

**PROPOSED AGENDA**  
**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION**  
**Board of Directors Meeting**  
**November 13, 2019**

DATE: Wednesday, November 13, 2019  
TIME: 11:30 to 1:00 p.m.  
PLACE: East Las Vegas Library (Multipurpose Room)  
2851 E. Bonanza  
Las Vegas, NV 89101

- 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 September 24, 2019
- V. Finance committee action to accept Minutes from September 17, 2019
- VI. Presentation of Audited Financial Statements – discussion and action with Auditor Gary Lein of Hilburn & Lein, CPAs
- VII. Election of Board Director- discussion and action on election of new board member Nicole Rogers
- VIII. Investment Update- Jane Mac
- IX. Review Financial Statements, Jane Mac

X. 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.

XI. 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](mailto: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 Thursday, November 7, 2019, 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. Enterprise Library  
25 E. Shelbourne Ave.  
Las Vegas, NV 89123
  3. West Charleston Library  
6301 W. Charleston Boulevard  
Las Vegas, NV 89146
  4. Windmill Library  
7060 W. Windmill Lane  
Las Vegas, NV 89113

Agenda – Board of Directors Meeting

November 13, 2019

Page 3

5. Las Vegas-Clark County Library District Foundation website  
[www.lvccldfoundation.org](http://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**

**September 24, 2019**

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

**Board Members in Attendance:**

Keiba Crear, President  
Jane Mac, Secretary-Treasurer  
Kelly Benavidez, Director  
Tamar Hoapili, Director  
Tom Lawyer, Director  
Dan Sarazin, Director  
Chris Way, Director  
Dr. Ronald Heezen, Ex-Officio Director

**Board Members Absent:** Shannon Bilbray-Axelrod, Director

Chaka Crome, Director  
Ed Koijane, Director  
John Pourciau, Director

**Guests:**

Bryce Loveland, Brownstein Hyatt Farber Schreck, LLP

**Roll Call  
(Item I)**

Ms. Milam called the meeting to order at 12:10 p.m. All members listed above represent a quorum.

**Public Comment  
(Item II)**

None

**Board Action to accept proposed agenda  
(Item III)**

President Crear stated that she would like to move item seven on the proposed agenda up to item five to accommodate the guest, Bryce Loveland. Director Benavidez moved to approve the proposed agenda with the changes. All voted in favor, motion carried.

**Board Action to accept minutes from June 19, 2019  
(Item IV)**

President Crear moved to approve the Minutes of the Board of Directors meeting held June 19, 2019. Director Benavidez seconded the motion. All voted in favor, motion carried.

**Board Discussion and Action to revise the Foundation Investment Policy  
(Item V)**

President Crear turned the meeting over to Treasurer Mac who stated that at the June 19 board meeting, a draft of the Foundation's Investment Policy was reviewed by all members, and the recommendation was made that it be reviewed by legal counsel before finalizing the document.

Treasurer Mac introduced Bryce Loveland of Brownstein Hyatt Farber Schreck who has been retained as legal counsel for the Foundation. Treasurer Mac explained that Mr. Loveland has read the investment policy and made some recommended edits that she is in agreement with and she would like for him to explain those changes to the board.

Mr. Loveland asked that the board refer to item seven in their board document packet, the Foundation Investment Policy, with his edits noted in red. He reviewed each of his recommended changes and additions, explaining the rationale behind each one, and inviting questions from the board at any time. He also stated that the Investment Policy should be periodically reviewed approximately every three to five years for any changes that need to be made to accommodate any changes and/or growth within the organization.

There was discussion of the edits and all questions were answered by Mr. Loveland to the satisfaction of the board members. Mr. Loveland also stated that he will review the contract of the chosen investment manager to ensure that there are no hidden fees.

Treasurer Mac thanked Mr. Loveland for his comments and proposed that the board accept the Foundation Investment Policy with the proposed edits. Director Benavidez seconded the motion, all voted in favor.

**Board Discussion and Action to appoint an investment manager for Foundation funds (Item VI)**

President Crear asked Mr. Loveland if he could stay at the meeting for the discussion of the appointment of the investment manager. He agreed, and President Crear requested that this item then be moved up in the agenda to number six and the review of financial statements be moved to item seven, all board members agreed.

President Crear thanked Treasurer Mac and Director Pourciau for all of the time and effort that they have put into the investment policy documents. She then turned the discussion over to Treasurer Mac.

Treasurer Mac directed the board to the narrative summary of the recommendations for an investment manager along with a decision matrix of the information that quantifies the rating for each investment manager candidate. She requested that the board look at both documents simultaneously.

Treasurer Mac reviewed the factors that the Finance Committee considered along with the decision-making process and gave explanations to the board for the ratings that each candidate received in every category of the decision matrix. She then concluded that based on the quantitative analysis, TD Ameritrade scored the highest among the candidates.

Treasurer Mac asked if there were any questions from the board, either about the process or the scoring. Hearing no questions, Treasurer Mac made a motion to accept the recommendation of the

Finance and Audit Committee to select TD Ameritrade, Windsor Capital Management, LLC as the Foundation's investment advisor and utilize the services of Brownstein Hyatt Farber Schrek to review and approve the investment advisor contract for services. Director Sarazin seconded the motion, all voted in favor.

**Review Financial Statements (Item VII)**

Treasurer Mac reviewed the high- level summary of the unaudited financial statements for the year ended June 20, 2019 along with the detailed profit and loss statements for the same time period. She stated that the financial results are fairly consistent with those of FY 2017-2018, with no significant changes or fluctuations from the prior year.

Treasurer Mac explained that Foundation has engaged the firm Hilburn and Lein to conduct the FY2018-19 audit, which is currently in progress, and prepare the Foundation's tax filings. The results of the audit will be presented to the board at the November 13<sup>th</sup> meeting.

President Crear asked if there were any questions from the board, all replied no.

**Board Discussion and Action to approve the 2019 V. 2020 awards (Item VIII)**

Ms. Milam explained to the board that the V.2020 awards were established in 2017 at the recommendation of President Crear to recognize exemplary library staff that have implemented programs and services that accelerate the Library District's V.2020 strategic plan. The new service model of the Library District is moving from one of transactions to one of learning experiences and every year at staff day the V.2020 awards are given to staff who are embracing this concept.

Ms. Milam continued that she, President Crear, and Director Crome met to review the 8 submitted applications and the recommendation from that group are four awards. Last year the Foundation gave the awards based on how they aligned with the four pillars of the V. 2020 plan. This year we focused more on how the work is getting done.

Ms. Milam reviewed all of the winning applications and explained their 4 programs to the board. She noted that the winners spanned from an individual, to a branch group, to a project that involved multiple departments in the District, and a final project that involved training both inside and outside of the Library District.

President Crear added that it was very difficult to choose the winners from all of the great applications, and every year she is amazed by the creativity of the Library Staff. She would also ask Dr. Heezen to assist with emphasizing to the Library District Trustees the importance of replicating these programs District-wide.

President Crear made a motion to approve the 2019 V.2020 awards.

Dr. Heezen seconded the motion, all voted in favor.

**Board Discussion and Action to approve moving forward with a Donor Cultivation Event in September 2020 (Item IX)**

President Crear told the board members that the Foundation would like to have its first donor cultivation event in order to raise funds for the Foundation to augment the grant funding that we already receive. She asked that each board member think of what role they would be comfortable in and to think of how they could best assist with the event.

Ms. Milam explained that the event would be held at the East Las Vegas Library and would showcase the new V2020 service plan. The event would be for donor cultivation and she would like for each board member to provide ten to twelve names of individuals that would be interested in seeing the work that the Library District is doing. She said that the Foundation will contract with Mary Thomas to oversee the logistics of the event, and there will be additional costs beyond the contract for food, alcohol, and entertainment. The event would be held on September 25, 2020 and would include interactive stations that highlight the activities that go on at the East Las Vegas Library. Ms. Milam stated that Felipe Ortiz, President of the Library District Board of Trustees, is also willing to assist with the event.

Ms. Milam continued that the main focus of the fundraising will be for both program and capital support. The ask will not be high pressure at the event, it will be more of an informational evening.

She asked if the board had any questions about the viability of the event. Director Benavidez asked what is the target number of attendees. Ms. Milam replied that 150 to 200 would be ideal, and that the Foundation can also use this event to reach out to Latino owned organizations that might want to sponsor the event.

President Crear asked if there were any more questions about the event or if anyone had reservations about going forward with it. She added that if anyone would like to sit on a committee to assist with the event, please let her know.

Hearing no other questions or comments President Crear made a motion to approve moving forward with the Donor Cultivation Event in September 2020. All voted in favor.

**Announcements (Item X)**

President Crear announced that Staff Development day is October 14 at the Texas Station. All are invited to attend, the V.2020 awards will be given out at 3:30 pm. She then announced that the November 12<sup>th</sup> meeting has been changed to November 13<sup>th</sup> and at that meeting we will review the audit.

President Crear also stated that as new board members join the Foundation, it would be a good time to develop a Board of Directors

Handbook.

**Public Comment**                      none  
**(Item XI)**

**Adjournment**                      The meeting was adjourned at 1:21 p.m.  
**(Item XII)**

Respectfully submitted,

Keiba Crear, Secretary

## Minutes

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

#### **Finance and Audit Committee**

**September 17, 2019**

The Finance and Audit Committee of the Las Vegas-Clark County Library District Foundation met at the Windmill Library, Las Vegas, NV and via conference call at 10:30 a.m.

**Committee Members in**

**Attendance:**

Keiba Crear, President  
Jane Mac, Secretary and Treasurer

**Committee Members**

**Absent:**

Ed Koijane, Director  
John Pourcian, Director

**Staff:**

Danielle Milam  
Sherry Walker

**Roll Call**  
**(Item I)**

Ms. Milam called the meeting to order at 10:30 a.m. All members listed above represent a quorum.

**Public Comment**  
**(Item II)**

None

**Committee action to accept proposed agenda**  
**(Item III)**

Treasurer Mac moved to approve the proposed agenda. President Crear seconded the motion. All voted in favor, motion carried.

**Committee discussion and action to review Investment Management Decision Matrix and make a recommendation on the Foundation's investment management firm**  
**(Item IV)**

Treasurer Mac stated that the purpose of this meeting is to examine the decision matrix and evaluation factors that were used to recommend an investment manager for the Foundation's funds. She stated that the memo included in the finance committee packet summarizes the information in a narrative form and the decision matrix summarizes the same information in a quantitative numerical fashion.

Treasurer Mac began by reviewing the narrative and explaining the ratings received by each investment management firm for each evaluation factor. At the conclusion of the discussion of the narrative, Treasurer Mac then reviewed the decision matrix, explaining the reasoning behind the scores of each firm in each category.

Treasurer Mac asked if there were any questions or comments. President Crear had no questions and stated that she thought the information was very clear, concise, and thorough, which will show

the Board of Directors that the final decision will be evidence-based and unbiased.

Treasurer Mac concluded that after considering all factors, TD Ameritrade Windsor Capital Management scored the highest on the decision matrix and she recommends that they be engaged as the Foundation's investment management firm.

Director Pourciau was unable to attend the meeting and as a member of the Finance and Audit Committee, asked that his memo be read to the committee as follows:

*"I am in support of the evaluation, documentation and recommendation being put forth. After careful consideration of the evaluation, criteria and the respective significance TD Ameritrade/Windsor Capital appear to offer quality service and expertise as well as a versatile array of products that will support the Foundation's immediate needs and provide optionality for future investment considerations. After scoring all three prospective offerings, this later point provided a key point of differentiation. Finally, their platform also appears to offers critical capabilities necessary to assign proper treasury checks and balances. "*

Ms. Milam thanked Treasurer Mac for all of her work on this project and stated that the next step will be to present the recommendation to the full board of directors for a vote.

**Announcements  
(Item V)**

None.

**Public Comment  
(Item VI)**

None

**Adjournment  
(Item VII)**

The meeting was adjourned at 10:53 a.m.

Respectfully submitted,

Keiba Crear, Secretary

**ITEM VI: Presentation of Audited Financial Statement**

Gary Lein, Principal of Hilburn & Lein, CPAs will provide an overview of the draft Financial Statements for the Foundation, as of June 30, 2019.

**Motion: Approve the Foundation's Financial Statements, as presented by Gary Lein, CPA.**

**DRAFT**  
DISCUSSION PURPOSES ONLY  
10-28-19

***LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.***

***FINANCIAL STATEMENTS***

***JUNE 30, 2019 AND 2018***

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

JUNE 30, 2019 AND 2018

DRAFT  
DISCUSSION PURPOSES ONLY  
10-28-19

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TABLE OF CONTENTS

	<u>PAGE NO.</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Changes in Net Assets	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 13

**DRAFT**  
DISCUSSION PURPOSES ONLY  
10-28-19

## 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. (a Domestic Nonprofit Corporation), which comprise of the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, changes in net assets, functional expenses, 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, 2019 and 2018, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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DISCUSSION PURPOSES ONLY  
10-28-19

***Prior Period Financial Statements***

The financial statements of the Foundation as of and for the year ended June 30, 2018, were audited by other auditors whose report thereon, dated November 2, 2018, expressed an unmodified opinion on those statements.

***Effect of Adopting New Accounting Standard***

As discussed in Note 2, the Foundation adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities as of and for the year ended June 30, 2019. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Las Vegas, Nevada  
December 31, 2019

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

DRAFT  
DISCUSSION PURPOSES ONLY  
10-28-19

ASSETS

	2019	2018
<b>CURRENT ASSETS</b>		
Cash - Notes 3 and 7	\$ 544,626	\$ 388,004
Certificates of Deposit - Notes 4 and 6	1,815,000	-
Related Party Receivable - Note 6	-	3,055,000
Other Receivable	17,497	1,047
Interest Receivable	73,173	63,605
Inventory	134,709	95,443
Prepaid Expenses	-	4,830
	<u>2,585,005</u>	<u>3,607,929</u>
<b>LONG-TERM ASSETS</b>		
Certificates of Deposit - Notes 4 and 6	1,240,000	-
Notes Receivable - Note 8	17,981,600	17,981,600
	<u>19,221,600</u>	<u>17,981,600</u>
<b>TOTAL ASSETS</b>	<u>\$ 21,806,605</u>	<u>\$ 21,589,529</u>

LIABILITIES AND NET ASSETS

	2019	2018
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 2,410	\$ 81,388
Credit Card Payable	917	-
Due to Related Parties	146,298	88,103
Unearned Revenue	20,415	20,415
	<u>170,040</u>	<u>189,906</u>
<b>TOTAL LIABILITIES</b>	<u>170,040</u>	<u>189,906</u>
<b>NET ASSETS:</b>		
Without Donor Restrictions	58,451	40,615
With Donor Restrictions - Note 5	21,578,114	21,359,008
	<u>21,636,565</u>	<u>21,399,623</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 21,806,605</u>	<u>\$ 21,589,529</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 21,806,605</u>	<u>\$ 21,589,529</u>

The accompanying notes are an integral part of these financial statements

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

**DRAFT**

DISCUSSION PURPOSES ONLY  
10-28-19

2019                                    2018

**WITHOUT DONOR RESTRICTIONS:**

REVENUES		
Contributions	\$ 24,764	\$ 18,635
Interest Income	-	194
Other Income	1,000	-
TOTAL REVENUES BEFORE NET ASSETS RELEASED FROM RESTRICTIONS	<u>25,764</u>	<u>18,829</u>
Net Assets Released from Restrictions	725,849	959,876
TOTAL REVENUES WITHOUT DONOR RESTRICTIONS	<u>751,613</u>	<u>978,705</u>
EXPENSES		
Program Service Expenses	725,849	961,209
General and Administrative	<u>7,928</u>	<u>5,824</u>
	<u>733,777</u>	<u>967,033</u>
CHANGE IN ASSETS WITHOUT DONOR RESTRICTIONS	\$ <u>17,836</u>	\$ <u>11,672</u>

**WITH DONOR RESTRICTIONS:**

REVENUES		
Bookstore Sales	\$ 336,974	\$ 287,426
Related Party Contributions	-	21,036,600
Contributions	78,635	167,277
Grants	302,280	325,500
Interest Income	227,066	143,986
TOTAL REVENUES BEFORE NET ASSETS RELEASED FROM RESTRICTIONS	<u>944,955</u>	<u>21,960,789</u>
Net Assets Released from Restrictions	(725,849)	(959,876)
TOTAL REVENUES WITH DONOR RESTRICTIONS	<u>219,106</u>	<u>21,000,913</u>
EXPENSES		
CHANGE IN ASSETS WITH DONOR RESTRICTIONS	\$ <u>219,106</u>	\$ <u>21,000,913</u>

The accompanying notes are an integral part of these financial statements

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

**DRAFT**

DISCUSSION PURPOSES ONLY  
10-28-19

	2019	2018
Net Assets at Beginning of Year:		
Without Donor Restrictions	\$ 40,615	\$ 28,943
With Donor Restrictions	<u>21,359,008</u>	<u>358,095</u>
	<u><u>21,399,623</u></u>	<u><u>387,038</u></u>
Increase in Net Assets:		
Without Donor Restrictions	17,836	11,672
With Donor Restrictions	<u>219,106</u>	<u>21,000,913</u>
	<u><u>236,942</u></u>	<u><u>21,012,585</u></u>
NET ASSETS AT END OF YEAR:		
WITHOUT DONOR RESTRICTIONS	58,451	40,615
WITH DONOR RESTRICTIONS	<u>21,578,114</u>	<u>21,359,008</u>
	<u><u>\$ 21,636,565</u></u>	<u><u>\$ 21,399,623</u></u>

The accompanying notes are an integral part of these financial statements

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

DRAFT  
DISCUSSION PURPOSES ONLY  
10-28-19

	2019	2018
<b>Program Service Expenses:</b>		
Contracts - Homework Help	\$ 69,000	\$ -
Awards and Grants	17,502	11,000
Supplies, Postage, Shipping, and Delivery	30,291	17,607
Printing and Copying	574	2,445
Books, Subscriptions, and Reference Materials	218	80
Travel	4,527	3,582
Conference, Convention, and Meetings	12,254	4,229
Board Meeting Hospitality	908	1,368
Computer Services	3,543	3,365
Reimbursed Restricted Gifts to Library District	316,604	698,808
Special Event Expenses	17,841	15,248
Catering	7,502	6,319
Gross Wages	29,273	28,940
Payroll Fees	1,790	1,603
Payroll Taxes - Employer	2,676	2,214
NMTC - Contribution to Library District	211,346	164,401
	<u>725,849</u>	<u>961,209</u>
<b>General and Administrative:</b>		
Software	17	-
Insurance - Employee	982	1,027
Insurance - Non-Employee	1,545	1,522
Advertising	1,415	1,832
Bank Fees and Charges	925	651
Professional Fees	99	742
Taxes, Licenses, and Fees	1,905	50
Miscellaneous	1,040	-
	<u>7,928</u>	<u>5,824</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 733,777</b>	<b>\$ 967,033</b>

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, 2019 AND 2018**

DRAFT  
DISCUSSION PURPOSES ONLY  
10-28-19

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in Net Assets	<u>\$ 236,942</u>	<u>\$ 21,012,585</u>
<b>ADJUSTMENTS TO RECONCILE NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Changes in:		
Related Party Receivable	3,056,047	(3,044,652)
Other Receivable	(17,497)	-
Interest Receivable	(9,568)	-
Inventory	(39,266)	(6,602)
Prepaid Expenses	4,830	(4,830)
Accounts Payable	(78,978)	(30,480)
Credit Card Payable	917	-
Due to Related Parties	58,195	88,103
Unearned Revenue	-	20,415
	<u>2,974,680</u>	<u>(2,978,046)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>3,211,622</u>	<u>18,034,539</u>
<b>CASH FLOWS USED FOR INVESTING ACTIVITIES</b>		
Purchase of Certificates of Deposit	(3,055,000)	-
Issuance of Long-Term Notes Receivables	-	(17,981,600)
	<u>(3,055,000)</u>	<u>(17,981,600)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>NET INCREASE IN CASH</b>	<u>156,622</u>	<u>52,939</u>
Cash at Beginning of Year	<u>388,004</u>	<u>335,065</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 544,626</u>	<u>\$ 388,004</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, 2019 AND 2018**

**DRAFT**  
DISCUSSION PURPOSES ONLY  
10-28-19

**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 (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**

The Foundation has presented its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Foundation has presented an unclassified statement of financial position which sequences assets according to their nearness of conversion to cash and sequences liabilities according to the nearness of their maturity and resulting use of cash.

The Foundation classifies net assets, revenues, gains, and losses based on the existence of absence of donor-imposed restrictions. Net assets are classified and reported as follows:

**Net Assets Without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category include contributions without donor restrictions, investment earnings that are not donor-restricted, expenses associated with grants made to the Foundation, and the operating activities of the Foundation. The Board of Directors has also established a Board-designated endowment (quasi-endowment) which is included in this category.

**Net Assets With Donor Restrictions**

Net assets restricted by donors to be used for certain purposes or for future periods, including donor-restricted endowments whose corpus is intended to be held in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

DRAFT  
DISCUSSION PURPOSES ONLY  
10-28-19

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of checking accounts, money market accounts, and highly liquid investments purchased with an original maturity of three months or less. The carrying amount of these assets approximates fair value due to the short maturity of the instruments.

**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 \$1.00 and \$0.75 per inventory item, as of June 30, 2019 and 2018, respectively.

**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 market value at the time of contribution.

Contributions are considered available for use without donor restrictions, 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**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. Tax years open under the statute of limitations are 2016, 2017, and 2018.

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

DRAFT  
DISCUSSION PURPOSES ONLY  
10-28-19

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 AND RECLASSIFICATIONS

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

NEW ACCOUNTING PRONOUNCEMENT

During the year ended June 30, 2019, the Foundation adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities required for the Foundation's year ended June 30, 2019. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity and availability of financial assets has also been added (Note 7).

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, 2019 and 2018, as represented on the balance sheet are detailed as follows:

	2019	2018
Petty Cash	\$ 100	\$ -
Wells Fargo Bank, Commercial Checking Account	124,698	201,261
Nevada State Bank, Community Checking	213,741	186,743
First Tennessee Bank: Sweep Account	200,025	-
Sweep Account	<u>6,062</u>	<u>-</u>
	<u>\$ 544,626</u>	<u>\$ 388,004</u>

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

DRAFT  
DISCUSSION PURPOSES ONLY  
10-28-19

**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 term agreement is effective for 5 years beginning on July 1, 2019 and ending on June 30, 2024. 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 classified as with donor restrictions for future use towards Library District programs. For the years ended June 30, 2019 and 2018, the Foundation recognized revenues of \$336,973 and \$287,426, respectively from this agreement.

The Foundation also receives and sells books donated by the public. Revenue earned from the sale of publicly donated books is classified as with donor restrictions.

The Foundation's investments in Certificates of Deposit are all FDIC insured deposits (\$250,000 limit) with a diversified group of banking institutions.

**NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at June 30, 2019 and 2018 are available for the benefit of the Las Vegas-Clark County Library District for the following purposes:

	<u>2019</u>	<u>2018</u>
Bookstore	\$ 366,776	\$ 283,653
New Markets Tax Credit	17,961,185	17,961,185
Endowment Fund	3,070,363	3,055,000
Homebound Service	40	40
WIC Outreach	17,103	16,603
WLV Scholarship	3,621	4,621
Sahara West Library	50	100
BB Teen Tech Center	3,183	-
CALL	21	-
Early Childhood	7,020	-
Homework Help	129,246	-
Vegas Valley Book Festival	1,842	4,745
Las Vegas Branch	120	120
Whitney Branch	100	100
Summerlin Library	100	600
Tech Art	<u>17,344</u>	<u>32,241</u>
	<u>\$ 21,578,114</u>	<u>\$ 21,359,008</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 38,203 and 45,647 for the years ended June 30, 2019 and 2018.

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

**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 three part-time employees and their related benefits, office space, office equipment and bookstore facilities.

For the years ended June 30, 2019 and 2018, the Foundation incurred expenses of \$725,849 and \$961,206 in program related costs from restricted funds. Of these expenses, \$527,950 and \$863,209 was paid to Las Vegas-Clark County Library District, a related party.

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. As of June 30, 2019, the endowment fund consisted of:

	<u>2019</u>
<u>Endowment Fund:</u>	
Certificates of Deposit – Short-Term	\$ 1,815,000
Certificates of Deposit – Long-Term	<u>1,240,000</u>
	<u>\$ 3,055,000</u>

**NOTE 7 - AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial positions, consist of the following as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash	\$ 544,626	\$ 388,004
Certificates of Deposit – Short-term	1,815,000	-
Distributions from beneficial interests in Assets held by others expected within One year	<u>211,346</u>	<u>211,346</u>
Total financial assets, excluding Beneficial interest in assets held by Others	<u>2,570,972</u>	<u>599,350</u>
 Less: Board-designated for specific program	( 211,346 )	( 211,346 )
Board-designated endowment funds	( 1,815,000 )	( - )
 Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 544,626</u>	<u>\$ 388,004</u>

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

DRAFT  
DISCUSSION PURPOSES ONLY  
10-28-19

**NOTE 8 - NOTES RECEIVABLES 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 (QLICIs). 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 Investments (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 principle 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 an \$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 principle and interest payments thereafter through July 25, 2045.

**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.

## LAS VEGAS - CLARK COUNTY LIBRARY DISTRICT FOUNDATION

Item VII: Election of Director 11-13-19

### **ITEM VII: Election of Director**

Per the By-Laws of the Las Vegas-Clark County Library District Foundation, Board Directors serve two three-year terms, or until their position on the board is filled.

Keiba Crear is happy to nominate a new Board Director, Nicole Rogers, to the board for the first term of three years, from November 2019, through June 2023.

**Motion:** Elect Nicole Rogers as Director for a three-year term as set forth above.

**ITEM IX: Review of Financial Statements**

As of September 30, 2019, the balance sheet shows a total income of \$196,699.81 with \$2,239.72 in unrestricted gifts from individuals and corporations; \$60,493.55 in restricted gifts from individuals and corporations; \$95,349.83 in restricted revenues from used book sales; and \$38,616.71 in interest income. Total expenditures for the same period were \$21,802.21

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Accrual Basis

**Las Vegas-Clark County Library District Foundation****Profit & Loss**

July through September 2019

**Jul - Sep 19**

<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>4000 · Contributed support</b>	
<b>4010 · Contribution Ind/Bus w/o Donor</b>	2,239.72
<b>4015 · Contribution Ind/Bus w/ Donor</b>	60,493.55
<b>Total 4000 · Contributed support</b>	<hr/> 62,733.27
<b>5000 · Earned revenues</b>	
<b>5125 · Bookstore Sales</b>	95,349.83
<b>Total 5000 · Earned revenues</b>	<hr/> 95,349.83
<b>5325 · Interest Income</b>	38,616.71
<b>Total Income</b>	<hr/> 196,699.81
<b>Expense</b>	
<b>7000 · Grant &amp; contract expense</b>	
<b>7010 · Contracts - program-related</b>	4,770.00
<b>7040 · Awards &amp; grants - individuals</b>	0.00
<b>Total 7000 · Grant &amp; contract expense</b>	<hr/> 4,770.00
<b>8100 · Printing, Copies and Supplies</b>	
<b>8110 · Supplies</b>	1,619.40
<b>8180 · Books, subscriptions, reference</b>	218.90
<b>Total 8100 · Printing, Copies and Supplies</b>	<hr/> 1,838.30
<b>8300 · Travel &amp; meetings expenses</b>	
<b>8320 · Conference,convention,meeting</b>	130.45
<b>8330 · Board Meeting Hospitality</b>	0.00
<b>Total 8300 · Travel &amp; meetings expenses</b>	<hr/> 130.45
<b>8500 · Misc expenses</b>	
<b>8540 · Insurance - Employee</b>	855.00
<b>8550 · Insurance - non-employee</b>	1,545.00
<b>8560 · Outside computer services</b>	667.38
<b>8580 · Bank Fees</b>	
<b>8581 · Bank Charges</b>	236.84
<b>8582 · Wells Fargo Bank Card Charges</b>	95.50
<b>Total 8580 · Bank Fees</b>	<hr/> 332.34
<b>Total 8500 · Misc expenses</b>	<hr/> 3,399.72
<b>8600 · Business expenses</b>	
<b>8670 · License and Fees</b>	100.00
<b>8680 · Reimb - Restricted Gifts</b>	0.10
<b>Total 8600 · Business expenses</b>	<hr/> 100.10
<b>8700 · Special Event Expenses</b>	
<b>8710 · Catering</b>	1,171.91
<b>8700 · Special Event Expenses - Other</b>	<hr/> 2,190.77
<b>Total 8700 · Special Event Expenses</b>	<hr/> 3,362.68
<b>8800 · Payroll Expense</b>	
<b>8810 · Gross Wages</b>	7,270.15
<b>8820 · Payroll Fees</b>	391.82
<b>8830 · Payroll Taxes- Employer</b>	<hr/> 538.99
<b>Total 8800 · Payroll Expense</b>	<hr/> 8,200.96
<b>9000 · New Markets Tax Credits</b>	
<b>9020 · Contribution to LVCCLD</b>	0.00
<b>Total 9000 · New Markets Tax Credits</b>	<hr/> 0.00
<b>Total Expense</b>	<hr/> 21,802.21
<b>Net Ordinary Income</b>	<hr/> 174,897.60
<b>Other Income/Expense</b>	

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Accrual Basis

**Las Vegas-Clark County Library District Foundation  
Profit & Loss**  
July through September 2019

	<u>Jul - Sep 19</u>
Other Income	
6800 · Unrealized gain (loss)	-713.35
6810 · Unrealized gain(loss) - investm	-713.35
Total 6800 · Unrealized gain (loss)	-713.35
Total Other Income	-713.35
Net Other Income	-713.35
Net Income	<b><u>174,184.25</u></b>