

PROPOSED AGENDA
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION
Board of Directors Meeting
November 8, 2018

DATE: Thursday, November 8, 2018
TIME: 12:00 noon to 1:30 p.m.
PLACE: Sahara West Library (Board Room)
9600 W. Sahara Ave.
Las Vegas, NV 89117

- I. Roll Call
- II. Public Comment

Topics raised under this item must be limited to matters on today's Agenda. Persons wishing to speak in public comment must sign in on the sign-in sheet before this item is addressed.

The public comment period at Library Foundation 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.

- III. Board action to accept Proposed Agenda
- IV. Board action to accept Minutes from October 3, 2018
- V. Presentation of Audited Financial Statements – discussion and action with Auditor Martha Ford of Piercy, Bowler, Taylor & Kern
- VI. Public Comment

Topics raised under this item cannot be acted upon until the notice provisions of the open meeting law have been met. Persons wishing to speak in public comment must sign in on the sign-in sheet before this item is addressed.

- VII. 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 SHERRY WALKER AT (702) 507-6183 SO THAT ARRANGEMENTS FOR ATTENDANCE MAY BE MADE.

NOTE: PLEASE CONTACT SHERRY WALKER AT (702) 507-6183 OR walkers@lvccld.org TO REQUEST THE SUPPORTING MATERIAL FOR THIS MEETING. SUPPORTING MATERIAL WILL BE MADE AVAILABLE AT THE MEETING LOCATION ON THE DAY OF THE MEETING AFTER 3:00 P.M.

Pursuant to NRS 241.020, written notice of the meeting of the Las Vegas-Clark County Library District Foundation Board of Directors was given on Friday, November 2, 2018, i.e., given at least three (3) working days before the meeting, including in the notice the time, place, location and agenda of the meeting:

- A. By delivering a copy of the notice to each Foundation Board Member;
- B. By posting a copy of the notice at the principal office of the Foundation, 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 Foundation, to wit:
 1. Clark County Library
1401 E. Flamingo Road
Las Vegas, NV 89119
 2. Las Vegas Library
833 Las Vegas Boulevard
Las Vegas, NV 89101
 3. West Charleston Library
6301 W. Charleston Boulevard
Las Vegas, NV 89146
 4. Windmill Library
7060 W. Windmill Lane
Las Vegas, NV 89113
 5. Las Vegas-Clark County Library District Foundation website
www.lvccldfoundation.org
 6. Nevada Public Notice Website: <https://notice.nv.gov/>
- 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 Foundation Board of Directors

in the same manner in which notice is requested to be mailed to a member of the Library Board of Directors.

Minutes

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION

Board of Directors Meeting

October 3, 2018

The Board of Directors of the Las Vegas Clark County Library District Foundation met at the West Charleston Library, Las Vegas, NV at 12:00 p.m.

Board Members in

Attendance:

Jane Mac, Secretary and Treasurer
Shannon Bilbray-Axelrod, Director
Ron Heezen, Ex-Officio Director
Thomas Lawyer, Director
Christina Mangino, Director
Chris Way, Director

Board Members Absent:

Kelly Benavidez, Director
Keiba Crear, President
Edward Kojane, Director
Chaka Crome, Director
Tamar Hoapili, Director
John Pourciau, Director
Elaine Sanchez, Director

Staff Members:

Danielle Milam
Leslie Valdes

Roll Call (Item I)

Secretary/Treasurer Mac called the meeting to order at 12 p.m. All members listed above represent a quorum.

Public Comment (Item II)

None

Board Action to Accept Proposed Agenda (Item III)

Director Bilbray-Axelrod moved to approve the proposed agenda. There was no opposition and the motion carried.

Board Action to Accept Minutes from June 22, 2018 (Item IV)

Secretary/Treasurer Mac moved to approve the Minutes of the Board of Directors meeting held June 22, 2018. There was no opposition and the motion carried.

Review Financial Reports and Report from Finance Committee Chair, Jane Mac

Secretary/Treasurer Mac began by reviewing the draft Foundation Financial Statements for fiscal year 2017-18, noting that it does not reflect any audit adjustments. She explained that the audit is in progress, and she anticipates that there will be comments about the New Markets Tax Credit transaction. Ms. Mac then reviewed the

(Item V)

financial reports which reflect Foundation activities for FY 2018-19 through July 31, 2018. She asked if there were any questions from the board.

Director Lawyer asked if Treasurer Mac could review the **Other Assets** category on the balance sheet as of July 31st, 2018. Ms. Milam explained that the other receivables in the amount of \$3 million is the Widmeyer trust which the Library District will transfer to the Foundation after the November Library District Board of Trustees meeting. Secretary/Treasurer Mac added that the Library District is finalizing the conditions of the gift which will ensure preservation investment strategies for the corpus of the endowment. Foundation use of interest revenues are not restricted, unless the principal deteriorates, in which case interest will be used to replace the corpus of the endowment.

Ms. Milam clarified that the inventory, also included in **Other Assets**, is taken twice a year from all branch book stores and the Sahara West warehouse, with each item valued at \$.75. The final item in **Other Assets**, Due from Related Party, are funds from the New Markets Tax Credit projects. When Director Lawyer asked about liabilities related to this line item, Treasurer Mac replied that she expects that the auditors will provide a note to clarify the Foundation role and project accounting in the financial statements.

Ms. Milam told the board that the audit will be completed in early November and the board agreed to meet on November 8th at noon for the presentation of the report.

**Board Action to
Accept LVCCLD
Foundation Financial
& Accounting
Policies
(Item VI)**

Secretary/Treasurer Mac then reviewed the proposed Financial Policies and Procedures which includes updates on some processes and roles within the organization.

Ms. Milam pointed out that there are a few changes, noted in red, in the financial and accounting policies. Since the document was approved in 2011, we have brought on Sherry, who is the Development Officer referenced in this document.

In discussing staff financial roles, Ms. Milam introduced Leslie Valdes who oversees all the book stores and book sales, including Amazon sales. Since Ms. Valdes took over the book sales operation in 2009, she has added online sales and has doubled the total book sales revenues for the Foundation, from \$175,000 a year in 2009 to \$316,000 in 2018. Ms. Valdes has recruited a dedicated team of a volunteers to assist the Sahara West warehouse operations and supervises a ³/₄ time employee, Matt Moschella, who also works in the warehouse. The books that are sold in the branches and online are mainly donations from patrons.

Director Bilbray-Axlerod asked if the book store inventory at the branches was searchable online. Ms. Valdes replied that no, only the books sold on Amazon are searchable. Ms. Valdes added that the Amazon store has a five-star rating which helps a great deal with

sales.

Ms. Milam stated that the Foundation also contracts with a 3rd party seller, Friends of the Phoenix Library, to sell the books that have not been sold at the bookstores. They pick up 24 pallets quarterly with no fee and pay the Foundation quarterly, usually between \$5,000 to \$9,000. The Foundation receives an inventory and accounting for every item they sell.

Ms. Milam gave special accolades to Ms. Valdes for her annual book sale at SW that netted \$9,013 and the recent Teacher Book Sale at Clark County that netted \$2,700, representing over 10,800 items sold at a quarter. Director Way asked how to teachers learn about the book sale. Ms. Milam replied that information was disseminated through the Foundation and District social media (7,000 hits on the Foundation FaceBook page alone) and website, along with media coverage due to the help of Branding and Marketing including TV spots which brought in a lot people. The Branding and Marketing Department also sent out the information via email and Library District newsletters.

Ms. Valdes added that she has also started First Friday sales at Sahara West, where all books are half off and pop-up sales at Enterprise Library to reduce the inventory.

Director Way commented that this model of a nonprofit generating revenues is commendable.

Ms. Milam asked the board to return to the financial policies, moving on to point out that the Foundation has only one credit card at Nevada State Bank, that updated information on the on-line checking procedures appear on page 6, that new payroll disbursement information was also updated on page 6, and that new audit language was added to Section VIII. On page seven.

Ms. Milam asked the board if there were any more questions on the financial reports and documents. All replied no.

Director Way made a motion to approve the Accounting Policies and Procedures document presented at today's meeting, Director Bilbray-Axelrod seconded the motion, all voted in favor, motion passed.

**Update on Vision
2020 Awards
(Item VI)**

Ms. Milam stated that last year President Crear suggested that the Foundation implement an award program for library staff based on the District's new Strategic Plan, Vision 2020. These staff awards will be presented each year at Staff Day. They are cash awards, per the approval of the board of directors last spring. President Crear, Director Bilbray-Axelrod, and Director Mangino formed the the award review committee and they shared information with the board on the 13 applications that were received.

Ms. Milam pointed out that some people nominated staff members for recognition, the intent of the award, while others nominated library program ideas for grant funding. The board reviewed applications that stood out to the committee and the board decided that five projects would receive VISION 2020 Staff Recognition Awards and two projects would receive VISION 2020 grant. The staff recognition awards went to:

1. One Stop Career Center at West Las Vegas
2. The Great Whales program at Summerlin
3. Community Health Fair at the Whitney Library
4. Outreach Training for Staff and Community
5. Homeschool Center at Centennial Hills

The two project awards went to 1) Practice English Class at Spring Valley and 2) Homeless Youth Task Force. The Financial Services department is going to be awarded a pizza party for their support of the Foundation with monthly accounting services and participation in the New Markets Tax Credit transactions for East Las Vegas and Mesquite that netted \$6 million new capital project funds for the Library District.

Ms. Milam stated that the total expenditure on the awards is \$7,000. Ms. Milam invited the board to attend the awards presentation at the Library District Staff Day on October 8 at 9:15 a.m., when President Keiba Crear will present the awards on behalf of the Foundation.

**Development Office Report
(Item VII)**

Ms. Milam explained that the Development Office Report is a new addition to the board meeting to keep everyone updated on what is happening with book sales and grant awards. She thanked Director Hoapili for facilitating a grant award from Cox in the amount of \$2,500. Ms. Milam continued that the Foundation was also awarded a \$94,000 grant from the United Way of Southern Nevada Women's Leadership Council for the Teacher Tutor program that will be paid out over three years.

Director Way asked if there was any messaging that Channel 8 could help push out to the public that would assist with grant funding. Ms. Milam replied that stories about the non-traditional activities at the library such as tutoring and makerspaces would be helpful as well as publicizing grant awards received by the Foundation. Director Way stated that we would be happy to do that as feels that this board and its management are the best that he has been a part of and he appreciates the continued thoughtful and smart approach of all members.

**Announcements
(Item VIII)**

Ms. Milam announced Staff Day on October 8, 2018 and the meeting with auditors on November 8, 2018.

Director Heezen announced that Constance Brooks has been confirmed as the new trustee for the Library District.

Director Way announced that Channel 13 is launching its new 13 Connects program to raise awareness of education issues, called Raising the Bar. Several Library District staff are on the advisory committee and will be helpful in getting library stories out to the public.

**Public Comment
(Item IX)**

None

**Adjournment
(Item X)**

The meeting was adjourned at 1:30 p.m.

Respectfully submitted,

Keiba Crear, Secretary

**LAS VEGAS - CLARK COUNTY
LIBRARY DISTRICT FOUNDATION**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2018, WITH SUMMARIZED
INFORMATION FOR THE YEAR ENDED JUNE 30, 2017**

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.
FOR THE YEAR ENDED JUNE 30, 2018, WITH SUMMARIZED INFORMATION FOR
THE YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Las Vegas-Clark County Library District Foundation, Inc.
Las Vegas, Nevada

We have audited the accompanying financial statements of the Las Vegas-Clark County Library District Foundation, Inc. (the Foundation), a component unit of the Las Vegas-Clark County Library District, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the notes to financial statements.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 preparation and fair presentation of the financial statements to enable the design of audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as 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.

Management's Responsibility for the Financial Statements. Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States; 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 the 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.

Opinion. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2018, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Prior Period Financial Statements. The financial statements of the Foundation as of and for the year ended June 30, 2017, were audited by other auditors whose report thereon, dated November 6, 2017, expressed an unmodified opinion on those statements.



Las Vegas, Nevada
November 2, 2018

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

	<u>ASSETS</u>	
	<u>2018</u>	<u>2017</u>
Current Assets		
Cash	\$ 388,004	\$ 335,065
Receivables		
Related Party	3,055,000	-
Interest Receivable	63,605	-
Other Receivable	1,047	75,000
Inventory	95,443	88,841
Prepaid Expenses	4,830	-
	<u>3,607,929</u>	<u>498,906</u>
Long-Term Assets		
Notes Receivables	<u>17,981,600</u>	<u>-</u>
Total Assets	\$ <u>21,589,529</u>	\$ <u>498,906</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 81,388	\$ 111,868
Due to Related Party	88,103	-
Unearned Revenue	20,415	-
	<u>189,906</u>	<u>111,868</u>
Total Liabilities	189,906	111,868
Net Assets		
Unrestricted Net Assets	40,615	28,943
Temporarily Restricted Net Assets	18,304,008	358,095
Permanently Restricted Net Assets	3,055,000	-
	<u>21,399,623</u>	<u>387,038</u>
Total Net Assets	21,399,623	387,038
Total Liabilities and Net Assets	\$ <u>21,589,529</u>	\$ <u>498,906</u>

The accompanying notes are an integral part of these financial statements

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2018 Total	2017 Total
Revenues					
Bookstore Sales	\$ -	\$ 287,426	\$ -	\$ 287,426	\$ 303,898
Contributions					
Related Party	-	17,981,600	3,055,000	21,036,600	-
Others	18,635	492,777	-	511,412	70,196
Interest Income	194	143,986	-	144,180	-
	18,829	18,905,789	3,055,000	21,979,618	374,094
Net Assets Released From Restrictions	959,876	(959,876)	-	-	-
Total Revenues	978,705	17,945,913	3,055,000	21,979,618	374,094
Expenses					
Program Services					
Contribution to Library District	863,209	-	-	863,209	319,913
Other	96,869	-	-	96,869	76,590
	960,078	-	-	960,078	396,503
Fundraising and Development	3,364	-	-	3,364	10,584
Management and General	3,591	-	-	3,591	4,115
Total Expenses	967,033	-	-	967,033	411,202
Change in Net Assets	11,672	17,945,913	3,055,000	21,012,585	(37,108)
Net Assets at Beginning of Year	28,943	358,095	-	387,038	424,146
Net Assets at End of Year	\$ 40,615	\$ 18,304,008	\$ 3,055,000	\$ 21,399,623	\$ 387,038

The accompanying notes are an integral part of these financial statements

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 21,012,585	\$ (37,108)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
(Increase) Decrease in Operating Assets:		
Receivable	(3,044,652)	(75,000)
Inventory	(6,602)	2,426
Prepaid Expenses	(4,830)	-
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Expenses	(30,480)	(55,194)
Due to Related Party	88,103	-
Unearned Revenue	20,415	-
Net Cash Provided By (Used In) Operating Activities	18,034,539	(164,876)
Cash Flows from Investing Activities:		
Issuance of Long-Term Note Receivables	(17,981,600)	-
Net Increase (Decrease) in Cash	52,939	(164,876)
Cash at Beginning of Year	335,065	499,941
Cash at End of Year	\$ 388,004	\$ 335,065

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 YEAR ENDED JUNE 30, 2018, WITH SUMMARIZED INFORMATION FOR
THE YEAR ENDED JUNE 30, 2017**

NOTE 1 – ORGANIZATION

Las Vegas-Clark County Library District Foundation, Inc. (the “Foundation”) is a nonprofit organization incorporated on October 13, 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 (the “Library District”).

The Foundation is governed by a Board of Directors (the “Board”) that shall have not less than three and not more than fifteen members of which two members shall, at all times, be appointed from the current membership of the Library District’s Board of Trustees, and the Executive Director of the Library District shall also, at all times, serve as a member in an ex-officio capacity.

Due to the significance of the Foundation’s operations and financial relationship with the Library District and the fact that the Library District management has operational (accounting) responsibility for the Foundation, the Foundation is reported as a blended component unit in the Library District’s annual financial reports.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENT PRESENTATION AND BASIS OF ACCOUNTING

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (US GAAP) applicable to not-for-profit organizations, principally Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958.

The Foundation measures all of its assets and liabilities on the historical cost basis of accounting except as otherwise required and disclosed herein.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted, as defined below.

Unrestricted Net Assets

Unrestricted net assets are not subject to donor-imposed stipulations. Donations made for the Foundation’s stated purposes are considered unrestricted.

Temporarily Restricted Net Assets

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

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed stipulations that the corpus be maintained permanently and that the earnings may be used solely for purposes that support the Library District’s programs.

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018, WITH SUMMARIZED INFORMATION FOR
THE YEAR ENDED JUNE 30, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***FINANCIAL STATEMENT PRESENTATION AND BASIS OF ACCOUNTING
(CONTINUED)***

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.

The Foundation does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters, but rather, records such as period costs when services are rendered.

ACCOUNTS RECEIVABLE

Receivables are carried at estimated net realizable value and, except for notes receivable (Note 7), are short-term and non-interest bearing. In establishing an allowance for doubtful collections, the Foundation considers information available about the customer's or contributor's apparent financial condition, payment history, the Foundation's relationship with the customer or contributor, the relative strength of the Foundation's legal position, the related cost of any proceedings, and general and local economic conditions. Receivables are deemed to be delinquent when payments are past due 30 days and written off when they are determined to be uncollectible based on an evaluation by management of facts and circumstances. The maximum losses that the Foundation would incur if a customer or contributor failed to pay would be limited to the carrying value after any allowances provided. At June 30, 2018 and 2017, all accounts receivable balances were considered to be collectible.

INVENTORIES

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

CONTRIBUTIONS

As required under US GAAP, all contributions are recognized as support in the statement of activities in the period received, including bequests (once the Foundation's right to them is established by a court and to the extent the value of the proceeds is subject to reasonable estimation). Non-cash (in-kind) contributions of securities, services, books and other materials are recorded at their estimated fair value at the time of contribution.

Contributions are considered available for unrestricted use, unless they are restricted by the donors. The Foundation reports contributions of cash and other assets as restricted support if the contributions are either received with donor stipulations that limit the use of the donated assets, even when expended for their intended purpose within the same year, or if they are unavailable by their terms for expenditure in the current period.

When a donor restriction expires, that is, when a time restriction ends or when restricted funds have been expended for their intended purpose, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018, WITH SUMMARIZED INFORMATION FOR
THE YEAR ENDED JUNE 30, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (IRC) and classified as a publicly supported charitable organization under Section 509(a)(1); therefore, donations qualify for a maximum charitable contribution deduction under IRC Section 170(b)(1)(A)(vi).

Because there are no known circumstances that would place the Foundation's status as a tax-exempt organization in jeopardy, and because the Foundation does not engage in unrelated business income activities, and there are no known uncertain tax positions taken or to be taken, no provision has been made for income taxes. The Foundation is no longer subject to income tax examinations by United States tax authorities for years before 2015.

USE OF ESTIMATES AND RECLASSIFICATIONS

The preparation of financial statements, in conformity with US GAAP, 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.

Certain minor reclassifications of prior year amounts have been made to conform to the current year presentation.

NOTE 3 – CASH

For purposes of the statement of cash flows, the Foundation considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. These accounts are at financial institutions that are FDIC insured up to \$250,000.

NOTE 4 – CONCENTRATIONS AND RISKS

Because the Foundation's operations are concentrated in the Las Vegas, Nevada metropolitan area, realization of its receivables and its future operations could be affected by adverse changes in economic conditions in this area.

The United States has been recovering from a widespread recession accompanied by declines in residential real estate sales, higher energy costs and other inflationary trends, and weakness in the commercial and investment banking systems, all of which have had far-reaching effects on the economic activity in the country. The long-term impact of these factors on the Nevada economy and the Foundation's fundraising and other operating activities cannot be predicted at this time but may be substantial.

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018, WITH SUMMARIZED INFORMATION FOR
THE YEAR ENDED JUNE 30, 2017**

NOTE 4 – CONCENTRATIONS AND RISKS (CONTINUED)

From time to time the Foundation carries cash and cash equivalents on deposit with financial institutions in excess of federally-insured limits, and the risk of future losses that may be sustained in the event of a future failure of a financial institution, if any, is not subject to estimation at this time.

The Foundation negotiated an agreement with the Library District under which it manages and sells non-circulating library books and materials. The term of the agreement is for 10 years ending September 1, 2019. 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.

Revenues earned through this arrangement are temporarily restricted for future use towards Library District programs. For the years ended June 30, 2018 and 2017, the Foundation recognized revenues of \$287,426 and \$303,898, respectively.

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

NOTE 5 – RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2018 and 2017, includes \$4,621 to be used to provide scholar awards to local youth from West Las Vegas with the remaining amount of \$18,299,387 to be used to aid, support and assist the promotion, growth, and improvement of the Library District.

Permanently restricted net assets as of June 30, 2018 and 2017, comprised solely of endowment fund assets, are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the charitable and educational purposes to aid, support, and assist the promotion, growth, and improvement of the Library District.

NOTE 6 – DONATED SERVICES AND RELATED PARTY TRANSACTIONS

Various Foundation program and support activities are conducted by volunteers. The value of the contributed time is not reflected in the accompanying financial statements unless it meets the criteria for recognition under US GAAP. No such contributed services were given accounting recognition in 2018 or 2017. The total number of volunteer hours was 45,647 and 45,309 for the years ended June 30, 2018 and 2017, respectively.

The Foundation routinely conducts business with the Library District. On behalf of the Foundation, the Library District pays for three part-time employees and their related benefits, and provides the Foundation with office space, office equipment, and bookstore facilities.

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018, WITH SUMMARIZED INFORMATION FOR
THE YEAR ENDED JUNE 30, 2017**

NOTE 6 – DONATED SERVICES AND RELATED PARTY TRANSACTIONS (CONTINUED)

For the years ended June 30, 2018 and 2017, the Foundation made contributions of \$863,209 and \$319,913, respectively, to the Library District, which are included in program services on the Statement of Activities.

In Fiscal Year 2018, the Board approved the establishment of an endowment fund. The Library District contributed \$3,055,000 to the Foundation, to be held, managed, and distributed by the Foundation with the restriction that only earnings, and not principal, may be used. In addition, the selection of investments and the investment strategy of the endowment fund shall be subject to the review and approval of the Library District.

NOTE 7 – NOTES RECEIVABLE AND NEW MARKETS TAX CREDIT TRANSACTIONS

During the year ended June 30, 2018, the Foundation entered into several transactions in order to make additional funds available to it through the New Markets Tax Credit (“NMTC”) Program. The NMTC Program permits taxpayers to claim a credit against federal income taxes for Qualified Equity Investments (QEIs) in designated Community Development Entities (CDEs). These designated CDEs must use substantially all of the proceeds to make Qualified Low-Income Community Investments (QLICs). The tax credits are claimed over a seven-year period and equate to 39% of the qualified investment.

EAST LAS VEGAS LIBRARY

On July 26, 2017, the Foundation loaned \$11,335,600 (the “Leverage Loan”) to COCRF Investor 99, LLC (the Investment “Fund”). The Fund also received equity in the amount of \$5,834,400 from a tax credit investor, Capital One, National Association (“CCE”). The Fund used the aggregate proceeds of the capital contributed to it and the Leverage Loan to make a \$16,490,000 contribution of capital to LVCIC SUB-CDE IV, LLC (the “CDE”), which investment is expected to constitute a Qualified Equity Investment (QEI) (as that term is defined in Internal Revenue Code (IRC) Section 45D) that is eligible for the NMTC Program, in exchange for a 99.9% equity interest in the CDE. The CDE entered into agreements and made loans to East Las Vegas QALICB, Inc., in an aggregate principal amount of \$16,490,000. These proceeds were used to facilitate the construction of the East Las Vegas Library.

As a result, the Foundation recognized a \$11,335,600 note receivable that bears interest at 1.0% per annum. This note is payable in annual interest only payments through July 26, 2024, and annual principal and interest payments thereafter through July 25, 2045.

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018, WITH SUMMARIZED INFORMATION FOR
THE YEAR ENDED JUNE 30, 2017**

**NOTE 7 – NOTES RECEIVABLE AND NEW MARKETS TAX CREDIT TRANSACTIONS
(CONTINUED)**

MESQUITE LIBRARY

On December 20, 2017, the Foundation loaned \$6,646,000 (the “Leverage Loan”) to Chase NMTC Mesquite Library Investment Fund, LLC (the Investment “Fund”). The Fund also received equity in the amount of \$3,354,000 from a tax credit investor, Chase Community Equity, LLC (“CCE”). The Fund used the aggregate proceeds of the capital contributed to it and the Leverage Loan to make a \$10,000,000 contribution of capital to Clearinghouse NMTC (Sub 52), LLC (the “CDE”), which investment is expected to constitute a Qualified Equity Investment (“QEI”) (as that term is defined in Internal Revenue Code (IRC) Section 45D) that is eligible for the New Markets Tax Credit (“NMTC”) Program, in exchange for a 99.9% equity interest in the CDE. The CDE entered into agreements and made loans to Mesquite QALICB, Inc., in an aggregate principal amount of \$9,800,000. These proceeds were used to facilitate the construction of the Mesquite Library and rehabilitation of the existing structure that will provide related community services including literacy improvement and workforce training.

As a result, the Foundation recognized a \$6,646,000 note receivable that bears interest at 1.474424% per annum. This note is payable in quarterly interest only payments through September 15, 2024, and quarterly principal and interest payments thereafter through December 19, 2043.

NOTE 8 –SUBSEQUENT EVENTS

Management has performed a search for, and determined there were no events subsequent to June 30, 2018, requiring accounting recognition or disclosure through November 2, 2018, the date the accompanying financial statements were available for issuance.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14), effective for years beginning after December 15, 2017. ASU 2016-14 requires not-for-profits to present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than the currently required three classes. ASU 2016-14 also requires enhanced disclosures relating to the natural and functional classification expenses and donor-restricted net assets and liquidity. The Foundation is required to and will adopt this standard for the year ended June 30, 2019. Management has completed its assessment of this standard and determined that while it will have a significant effect on the Foundation’s financial statement presentation, it will not have a material effect on the Foundation’s net assets or changes therein.