

DRAFT
DISCUSSION PURPOSES ONLY
10/18/17

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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DISCUSSION PURPOSES ONLY

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

JUNE 30, 2017 AND 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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
January 1, 2017

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

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DISCUSSION PURPOSES ONLY

ASSETS

	2017	2016
CURRENT ASSETS		
Cash - Notes 3 and 4	\$ 335,065	\$ 499,941
Other Receivable - Note 7	75,000	-
Inventory - Note 2	88,841	91,267
	498,906	591,208
 TOTAL ASSETS	 \$ 498,906	 \$ 591,208

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 110,111	\$ 164,258
Credit Cards Payable	1,757	2,804
	111,868	167,062
 TOTAL LIABILITIES	 111,868	 167,062
 NET ASSETS:		
Unrestricted	28,943	23,943
Temporarily Restricted - Note 5	358,095	400,203
Permanently Restricted	-	-
 TOTAL NET ASSETS	 387,038	 424,146
 TOTAL LIABILITIES AND NET ASSETS	 \$ 498,906	 \$ 591,208

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, 2017 AND 2016

	2017	2016
<u>UNRESTRICTED:</u>		
REVENUES		
Contributions	\$ 13,614	\$ 17,878
EXPENSES		
General and Administrative	8,614	9,752
Professional Fees	-	100
	8,614	9,852
CHANGE IN UNRESTRICTED ASSETS	\$ 5,000	\$ 8,026
<u>TEMPORARILY RESTRICTED:</u>		
REVENUES		
Bookstore Sales	\$ 303,898	\$ 284,103
Contributions	33,582	16,419
Grants	23,000	38,000
	360,480	338,522
EXPENSES		
Program Service Expenses	402,588	306,065
CHANGE IN TEMPORARILY RESTRICTED ASSETS	\$ (42,108)	\$ 32,457
Net Assets at Beginning of Year:		
Unrestricted	\$ 23,943	\$ 15,917
Temporarily Restricted	400,203	367,746
	424,146	383,663
Increase (Decrease) in Net Assets:		
Unrestricted	5,000	8,026
Temporarily Restricted (Deficit)	(42,108)	32,457
	(37,108)	40,483
NET ASSETS AT END OF YEAR:		
UNRESTRICTED	28,943	23,943
TEMPORARILY RESTRICTED	358,095	400,203
	\$ 387,038	\$ 424,146

The accompanying notes are an integral part of these financial statements

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DISCUSSION PURPOSES ONLY

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:		
Increase (Decrease) in Net Assets	\$ <u>(37,108)</u>	\$ <u>40,483</u>
ADJUSTMENTS TO RECONCILE NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Changes in:		
Other Receivable	(75,000)	-
Inventory	2,426	(2,190)
Accounts Payable	(54,147)	104,154
Other Liabilities	(1,047)	(1,171)
	<u>(127,768)</u>	<u>100,793</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(164,876)</u>	<u>141,276</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(164,876)	141,276
Cash at Beginning of Year	<u>499,941</u>	<u>358,665</u>
CASH AT END OF YEAR	<u>\$ 335,065</u>	<u>\$ 499,941</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, 2017 AND 2016

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

The 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, 2017 AND 2016

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, 2017 and 2016, the Foundation had no unrelated business activity revenue. Tax years open under the statute of limitations are 2014, 2015, and 2016.

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, 2017 and 2016, as represented on the balance sheet are detailed as follows:

	2017	2016
Wells Fargo Bank, Business Cash Management	\$ 211,564	\$ 153,499
Nevada State Bank, Non-Profit Checking	123,501	346,442
	\$ 335,065	\$ 499,941

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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, 2017 and 2016, the Foundation recognized \$303,898 and \$284,103 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.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2017 and 2016 are available for the benefit of the Las Vegas-Clark County Library District for the following purposes:

	2017	2016
Bookstore	\$ 334,252	\$ 357,371
Laughlin Library	500	-
Raising Las Vegas	3,500	-
SU NASA	-	225
Homebound Service	-	40
WIC Outreach	-	20,103
Literacy Fund (C.A.L.L)	18	18
WLV Scholarship	10,621	2,621
Sunrise Library	-	150
Vegas Valley Book Festival	9,204	4,155
Las Vegas Branch	-	20
Summerlin Library	-	500
Tech Art	-	15,000
	\$ 358,095	\$ 400,203

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 45,309 and 49,326 for the years ended June 30, 2017 and 2016.

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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, 2017 and 2016, the Foundation incurred expenses of \$402,588 and \$306,065 in program related costs from temporarily restricted funds. Of these expenses, \$292,587 and \$230,573 was paid to Las Vegas-Clark County Library District, a related party.

NOTE 7 - OTHER MATTERS/SUBSEQUENT EVENT

In July 2017, the Foundation participated in the U.S. Department of Treasury's New Markets Tax Credits (NMTC) program. The NMTC program is complex and required the exchange of substantial resources between the Las Vegas-Clark County Library District and the Foundation, among other parties.