

**MINUTES**  
**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT**  
**BOARD OF TRUSTEES' FINANCE AND AUDIT COMMITTEE MEETING**  
**LAS VEGAS, NEVADA**  
**NOVEMBER 10, 2011**  
**(approved January 12, 2012)**

The Board of Trustees' Finance and Audit Committee of the Las Vegas-Clark County Library District met in regular session in the Windmill Library Boardroom, Las Vegas, Nevada, at 4:30 p.m., Thursday, November 10, 2011.

**Present:** Committee: M. Saunders, Chair K. Crear  
R. Ence

Trustees: R. Kirsh S. Moulton

Counsel: G. Welt

Absent:

Staff: Fred James, Deputy Director CFO  
Robb Morss, Deputy Director COO  
Allison Boyer, Executive Assistant  
Lynn Lucuara, Administrative Assistant

Guests: Martha Ford, Piercy Bowler Taylor & Kern

M. Saunders, Chair, called the meeting to order at 4:36 p.m.

**Roll Call (Item I.)** All members listed above represent a quorum.

**Public Comment (Item II.)** None.

**Agenda (Item III.)** Trustee Ence moved to approve the Agenda as proposed. There was no opposition and the motion carried.

**Discussion and possible committee action regarding a recommendation to accept the Fiscal Year 2010-2011** Deputy Director, CFO Fred James introduced Martha Ford, principal of Piercy Bowler Taylor & Kern (Piercy), the District's auditors.

Ms. Ford reported that the annual audit has been completed and Piercy has issued an unqualified opinion in their required communication letter as there are no findings to report.

**Audit Report at the Board of Trustees' meeting on November 10, 2011. (Item IV.)** In response to a question from Trustee Kirsh, Mr. James commented that Piercy has been the District's auditors for approximately ten years and that Ms. Ford has been a member of the auditing team for a number of years as well, most recently as principal. Piercy consistently uses the same auditors, which means that their staff is familiar with the District and its procedures. James added that contracts for auditing services were bid two times over a ten-year period, due to their expiration dates. There is one more year on the current contract, after which there will be another RFQ/RFP process. James added that Business Office staff prepares the District's financial statements, not the auditors, so their work is a true audit.

Mr. James then discussed several items contained in the audited financial statements for FY 2010-2011. All Trustees present participated in the discussion.

Mr. James drew Trustees' attention to the District's FY 2010-2011 ending fund balance of \$19,160,430, which was higher than the amount budgeted, mainly due to higher than anticipated CTX revenue and lower than anticipated expenditures. CTX is composed of what is known as Intergovernmental revenues and mainly consists of sales tax revenues. The District had lower expenditures during the same fiscal year, which contributed to the higher than anticipated ending balance. James explained that District staff did the hard work to reduce expenditures.

Mr. James explained that these savings, which totaled approximately \$10 million, came from: \$2 million in costs for payments to separated employees, budgeted for FY 2010-2011, that were able to be paid out of the previous year's budget; \$2 million reduction in the Library materials budget as the timing of the move to Windmill meant that books were not able to be purchased prior to the end of the fiscal year and are accounted for in the next budget year. Due to the reduction in the number of employees, \$3 million were saved in benefit costs and another \$2 million in savings was achieved through savings in contracts and services costs. This would be in areas such as janitorial and landscaping contracts, reductions to the printing, professional services (including legal services) costs and utilities savings due to the move to Windmill. James acknowledged the work of employees to achieve these savings, noting that everyone participated in reviewing costs and suggesting areas to cut.

Mr. James noted that the higher ending fund balance has left the District in a better position than anticipated earlier in 2011. Finances are tight, but there is a little room. For the FY 2012-2013 Budget, staff will be looking carefully at internal cost needs over the next few years. The District will be using the ending fund balance in future years to ensure its budget is balanced. Any additional money will be transferred to the Capital Projects Fund.

Future challenges include the limits to PTX (property tax) revenue growth of a maximum 3% for personal property and 8% for commercial property. In addition, the current labor contract will expire in 2013 and a new agreement will be negotiated at that time.

However, Mr. James continued to explain that the District will make the last payment on its long-term bonds in February 2012. This will leave only the payments on the medium-term bonds, which will last another eight years. The funding realized from the sale of the medium-term bonds was used to build the Windmill Library and Service Center and fund the temporary expansion to the Mesquite Library until funds are identified for a permanent expansion. James reminded Trustees that the Centennial Hills Library was built using the savings the District had accumulated in the growth years.

Trustee Ence moved to accept the Fiscal Year 2010-2011 Audit Report and recommend adoption of the Fiscal Year 2010-2011 Audit as presented by the auditors at the Board of Trustees' meeting on November 10, 2011. There was no opposition and the motion carried.

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**Public Comment**           None.  
**(Item V.)**

**Adjournment**            Chair Saunders adjourned the meeting at 5:00 p.m.  
**(Item VI.)**

Respectfully submitted,

Michael Saunders, Committee Chair