

**MINUTES  
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT  
BOARD OF TRUSTEES' MEETING  
LAS VEGAS, NEVADA  
November 13, 2014  
(approved January 8, 2015)**

The Board of Trustees of the Las Vegas-Clark County Library District met in regular session in the Clark County Library, Las Vegas, Nevada, at 6:30 p.m., Thursday, November 13, 2014.

**Present:** Board: K. Crear, Chair M. Saunders  
R. Ence Y. Yturralde  
S. Bilbray-Axelrod S. Moulton  
R. Wadley-Munier (via telephone)  
M. Francis Drake F. Ortiz

Counsel: G. Welt

Absent: K. Benavidez - excused

Staff: Dr. Ronald R. Heezen, Executive Director  
Numerous Staff

Guests: Martha Ford, Piercy Bowler Taylor & Kern  
Jennifer Lazovich, Kaempfer Crowell Renshaw Gronauer & Fiorentino

K. Crear, Chair, called the meeting to order at 6:36 p.m.

**Roll Call and Pledge of Allegiance (Item I.)** All members listed above represent a quorum. Trustee Wadley-Munier attended via telephone. Trustee Benavidez had an excused absence. Appendix A.

Molly Axelrod, daughter of Trustee Bilbray-Axelrod, led attendees in the Pledge of Allegiance.

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

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

**Discussion and possible Board action regarding the Finance and Audit Committee's recommendation to approve the audit performed by Piercy Bowler Taylor & Kern for the year ending June 30, 2014. (Item IV.A.)**

Deputy Director/CFO, Fred James turned this item over to Finance and Audit Committee Chair Ydoleena Yturralde.

Trustee Yturralde moved to approve the Fiscal Year 2013-2014 Audit Report as presented by Piercy Bowler Taylor & Kern, and to incorporate the Opinion Letter into the official minutes of the Board of Trustees' November 13, 2014 Meeting. There was no opposition and the motion carried.

The Opinion Letter is attached as Appendix B.

**Briefing by government relations** Jennifer Lazovich, of the firm Kaempfer Crowell Renshaw Gronauer & Fiorentino, the District's government relations representative, thanked

Ms. Lazovich briefly reviewed the 2013 Legislative Session, in which sales tax (CTX) revenue was a major issue for the District. During the interim between the legislative sessions, the existing legislative leaders met to discuss a broad-based tax plan. With the recent election, everything changed. While some observers expected the Nevada Senate to switch to Republican control, the Nevada Assembly switch to Republican control was completely unexpected. As a matter of fact, the current situation with the legislative leadership under the control of one party, with the governor being a member of the same party, has not existed since 1929. The impact of the elections on many decisions, including a broad-based tax plan is unknown at this time.

Assembly Speaker\* Ira Hansen  
\*subject to a vote on the first day of the session

A copy of the Committee Chairs (current as of the date of this meeting) is attached as Appendix C.

Ms. Lazovich encouraged Trustees to speak out about the important role libraries play and that they, as leaders in their community, continue to emphasize the need for library services when they speak to their legislators. Her firm will be letting the District know about bills they track that affect the District's funding, services and operation as a public entity. She appreciates information they can use to make the case for the District.

Trustee Ortiz then asked Ms. Lazovich which committees dealt with library services in the Legislature. Ms. Lazovich explained that, in the past, the tax issues were dealt with in the respective tax committees (Finance in the Senate, Taxation in the Assembly). Measures dealing with public entities in areas other than taxation (such as services) were generally captured by the respective Government Affairs committees. Prevailing wage issues have generally been dealt with in the Commerce Committee (Assembly) and Commerce, Labor and Energy Committee (Senate).

Trustee Ortiz asked if Ms. Lazovich had heard if legislators were perhaps thinking of pulling money from public entities budgets to fill funding gaps. Ms. Lazovich said that had been done in the past, but in the last session, the Clean Water Commission (represented by her firm) fought and won a decision from the Nevada Supreme Court that prohibited money being taken by the Legislature in that fashion.

Trustee Ortiz then asked whether Ms. Lazovich had heard anything concerning the North Las Vegas Library. Ms. Lazovich commented that, at the last session, the legislators generally came to an understanding of the issues that prevented changes to the distribution to increase the share of CTX North Las Vegas receives. Since the situation has changed with the election, she will monitor this.

Trustees Bilbray-Axelrod and Ence strongly encouraged Trustees to provide specific numbers and information to legislators to rebut any arguments about libraries being on the way out. Trustee Ence encouraged staff and Trustees to continue what has been done in the past, putting out the District's story and information about the many programs and services that are offered and what the District's place is in the community. Trustee Moulton agreed. She said that the Nevada State Council on Libraries and Literacy, of which she is a member, is preparing their bi-annual report to the Governor on what is happening with libraries in the state of Nevada. She will ensure copies are provided to Trustees and Ms. Lazovich once the report is completed.

Chair Crear reminded Trustees of their role in the community as advocates for libraries and encouraged them to continue with their work. She then thanked Ms. Lazovich for her time.

**Approval of  
Proposed Minutes  
Regular Session,  
October 9, 2014.  
(Item V.A.)**

Trustee Ence moved to approve the Minutes of the Board of Trustees Meeting held October 9, 2014. There was no opposition and the motion carried.

**Chair's Report  
(Item VI.)**

Chair Crear mentioned her tour of the redecorated Sunrise Library. She thought staff was amazing and was very pleased with the finished results. She knows that several other Trustees also took tours. Trustee Moulton added that she took her granddaughter to a Halloween event at the facility. They were there at the same time as a school visit. Moulton said the staff was phenomenal and the event featured puppet shows with trick or treating throughout the library. Children were given pencils, tops to pens and bubbles, but no candy. Moulton thoroughly enjoyed it!

Trustee Yturralde moved to accept Reports VII.A. 1-7. There was no opposition and the reports were accepted.

**Executive Director's  
Report  
(Item VII.A.)**

Trustee Ortiz commented that he noticed that the Bunkerville Library numbers went down but he also noticed that they were going out to area schools so he wanted staff to be thanked for reaching out.

Trustee Ortiz requested some information about the District's correctional library services. He would be interested to know how many people the District serves in those facilities. He also wanted to know where the library staff in the Metro Detention Center was working as he understood that site was undergoing repairs. Human Resources Director Jerilyn Gregory explained that there are four staff members providing library services in the Clark County Detention Center and one other staff member who works in detention library services in another location. The library services staff at the Clark County Detention Center is working in another location of the Detention Center due to the remodeling. Regardless of the work being done on the current library location, the detention center must provide legal library services on site. Counsel Welt said this was the result of litigation approximately 20 years ago and was the reason the District provides library services in these locations. Dr. Heezen said the information requested by Trustee Ortiz would be provided.

Dr. Heezen said that, instead of a written report, he would like to continue with including the Trustees in the distribution of his bi-weekly report, *For the Record*, and provide an oral report at the Board meeting. The most current report is at Trustees' seats and staff will be receiving it first thing on Friday morning.

Dr. Heezen wanted to add that there were two items not included in the Privacy Audit (part of the Public Services Report), which had not previously come to staff's attention. The Privacy Audit, of which the District is in compliance, did not include information about online registration for classes and workshops for the Southern Nevada Non-Profit Information Center and for Adult and Senior Computer Classes. These will be included in the future annual audits.

Dr. Heezen reported that staff has met with David Eisenlohr from the Azimuth Group at the end of October during Azimuth's first visit to the District. Heezen wants to reassure staff that Eisenlohr will not be opening up staff files and reading these; he is to look at policies, procedures and to make sure that these are compliant with industry standards. Heezen wants to make it clear that this is not a witch hunt and he is not after anybody on the staff. Staff members' comments **are not** reported to him. Eisenlohr will take the facts and use that in his final report. This process is strictly about making sure the District is on target with policy and procedures.

Dr. Heezen next reported that he is still visiting branches and enjoying meeting with the District's fabulous staff. He is also continuing his attempt to build community connections by meeting with county commissioners and city council members as well as the city and county managers. He will continue to provide details of these visits in his bi-weekly reports. Heezen also mentioned several District events he attended, the recent Vegas Valley Book Festival and Comic Book Festival. The latter took place at the Clark County Library and he was pleased to see so many people at each event.

Trustees were provided with a copy of the District's *Annual Report to the Community for Fiscal Year 2013-2014*. A copy has also been

## Minutes - Board of Trustees' Meeting

November 13, 2014

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provided to Ms. Lazovich and Heezen hopes Trustees will use the information on the report when they are speaking with their elected officials about supporting their public libraries.

Trustees agreed that an oral report at the Board Meeting, supplemented by distribution of the bi-weekly, *For the Record*, would be acceptable at this time.

### **Public Services and Security Report (Item VII.A.1.)**

No questions.

### **Business Office Report (Item VII.A.2.)**

No questions.

### **Human Resources Report (Item VII.A.3.)**

No questions.

### **Information Technology Report (Item VII.A.4.)**

No questions.

### **General Services Report (Item VII.A.5.)**

No questions.

### **Marketing Report (Item VII.A.6.)**

No questions.

### **Development Report (Item VII.A.7.)**

No questions.

### **Unfinished Business (Item VIII.)**

None.

### **Discussion and possible Board action regarding authorization to joinder onto Clark County's contract with FTN Financial Main Street Advisors for investment advisory services. (Item IX.A.)**

Mr. James explained that on August 12, 2008, the Board of Trustees authorized a joinder onto Clark County's contract with Main Street Capital Advisors (MSCA) for investment advisory services. In 2012, ownership of MSCA was transferred to First Tennessee National (FTN) Financial and became known as FTN Financial Main Street Advisors. The Investment Services agreement between Clark County and FTN Financial Main Street Advisors has expired and a new contract between Clark County and FTN Financial Main Street Advisors was approved on

February 18, 2014. The current contract expires on March 3, 2017, and can be extended for up to two (2) one-year periods.

Mr. James emphasized that the same person will be handling the District's investments, Mr. Rick Phillips, as in the past. Mr. Phillips also

used to work for the Clark County Treasurer's office under Laura Fitzpatrick.

Trustee Moulton asked whether the District has participated in a joinder for this service before and Mr. James confirmed that the District had, under the previous name of the company. The old contract had expired and this is the new contract.

Trustee Ortiz had a question about an acronym used in the supporting documentation regarding the fee basis for the services. AUM was explained as, "Assets under Management."

Trustee Yturralde moved to authorize staff to joinder onto Clark County's contract with FTN Financial Main Street Advisors for investment advisory services as of November 13, 2014, and authorize staff to extend the contract up to two (2) one-year periods beginning March 4, 2017, and in subsequent years subject to funding being available and the contractor continuing to meet performance standards outlined in the contract agreement. There was no opposition and the motion carried.

**Discussion and possible Board action regarding authorization to purchase cyclorama lighting systems for use in the Clark County Library, Summerlin Library and West Las Vegas Library theaters. (Item IX.B.)**

Facilities Director Steve Rice explained that funds were allocated in the Building Repair and Maintenance Fund to replace the cyclorama lighting systems for the Clark County Library, Summerlin Library, and West Las Vegas Library theaters. The existing back lighting fixtures are out of date and at the point of needing replacement due to age and wear. The new LED cyclorama lighting systems will save over 80% in energy costs because the LED lights use 1/12 the energy of the lights in the current systems, and HVAC demand will decrease since LED lights generate less heat. Staff maintenance costs will also decrease as the fixtures will last longer so staff will not need to replace the fixtures as often.

An Invitation to Bid was advertised in the *Review-Journal* and community based minority newspapers. Additionally, the Invitation to Bid Notice was faxed to minority Chambers of Commerce and to vendors listed in the Clark County and City of Las Vegas MBE, WBE, SBE, and PBE business directories. The bid opening was held on October 21, 2014. A total of three (3) bids were received. The bid results follow:

<b><u>Bidder</u></b>	<b><u>Total Bid Amount</u></b>
4-Wall Entertainment	\$62,394.45
Morpheus Lights	\$67,126.68
Solotech	\$69,705.28

The lowest responsive and responsible bidder is 4-Wall Entertainment.

Trustee Ence wanted to confirm that the cost is high due to the cost for the LED lights; these lights are more expensive but the District's staff do not need to replace them as often. Mr. Rice agreed and explained that the District planned to purchase approximately 30 fixtures. The cost of these fixtures, plus needed add-ons, comes to approximately \$2,000 per fixture.

Trustee Saunders asked what the expected life of the new system as a whole would be. Mr. Rice said that the current system had lasted 20 years. The life of the new system will depend on the amount of use, wear and tear and maintenance required, that is one of the selling points of LED fixtures, which should reduce all the costs. While Rice could not give an exact answer, he guessed that the new system would last, at least, 20 years.

Trustee Bilbray-Axelrod asked how long the installer would warranty the equipment and Mr. Rice said three years.

Dr. Heezen commented that, even with reduced finances due to the Great Recession, the District buildings are very well maintained and he congratulated Mr. Rice, Assistant Facilities Manager John Vino and all the Facilities staff for their work.

Trustee Wadley-Munier moved to authorize staff to purchase cyclorama lighting systems for the Clark County Library, Summerlin Library, and West Las Vegas Library theaters in accordance with Bid No. 15-02 from 4-Wall Entertainment for the amount of \$62,394.45. There was no opposition and the motion carried.

**Announcements  
(Item X.)**

Chair Crear announced that the next Board Meeting will be held Thursday, December 13, 2014, in the West Las Vegas Library at 6:00 p.m. Executive Assistant Allison Boyer said that if a meeting was necessary, it would be moved to the Windmill Library Boardroom on the same date and time. Chair Crear asked Trustees to hold the date and Ms. Boyer said she would let Trustees know shortly.

**Public Comment  
(Item XI.)**

None.

**Executive Session  
(Item XII.)**

Removed from Agenda.

**Adjournment  
(Item XIII.)**

Chair Crear adjourned the meeting at 7:19 p.m.

Respectfully submitted,

Randy Ence, Secretary

# 2014 ATTENDANCE

## Appendix A

### November 13, 2014 Regular Board Meeting

2014		January 9 Regular Board Mtg	January 22 Special Board Mtg	February 13 Risk Mgmt Cmte	February 13 Regular Board Mtg	March 13 Regular Board Mtg	April 10 Finance and Audit Cmte	April 10 Regular Board Mtg	May 15 Regular Board Mtg	June 12 Risk Mgmt Cmte	June 12 Nominating Cmte	June 12 Regular Board Meeting	June 17 Special Board Mtg	July 10 Regular Board Meeting	August 27 Special Board Mtg	September 14 Regular Board Mtg	October 9 Regular Board Mtg	November 13 Finance and Audit Cmte	November 13 Regular Board Mtg	
Benavidez	Kelly	P	A-E	P	P	P		A-E	P		P	P	A-E	A-E	P	P	P		A-E	
Billbray-Axelrod	Shannon	P	P	A-E	A-E	A-E	P	P	P	P	P	P	P	P	P	P	P	P	P	
Crear	Keiba	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
Drake	Marilyn	P	P	P	P	A-E	P	P	A-E	P	P	P	P	P	P	P	P	P	P	
Ence	Randy	P	P	P	P	P	A-E	A-E	A-E	P	P	P	P	P	P	P	P	P	P	
Moulton	Sheila	P	P	P	P	P	P	P	P		P	P	P	P	P	P	P	P	P	
Ortiz	Felipe	P	P	P	P	P		A-E	P		P	P	P	P	P	P	P	P	P	
Saunders	Michael	P	P	P	P	A-E	P	P	P		P	P	P	P	P	P	P	P	P	
Wadley-Munier	Robin	P	P	P	P	P	P	P	P	A-E	P	P	P	P	A-E	P	P	P	P	
Yturralde	Ydoleena	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	

attended Committee meeting but not a member

A-E Excused Absence  
A-U Unexcused Absence

as of November 17, 2014





**LAS VEGAS - CLARK COUNTY LIBRARY DISTRICT**

**REQUIRED  
COMMUNICATIONS  
LETTER**

**TO THE  
BOARD OF TRUSTEES AND AUDIT COMMITTEE**

**FOR THE YEAR ENDED  
JUNE 30, 2014**

**LAS VEGAS - CLARK COUNTY LIBRARY DISTRICT**  
**REQUIRED COMMUNICATIONS LETTER**

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Board of Trustees and Audit Committee  
Las Vegas - Clark County Library District  
7060 West Windmill Lane  
Las Vegas, Nevada 89113

RE: Required Communications

Ladies and gentlemen:

As part of our engagement to audit the basic financial statements of the Las Vegas - Clark County Library District (the District) as of June 30, 2014, and for the year then ended, we are required under applicable auditing standards to communicate certain matters to those charged with governance responsibilities for the District for the purpose of assisting them in meeting their responsibilities with regard to the financial reporting process. This report contains those required communications.

The matters reported herein were considered in forming our opinion on the District's basic financial statements contained in our report dated October 14, 2014, and these matters do not change that report.

The purpose of this communication is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. This communication 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. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in cursive script that reads "Piercy Bowler Taylor &amp; Kern". The signature is written in dark ink and is positioned above the date.

October 14, 2014

Copies provided to:  
Dr. Ronald R. Heezen, Executive Director  
Fred James, Chief Financial Officer/Deputy Director  
Floresto Cabias, Assistant Finance Director

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### **MANAGEMENT'S RESPONSIBILITY**

Prior to issuance of the District's annual basic financial statements and our report thereon, it is management's responsibility to provide those charged with governance responsibilities, with detailed information related to the District's 1) initial selection of, and changes in, significant accounting policies and practices, 2) significant estimates, 3) significant unusual transactions, and 4) corrected and uncorrected misstatements, if any.

Appended to this communication is a copy of the letter of representation, requested by us, to be executed by management with regard to our audit services.

### **SIGNIFICANT AUDIT ADJUSTMENTS (CORRECTED MISSTATEMENTS)**

Our audit resulted in no significant adjustments to the District's basic financial statements.

### **DIFFICULTIES OR CONTENTIOUS MATTERS ENCOUNTERED IN PERFORMING THE AUDIT**

Management cooperated fully, and no significant difficulties or contentious matters were encountered in completing the June 30, 2014, audit.

### **MATTERS INVOLVING INTERNAL CONTROL**

We planned and performed our audit of the basic financial statements of the District as of June 30, 2014 and for the year then ended, in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* issued by the Comptroller General of the United States. We considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the District's basic financial statements. Such procedures were not performed 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.

The principal objectives of effective internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that all transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of basic financial statements in accordance with accounting principles generally accepted in the United States. The concept of reasonable assurance requires that management, in fulfilling its responsibility, make estimates and judgments to assess the expected benefit and related costs of control procedures. Because of inherent limitations in any internal control, errors or fraudulent acts, particularly when involving forgery and collusion, may occur and not be detected. In addition, there is a risk that procedures may become inadequate in future periods because of changes in conditions and the degree of compliance with the procedures may deteriorate.

**Definitions.** A *deficiency* in internal control over financial reporting 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 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

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the District's basic 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 with governance. Our consideration of internal control would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

**Findings.** Our procedures did not identify any internal control deficiencies that we consider to be a material weakness.

### OTHER GOVERNANCE MATTERS

**Auditors' responsibility under applicable professional standards.** As stated in our report on the District's basic financial statements, our responsibility as independent auditors, under applicable professional standards, is to express an opinion, based on our audit, on the District's basic financial statements, which are the responsibility of the District's management. Our responsibilities, as contrasted with management's, are spelled out more fully in our letter of engagement.

Despite any limited assistance we may have provided to management in its preparation, our responsibility for information accompanying the District's basic financial statements is limited to 1) reading such information to ascertain that it is materially consistent with information presented in the District's basic financial statements 2) considering whether any statements contained therein may appear to be materially misstated, and 3) assuring the satisfactory resolution of our concerns, if any. In this instance, we performed the required procedures, and any changes requested by us in this process were satisfactorily made and all questions satisfactorily resolved.

In considering the matters reported herein, you should be cognizant of your responsibility for oversight of the financial reporting process and management's responsibilities for establishing and maintaining an effective internal control subject to regulatory and ownership approval, and for the District's basic financial statements.

**Fraudulent or other illegal or abusive activities.** We did not become aware of any possible fraudulent or other illegal or abusive activities or any significant complaints or concerns regarding the District's accounting and financial reporting..

**Significant accounting policies.** The significant accounting policies employed by the District are disclosed in the notes to the District's basic financial statements and are essentially as prescribed, recommended or permitted under applicable authoritative literature for, or commonly used by, other entities in your industry. The accounting policies have been consistently applied and are not controversial or lacking in authoritative guidance or consensus.

**Significant estimates.** The basic financial statements do not contain any significant management estimates except for the useful lives of the District's capital assets.

**Significant unusual transactions.** Significant unusual transactions are those that occur outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature. We are not aware of any significant unusual transactions.

**Related parties.** No significant audit issues were encountered in connection with the District's related party transactions, for example, nondisclosure by management or questionable authorization/purpose.



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**Disagreements or pre-retention discussions with, and consultations with other accountants by, management.** We are also required by professional standards to communicate any significant disagreements with management, consultations by management with other accountants that we become aware of, or discussions with us prior to our retention regarding any major issues, over the application of accounting principles, management's judgments about accounting estimates, disclosures to be made in the District's basic financial statements, the scope of the audit or the wording of the auditors' report, regardless of whether the matter was satisfactorily resolved. No such disagreements were encountered in our audit, nor are we aware of any consultations with other accountants, nor were we consulted prior to retention, regarding any such matters.

**Licensing and independence.** This will confirm that we are duly licensed to perform this engagement. In addition, in our professional judgment, we are independent of the District and, when applicable, its affiliated entities under all applicable rules, regulations, and interpretations, and we represent that we know of no relationships that a reasonably informed person might consider an impairment of our independence under such requirements with regard to this engagement.

**Management consulting services.** We have not provided the District with any management consulting services..

**Compliance with laws, regulations, contracts and grants.** Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

In accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we have issued our report dated October 14, 2014, on our consideration of the District's internal control over financial reporting and on our tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and should be considered in assessing the results of our audit.

In accordance with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we have issued our report dated October 14, 2014, on our consideration of the District's compliance with requirements applicable to major programs and on internal control over compliance. The purpose of that report is to describe the scope of our testing of compliance and internal control over compliance and the results of that testing, and to provide an opinion on the District's compliance with such requirements, but not to provide an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance. This report is an integral part of an audit performed in accordance with the requirements of OMB Circular A-133, auditing standards generally accepted in the United States and the standards applicable to

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financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and should be considered in assessing the results of our audit.

Material instances of noncompliance are failures to follow requirements or violations of prohibitions contained in laws, regulations, contracts and grants, that when aggregated, in our judgment, are material to the District's basic financial statements or a major grant program. The results of our tests of compliance and internal control over compliance did not disclose material instances of noncompliance or material weaknesses in internal control over compliance.

**REPRESENTATIONS SOUGHT  
FROM MANAGEMENT**



October 14, 2014

Piercy Bowler Taylor & Kern  
Certified Public Accountants  
6100 Elton Avenue, Suite 1000  
Las Vegas, Nevada 89107

To the Firm:

In this letter, the use of the phrase "financial statements" refers to the basic financial statements and related disclosures of the Las Vegas - Clark County Library District (the District), including any accompanying or supplemental information, as of June 30, 2014 and for the year then ended. It is in relation to these financial statements and in connection with the professional audit services that you provided that we make the representations contained herein.

Certain representations in this letter are described as referring or being limited to matters that are "material" to, or that could have a "material effect" on, the financial statements. We understand that items are considered qualitatively material, regardless of size, if they involve an omission or misstatement of information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. However, such materiality considerations do not apply to those representations contained herein that are not directly related to amounts included in the financial statements. For purposes of these representations, any matters having a possible effect of \$6,000 individually or \$9,000 in the aggregate, on the financial statements are considered quantitatively material.

#### **GENERAL REPRESENTATION OF TRUTHFULNESS**

We have responded fully and truthfully to all inquiries made to us by you and confirm, to the best of our knowledge and belief, all representations we have previously made (or should have made) including, but not limited to, those specifically stated in this letter.

We reconfirm, to the best of our knowledge and belief, those representations previously made with respect to all comparative prior period information presented with the current period financial statements updated as necessary in this letter.

We agree to hold you harmless and indemnify you for any costs incurred as a result of your reliance on any false representations made to you by management personnel in connection with your services.

#### **TRANSACTIONS, RECORDS, ESTIMATES, ADJUSTMENTS, AND FINANCIAL REPORTING**

1. We are responsible for authorizing, initiating, processing, and reporting transactions only in connection with the legitimate business purposes and best interests of the District, including, but not limited to, all related party and other transactions outside the normal course of business, if any. It is also our responsibility to ensure that such transactions comply with various laws, regulations,

and contractual agreements applicable to the District and the District has complied with all such requirements that would have a material effect on the financial statements in the event of non-compliance.

The District has complied with all restrictions on resources, including donor restrictions, and all aspects of contractual and grant agreements that would have a material effect on the financial statements.

We are responsible for evaluating the classification of contract and grant revenues as either contributions or exchange transactions in accordance with the provisions of applicable standards and for ensuring that all such revenues are appropriately reported.

We have properly classified and reported the District's equity and changes therein, in accordance with all resource restrictions and the provisions of applicable standards.

The District has complied with all applicable laws and regulations in adopting and amending the budget, and the budget information presented in financial statements includes all approved amendments.

We have determined that there are no component units or joint ventures that require disclosure under applicable *Governmental Accounting Standards*.

2. We are unaware of any material transactions that have not been recorded in the financial records underlying the financial statements including, but not limited to, related party transactions, (such as sales or purchases of goods or services, loans, transfers, leasing arrangements or guarantees) and related amounts receivable or payable or illegal transactions.
3. We have made available to you all financial records and related data underlying the financial statements of which management is aware of and believes are relevant to the preparation of the financial statements and any additional items that you requested, including but not limited to, minutes of and related resolutions (or accurate and complete summaries of discussions held and actions taken at) all meetings of those charged with governance through the date of this letter. Such minutes or summaries include and fairly describe all decisions made and actions taken by the respective bodies that bear significantly on the financial statements. Furthermore, we have provided you with unrestricted access to persons within the District that you have selected to obtain audit evidence from.
4. We are responsible for and have identified all fair value and other accounting estimates that materially affect the financial statements including, specifically, those that are susceptible to material revision during the first year subsequent to the end of the most recent period presented as a result of evolving events that have a reasonable probability of occurrence. We have informed you of the key factors and significant assumptions that underlie those estimates.  
We understand that the service(s) provided by you did not include preparing, or assisting in the preparation of, any fair value estimates contained in the District's financial statements.
5. We are responsible for all recorded accounting estimates, including all asset valuation allowances. Such estimates reflect management's best judgment considering all reasonably available facts, including management's knowledge and experience about past events and current circumstances, and expected courses of action and are not materially misstated.
6. We have evaluated and have recorded (or will record) adjustments to the books of account for all financial statement misstatements identified by us or by you, if any, during the course of your engagement. There are no misstatements that remain unadjusted as a result of perceived immateriality, both individually and, if applicable, in the aggregate.

7. We are responsible for the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States. In other words, it is our responsibility to ensure that the financial statements and related disclosures are free of material misstatements in relation to the requirements of accounting principles generally accepted in the United States, which financial reporting framework we have evaluated and determined to be acceptable and appropriate.

We are responsible for the fair presentation of the accompanying supplemental information.

We are responsible for the financial statements including all disclosures required by laws and regulations or other applicable standards to which the District is subject.

We are responsible for the proper classification of revenues in the statement of activities and reporting of all inter-fund, internal, and intra-entity activity and balances in accordance with Governmental Accounting Standards Board Statement No. 34, as amended.

We are responsible for identifying all funds that meet the quantitative criteria in Governmental Accounting Standards Board Statement No. 34, as amended for presentation as a major fund and for ensuring that all qualifying funds are reported as such. In addition, any fund presented as a major fund that does not meet the quantitative criteria has qualitative significance to users of the financial statements.

Any assistance that you provided to us in connection with the preparation of the financial statements and/or analysis of accounts including that which resulted in proposed adjustments was evaluated, reviewed, and approved by Fred James, Chief Financial Officer/Deputy Director, a member of the District's management team, who possesses suitable skills, knowledge, and/or experience to do so, meaning that this individual understands the services performed sufficiently to oversee them, but is not required to possess the expertise to perform or re-perform the services.

8. There have been no significant changes in business activities, accounting practices or internal controls that might affect the financial statements.
9. We have reviewed and approved what we intend to be the final draft of the financial statements.

#### SPECIFIC DISCLOSURE REPRESENTATIONS

1. **Related party transactions and balances.** There are no material related party transactions and related amounts receivable or payable.
2. **Concentrations, risks and uncertainties.** Except as disclosed in the financial statements or an attachment to this letter, there are no concentrations of credit or other business or economic risks (including, but not limited to, customers, suppliers, lenders, products, services, sources of labor or materials, franchise or other licenses, operating areas, markets, *etc.*) that make the District vulnerable to a severe impact within the first year subsequent to the end of the most recent period presented. In addition, we are not aware of any undisclosed matters regarding the financial stability of depository banks or other financial institutions that might affect your judgment about the significance of any risk of loss to the District associated with uninsured deposits.
3. **Receivables.** All material receivables recorded in the financial statements represent valid claims arising as a result of sales, loans or advances or other transactions occurring within or before the end of the most recent period presented and have been reduced to their estimated net realizable value by appropriate collection and/or other applicable valuation allowances.



4. **Investments in marketable securities.** All material investments in marketable debt and equity securities are classified and valued appropriately, in accordance with the District's intent and ability, and futures contracts, held as hedges, if any, are accounted for pursuant to applicable standards. There are no significant concentrations of market risk associated with such investments.
5. **Fair value measurements.** All assets and liabilities recorded in the financial statements at estimated fair value are appropriately valued and reported subject to any applicable and disclosed practicability exceptions. Such fair value measurements are based upon the methods and assumptions disclosed in the financial statements, and management has taken all reasonable, appropriate and practical steps in the circumstances, to objectively estimate the fair value of such assets and liabilities including those that do not have readily determinable market values and all such fair value measurements are supported by appropriate documentation.
6. **Title, carrying values and classification of assets.** There are no management plans or intentions that may materially affect the carrying value or classification of any District assets and the District has satisfactory title to such assets. All recorded carrying costs are recoverable, net of any impairment write-downs and other recorded valuation allowances and provisions, which are adequate, and we are unaware of any undisclosed value impairment indications, including those relating to long-lived assets, liens, encumbrances or other title impairments as of the end of the most recent period presented.
7. **Debt covenants.** No debt covenants have been violated and/or no events of default have occurred through the date of this letter. Furthermore, the District has not received any correspondence from lenders related to possible debt covenant violations or events of default.
8. **Commitments, contingencies and accruable liabilities.** Except as disclosed in the financial statements or an attachment to this letter, there are no matters of pending or threatened litigation, asserted or unasserted claims or assessments that our lawyers have advised or that we are aware of that are probable of assertion, that could have a material effect on the financial statements, including, but not limited to, 1) environmental remediation obligations, 2) gain or loss contingencies that require recognition or disclosure in accordance with applicable accounting standards, 3) guarantees (written or oral) or "in-substance" guarantees of the obligations of other entities or individuals (including, for example, general partnership interests), 4) warranties or rights of return, 5) arrangements with financial institutions involving compensating balances or other restrictions on cash balances, 6) lines-of-credit or similar arrangements, 7) unconditional promises to contribute or otherwise transfer cash or other assets, 8) conditional promises to contribute or otherwise transfer cash or other assets that would require accrual or disclosure under applicable standards, 9) potential losses from unfavorable sales commitments, 10) other commitments requiring disclosure in the financial statements (including for the issuance of capital stock or partnership or other equity units, asset repurchase agreements, capital stock reserved for options, warrants, conversions or similar rights), or 11) other unrecorded liabilities.
9. **Multiple-employer, cost sharing, defined benefit plan(s).** We have no intention to terminate or materially modify the District's defined benefit plan(s). Although it is possible that a liability would be incurred by the District in the event of its withdrawal from participation in, or the termination of, such plan(s), the liability is not subject to reasonable estimation based on available information. Furthermore, all contributions required for the District's defined benefit plan(s) have been made or recorded as liabilities as of the end of the most recent period presented.
10. **Solvency.** We understand that you have neither determined nor will opine as to whether the District is solvent or insolvent for bankruptcy or other purposes since such would be a legal determination that may be made only by a court.

11. **Use of a specialist in connection with the valuation of assets or liabilities.** For assets and liabilities valued with the assistance of a valuation specialist, we made an objective evaluation of the specialist's qualifications to perform the assignment and did not give instructions to, or have any prior relationship with, the specialist that might have the effect of materially biasing or influencing the specialist's conclusion and advice to the District. In addition, there are no other matters of which we are aware that might have had an impact on the objectivity or independence of the specialist.
12. **Subsequent events.** We are responsible for evaluating events or transactions that have occurred subsequent to the end of the most recent period presented, but before the financial statements are issued or available for issuance (subsequent events), through the date of this letter, for recognition and disclosure. We have performed appropriate subsequent events evaluation procedures, which are sufficient in the circumstances. There have been no significant events subsequent to the end of the most recent period presented that, in our judgment, would materially affect and, therefore, require adjustment to, or disclosure in, the financial statements.

#### **INTERNAL CONTROL OVER FINANCIAL REPORTING AND FRAUD**

1. We are responsible for designing, implementing, establishing and maintaining effective internal control over financial reporting that provides reasonable assurance that 1) the financial statements are fairly presented in conformity with accounting principles generally accepted in the United States, 2) the District's resources are adequately safeguarded, 3) the District is in compliance with all applicable laws, regulations and contractual requirements, and 4) fraudulent and other illegal acts are detected and prevented, including those involving both fraudulent financial reporting and misappropriation of assets possibly leading to financial statement misstatements.
2. We are responsible for evaluating the qualifications of all service organizations employed by the District including, but not limited to, computer service bureaus, financial institutions, investment advisors, brokers and other agents that we engage, particularly as to their integrity and ability to perform the services requested in accordance with management's authorization(s), and do not use or rely upon any services that your Firm performs in making these evaluations.
3. We are unaware of any fraud that is either material, probably material or that, although not material, involves management or other employees who have a significant role in internal control over financial reporting.
4. There has been no communication from or action by law enforcement or regulatory agencies concerning possible, alleged or suspected fraud, deficiencies in financial reporting practices or other noncompliance with laws, regulations or contractual requirements or any other illegal acts that should be considered for disclosure or for recording a loss contingency.
5. We are responsible for assessing the expected benefits and the related costs of all control procedures, including any additional or alternative procedures recommended by you.
6. We are responsible for considering and have considered the cause(s) of proposed adjustments (whether or not made and without distinction between those proposed by us or you), if any, including those that may have resulted, in whole or in part, from deficiencies in the design and operation of related controls.
7. There have been no changes in internal control over financial reporting or any other factors subsequent to the end of the most recent period presented that might significantly affect internal

control over financial reporting, including any corrective actions taken by management with regard to any identified material weaknesses and other significant deficiencies.

8. We understand that a *deficiency* in internal control over financial reporting 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected. A *significant deficiency* is a deficiency, or combination of deficiencies, that is less severe than a material weakness yet important enough to merit attention by those charged with governance.
9. We are responsible for and continually assess the effectiveness of internal control over financial reporting including disclosure controls, and do not use or rely upon procedures performed by your Firm for this purpose.
10. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting, including disclosure controls, that were identified as part of management's assessment or otherwise, specifically identifying all such deficiencies that are material weaknesses and other significant deficiencies as defined above, if any.
11. All control deficiencies identified by management, or by you during or as a result of previous engagements, if any, have been communicated to those charged with governance of the District and resolved to management's satisfaction.

#### COMPLIANCE WITH AND INTERNAL CONTROL OVER FEDERALLY FUNDED PROGRAMS

1. We are responsible for complying, and have complied, with the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, various other laws, regulations, and provisions of contracts, including grant agreements applicable to each of the District's federal programs and represent that the District has complied, in all material respects, with all such requirements.

We have specifically identified and disclosed to you the provisions of contracts and grant agreements that have a direct and material effect on each of the District's federal programs.

We have identified and disclosed to you all amounts questioned and any known instances of non-compliance with the requirements of federal awards, including the results of, or current status of, other audits or program reviews through the date of this letter.

We are responsible for tracking the status of all audit and program review findings and have identified and disclosed to you all such findings. In addition, we are responsible for the preparation and implementation of the corrective action plan and a copy thereof has been provided to you.

2. We have made available to you all records and related data for our federal programs, including but not limited to: 1) a schedule of expenditures of federal awards prepared in accordance with OMB Circular A-133, which includes all expenditures made during the most recent period presented for all awards provided by federal agencies (including those passed through other entities) in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property, donated surplus property, cooperative agreements, interest subsidies, insurance, food commodities, direct



appropriations and other assistance; 2) all contracts and grant agreements, including amendments, if any, and other correspondence with federal agencies or pass-through entities related to the District's federal programs; and 3) all documentation related to the compliance requirements, including information related to federal program financial reports, and claims for advances and reimbursements.

3. We have specifically identified and disclosed to you all amounts that have been awarded to us under the authority of the *American Recovery and Reinvestment Act of 2009*, including any such amounts expended or received by us.
4. All federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared. The copies of federal program financial reports provided to you are true copies of the reports submitted (including electronically transmitted) to the applicable federal agency or pass-through entity.
5. We are responsible for and have monitored subrecipients compliance with applicable laws and regulations including OMB Circular A-133, reviewed and issued decision(s) as to subrecipient audit findings, if any, and ensured that corrective action was taken timely. In connection with reviewing the subrecipients' audit findings, we have considered the possible need for adjustment to our own books and records and made such adjustments as determined to be necessary.
6. All costs charged to federal programs, including allocated indirect costs, if any, are in compliance with applicable cost principles.
7. We are responsible for the accurate preparation of the summary schedule of prior audit findings, which includes all findings required to be included by OMB Circular A-133. We are also responsible for the completion of the "data collection form" and the submission of our "reporting package" as required by OMB Circular A-133.
8. We are responsible for designing, implementing, establishing and maintaining effective internal control over compliance for federal programs that provides reasonable assurance that we are managing federal awards in compliance with all applicable laws, regulations, and provisions of contracts, including grant agreements, which could have a material effect on our federal programs.
9. There have been no changes in internal control over compliance for federal programs subsequent to the most recent financial reporting period presented that might significantly affect internal control over compliance or have a direct and material effect on any of the District's federal programs. In addition, there have been no known instances of non-compliance occurring subsequent to the most recent financial reporting period presented through the date of this letter.

#### INTENDED USERS OF THE FINANCIAL STATEMENTS

The financial statements are intended solely for the third party users specified in the District's letter of engagement with you or in a supplemental written communication to you and no others without your prior written approval.

There are no current plans for the issuance of public debt (*i.e.*, municipal bonds including revenue bonds) during the first year subsequent to the end of the most recent period presented; and therefore, the financial statements are not expected to be included in any offering documents.

## NATURE AND PURPOSE OF THE PROFESSIONAL SERVICE YOUR FIRM PROVIDED

**Purpose of audit.** We understand that your audit of the District's financial statements was made for the purpose of enabling you to express an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States.

We understand that the required supplementary information (management's discussion and analysis, budgetary comparison schedules and other required information) presented with the financial statements is not a required part of the financial statements, but is required by applicable standards to be presented and that although you applied limited procedures to this information you did not audit it; and therefore, you will express no opinion on the required supplementary information.

We understand that the other supplementary information (introductory section, combining and individual fund financial statements and schedules and statistical section) presented with the financial statements is not a required part of the financial statements.

We understand that the introductory section and statistical section were not subjected to the procedures applied in the audit of the District's financial statements; and therefore, you will express no opinion on this information.

We understand that the combining and individual fund financial statements and schedules were subjected to the procedures applied in the audit of the financial statements; and therefore, you will express an opinion on this information in relation to the financial statements taken as a whole.

We understand that the nature of the service that you provided requires that your service team exercise professional judgment in connection with virtually every aspect of and throughout the engagement, and that such judgment(s) might vary from those of another professional in the same or similar circumstances.

Very truly yours,

Las Vegas - Clark County Library District

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Dr. Ronald R. Heezen, Executive Director

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Fred James, Chief Financial Officer/Deputy Director



**2015 SESSION – COMMITTEE CHAIRS<sup>1</sup>**  
**NEVADA LEGISLATURE**

**ASSEMBLY**

**Committee on Ways and Means:** Assemblyman Paul Anderson (Chair)

**Committee on Judiciary:** Assemblyman Wes Duncan (Chair)

**Committee on Commerce:** Assemblyman Randy Kirner (Chair)

**Committee on Taxation:** Assemblywoman Michele Fiore (Chair)

**Committee on Education:** Assemblywoman Melissa Woodbury (Chair)

**Committee on Government Affairs:** Assemblyman John Hambrick (Chair)

**Committee on Health and Human Services:** Assemblyman James Oscarson (Chair)

**Committee on Legislative Operations and Elections:** Assemblyman Lynn Stewart (Chair)

**Committee on Natural Resources, Agriculture and Mining:** Assemblyman John Ellison (Chair)

**Committee on Transportation:** Assemblyman Jim Wheeler (Chair)

**SENATE**

**Committee on Revenue & Economic Development:** Sen. Michael Roberson (Chair), Sen. Greg Brower (Vice Chair)

**Committee on Finance:** Sen. Ben Kieckhefer (Chair), Sen. Michael Roberson Vice Chair)

**Committee on Commerce, Labor and Energy:** Sen. James Settelmeyer (Chair), Sen. Patricia Farley (Vice Chair)

**Committee on Health and Human Services:** Sen. Joe Hardy (Chair), Sen. Ben Kieckhefer (Vice Chair)

**Committee on Judiciary:** Sen. Greg Brower (Chair), Sen. Becky Harris (Vice Chair)

**Committee on Transportation:** Sen. Scott Hammond (Chair), Sen. Don Gustavson (Vice Chair)

**Committee on Government Affairs:** Sen. Pete Goicoechea (Chair), Sen. Joe Hardy (Vice Chair)

**Committee on Natural Resources:** Sen. Don Gustavson (Chair), Sen. Pete Goicoechea (Vice Chair)

**Committee on Education:** Sen. Becky Harris (Chair), Sen. Scott Hammond (Vice Chair)

**Committee on Legislative Operations and Elections:** Sen. Patricia Farley (Chair), Sen. James Settelmeyer (Vice Chair)

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<sup>1</sup> Media list, as of November 8, 2014. Official list not yet posted on Nevada Legislature's website.