

**THE LIBRARY FOUNDATION OF
DELAWARE COUNTY, PENNSYLVANIA
DECEMBER 31, 2021**

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DELAWARE COUNTY, PENNSYLVANIA

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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, 2021, 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.

May 3, 2022

Springfield, Pennsylvania

The Library Foundation of Delaware County, Pennsylvania
Statement of Assets, Liabilities and Net Assets - Cash Basis
As of December 31, 2021

ASSETS

Current Assets:

Cash	\$ 4,334
Investments	<u>428,544</u>
Total Current Assets	<u>432,878</u>
Total Assets	<u>\$ 432,878</u>

NET ASSETS

Net Assets:

Without donor restriction	<u>\$ 432,878</u>
Total Net Assets	<u>\$ 432,878</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, 2021

	Without Donor Restrictions
Public Support and Revenue	
Direct Public Grants	\$ 6,768
Direct Public Support	4,478
Other	-
Total Public Support and Revenue	11,246
Non-Operating Income (Loss)	
Investment and Dividend Income	6,535
Realized Gains (Losses) on Investments	8,866
Unrealized Gains (Losses) on Investments	25,507
Total Non-Operating Income (Loss)	40,908
Total Operating and Non-Operating Revenue	52,154
Expenses	
Program Expenses	20,493
General & Administrative	14,117
Total Operating Expenses	34,610
Change in Net Assets	17,544
Net Assets January 1, 2021	415,334
Net Assets December 31, 2021	432,878

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, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 17,544
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	
Total Adjustments	0
NET CASH PROVIDED BY OPERATING ACTIVITIES	17,544
CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in Investments	(51,163)
NET CASH USED IN INVESTING ACTIVITIES	(51,163)
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	(33,619)
CASH JANUARY 1, 2021	37,953
CASH DECEMBER 31, 2021	\$ 4,334

Interest Expense Paid For the Year Ended December 31, 2021 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, 2021

	<u>Program</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Programs	\$ 336			\$ 336
Awards and Grants	11,543			11,543
Library Materials	8,614			8,614
Advertising			\$ 214	214
Legal & Professional			13,056	13,056
Telephone and IT			309	309
Board			510	510
Other Costs			28	28
Totals	<u>\$ 20,493</u>	<u>\$ -</u>	<u>\$ 14,117</u>	<u>\$ 34,610</u>

See accompanying notes and independent accountant's review report.

THE LIBRARY FOUNDATION OF DELAWARE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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
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Donated Materials, Facilities, and Services

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 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, 2021 consisted of:

Checking – TD Bank	\$ <u>4,334</u>
Total	\$ <u>4,334</u>

The Foundation has no restricted cash accounts.

NOTE 5 – INVESTMENTS

The Foundation’s investments are recorded at fair value. Fair value is defined as the price that would be paid to transfer the asset between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would transfer the liability with the greatest volume and level of activity for the liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would transfer the asset with the price that maximizes the amount that would be received. Fair value is based on assumptions market participants would make in pricing the asset. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

THE LIBRARY FOUNDATION OF DELAWARE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

The Foundation’s investments are recorded at fair value and is categorized based on the priority of the inputs used to measure fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

- Level 1 - Inputs that are based upon quoted prices for identical instruments traded in active markets.
- Level 2 - Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.
- Level 3 - Inputs that are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset. The fair value is therefore determined using model-based techniques that include option pricing models and similar techniques.

Fair Value of investments at December 31, 2021 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market Funds	\$ 2,777	\$ 2,777	-	-
Mutual Funds – Equity	285,656	285,656	-	-
Money Market Funds – Fixed Income	117,780	117,780	-	-
Joint Ventures	<u>22,331</u>	<u>-</u>	<u>-</u>	<u>\$22,331</u>
	<u>\$428,544</u>	<u>\$406,213</u>	<u>-</u>	<u>\$22,331</u>

Investment income consists of:

Interest and Dividends	\$6,535
Realized Gains (Losses)	8,866
Unrealized Gains (Losses)	<u>25,507</u>
Total Investment Income	<u>\$40,908</u>

THE LIBRARY FOUNDATION OF DELAWARE COUNTY, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

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, 2021:

Financial assets at year end:	
Cash	\$ 4,334
Investments	<u>\$428,544</u>
Total financial assets	<u>\$432,878</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>\$432,878</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 May 3, 2022, the date that the financial statements were available to be issued.