

**AGENDA**  
**SMOKY VALLEY LIBRARY DISTRICT**  
**BOARD OF TRUSTEES MEETING**  
**SPECIAL MEETING**  
**Round Mountain Public Library**  
**Round Mountain, Nevada**  
**Tuesday February 25, 2020 – 5:30 PM**

Members:      Rebecca Lim, Chairperson                      Sara Keehfuss, Treasurer  
                    Gwenn Snow, Vice-Chairperson                      Frank Wagener-Member  
                    Mallory Barber, 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 POSSIBLE ACTION)

**ITEM#/SUBJECT**

1. Call meeting to order – For Possible Action
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.
3. Approval of Agenda – For Possible Action
4. OPEN DISCUSSION – (This item is for discussion only. No action will be taken at this time. There may be a time limit placed on this discussion if necessary.)
5. FINANCE – For possible Action
  - a. Fiscal year 2018-2019 - Report on Financial Statements and Supplementary Information (Annual Audit) report from Dan McArthur
6. 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.
7. ADJOURN – For Possible Action

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](mailto: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.

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.

---

**SMOKY VALLEY LIBRARY DISTRICT**  
**REPORT ON FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2019**

**SMOKY VALLEY LIBRARY DISTRICT  
REPORT ON FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019  
TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION</b>	<b><u>PAGE</u></b>
Organization	1
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report	2-4
Management's Discussion and Analysis	5-9
 <b>BASIC FINANCIAL STATEMENTS:</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</b>	
Statement of Net Position	10
Statement of Activities	11
 <b>FUND FINANCIAL STATEMENTS:</b>	
<b>GOVERNMENTAL FUNDS:</b>	
Balance Sheet	12
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balance	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities	15
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	16
Notes to the Basic Financial Statements	17-36
 <b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	37
Schedule of the District's Contributions to the Public Employees' Retirement System of the State of Nevada	38
Schedule of the District's Proportionate Share of the Net Pension Liability of the Public Employees' Retirement System of the State of Nevada	39
Notes to the Required Supplementary Information	40
 <b>SUPPLEMENTARY INFORMATION:</b>	
<b>GOVERNMENTAL FUNDS:</b>	
<b>General Fund</b>	
Comparative Balance Sheets	41
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	42
<b>Capital Projects Fund - Nonmajor Fund</b>	
Comparative Balance Sheets	43
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	44
 <b>COMPLIANCE:</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>	45-46
Auditor's Comments	47

**SMOKY VALLEY LIBRARY DISTRICT**

**ORGANIZATION**

**LIBRARY OFFICERS, at June 30, 2019**

Chairperson:

Tamara Jones

Vice-Chairperson:

Rebecca Lim

Secretary/Clerk:

Sara Keehfuss

Treasurer:

Gwen Snow

Members:

Mallory Barber

**SMOKY VALLEY LIBRARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

---

The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the Smoky Valley Library District ("District"). The MD&A is designed to give the reader an easy-to-understand overview of the District's financial position and results of operations for the year.

**Financial Highlights**

The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the 2019 fiscal year by \$824,461 (net position). Total net position represents approximately \$1,010,044 in capital assets and \$3,610 restricted for capital projects. The remaining (\$189,193) unrestricted net position is a deficit, due primarily to reporting the District's share of net pension liability and OPEB liability.

The government-wide net position of the Smoky Valley Library District increased during the fiscal year ending June 30, 2019, from \$766,903 to \$824,461.

At the end of fiscal year 2019, the District's General Fund had a fund balance of \$730,479, an increase of \$77,560 when compared to the previous year.

**Overview of the Financial Statements**

The District's basic financial statements are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with an overview of the District's financial position.

The Statement of Net Position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

**Fund Financial Statements.** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District are governmental 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 focus 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 the District's near-term financial requirements.

**SMOKY VALLEY LIBRARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

---

**Overview of the Financial Statements (Continued)**

The District adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for each of the District's governmental funds to demonstrate compliance with the budget.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide other post-employment benefits (OPEB) and pension benefits to its employees.

The individual fund statements and schedules referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information.

**Government-Wide Financial Analysis**

Net position of the District as of June 30, 2019, is summarized as follows:

	Governmental Activities	
	2019	2018
<b>Assets:</b>		
Current and other assets	\$ 789,662	\$ 701,657
Capital assets, net of accumulated depreciation	1,010,044	1,071,199
Total assets	1,799,706	1,772,856
<b>Deferred Outflows of Resources</b>	166,320	119,880
<b>Liabilities:</b>		
Current liabilities	86,248	69,724
Long-term liabilities	863,599	851,002
Total liabilities	920,847	920,726
<b>Deferred Inflows of Resources</b>	191,718	205,107
<b>Net Position:</b>		
Investment in capital assets	1,010,044	1,071,199
Restricted	3,610	3,493
Unrestricted	(189,193)	(307,789)
Total net position	\$ 824,461	\$ 766,903

Net position may serve over time as a useful indicator of the District's financial position. Total net position as of June 30, 2019, was \$824,461. Using the net position as an indicator, the District's financial position has increased by 7.51%, or \$57,558 from the 2018 ending net position.

**SMOKY VALLEY LIBRARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

Changes in net position of the District are summarized as follows:

	Governmental Activities	
	2019	2018
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 3,452	\$ 4,773
Operating grants and contributions	24,170	25,238
General revenues:		
Property taxes	1,091,562	1,211,517
Consolidated taxes	34,912	35,669
Investment income (loss)	16,327	(1,604)
Miscellaneous	3,409	1,721
<b>Total revenues</b>	<b>1,173,832</b>	<b>1,277,314</b>
<b>Expenses:</b>		
Culture and recreation:		
Salaries and wages	527,984	474,591
Employee benefits	206,412	181,521
Service and supplies	307,997	219,747
Depreciation	73,881	63,743
<b>Total expenses</b>	<b>1,116,274</b>	<b>939,602</b>
Change in net position	57,558	337,712
Net position - beginning	766,903	429,191
Net position - ending	<b>\$ 824,461</b>	<b>\$ 766,903</b>

Program revenues include charges for services, operating grants, and contributions.

General revenues consist mainly of taxes. The largest of these revenues was property taxes. Property taxes increased due to an increase in net proceeds taxes.



**SMOKY VALLEY LIBRARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Financial Analysis of the District's Governmental Funds**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$734,089, an increase of \$77,677 or 11.83%, from the prior year. Fund balance components have been classified as nonspendable, restricted, assigned, and unassigned based primarily on the extent to which the District is bound to observe constraints imposed on the use of the resources of fund. Nonspendable fund balance of \$12,177 relates to prepaid expenditures. Fund balance that is restricted for capital projects is \$3,610. Spending of these resources is constrained by externally imposed (statutory, bond covenant, or grantors) limitations on their use.

Assigned fund balance represents 89.15% of total fund balance. The remaining fund balance of \$63,837 in the General Fund is unassigned.

**Major Funds**

**General Fund:** The General Fund is the chief operating fund of the District.

Revenues decreased by \$103,916, or 8.14%. Taxes decreased by \$120,262, or 9.93%, primarily due to a decrease in net proceeds taxes from mining operations.

Expenditures increased by \$169,765, or 18.34%. This increase is due to staff additions, wage increases, and an increase in service and supplies.

**Capital Assets**

At June 30, 2019, the District had \$1,010,044 invested in capital assets.

<b>Governmental Activities:</b>	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2019</b>
<b>Capital assets not being depreciated:</b>				
Land	\$ 94,874	\$ 0	\$ 0	\$ 94,874
<b>Capital assets being depreciated:</b>				
Building and improvements	1,345,451	0	0	1,345,451
Equipment	563,438	12,726	0	576,164
<b>Total capital assets being depreciated</b>	<b>1,908,889</b>	<b>12,726</b>	<b>0</b>	<b>1,921,615</b>
<b>Less accumulated depreciation for:</b>				
Building and improvements	(558,635)	(39,947)	0	(598,584)
Equipment	(373,929)	(33,934)	0	(407,863)
<b>Total accumulated depreciation</b>	<b>(932,564)</b>	<b>(73,881)</b>	<b>0</b>	<b>(1,006,445)</b>
<b>Total capital assets being depreciated, net</b>	<b>976,325</b>	<b>(61,155)</b>	<b>0</b>	<b>915,170</b>
<b>Governmental activities assets, net</b>	<b>\$ 1,071,199</b>	<b>\$ (61,155)</b>	<b>\$ 0</b>	<b>\$ 1,010,044</b>

Generally, fixed assets include items with a capitalization value of over \$500.

**SMOKY VALLEY LIBRARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

---

**Debt Administration**

Changes in long-term debt for the year ended June 30, 2019, were as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due within one year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 42,319	\$ 7,525	\$ 0	\$ 49,844	\$ 33,358
Net Pension Obligation	754,128	24,767	0	778,895	0
OPEB Obligation	81,059	0	12,841	68,218	0
Total Governmental Activities Long-Term Liabilities	<u>\$ 877,506</u>	<u>\$ 32,292</u>	<u>\$ 12,841</u>	<u>\$ 896,957</u>	<u>\$ 33,358</u>

**General Fund Budgetary Highlights**

**Final budget compared to actual results.** The most significant differences between estimated revenues and actual revenues were as follows:

Overall, the revenues received were more than budgeted by 21.60%, or \$208,385. This budgetary excess is attributed to higher taxes of \$60,686 from net proceeds of mines more than budgeted and property tax in excess of budgeted amounts by \$128,606 driven by personal property tax.

Total actual expenditures for the General Fund during fiscal year 2019 were \$78,503 less than budgeted.

The General Fund had an ending fund balance of \$730,479 which was \$63,837 more than anticipated to begin the 2019-2020 year.

**Economic Factors and Next Year's Budget and Rates**

The District approved the budget for the 2019-2020 year on May 20, 2019. The following factors were considered in the development of the budget.

- Assessed valuation for the District increased and tax rates remain unchanged. Therefore, property tax revenues are anticipated to be higher.
- Expenditures are anticipated to increase 40.33%. Compensation and benefits represent 48.75% the increase and service and supplies represent 24.08% of the increase. The balance of the increase is for capital outlay.

**Request for Information**

This financial report is designed to provide its users with a general overview of the Smoky Valley Library District's finances and to show the District's accountability for the money it receives. Any questions, comments, or requests for additional financial information should be addressed to:

Smoky Valley Library District  
P.O. Box 1428  
73 Hadley Circle  
Round Mountain, NV 89045

**SMOKY VALLEY LIBRARY DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

---

---

**ASSETS**

Pooled cash and investments	\$ 766,617
Interest receivable	1,407
Taxes receivable	2,821
Due from other governments	6,640
Prepaid expenses	12,177
Capital assets, net of accumulated depreciation	<u>1,010,044</u>
Total assets	<u>1,799,706</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred charge on pensions	<u>166,320</u>
Total deferred outflows of resources	<u>166,320</u>

**LIABILITIES**

Accounts payable	14,535
Accrued payroll	38,355
Accrued compensated absences - current	33,358
Long term liabilities:	
Portion due or payable after one year:	
Compensated absences payable	16,486
OPEB obligation	68,218
Net pension liability	<u>778,895</u>
Total liabilities	<u>949,847</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred charge on OPEB	37,107
Deferred charge on pensions	<u>154,611</u>
Total deferred outflows of resources	<u>191,718</u>

**NET POSITION**

Investment in capital assets	1,010,044
Restricted for capital projects	3,610
Unrestricted	<u>(189,193)</u>
Total net position	<u>\$ 824,461</u>

The notes to the financial statements are integral part of this statement.

**SMOKY VALLEY LIBRARY DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the fiscal year ended June 30, 2019**

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Culture and Recreation</b>	<u>\$ (1,116,274)</u>	<u>\$ 3,452</u>	<u>\$ 24,170</u>	<u>(1,088,652)</u>
<b>General Revenues:</b>				
				1,091,562
Property taxes levied for general purposes				34,912
Consolidated taxes				16,327
Investment income (loss)				<u>3,409</u>
Miscellaneous				<u>1,146,210</u>
Total general revenues				
Change in net position				57,558
Net position beginning				<u>766,903</u>
Net position ending				<u>\$ 824,461</u>

The notes to the financial statements are an integral part of this statements.

**SMOKY VALLEY LIBRARY DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2019**

	Major Fund	Nonmajor	Total
	General Fund	Capital Projects Fund	Governmental Funds
<b><u>Assets</u></b>			
Pooled cash and investments	\$ 763,013	\$ 3,604	\$ 766,617
Interest receivable	1,401	6	1,407
Taxes receivable	2,821	-	2,821
Due from other governments	6,640	-	6,640
Prepaid expense	12,177	-	12,177
	<u>786,052</u>	<u>3,610</u>	<u>789,662</u>
Total assets	<u>\$ 786,052</u>	<u>\$ 3,610</u>	<u>\$ 789,662</u>
<b><u>Liabilities</u></b>			
Accounts payable	\$ 14,535	\$ -	\$ 14,535
Accrued payroll	38,355	-	38,355
	<u>52,890</u>	<u>-</u>	<u>52,890</u>
Total liabilities	<u>52,890</u>	<u>-</u>	<u>52,890</u>
<b><u>Deferred inflows of resources</u></b>			
Unavailable revenues - property taxes	2,683	-	2,683
	<u>2,683</u>	<u>-</u>	<u>2,683</u>
<b><u>Fund Balance</u></b>			
Nonspendable	12,177	-	12,177
Restricted for capital projects	-	3,610	3,610
Assigned for subsequent year	654,465	-	654,465
Unassigned	63,837	-	63,837
	<u>730,479</u>	<u>3,610</u>	<u>734,089</u>
Total fund balance	<u>730,479</u>	<u>3,610</u>	<u>734,089</u>
Total liabilities, deferred inflows of resources, and fund equity	<u>\$ 786,052</u>	<u>\$ 3,610</u>	<u>\$ 789,662</u>

The notes to the financial statements are an integral part of this statement.

**SMOKY VALLEY LIBRARY DISTRICT  
RECONCILIATION OF THE BALANCE SHEET OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

---

**Total fund balance - governmental funds** **\$ 734,089**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of the related depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the statement of net position. 1,010,044

Other long-term assets that are not available to pay for current period expenditures and, therefore, are deferred in the funds. 2,683

Certain liabilities are not reported in the Governmental Funds financial statement because they are due and payable, but they are presented as liabilities in the statement of net position.

Compensated absences (49,844)

The District's other post-employment benefits liabilities as well as other post-employment benefits-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Total other post-employment benefits liability (68,218)

Deferred inflows from other post-employment benefits (37,107)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred outflows from pension activity 166,320

Net pension liability (778,895)

Deferred inflows from pension activity (154,611)

**Total net position - governmental activities** **\$ 824,461**

The notes to the financial statements are an integral part of this statement.

**SMOKY VALLEY LIBRARY DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Major Fund General Fund	Nonmajor Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>			
<b>Taxes:</b>			
Property taxes	\$ 605,742	\$ -	\$ 605,742
Net proceeds	485,162	-	485,162
Total taxes	<u>1,090,904</u>	-	<u>1,090,904</u>
<b>Intergovernmental:</b>			
Grants	5,710	-	5,710
School district reimbursements	18,358	-	18,358
Consolidated taxes	<u>34,912</u>	-	<u>34,912</u>
Total intergovernmental	<u>58,980</u>	-	<u>58,980</u>
<b>Charges for services:</b>			
Copies	1,188	-	1,188
Fax	<u>1,311</u>	-	<u>1,311</u>
Total charges for services	<u>2,499</u>	-	<u>2,499</u>
<b>Fines and forfeitures:</b>			
Book fines	<u>953</u>	-	<u>953</u>
<b>Miscellaneous:</b>			
Investment income (loss)	16,210	117	16,327
Donations	102	-	102
Other	<u>3,409</u>	-	<u>3,409</u>
Total miscellaneous	<u>19,721</u>	<u>117</u>	<u>19,838</u>
Total revenues	<u>1,173,057</u>	<u>117</u>	<u>1,173,174</u>
<b>Expenditures:</b>			
<b>Culture and recreation:</b>			
Salaries and wages	520,459	-	520,459
Employee benefits	254,315	-	254,315
Services and supplies	307,997	-	307,997
Capital outlay	<u>12,726</u>	-	<u>12,726</u>
Total expenditures	<u>1,095,497</u>	-	<u>1,095,497</u>
Excess (deficiency) of revenues over expenditures	77,560	117	77,677
<b>Fund balance:</b>			
Beginning of year	<u>652,919</u>	<u>3,493</u>	<u>656,412</u>
End of year	<u>\$ 730,479</u>	<u>\$ 3,610</u>	<u>\$ 734,089</u>

The notes to the financial statements are an integral part of this statement

**SMOKY VALLEY LIBRARY DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

---

<b>Net Change in Fund Balance - Governmental Funds</b>	<b>\$ 77,677</b>
 Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays to purchase or build capital assets are reported in Governmental Funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over the estimated useful lives as annual depreciation expense in the statement of activities	(61,155)
Property taxes that are collected in time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that related to prior periods that first become available in the current period should not be reported as revenue in the statement of activities	658
Generally expenditures recognized in the fund financial statements are limited to only those that use current financial resources but expenses are recognized in the statement of activities when incurred	
Change in compensated absences	(7,525)
Net differences between other post-employment benefits contributions recognized in the fund statement of revenues, expenditures, and changes in fund balances and the statement of activities:	
Other post-employment benefits contributions made after measurement date (2019 contributions)	-
Net other post-employment benefits expense	11,725
Net differences between pension system contributions recognized in the fund statement of revenues, expenditures, and changes in fund balances and the statement of activities:	
Pension contributions made after measurement date (2019 contributions)	69,416
Net pension expense	<u>(33,238)</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 57,558</u></b>

The notes to the financial statements are an integral part of this statement.



**SMOKY VALLEY LIBRARY DISTRICT  
MAJOR FUND - GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 477,136	\$ 477,136	\$ 605,742	\$ 128,606
Net proceeds	424,476	424,476	485,162	60,686
Total taxes	<u>901,612</u>	<u>901,612</u>	<u>1,090,904</u>	<u>189,292</u>
<b>Intergovernmental:</b>				
Grants	3,000	3,000	5,710	2,710
School district reimbursements	17,000	17,000	18,358	1,358
Consolidated taxes	35,060	35,060	34,912	(148)
Total intergovernmental	<u>55,060</u>	<u>55,060</u>	<u>58,980</u>	<u>3,920</u>
<b>Charges for services:</b>				
Copies	1,000	1,000	1,188	188
Fax	1,000	1,000	1,311	311
Total charges for services	<u>2,000</u>	<u>2,000</u>	<u>2,499</u>	<u>499</u>
<b>Fines and forfeitures:</b>				
Book fines	2,000	2,000	953	(1,047)
<b>Miscellaneous:</b>				
Investment income (loss)	1,000	1,000	16,210	15,210
Donations	1,500	1,500	102	(1,398)
Other	1,500	1,500	3,409	1,909
Total miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>19,721</u>	<u>15,721</u>
Total revenues	<u>964,672</u>	<u>964,672</u>	<u>1,173,057</u>	<u>208,385</u>
<b>Expenditures:</b>				
<b>Culture and Recreation:</b>				
Salaries and wages	520,000	520,000	520,459	(459)
Employee benefits	260,000	260,000	254,315	5,685
Services and supplies	394,000	394,000	307,997	86,003
Capital outlay	-	-	12,726	(12,726)
Total expenditures	<u>1,174,000</u>	<u>1,174,000</u>	<u>1,095,497</u>	<u>78,503</u>
Total expenditures	<u>1,174,000</u>	<u>1,174,000</u>	<u>1,095,497</u>	<u>78,503</u>
Excess (deficiency) of revenues over expenditures	(209,328)	(209,328)	77,560	286,888
Beginning of year	<u>407,938</u>	<u>407,938</u>	<u>652,919</u>	<u>244,981</u>
End of year	<u>\$ 198,610</u>	<u>\$ 198,610</u>	<u>\$ 730,479</u>	<u>\$ 531,869</u>

The notes to the financial statements are an integral part of this statement.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The District financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

**1. Reporting Entity**

The accompanying financial statements include all the activities that comprise the financial reporting entity of the Smoky Valley Library District ("District"). The District is governed by an appointed five-member board of trustees. The Board is legally separate and fiscally independent from other governing bodies; therefore, the District is a primary government and the District is not reported as a component unit by any other governmental unit. The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities.

**2. Description of Government-Wide Financial Statements**

The government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities. These statements include the aggregated financial information of the District as a whole. Governmental activities normally are supported by taxes and intergovernmental revenues. The fund financial statements include financial information for the one fund type: governmental. Reconciliations between the fund statements, the Statement of Net Position, and the Statement of Activities are included.

**3. Basis of Presentation - Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities incorporate data from governmental funds. Separate financial statements are provided for governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The Statement of Net Position presents the consolidated financial position of the District at year-end. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The Statement of Net Position presents the consolidated financial position of the District at year-end for governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are specifically associated with a program or service and are, therefore, clearly identifiable to a particular function. Program revenues include charges for services and operating grants and contributions. Taxes and other revenues properly not included among program revenues are reported instead as general revenues. This statement provides a net cost or net revenue for the specific function of the District. This function with a net cost is generally dependent on general-purpose tax revenues, such as property tax, to remain operational.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4. Basis of Presentation - Fund Financial Statements**

The financial accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, deferred outflows and inflows, fund equity, revenues, and expenditures. Separate financial statements are provided for each fund.

The fund financial statements provide information about the District's funds. All the funds of the District are governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major fund:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all resources and costs of operations traditionally associated with governments which are not required to be accounted for in other funds.

**5. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition 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 a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 in the hands of intermediary collecting governments and are then recognized as revenue. The government considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable, and the payment seems certain. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences and claims and judgments, are recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The major revenue sources of the District include ad valorem taxes (property taxes) and consolidated taxes (generally sales taxes).

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Measurement Focus and Basis of Accounting (Continued)**

Property taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

**6. Budgetary Information**

Nevada Revised Statutes require that local governments legally adopt budgets for all funds. The budgets are filed as a matter of public record with the County Clerk and the Nevada Department of Taxation. District staff uses the following procedures to establish, modify, and control the budgetary data reflected in the financial statements:

1. The statutes provide for the following timetable in adoption of budgets:
  - a) On or before April 15, the District submits to the Nevada Department of Taxation a tentative budget for the upcoming year. The tentative budget includes proposed expenditures and the means to finance them.
  - b) Before the public hearing, conducted not sooner than the third Monday in May and not later than the last day of May, a minimum of seven days' notice and a maximum of fourteen days' notice of the public hearing on the final budget must be published in a local newspaper.
  - c) On or before June 1, the District Board must adopt a final budget.
2. Nevada Revised Statutes Chapter 354.598005 (1) - provides that the District Board may augment the budget of a fund that receives ad valorem tax at any time by a majority vote of the Board providing the board publish notice of its intention to act in a newspaper of general circulation in the county at least three days before the date set for adoption of the resolution. If it is desired to augment a fund that does not receive ad valorem tax the Board may do so by adopting a resolution by majority vote authorizing the augmentation.
3. Nevada Revised Statutes Chapter 354.598005 (5) - allows appropriations to be transferred between functions, funds, or contingency accounts if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions. The Library Director may transfer appropriations within any function within a fund. The District Board may authorize the transfer of appropriations between funds or from the contingency account if the District Board announces the transfer of appropriations at a regularly scheduled meeting, sets forth the exact amounts to be transferred, and the accounts and funds affected. The District Board must also set forth reasons for the transfer, and the action must be recorded in the official minutes of the meeting.
4. Statutory regulations require budget control to be exercised at the function level within the funds.
5. Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments made during the year.
6. There General Fund budget was augmented during the year.
7. All budget appropriations lapse at the end of the fiscal year.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**a. Pooled Cash and Investments**

Cash includes cash in the hands of District officers, cash in the custody of the Nye County Treasurer and cash deposited in interest-bearing accounts at banks by the Nye County Treasurer. The majority of cash and investment transactions of the District are handled by the Nye County Treasurer's office. Cash balances are combined and invested in combination with Nye County funds in the custody of the Nye County Treasurer. Investments are stated at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of District investments are part of investment income. (See Note D1)

The District's cash and cash equivalents in the governmental fund types are considered to be cash on hand, cash in custody of the Nye County Treasurer, demand deposits, non-negotiable and negotiable certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

The majority of the District's cash and cash equivalents are in the custody of the Nye County Treasurer as required by Nevada Revised Statutes.

Nevada Revised Statutes authorize the District to invest in:

1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not exceed more than 10 years from the date of purchase.
2. Non-negotiable and negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$250,000 must be fully collateralized).
3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.
5. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 20 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.

The District has not established an investment policy further limiting its investments.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**b. Property Taxes**

Taxes on real property are levied in July of each year and are due in July. They can be paid in quarterly installments in August, October, January, and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 10 percent per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien.

Article X, Section 2 of the Constitution of the State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of any County (i.e., the County, the County School District, the State, and any other City, District, or special District) to an amount not to exceed \$5 per \$100 of assessed valuation of the property being taxed.

The Nevada Legislature enacted provisions whereby the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation. (See Note D2 and D5)

**c. Net Proceeds**

Taxes for the net proceeds of minerals extracted by operators are due annually in May for mining production of the previous calendar year. In accordance with NRS 362.130 tax payments are to be made to the Nevada Department of Taxation on or before May 10<sup>th</sup>, after which collections are to be remitted to local governments on or before May 30<sup>th</sup>.

**d. Inventories and Prepaid Items**

The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. The District has no material inventories at June 30, 2019.

Payments to vendors that will benefit periods beyond June 30, 2019, are recorded as prepaid expenditures in the fund financial statements. They are recorded as prepaid expenses in the government-wide financial statements.

**e. Capital Assets**

Capital assets, which include building, improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$500 or more and an estimated useful life in excess of one year.

If purchased or constructed, capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are valued at their estimated value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**e. Capital Assets (Continued)**

Land is not depreciated. The building, improvements, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Buildings and Improvements	30-50
Equipment	5-20

**f. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows include the District's pension related contributions subsequent to the measurement date but before the end of the fiscal year and changes in proportion of the District's contributions to the District's proportionate contributions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The difference between projected and actual experience and investment earnings are related to the deferred inflows of pensions and the calculation of net pension liability reported on the statement of net position. Under a modified accrual basis of accounting the district has one type of item which qualifies for reporting in this category. The item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

**g. Pensions**

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

**h. Other Post Employment Benefits**

For purposes of measuring the total other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**h. Compensated Absences**

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Estimated amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements. No expenditure is reported for these amounts in the fund financial statements.

**i. Accrued Salaries and Benefits**

District salaries earned but not paid by June 30, 2019, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2019.

**j. Interfund Activity**

During the course of operations, the District may have activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, balances between the funds included in the governmental activities are eliminated.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported as operating transfers in or out. While reported in fund financial statements, transfers between the funds included in governmental activities are eliminated in the governmental activities' column.

**k. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

**l. Governmental Fund Balances**

In the governmental fund financial statements, fund balances may be classified as follows:

- (1) **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact, such as inventories and prepaids.
- (2) **Restricted** – Amounts that can be spent only for a specific purpose because of state or federal laws, or externally imposed conditions by grantors or creditors.
- (3) **Committed** – These amounts can only be used for specific purposes as set forth by the District Board. The Board must take formal action (vote approval by majority) in order to establish an ending fund balance commitment for any specific purpose. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest-level action to remove or change the constraint.
- (4) **Assigned** – Assignments are neither restrictions nor commitments and represent the District's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the District's ending fund balance. Intent can be expressed by the District Board or Library Director.
- (5) **Unassigned** – All amounts not included in other spendable classifications for the General Fund.



**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**m. Fund Balance Flow Assumptions**

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

**n. Net Position Policies**

In the government-wide statements, net position on the Statement of Net Position includes the following:

**(1) Investment in Capital Assets**

This is the component of net position that reports the difference between capital assets less the accumulated depreciation.

**(2) Restricted Assets**

This is the component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Nevada Revised Statutes 354.6113 restricts the use of assets in the amount of \$6,610 for capital expenditures.

**(3) Unrestricted**

This is the component of net position that is the difference between the assets and liabilities not reported as Invested in Capital Assets, and Restricted Assets.

**o. Net Position Flow Assumption**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**p. Comparative Data/Reclassifications**

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements to provide an understanding of the changes in the District's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**q. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

**NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that, "Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities." The details of this difference are as follows:

Capital purchases	\$	12,726
Depreciation expense		<u>(73,881)</u>
		<u>\$ (61,115)</u>

**NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**1. Compliance and Accountability**

The District conformed to significant statutory requirements regarding financial administration during the year. The District had no expenditures that exceeded appropriations.

**NOTE D - DETAILED NOTES ON ALL FUNDS**

**1. Pooled Cash and Investments**

The District maintains a cash and investment pool that is available for use by all funds. The majority of all cash and investments of the District are included in the investment pool of the Nye County Treasurer.

At June 30, 2019, this pool is displayed by the Statement of Net Position and on the governmental funds balance sheet as "Pooled Cash and Investments."

A reconciliation of cash and investments as shown on the Statement of Net Position for the District follows:

		<u>Governmental Activities</u>
Cash in the hands of officers	\$	426
Carrying amount of cash and investments – Nye County Treasurer		<u>766,191</u>
Total		<u>\$ 766,617</u>
 Pooled cash and investments		 <u>\$ 766,617</u>

The cash and investment pool is available for use by all funds of the District. Cash and investments under the custody of the County Treasurer are invested as a pool. The County Treasurer may invest the money of the investment pool in investments which have been authorized as investments by Nevada Revised Statutes. (See Note A7a) The District has not adopted a formal investment policy that would further limit its investment choices.

Investment gain or loss is apportioned to the District funds monthly based on the average balance invested for the month. The fair value of the District's investment in the Nye County Treasurer's Investment Pool was determined by multiplying the pool's fair value per share factor times the District's portion of pool balance as of June 30, 2019.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**1. Pooled Cash and Investments (Continued)**

**Interest Rate Risk:** Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. The Nevada Revised Statutes limits bankers' acceptances to 180 days of maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity. The approximate weighted average maturity of investments in the Nye County Treasurer's investment pool was 1.80 years. Detailed information concerning the investment pool is in the annual financial report of Nye County, Nevada. As of June 30, 2019, District investments held in the Nye County Treasurer's investment pool are categorized as follows:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	> 10
U.S. Agencies	42.87%	40.24%	59.76%	0.00%	0.00%
Negotiable Certificates of Deposit	52.37%	20.95%	79.05%	0.00%	0.00%
NV Local Government Investment Pool	0.91%	100.00%	0.00%	0.00%	0.00%
Money Market Mutual Funds	3.85%	100.00%	0.00%	0.00%	0.00%

**Credit Risk:** 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 ratings of its investments. The Nye County Treasurer investment pool includes instruments which have been authorized by Nevada Revised Statutes (See Note A7a). At June 30, 2019, the Nye County Treasurer's investment pool ratings were as follows:

Investment Type	Quality Ratings by Moody's							
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	N/A
U.S. Agencies	100%	0%	0%	0%	0%	0%	0%	0%
Negotiable Certificates of Deposit	0%	0%	0%	0%	0%	0%	0%	100%
NV Local Government Investment Pool	0%	0%	0%	0%	0%	0%	0%	100%
Money Market Mutual Funds	0%	0%	0%	0%	0%	0%	0%	100%

**Custodial Credit Risk:** Custodial credit risk is the risk that in the event of a bank or brokerage failure, the District's deposits may not be returned. The District's bank deposits are covered by FDIC insurance. Deposits in excess of FDIC insurance coverage in the Nye County Treasurer cash and investment pool are collateralized by securities held by the Office of the State Treasurer/Nevada Collateral Pool.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**1. Pooled Cash and Investments (Continued)**

**Credit Concentration Risk**

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments with a single issuer within the Nye County Treasurer cash and investment pool that represent five percent or more of the total investments as of June 30, 2019, are as follows:

Federal Farm Credit Bank	17.15%
Federal Home Loan Bank (FHLB)	9.22%
Fannie Mac	8.38%
Freddie Mac	5.78%

The District implemented GASB Statement No. 72, Fair Value Measurement and Application, in 2017 to categorize 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 District has the following recurring fair value measurements as of June 30, 2019:

Investment Type	Fair Value	Level 1	Level 2	Level 3	N/A
U.S. Agencies	42.87%	100.00%	0.00%	0.00%	0.00%
Negotiable Certificates of Deposit	52.37%	0.00%	0.00%	0.00%	100.00%
NV Local Government Investment Pool	0.91%	18.43%	81.57%	0.00%	0.00%
Money Market Mutual Funds	3.85%	0.00%	0.00%	0.00%	100.00%
	<u>100.00%</u>				

**2. Receivables**

Below is the detail of receivables at June 30, 2019, for each fund:

	General Fund	Capital Projects	Total
Receivables:			
Taxes	\$ 2,821	\$ 0	\$ 2,821
Due from other governments			
Consolidated tax	6,640	0	6,640
Interest	1,401	6	1,407
	<u>\$ 10,862</u>	<u>\$ 6</u>	<u>\$ 10,868</u>

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**3. Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2019, are as follows:

<b>Governmental Activities:</b>	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 94,874	\$ 0	\$ 0	\$ 94,874
<b>Capital assets being depreciated:</b>				
Building and improvements	1,345,451	0	0	1,345,451
Equipment	563,438	12,726	0	576,164
<b>Total capital assets being depreciated</b>	<u>1,908,889</u>	<u>12,726</u>	<u>0</u>	<u>1,921,615</u>
<b>Less accumulated depreciation for:</b>				
Building and improvements	(558,635)	(39,947)	0	(598,584)
Equipment	(373,929)	(33,934)	0	(407,863)
<b>Total accumulated depreciation</b>	<u>(932,564)</u>	<u>(73,881)</u>	<u>0</u>	<u>(1,006,445)</u>
<b>Total capital assets being depreciated, net</b>	<u>976,325</u>	<u>(61,155)</u>	<u>0</u>	<u>915,170</u>
<b>Governmental activities assets, net</b>	<u>\$ 1,071,199</u>	<u>\$ (61,155)</u>	<u>\$ 0</u>	<u>\$ 1,010,044</u>

**Depreciation:**

Depreciation expense was charged to functions/programs of the primary government as follows:  
 Culture and Recreation \$ 73,881

**Construction commitments:** The District has no active construction projects as of June 30, 2019.

**4. Interfund Activity**

During the year, there was no interfund activity.

**5. Unavailable Revenue**

Delinquent taxes receivable not collected within sixty days after year-end are recorded as deferred inflows of resources as they are not available to pay liabilities of the current period. Unavailable tax revenue in the General Fund was \$2,683.

**6. Long-term Debt**

**Changes in Long-term Debt:** During the year ended June 30, 2019, the following changes occurred in long-term debt:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Due within</u> <u>one year</u>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 42,319	\$ 7,525	\$ 0	\$ 49,844	\$ 33,358
Net Pension Obligation	754,128	24,767	0	778,895	0
OPEB Obligation	81,059	0	12,841	68,218	0
<b>Total Governmental Activities</b>					
<b>Long-Term Liabilities</b>	<u>\$ 877,506</u>	<u>\$ 32,292</u>	<u>\$ 12,841</u>	<u>\$ 896,957</u>	<u>\$ 33,358</u>

The compensated absence, net pension obligation, and OPEB obligation will be liquidated by the General Fund.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

---

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**7. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other local governments throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (NPAIP) is a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 annual aggregate per member. Property, crime, and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities. As a participatory member, the maintenance deductible is \$500 for each insured event. The District also has lines of coverage and limits of liability for site pollution incidents up to \$2,000,000 each incident and a \$10,000,000 policy aggregate. As a participatory member, the maintenance deductible is \$25,000 for each insured event.

The District purchases workers' compensation insurance from a commercial carrier to cover claims. Premiums are paid on an annual basis based on a percentage of the employees' wages.

The District is self-insured for unemployment claims.

The District purchases health care benefits for its employees through a commercial carrier.

**8. Contingencies**

**Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the granting agencies. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds if disallowed.

**Litigation**

Management and Counsel for the District has indicated that there are no pending actions against the District.

**Net Proceeds of Minerals Tax Revenue-Single Taxpayer**

One of the major revenue sources of the District is net proceeds of minerals tax which is paid by a single taxpayer. Revenues received from the net proceeds of minerals tax has varied greatly over the past several years. Several factors contribute to the volatility of the tax, including ore production, market value of the minerals, production costs, and operating costs. The volatility of the net proceeds of minerals tax can have a significant impact on the operations of the District. The effects of a decrease in net proceeds of minerals tax revenue could cause services to be reduced and/or eliminated.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**9. Pension Plan**

**Plan Description.** Half time and greater District employees are provided pension benefits through the Public Employees' Retirement System of the State of Nevada (PERS), a cost sharing, multiple-employer, defined benefit plan administered by the Public Employees' Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. NRS Chapter 286 establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees' Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS that can be obtained at [www.nvpers.org](http://www.nvpers.org) under Quick Links — Publications.

**Benefits Provided.** Benefits, as required by the Nevada Revised Statutes (NRS or statute), 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. Vested members are entitled to a life-time monthly retirement benefit equal to the service time multiplier (STM) percentages listed below times the member's years of service to a maximum of 30 years. The schedule of Eligibility for Monthly Unreduced Retirement Benefits for regular members and police/fire members are as follows:

**Eligibility for Regular Members:**

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.25%
10 years	60	2.50%	60	2.67%	62	2.50%	62	2.25%
30 years	Any	2.50%	Any	2.67%	Any	2.50%	55	2.25%
33 1/3 years							Any	2.25%

**Eligibility for Police and Fire Members:**

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.50%
10 years	55	2.50%	55	2.67%	60	2.50%	60	2.50%
20 years	50	2.50%	50	2.67%	50	2.50%	50	2.50%
25 years	Any	2.50%	Any	2.67%				
30 years					Any	2.50%	Any	2.50%

\* Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. The System 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.

The normal ceiling limitation on monthly benefits 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.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**9. Pension Plan (Continued)**

**Contributions:** Benefits for plan members are funded under the employer pay contribution plan. The District is required to contribute all amounts due under the plan. PERS receives an actuarial valuation on an annual basis indicating the 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 District's required contribution rate for the year ending June 30, 2019, was 28.00%. The District has fully funded the amounts due for the year ending June 30, 2019. For purposes of GASB No. 82, the District recognized only the employer portion as a deferred outflow.

The actuary 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 contribution requirement as a percentage of salary.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2019, the District reported a liability of \$778,895 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. 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, 2018. The District's proportionate share of the net pension liability increased from 0.00567 percent at June 30, 2017 to 0.00571 at June 30, 2018.

For the year ended June 30, 2019, the District recognized pension expense of \$33,238. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,373	\$ 42,039
Net difference between projected and actual earnings on pension plan investments	0	4,312
Changes of assumptions	47,724	0
Changes in proportion	20,807	108,260
District Contributions subsequent to measurement date	69,416	0
Total	\$ 166,320	\$ 154,611



**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

---

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**9. Pension Plan (Continued)**

\$69,416 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ ( 2,866)
2021	(19,801)
2022	(36,001)
2023	( 6,186)
2024	5,764
2025	1,383
	<u>\$ (57,707)</u>

**Actuarial Assumptions:** The System's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll Growth	5.00%, including inflation
Investment Rate of Return	7.50%
Productivity pay increase	0.50%
Projected Salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other assumptions	Same as those used in the June 30, 2018 funding actuarial valuation

Mortality rates were based on the RP-2014 Headcount-Weighted Mortality Tables for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2016.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of the experience review completed in 2017. The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**9. Pension Plan (Continued)**

The following was the Board-adopted policy target asset allocation as of June 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed	30%	0.25%
Private Markets	10%	6.80%

\*As of June 30, 2018, PERS' long-term inflation assumption was 2.75%

**Discount Rate.** The discount rate used to measure the total pension liability was 7.50% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2018, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

**Sensitivity of the District's proportionate share of the net pension liability to change in the discount rate.** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	<u>1.0% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1.0% Increase (8.5%)</u>
District's proportionate share of the net pension liability	\$ 1,187,771	\$ 778,895	\$ 439,128

**Pension Plan Fiduciary Net Position:** Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

**Pension contributions payable.** At June 30, 2019, the District reported payables to the defined benefit pension plan of \$16,102 for legally required employer contributions which had not yet been remitted to PERS.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

---

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**10. Post-Employment Health Care Plan**

**Plan Description** The District administers a single-employer defined benefit healthcare plan. The plan provides medical, dental, prescription, and life insurance benefits to eligible retired District employees.

Benefit provisions for the plan are established pursuant to NRS 287.023 and amended through negotiations between the District and its employees. NRS 288.150 assigns the authority to establish benefit provisions to the District Board of Trustees. The plan provides healthcare insurance for eligible retirees through the District's group health insurance plan, which covers both active and retired members. Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. The plan does not issue a publicly available financial report.

**Employees covered by benefit terms.** At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>0</u>
	<u>1</u>

**Funding Policy** Contribution requirements of the plan members and the District are established and may be amended through negotiations between the District and employees. The Districts pays 100% of the costs of current-year premiums for eligible retired plan members. For fiscal year 2019, the District contributed \$5,827 to the plan. Employees hired before August 1, 2000, who vest in the State of Nevada Public Retirement System (PERS) by or through their employment with the District, and who have worked not less than eight (8) continuous years for the District immediately preceding retirement, and who, when they leave District employment collect PERS retirement, will have the same percentage of their post-retirement health insurance premiums paid by the District as the District pays for its employees, as that percentage may from time to time change. Employees hired on or after August 1, 2000, who vest in PERS by or through their employment with the District, and who have worked not less than twenty (20) continuous years for the District, and who, when they leave District employment collect PERS retirement, will have fifty percent (50%) of their post-retirement health insurance premiums paid by the District. Employees who retire from the District who do not meet these qualifications, may choose to participate in the plan and would be required to fully pay their costs of health insurance coverage.

**Important Dates used in the Valuation:**

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2019
Measurement Period:	June 30, 2018 to June 30, 2019
Fiscal Year End:	June 30, 2019

**Significant Results and Differences from the Prior Valuation:**

The assumptions used to develop the information in this report are the same assumptions used for the June 30, 2018, valuation. The only difference is the discount rate applied to develop the liability at the beginning of the measurement period, as required by Governmental Accounting Standards Board Statement No. 75.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**10. Post-Employment Health Care Plan (Continued)**

**Total Other Post-Employment Benefits (OPEB) Liability**

The District's OPEB liability of \$68,218 was measured as of June 30, 2019 and determined by actuarial valuation as of that date.

The District has elected to calculate the total OPEB liability and related information using the alternative measurement method permitted by Governmental Accounting Standards Board Statement No. 75 for employers in plans with fewer than one hundred total plan members.

*Actuarial Assumptions and Other Inputs:* The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation rate	2.75%
Salary Increase	Not applicable; there are no active employees in this plan.
Discount Rate	2.79%
Healthcare Cost Trend Rates	5.75% decreasing 0.5% per year to an ultimate rate of 5.00% for 2023 and later years.
Retirees' share of benefit-related costs	0%

The discount rate was based on the S & P General Obligation Municipal Bond 20-year High Grade Index.

Mortality rates were based on the social security administration's actuarial life tables.

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period of June 30, 2018 to June 30, 2019.

**Changes in the Total OPEB Liability**

Service cost	\$ 0
Interest	2,262
Changes of benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions or other inputs	(9,276)
Benefit payments	<u>( 5,827)</u>
Net changes	(12,841)
Net OPEB obligation - beginning of the year	81,059
Net OPEB obligation - end of year	<u>\$ 68,218</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.13% as of June 30, 2018, to 2.79% as of June 30, 2019.

**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**10. Post-Employment Health Care Plan (Continued)**

**Sensitivity of the District's total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

1.0% Decrease (1.79%)	Discount Rate (2.79%)	1.0% Increase (3.79%)
\$ 72,139	\$ 68,218	\$ 64,595

**Sensitivity of the District's total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent higher or lower than the current healthcare cost trend rates:

1.0% Decrease	Discount Rate	1.0% Increase
\$ 64,329	\$ 68,218	\$ 72,357

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

For the year ended June 30, 2019, the District recognized OPEB expense (income) of (\$5,898). At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 0	\$ 0
Changes of assumptions or other inputs	0	37,107
District Contributions subsequent to measurement date	0	0
Total	\$ 0	\$ 37,107

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

Year ended June 30:	
2020	\$( 7,967)
2021	( 7,967)
2022	( 7,967)
2023	( 7,967)
2024	( 3,913)
Thereafter	( 1,326)
	\$( 37,107)

**SMOKY VALLEY LIBRARY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
JUNE 30, 2019**

	<u>6/30/2019</u>	<u>6/30/2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ -	\$ -
Interest	2,262	4,139
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	(9,276)	(49,082)
Benefit payments	(5,827)	(6,219)
<b>Net Change in total OPEB liability</b>	<b>(12,841)</b>	<b>(51,162)</b>
<b>Total OPEB liability - beginning</b>	<b>81,059</b>	<b>132,221</b>
<b>Total OPEB liability - ending</b>	<b>\$ 68,218</b>	<b>\$ 81,059</b>
Covered-employee payroll	\$ -	\$ -

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

6/30/2019	2.79
6/30/2018	3.13
6/30/2017	2.68

**SMOKY VALLEY LIBRARY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA  
JUNE 30, 2019**

Year Ended June 30	Contractually Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2013	\$ 100,738	\$ 100,738	\$ -	\$ 424,160	23.75%
2014	105,540	105,540	-	409,864	25.75%
2015	126,228	126,228	-	490,206	25.75%
2016	101,279	101,279	-	361,711	28.00%
2017	96,291	96,291	-	343,896	28.00%
2018	61,532	61,532	-	439,514	14.00%
2019	69,416	69,416	-	494,638	14.03%

*Information previous to 2013 is not available.*

Beginning with the year ended 2018, all contributions shown reflect employer-paid contributions only, and employer-paid member contributions are excluded. Actuarially determined contributions above are based on actuarially determined contribution rates (employer portion only) from the most recent rate-setting year prior to the year shown, applied to covered payroll for year shown.

**SMOKY VALLEY LIBRARY DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA  
 JUNE 30, 2019**

Reporting Year Ended June 30:	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered- Employee Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.01087%	727,321	409,864	177.45%	76.31%
2016	0.00661%	756,967	490,206	154.42%	75.10%
2017	0.00599%	805,685	361,711	222.74%	72.20%
2018	0.00567%	754,128	343,896	219.29%	74.40%
2019	0.00571%	778,895	439,514	177.22%	75.20%

*Fiscal year 2015 was the first year of implementation. Therefore, only five years are shown.*

*The District's proportionate share of the net pension liability is based upon the measurement taken on June 30th of the prior year.*



**SMOKY VALLEY LIBRARY DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2019**

---

**Note 1 – Net Pension Liability**

*Changes in benefit terms.* There have been no changes in benefit terms since the last valuation.

*Changes in assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

**Note 2 – Other Post-Employment Benefits Liability**

*Changes in benefit terms.* There have been no changes in benefit terms since the last valuation.

*Changes in assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period and the eligibility of additional employees.

**SMOKY VALLEY LIBRARY DISTRICT  
MAJOR FUND - GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2019 and 2018**

	2019	2018
<b><u>Assets</u></b>		
Pooled cash and investments	\$ 763,013	\$ 668,242
Interest receivable	1,401	988
Taxes receivable	2,821	7,307
Due from other governments	6,640	6,098
Prepaid expenses	<u>12,177</u>	<u>15,529</u>
 Total assets	 <u>\$ 786,052</u>	 <u>\$ 698,164</u>
<b><u>Liabilities</u></b>		
Accounts payable	\$ 14,535	\$ 9,023
Accrued payroll	<u>38,355</u>	<u>34,197</u>
 Total liabilities	 <u>52,890</u>	 <u>43,220</u>
<b><u>Deferred inflows of resources</u></b>		
Unavailable revenues - property taxes	<u>2,683</u>	<u>2,025</u>
<b><u>Fund Balance</u></b>		
Nonspendable	12,177	15,529
Assigned for subsequent year	654,465	407,938
Unassigned	<u>63,837</u>	<u>229,452</u>
 Total fund balance	 <u>730,479</u>	 <u>652,919</u>
 Total liabilities, deferred inflows of resources, and fund equity	 <u>\$ 786,052</u>	 <u>\$ 698,164</u>

**SMOKY VALLEY LIBRARY DISTRICT  
MAJOR FUND - GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(With Comparative Actual Amounts for Year Ended June 30, 2018)**

	2019		Variance - Positive (Negative)	2018 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 477,136	\$ 605,742	\$ 128,606	\$ 480,734
Net proceeds	424,476	485,162	60,686	730,432
Total taxes	<u>901,612</u>	<u>1,090,904</u>	<u>189,292</u>	<u>1,211,166</u>
<b>Intergovernmental:</b>				
Grants	3,000	5,710	2,710	6,302
School district reimbursement	17,000	18,358	1,358	16,951
Consolidated taxes	35,060	34,912	(148)	35,669
Total intergovernmental	<u>55,060</u>	<u>58,980</u>	<u>3,920</u>	<u>58,922</u>
<b>Charges for services:</b>				
Copies	1,000	1,188	188	1,415
Fax	1,000	1,311	311	1,605
Total charges for services	<u>2,000</u>	<u>2,499</u>	<u>499</u>	<u>3,020</u>
<b>Fines and forfeitures:</b>				
Book fines	<u>2,000</u>	<u>953</u>	<u>(1,047)</u>	<u>1,753</u>
<b>Miscellaneous:</b>				
Investment income (loss)	1,000	16,210	15,210	(1,594)
Donations	1,500	102	(1,398)	1,985
Other	1,500	3,409	1,909	1,721
Total miscellaneous	<u>4,000</u>	<u>19,721</u>	<u>15,721</u>	<u>2,112</u>
Total revenues	<u>964,672</u>	<u>1,173,057</u>	<u>208,385</u>	<u>1,276,973</u>
<b>Expenditures:</b>				
<b>Culture and Recreation:</b>				
Salaries and wages	520,000	520,459	(459)	461,765
Employee benefits	260,000	254,315	5,685	224,706
Services and supplies	394,000	307,997	86,003	219,747
Capital outlay	-	12,726	(12,726)	19,514
Total culture and recreation	<u>1,174,000</u>	<u>1,095,497</u>	<u>78,503</u>	<u>925,732</u>
Excess (deficiency) of revenues over expenditures	(209,328)	77,560	286,888	351,241
<b>Fund balance:</b>				
Beginning of year	<u>407,938</u>	<u>652,919</u>	<u>244,981</u>	<u>301,678</u>
End of year	<u>\$ 198,610</u>	<u>\$ 730,479</u>	<u>\$ 531,869</u>	<u>\$ 652,919</u>

**SMOKY VALLEY LIBRARY DISTRICT  
NONMAJOR FUND - CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2019 and 2018**

	2019	2018
<b><u>Assets</u></b>		
Pooled cash and investments	\$ 3,604	\$ 3,487
Interest receivable	<u>6</u>	<u>6</u>
 Total assets	 <u>\$ 3,610</u>	 <u>\$ 3,493</u>
 <b><u>Liabilities</u></b>		
Accounts payable	\$ -	\$ -
 <b><u>Fund Balance</u></b>		
Restricted for capital projects	<u>3,610</u>	<u>3,493</u>
 Total liabilities and fund equity	 <u>\$ 3,610</u>	 <u>\$ 3,493</u>

**SMOKY VALLEY LIBRARY DISTRICT**  
**NONMAJOR FUND - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
**(With Comparative Actual Amounts for Year Ended June 30, 2018)**

	2019		Variance - Positive (Negative)	2018 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income (loss)	\$ 5	\$ 117	\$ 112	\$ (10)
<b>Expenditures:</b>				
<b>Capital projects:</b>				
Capital Outlay	-	-	-	-
Excess (deficiency) of revenues over expenditures	5	117	112	(10)
<b>Fund balance:</b>				
Beginning of year	<u>3,508</u>	<u>3,493</u>	<u>(15)</u>	<u>3,503</u>
End of year	<u>\$ 3,513</u>	<u>\$ 3,610</u>	<u>\$ 97</u>	<u>\$ 3,493</u>