

**THE LIBRARY FOUNDATION OF
DELAWARE COUNTY, PENNSYLVANIA
DECEMBER 31, 2016**

THE LIBRARY FOUNDATION OF
DELAWARE COUNTY, PENNSYLVANIA

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A Professional Corporation

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
THE LIBRARY FOUNDATION OF DELAWARE COUNTY, PENNSYLVANIA
Media, Pa

We have reviewed the accompanying financial statements of The Library Foundation of Delaware County (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—cash basis as of December 31, 2016, and the related statement of revenues, expenses, and other changes in net assets and functional expenses—cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Michael J. O'Doherty, P.C.
February 9, 2017
Springfield, Pennsylvania

The Library Foundation of Delaware County, Pennsylvania
Statement of Assets, Liabilities and Net Assets - Cash Basis
As of December 31, 2016

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 50,073
Investments	<u>242,896</u>
Total Current Assets	<u>292,969</u>
Total Assets	<u>\$ 292,969</u>

NET ASSETS

Net Assets:	
Unrestricted Net Assets	\$ <u>292,969</u>
Total Net Assets	<u>\$ 292,969</u>

See accompanying notes and independent accountant's review report.

The Library Foundation of Delaware County, Pennsylvania
Statement of Revenue, Expenses and Change in Net Assets - Cash Basis
For the Year Ended December 31, 2016

REVENUE	
Direct Public Grants	\$ 30,086
Direct Public Support	2,158
Indirect Public Support	64
Miscellaneous Revenue	<u>2,510</u>
TOTAL REVENUE	<u>34,818</u>
EXPENSES	
Program	
Program Expenses	23,172
Library Materials	<u>2,747</u>
Total Program Expenses	<u>25,919</u>
Support	
Advertising	826
Advocacy Support	120
Legal & Professional	975
Fundraising	125
Printing & Copying	3,864
Operating Expenses	<u>1,801</u>
Total Support	<u>7,711</u>
TOTAL EXPENSES	<u>33,630</u>
INCOME FROM OPERATIONS	1,188
Investment Income	<u>2,536</u>
CHANGE IN NET ASSETS	3,724
Net Assets, January 1, 2016	<u>289,245</u>
Net Assets, December 31, 2016	<u><u>\$ 292,969</u></u>

See accompanying notes and independent accountant's review report.

The Library Foundation of Delaware County, Pennsylvania
Statement of Functional Expenses - Cash Basis
For the Year Ended December 31, 2016

	<u>Program</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Childrens Programs	\$ 23,071			\$ 23,071
Adult Programs	26			26
Library Materials	2,747			2,747
Fundraising		\$ 125		125
Advertising			826	826
Advocacy Support			120	120
Legal & Professional			975	975
Staff Development	75		616	691
Printing and Copying			3,864	3,864
Supplies			50	50
Bank Charges			22	22
Conferenes			950	950
Other Costs			163	163
Totals	<u>\$ 25,919</u>	<u>\$ 125</u>	<u>\$ 7,586</u>	<u>\$ 33,630</u>

See accompanying notes and independent accountant's review report.

THE LIBRARY FOUNDATION OF DELAWARE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1-NATURE OF ACTIVITIES

The Library Foundation of Delaware County, Pennsylvania is a nonprofit organization that was organized as a nonprofit organization under the laws of the Commonwealth of Pennsylvania in 1997.

Its stated purpose is to support public libraries in Delaware County, Pennsylvania. The foundation works closely with the Delaware County Library System to help fund programs and activities in DCLS member libraries.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Library Foundation have been prepared on the cash basis of accounting. Consequently, revenue and the related assets are recognized when received rather than when earned and expenses and the related liabilities are recognized when paid rather than when the obligation is incurred.

Financial Statement Presentation

The Library Foundation has no temporary or permanently restricted net assets. Consequently, the Library Foundation reports information regarding its financial position and activities as unrestricted net assets.

Use of Estimates

The preparation of financial statements includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Cash and Cash Equivalents

The Library Foundation maintains accounts at one financial institution and one investment account. The account in the financial institution is insured by the FDIC for balances up to \$250,000. In the normal course of business the Library Foundation may have deposits in excess of the insured balances.

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Donated Materials, Facilities, and Services

The Library Foundation occupies without charge the premises owned by Delaware County. The estimated fair rental value of the premises is not readily determinable and is not included in the financial statements. The Library Foundation also receives benefit of other operating costs incurred by the County. These expenses are not readily determinable and are not included in the financial statements.

Significant services, materials, and facilities are donated to the Library Foundation by various individuals and organizations. The estimated value of the donated services, materials and facilities are not determinable and as such are not included in the revenues or expenses of the Library Foundation.

NOTE 3 - INCOME TAX STATUS

The Library Foundation is classified as a Section 501 (c) (3) Organization under the Federal Internal Revenue Code and Section 13.2210(e) of the State Revenue and Taxation Code. As a result, it has been determined to be exempt from federal and state income taxes.

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2016 consisted of:

Checking – TD Bank	\$ 39,222
Money Market – TD Bank	9,740
PayPal	<u>1,111</u>
Total	\$ <u>50,073</u>

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NOTE 5 - INVESTMENTS

Investments at December 31, 2016 consisted of

ABBVie Inc – 430 Shares	\$26,927
Edward Jones Money Market	<u>242,896</u>
Total	<u>\$242,896</u>

Investments are recorded at fair value based on quoted prices for identical instruments in active markets

Investment income consists of:

Interest Income	\$102
Dividends	980
Unrealized Gains	<u>1,454</u>
Total Investment Income	<u>\$2,536</u>

NOTE 6-TEMPORARILY RESTRICTED NET ASSETS

The library foundation currently has no temporarily restricted assets.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 28, 2017, the date that the financial statements were available to be issued.