

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT  
BOARD OF TRUSTEES' FINANCE AND AUDIT COMMITTEE MEETING  
LAS VEGAS, NEVADA  
FEBRUARY 2, 2022  
(Approved March 10, 2022)**

The Board of Trustees' Finance and Audit Committee of the Las Vegas-Clark County Library District met in regular session via Zoom at 4:00 p.m., Wednesday, February 2, 2022.

**Present:** Committee: K. Rogers, Chair N. Waugh  
S. Ramaker B. Wilson, ex-officio

Board: J. Melendrez F. Ortiz

Counsel: G. Welt

Absent: K. Benavidez

Staff: Floresto Cabias, CFO

K. Rogers, Chair, called the meeting to order at 4:01 p.m.

**Roll Call** All members listed above represent a quorum. Appendix A.

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

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

**Discussion and possible Committee action regarding the selection of an auditing firm for the fiscal year ending June 30, 2022. (For possible action). (Item IV.A.)** CFO Floresto Cabias stated that NRS requires the Board of Trustees to select its auditor for fiscal year 2022 by the end of March 2022. Financial Services requested proposals from auditing firms to audit the District's financial statements for 2022. The Request for Proposals (RFP) was advertised and posted per the District's standard policies. Only one auditor responded, HintonBurdick.

Mr. Cabias explained that other firms cited lack of staffing and the timing of the audit as the reasons for the lack of responses. He spoke with a representative of the District's most recent auditor, BDO, which had merged with the District's previous longstanding auditor, Piercy Bowler Taylor & Kern (PBTk). Because of the relationship with the District, PBTk had kept its fees low throughout the years, especially during economic downturns. BDO stated their fees would have been two to three times higher than the prior year's fees to effectively audit the District's books. BDO is a much larger firm than PBTk with different priorities for allocation of limited staff. Knowing their fees would be unacceptable, BDO declined to submit a bid.

Mr. Cabias said that fortunately, the one bid received came from a qualified firm with strong credentials. HintonBurdick has local government experience in Nevada, and has direct experience with the library industry. The firm has audited libraries similar to the LVCCLD, including the Henderson District Public Library. Although the LVCCLD is larger, the firm's experience with an independent library district is valuable. Although BDO did an outstanding job in 2021, Financial Services staff had to take time to acclimate BDO to our industry, because

there was turnover when PBTk staff left. Financial Services staff is prepared to efficiently work with a new audit firm.

The other audit metrics are in line with our expectations regarding number of staff and allotted hours, and HintonBurdick will match prior fees, with an increase for inflation. Mr. Cabias feels their proposal, experience, and fees seem reasonable. He further explained that because this type of professional service isn't determined solely by price, but by combining qualifications, he would likely recommend HintonBurdick even had other firms responded to the RFP.

Trustee Ramaker said she has worked with HintonBurdick before; she thinks they're great and said they did a great job. Trustee Waugh commented that the firm is based in Mesquite, which is why Trustee Ramaker would be familiar with them. Chair Rogers noted the ownership percentages submitted by the firm exceed 100%, but stated no follow up was required.

Trustee Waugh moved to recommend to the Board of Trustees to authorize the Executive Director to execute a contract with HintonBurdick for auditing services in accordance with RFP No. 22-04 for the fiscal year ending June 30, 2022 for an amount not to exceed \$57,200, with options to extend the contract for four additional consecutive fiscal years, subject to final review of contract by Counsel. There was no opposition and the motion carried.

**Update on the District's financials and update of projections. (For discussion only) (Item IV.B.)**

CFO Cabias displayed a Financial Services Update presentation detailing the District's financial status and an update of projections. The focus was on the General Fund, but he would finish with a review of the Capital Projects Fund. Mr. Cabias stated that so far this fiscal year, CTX is performing well. There have been significant increases over the prior year. The 24 million collected in 2021 was a record high, and 2022 is on track to be even higher. Chair Rogers asked for clarification on the CTX numbers for the prior fiscal year, and the trend for this year. Last year's CTX was 24 million and so far, the District is averaging 27 percent higher over the prior fiscal year. November 2021 CTX, which had just been received due to the two-month lag in collecting CTX, was 29 percent higher than November of the prior year. Even if collections for December and January are lower due to the recent COVID surge, the rest of the fiscal year is expected to recover. The District is on track to collect approximately 30 million. In the previous Financial Services report, Mr. Cabias had projected a high of around 27.5 million. However, if 20-plus percentage increases continue, the District could collect as much as 30 million by the end of the fiscal year, which is about 6 million higher than 2021 and higher than the original conservative estimate of 23 million for fiscal year 2022.

Property tax collections are also increasing, and are expected to continue to increase at least into fiscal year 2023.

Mr. Cabias mentioned that another Finance and Audit Committee meeting needs to be held prior to the Regular Board Meeting on April 21<sup>st</sup>, because the deadline for filing the tentative budget with the State of Nevada is April 15<sup>th</sup>.

Chair Rogers asked about the actual property tax numbers for the prior fiscal year, and the trend for this year. Mr. Cabias referred to the chart on the presentation, which showed the actual fiscal year 2021 property tax at about 31.6 million, and a budget of 34.5 million for fiscal year 2022. He expects the District will collect the full budgeted amount, and projects it will be higher in 2023. He will present the actual number from the Assessor's Office at the April Committee meeting.

Mr. Cabias emphasized that while the District can't control revenues, we can control expenditures to mitigate negative economic conditions and take advantage of positive economic conditions. He pointed out that the fiscal year 2021 expenditures were higher than the previous year because of the VESP payments, but 2022 expenditures are lower because of continued efforts to maintain costs, and because personnel costs continue to be lower as a result of the VESP.

Mr. Cabias moved on to the Capital Projects Fund, noting that the fund balances for major programs – Technology Replacements and Building Repair and Maintenance – were relatively low at the end of 2021, at 3 million each – enough to cover one to two years of expenditures. Fortunately, we've recovered from the expected potential economic downturn, and 19 million in transfers to the Capital Projects Fund is budgeted in the current fiscal year to reestablish multi-year reserves in these two critical programs. 9 million has been transferred to the Capital Construction program, leaving 8.5 million in that program at the end of this fiscal year. We are likely to at least match the 19 million transfer in 2023, and most of it will be earmarked for Capital Construction. In addition, there will be other funding efforts, including a New Markets Tax Credit program, the sale of the previous library location, and other funding efforts.

Trustee Melendrez commended CFO Cabias.

Trustee Ortiz stated for context that although revenues are higher than usual, it's relative to the price of business increasing as well. Trustee Ramaker and Chair Rogers agreed, while acknowledging the positive trends. All Committee members are very pleased regarding the return to making investments in multi-year budget categories.

**Public Comment  
(Item V.)**

None.

**Adjournment  
(Item VI.)**

Chair Rogers adjourned the meeting at 4:21 p.m.

Respectfully submitted,

Dr. Keith Rogers, Committee Chair

Appendix A

**2022 FINANCE & AUDIT COMMITTEE MEETING ATTENDANCE**

February 2, 2022 Finance & Audit Cmte Mtg

Benavidez	Kelly	U
Foyt	Elizabeth	
Melendrez	Jose	P
Ortiz	Felipe	P
Ramaker	Sandra	P
Wilson	Brian	P
Rogers	Keith	P
Waugh	Nathaniel	P
Jiron	Jennifer	
Turner Whiteley	Kate	

P	Present
A-E	Excused Absence
A-U	Unexcused Absense
	Attended Committee meeting but not a member
	Term Ended

# DISCLOSURE OF OWNERSHIP/PRINCIPALS AND RELATIONSHIPS

## Purpose of the Form

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the Board of Trustees ("BOT") and District Staff in determining whether they should exclude themselves from Bid Award decision making where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

## General Instructions

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and the Las Vegas-Clark County Library District. Failure to submit the requested information may result in a refusal by the BOT to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

## Detailed Instructions

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

**Business Entity Type** – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

**Non-Profit Organization (NPO)** - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

**Business Designation Group** – Indicate if entity is one of the following. This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose. Select all that apply.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed \$2,000,000.
- **Large Business Enterprise (LBE):** An independent and continuing business for profit which performs a commercially useful function and is NOT located in the State of Nevada.
- **Nevada Business Enterprise (NBE):** Any Nevada business which has the resources necessary to sufficiently perform identified County projects, and is owned or controlled by individuals that are not designated as socially or economically disadvantaged.

**Business Name (include d.b.a., if applicable)** – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

**Corporate/Business Address, Business Telephone, Business Fax, and Email** – Enter all contact information requested.

**Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email** – If business entity is out-of-state, but operates the business from a location in Nevada, enter all Nevada contact information. Please note: the local address must be an address from which the business is operating. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

**Number of Clark County Nevada Residents employed by this firm. Do not leave blank. If none or zero, put the number 0 in the space provided.**

**List of Owners/Officers** – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

### **For All Contracts – (Not required for publicly-traded corporations)**

- 1) Indicate if any member, partner, owner or principal involved in the business entity is an employee or appointed official of the Las Vegas-Clark County Library District. If yes, the following paragraph applies.

In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

- 2) Indicate if any member, partner, owner or principal involved in the business entity has a second degree of consanguinity or affinity relation to any employee or appointed/elected official of the Las Vegas-Clark County Library District – see (reference form on Page 2 for definition).

If YES, complete the Disclosure of Relationship Form.

A professional service is defined as a personal service which may legally be performed only pursuant to a license, certificate of registration, or other legal authorization (NRS 89.020.10) such as legal services, architectural and engineering services, insurance broker, investment management, auditing, etc.

**Signature and Print Name** – Requires signature of an authorized representative and the date signed.

**Disclosure of Relationship Form** – If any member, partner, owner or principal involved in the business entity has a second degree of consanguinity or affinity relation to any employee or appointed/elected official of the Las Vegas-Clark County Library District, this form MUST be completed in its entirety.

## DISCLOSURE OF OWNERSHIP/PRINCIPALS

<b>Business Entity Type (Please CIRCLE one)</b>						
Sole Proprietorship	Partnership	<u>Limited Liability Company</u>	Corporation	Trust	Non-Profit Organization	Other
<b>Business Designation Group (Please CIRCLE ALL that apply)</b>						
MBE	WBE	PBE	ESB	SBE	LBE	<u>NBE</u>
Minority Business Enterprise	Women-Owned Business Enterprise	Physically Challenged Business Enterprise	Emerging Small Business*	Small Business Enterprise	Large Business Enterprise	Nevada Business Enterprise
<i>*ESB must be certified by the Governor's Office of Economic Development</i>						
<b>Number of Clark County Nevada Residents Employed:</b>			6			
<b>Corporate/Business Entity Name:</b>		HintonBurdick Nevada, LLC				
<b>(Include d.b.a., if applicable)</b>		HintonBurdick CPAs & Advisors				
<b>Street Address:</b>		590 West Mesquite Blvd., Suite 201				
<b>City, State, and Zip Code:</b>			<b>Contact Name:</b>		R. McKay Hall, CPA, CISA, CITP, CFE	
Mesquite, Nevada 89027			<b>Title:</b>		Audit Partner	
<b>Telephone No:</b>			<b>Email:</b>		mhall@hintonburdick.com	
888-566-1277			702-346-3464			
<b>Nevada Local Street Address: (If different from above)</b>			<b>Website:</b>		https://www.hintonburdick.com/	
<b>City, State and Zip Code:</b>			<b>Local Contact Name:</b>			
<b>Local Telephone No:</b>			<b>Title:</b>			
<b>Local Fax No:</b>			<b>Email:</b>			

**All entities**, with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).


**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

FULL NAME	TITLE	% OWNED (Not required for Publicly Traded Corporations/Non-profit organizations)
See Attached List	See Attached List	See Attached List

*This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?* Yes  No

- Are any individual members, partners, owners or principals, involved in the business entity, Las Vegas-Clark County Library District?
   
 Yes  No (If yes, please note LVCCLD employees and appointed/elected officials may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)
- Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a Las Vegas-Clark County Library District employee or appointed/elected official?
   
 Yes  No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

  
 \_\_\_\_\_  
 Signature  
 Audit Partner  
 \_\_\_\_\_  
 Title

R. McKay Hall  
 \_\_\_\_\_  
 Print Name  
 January 19, 2022  
 \_\_\_\_\_  
 Date

Contractor member, partner, owner or principal consanguinity or affinity relation to any employee or appointed/elected official of the Las Vegas-Clark County Library District, this form MUST be completed in its entirety.

In regard to this form, Contractor must consider first and second degree as follows: Spouse – Registered Domestic Partner – Children – Parents – Sibling – Half-Sibling – Grandchildren – Grandparents – In-laws (first/second degree)

**Not Applicable – Initial Here:** RMH **and complete Contractor’s Signature Block.**

CONTRACTOR	LIBRARY DISTRICT		
NAME (MEMBER, PARTNER, OWNER, PRINCIPAL)	NAME OF OWNER'S EMPLOYEE OR /OFFICIAL	RELATIONSHIP TO EMPLOYEE OR OFFICIAL	IF DISTRICT EMPLOYEE, WHICH DEPARTMENT

**CONTRACTOR SIGNATURE BLOCK**

Legal Name of Bidder (Prime Contractor) As It Should Appear on Contract	HintonBurdick CPAs & Advisors
Name of Bidder's Authorized Representative	R. McKay Hall
Title of Bidder's Authorized Representative	Audit Partner
Signature of Bidder's Authorized Representative	<i>R. McKay Hall</i>
Today's Date	January 19, 2022

**Below for LVCCLD Use Only:**

If any Disclosure of Relationship is noted above, complete the following:

Is any LVCCLD employee noted above involved in the selection process for this contract? **CIRCLE ONE** Yes No

Is any LVCCLD employee noted above involved in performance of the contract? **CIRCLE ONE** Yes No

Notes/Comments: \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment 1:

Licensed CPA Members:

<u>Name</u>	<u>Title</u>	<u>Ownership %</u>
Steve Palmer	Partner	9.30%
Todd Feltner	Partner	9.30%
Chad Atkinson	Partner	9.30%
Phillip Peine	Partner	9.30%
Michael Torgerson	Partner	6.98%
Mark Tichenor	Partner	9.30%
Kris Braunberger	Partner	9.30%
Michael Spilker	Partner	9.30%
Robert Cox	Partner	9.30%
Morris Peacock	Partner	9.30%
Tad Tuttle	Partner	4.65%
Michael P Bruner	Partner	4.65%