Smoky Valley Library Board and on the Smoky Valley Library District website www.svld.net

Any member of the public who is disabled and requires accommodations or assistance at this meeting is requested to notify the Round Mountain Public Library in writing or call (775) 377-2215.

**MINUTES
SMOKY VALLEY LIBRARY DISTRICT
BOARD OF TRUSTEES MEETING
Round Mountain Public Library
Round Mountain, Nevada
Tuesday July 5, 2022– 5:00 PM**

Members present: Rebecca Lim, Chairperson Gwenn Snow, Vice-Chairperson
Sara Keehfuss, Treasurer Sara Sweeney – Secretary/Clerk

Members absent:

Also present: Jeanne Bleecker, Co-Director, Smoky Valley Library District
Andrea Madziarek, Co-Director, Smoky Valley Library District
Amy Madziarek, Children's Wing Department Head, SVLD

These minutes are a draft, subject to revision and/or approval by Board of Trustees at their next regularly scheduled meeting.

ITEM#/SUBJECT

1. This meeting was called to order at 5:07 PM by Becky Lim
2. General Public Comment: No comment's currently.
3. Approval agenda – Sara S. made a motion to accept the agenda. Sara K. seconded. All voted in favor. Motion passed.
4. Reading, correction, and approval of minutes. Sara S. made a motion to accept minutes for May 3, & May 19, 2022, as written. Sara K. seconded. All voted in favor. Motion passed.
5. REPORTS, INFORMATIONAL ITEMS –
 - a. Administrative reports – SVLD Stats –
 1. Board read over reports submitted by director. Jeanne mentioned that we are weeding the DVDs at the Round Mountain Public Library. She explained to the board because of budget and space on our shelves that we will only be purchasing Blu-Ray unless the movie can only be purchased as a DVD.
 2. Children's Wing report – Amy reported on the Children's wing report. She shared with the board about the Summer Reading Program and how the awards were given. She said that we give points threw out the program for attendance, participation, attitude, and progression in reading abilities, not only on minutes read.
 3. Andrea told the board that she realized that our agenda does not follow what is in our By-Laws. She asked if the board wants the agenda to reflect what is currently in the By-Laws or change the By-Laws to reflect what we are using now for our agenda. The board discussed both agenda styles and likes what we are currently using. This will be on the next agenda for approval. Andrea said that she received an email from POOL/PACT stating that all employee policies should be changed where it states: him/her, he/she, they/them, and the word "must" should be changed to "will." Andrea asked the board if they want these changes made. The board agree that it needs to be changed. This will be on the next agenda for approval.
 - b. SVLD Board Reports – Comments
 1. Jeanne gave the board members material that she was sent for the from the Department of taxation stating that our tax rate was examined and will remain the same for budget year 2022/23. Jeanne received information from Xerox stating that we can purchase our machines for \$2057.00 and that we will only pay for the copies we make each month, and consumable supplies for printing.
6. OLD BUSINESS– For action
 - a. Manhattan Roof Project – Jeanne received an email from Roof Tech. The company we were asking to investigate making the roof panels. They quoted to just make the template to make panels would cost \$250,000.

Jeanne feels that at this time with budget cuts and the cost of this project that we should wait and continue this project later. The board agreed. Jeanne will email Terrance and let him know that the project is on hold.

7. NEW BUSINESS– For action

a. Discussion on the POOL/PACT payroll audit – Jeanne gave the board the information she received from the Public Agency Compensation Trust -this information is the correction for the Pay Roll Audit that was for year ending June 30, 2022.

8. FINANCE – For action

a. Expenditures – Sara K made a motion to accept expenditures dated 7-5-2022 for ending fiscal year 2021-22 and beginning fiscal year 2022-23. Sara S seconded. All voted in favor. Motion passed.

b. Cash Flow – Board looked over cash flow. Jeanne explained that we have not received that property taxes that were projected, she feels that if by September of 2022 we have still not received these funds that the library board will need to make decisions on how to proceed with more cost saving measures.

9. General Public Comment – (second) – Jeanne wanted to let the board know that there was an incident in the meeting room on June 25, 2022, that involved children removing our board chairs from room and driving them all around our park. There where adults present. Jeanne phoned the person that had the meeting room scheduled to talk about this incident, she had to leave a message and this person has not returned her call.

10. Set date and time of next meeting – the next meeting was set for August 2, 2022, Round Mountain, Nevada in the Round Mountain Public Library Conference Room at 5:00 PM

11. ADJOURN – Gwenn made a motion to adjourn at 6:10 PM.

Date approved

Sara Sweeney - Secretary/Clerk

Smoky Valley Library District

www.svld.net

Round Mountain Public Library
 P.O. Box 1428
 Round Mountain, Nevada, 89045
 (775) 377-2215
 Fax (775)-377-2699

Manhattan Public Library
 P.O. Box 95
 Manhattan, Nevada, 89022
 (775) 487-2623

SVLD MONTHLY REPORT FOR JUNE 2022

Materials Added:

Category	RMPL	MPL	TOTAL	Total Materials	Circulations
Adults	14	6	20	12,883	185
Kids	53	2	55	14,828	485
Entertainment	41	28	69	18,768	771
eBooks	0	0	0	2,586	13
eAudio	0	0	0	2,901	77
eMagazines	0	0	0	4,055	4
Databases	0	0	56	56	96
Computer	0	0	15	15	78
GRAND TOTAL	108	36	215	56,092	1709

	RMPL	MPL	TOTAL
Visits	2,241	156	2,397
Wi-Fi	685	162	847
Meeting Room	15	0	15
Museum Visits	-	19	19
Patron Cards	31	0	31

Website Visits	354			Revenues:	
Volunteer Hours	30.0			Fax	\$ 42.00
Notaries	23			Fines	\$ 20.00
Tutoring	37			Copies	\$ 104.05
Proctoring	6			Donations	\$ 3.90
ILL	-			Misc.	\$ 1,101.80
AR Testing	4			GRAND TOTAL:	\$ 1,271.75
Reference ?	35				
Material Requests	4				

PROGRAMS:

Name	Offered	Attendance
Summer Reading Program	6	513
TOTAL:		513

Round Mountain Public Library

Children's Wing Report

July 2022

Tutoring: 29

Table top: Ages 0-5: 11

Ages 6-11: 20

Ages 12-18: 3

Ages 19+: 2

Total: 36

Banners: 5

STEM: Ages 6-11: 4

We have the Back-to-School display up, "Welcome to the Jungle".

We moved the easy shelves to make more room when the classes come in.

I have a meeting with Scholastic August 1st to discuss our book fair in September.

We will be having the kids sign up for the 3-D class (must be in 3rd grade or older), STEM (we will have two classes K-2nd grade and 3rd grade & older) and Spanish (there will be two classes, one for beginners and one for intermediate). Schedule will be posted for all the programs. Registration is now required for STEM, Spanish, and the 3-D classes.

SMOKY VALLEY LIBRARY DISTRICT
 PO BOX 1428
 ROUND MOUNTAIN, NV 89045
 EXPENDITURE LISTING

APPROVED USING PRE-APPROVAL LETTER:

Vendor Full Name	Invoice Date	Invoice #	Total Amount	Description
NV ENERGY	7/2/2022	379561 June 2022	\$74.55	Power MPL
NV ENERGY	7/14/2022	378178 June 2022	\$400.20	Power RMPL
ROUND MTN PUBLIC UTILITIES	7/7/2022	403 June 2022	\$258.50	Water RMPL
AMOUNT			\$733.25	

NEW INVOICES:

Vendor Full Name	Invoice Date	Invoice #	Total Amount	Description
AMAZON	7/10/2022	Amazon August 2022	\$1,420.40	Various

NEW INVOICE TOTAL:	\$1,420.40
PRE-APPROVED TOTAL:	\$733.25
GRAND TOTAL:	\$2,153.65

 Rebecca Lim, Chairperson

 Gwenn Snow, Vice-Chairperson

 Sara Sweeney, Secretary/Clerk

 Sara Keehfuss, Treasurer

 Member

SMOKY VALLEY LIBRARY DISTRICT
 PO BOX 1428
 ROUND MOUNTAIN, NV 89045
 EXPENDITURE LISTING

NEW INVOICES:

Vendor Full Name	Invoice Date	Invoice #	Total Amount	Description
AMAZON	7/10/2022	Amazon August FY23	\$781.10	Various
BAKER & TAYLOR INC	7/5/2022	2036862342	\$98.00	Adult Books
BAKER & TAYLOR INC	7/18/2022	2036889593	\$15.86	Adult Books
BAKER & TAYLOR INC	7/18/2022	2036889594	\$32.30	Adult Books
BAKER & TAYLOR INC	7/18/2022	2036889595	\$30.29	Adult Books
DESERT GREEN DISPOSAL	8/1/2022	4742	\$135.00	Trash Disposal
SMOKY VALLEY HARDWARE	7/13/2022	2207-153851	\$20.21	Building Maint
XEROX	7/2/2022	016619570	\$596.80	Office

NEW INVOICE TOTAL: \$1,709.56

 Rebecca Lim, Chairperson

 Gwenn Snow, Vice-Chairperson

 Sara Sweeney, Secretary/Clerk

 Sara Keehfuss, Treasurer

 Member

PROJECTED Cash Flow 2021-2022 (BUDGETED AMOUNTS)

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
Beginning Balance	\$ 759,937	\$ 609,614	\$ 678,739	\$ 539,416	\$ 595,542	\$ 462,718	\$ 313,395	\$ 382,521	\$ 233,197	\$ 302,333	\$ 133,000	\$ 630,686	\$ 1,572,193
Revenues	\$ 4,824	\$ 223,273	\$ 4,824	\$ 223,273	\$ 18,324	\$ 4,824	\$ 223,273	\$ 4,824	\$ 223,273	\$ 4,824	\$ 631,833	\$ 4,824	\$ 710,000
Wages	\$ 59,167	\$ 59,167	\$ 59,167	\$ 59,167	\$ 59,167	\$ 59,167	\$ 59,167	\$ 59,167	\$ 59,167	\$ 59,167	\$ 59,167	\$ 59,167	\$ 710,000
Benefits	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 375,000
Operating	\$ 20,417	\$ 20,417	\$ 20,417	\$ 20,417	\$ 20,417	\$ 20,417	\$ 20,417	\$ 20,417	\$ 20,417	\$ 20,417	\$ 20,417	\$ 20,417	\$ 245,000
Office	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Fuel	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 250
Ads	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 1,000
Postage	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 20,000
Leases	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Travel	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 10,000
Training	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 7,500
Communications	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 25,000
Utilities	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000
Building Maint.	\$ 187	\$ 187	\$ 187	\$ 187	\$ 187	\$ 187	\$ 187	\$ 187	\$ 187	\$ 187	\$ 187	\$ 187	\$ 2,000
Vehicle Maint.	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Equipment Maint.	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 8,000
Professional Services	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 500
Dues	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 16,000
Property Insurance	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 5,000
Unemployment	\$ 542	\$ 542	\$ 542	\$ 542	\$ 542	\$ 542	\$ 542	\$ 542	\$ 542	\$ 542	\$ 542	\$ 542	\$ 6,500
Grant	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 300,000
Capital Outlay	\$ 154,397	\$ 154,397	\$ 154,397	\$ 154,397	\$ 154,397	\$ 154,397	\$ 154,397	\$ 154,397	\$ 154,397	\$ 154,397	\$ 154,397	\$ 154,397	\$ 1,852,749
MONTHLY EXPENDITURE	\$ 609,614	\$ 678,739	\$ 529,416	\$ 595,542	\$ 462,718	\$ 313,395	\$ 382,521	\$ 233,197	\$ 302,333	\$ 133,000	\$ 630,686	\$ 481,380	\$ 1,572,193

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
Beginning Balance	\$ 831,010	\$ 739,440	\$ 769,081	\$ 822,026	\$ 637,094	\$ 541,634	\$ 436,962	\$ 613,748	\$ 649,205	\$ 543,799	\$ 458,825	\$ 600,598	\$ 997,175
Revenues	\$ 7,956	\$ 150,070	\$ 147,145	\$ 12,411	\$ 17,580	\$ 17,580	\$ 265,137	\$ 128,935	\$ 9,201	\$ 9,001	\$ 263,540	\$ 133,368	\$ 676,119
Wages	\$ 44,934	\$ 50,793	\$ 51,821	\$ 52,871	\$ 52,164	\$ 51,583	\$ 52,803	\$ 51,666	\$ 52,735	\$ 51,801	\$ 51,195	\$ 55,968	\$ 625,879
Benefits	\$ 21,327	\$ 25,584	\$ 25,584	\$ 33,323	\$ 25,584	\$ 25,790	\$ 25,840	\$ 25,650	\$ 28,928	\$ 26,788	\$ 33,245	\$ 27,260	\$ 325,879
Operating	\$ 16,447	\$ 37,459	\$ 9,942	\$ 58,999	\$ 10,819	\$ 6,487	\$ 13,993	\$ 10,237	\$ 9,382	\$ 6,486	\$ 2,356	\$ 12,251	\$ 196,890
Office	\$ 400	\$ 198	\$ 1,683	\$ 376	\$ 1,106	\$ 2,621	\$ 731	\$ 1,339	\$ 673	\$ 653	\$ 1,783	\$ 2,511	\$ 16,615
Fuel	\$ -	\$ 141	\$ 74	\$ -	\$ 90	\$ 92	\$ 73	\$ -	\$ 86	\$ 376	\$ 86	\$ 241	\$ 1,267
Ads	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77	\$ -	\$ -	\$ -	\$ 34	\$ 131
Postage	\$ -	\$ 68	\$ 18	\$ 18	\$ 18	\$ 18	\$ 18	\$ 18	\$ 29	\$ 18	\$ 18	\$ 18	\$ 277
Leases	\$ 1,030	\$ 1,030	\$ 1,179	\$ 1,058	\$ 1,179	\$ 1,112	\$ 1,041	\$ 1,125	\$ 1,323	\$ 1,117	\$ 1,314	\$ 1,409	\$ 13,917
Travel	\$ -	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ -	\$ 19	\$ 66
Training	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -	\$ 500
Communications	\$ 349	\$ 466	\$ 464	\$ 475	\$ 409	\$ 466	\$ 457	\$ 457	\$ 435	\$ 389	\$ 517	\$ 544	\$ 5,397
Utilities	\$ 55	\$ 355	\$ 1,236	\$ 535	\$ 961	\$ 2,783	\$ 5,492	\$ 1,957	\$ 2,086	\$ 985	\$ 985	\$ 1,281	\$ 18,911
Building Maint.	\$ 135	\$ 2,712	\$ 1,884	\$ 850	\$ 1,127	\$ 1,290	\$ 311	\$ 2,085	\$ 9,020	\$ 2,834	\$ 1,274	\$ 4,368	\$ 28,689
Vehicle Maint.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 364	\$ 25	\$ -	\$ 75	\$ 464
Equipment Maint.	\$ -	\$ 418	\$ 316	\$ 19,815	\$ 228	\$ 311	\$ 681	\$ 86	\$ 540	\$ 34	\$ 26	\$ 76	\$ 22,962
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71	\$ 715
Dues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ -	\$ 12	\$ -	\$ -	\$ -	\$ 23	\$ 136
Property Insurance	\$ 14,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,850
Unemployment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,910	\$ -	\$ 2,653	\$ -	\$ -	\$ 16,180	\$ 16,180
Grant	\$ -	\$ 779	\$ -	\$ -	\$ 1,345	\$ 9,668	\$ -	\$ 610	\$ 2,263	\$ 2,549	\$ 1,898	\$ 8,398	\$ 27,507
Capital Outlay	\$ 99,536	\$ 130,430	\$ 94,200	\$ 197,363	\$ 95,008	\$ 104,251	\$ 104,350	\$ 95,479	\$ 112,607	\$ 95,975	\$ 121,767	\$ 138,539	\$ 1,379,494
MONTHLY EXPENDITURE	\$ 739,440	\$ 769,081	\$ 822,026	\$ 637,094	\$ 541,634	\$ 436,962	\$ 613,748	\$ 649,205	\$ 543,799	\$ 458,825	\$ 600,598	\$ 448,691	\$ 1,852,750

	BUDGET	Remaining
Beginning Balance	\$ 1,572,193	\$ 575,018
Revenues	\$ 710,000	\$ 3,388,121
Wages	\$ 375,000	\$ 49,121
Benefits	\$ 245,000	\$ 48,110
Operating	\$ 25,000	\$ 10,485
Office	\$ 3,000	\$ 1,733
Fuel	\$ 250	\$ 119
Ads	\$ 1,000	\$ 723
Postage	\$ 3,000	\$ 6,083
Leases	\$ 3,000	\$ 2,934
Travel	\$ 10,000	\$ 9,500
Training	\$ 7,500	\$ 2,103
Communications	\$ 25,000	\$ 6,089
Utilities	\$ 60,000	\$ 31,311
Building Maint.	\$ 2,000	\$ 1,536
Vehicle Maint.	\$ 30,000	\$ 7,038
Equipment Maint.	\$ 8,000	\$ 364
Professional Services	\$ 500	\$ 1,150
Dues	\$ 5,000	\$ (11,180)
Property Insurance	\$ 6,500	\$ (923)
Unemployment	\$ 300,000	\$ 272,493
Grant	\$ 1,852,750	\$ 473,256



Entity: SMOKY VALLEY LIBRARY DISTRICT

Date: July 18, 2022

DEBT MANAGEMENT COMMISSION ACT (NRS 350.013)

1. Has your local government issued any new General Obligation Bond issues since July 1, 2021? Yes No

If so, amount: _____ Date: _____

2. Has your local government approved any new Medium-Term Obligation issues since July 1, 2021? Yes No


If so, amount: _____ Date: _____

3. Has your local government updated its debt management policy? (Per NRS 350.013) If Yes, submit updated policy with Indebtedness Report or prepare a statement discussing the following areas: Yes No

- A. Discuss the ability of your entity to afford existing and future general obligation debt.
- B. Discuss your entity's capacity to incur future general obligation debt without exceeding the applicable debt limit.
- C. Discuss the general obligation debt per capita of your entity as compared with the average for such debt of local governments in Nevada.
- D. Discuss general obligation debt of your entity as a percentage of assessed valuation of all taxable property within the boundaries of your entity. (REDBOOK FY 2021-2022)
- E. Present a policy statement regarding the manner in which your entity expects to sell its debt.
- F. Discuss the sources of money projected to be available to pay existing and future general obligation debt.
- G. Discuss the operating costs and revenue sources with each project.

If No, please provide a brief explanation. It is the policy of SVLD to incur no debt

4. Has your local government updated its five-year capital improvement plan? (Required pursuant to NRS 350.013, 354.5945 & 354.5947) Yes No

Submitted By: 
(signature)

775-377-2215
(Phone number)



SCHEDULE OF INDEBTEDNESS REPORT

For June 30, 2022

Postmark Deadline 8/1/2022

Entity: **SMOKY VALLEY LIBRARY DISTRICT**

CHECK HERE IF YOUR ENTITY HAS NO OUTSTANDING DEBT



GENERAL OBLIGATION BONDS

- 1. General obligation _____
- 2. General obligation/revenue _____
- 3. General obligation special assessment _____

Total general obligation bonded debt _____

MEDIUM-TERM OBLIGATIONS

- 1. General Obligation bonds _____
- 2. Negotiable notes or bonds _____
- 3. Capital lease purchases _____

Total medium-term obligation debt _____

REVENUE BONDS

OTHER DEBT

- 1. Capital lease purchases-MTO not required or prior to law change _____
- 2. Mortgages _____
- 3. Warrants _____
- 4. Special Assessments _____
- 5. Other (specify) _____
- 6. Other (specify) _____

Total other debt _____

TOTAL INDEBTEDNESS

0

Authorized but unissued general obligation bonds _____

Note: Please explain and provide documentation for any differences between the amounts reported on this schedule and those reported on Schedule C-1 of your Final Fiscal Year 2022-2023 budget.



Form **4410LGF** **SCHEDULE OF FIVE YEAR DEBT SERVICE REQUIREMENTS**
 as of June 30, 2022
 Postmark Deadline 8/1/2022

Entity: **SMOKY VALLEY LIBRARY DISTRICT**

For the next five years, list the total dollar requirement for principal and interest broken down for each type of indebtedness the entity currently has outstanding.

NONE

2022-2023 2023-2024 2024-2025 2025-2026 2026-2027

General Obligation Bonds

G/O Bonds _____

G/O Revenue _____

G/O Special Assessment _____

Medium-Term Obligation

G/O Bonds _____

Notes/Bonds _____

Leases/
Purchases _____

Revenue Bonds

Other Debt

Other Lease Purchases _____

Mortgages _____

Warrants _____

Special Assessments _____

Other Debt _____

TOTAL

SCHEDULE OF DEBT REPAYMENT

As of June 30, 2022

Postmark Deadline 8/1/2022



The repayment schedules should start with the payment of principal and interest due **after June 30, 2022** and continue until any particular issue is retired.

NONE

QUESTIONS REGARDING ECONOMIC CONDITIONS

- | Yes | No | Since the last filing: |
|--|-------------------------------------|---|
| 1. <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has any employer that accounts for 15 % or more of the employment in the area closed or significantly reduced operations since the previous report? If yes, please provide details on page 2. |
| 2. <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has your entity experienced a cumulative increase or decrease of 10% or more in population or assessed valuation in the past two years? If yes, please provide details on page 2. |
| 3. <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has there been any significant event(s) in the region which could affect your entity positively? If yes, please provide details on page 2. |
| 4. <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has there been any significant event(s) in the region which could affect your entity negatively? If yes, please provide details on page 2. |
| 5. <input checked="" type="checkbox"/> | <input type="checkbox"/> | Has anything significant occurred which could affect your expected level of revenues? If yes, please provide details on page 2. |

QUESTIONS REGARDING OPERATIONS

- | | | |
|------------------------------|-------------------------------------|---|
| 6. <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has the ending fund balance in your general (principal operating) fund had an unexplained, unbudgeted, or unanticipated decline for the past two fiscal years? If yes, please provide details on page 2. |
| 7. <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has the entity entered into any new debt arrangements since the previous report? If yes, please provide details on page 2. |
| 8. <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has the entity borrowed money to pay for current operations? If yes, please provide details on page 2. |
| 9. <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has the entity made an interfund loan(s) to pay for current operations? If yes, please provide details on page 2. |
| 10. <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has the entity failed to pay timely any contributions to governmental agencies for the benefits of its employees, (for example, PERS, Workmen's Comp or Federal taxes)? If yes, please provide details on page 2. |
| 11. <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has the entity failed to make timely payments for debt service, to vendors or others? If yes, please provide details on page 2. |
| 12. <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has the entity augmented the appropriated expenses for any proprietary fund since the previous report? If yes, please provide details on page 2. |

13. Cash and cash equivalents (unaudited) as of quarter ending 6/30/2022
(Enterprise Fund(s) Only)

<u>Prior Year</u>	<u>Current Year</u>
<u>N/A</u>	<u>N/A</u>

14. General Fund Ending Balance (unaudited) as of quarter ending 6/30/2022

<u>Prior Year</u>	<u>Current Year</u>
<u>828,449</u>	<u>449,998</u>

15. Cash and cash equivalents (unaudited) as of quarter ending 6/30/2022
(General Fund Only)

<u>Prior Year</u>	<u>Current Year</u>
<u>828,449</u>	<u>449,998</u>

FIVE YEAR CAPITAL IMPROVEMENT PLAN
(Per NRS 354.5945)



Minimum level of expenditure for items classified as capital assets \$0
 Minimum level of expenditure for items classified as capital projects \$5,000

ENTITY: Smoky Valley Library District
 DATE: July 18, 2022

Fund:	General Fund	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027
Capital Improvement:	Manhattan Library Roof Replacement	5,000	5,000	5,000	350,000	
Funding Source:	Property Tax - Gen. Revenues					
Completion Date:	6/30/2026					
Fund Total		5,000	5,000	5,000	350,000	

Fund:		FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027
Capital Improvement:						
Funding Source:						
Completion Date:						
Fund Total						

Fund:		FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027
Capital Improvement:						
Funding Source:						
Completion Date:						
Fund Total						

- List of Funding Sources:
 Property Tax - Gen. Revenues
 Charges for Services
 Debt
 Grants
 Other (Please Describe)

Smoky Valley Library District

www.svld.net

Round Mountain Public Library
P.O. Box 1428
Round Mountain, Nevada, 89045
(775) 377-2215
Fax (775)-377-2699

Manhattan Public Library
P.O. Box 95
Manhattan, Nevada, 89022
(775) 487-2623

July 18, 2022

Department of Taxation
1550 College Parkway
Suite 115
Carson City, Nevada 89706-7921

Re: Chief Financial Officer

I act as the Chief Financial Officer for the Smoky Valley Library District.

Address – PO Box 1428, Round Mountain, NV 89045
Phone Number – 775-377-2215
Fax Number – 775-377-2699
Email – jeanneb@svld.net



Jeanne Bleeker
Co-Director
Smoky Valley Library District

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

Quail Park III • 501 So. Rancho Dr., Ste. E-30 • Las Vegas, NV 89106 • (702) 385-1899 • FAX (702) 385-9619

June 15, 2022

To the Board of Trustees and Library Director
Smoky Valley Library District
Round Mountain, Nevada

We are pleased to confirm our understanding of the services we are to provide SMOKY VALLEY LIBRARY DISTRICT for the year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of SMOKY VALLEY LIBRARY DISTRICT as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement SMOKY VALLEY LIBRARY DISTRICT's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to SMOKY VALLEY LIBRARY DISTRICT's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Schedule of Changes in the District's Total OPEB Liability and Related Ratios.
3. Schedule of the District's Contributions to the Public Employees' Retirement System of Nevada.
4. Schedule of the District's Proportionate Share of the Net Pension Liability of the Public Employees' Retirement System of Nevada.

We have also been engaged to report on supplementary information other than RSI that accompanies SMOKY VALLEY LIBRARY DISTRICT's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a separate written report accompanying our auditor's report on the financial statements:

1. Individual fund statements and schedules.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of SMOKY VALLEY LIBRARY DISTRICT and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of SMOKY VALLEY LIBRARY DISTRICT's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of SMOKY VALLEY LIBRARY DISTRICT in conformity with accounting principles generally accepted in the United States of America based on information provided by you. We will prepare the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working balance based upon management's chart of accounts. We will assist in reconciliation of accounts. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services, preparation of trial balance, and assistance with reconciliations, as previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, JEANNE BLEECKER, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We will provide copies of our reports to the Board of Trustees; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of DANIEL C. MCARTHUR, LTD. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of DANIEL C. MCARTHUR, LTD. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a federal agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

DANIEL C. MCARTHUR is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately June 15, 2022 and to issue our reports no later than November 30, 2022.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. If significant additional time is necessary, we will discuss it with you before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of SMOKY VALLEY LIBRARY DISTRICT's financial statements. Our report will be addressed to the Board of Trustees of SMOKY VALLEY LIBRARY DISTRICT. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

You have engaged us to include in our report a section that discusses key audit matters, if any, identified during our audit. Key audit matters are matters that are communicated or required to be communicated to those charged with governance that were, in the auditor's professional judgment, of most significance to the audit of the financial statements of the current period. Key audit matters may involve, among other things, areas of higher assessed risk of material misstatement or significant identified risks; areas that required significant auditor judgment, such as accounting estimates or other areas subject to a high degree of estimation uncertainty; or the effect of significant events or transactions in the current period. For each key audit matter identified in our report, our report will describe the primary reason(s) we designated it as a key audit matter, how it was addressed in the audit, and refer to the financial statement account(s) or disclosure(s) related to it. The communication of key audit matters does not alter in any way our opinion on the financial statements, taken as a whole. If our audit does not identify any key audit matters, our audit report will state that conclusion.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of 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 on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that SMOKY VALLEY LIBRARY DISTRICT is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to SMOKY VALLEY LIBRARY DISTRICT and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

DANIEL C. MCARTHUR, LTD.



DANIEL C. MCARTHUR
CERTIFIED PUBLIC ACCOUNTANT

RESPONSE:

This letter correctly sets forth the understanding of SMOKY VALLEY LIBRARY DISTRICT.

Management signature: _____

Title: _____

Governance signature: _____

Title: _____