

PAHRUMP LIBRARY DISTRICT

**REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023

**PAHRUMP LIBRARY DISTRICT
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
TABLE OF CONTENTS**

	<u>PAGE</u>
INTRODUCTORY SECTION	
Library Board	1
FINANCIAL SECTION	
Independent Auditor's Report	2-4
Management's Discussion and Analysis	5-11
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position	12
Statement of Activities	13
FUND FINANCIAL STATEMENTS:	
GOVERNMENTAL FUNDS:	
Balance Sheet	14
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Notes to the Basic Financial Statements	18-37
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual General Fund	38
Reconciliation of the General Fund (Budgetary Basis) to the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund (GAAP Basis)	39
Schedule of the District's Contributions to the Public Employees' Retirement System of the State of Nevada	40
Schedule of the District's Proportionate Share of the Net Pension Liability of the Public Employees' Retirement System of the State of Nevada	41
Notes to Required Supplementary Information	42
SUPPLEMENTARY INFORMATION:	
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
GOVERNMENTAL FUNDS:	
Combining Balance Sheet - Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis)	43
Major Governmental Funds:	
General Fund:	
Comparative Balance Sheets	44
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	45
Capital Projects Fund:	
Comparative Balance Sheets	46
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	47
Nonmajor Special Revenue Fund:	
Pahrump Friends of the Library:	
Comparative Balance Sheets	48
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	49

**PAHRUMP LIBRARY DISTRICT
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
TABLE OF CONTENTS**

**INTERNALLY REPORTED (BUDGETARY BASIS) FUND REPORTED AS PART OF THE
GENERAL FUND FOR EXTERNAL REPORTING PURPOSES:**

Book Mobile Fund:

Balance Sheet	50
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	51

COMPLIANCE:

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>	52-53
Auditor's Comments	54

**PAHRUMP LIBRARY DISTRICT
LIBRARY BOARD
JUNE 30, 2023**

CHAIRMAN:

John Shewalter

MEMBERS:

Brian Shoemake Vice-Chair

Dee Mounts Secretary

Dave Ochenreider Trustee

Matt Morris Trustee

INDEPENDENT AUDITOR'S REPORT

Honorable Board Members
Pahrump Library District
Pahrump, Nevada

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As described in Note A7s to the financial statements the District has adopted new accounting guidance, Governmental Accounting Standards Board Statement (GASB) No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5-11, Schedule of Revenues, Expenditures, and Changes in Fund balances – Budget (Budgetary Basis) and Actual General Fund, Reconciliation of the General Fund (Budgetary Basis) to the Statement of Revenues, Expenditures, and Changes in Fund Balances General Fund (GAAP Basis), Schedule of the District's Contributions to the Public Employees' Retirement System of the State of Nevada on page 40, and Schedule of the District's Proportionate Share of the Net Pension Liability on page 41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2022 which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively compromise the District's basic financial statements as a whole. The individual fund financial statements and schedules for the year ended June 30, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information was subjected to the audit procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2024 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Las Vegas, Nevada
April 25, 2024

**PAHRUMP LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the Pahrump 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. The MD&A is separated into Financial Highlights, an Overview of the Financial Statements, Government-Wide Financial Analysis, Financial Analysis of the District's Governmental Funds, General Fund Budgetary Highlights, Capital Assets, Debt Administration, and Economic Factors and Next Year's Budget.

FINANCIAL HIGHLIGHTS

The following is an analysis of the financial activities of the District for fiscal year 2023 that had a significant effect on its financial position or operating results.

Government-Wide Statements. The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the 2023 fiscal year by \$5,334,413 (net position). Total net position represents approximately \$2,555,344 in net investment in capital assets, \$754,614 restricted for capital projects, and \$7,021 restricted for donations. The remaining \$2,017,434 is unrestricted net position, which may be used to meet the District's ongoing obligations to its citizens and creditors.

The government-wide net position of the District increased during the fiscal year ending June 30, 2023, from \$5,137,583 to \$5,334,413.

The District's total government-wide expenses were \$1,073,496; an increase compared to the prior year of \$281,070. The increase is a result of higher expenditures for salaries, benefits, services and supplies, and depreciation expense.

Fund Financial Statements. At the close of the fiscal year 2023, the District's governmental funds reported combined fund balances of \$3,104,580.

At the end of fiscal year 2023, the District's General Fund (budgetary basis) had a fund balance of \$1,842,945, a decrease of \$145,175 when compared to the previous year. Approximately 98.25% of this amount, \$1,810,720, is assigned in subsequent years. The General Fund (GAAP Basis) is combined with the Book Mobile Fund and has a combined fund balance of \$2,342,945 with \$500,000 committed for the book mobile.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to introduce the District's basic financial statements. The District's basic financial statements are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the District's financial position, in a manner similar to a private-sector business.

The Statement of Net Position combines and consolidates all the District's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. This includes combining current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting. Net position is segregated into three components: net investment in capital assets; restricted; and unrestricted net position. Net position is an indicator of the overall financial position of the District and the change in net position from year to year is an indicator of the financial position improving or deteriorating.

**PAHRUMP LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements (Continued). 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

The government-wide financial statements report one type of activity: governmental activities. The government-wide financial statements include functions of the District that are principally supported by taxes and intergovernmental revenues.

Fund Financial Statements. A fund is a grouping of accounts that is used to maintain control over resources that are designated for a specific purpose within the government. The District uses fund financial statements to provide detailed information about its most significant funds. All the Pahrump Library District funds are classified into one category.

Governmental Funds. Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements described above. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the Governmental Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Capital Projects Fund, each of which are considered to be major funds. Data from the Pahrump Friends of the Library Fund is reported as a nonmajor governmental fund.

The District adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for the General Fund as part of the required supplementary information. The Pahrump Friends of the Library and the Capital Projects Fund are included in supplementary information.

Notes to Financial Statements. The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-37 of this report.

Other Information. The individual fund statements and schedules are presented immediately following the notes to the financial statements.

**PAHRUMP LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements are structured to report financial information on the District as a whole. Condensed financial information with comparative amounts from the prior year is presented along with accompanying analyses.

The following table illustrates the changes in net position in the years ending June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Assets:		
Current and other assets	\$ 3,178,798	\$ 3,329,242
Net capital assets	<u>2,555,344</u>	<u>2,179,474</u>
Total Assets	<u>5,734,142</u>	<u>5,508,716</u>
Deferred Outflows of Resources:		
Deferred pension charge	<u>341,404</u>	<u>255,839</u>
Liabilities:		
Current liabilities	56,962	61,117
Long-term liabilities	<u>681,838</u>	<u>242,197</u>
Total Liabilities	<u>738,800</u>	<u>303,314</u>
Deferred Inflows of Resources:		
Deferred pension charge	<u>2,333</u>	<u>323,658</u>
Net Position:		
Net invested in capital assets	2,555,344	2,179,474
Restricted	761,635	1,265,016
Unrestricted	<u>2,017,434</u>	<u>1,693,093</u>
Total Net Position	<u>\$ 5,334,413</u>	<u>\$ 5,137,583</u>

The District's assets exceeded liabilities by \$5,334,413 at the close of the current year and total net position increased by \$196,830 resulting in a 3.83% increase in net position. The net position increase was due to an increase in property taxes and consolidated taxes.

The largest portion of the District's net position, 47.90%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.), less any related debt outstanding used to acquire those assets. The District uses capital assets to provide services to patrons of the library; consequently, these assets are not available for future spending.

The District's total net position of \$5,334,413 includes unrestricted net position totaling \$2,017,434. This is used to meet the ongoing obligations of the District. Portions of net position are subject to external restrictions as to how they may be used. In the current year, there was restricted net position of \$761,635.

The following table compares activity for the years ending June 30, 2023 and 2022.

**PAHRUMP LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 18,668	\$ 18,431
Operating grants and contributions	12,727	1,692
Capital grants and contributions	31,190	14,167
General revenues:		
Property taxes	1,040,151	951,413
Consolidated taxes	183,462	179,280
Investment income (loss)	(30,207)	(212,704)
Miscellaneous	14,335	9,649
Total revenues	<u>1,270,326</u>	<u>961,928</u>
Expenses:		
Culture and recreation:		
Salaries and wages	474,580	412,228
Employee benefits	233,791	84,236
Service and supplies	220,877	191,243
Depreciation	144,248	104,719
Total expenses	<u>1,073,496</u>	<u>792,426</u>
Excess (deficiency) of revenues over expenditures	196,830	169,502
Net position - beginning	<u>5,137,583</u>	<u>4,968,081</u>
Net position - ending	<u>\$ 5,334,413</u>	<u>\$ 5,137,583</u>

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

General revenues consist mainly of property taxes and consolidated taxes. For governmental activities, the largest of these revenues was property tax.

**PAHRUMP LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$3,104,580. This is a decrease over the prior year of \$148,556, or 4.57%. Fund balance components have been classified as nonspendable, restricted, committed, and assigned. Restricted fund balance is \$761,635, or 24.53%, of total fund balance. Spending of these resources is constrained by externally imposed (statutory and bond covenant) limitations on their use. The restricted fund balances include \$754,614 for capital projects and \$7,021 from Friends of the Library donations.

Major Governmental Funds:

General Fund: The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the fund balance of the General Fund (GAAP basis) was \$2,342,945, an increase of \$354,825, or 17.85%.

Key factors of the change in the fund balance of the General Fund are as follows:

Revenues increased by \$237,412, or 22.72%. Property tax revenue increased by \$85,371, or 8.96%. Intergovernmental revenues increased by \$31,391, or 16.23%. Miscellaneous revenues increased compared to the prior year by \$120,413, or 100.94% due to a change in investment income (loss) fair value adjustments.

Expenditures increased by \$131,964, or 16.58%. Salaries expenditures increased by \$62,352, or 15.13% due to changes in staffing. Employee benefits expenditures increased by \$35,990, or 21.81%. Service and supplies expenditures increased by \$38,944, or 21.41%. Capital outlay expenditures decreased by \$5,322, or 14.58%.

Capital Projects Fund: At the end of the current fiscal year, the fund balance of the Capital Projects Fund was \$754,614, a decrease of \$503,326 or 40.01%. This was due to capital projects expenditures related to lighting retrofit project.

GENERAL FUND BUDGETARY HIGHLIGHTS

Nevada Statutes require that the District legally adopt budgets for all funds. Budgets are prepared in accordance with generally accepted accounting principles. The final appropriated budget is prepared by fund, function, and object. All appropriations lapse at year-end.

The original budget (2022-2023 Final Budget) was approved May 23, 2022.

Total actual expenditures for the General Fund (budgetary basis) for the fiscal year 2023 were \$47,313 less than budgeted. Planned expenditures were less than anticipated in services and supplies and contingency and more than anticipated for salaries and wages, employee benefits, and capital outlay.

The actual General Fund budgetary basis fund balance of \$1,842,945 was \$424,086 lower than anticipated to begin the 2023-2024 year.

**PAHRUMP LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

CAPITAL ASSETS

At June 30, 2023, the District's governmental type activity had \$2,555,344 (net) invested in capital assets, including land, building and improvements, equipment, and library media materials. This amount represents a net increase (including additions, disposals, and depreciation) of \$375,870 from the previous year.

Capital assets, net of related debt, reflect 47.90% of the net position of the District. The District uses capital assets to provide services to the patrons of the Pahrump Library District and consequently these assets are not available for future spending.

The table that follows, reflects additions and disposals to capital assets for the governmental type activities:

Governmental Activities:	Balance			Balance
	June 30, 2022	Additions	Deletions	June 30, 2023
Capital assets not being depreciated:				
Land	\$ 168,000	\$ 0	\$ 0	\$ 168,000
Capital assets being depreciated:				
Building and improvements	3,489,743	479,843	0	3,969,586
Library media materials	36,512	31,190	0	67,702
Equipment	<u>344,713</u>	<u>9,085</u>	<u>0</u>	<u>353,798</u>
Total capital assets being depreciated	<u>3,870,968</u>	<u>520,118</u>	<u>0</u>	<u>4,391,086</u>
Less accumulated depreciation for:				
Building and improvements	1,546,104	119,149	0	1,665,253
Library media materials	7,302	13,540	0	20,842
Equipment	<u>306,088</u>	<u>11,559</u>	<u>0</u>	<u>317,647</u>
Total accumulated depreciation	<u>1,859,494</u>	<u>144,248</u>	<u>0</u>	<u>2,003,742</u>
Total capital assets being depreciated, net	<u>2,011,474</u>	<u>375,870</u>	<u>0</u>	<u>2,387,344</u>
Governmental activities assets, net	<u>\$ 2,179,474</u>	<u>\$ 375,870</u>	<u>\$ 0</u>	<u>\$ 2,555,344</u>

Additions included a lighting retrofit and library media materials for the year ended June 30, 2023.

The District had no active construction commitments as of June 30, 2023.

DEBT ADMINISTRATION

Changes in Long-term Debt: During the year ended June 30, 2023, the following changes occurred in long-term debt:

	Balance			Balance	Due within
	June 30, 2022	Additions	Deletions	June 30, 2023	one year
Governmental Activities:					
Compensated Absences	\$ 15,874	\$ 6,884	\$ 0	\$ 22,758	\$ 12,616
Net Pension Liability	<u>226,323</u>	<u>432,757</u>	<u>0</u>	<u>659,080</u>	<u>0</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 242,197</u>	<u>\$ 439,641</u>	<u>\$ 0</u>	<u>\$ 681,838</u>	<u>\$ 12,616</u>

Per Nevada Revised Statutes 379.0225, the debt limitation for the District is equal to 10 percent of the assessed valuation of the taxable property of the District. The debt limitation currently applicable at June 30, 2023, was \$144,533,399.

**PAHRUMP LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District approved the budget for the 2023-2024 year on May 22, 2023. The following factors were considered in the development of the budget.

- Property taxes and consolidated taxes, the largest revenue sources, are projected to increase.
- Assessed valuations are projected to increase.
- the property tax rate of the General Fund will decrease slightly from 0.0988 to 0.0987.
- Employee full-time equivalents are projected to remain unchanged.

REQUESTS FOR INFORMATION

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

Pahrump Library District
701 East Street
Pahrump, Nevada 89048

**PAHRUMP LIBRARY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023**

	2023
Assets:	
Pooled cash and investments	\$ 3,078,748
Interest receivable	10,973
Taxes receivable	21,978
Due from other governments	34,874
Prepaid items	32,225
Capital assets, net of accumulated depreciation	2,555,344
Total assets	5,734,142
Deferred Outflows of Resources:	
Deferred pension charge	341,404
Liabilities:	
Accounts payable	31,780
Accrued payroll	25,182
Noncurrent liabilities:	
Due within one year:	
Accrued compensated absences	12,616
Due in more than one year:	
Accrued compensated absences	10,142
Net pension liability	659,080
Total liabilities	738,800
Deferred Inflows of Resources:	
Deferred pension charge	2,333
Net Position:	
Net investment in capital assets	2,555,344
Restricted	761,635
Unrestricted	2,017,434
Total net position	\$ 5,334,413

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

**PAHRUMP LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Culture and Recreation	\$ (1,073,496)	\$ 18,668	\$ 12,727	\$ 31,190	(1,010,911)
General Revenues:					
					1,040,151
					183,462
					(30,207)
					14,335
					<u>1,207,741</u>
					196,830
					<u>5,137,583</u>
					<u>\$ 5,334,413</u>

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

**PAHRUMP LIBRARY DISTRICT
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Major Funds			Total Governmental Funds
	General	Capital Projects	Non-Major Fund	
Assets:				
Pooled cash and investments	\$ 2,320,868	\$ 750,884	\$ 6,996	\$ 3,078,748
Interest receivable	7,218	3,730	25	10,973
Taxes receivable	21,978	-	-	21,978
Due from other governments	34,874	-	-	34,874
Prepaid items	32,225	-	-	32,225
Total assets	<u>\$ 2,417,163</u>	<u>\$ 754,614</u>	<u>\$ 7,021</u>	<u>\$ 3,178,798</u>
Liabilities:				
Accounts payable	\$ 31,780	\$ -	\$ -	\$ 31,780
Accrued payroll	25,182	-	-	25,182
Total liabilities	<u>56,962</u>	<u>-</u>	<u>-</u>	<u>56,962</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	17,256	-	-	17,256
Fund Balance:				
Nonspendable	32,225	-	-	32,225
Restricted	-	754,614	7,021	761,635
Committed	500,000	-	-	500,000
Assigned to subsequent year	1,810,720	-	-	1,810,720
Total fund balance	<u>2,342,945</u>	<u>754,614</u>	<u>7,021</u>	<u>3,104,580</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,417,163</u>	<u>\$ 754,614</u>	<u>\$ 7,021</u>	<u>\$ 3,178,798</u>

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

**PAHRUMP LIBRARY DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total fund balance - governmental funds	\$ 3,104,580
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.	2,555,344
Other long-term assets that are not available to pay for current period expenditures and, therefore, are deferred in the funds.	17,256
Compensated absences are not reported in the Governmental Funds financial statement because they are not due and payable, but they are presented as liabilities in the Statement of Net Position.	(22,758)
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	341,404
Net pension liability	(659,080)
Deferred inflows from pension activity	(2,333)
Total net position - governmental activities	\$ <u>5,334,413</u>

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

PAHRUMP LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Major Funds			Total Governmental Funds
	General	Capital Projects	Non-Major Fund	
Revenues:				
Taxes:				
Property taxes	\$ 1,037,884	\$ -	\$ -	\$ 1,037,884
Intergovernmental:				
Consolidated taxes	183,462	-	-	183,462
Grants	41,376	-	-	41,376
Total intergovernmental	224,838	-	-	224,838
Charges for Services:				
Copies	13,630	-	-	13,630
Fines and Forfeitures:				
	5,038	-	-	5,038
Miscellaneous:				
Book sales	14,335	-	-	14,335
Investment income (loss)	(15,754)	(14,398)	(55)	(30,207)
Donations	2,541	-	-	2,541
Total miscellaneous	1,122	(14,398)	(55)	(13,331)
Total revenues	1,282,512	(14,398)	(55)	1,268,059
Expenditures:				
Current:				
Culture and Recreation:				
Salaries and wages	474,580	-	-	474,580
Employee benefits	201,040	-	-	201,040
Service and supplies	220,877	-	-	220,877
Capital outlay	31,190	-	-	31,190
Total culture and recreation	927,687	-	-	927,687
Capital Projects	-	488,928	-	488,928
Total expenditures	927,687	488,928	-	1,416,615
Excess (deficiency) of revenues over expenditures	354,825	(503,326)	(55)	(148,556)
Fund Balance:				
Beginning of year	1,988,120	1,257,940	7,076	3,253,136
End of year	\$ 2,342,945	\$ 754,614	\$ 7,021	\$ 3,104,580

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

**PAHRUMP LIBRARY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Net change in fund balance - governmental funds	\$ (148,556)
 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.	375,870
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.	2,267
Generally, expenditures recognized in fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred such as compensated absences.	(6,884)
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 (2023 contributions)	58,716
Net pension (expense) income	(84,583)
Change in net position of governmental activities	<u>\$ 196,830</u>

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

**PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The accompanying financial statements include all of the activities that comprise the financial reporting entity of the Pahrump Library District (“District”). The District is governed by an appointed five-member board. The board members are appointed by the Nye County Nevada County Commission. 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 applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

2. Basic Financial Statements

The District’s basic financial statements consist of government-wide statements and the fund 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 column incorporates 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 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, operating and capital 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.

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.

PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Basis of Presentation - Fund Financial Statements (Continued)

The fund financial statements provide information about the District's funds. All of 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's governmental funds include the following major funds:

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.

Capital Projects Fund - The Capital Projects Fund is used to account for general acquisition and construction projects of the District, as well as the purchase of equipment.

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).

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).

**PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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) 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) A public hearing must be held by the Board of Trustees no sooner than the third Monday in May and no later than the last day in May. Notice of the public hearing must be published in the local newspaper not more than 14 nor less than 7 days before the hearing.
 - c) After all changes have been noted and hearings closed, the Board of Trustees adopts the budget on or before June 1.
2. Nevada Revised Statutes Chapter 354.598005(1) - provides that the District Board may augment the budget of any 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 or an enterprise or internal service fund, the Board may do so by adopting a resolution by majority vote authorizing the augmentation.
3. Nevada Revised Statute 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 were no funds augmented during the year.
7. All budget appropriations lapse at the end of the fiscal year.

**PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

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 managed by the Nye County Treasurer's office. Cash balances are combined and invested as permitted by law in combination with Nye County funds in the Nye County Treasurer's Investment Pool. 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 that is included in revenue from other sources on the Statement of Activities (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 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. 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 25 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.
9. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development or obligations publicly issued in the United States by a foreign financial entity registered with the Securities and Exchange Commission, denominated in dollars with a maturity of 5 years or less with a rating of "AA" or better.

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

**PAHRUMP LIBRARY DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2023**

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 Receivable

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. The Nevada legislature passed a property tax abatement law in 2005 that generally caps increases in property tax on owner-occupied residential property to 3% and 8% per year for all other property (see **Notes D2 and D5**).

c. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. The District had no material inventories on June 30, 2023.

Payments to vendors that will benefit periods beyond June 30, 2023, are recorded as prepaid items in the fund financial statements and the government-wide financial statements. The District had prepaid items on June 30, 2023, for insurance.

d. Capital Assets

Capital assets, which include property, plant, and equipment, and library media materials 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, except for library media materials for which there is no threshold. Intangible lease and SBITA assets are amortized over the shorter of the lease or SBITA term or the estimated life of the underlying asset. (See **note A7f & A7s**)

If purchased or constructed, capital assets are valued at cost where historical records are available and, if no historical records exist, at estimated cost. Capital assets are 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.

Land is not depreciated. The other property, plant, 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>
Library Media Materials	5
Equipment	5-20
Buildings and Improvements	25-50
Intangible Lease Asset	2-5
Intangible SBITA	2-5

PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

e. Intangible Lease Assets

Intangible lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the District's estimated incremental borrowing rate. These intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset. Capitalization thresholds are the same threshold for capital assets noted above.

f. Subscription-Based Information Technology Arrangements (SBITAs)

For the year ended June 30, 2023, the District adopted GASB Statement No. 96, subscription-based information technology arrangements (SBITAs). The implementation of this standard established accounting and financial reporting for all SBITAs.

SBITAs, which include software contracts, are reported in the governmental column in the government-wide financial statement. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITA contracts contain non-cancellable terms of 12 months or greater; OR non-cancellable terms of 12 months or less with the option to extend (regardless of the probability of being exercised). SBITAs are recorded at the net present value of subscription payments expected to be made during the subscription term, plus any payments made to the SBITA vendor before commencement of the subscription term and certain direct costs (less any incentives). A subscription asset should be amortized over the shorter of the subscription term or the useful life of the underlying IT asset. The District established its SBITA contract threshold at \$10,000 or greater per fiscal year. (See Note A7s)

g. 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 relate to the District's pension activity.

In addition to liabilities, the Governmental Funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, 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 in the governmental financial statements.

The Statement of Net Position reports deferred inflows of resources which represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflow relates to pension activity.

PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

h. Pension

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.

i. 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.

j. Accrued Salaries and Benefits

District salaries earned but not paid by June 30, 2023, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2023.

k. 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.

l. 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. Bond premiums and discounts as well as deferred losses and gains, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures during the current period. Deferred charges related to the refunding of debt are reported as a deferred outflow of resources. They are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an "other financing source." Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

**PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

m. 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.

n. 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.

o. Net Position Policies

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

1. **Net Investment in Capital Assets** - This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.
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 \$754,614 for capital projects. Donor restrictions placed on contributions restrict the use of assets in the amount of \$7,021.
3. **Unrestricted** - This is the component of net position, that is the difference between the assets and liabilities not reported as Net Investment in Capital Assets and Restricted Assets.

**PAHRUMP LIBRARY DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2023**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

p. 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.

q. 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.

r. 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.

s. New Accounting Pronouncement

The Governmental Accounting Standard Board (GASB) issued statement number 96, *Subscription-Based Information Technology Arrangements(SBITAs)*, effective for fiscal year ended June 30, 2023. The implementation of this standard established accounting and financial reporting for all SBITAs. The District implemented GASB Statement Number 96 in 2023, which had no material effect on the financial statements (See Note A7f).

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 fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a 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 expense in the Statement of Activities.” The detail of this difference is as follows:

Capital outlay	\$	520,118
Depreciation expense		<u>(144,248)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		<u>\$ 375,870</u>

**PAHRUMP LIBRARY DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2023**

NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance and Accountability

The District conformed to significant statutory requirements regarding financial administration during the year. Per NRS 354.626, the District is required to report expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue Fund and Capital Project Fund. The District had no expenditures that exceeded appropriations.

NOTE D - DETAILED NOTES ON ALL FUNDS

1. Pooled Cash and Investments

Through the Nye County Treasurer, 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, 2023, 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:

	Governmental Activities
Cash in the hands of officers	\$ 12,269
Pooled Cash and investments - Nye County Treasurer	3,066,479
Total	\$ 3,078,748
 Pooled cash and investments - Statement of Net Position	 \$ 3,078,748

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, 2023.

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.

Concentrations of Credit 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 total investments as of June 30, 2023, are as follows:

Federal Farm Credit Bank	27.34%
Federal Home Loan Bank (FHLB)	33.93%
Freddie Mac	17.06%

PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

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. To limit exposure to interest rate risk, 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 3.17 years. Detailed information concerning the investment pool is in the annual financial report of Nye County, Nevada. As of June 30, 2023, District investments held in the Nye County Treasurer's investment pool are categorized as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>> 10</u>
U.S. Agencies	82.67%	16.08%	57.45%	26.47%	0.00%
Corporate Commercial Paper	3.30%	0.00%	100.00%	0.00%	0.00%
Negotiable Certificates of Deposit	10.91%	21.16%	66.29%	12.55%	0.00%
NV Local Government Investment Pool	0.60%	100.00%	0.00%	0.00%	0.00%
Money Market Mutual Funds	2.52%	100.00%	0.00%	0.00%	0.00%
	<u>100.00%</u>				

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, 2023, the Nye County Treasurer's investment pool ratings were as follows:

<u>Investment Type</u>	<u>Quality Ratings by Moody's</u>	
	<u>Aaa</u>	<u>N/A</u>
U.S. Agencies	100%	0%
Corporate Commercial Paper	100%	0%
Negotiable Certificates of Deposit	0%	100%
NV Local Government Investment Pool	0%	100%
Money Market Mutual Funds	0%	100%

Fair Value Measurement and Application categorize 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, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>
U.S. Agencies	82.67%	0.00%	100.00%	0.00%	0.00%
Corporate Commercial Paper	3.30%	0.00%	100.00%	0.00%	0.00%
Negotiable Certificates of Deposit	10.91%	0.00%	100.00%	0.00%	0.00%
NV Local Government Investment Pool	0.60%	39.50%	60.50%	0.00%	0.00%
Money Market Mutual Funds	2.52%	100.00%	0.00%	0.00%	0.00%
	<u>100.00%</u>				

PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

1. Pooled Cash and Investments (Continued)

Investment Income (Loss):

Investment income (loss) is made up of interest income, net of fees to earn the interest, and unrealized fair value gains or (losses). Unrealized fair value gains or losses are the amount that the District is either up or down on securities that have been purchased but not yet sold. The table below breaks out the interest income net of fees and unrealized investment loss:

Interest Income	\$ 52,409
Unrealized Loss	<u>(82,616)</u>
Investment Income (Loss)	<u>\$ (30,207)</u>

2. Receivables

Below is the detail of receivables for governmental funds:

	General Fund	Capital Projects	Nonmajor Funds	Total
Receivables:				
Interest	\$ 7,218	\$ 3,730	\$ 25	\$ 10,973
Property Taxes	21,978	-	-	21,978
Due from Other Governments				
Consolidated Taxes	<u>34,874</u>	<u>-</u>	<u>-</u>	<u>34,874</u>
Total	<u>\$ 64,070</u>	<u>\$ 3,730</u>	<u>\$ 25</u>	<u>\$ 67,825</u>

3. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities:				
Capital assets not being depreciated:				
Land	<u>\$ 168,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 168,000</u>
Capital assets being depreciated:				
Building and improvements	3,489,743	479,843	0	3,969,586
Library media materials	36,512	31,190	0	67,702
Equipment	<u>344,713</u>	<u>9,085</u>	<u>0</u>	<u>353,798</u>
Total capital assets being depreciated	<u>3,870,968</u>	<u>520,118</u>	<u>0</u>	<u>4,391,086</u>
Less accumulated depreciation for:				
Building and improvements	1,546,104	119,149	0	1,665,253
Library media materials	7,302	13,540	0	20,842
Equipment	<u>306,088</u>	<u>11,559</u>	<u>0</u>	<u>317,647</u>
Total accumulated depreciation	<u>1,859,494</u>	<u>144,248</u>	<u>0</u>	<u>2,003,742</u>
Total capital assets being depreciated, net	<u>2,011,474</u>	<u>375,870</u>	<u>0</u>	<u>2,387,344</u>
Governmental activities assets, net	<u>\$ 2,179,474</u>	<u>\$ 375,870</u>	<u>\$ 0</u>	<u>\$ 2,555,344</u>

Depreciation expense charged to culture and recreation function of \$144,248. There were no construction commitments.

**PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

4. Unearned Revenue

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period and also in connection with the resources that have been received but not yet earned. The District had no unearned revenues at June 30, 2023.

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 \$17,256 as of June 30, 2023.

6. Long-term Debt

Changes in General Long-Term Liabilities

During the year ended June 30, 2023, the following changes occurred:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due within one year
Governmental Activities:					
Compensated Absences	\$ 15,874	\$ 6,884	\$ 0	\$ 22,758	\$ 12,616
Net Pension Liability	226,323	432,757	0	659,080	0
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 242,197</u>	<u>\$ 439,641</u>	<u>\$ 0</u>	<u>\$ 681,838</u>	<u>\$ 12,616</u>

Governmental Type compensated absence liabilities will be liquidated primarily by the General Fund.

Per Nevada Revised Statutes 379.0225, the debt limitation for the District is equal to 10 percent of the assessed valuation of the taxable property of the District. The debt limitation currently applicable at June 30, 2023, was \$144,533,399.

7. Interfund Transfers

Interfund operating transfers are made from one fund to another fund to support expenditures in accordance with the authority established for the individual funds. There were no transfers between fund types during the year ended June 30, 2023.

NOTE E - OTHER INFORMATION

1. 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.

**PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE E - OTHER INFORMATION (Continued)

1. Risk Management (Continued)

The District has additional coverage of \$3,000,000 per incident for cyber security events with various sub-limits established for security failure, network interruption and proof of loss. As a participatory member, there is no maintenance deductible for each insured event.

The District has additional coverage of \$2,000,000 per incident for site pollution legal liabilities with a \$10,000,000 policy aggregate. As a participatory member, the maintenance deductible is \$25,000 for each incident.

The District purchases workers' compensation benefits for its employees through a commercial carrier.

The District is self-insured for unemployment claims.

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

2. Contingent Liabilities

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

In the ordinary course of its operations, claims may be filed against the District. It is the opinion of management that claims, if any, will not have any material adverse effect on the District's financial position, results of operation, or cash flows. The District does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when services are rendered.

Construction Commitments

The District had no active construction commitments at June 30, 2023.

3. 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 <http://www.nvpers.org/publications/reports>.

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 33 and 1/3 years. The schedule of Eligibility for Monthly Unreduced Retirement Benefits for regular members and police/fire members are as follows:

**PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

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	2.25%
10 years	55	2.50%	55	2.67%	60	2.50%	60	2.25%
20 years	50	2.50%	50	2.67%	50	2.50%	50	2.25%
25 years	Any	2.50%	Any	2.67%				

* 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.

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, 2022, was 29.75%. The District has fully funded the amounts due for the year ending June 30, 2023. 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.

**PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

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

At June 30, 2023, the District reported a liability of \$659,080 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2022. The District's proportionate share of the net pension liability increased from 0.00248 percent at June 30, 2021 to 0.00365 percent at June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of \$84,583. At June 30, 2023, 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	\$ 105,074	\$ 580
Net difference between projected and actual earnings on pension plan investments	9,901	0
Changes of assumptions or other inputs	104,241	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	63,472	1,753
District contributions subsequent to measurement date	58,716	0
Total	\$ 341,404	\$ 2,333

Average expected remaining service lives 5.70 years

\$58,716 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, 2024. 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:	
2024	\$ 50,777
2025	49,287
2026	43,036
2027	115,842
2028	21,413
	\$ 280,355

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

**PAHRUMP LIBRARY DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2023**

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

Inflation rate	2.50%
Payroll Growth	Regular: 3.50%
	Police/Fire: 3.50%
Investment Rate of Return	7.25%, including inflation
Productivity pay increase	0.50%
Projected Salary increases	Regular: 4.20% to 9.10%, depending on service
	Police/Fire: 4.60% to 14.50%, depending on service
	Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2022, funding actuarial valuation

Mortality rates were based on the following:

Healthy: Regular Members: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020.

The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. *

Police/Fire Members: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The above-listed mortality tables only provide rates for ages 45 and older. To develop mortality rates for ages 35 through 45, we have smoothed the difference between the rates at age 35 from the Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, we have used the pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables rates. *

Disabled: **Regular Members:** Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Police/Fire Members: Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 30% for males and 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

**PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

Mortality rates were based on the following (Continued):

Beneficiaries:

Regular and Police/Fire Current Beneficiaries in Pay Status: Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 15% for males and 30% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The above listed mortality table only provides rates for ages 45 and older. To develop mortality rates for ages 35 through 45, we have smoothed the difference between the rates at age 35 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub 2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. *

Regular and Police/Fire Contingent Beneficiaries: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount -Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates.*

For the mortality table applicable to contingent beneficiaries, "Approach 1" from the Society of Actuaries "Pub-2010 Public Retirement Plans Mortality Tables Report" was utilized. In particular, the mortality basis for contingent beneficiaries has been assumed to be the same mortality basis as the Healthy Regular retiree table listed above (except using rates applicable to the beneficiary's gender) for both when the primary retiree is alive and is no longer alive.

The Pub-210 Amount-Weighted Mortality Tables (with loading factors as described above) reasonably reflect the projected mortality experience of the Plan as of the measurement date. The generational projection is a provision made for future mortality improvement.

Pre-Retirement

Regular Members: Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020.

Police/Fire Members: Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table separate tables for males and females). Projected generationally with the two-dimensional mortality improvement scale MP-2020.

**PAHRUMP LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

* This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

The Pub-2010 Amount-Weighted Mortality Tables reasonably reflect the projected mortality experience of the plan as of the measurement date. The generational projection is a provision made for future mortality improvement.

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

Investment Policy: 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.

The following was the Board adopted policy target asset allocation as of June 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
U.S. Stocks	42%	5.50%
International Stocks	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%

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

Discount Rate: The discount rate used to measure the total pension liability decreased from 7.50% at June 30, 2020 to 7.25% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employer and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on that assumption, the pension plan's fiduciary net position 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, 2022.

There have been no changes in assumptions related to the discount rate since the last valuation.

**PAHRUMP LIBRARY DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2023**

NOTE E - OTHER INFORMATION (Continued)

3. Pension Plan (Continued)

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 7.25 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.

	1.0% Decrease (6.25%)	Discount Rate (7.25%)	1.0% Increase (8.25%)
District’s proportionate share of the net pension liability	\$ 1,011,894	\$ 659,080	\$ 367,945

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 <http://www.nvpers.org/>.

Pension contributions payable. At June 30, 2023, the District reported payables to the defined benefit pension plan of \$8,252 for legally required employer contributions which had not yet been remitted to PERS.

4. Postemployment Health Care Plan

The retiree is required to pay the full amount of their coverage. The District does not contribute to the cost of coverage for retired employees of the District. Retirees’ may request health insurance coverage upon retirement by continuing to pay the cost of coverage by the employee. As of June 30, 2023, there were no retirees using the plan.

Because the District does not contribute to the cost of coverage for retired employees, and because no retirees are using the plan, District liabilities for postemployment health care benefits are estimated to be zero as of June 30, 2023.

5. Subscription-Based Information Technology Arrangements (SBITAs)

In fiscal year 2023 the District implemented GASB Statement No. 96, *SBITAs*, see **Note A7f**.

This statement required software arrangements to be recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation. Accordingly, SBITAs liabilities for fiscal year 2023 were measured using the remaining agreement terms as of July 1, 2022. SBITAs right-to-use assets were measured based on the SBITAs liabilities at the same date. Therefore, no restatement of beginning net position is required as both the liabilities and right-to-use assets were valued the same on July 1, 2022. There were no software arrangements in scope for SBITAs.

**PAHRUMP LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property taxes	\$ 1,013,896	\$ 1,013,896	\$ 1,037,884	\$ 23,988
Intergovernmental:				
Consolidated taxes	188,015	188,015	183,462	(4,553)
Grants	-	-	41,376	41,376
Total intergovernmental	<u>188,015</u>	<u>188,015</u>	<u>224,838</u>	<u>36,823</u>
Charges for Services:				
Copies	<u>10,000</u>	<u>10,000</u>	<u>13,630</u>	<u>3,630</u>
Fines and Forfeitures:	<u>5,000</u>	<u>5,000</u>	<u>5,038</u>	<u>38</u>
Miscellaneous:				
Book sales	10,000	10,000	14,335	4,335
Investment income (loss)	-	-	(15,754)	(15,754)
Donations	-	-	2,541	2,541
Other	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total miscellaneous	<u>15,000</u>	<u>15,000</u>	<u>1,122</u>	<u>(13,878)</u>
Total revenues	<u>1,231,911</u>	<u>1,231,911</u>	<u>1,282,512</u>	<u>50,601</u>
Expenditures:				
Current:				
Culture and Recreation:				
Salaries and wages	420,000	420,000	474,580	(54,580)
Employee benefits	183,000	183,000	201,040	(18,040)
Service and supplies	350,000	350,000	220,877	129,123
Capital outlay	-	-	31,190	(31,190)
Contingency	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>
Total expenditures	<u>975,000</u>	<u>975,000</u>	<u>927,687</u>	<u>47,313</u>
Excess (deficiency) of revenues over expenditures	256,911	256,911	354,825	97,914
Other Financing Sources (Uses):				
Operating transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(500,000)</u>	<u>(400,000)</u>
Net change in fund balance	156,911	156,911	(145,175)	(302,086)
Fund Balance:				
Beginning of year	<u>1,416,417</u>	<u>1,416,417</u>	<u>1,988,120</u>	<u>571,703</u>
End of year	<u>\$ 1,573,328</u>	<u>\$ 1,573,328</u>	<u>\$ 1,842,945</u>	<u>\$ 269,617</u>

See note to required supplementary information.

PAHRUMP LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
RECONCILIATION OF THE GENERAL FUND (BUDGETARY BASIS) TO THE STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND (GAAP BASIS)
YEAR ENDED JUNE 30, 2023

	General Fund Budget Basis	Book Mobile Fund	Eliminations	General Fund GAAP Basis
Revenues:				
Taxes:				
Property taxes	\$ 1,037,884	\$ -	\$ -	\$ 1,037,884
Intergovernmental:				
Consolidated taxes	183,462	-	-	183,462
Grant	41,376	-	-	41,376
Total intergovernmental	224,838	-	-	224,838
Charges for services:				
Copies	13,630	-	-	13,630
Fines and Forfeitures:				
	5,038	-	-	5,038
Miscellaneous:				
Book sales	14,335	-	-	14,335
Investment income (loss)	(15,754)	-	-	(15,754)
Donations	2,541	-	-	2,541
Total miscellaneous	1,122	-	-	1,122
Total revenues	1,282,512	-	-	1,282,512
Expenditures:				
Current:				
Culture and Recreation:				
Salaries and wages	474,580	-	-	474,580
Employee benefits	201,040	-	-	201,040
Services and supplies	220,877	-	-	220,877
Capital outlay	31,190	-	-	31,190
Total expenditures	927,687	-	-	927,687
Excess (deficiency) of revenues over expenditures	354,825	-	-	354,825
Other financing sources (uses):				
Transfer in	-	500,000	(500,000)	-
Transfer out	(500,000)	-	500,000	-
Total other financing sources (uses)	(500,000)	500,000	-	-
Net change in fund balance	(145,175)	500,000	-	354,825
Fund balances:				
Beginning of year	1,988,120	-	-	1,988,120
End of year	\$ 1,842,945	\$ 500,000	\$ -	\$ 2,342,945

See note to required supplementary information.

**PAHRUMP LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2023**

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
2014	\$ 50,827	\$ 50,827	\$ -	\$ 197,386	25.75%
2015	47,907	47,907	-	186,047	25.75%
2016	54,893	54,893	-	196,046	28.00%
2017	66,956	66,956	-	239,129	28.00%
2018	34,245	34,245	-	244,607	14.00%
2019	34,512	34,512	-	246,514	14.00%
2020	38,316	38,316	-	261,900	14.63%
2021	44,143	44,143	-	301,046	14.66%
2022	47,773	47,773	-	319,813	14.94%
2023	58,716	58,716	-	394,731	14.87%

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.

See note to required supplementary information.

**PAHRUMP LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST 10 YEARS*
FOR THE YEAR ENDED JUNE 30, 2023**

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	0.00337%	\$ 350,271	\$ 197,386	177.45%	76.31%
2016	0.00310%	355,289	186,047	190.97%	75.10%
2017	0.00275%	369,633	196,046	188.54%	72.20%
2018	0.00251%	333,784	239,129	139.58%	74.40%
2019	0.00266%	362,943	244,607	148.38%	75.20%
2020	0.00281%	383,585	246,514	155.60%	76.50%
2021	0.00296%	412,048	261,900	157.33%	77.00%
2022	0.00248%	226,323	301,046	75.18%	86.50%
2023	0.00365%	659,080	319,813	206.08%	75.10%

**Fiscal year 2015 was the first year of implementation. Therefore, only nine 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.

See note to required supplementary information.

**PAHRUMP LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

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.

**PAHRUMP LIBRARY DISTRICT
COMBINING BALANCE SHEET
RECONCILIATION OF THE GENERAL FUND (BUDGETARY BASIS) TO THE
GENERAL FUND (GAAP) BASIS
YEAR ENDED JUNE 30, 2023**

	General Fund Budget Basis	Book Mobile Fund	General Fund GAAP Basis
Assets:			
Pooled cash and investments	\$ 1,820,868	\$ 500,000	\$ 2,320,868
Interest receivable	7,218	-	7,218
Taxes receivable	21,978	-	21,978
Due from other governments	34,874	-	34,874
Prepaid items	<u>32,225</u>	<u>-</u>	<u>32,225</u>
 Total assets	 <u>\$ 1,917,163</u>	 <u>\$ 500,000</u>	 <u>\$ 2,417,163</u>
Liabilities:			
Accounts payable	\$ 31,780	\$ -	\$ 31,780
Accrued payroll	<u>25,182</u>	<u>-</u>	<u>25,182</u>
 Total liabilities	 <u>56,962</u>	 <u>-</u>	 <u>56,962</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	<u>17,256</u>	<u>-</u>	<u>17,256</u>
Fund Balance:			
Nonspendable	32,225	-	32,225
Committed	-	500,000	500,000
Assigned to subsequent year	<u>1,810,720</u>	<u>-</u>	<u>1,810,720</u>
 Total fund balance	 <u>1,842,945</u>	 <u>500,000</u>	 <u>2,342,945</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 1,917,163</u>	 <u>\$ 500,000</u>	 <u>\$ 2,417,163</u>

**PAHRUMP LIBRARY DISTRICT
MAJOR FUND-GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ 1,820,868	\$ 1,980,699
Interest receivable	7,218	4,957
Taxes receivable	21,978	18,876
Due from other governments	34,874	33,827
Prepaid items	<u>32,225</u>	<u>25,867</u>
 Total assets	 <u>\$ 1,917,163</u>	 <u>\$ 2,064,226</u>
Liabilities:		
Accounts payable	\$ 31,780	\$ 41,015
Accrued payroll	<u>25,182</u>	<u>20,102</u>
 Total liabilities	 <u>56,962</u>	 <u>61,117</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	<u>17,256</u>	<u>14,989</u>
Fund Balance:		
Nonspendable	32,225	25,867
Assigned to subsequent year	1,810,720	1,416,417
Unassigned	<u>-</u>	<u>545,836</u>
 Total fund balance	 <u>1,842,945</u>	 <u>1,988,120</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 1,917,163</u>	 <u>\$ 2,064,226</u>

**PAHRUMP LIBRARY DISTRICT
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (BUDGET BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Amounts for the Year ended June 30, 2022)**

	2023		Variance	
	Budget	Actual	Positive (Negative)	2022 Actual
Revenues:				
Taxes:				
Property taxes	\$ 1,013,896	\$ 1,037,884	\$ 23,988	\$ 952,513
Intergovernmental:				
Consolidated taxes	188,015	183,462	(4,553)	179,280
Grants	-	41,376	41,376	14,167
Total intergovernmental	<u>188,015</u>	<u>224,838</u>	<u>36,823</u>	<u>193,447</u>
Charges for Services:				
Copies	<u>10,000</u>	<u>13,630</u>	<u>3,630</u>	<u>13,068</u>
Fines and Forfeitures:	<u>5,000</u>	<u>5,038</u>	<u>38</u>	<u>5,363</u>
Miscellaneous:				
Book sales	10,000	14,335	4,335	8,868
Investment income (loss)	-	(15,754)	(15,754)	(130,632)
Donations	-	2,541	2,541	1,692
Other	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>781</u>
Total miscellaneous	<u>15,000</u>	<u>1,122</u>	<u>(13,878)</u>	<u>(119,291)</u>
Total revenues	<u>1,231,911</u>	<u>1,282,512</u>	<u>50,601</u>	<u>1,045,100</u>
Expenditures:				
Current:				
Culture and Recreation:				
Salaries and wages	420,000	474,580	(54,580)	412,228
Employee benefits	183,000	201,040	(18,040)	165,050
Service and supplies	350,000	220,877	129,123	181,933
Capital outlay	<u>-</u>	<u>31,190</u>	<u>(31,190)</u>	<u>36,512</u>
Total culture and recreation	<u>953,000</u>	<u>927,687</u>	<u>25,313</u>	<u>795,723</u>
Contingency	<u>22,000</u>	<u>-</u>	<u>22,000</u>	<u>-</u>
Total expenditures	<u>975,000</u>	<u>927,687</u>	<u>47,313</u>	<u>795,723</u>
Excess (deficiency) of revenues over expenditures	256,911	354,825	97,914	249,377
Other Financing Sources (Uses):				
Operating transfers out	<u>(100,000)</u>	<u>(500,000)</u>	<u>(400,000)</u>	<u>-</u>
Net change in fund balance	156,911	(145,175)	(302,086)	249,377
Fund Balance:				
Beginning of year	<u>1,416,417</u>	<u>1,988,120</u>	<u>571,703</u>	<u>1,738,743</u>
End of year	<u>\$ 1,573,328</u>	<u>\$ 1,842,945</u>	<u>\$ 269,617</u>	<u>\$ 1,988,120</u>

**PAHRUMP LIBRARY DISTRICT
MAJOR FUND-CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ 750,884	\$ 1,254,787
Interest receivable	<u>3,730</u>	<u>3,153</u>
 Total assets	 <u>\$ 754,614</u>	 <u>\$ 1,257,940</u>
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Restricted	<u>754,614</u>	<u>1,257,940</u>
 Total liabilities and fund balance	 <u>\$ 754,614</u>	 <u>\$ 1,257,940</u>

PAHRUMP LIBRARY DISTRICT
MAJOR FUND - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Amounts for the Year ended June 30, 2022)

	2023		Variance	
	Budget	Actual	Positive (Negative)	2022 Actual
Revenues:				
Miscellaneous:				
Investment income (loss)	\$ -	\$ (14,398)	\$ (14,398)	\$ (81,614)
Other income	-	-	-	-
Total revenues	-	(14,398)	(14,398)	(81,614)
Expenditures:				
Capital Projects:	<u>700,000</u>	<u>488,928</u>	<u>211,072</u>	<u>22,810</u>
Excess (deficiency) of revenues over expenditures	(700,000)	(503,326)	196,674	(104,424)
Other Financing Sources (Uses):				
Operating transfers in	<u>100,000</u>	-	(100,000)	-
Net change in fund balance	(600,000)	(503,326)	96,674	(104,424)
Fund Balance:				
Beginning of year	<u>1,362,364</u>	<u>1,257,940</u>	<u>(104,424)</u>	<u>1,362,364</u>
End of year	<u>\$ 762,364</u>	<u>\$ 754,614</u>	<u>\$ (7,750)</u>	<u>\$ 1,257,940</u>

**PAHRUMP LIBRARY DISTRICT
NONMAJOR FUND-PAHRUMP FRIENDS OF THE LIBRARY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023	2022
Assets:		
Pooled cash and investments	\$ 6,996	\$ 7,058
Interest receivable	<u>25</u>	<u>18</u>
 Total assets	 <u>\$ 7,021</u>	 <u>\$ 7,076</u>
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Restricted	<u>7,021</u>	<u>7,076</u>
 Total liabilities and fund balance	 <u>\$ 7,021</u>	 <u>\$ 7,076</u>

PAHRUMP LIBRARY DISTRICT
NONMAJOR FUND-PAHRUMP FRIENDS OF THE LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Amounts for the Year ended June 30, 2022)

	2023		Variance	
	Budget	Actual	Positive (Negative)	2022 Actual
Revenues:				
Miscellaneous:				
Investment income (loss)	\$ -	\$ (55)	\$ (55)	\$ (458)
Expenditures:				
Current:				
Culture and Recreation:				
Services and supplies	<u>6,534</u>	<u>-</u>	<u>6,534</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(6,534)	(55)	6,479	(458)
Fund Balance:				
Beginning of year	<u>6,534</u>	<u>7,076</u>	<u>542</u>	<u>7,534</u>
End of year	<u>\$ -</u>	<u>\$ 7,021</u>	<u>\$ 7,021</u>	<u>\$ 7,076</u>

**PAHRUMP LIBRARY DISTRICT
INTERNALLY REPORTED - BOOK MOBILE FUND
BALANCE SHEET
JUNE 30, 2023**

2023

Assets:

Pooled cash and investments \$ 500,000

Liabilities:

Accounts payable \$ -

Fund Balance:

Committed 500,000

Total liabilities and fund balance \$ 500,000

PAHRUMP LIBRARY DISTRICT
INTERNALLY REPORTED - BOOK MOBILE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Miscellaneous:			
Investment income (loss)	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Culture and Recreation:			
Services and supplies	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Excess (deficiency) of revenues over expenditures	(500,000)	-	500,000
Other financing sources (uses):			
Operating transfers in	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Net change in fund balance	(500,000)	500,000	1,000,000
Fund Balance:			
Beginning of year	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
End of year	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

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

Honorable Board Members
Pahrump Library District
Pahrump, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pahrump Library District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated April 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Daniel McHugh". The signature is written in a cursive style with a large initial "D".

Las Vegas, Nevada
April 25, 2024

AUDITOR'S COMMENTS

Honorable Board Members
Pahrump Library District
Pahrump, Nevada

In connection with our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Pahrump Library District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statement, nothing came to our attention that caused us to believe that the District failed to comply with the requirements of the Nevada Revised Statutes noted below. However, our audit was not directed primarily toward obtaining knowledge of such compliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the Nevada Revised Statutes referenced below, insofar as they relate to accounting matters.

CURRENT YEAR STATUTE COMPLIANCE

The Pahrump Library District conformed to all significant statutory constraints on its financial administration during the year as identified in Note C1 of the accompanying financial statements.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The District did not have compliance findings in the prior year.

CURRENT YEAR RECOMMENDATIONS

We noted no material weakness and no significant deficiency in internal controls.

PRIOR YEAR RECOMMENDATIONS

We noted no material weakness and no significant deficiency in internal controls.

NEVADA REVISED STATUTE 354.6113

The District established the Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. Compliance with Nevada Revised Statutes is contained in Note C1 to the financial statements. The District expended \$488,928 for lighting retrofit, various improvements, and surround sound equipment to the library building. Activity of the fund is reported on page 47.

The District has planned no income or transfers in the next fiscal year. Expenditures are planned for the next fiscal year of \$757,940 for improvements and equipment. The District had no plans to accumulate money in the Capital Projects Fund for future projects and equipment purchases.



Las Vegas, Nevada
April 25, 2024