

MARS AREA PUBLIC LIBRARY ASSOCIATION

FINANCIAL REPORT

DECEMBER 31, 2021

MARS AREA PUBLIC LIBRARY ASSOCIATION

DECEMBER 31, 2021

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of Mars Area Public Library Association

We have reviewed the accompanying financial statements of Mars Area Public Library Association (the "Organization"), which comprise the Statement of Assets, Liabilities, and Net Assets as of December 31, 2021, the related statements of Revenues, Expenses, and Changes in Net Assets, the Statement of Functional Expenses and Statement of Cash Flows 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 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standard for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. 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 accounting principles generally accepted in the United States of America. 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 accounting principles generally accepted in the United States of America.

Bonus Accounting LLC

Firm's Signature

Butler, PA

City, State

May 17, 2022

Report Date

MARS AREA PUBLIC LIBRARY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS:

Cash and cash equivalents \$338,835

Total current assets 338,835

PROPERTY AND EQUIPMENT:

Land and building 772,764

Furniture and equipment 111,579

Exhaustible collection of books and materials 203,560

Total Property and equipment 1,087,901

Less accumulated depreciation 690,732

Property and equipment, net 397,169

Total assets \$736,005

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable 12,929

Accrued and withheld payroll liabilities 5,890

Total Current Liabilities 18,819

NET ASSETS:

Without Donor Restrictions

Available for operations 320,017

Net investment in property and equipment 397,169

With Donor Restrictions -

Total Net Assets 717,186

Total Liabilities and Net Assets \$ 736,005

See Notes To Financial Statements and Accountant's Report.

**MARS AREA PUBLIC LIBRARY ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Total
Changes in net assets without donor restrictions:	
SUPPORT AND REVENUES	
State and local governments	\$ 219,155
Fees, fines and licenses	7,479
Investment income	53
Contributions and memorials	65,276
Net assets released from restrictions	-
Total support and revenues	291,963
 EXPENSES	
Salary and wages	136,192
Occupancy costs	10,400
Depreciation expense	64,838
Employee benefits and taxes	11,347
Library materials and supplies	14,179
Repairs and maintenance	18,771
Professional fees	6,460
Office supplies and postage	4,983
Insurance	3,111
Telephone	1,895
Program expenses	7,070
Total expenses	279,247
 CHANGE IN NET ASSETS	12,716
 NET ASSETS, BEGINNING OF YEAR	704,470
 NET ASSETS, END OF YEAR	\$ 717,186

See Notes To Financial Statements and Accountant's Report.

MARS AREA PUBLIC LIBRARY ASSOCIATION
STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>
SUPPORT AND REVENUES				
State and local governments	\$ 219,155	\$ -	\$ -	\$ 219,155
Fees, fines and licenses	7,479	-	-	7,479
Investment income	53	-	-	53
Contributions and memorials	65,276	-	-	65,276
Net assets released from restrictions	-	-	-	-
Total support and revenues	<u>\$ 291,963</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,963</u>
EXPENSES:				
Salary and wages	\$ 131,438	\$ -	\$ 4,754	\$ 136,192
Occupancy costs	10,400	-	-	10,400
Depreciation expense	64,838	-	-	64,838
Employee benefits and taxes	10,212	-	1,135	11,347
Library materials and supplies	14,179	-	-	14,179
Repairs and maintenance	18,771	-	-	18,771
Professional fees	-	-	6,460	6,460
Office supplies and postage	4,983	-	-	4,983
Insurance	3,111	-	-	3,111
Telephone	1,705	-	189	1,895
Program expenses	7,070	-	-	7,070
Total expenses	<u>\$ 266,709</u>	<u>\$ -</u>	<u>\$ 12,538</u>	<u>\$ 279,247</u>

See Notes To Financial Statements and Accountant's Report.

**MARS AREA PUBLIC LIBRARY ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 12,716
Adjustments to Reconcile Change in Net Assets to net cash provided by operating activities:	
Pledges receivable	48,600
Depreciation	64,838
Accounts payable	12,929
Accrued and withheld payroll liabilities	<u>2,428</u>
Net cash provided by operating activities	<u>141,511</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of equipment	<u>(42,376)</u>
Net cash used in investing activities	<u>(42,376)</u>
 INCREASE IN CASH	 99,136
 CASH - BEGINNING OF YEAR	 <u>239,700</u>
 CASH - END OF YEAR	 <u><u>\$ 338,835</u></u>

See Notes To Financial Statements and Accountant's Report.

MARS AREA PUBLIC LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Mars Area Library Association (Library) is a not-for profit corporation exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Library operates under a Board of Directors and provides library service to residents of the Mars Area School District, Butler County, Pennsylvania.

BASIS OF ACCOUNTING

The financial statements of the Library have been prepared on the accrual basis of accounting and, accordingly, report all significant receivables, payables, and other liabilities as prescribed by accounting principles generally accepted in the United States of America ("GAAP").

FINANCIAL STATEMENT PRESENTATION

Accounting Standards require the Library to report the information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The following is a description of the two net asset categories:

NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets not subject to donor-imposed stipulations are classified as without donor restrictions. Board designated net assets are net assets without donor restrictions that have been set aside by the Board of Directors for specific purposes. Contributions received with donor-imposed restrictions that are met in the same year in which contributions are received are classified as contributions without donor restrictions.

NET ASSETS WITH DONOR RESTRICTIONS

Net assets subject to donor-imposed stipulations that may or will be met, either by action of the Library and/or the passage of time, or are those for which donors require the funds to be maintained permanently. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

GRANTS

The Library records income from unrestricted operating grants in the period designated by the grantor.

CONTRIBUTIONS

In accordance with the Statement of Financial Accounting Standards (SFAS) No. 116, contributions received are recorded as unrestricted or temporarily restricted support depending on the existence or nature of any donor-imposed stipulations. The Library receives contributions from the public that are correctly recognized as unrestricted or temporarily restricted support in the statement of activities.

DONATED SERVICES

A substantial number of volunteers have donated significant amounts of their time to staff the Library. The value of non-specialized donated services is not recorded in the financial statements. Donated materials and specialized services are recorded as contributions in the financial statements.

USE OF ESTIMATES

The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent asset and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual amounts could differ from the estimates.

FIXED ASSETS

Collections of books, audiotapes, and videotapes that are exhaustible are capitalized at their cost, and are depreciated over a five-year life. Building, equipment, furniture and fixtures are reported at cost in the financial statements, and are depreciated over their estimated useful lives of between five and forty years. Materials with an estimated useful life of less than one year are not capitalized. Depreciation is calculated on a straight-line basis for all fixed assets.

CASH AND CASH EQUIVALENTS

The Library considers all highly liquid debt instruments that are near cash in nature to be cash equivalents for purposes of financial reporting.

At December 31, 2021, the carrying amount of the Library's deposits was \$338,835 and the bank balance was \$339,129. The bank balances were not fully covered by the Federal Depository Insurance of \$250,000 and exceeded the amount by \$89,129.

PROPERTY AND EQUIPMENT

Land and building	\$ 772,764
Furniture and equipment	111,579
Exhaustible collection of books and materials	203,560
	<hr/>
Total Property and equipment	1,087,901
Accumulated depreciation	(690,732)
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Net balance as of December 31, 2021	\$ 397,169

INCOME TAX STATUS

The Library is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and, therefore, has made no provision for federal income taxes in the accompanying financial statements. In general, the Library's tax positions for open tax years remain subject to examination by the tax authorities in the jurisdictions in which the Library operates.

SUBSEQUENT EVENTS

In preparing these financial statements, the Library has evaluated events and transactions for potential recognition or disclosure through May 17, 2022 the date the financial statements were available to be issued.

RISK MANAGEMENT

The Library is exposed to various risks of loss related to, theft of, damage to, and destruction of assets: errors and omissions; injuries to service providers; and natural disasters. The Library purchases commercial insurance for claims in excess of coverage provided by the funds and for other risks of loss.

2. MAJOR CONTRIBUTOR

Funds relating to grants from Adams Township totaled \$160,000 for the year ended December 31, 2021.