

**PROPOSED AGENDA**  
**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT**  
**Board of Trustees' Finance and Audit Committee**  
**September 20, 2022**

**PUBLIC MEETING**

DATE: September 20, 2022

TIME: 3:00 p.m.

PLACE: Online via YouTube

The Agenda and Board meeting documents can be found at  
<https://lvccld.org/board/board-of-trustees-meetings/>

The Finance and Audit Committee, comprised of Dr. Keith Rogers, Committee Chair; Kelly Benavidez; Sandra Ramaker; Nathaniel Waugh; and Brian Wilson, ex-officio, all members of the Las Vegas-Clark County Library District Board of Trustees, will meet to discuss the update on the District's financials and update of projections.

I. Roll Call

II. Public Comment

Topics raised under this item must be limited to matters on today's Agenda. Commenters should state if they want their remarks included in the minutes of the meeting. If there is no agenda item listed, the person will be called on at the end of the meeting.

The public comment period at library district board meetings shall be limited to a maximum of forty-five (45) minutes for both periods of public comment. Remarks by speakers during the public comment period shall be limited to three (3) minutes each. A speaker may not transfer time to another speaker; although, the chair has the authority to grant additional time to a speaker. When more than fifteen (15) people wish to comment, the chair shall proportionately reduce the time allotted to the forty-five minute maximum.

Anyone wishing to comment via email under this item must send an email to [boardcomments@lvccld.org](mailto:boardcomments@lvccld.org). The email must include the commenter's name, legal address, and the agenda item that is being commented on. Email comments are limited to 500 in words in length and must also identify whether the commenter wants their remarks to be included in the minutes of the meeting. Any comments which do not state the commenter's name, legal address, or exceed 500 words in length shall not be considered.

Any comments which do not identify an agenda item will be read at the end of the meeting.

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III. Committee Action to Accept the Proposed Agenda (For possible action.)

IV. New Business

Update on the District's financial operations. (For discussion only.)

V. Public Comment

Topics raised under this item cannot be acted upon until the notice provisions of the Open Meeting Law have been met.

Anyone wishing to comment via email during the meeting must send an email to [boardcomments@lvccld.org](mailto:boardcomments@lvccld.org). The email must include the commenter's name, legal address, and this agenda item. Email comments are limited to 500 in words in length and must also identify whether the commenter wants their remarks to be included in the minutes of the meeting. Any comments which do not state the commenter's name, legal address, or exceed 500 words in length shall not be considered.

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VI. Adjournment

NOTE: AT ANY TIME, ANY ITEM ON THIS AGENDA MAY BE TAKEN OUT OF ORDER, COMBINED WITH ONE OR MORE OTHER ITEMS ON THE AGENDA OR REMOVED FROM THE AGENDA, EITHER AT THE DISCRETION OF THE CHAIR OR BY VOTE OF THE BOARD.

NOTE: REASONABLE EFFORTS WILL BE MADE TO ASSIST AND ACCOMMODATE PERSONS WITH PHYSICAL DISABILITIES DESIRING TO ATTEND THE MEETING. PLEASE CALL LYNN WING AT (702) 507-6172 SO THAT ARRANGEMENTS FOR ATTENDANCE MAY BE MADE.

NOTE: PLEASE CONTACT LYNN WING AT (702) 507-6172 OR [wingl@lvccld.org](mailto:wingl@lvccld.org) TO REQUEST THE SUPPORTING MATERIAL FOR THIS MEETING. SUPPORTING MATERIAL WILL BE MADE AVAILABLE ON THE DAY OF THE MEETING AFTER 12:00 P.M.

Pursuant to NRS 241.020, this item has been properly noticed and posted online at the Las Vegas-Clark County Library District website, [www.lvccld.org](http://www.lvccld.org) and at Nevada Public Notice at <https://notice.nv.gov>.

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Written notice of the meeting of the Las Vegas-Clark County Library District Board of Trustees was given on Wednesday, September 14, 2022, i.e., given at least three (3) working days before the meeting, including in the notice the time, way to access the meeting, and agenda of the meeting:

- A. By delivering a copy of the notice to each Library Trustee;
- B. By posting a copy of the notice at the principal office of the Library Trustees, or if there is no principal office, at the building in which the meeting is to be held, and at least three other separate, prominent places within the jurisdiction of the Trustees, to wit:
  - 1. Clark County Library  
1401 E. Flamingo Road  
Las Vegas, NV 89119
  - 2. East Las Vegas Library  
2851 E. Bonanza Road  
Las Vegas, NV 89101
  - 3. Sunrise Library  
5400 Harris Avenue  
Las Vegas, NV 89110
  - 4. West Charleston Library  
6301 W. Charleston Boulevard  
Las Vegas, NV 89146
  - 5. West Las Vegas Library  
951 W. Lake Mead Boulevard  
Las Vegas, NV 89106
  - 6. Windmill Library  
7060 W. Windmill Lane  
Las Vegas, NV 89113
  - 7. Las Vegas-Clark County Library District website  
[www.lvccld.org](http://www.lvccld.org)
- C. By mailing a copy of the notice to each person, if any, who has requested notice of the meetings of the Las Vegas-Clark County Library District Board of Trustees in the same manner in which notice is requested to be mailed to a member of the Library Board of Trustees.

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D. Live Stream Connection Information:

Visit the Library District's YouTube channel:  
YouTube.com/TheLibraryDistrict

<https://youtu.be/oOO33Vuck8>



## ITEM IV.

### AGENDA ITEM

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#### **SEPTEMBER 20, 2022 MEETING OF THE BOARD OF TRUSTEES' FINANCE AND AUDIT COMMITTEE**

**Agenda Item #IV.:** Update on the District's financial operations.

**Background:** The Chief Financial Officer will present information regarding the District's current financial status and internal control reviews.

**Recommended Action:** For discussion only.

# FINANCIAL SERVICES UPDATE

September 20, 2022  
Fiscal Year 2021-2022

General Fund



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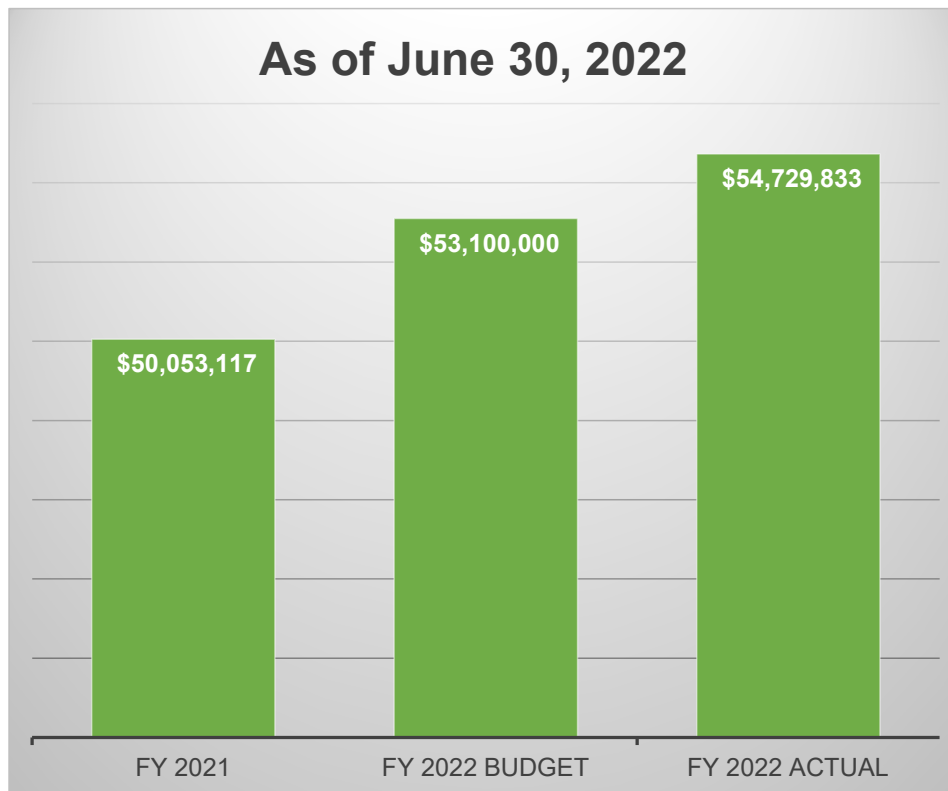
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## Consolidated Sales Tax (CTX) As of June 30, 2022 (Unaudited)

Consolidated Sales Tax FY 2022 vs. FY 2021			
	FY21	FY22	% Change Over FY21
July	1,714,346.73	2,250,871.66	31.30%
August	1,717,590.95	2,214,553.97	28.93%
September	2,057,864.55	2,511,203.79	22.03%
October	1,852,957.96	2,309,983.57	24.66%
November	1,796,283.18	2,309,864.50	28.59%
December	2,271,961.21	2,823,734.48	24.29%
January	1,713,321.38	2,140,260.80	24.92%
February	1,715,949.40	2,133,460.55	24.33%
March	2,471,650.63	2,752,024.85	11.34%
April	2,165,140.53	2,413,904.93	11.49%
May	2,192,682.44	2,465,382.42	12.44%
June	2,542,392.79	2,784,189.02	9.51%
<b>TOTAL</b>	<b>24,212,141.75</b>	<b>29,109,434.54</b>	<b>20.23%</b>

- **FY 2022 CTX revenues increased 20% from FY 2021**
  - The year-over-year monthly increases tapered down throughout the fiscal year
- **Staff expected \$29M for FY 2022**
  - The District will receive the July 2023 CTX at the end of September 2023.
- **The District's FY 2023 budget is \$30M**
  - Staff continues to monitor revenues closely to identify the trend's direction

## Property Tax Revenues FY 2021-2022 (Unaudited)

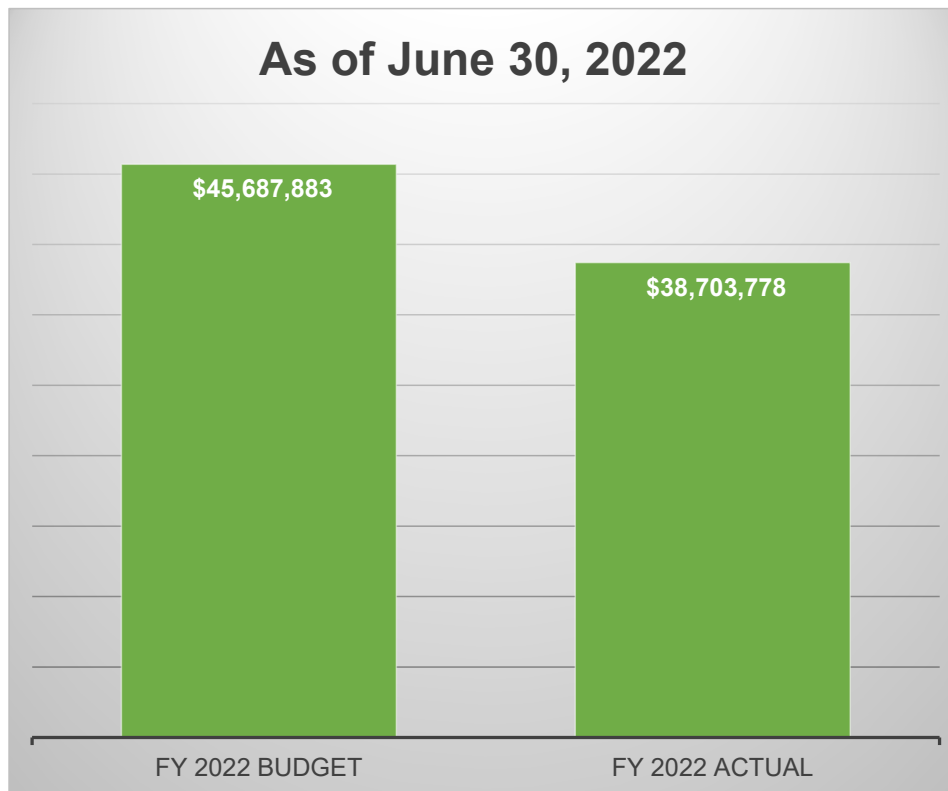


- FY 2022 property tax revenues increased 9% from FY 2021
- FY 2023 budgeted property tax revenues total \$59.2M
  - An 8% increase from actual FY 2022 revenues of \$54.7M
- So far in FY 2023 (July 2022 to September 2022), property tax revenues show a 9% increase from the same time period in FY 2022
- Staff expects to collect the full \$59.2M budgeted for FY 2023



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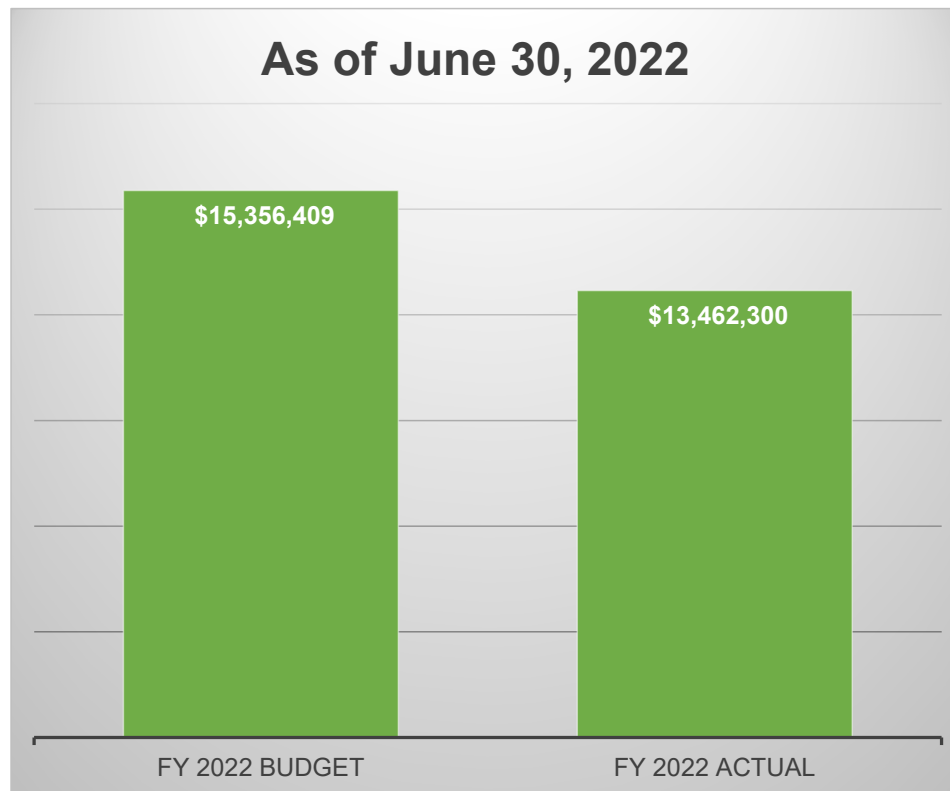
## Salaries and Benefits Expenditures FY 2021-2022 (Unaudited)



- Expenditures totaled \$6.98M less than budgeted
- The FY 2023 Budget estimated total expenditures of \$38.9M for FY 2022, a difference of \$173K from the actual \$38.7M
  - This \$173K excess in expected savings will offset the shortfall in expected services and supplies expenditure savings of \$657K

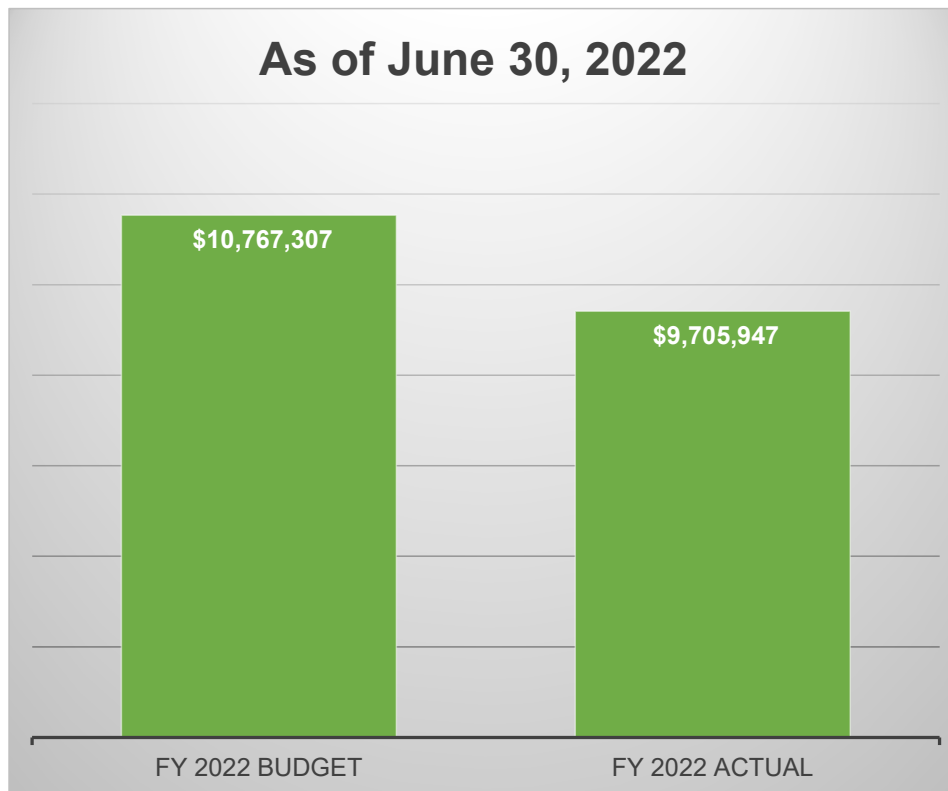
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## Supplies and Services Expenditures FY 2021-2022 (Unaudited)



- Expenditures totaled \$1.89M less than budgeted
- The FY 2023 Budget estimated total expenditures of \$12.8M for FY 2022, a difference of \$657K from the actual \$13.46M
  - This \$657K shortfall in expected savings will be offset by additional savings in salaries and benefits (\$173K) and capital outlay (\$761K)

## Capital Outlay Expenditures FY 2021-2022 (Unaudited)



- Expenditures totaled \$1.1M less than budgeted
- The FY 2023 Budget estimated total expenditures of \$10.5M for FY 2022
- This \$761K excess in expected savings will offset the shortfall in expected services and supplies expenditure savings of \$657K
  - Thus, expected savings for FY 2022 will contribute to the FY 2023 budgeted ending fund balance and support the budgeted \$34M transfer from the General Fund to the Capital Projects Fund in FY 2023

# Internal Control Reviews



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## Review of Internal Controls Over Cash Handling

- Detailed memorandum provided in the August 2022 Board of Trustees report from Financial Services.
- In June 2022, during the fixed assets inventory, Financial Services also performed walkthroughs and observations over cash handling. Observations of the cash count and drop were performed at Windmill (05/20/2022), Enterprise (06/03/2022), West Charleston (06/07/2022), East Las Vegas (06/08/2022), and Centennial Hills (06/09/2022). The “Cash Controls Checklists” were completed during walkthroughs with the Branch Managers and/or Persons-In-Charge. Based on observations of procedures, examinations of supporting documentation, and inquiries with responsible staff, no exceptions were noted to the new procedures and no issues or concerns were identified.
- Testing will continue throughout FY 2023.

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## Annual Summary of Review of Operational Controls

- Detailed memorandum provided in the September 2022 Board of Trustees report from Financial Services.
- Financial Services performs comprehensive audits of each Branch's Daily Cash Reports (DCR) and all supporting documentation. All documentation supports cash and credit card transactions processed by each Branch on each day of the month. Testing is performed to ensure all balances reconcile to supporting documentation, all reports are reviewed and approved by the required number of authorized personnel, and any waived fines are appropriately reviewed and approved by the required level of authorized managers. Deposit amounts are then reconciled to weekly operating account activity to ensure reported amounts match to amount received by couriers and the bank.
- Additional testing was performed around Library Operations procedures for inventorying and tracking items purchased via the Small Equipment Account. Financial Services aggregated transactions posted to the general ledger from the last four fiscal years, organized the data by branch, and provided it to Library Operations to help determine a new threshold for inventorying and tracking theft-sensitive items in the small equipment inventories located at each branch.

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## Additional Reviews Going Forward

- **Financial Services will meet with the Administrative Team to identify potential financial or operational risks in departments and develop programs to ensure functional areas (e.g., Financial Services, Library Operations) appear to be working as management intends and are appropriately designed and implemented to provide assurance that procedures are in place to effectively meet department goals.**
  - Such procedures are intended to proactively implement improvements, with Financial Services periodically reviewing for compliance and suggesting corrective action plans, where needed.
- **Other External Reviews**
  - Deferred Compensation Plan
  - Public Employees Retirement System
  - Workers' Compensation
  - State of Nevada Department of Education

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*Questions?*





## MEMORANDUM

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**TO:** Board of Trustees through Mr. Kelvin Watson, Executive Director  
**FROM:** Floresto Cabias, Chief Financial Officer  
**DATE:** September 20, 2022  
**SUBJECT:** Internal Review of Small Equipment Inventory

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### **Executive Summary**

Financial Services partnered with Library Operations to develop updated inventory procedures around theft-sensitive items in the collection below the capital asset threshold (<\$5,000) but with a useful life more than a year.

### **Conclusion**

Based on testing and observations performed by Financial Services, consolidating inventories performed across the Service Center departments and establishing a threshold where only theft-sensitive items costing \$300 or above will be inventoried, would increase reliability of asset lists and increase efficiency and effectiveness of monitoring/tracking inventories.

### **Background**

Currently, Branch Managers are required to facilitate inventories performed by Library Operations, Financial Services, General Services, and Information Technology based on items in the collection stored at each location in the District. The inventories are performed on different schedules based on the availability of Service Center team members and Branch leaders. Additionally, since the inventories are not consolidated, items from each department appear on multiple asset lists and are therefore counted/verified multiple times a year.

### **Testing Performed**

Financial Services aggregated transactions posted to the Small Equipment Account from fiscal years 2019-2022 by Branch and in total District-wide. Following data collection, Financial Services calculated the totals, averages, medians, and counts for all activity. Data was then provided to Leo Segura (Library Operations Director) and Ermal Reinhart (Library Operations Support Manager) for reference and as a supplemental list of transactions to determine if these items should be included in Branch Manager monitoring responsibilities.

Additionally, Financial Services performed walkthroughs to test the list of items produced by the Small Equipment analysis for accuracy with Library Operations at Windmill (7/5/22) and Enterprise (8/8/22).

**Recommendations**

- Where possible, District leadership should coordinate/consolidate the inventories performed by Library Operations, Financial Services, General Services, and/or Information Technology to produce a centralized list of assets by Branch.
  - One centralized list would simplify Branch Managers' ability to track and monitor assets and reduce the amount of time required to perform walkthroughs/inventories.
- Based on review of the past four years of activity, the median transaction cost posted to the Small Equipment Account was \$495.85. Risk of loss would not substantially increase by establishing an inventory threshold of \$300 and above for items to be counted and included in inventories. However, this threshold would reduce the amount of time needed to physically inventory immaterial items.
- Financial Services should develop additional procedures to add more detail to bulk entries in the accounting system for the Small Equipment Account, so Branch Managers and Library Operations will be able to track items above the inventory threshold.