

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015



HILBURN & LEIN, CPAs

A PROFESSIONAL CORPORATION

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

JUNE 30, 2016 AND 2015

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HILBURN & LEIN, CPAs
A PROFESSIONAL CORPORATION

Gary W. Lein, CPA
Shareholder
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Shareholder
Cory Puga, CPA
Shareholder

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of
Las Vegas-Clark County Library District Foundation, Inc.
Las Vegas, Nevada

We have audited the accompanying financial statements of Las Vegas-Clark County Library District Foundation, Inc., which comprise of the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Las Vegas-Clark County Library District Foundation, Inc. as of June 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States

Las Vegas, Nevada
May 2, 2017

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

<u>ASSETS</u>		<u>2016</u>	<u>2015</u>
CURRENT ASSETS			
Cash - Notes 3 and 4	\$	499,941	\$ 358,665
Inventory - Note 2		<u>91,267</u>	<u>89,077</u>
		<u>591,208</u>	<u>447,742</u>
 TOTAL ASSETS	 \$	 <u>591,208</u>	 \$ <u>447,742</u>
 <u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES			
Accounts Payable	\$	164,258	\$ 60,104
Credit Cards Payable		<u>2,804</u>	<u>3,975</u>
		<u>167,062</u>	<u>64,079</u>
 TOTAL LIABILITIES		 <u>167,062</u>	 <u>64,079</u>
 NET ASSETS:			
Unrestricted		23,943	15,917
Temporarily Restricted - Note 5		400,203	367,746
Permanently Restricted		<u>-</u>	<u>-</u>
 TOTAL NET ASSETS		 <u>424,146</u>	 <u>383,663</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$	 <u>591,208</u>	 \$ <u>447,742</u>

The accompanying notes are an integral part of these financial statements

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
<u>UNRESTRICTED:</u>		
REVENUES		
Contributions	\$ 17,878	\$ 16,752
EXPENSES		
Program Service Expenses	-	16,279
General and Administrative	9,752	23,839
Professional Fees	100	3,050
Travel and Meeting Expenses	-	1,872
	9,852	45,040
CHANGE IN UNRESTRICTED ASSETS	\$ 8,026	\$ (28,288)
<u>TEMPORARILY RESTRICTED:</u>		
REVENUES		
Bookstore Sales	\$ 284,103	\$ 257,190
Contributions	16,419	80,576
Grants	38,000	2,583
	338,522	340,349
EXPENSES		
Program Service Expenses	306,065	204,190
CHANGE IN TEMPORARILY RESTRICTED ASSETS	\$ 32,457	\$ 136,159
Net Assets at Beginning of Year:		
Unrestricted	\$ 15,917	\$ 44,205
Temporarily Restricted	367,746	231,587
	383,663	275,792
Increase in Net Assets:		
Unrestricted (Deficit)	8,026	(28,288)
Temporarily Restricted	32,457	136,159
	40,483	107,871
NET ASSETS AT END OF YEAR:		
UNRESTRICTED	23,943	15,917
TEMPORARILY RESTRICTED	400,203	367,746
	\$ 424,146	\$ 383,663

The accompanying notes are an integral part of these financial statements

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 40,483	\$ 107,871
ADJUSTMENTS TO RECONCILE NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in:		
Inventory	(2,190)	(35,886)
Accounts Payable	104,154	(13,802)
Other Liabilities	(1,171)	2,132
	<u>100,793</u>	<u>(47,556)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>141,276</u>	<u>60,315</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE IN CASH	141,276	60,315
Cash at Beginning of Year	<u>358,665</u>	<u>298,350</u>
CASH AT END OF YEAR	<u>\$ 499,941</u>	<u>\$ 358,665</u>

The accompanying notes are an integral part of these financial statements

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 1 - ORGANIZATION

Las Vegas-Clark County Library District Foundation, Inc. (the Foundation) is a nonprofit organization incorporated on October 15, 2002 and is located in Las Vegas, Nevada. The Foundation was formed to provide aid, support and assistance in the promotion, growth and improvement of the Las Vegas-Clark County Library District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENT PRESENTATION

The Foundation has elected to adopt FASB Accounting Standards Codification (AS) Subtopic 958-205, Not-For-Profit Entities- Presentation of Financial Statements. Under FASB AS Subtopic 958-205, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets, as defined below. Net assets represent the difference between a nonprofit organization's assets and liabilities. In addition the organization is required to present a Statement of Cash Flows.

Unrestricted Net Assets

Unrestricted net assets are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those which are subject to donor-imposed stipulations that may or will be met by the action of the Foundation and/or the passage of time.

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the institution to use all or part of the income earned on related investments for general or specific purposes.

ACCOUNTING METHOD

Las Vegas-Clark County Library District Foundation maintains its records on the accrual basis of accounting. Revenues are recognized when billed, not received and expenses are recognized when incurred, not paid.

ACCOUNTS RECEIVABLE

The Foundation utilizes the allowance method for providing for doubtful accounts, if any. The allowance amounts are charged to operations in the period the account is considered uncollectible.

PROPERTY AND EQUIPMENT

Property and equipment purchased, if any, with Foundation funds, to which the Foundation holds title, are capitalized at cost and depreciated over the estimated useful life using the straight-line method of depreciation.

INVENTORIES

Inventory consists of books and other donated library materials. Inventory is stated at estimated market value. The estimated market value is determined by using an average fair market value of \$0.75 per inventory item.

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRIBUTIONS

Contributions to the Foundation are recorded as revenue at the earlier of the receipt of an unconditional pledge or the receipt of cash or other assets. Contributions are considered available for unrestricted use, unless they are restricted by the donors on either a temporary or permanent basis.

In-kind contributions of bookstore materials received by the Foundation are recorded as income when the materials are received. Income is recognized for the materials estimated fair value.

INCOME TAXES

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. All income except unrelated business activity revenue is exempt from taxation. For the years ended June 30, 2016 and 2015, the Foundation had no unrelated business activity revenue. Tax years open under the statute of limitations are 2013, 2014, and 2015.

STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

USE OF ESTIMATES

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make certain estimates and assumptions that affect amounts reported in the statements and accompanying notes. Assets, liabilities, and contingency disclosures require estimates as of the date of the financial statements. Revenues and expenses require estimates during the reporting period. Actual results could differ from those estimates.

DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report, which is the date the financial statements were issued.

NOTE 3 - CASH

Cash and cash equivalents at June 30, 2016 and 2015, as represented on the balance sheet are detailed as follows:

	<u>2016</u>	<u>2015</u>
Wells Fargo Bank, Business Cash Management	\$ 153,499	\$ 69,683
Nevada State Bank, Non-Profit Checking	<u>346,442</u>	<u>288,982</u>
	<u>\$ 499,941</u>	<u>\$ 358,665</u>

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 4 - OFF-BALANCE SHEET RISK AND CONCENTRATION OF RISK

The Foundation negotiated an agreement with the Las Vegas-Clark County Library District under which it manages and sells non-circulating library materials. The Foundation conducts the resale services on behalf of the Las Vegas-Clark County Library District. The books and materials are sold through volunteer staffed bookstores located within Library District branches, online through third party vendors, and on occasion at community events. Revenue earned through this arrangement is temporarily restricted for future use towards Library District programs. For the years ended June 30, 2016 and 2015, the Foundation recognized \$284,003 and \$256,891 of revenue from this agreement.

The Foundation also receives and sells books donated by the public. Revenue earned from the sale of publicly donated books is temporarily restricted.

The Foundation has a potential concentration of credit risk in that it maintains deposits with Nevada State Bank in excess of amounts insured by FDIC. At June 30, 2016, this institution reported deposits before outstanding checks of \$346,442 of which \$250,000 was insured by FDIC, resulting in an uninsured cash balance of \$96,442. At June 30, 2015, this institution reported deposits before outstanding checks of \$289,982 of which \$250,000 was insured by FDIC, resulting in an uninsured cash balance of \$39,982.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2016 and 2015 are available for the benefit of the Las Vegas-Clark County Library District for the following purposes:

	<u>2016</u>	<u>2015</u>
Bookstore	\$ 357,371	\$ 362,716
Clark County Library	-	2,000
SU NASA	225	225
Homebound Service	40	25
WIC Outreach	20,103	-
Literacy Fund (C.A.L.L.)	18	9
WLV Scholarship	2,621	2,621
Sunrise Library	150	150
Vegas Valley Book Festival	4,155	-
Las Vegas Branch	20	-
Summerlin Library	500	-
Tech Art	15,000	-
	<u>\$ 400,203</u>	<u>\$ 367,746</u>

NOTE 6 - DONATED SERVICES AND RELATED PARTIES

A number of volunteers, including the members of the Board, have made significant contributions of time to the Foundation's policy-making, program and support function. The value of contributed time does not meet the criteria for recognition of contributed services under generally accepted accounting principles and, accordingly, is not reported in the accompanying financial statements. The total number of volunteer hours was 49,326 and 40,587 for the years ended June 30, 2016 and 2015.

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 6 - DONATED SERVICES AND RELATED PARTIES (CONTINUED)

The Foundation routinely conducts business with the Las Vegas-Clark County Library District. On behalf of the Foundation, the Las Vegas-Clark County Library District pays for one and a half full-time employees and their related benefits, office space, office equipment and bookstore facilities.

For the years ended June 30, 2016 and 2015, the Foundation incurred expenses of \$306,065 and \$204,190 in program related costs from temporarily restricted funds. Of these expenses, \$230,573 and \$145,646 was paid to Las Vegas-Clark County Library District, a related party.