

**THE LIBRARY FOUNDATION OF
DELAWARE COUNTY, PENNSYLVANIA
DECEMBER 31, 2018**

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DELAWARE COUNTY, PENNSYLVANIA

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<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, 2018	2
Statement of Support, Revenue and Change in Net Assets – Cash Basis For the Year Ended December 31, 2018	3
Statement of Cash Flows – Cash Basis	4
Statement of Functional Expenses – Cash Basis For the Year Ended December 31, 2018	5
Notes to the Financial Statements	6 - 7



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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, 2018, and the related statement of revenues, expenses and changes in net assets, 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 5, 2019

Springfield, Pennsylvania

The Library Foundation of Delaware County, Pennsylvania
Statement of Assets, Liabilities and Net Assets - Cash Basis
As of December 31, 2018

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 55,022
Investments	<u>360,838</u>
Total Current Assets	<u>415,860</u>
Total Assets	<u>\$ 415,860</u>

NET ASSETS

Net Assets:	
Without donor restriction	<u>\$ 415,860</u>
Total Net Assets	<u>\$ 415,860</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, 2018

	Without Donor Restrictions
REVENUE	
Direct Public Grants	\$ 27,521
Direct Public Support	4,295
Indirect Public Support	39
Miscellaneous Revenue	-
	-
TOTAL REVENUE	31,855
EXPENSES	
Program	
Program Expenses	23,717
Library Materials	4,603
	4,603
Total Program Expenses	28,320
Support	
Advertising	619
Advocacy Support	-
Legal & Professional	1,425
Fundraising	-
Printing & Copying	-
Operating Expenses	936
	936
Total Support	2,980
TOTAL EXPENSES	31,300
INCOME FROM OPERATIONS	555
Investment Income	1,966
	1,966
CHANGE IN NET ASSETS	2,521

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, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 2,521
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	_____
Total Adjustments	_____ 0
NET CASH USED BY OPERATING ACTIVITIES	2,521
CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in Investments	_____ (1,671)
NET CASH USED IN INVESTING ACTIVITIES	(1,671)
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 INCREASE IN CASH AND CASH EQUIVALENTS	850
CASH AND CASH EQUIVALENTS, JANUARY 1, 2018	_____ 54,172
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2018	_____ <u>\$ 55,022</u>

Interest Expense Paid For the Year Ended December 31, 2018 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, 2018

	<u>Program</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Childrens Programs	\$ 15,279			\$ 15,279
Adult Programs	-			-
Programs	7,925			7,925
Program Equipment	513			513
Library Materials	4,603			4,603
Fundraising		\$ -		-
Advertising			619	619
Advocacy Support			-	-
Legal & Professional			1,425	1,425
Staff Development	-		-	-
Printing and Copying			-	-
Supplies			786	786
Bank Charges			-	-
Conferenes			-	-
Other Costs			150	150
Totals	<u>\$ 28,320</u>	<u>\$ -</u>	<u>\$ 2,980</u>	<u>\$ 31,300</u>

See accompanying notes and independent accountant's review report.

THE LIBRARY FOUNDATION OF DELAWARE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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.

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 it 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 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.

THE LIBRARY FOUNDATION OF DELAWARE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018 consisted of:

Checking – TD Bank	\$ 14,050
Money Market – TD Bank	39,558
PayPal	<u>1,414</u>
Total	\$ <u>55,022</u>

NOTE 5 - INVESTMENTS

Investments at December 31, 2018 consisted of

ABBVie Inc – 430 Shares	\$39,642
Edward Jones Money Market	<u>321,196</u>
Total	<u>\$360,838</u>

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

Investment income consists of:

Interest Income	\$296
Unrealized Gains	<u>1,670</u>
Total Investment Income	<u>\$1,966</u>

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 9, 2019, the date that the financial statements were available to be issued.