

**Economic Opportunity Board
of Clark County
Las Vegas, Nevada**

Financial Statements and
Supplemental Information
Year Ended December 31, 2017

Prepared by:

Jack & Co. Ltd.
Certified Public Accountants
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Economic Opportunity Board of Clark County

Financial Statements and Supplemental Information **Year Ended December 31, 2017**

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JACK & CO LTD

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Economic Opportunity Board of Clark County
Las Vegas, Nevada

We have audited the accompanying financial statements of the Economic Opportunity Board of Clark County (a Nevada nonprofit organization) which comprise the statements of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of 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.

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Certified Public Accountants

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Economic Opportunity Board of Clark County as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supporting schedules on pages 15 and 16 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Jack & Co. Ltd.

Jack & Co. Ltd.
Las Vegas, Nevada
August 3, 2018

Economic Opportunity Board of Clark County

Statement of Financial Position

December 31, 2017

<i>Assets</i>	
Current Assets:	
Cash in Bank	\$ 324,350
Accounts Receivable (net)	66,451
Due from Comstock	44,957
Prepaid and other assets	<u>12,040</u>
Total Current Assets	\$ 447,798
Property and Equipment, net	245,573
Other Assets	
Retirement Fund Forfeiture Balance	<u>38,869</u>
Total Other Assets	<u>38,869</u>
TOTAL ASSETS	<u><u>\$ 732,240</u></u>

See accompanying notes to financial statements and auditor's report.

Economic Opportunity Board of Clark County

Statement of Financial Position

December 31, 2017

Liabilities and Net Assets

Current Liabilities:

Accounts Payable	\$	13,332
Accrued Payroll and Related Liabilities		11,369
Grant Funds Received in Advance		<u>103,842</u>

Total Current Liabilities	\$	<u>128,543</u>
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Total Liabilities		<u>128,543</u>
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Net Assets

Unrestricted		603,697
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Temporarily Restricted		
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Permanently Restricted		<u> </u>
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Total Net Assets		<u>603,697</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u>732,240</u>
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See accompanying notes to financial statements and auditor's report.

Economic Opportunity Board of Clark County

Statement of Activities Year Ended December 31, 2017

Unrestricted Net Assets		
Unrestricted Revenues		
Grant revenue	\$ 163,099	
Generated Income	472,542	
Fundraising Income	100,564	
Rent Income	25,000	
Contribution Income	1,306	
Total Revenues		762,511
Expenses:		
Program Expenses	678,661	
Management and General	63,183	
Fundraising Expenses	48,976	
Total Expenses		790,820
Increase (Decrease) in Unrestricted Net Assets		(28,309)
Unrestricted Net Assets - January 1, 2017		632,006
Unrestricted Net Assets - December 31, 2017		\$ 603,697
Temporarily Restricted Net Assets		\$ -
Permanently Restricted Net Assets		\$ -

See accompanying notes to financial statements and auditor's report.

Economic Opportunity Board of Clark County

Statement of Cash Flows

Year Ended December 31, 2017

Increase (decrease) in cash:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (28,309)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	42,060
Changes in operating assets and liabilities:	
Accounts receivable	(17,586)
Due from Affiliate	(978)
Prepaid and other assets	6,707
Retirement Fund Forfeiture Balance	(1,446)
Grant funds received in advance	(9,871)
Accounts payable	(3,825)
Customer deposits	-
Accrued payroll and related liabilities	(563)
Net cash provided by (used in) operating activities	<u>(13,811)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	-
Net cash provided by (used in) investing activities	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Due from Economic Opportunity Board	-
Net cash provided by (used in) financing activities	<u>-</u>
Decrease in cash and cash equivalents	(13,811)
Cash and cash equivalents - Beginning Balance	<u>338,161</u>
Cash and cash equivalents - Ending Balance	<u>\$ 324,350</u>

See accompanying notes to financial statements and auditor's report.

Economic Opportunity Board of Clark County

Notes to Financial Statements

December 31, 2017

Note A NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

A1 Nature of Activities

The Economic Opportunity Board of Clark County was incorporated in the state of Nevada and was organized as a nonprofit corporation in September 1964. As a result of a July 1972 amendment to its Articles of Incorporation, EOB became a nonprofit corporation that functions as an agency for Clark County, Nevada in presenting opportunities for its citizens under programs established by the Economic Opportunities Act of 1964. EOB provides various community service programs in keeping with its mission: "To assist low-income people to become self-sufficient and to improve their quality of life."

KCEP Power 88 FM Radio (the Station) is the Public Telecommunications Division of the EOB. The Station began operations in 1974 and was established to provide opportunities in radio broadcasting and training for minorities and low-income residents of Clark County. The Station generates income through underwriting, donations and fundraising efforts in the Las Vegas area. The EOB is licensed to operate the Station.

A2 Basis of Presentation

The financial information is prepared using the accrual basis of accounting in accordance with principles generally accepted in the United States of America.

A3 Classification of Net Assets

Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed time restrictions or purpose restrictions. When a restriction is met, either by the passage of time and/or the actions of the Organization have met the stipulations, temporarily restricted net assets are then transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Currently, there are no temporarily restricted net assets.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. Currently, there are no permanently restricted net assets.

Economic Opportunity Board of Clark County

Notes to Financial Statements
December 31, 2017

Note A3 CLASSIFICATION OF NET ASSETS (Continued)

Unrestricted Net Assets – Net assets that have not been restricted by donors. If there are limitations or restrictions on net assets that do not relate to donors, the net assets remain unrestricted. Therefore, voluntary board-approved segregations of net assets for specific purposes, projects or investments are classified as unrestricted net assets.

A4 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

A5 Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and promises become unconditional. Once donor-imposed restrictions are met or the restrictions expire in the fiscal year in which the contributions are recognized, the contributions are reported as increases in unrestricted net assets.

The Station is a noncommercial radio station and is supported by the community and its members. The Station accepts program underwriting to supplement community and listener support. Income generated from underwriting is recognized upon receipt of funds and contributors receive on-air acknowledgement immediately following the contribution.

Grants are either recorded as contributions or as exchange transactions based on criteria defined in the grant award.

1. Grant Awards that are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance. The balance of grant funds received in advance as of December 31, 2017 is \$103,842.

Economic Opportunity Board of Clark County

Notes to Financial Statements

December 31, 2017

Note A5 REVENUE RECOGNITION (Continued)

2. Grant Awards that are Exchange Transactions

Exchange transactions are reimbursed based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed. There were no exchange transactions during the year ended December 31, 2017.

Note B CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents and available for use.

Note C ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of amounts billed for underwriting contracts with the Station. The Organization considers these receivables to be collectible, and therefore no allowance for uncollectible accounts has been recorded. An account is considered uncollectible when all collection efforts prove worthless. If a receivable is deemed uncollectible, it is written off.

Note D PROPERTY AND EQUIPMENT

Property and equipment are recorded at actual historical cost. Improvements, equipment and major renovations with a unit cost over \$5,000 and a useful life of more than one year are capitalized. Items less than \$5,000 and ordinary maintenance and repairs are expensed. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from five to seven years. A summary of property and equipment as of December 31, 2017 follows:

Property	
Equipment, Furniture and Fixtures	\$ 438,994
Accumulated Depreciation	(193,421)
Total property and equipment, net	\$ <u>245,573</u>

Depreciation expense recorded for the year ended December 31, 2017 was \$42,060.

Economic Opportunity Board of Clark County

Notes to Financial Statements

December 31, 2017

Note E INCOME TAXES

The EOB is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is required.

Note F RETIREMENT PLAN FORFEITURE BALANCE

EOB sponsors a defined contribution retirement plan covering substantially all of its employees working 20 or more hours per week. The pension plan was created in accordance with Internal Revenue Code Section 403(b). The plan permits employees to defer a portion of their current earnings and allows the employer to contribute an amount on behalf of eligible employees. Contributions are determined as 4% of each covered employee's salary.

Note G COMMITMENTS / OPERATING LEASES

The Station entered into an agreement with American Tower to license the tower site on Black Mountain in Henderson, Nevada for a monthly fee and an additional charge to cover the electricity for the operation of the approved equipment. The monthly fee is adjusted annually by an annual escalator of 5%. The agreement is due to expire on November 2022 and is expected to renew for another five years.

The Station also entered into software and service agreements with Radio Research Consortium, Marketron Broadcast Solutions, and Apollo Contract Services.

Commitments on these contracts follow:

	2017
2018	66,948
2019	66,948
2020	64,653
2021	64,653
2022	64,653

Economic Opportunity Board of Clark County

Notes to Financial Statements

December 31, 2017

Note H CONTINUITY OF OPERATIONS

The EOB is taking steps to increase revenues by submitting various grant applications, pursuing increased community involvement through membership drives, and decreasing operating expenses. Although the Organization has not received any new grant funding, the Organization is committed to continue its pursuit of grant awards. The Board of Directors and management are also considering various strategies to ensure the continuance of operations and program services, including increasing public awareness through fundraisers. The Station is continuing to manage costs and seek out new revenue sources to ensure continued operations. The future appears to be stable as the Station continues to operate in the community in accordance with their mission.

Note I DATE OF MANAGEMENT'S REVIEW

Management evaluated events and transactions that occurred after the balance sheet date for potential recognition and disclosure through August 3, 2018, the date on which the financial statements were issued.

Supplemental Information

Economic Opportunity Board of Clark County

Schedule I - Schedule of Revenues

Year Ended December 31, 2017

	Amount
Grant Revenues	\$ 163,099
Fundraiser Income	100,564
Generated Income	
Underwriting - General	\$ 190,027
Underwriting - Gospel	110,200
Underwriting - Talk	79,100
Underwriting - Remotes	18,500
Underwriting - Website/Traffic	6,277
Underwriting - Public Service Announcements	10,645
Production - Spots	3,765
Misc Income	9,618
Total Generated Income	428,132
Rental Income	25,000
Membership Dues	44,410
Charitable Contribution	1,306
Total Revenues	<u>\$ 762,511</u>

See accompanying notes to financial statements, and auditors' report.

Economic Opportunity Board of Clark County

Schedule II - Schedule of Functional Expenses Year Ended December 31, 2017

	Program Services Community	Management and General	Fundraising	Total
Salaries and Employee Benefits	\$ 380,508	\$ 42,279		\$ 422,787
Rent and Utilities	68,233	7,581		75,814
Fixed Asset Depreciation	37,854	4,206		42,060
Building and Maintenance	13,102	1,456		14,558
Office and Operating Expenses	8,916	991		9,907
Bad Debt Expenses	29,000			29,000
Broadcasting Expenses	43,287	-		43,287
Public Relations	37,728	-		37,728
Insurance	18,580	2,065		20,645
Bank and Merchant Fees	4,205	467		4,672
Professional Fees	37,248	4,138		41,386
Fundraising Expenses			48,976	48,976
Total Expenses	<u>\$ 678,661</u>	<u>\$ 63,183</u>	<u>\$ 48,976</u>	<u>\$ 790,820</u>

See accompanying notes to financial statements, and auditors' report.