

**THE LIBRARY FOUNDATION OF  
DELAWARE COUNTY, PENNSYLVANIA  
DECEMBER 31, 2020**

THE LIBRARY FOUNDATION OF  
DELAWARE COUNTY, PENNSYLVANIA

DECEMBER 31, 2020

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Independent Accountant’s Review Report	1
Statement of Assets, Liabilities, and Net Assets – Cash Basis As of December 31, 2020	2
Statement of Support, Revenue and Change in Net Assets – Cash Basis For the Year Ended December 31, 2020	3
Statement of Cash Flows – Cash Basis For the Year Ended December 31, 2020	4
Statement of Functional Expenses – Cash Basis For the Year Ended December 31, 2020	5
Notes to the Financial Statements	6



**MICHAEL J. O'DOHERTY, P.C.** *Certified Public Accountant*

A Professional Corporation

373 Baltimore Pike • Springfield, Pennsylvania 19064 • (610) 604-4700 • Fax (610) 544-9525

## **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, 2020, and the related statements of revenues, expenses and changes in net assets-cash basis, statement of cash flows-cash basis, 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, 2021**

Springfield, Pennsylvania

The Library Foundation of Delaware County, Pennsylvania  
Statement of Assets, Liabilities and Net Assets - Cash Basis  
As of December 31, 2020

ASSETS

Current Assets:	
Cash	\$ 37,953
Investments	<u>377,381</u>
Total Current Assets	<u>415,334</u>
Total Assets	<u>\$ 415,334</u>

NET ASSETS

Net Assets:	
Without donor restriction	<u>\$ 415,334</u>
Total Net Assets	<u>\$ 415,334</u>

See accompanying notes and independent accountant's review report.

The Library Foundation of Delaware County, Pennsylvania  
Statement of Support, Expenses and Change in Net Assets - Cash Basis  
For the Year Ended December 31, 2020

	Without Donor Restrictions
<b>SUPPORT</b>	
Direct Public Grants	\$ 13,596
Direct Public Support	2,594
Other	-
<b>TOTAL SUPPORT</b>	16,190
 <b>EXPENSES</b>	
Program Expenses	26,138
General & Administrative	8,142
<b>TOTAL EXPENSES</b>	34,280
 <b>INCOME FROM OPERATIONS</b>	 (18,090)
Investment Income	11,228
 <b>CHANGE IN NET ASSETS</b>	 (6,862)
<b>NET ASSETS JANUARY 1, 2020</b>	422,196
<b>NET ASSETS DECEMBER 31, 2020</b>	415,334

See accompanying notes and independent accountant's review report.

The Library Foundation of Delaware County, Pennsylvania  
Statement of Cash Flows - Cash Basis  
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ (6,862)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	_____
Total Adjustments	0
NET CASH USED BY OPERATING ACTIVITIES	(6,862)
CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in Investments	(11,094)
NET CASH USED IN INVESTING ACTIVITIES	(11,094)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Borrowings on Long Term Debt	
Principal Payments on Long Term Debt	_____
NET CASH PROVIDED BY FINANCING ACTIVITIES	0
NET DECREASE IN CASH	(17,956)
CASH JANUARY 1, 2020	55,909
CASH DECEMBER 31, 2020	\$ 37,953

Interest Expense Paid For the Year Ended December 31, 2020 totalled \$-0-

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, 2020

	<u>Program</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Childrens Programs	\$ 6,481			\$ 6,481
Adult Programs	700			700
Programs	934			934
Awards and Grants	11,737			11,737
Facilities and Equipment	1,490			1,490
Program Equipment	397			397
Library Materials	4,399			4,399
Advertising			\$ 1,269	1,269
Legal & Professional Consulting			1,650	1,650
Printing and Copying			-	-
Other Costs			2,198	2,198
			3,025	3,025
Totals	<u>\$ 26,138</u>	<u>\$ -</u>	<u>\$ 8,142</u>	<u>\$ 34,280</u>

See accompanying notes and independent accountant's review report.

THE LIBRARY FOUNDATION OF DELAWARE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**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. The Foundation's primary source of revenue is from public support.

**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.

Net Assets

The financial statements report net assets and changes in net assets based on the existence or absence of restrictions on use that are place by its donors. The Library Foundation has no net assets with donor restrictions. Consequently, the Library Foundation reports information regarding its financial position and activities as net assets without donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

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 net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions.

Cash

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. The account in the investment account is insured by the SPIC. In the normal course of business the Library Foundation may have deposits in excess of the insured balances.

Investments

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

THE LIBRARY FOUNDATION OF DELAWARE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**

Cash at December 31, 2020 consisted of:

Checking – TD Bank	\$ 9,096
Money Market – TD Bank	26,777
PayPal	<u>2,080</u>
Total	\$ <u>37,953</u>

**NOTE 5 - INVESTMENTS**

Investments at December 31, 2020 consisted of

ABBVie Inc – 430 Shares	\$ 46,075
Edward Jones Money Market	<u>331,306</u>
Total	<u>\$377,381</u>

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

Investment income consists of:

Interest Income	\$1,374
Dividends	2,030
Unrealized Gains (Loss)	<u>7,824</u>
Total Investment Income	<u>\$11,228</u>

THE LIBRARY FOUNDATION OF DELAWARE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Programs	Usage
Program Equipment	Usage
Library Materials	Usage
Legal and Professional	Full time equivalent

**NOTE 7 – AVAILABILITY AND LIQUIDITY**

The following represents the Foundation’s financial assets at December 31, 2020:

Financial assets at year end:	
Cash	\$ 37,953
Investments	<u>\$377,381</u>
Total financial assets	<u>\$415,334</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>-0-</u>
Financial assets available to meet general expenditures over the next year	<u>\$415,334</u>

The Foundation’s goal is generally to maintain financial assets to meet one year of operating expenses.

**NOTE 8 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 9, 2021, the date that the financial statements were available to be issued.