

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES' FINANCE AND AUDIT COMMITTEE MEETING
LAS VEGAS, NEVADA
NOVEMBER 10, 2016
(approved January 12, 2017)

The Board of Trustees' Finance and Audit Committee of the Las Vegas-Clark County Library District met in regular session in the Clark County Library, Las Vegas, Nevada, at 6:00 p.m., Thursday, November 10, 2016.

Present: Board: S. Bilbray-Axelrod, Chair M. Saunders, ex-officio
R. Ence Y. Yturralde
K. Crear S. Moulton
R. Wadley-Munier F. Ortiz
J. Melendrez

Counsel: G. Welt

Absent:

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

Guests: Martha Ford, Piercy Bowler Taylor & Kern

S. Bilbray-Axelrod, Chair, called the meeting to order at 6:06 p.m.

Roll Call (Item I.) All members listed above represent a quorum. Trustees Crear, Melendrez and Wadley-Munier attended via telephone. Trustee Wadley-Munier joined via telephone at 6:17 p.m.

Public Comment (Item II.) None.

Agenda (Item III.) Trustee Moulton 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 2015-2016 Audit Report and recommend approval of the Fiscal Year 2015-2016 Audit at the Board Trustees' meeting November 10, 2016. (Item IV.)

Deputy Director/CFO Fred James introduced Martha Ford, principal of Piercy Bowler Taylor & Kern (PBTk), to present the Fiscal Year 2015-2016 Auditor's Report.

Ms. Ford reported that PBTk has issued an unmodified audit opinion and there were no audit findings. She thanked staff for their hard work.

Floresto Cabias, Assistant Financial Services Director and Mr. James then presented the District's current financial projection.

Mr. Cabias explained the changes in Fund balances and variations between the budget and actual revenues/expenditures for FYE 2016. The District is effectively debt-free with all the money required to pay off the medium-term bond placed in the Debt Services Fund. Revenues in the Grant and Gift Fund (Aggregate Non-Major Funds) are always expended in the year they are received. General Fund Revenues were increased by the receipt of the Widmeyer Trust money of \$3.1 which was not expected. The sale of the Las Vegas Library in the amount of \$7,000,000, initially accounted for in the General Fund, was actually

included in the Capital Projects Fund. Cabias then detailed how the District's expenditure savings of \$6.8 were realized.

Mr. James then presented the District's financial forecast and informed Trustees that he will continue to do so twice a year, at the May budget meeting and at this meeting. The forecast will be updated once the labor negotiations have concluded. Negotiations will begin in January. Also the forecast will be updated upon the receipt of projections from the state on the assessed valuation. This provides the basis for the property tax revenue the District receives. Due to the secondary formula for assessment of property taxes, which took effect last year, the District is not receiving as much money as in the past.

Trustee Wadley-Munier joined the meeting at this time.

Mr. James reported that the Local Government Finance Group will be asking the Legislature for relief from this secondary formula at the 2017 session. James said that the District has enough cash in the Capital Projects Fund to complete the building projects. and that there is more than enough time to adjust the District's spending to reflect changes in revenue and expenditures.

The presentation is attached as Appendix A.

Trustee Ortiz wanted to clarify that the \$274,214 interest amount in the Debt Service Fund was received, not paid out by the District. Ortiz also asked about the rate the District was receiving. Mr. James explained that the rate varied due to the fact that the money was invested, not in one block, but in a variety of instruments, depending on when the money was needed by the District.

Trustee Ortiz also asked when the District would be debt free and Mr. James explained that the last payment on the medium-term bonds would be made in January 2019 and so the District would be debt free at that point.

Trustee Yturralde moved to accept the Fiscal Year 2015-2016 Audit Report and recommend approval of the Fiscal Year 2015-2016 Audit as presented by the auditors at the Board of Trustees' meeting on November 10, 2016.

Public Comment
(Item V.)

None.

Adjournment
(Item VI.)

Chair Bilbray-Axelrod adjourned the meeting at 6:31 p.m.

Respectfully submitted,

Ydoleena Yturralde, Secretary

Las Vegas-Clark County Library District

Finance and Audit Committee

Presented By

Fred James, CPA
Deputy Director/CFO

Floresto Cabias, CPA
Assistant Director



Las Vegas-Clark County Library District

Statement of Revenues, Expenditures and Changes in Fund Balances FY 2016

	Governmental Funds				
	Major Funds			Aggregate	Total
	General	Debt Service	Capital Projects	Non-Major Funds	
Revenues					
Property taxes	\$ 37,865,551	\$ 1,759			\$ 37,867,310
Intergovernmental revenues, consolidated taxes	20,118,630				20,118,630
Grants				\$ 965,454	965,454
Charges for services	1,940,056				1,940,056
Interest	15,517	274,214	\$ 193,326		483,057
Contributions	3,055,000			233,355	3,288,355
Miscellaneous	284,690				284,690
Total revenues	63,279,444	275,973	193,326	1,198,809	64,947,552
Expenditures					
Culture and recreation:					
Salaries and wages	25,863,970			250,844	26,114,814
Employee benefits	9,420,795			109,956	9,530,751
Supplies and services	9,670,176	26,139	2,249,839	665,493	12,611,647
Capital outlay	7,714,309		1,631,542	169,995	9,515,846
Debt service:					
Principal		6,280,000			6,280,000
Interest		1,352,750			1,352,750
Total expenditures	52,669,250	7,658,889	3,881,381	1,196,288	65,405,808
Excess (deficiency) of revenues over (under) expenditures	10,610,194	(7,382,916)	(3,688,055)	2,521	(458,256)
Other financing sources (uses)					
Proceeds from sale of capital assets			7,000,000		7,000,000
Transfers in			18,100,000		18,100,000
Transfers out	(18,100,000)				(18,100,000)
Net change in fund balances	(7,489,806)	(7,382,916)	21,411,945	2,521	6,541,744
Fund balances, beginning of year	17,156,400	30,643,644	16,108,547	380,565	64,289,156
Fund balances, end of year	\$ 9,666,594	\$ 23,260,728	\$ 37,520,492	\$ 383,086	\$ 70,830,900



**Las Vegas-Clark County Library District
General Fund
Budget to Actual Comparison FY 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 37,700,000	\$ 37,700,000	\$ 37,865,551	\$ 165,551
Intergovernmental revenues, consolidated taxes	19,800,000	19,800,000	20,118,630	318,630
Charges for services	2,325,000	2,325,000	1,940,056	(384,944)
Interest	30,000	30,000	15,517	(14,483)
Contributions			3,055,000	3,055,000
Miscellaneous	7,360,000	7,360,000	284,690	(7,075,310)
Total revenues	<u>67,215,000</u>	<u>67,215,000</u>	<u>63,279,444</u>	<u>(3,935,556)</u>
Expenditures				
Culture and recreation:				
Salaries and wages	27,850,680	27,850,680	25,863,970	1,986,710
Employee benefits	11,239,338	11,239,338	9,420,795	1,818,543
Supplies and services	11,610,862	11,610,862	9,670,176	1,940,686
Capital outlay	8,766,753	8,766,753	7,714,309	1,052,444
Total expenditures	<u>59,467,633</u>	<u>59,467,633</u>	<u>52,669,250</u>	<u>6,798,383</u>
Excess of revenues over expenditures	7,747,367	7,747,367	10,610,194	2,862,827
Other financing uses				
Transfers out	(18,100,000)	(18,100,000)	(18,100,000)	
Net change in fund balance	<u>(10,352,633)</u>	<u>(10,352,633)</u>	<u>(7,489,806)</u>	<u>2,862,827</u>
Fund balance, beginning of year	16,924,427	16,924,427	17,156,400	231,973
Fund balance, end of year	<u>\$ 6,571,794</u>	<u>\$ 6,571,794</u>	<u>\$ 9,666,594</u>	<u>\$ 3,094,800</u>



Expenditure Savings

- \$2.0M in salaries and wages:
 - Due primarily to vacant positions throughout the year

- \$1.8M in employee benefits:
 - Group insurance
 - Employee retirement

- \$1.9M in supplies and services:
 - Utilities, operating supplies, professional/legal services, postage, book materials/supplies, advertising

- \$1.1M in capital outlay:
 - Library media materials

Las Vegas-Clark County Library District Forecast 2018-22

General Fund Revenue and Expenditures Analysis			5 Years				
		1.1860%	1.5000%	1.5000%	4.5000%	4.5000%	4.5000%
	Actual 2015-16	Curr Budget 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20	Projected 2020-21	Projected 2021-22
Revenue	63,279,444	60,929,000	61,842,935	62,770,579	65,595,255	68,547,042	71,631,658
Expenditures	52,669,250	61,211,621	61,349,447	62,083,781	62,306,755	62,608,514	62,916,308
Excess (Deficiency) of Revenues over Expenditures	10,610,194	(282,621)	493,488	686,798	3,288,500	5,938,527	8,715,350
Less transfers out	18,100,000						
Excess (Deficiency) of Revenues over Expenditures & Transfers Out	(7,489,806)	(282,621)	493,488	686,798	3,288,500	5,938,527	8,715,350
Fund balance, beginning of year	17,156,400	9,666,594	9,383,973	9,877,461	10,564,260	13,852,759	19,791,287
Fund balance, end of year	9,666,594	9,383,973	9,877,461	10,564,260	13,852,759	19,791,287	28,506,637
Fund balance, end of year Adjusted	9,666,594	9,383,973	9,877,461	10,564,260	13,852,759	19,791,287	28,506,637
	18.35%	15.33%	16.10%	17.02%	22.23%	31.61%	45.31%
Capital Project Revenue and Expenditures Analysis							
Total available for the year		37,520,492	22,533,492	(1,271,508)	(4,371,508)	(7,471,508)	(10,571,508)
Less Budgeted/Projected Capital expenditures		14,987,000	23,805,000	3,100,000	3,100,000	3,100,000	3,100,000
After General fund transfers at 6-30	37,520,492	22,533,492	(1,271,508)	(4,371,508)	(7,471,508)	(10,571,508)	(13,671,508)

Las Vegas-Clark County Library District Capital Project Fund

	06-30-2016 Est. Ending Funding Balance	2016-17 Transfers	2016-17 Budgeted Revenues	Total Available for FY 2016-17	Program Transfers	2016-17 Budgeted Expenditures	06-30-2017 Est. Ending Funding Balance
From General Fund to the Capital Projects Fund							
Library Services Platform Replacement Program	2,066,980		-	2,066,980	(1,706,234)	-	360,746
Technology Replacements & Upgrades Program	1,016,692		5,000	1,021,692	1,051,234	(1,478,500)	594,426
Building Repair & Maintenance Program	4,461,727		10,000	4,471,727		(1,603,500)	2,868,227
Vehicle Purchase & Replacement Program	639,327			639,327		(150,000)	489,327
Library Materials Program	300,000			300,000		-	300,000
Furniture Purchase & Replacement Program	574,159			574,159		(200,000)	374,159
Financial Services Program				-	265,000	(265,000)	-
Programming and Venues				-	390,000	(390,000)	-
Capital Construction Program	28,461,607		100,000	28,561,607		(10,900,000)	17,661,607
Total FY 2016-17	37,520,492	-	115,000	37,635,492	-	(14,987,000)	22,648,492