

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

*FINANCIAL STATEMENTS*

*JUNE 30, 2022 AND 2021*



HILBURN & LEIN, CPAs  
A PROFESSIONAL CORPORATION

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.

JUNE 30, 2022 AND 2021

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HILBURN & LEIN, CPAs  
A PROFESSIONAL CORPORATION

Gary W. Lein, CPA  
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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

### *Opinion*

We have audited the 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, 2022 and 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Las Vegas-Clark County Library District Foundation, Inc. as of June 30, 2022 and 2021, 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.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

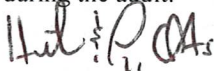
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

*Auditors' Responsibilities for the Audit of the Financial Statements (Continued)*

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in black ink, appearing to read "Hil P. A.", is written over the typed name "Hil P. A.".

Hil P. A.  
Las Vegas, Nevada  
November 16, 2022

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

<u>ASSETS</u>		<u>2022</u>	<u>2021</u>
<b>CURRENT ASSETS</b>			
Cash - Notes 3, 4, and 7	\$	464,673	\$ 366,659
Certificates of Deposit - Notes 4 and 6		1,689,000	1,409,000
Other Receivable		1,528	16,139
Interest Receivable		74,254	74,120
Inventory - Note 2		146,188	173,795
		<u>2,375,643</u>	<u>2,039,713</u>
<b>LONG-TERM ASSETS</b>			
Certificates of Deposit - Notes 4 and 6		660,000	883,973
Investments - Notes 4 and 9		928,157	1,071,448
Notes Receivable - Note 8		17,981,600	17,981,600
		<u>19,569,757</u>	<u>19,937,021</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>21,945,400</u></b>	<b>\$ <u>21,976,734</u></b>
<u>LIABILITIES AND NET ASSETS</u>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$	436	\$ 1,319
Credit Card Payable		-	3,340
Due to Related Parties		97,407	103,056
		<u>97,843</u>	<u>107,715</u>
<b>TOTAL LIABILITIES</b>		<u>97,843</u>	<u>107,715</u>
<b>NET ASSETS:</b>			
Without Donor Restrictions		1,171,655	937,853
With Donor Restrictions - Note 5		20,675,902	20,931,166
<b>TOTAL NET ASSETS</b>		<u>21,847,557</u>	<u>21,869,019</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>21,945,400</u></b>	<b>\$ <u>21,976,734</u></b>

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, 2022 AND 2021**

	2022	2021
<b><u>WITHOUT DONOR RESTRICTIONS:</u></b>		
REVENUES		
Contributions	\$ 21,383	\$ 22,594
Other Income	-	500
Interest Income	237,853	291,094
 TOTAL REVENUES BEFORE NET ASSETS RELEASED FROM RESTRICTIONS	 259,236	 314,188
Net Assets Released from Restrictions	762,127	796,467
 TOTAL REVENUES WITHOUT DONOR RESTRICTIONS	 1,021,363	 1,110,655
 EXPENSES		
Program Service Expenses	762,127	796,467
General and Administrative	25,434	24,364
	787,561	820,831
 CHANGE IN ASSETS WITHOUT DONOR RESTRICTIONS	 \$ 233,802	 \$ 289,824
<b><u>WITH DONOR RESTRICTIONS:</u></b>		
REVENUES		
Bookstore Sales - Note 2	\$ 287,885	\$ 97,767
Contributions	3,950	5,106
Grants	215,028	286,447
 TOTAL REVENUES BEFORE NET ASSETS RELEASED FROM RESTRICTIONS	 506,863	 389,320
Net Assets Released from Restrictions	(762,127)	(796,467)
 TOTAL REVENUES WITH DONOR RESTRICTIONS	 (255,264)	 (407,147)
 EXPENSES	 -	 -
 CHANGE IN ASSETS WITH DONOR RESTRICTIONS	 \$ (255,264)	 \$ (407,147)

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, 2022 AND 2021**

	2022	2021
Net Assets at Beginning of Year:		
Without Donor Restrictions	\$ 937,853	\$ 648,029
With Donor Restrictions	20,931,166	21,338,313
	21,869,019	21,986,342
Decrease in Net Assets:		
Without Donor Restrictions	233,802	289,824
With Donor Restrictions	(255,264)	(407,147)
	(21,462)	(117,323)
NET ASSETS AT END OF YEAR:		
WITHOUT DONOR RESTRICTIONS	1,171,655	937,853
WITH DONOR RESTRICTIONS	20,675,902	20,931,166
	\$ 21,847,557	\$ 21,869,019

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, 2022 AND 2021**

	2022	2021
<b>Program Service Expenses:</b>		
Contracts - Homework Help, Museum Passes, and Engineering for Kids	\$ 156,529	\$ 265,001
Awards and Grants	500	16,403
Supplies, Postage, Shipping, and Delivery	20,313	37,405
Conference, Convention, and Meetings	5,253	3,127
Board Meeting Hospitality	1,683	980
Computer Services	4,924	4,841
Reimbursed Restricted Gifts to Library District	292,467	220,247
Special Event Expenses	32,175	2,670
Gross Wages	32,505	30,100
Payroll Fees	1,703	1,624
Payroll Taxes - Employer	2,729	2,723
NMTC - Contribution to Library District	211,346	211,346
	762,127	796,467
<b>General and Administrative:</b>		
Staff Development	-	2,461
Insurance - Employee	1,158	1,008
Insurance - Non-Employee	1,738	1,545
Advertising	2,982	-
Bank Fees and Charges	6,095	5,731
Professional Fees	13,101	13,419
Taxes, Licenses, and Fees	360	200
	25,434	24,364
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 787,561</b>	<b>\$ 820,831</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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS USED BY OPERATING ACTIVITIES:</b>		
Decrease in Net Assets	\$ <u>(21,462)</u>	\$ <u>(117,323)</u>
<b>ADJUSTMENTS TO RECONCILE NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Changes in:		
Other Receivable	14,610	22,438
Interest Receivable	(134)	(6,106)
Inventory	27,607	138,295
Unearned Revenue	-	(20,415)
Accounts Payable	(673)	76
Credit Card Payable	(3,550)	3,006
Due to Related Parties	<u>(5,649)</u>	<u>(40,676)</u>
	<u>32,211</u>	<u>96,618</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>10,749</u>	<u>(20,705)</u>
<b>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES</b>		
Redemption (Purchase) of Certificates of Deposit	(56,026)	777,294
Redemption (Purchase) of Investments	<u>143,291</u>	<u>(844,269)</u>
	<u>87,265</u>	<u>(66,975)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	98,014	(87,680)
Cash at Beginning of Year	<u>366,659</u>	<u>454,339</u>
<b>CASH AT END OF YEAR</b>	<u>\$ <u>464,673</u></u>	<u>\$ <u>366,659</u></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, 2022 AND 2021**

**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 or 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, 2022 AND 2021**

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

ACCOUNTING METHOD

The Foundation maintains its records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

Beginning July 1, 2020, the Foundation adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* and its related amendments, which supersedes the revenue recognition requirements in *Revenue Recognition (Topic 605)*. This ASU requires an entity to recognize revenue when goods are transferred, or services are provided to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires disclosures enabling users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The ASU permits the use of either full-retrospective transition method or a modified-retrospective transition method with the cumulative effect adjusted to the opening balance of net assets. The Foundation has elected the use of the modified-retrospective method. The transition method selected resulted in no adjustment to the opening balance of net assets.

Beginning July 1, 2020, the Foundation also adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08), which provides additional guidance on characterizing grants and similar contracts with resource providers as either exchange transactions or contributions, as well as distinguishing between conditional and unconditional contributions.

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 per inventory item, as of June 30, 2022 and 2021, respectively. For the years ended June 30, 2022 and 2021, \$27,607 and \$138,295 of inventory was written-down due to scrapped materials at Friends of Phoenix. This amount was netted with bookstore sales, resulting in \$287,885 and \$97,767 total bookstore sales for the year ended June 30, 2022 and 2021, 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.

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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

CONTRIBUTIONS (CONTINUED)

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 2019, 2020, and 2021.

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.

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.

INVESTMENTS

Held-to-Maturity: Investments in government agency bonds, corporate bonds, and certificates of deposit that the Foundation has the positive intent and ability to hold to maturity are reported at cost, adjusted for amortization of premiums and accretion of discounts, which are recognized in interest income using the interest method over the period to maturity.

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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

*FAIR VALUE MEASUREMENTS AND VALUATION TECHNIQUES*

In accordance with U.S. GAAP, a three-tiered hierarchy of input levels is used for fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets and liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated based on pricing models and/or discounted cash flow methodologies and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

**NOTE 3 - CASH**

Cash and cash equivalents at June 30, 2022 and 2021, as represented on the balance sheet are detailed as follows:

	2022	2021
Petty Cash	\$ 100	\$ 100
Wells Fargo Bank, Commercial Checking Account	171,051	194,681
Nevada State Bank, Community Checking	244,085	167,445
Ameritrade Bank:		
Money Market Account	1,660	448
Money Market Account	47,777	3,985
	\$ 464,673	\$ 366,659

**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, 2022 and 2021, the Foundation recognized revenues of \$287,885 and \$97,767, 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.

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 4 - OFF-BALANCE SHEET RISK AND CONCENTRATION OF RISK (CONTINUED)**

The Foundation holds US Treasury Bills with Ameritrade. The underlying investments are direct obligations of the U.S. Treasury which are guaranteed by the full faith and credit of the United States Government. The Foundation's investments in Certificates of Deposit are all FDIC insured deposits (\$250,000 limit) with a diversified group of banking institutions.

Corporate bonds are exposed to various risks, including interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of these investments will fluctuate in the near term.

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

Net assets with donor restrictions at June 30, 2022 and 2021 are available for the benefit of the Las Vegas-Clark County Library District for the following purposes:

	2022	2021
Bookstore	\$( 447,822 )	\$( 177,332 )
New Markets Tax Credit	17,984,713	17,981,600
Endowment Fund	3,108,829	3,077,093
Homebound Service	40	40
WIC Outreach	21,888	20,103
WLV Scholarship	-	4,621
Sahara West Library	50	50
BB Teen Tech Center	5,714	9,274
Early Childhood	312	585
Homework Help	-	9,107
Las Vegas Branch	120	120
Whitney Branch	100	100
Summerlin Library	850	600
Tech Art	1,108	5,205
	\$ 20,675,902	\$ 20,931,166

**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 25,924 and 5,850 for the years ended June 30, 2022 and 2021.

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**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, 2022 and 2021, the Foundation incurred expenses of \$762,127 and \$796,467 in program related costs from restricted funds. Of these expenses, \$503,813 and \$431,593 were 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, 2022 and 2021, the endowment fund consisted of:

	2022	2021
<u>Endowment Fund:</u>		
Restricted Endowment - Principal	\$ 3,055,000	\$ 3,055,000
Net Increase During Fiscal Year	53,829	22,093
	\$ 3,108,829	\$ 3,077,093

**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, 2022 and 2021:

	2022	2021
Cash	\$ 464,673	\$ 366,659
Certificates of Deposit – Short-term	1,689,000	1,409,000
Distributions from beneficial interests in Assets held by others expected within One year	211,346	211,346
Total financial assets, excluding Beneficial interest in assets held by Others	2,356,019	1,987,005
Less:		
Board-designated for specific program	( 211,346 )	( 211,346 )
Board-designated endowment funds	( 1,689,000 )	( 1,409,000 )
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 464,673	\$ 366,659

**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**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 (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 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 principal 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, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 9 - INVESTMENTS**

Management has classified investments in U.S. Treasury bills, corporate bonds, and certificates of deposit as held-to-maturity as the Foundation has the positive intent and ability to hold the assets until maturity; therefore, no unrealized gain or loss is reported. These investments are carried at cost, adjusted for amortization of premiums and accretion of discounts.

Using the market approach, fair value was based on quoted market prices for identical assets in active markets (Level 1) at June 30, 2022. For U.S. Treasury bills, amortized cost totals \$368,157 and approximates fair value. These investments mature in 2023, 2024, and 2025.

In April 2021, the Foundation expanded its list of eligible investments for the Endowment Fund to include investment grade corporate bonds rated A3/A- and above. This type of investment is limited to 20% of the Endowment Fund's principal balance. At June 30, 2022, the Foundation held \$560,000 of corporate bonds. These investments mature in 2023 and 2024.