
EASTERN SHORE PUBLIC LIBRARY FOUNDATION
(A COMPONENT UNIT OF EASTERN SHORE PUBLIC LIBRARY)
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

To the Board of Directors
Eastern Shore Public Library Foundation
Accomac, Virginia

We have audited the accompanying financial statements of Eastern Shore Public Library Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern Shore Public Library Foundation as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 4, 2015

- Financial Statements -

EASTERN SHORE PUBLIC LIBRARY FOUNDATION

Statement of Financial Position
At June 30, 2015

ASSETS	
<hr/>	
Current assets:	
Cash and cash equivalents	\$ <u>177,752</u>
Total current assets	\$ <u>177,752</u>
Total assets	\$ <u><u>177,752</u></u>
NET ASSETS	
<hr/>	
Unrestricted	\$ 152,752
Temporarily restricted	<u>25,000</u>
Total net assets	\$ <u><u>177,752</u></u>

The accompanying notes to financial statements are an integral part of this statement.

EASTERN SHORE PUBLIC LIBRARY FOUNDATION

Statement of Activities For the Year Ended June 30, 2015

	Unrestricted Funds	Temporarily Restricted Funds	Total Funds
Revenues and other support:			
Donations and gifts	\$ 36,134	\$ -	\$ 36,134
Total revenues and other support	\$ 36,134	\$ -	\$ 36,134
Expenses:			
Program services:			
Advertising	\$ 335	\$ -	\$ 335
Contract services	3,350	-	3,350
Supporting services:			
Management and general:			
Office expenses	1,292	-	1,292
Professional fees	1,000	-	1,000
Registration fees	370	-	370
Travel	544	-	544
Fundraising:			
Office expenses	528	-	528
Total expenses	\$ 7,419	\$ -	\$ 7,419
Change in net assets	\$ 28,715	\$ -	\$ 28,715
Net assets at beginning of period	124,037	25,000	149,037
Net assets at end of period	\$ 152,752	\$ 25,000	\$ 177,752

The accompanying notes to financial statements are an integral part of this statement.

EASTERN SHORE PUBLIC LIBRARY FOUNDATION

Statement of Cash Flows
For the Year Ended June 30, 2015

	<u>2015</u>
Cash flows from operating activities:	
Change in net assets	\$ <u>28,715</u>
Net cash provided by (used for) operating activities	\$ <u>28,715</u>
Change in cash and cash equivalents	\$ 28,715
Cash and cash equivalents at beginning of period	<u>149,037</u>
Cash and cash equivalents at end of period	\$ <u><u>177,752</u></u>

The accompanying notes to financial statements are an integral part of this statement.

EASTERN SHORE PUBLIC LIBRARY FOUNDATION
Accomac, Virginia

Notes to Financial Statements
At June 30, 2015

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Eastern Shore Public Library Foundation (Foundation) was incorporated in 2009 and is recognized by the Internal Revenue Service as a tax-exempt 501(c)(3) organization. The Foundation's mission is to work with the Eastern Shore Public Library to help raise funds to build a new main library to serve the whole Eastern Shore of Virginia.

The Foundation is a discretely presented component unit of the Eastern Shore Public Library as it is an extension of the Library as it works to raise funds needed for expansion. These factors warrant its inclusion in the Eastern Shore Public Library's reporting entity as a discretely presented component unit.

Basis of Accounting:

The Foundation prepares its financial statements on the accrual basis of accounting. Under the accrual method, revenues are recognized in the period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

Basis of Presentation:

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to any donor-imposed stipulations. At June 30, 2015, the Foundation had unrestricted net assets of \$152,752.

Temporarily restricted net assets - Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Foundation or the passage of time. At June 30, 2015, the Foundation had temporarily restricted net assets of \$25,000.

Permanently restricted net assets - Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Foundation. Generally, the donors permit the Foundation to use all or part of the income earned for either general or donor-specific purposes. At June 30, 2015, the Foundation had no permanently restricted net assets.

Cash and Cash Equivalents:

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturity dates of less than three months or less from the date of acquisition.

EASTERN SHORE PUBLIC LIBRARY FOUNDATION
Accomac, Virginia

Notes to Financial Statements
At June 30, 2015 (continued)

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(CONTINUED)

Revenue Recognition:

Contributions and grant funds, which include unconditional promises to give, are recognized as revenue when they are received or unconditionally pledged.

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions and grants are initially reported in the temporarily restricted net asset class, even if it is anticipated such restrictions will be met in the current reporting period.

The Foundation reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Open Tax Years:

The Foundation's information returns are subject to examination by the Internal Revenue Service for three years subsequent. Open tax years at June 30, 2015 include fiscal years 2012, 2013, and 2014.

NOTE 2 - CONCENTRATION OF CREDIT RISK:

The Foundation maintains its general operating account at Shore Bank in Accomac, Virginia, which is insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At June 30, 2015, the Foundation's cash balance did not exceed federally insured limits.

EASTERN SHORE PUBLIC LIBRARY FOUNDATION
Accomac, Virginia

Notes to Financial Statements
At June 30, 2015 (continued)

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS:

The Foundation acquired a matching grant of \$25,000 during the year from the Morgan Foundation. This amount is temporarily restricted and to be held for use toward future construction of a new main library.

NOTE 4 - DATE OF MANAGEMENT'S REVIEW:

In preparing these financial statements, management of the Foundation has evaluated events and transactions for potential recognition or disclosure through December 4, 2015, the date the financial statements were available to be issued.