

**TAYLOR COMMUNITY LIBRARY**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023  
AND  
INDEPENDENT ACCOUNTANTS'  
REVIEW REPORT**

# TAYLOR COMMUNITY LIBRARY

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**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Directors of the  
Lackawanna County Library Board and  
The Board of the Taylor Community Library

We have reviewed the accompanying financial statements of Taylor Community Library, which comprise the statements of assets, liabilities, and net assets – modified cash basis as of December 31, 2024, and the related statements of support, revenues, and expenses – modified cash basis and the statements of functional expenses – modified 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 the Library's 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 modified cash basis of accounting; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error.

**Accountants' 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 modified cash basis method of accounting. We believe that the results of our procedures provide a reasonable basis for our report.

We are required to be independent of Taylor Community Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Accountants' Conclusion**

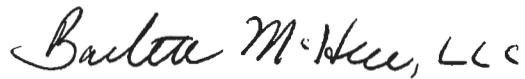
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis method 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.

**Prior Year Financial Statements**

The 2023 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated January 30, 2024. We have not performed any auditing procedures on the financial statements since January 30, 2024.

A handwritten signature in cursive script that reads "Barta McHew, LLC".

Dunmore, Pennsylvania  
February 9, 2025

**TAYLOR COMMUNITY LIBRARY**

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS  
MODIFIED CASH BASIS  
DECEMBER 31, 2024 AND 2023

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|   | <u>2024</u>       | <u>2023</u>       |
|---|-------------------|-------------------|
| <u>ASSETS</u>                                 |                   |                   |
| CURRENT ASSETS:                               |                   |                   |
| Cash  | \$ 101,313        | \$ 90,091         |
| PROPERTY, FURNISHINGS AND<br>COLLECTIONS, NET | <u>77,036</u>     | <u>64,124</u>     |
| TOTAL ASSETS                                  | <u>\$ 178,349</u> | <u>\$ 154,215</u> |
| <u>LIABILITIES AND NET ASSETS</u>             |                   |                   |
| CURRENT LIABILITIES:                          |                   |                   |
| Deferred revenue                              | <u>\$ 33,200</u>  | <u>\$ 33,200</u>  |
| Total current liabilities                     | <u>33,200</u>     | <u>33,200</u>     |
| NET ASSETS:                                   |                   |                   |
| Without donor restrictions                    | <u>145,149</u>    | <u>121,015</u>    |
| Total   | <u>145,149</u>    | <u>121,015</u>    |
| TOTAL LIABILITIES AND NET ASSETS              | <u>\$ 178,349</u> | <u>\$ 154,215</u> |

See independent accountants' review report.

**TAYLOR COMMUNITY LIBRARY**

STATEMENTS OF SUPPORT, REVENUES AND EXPENSES - MODIFIED CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | 2024<br>Total     | 2023<br>Memorandum<br>Total |
|---|-------------------------------|----------------------------|-------------------|-----------------------------|
| SUPPORT, REVENUES AND<br>RECLASSIFICATIONS:     |                               |                            |                   |                             |
| General state aid                               | \$ 34,064                     | \$ -                       | \$ 34,064         | \$ 34,064                   |
| Local government revenue                        | 308,750                       | -                          | 308,750           | 271,226                     |
| Investment return                               | 76                            | -                          | 76                | 58                          |
| Fundraising and monetary donations              | 31,570                        | -                          | 31,570            | 41,442                      |
| Grants  | -                             | -                          | -                 | 2,847                       |
| Fines, fees and other library generated revenue | 4,215                         | -                          | 4,215             | 5,478                       |
| Total   | <u>378,675</u>                | <u>-</u>                   | <u>378,675</u>    | <u>355,115</u>              |
| EXPENSES:                                       |                               |                            |                   |                             |
| Program services                                | 193,013                       | -                          | 193,013           | 190,990                     |
| Management and general                          | 127,976                       | -                          | 127,976           | 119,426                     |
| Fundraising                                     | 33,552                        | -                          | 33,552            | 34,983                      |
| Total   | <u>354,541</u>                | <u>-</u>                   | <u>354,541</u>    | <u>345,399</u>              |
| CHANGES IN NET ASSETS                           | 24,134                        | -                          | 24,134            | 9,716                       |
| NET ASSETS - BEGINNING                          | <u>121,015</u>                | <u>-</u>                   | <u>121,015</u>    | <u>111,299</u>              |
| NET ASSETS - ENDING                             | <u>\$ 145,149</u>             | <u>\$ -</u>                | <u>\$ 145,149</u> | <u>\$ 121,015</u>           |

See independent accountants' review report.

**TAYLOR COMMUNITY LIBRARY**

STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

|                                       | Program<br>Services | Management<br>and General | Fund<br>Raising | 2024<br>Total  | 2023<br>Memorandum<br>Total |
|---------------------------------------|---------------------|---------------------------|-----------------|----------------|-----------------------------|
| SALARY AND WAGE EXPENDITURES          | \$ 116,824          | \$ 75,073                 | \$ 15,599       | \$ 207,496     | \$ 204,228                  |
| BENEFIT EXPENDITURES:                 |                     |                           |                 |                |                             |
| Payroll taxes                         | 9,367               | 6,140                     | 1,325           | 16,832         | 16,554                      |
| Health insurance                      | 24,880              | 13,995                    | 2,592           | 41,467         | 38,584                      |
| Pension expense                       | 120                 | 780                       | 300             | 1,200          | 1,200                       |
| Life insurance                        | 48                  | 313                       | 121             | 482            | 482                         |
| Worker's compensation insurance       | 495                 | 318                       | 66              | 879            | 865                         |
| SERIALS                               | 1,023               | -                         | -               | 1,023          | 1,576                       |
| LIBRARY SUPPLIES                      | -                   | -                         | -               | -              | 51                          |
| FURNITURE AND EQUIPMENT               | 262                 | -                         | -               | 262            | 760                         |
| MAINTENANCE:                          |                     |                           |                 |                |                             |
| Equipment maintenance                 | -                   | 1,043                     | -               | 1,043          | 482                         |
| Building and grounds maintenance      | -                   | 6,201                     | -               | 6,201          | 2,965                       |
| INSURANCE                             | -                   | 6,973                     | -               | 6,973          | 4,629                       |
| UTILITIES                             | -                   | 13,653                    | -               | 13,653         | 14,140                      |
| POSTAGE                               | -                   | 456                       | -               | 456            | 476                         |
| OFFICE SUPPLIES                       | -                   | 810                       | -               | 810            | 736                         |
| TELEPHONE                             | -                   | 2,221                     | -               | 2,221          | 3,910                       |
| PUBLIC RELATIONS AND LIBRARY PROGRAMS | 5,974               | -                         | -               | 5,974          | 6,042                       |
| TRAINING, TRAVEL AND CONFERENCES      | 2,035               | -                         | -               | 2,035          | 2,538                       |
| DUES AND MEMBERSHIPS                  | 644                 | -                         | -               | 644            | 194                         |
| FUNDRAISING COSTS                     | -                   | -                         | 13,549          | 13,549         | 14,436                      |
| DEPRECIATION                          | 31,341              | -                         | -               | 31,341         | 30,551                      |
| <br>TOTAL                             | <br>\$ 193,013      | <br>\$ 127,976            | <br>\$ 33,552   | <br>\$ 354,541 | <br>\$ 345,399              |

See independent accountants' review report.

## TAYLOR COMMUNITY LIBRARY

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

##### ORGANIZATION:

The Taylor Community Library is a non-membership Pennsylvania Not-For-Profit corporation that is exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986. The Library has been classified as other than a private foundation.

##### BASIS OF ACCOUNTING:

The financial statements have been prepared using a modified cash basis method of accounting. Provision has not been made for accounts receivable, payable or accrued expenses. Deferred revenues have been recorded when appropriate. Certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

##### BASIS OF PRESENTATION:

Net assets, revenues, expense, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Library uses the following classifications to distinguish among restrictions:

##### *Net Assets without Donor Restrictions:*

Net assets without donor restrictions include all contributions received without donor restrictions, and all revenue and expenses. Net assets without donor restrictions include both undesignated and board designated funds.

Undesignated net assets without donor restrictions may be used at the discretion of management to support the mission of the Library and consist of net assets accumulated from the results of operations.

Board designated net assets without donor restrictions are subject to self-imposed limits by action of the governing board. Board designated net assets may be earmarked for future programs, investments, contingencies, purchase or construction of fixed assets, or other uses.

##### *Net Assets with Donor Restrictions:*

Net assets with donor restrictions include contributions that have donor-imposed restrictions that limit the use of the donated assets. When a donor's restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(continued)



**TAYLOR COMMUNITY LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**COMPARATIVE FINANCIAL INFORMATION:**

The financial statements include certain prior year summarized comparative information in total, but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with the modified cash basis of accounting. Accordingly, such information should be read in conjunction with the Library's financial statements as of and for the year ended December 31, 2023, from which the summarized information was derived.

**FUNCTIONAL 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, which is determined by management.

**USE OF ESTIMATES:**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**SUPPORT AND REVENUES:**

Contributions of cash and other assets and grants are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenues and expenses as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution or grant is received, the Library reports the support as net assets without donor restrictions.

**CASH AND CASH EQUIVALENTS:**

The Library considers all investments with an initial maturity of three months or less to be cash equivalents.

(continued)

**TAYLOR COMMUNITY LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**PROPERTY, FURNISHINGS AND COLLECTIONS:**

Land, buildings, significant expenditures for furnishings and collections of books, videos and audio materials are stated at cost or market value at the time of donation. Insignificant expenditures for furnishings or repairs are expensed at the time of purchase. Depreciation has been provided on general fixed assets using the straight-line method over the following estimated useful lives:

| <u>Description</u>                    | <u>Estimated Useful Life</u> |
|---------------------------------------|------------------------------|
| Building improvements                 | 10 Years                     |
| Furniture and equipment               | 5 Years                      |
| Books, video<br>and audio collections | 5 Years                      |

**DONATED FACILITY**

The Borough of Taylor provides the Library with its facility located at 710 South Main Street, Taylor, Pennsylvania, at no cost. Under the modified cash basis of accounting, no recognition of rent revenue or rent expense from this arrangement is required.

**INVESTMENTS:**

The Library has adopted FASB ASC 958-320-50-1, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under investments FASB ASC 958-320-50-1 in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of assets, liabilities and net assets. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**INCOME TAXES:**

The Library qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and has received a determination letter from the Internal Revenue Service stating that it is exempt from federal income taxes except for taxes on unrelated business income.

The Library adopted previously deferred guidance related to uncertain tax positions. Financial Accounting Standards Board Accounting Standards Codification (ASC) 740-10 and related subsections prescribes rules for recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Library's tax returns. As a result of implementing this guidance, management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements and related disclosures. (continued)

**TAYLOR COMMUNITY LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**INCOME TAXES:**

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Library's tax returns will not be challenged by the taxing authorities and that the Library will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Library's tax returns remain open for federal income tax examination for three years from the date of filing.

**DATE OF MANAGEMENT EVALUATION:**

Management has evaluated subsequent events through February 9, 2025, the date on which the financial statements were available to be issued, and no subsequent events have been determined to have an effect on the financial statements as presented .

**NOTE 2 - LACKAWANNA COUNTY LIBRARY BOARD - ALLOCATION:**

Pursuant to a 1982 referendum vote in Lackawanna County, an authorized levy of special taxes on County real estate assessed valuations was instituted. For 2024 and 2023, the millage was 3.07 mills and 2.82 mills, respectively. This levy is in accordance with Articles 401 and 411 of the Commonwealth of Pennsylvania Library Code. Within Lackawanna County, the monies collected from this levy are to be used for the exclusive purpose of the establishment and/or maintenance of local libraries and library services.

In conjunction with the authorized special levy, the Commissioners of Lackawanna County named a Board of Directors to establish, develop, and maintain library services within the County and to exercise control and afford direction to the disbursements of appropriated monies.

Seven (7) member libraries, one of which is the Taylor Community Library, are now members of the Lackawanna County Library System, availing themselves of the funding and services of this County Library Board.

The 2024 and 2023 allocation to Taylor Community Library consisted of the following:

|                        | <u>2024</u>       | <u>2023</u>       |
|------------------------|-------------------|-------------------|
| County Operating Funds | \$ 308,750        | \$ 271,226        |
| General State Aid      | <u>34,064</u>     | <u>34,064</u>     |
| Total                  | <u>\$ 342,814</u> | <u>\$ 305,290</u> |

(continued)

**TAYLOR COMMUNITY LIBRARY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**NOTE 3 - PROPERTY, FURNISHINGS AND COLLECTIONS:**

The changes in property, furnishings and collections and their related accumulated depreciation amounts are reflected below:

|               | <u>Assets</u>     |                  |                    |                   | <u>Accumulated Depreciation</u> |                  |                    |                   |                  |
|---------------|-------------------|------------------|--------------------|-------------------|---------------------------------|------------------|--------------------|-------------------|------------------|
|               | Balance           |                  |                    | Balance           | Balance                         | 2024             |                    | Balance           | Net Book         |
|               | <u>1/1/24</u>     | <u>Additions</u> | <u>Deletions</u>   | <u>12/31/24</u>   | <u>1/1/24</u>                   | <u>Expense</u>   | <u>Deletions</u>   | <u>12/31/24</u>   | <u>Value</u>     |
| Furniture and |                   |                  |                    |                   |                                 |                  |                    |                   |                  |
| Equipment     | \$ 67,709         | \$ -             | \$ -               | \$ 67,709         | \$ 62,905                       | \$ -             | \$ -               | \$ 62,905         | \$ 4,804         |
| Collections   | 182,591           | 44,253           | (35,302)           | 191,542           | 123,271                         | 31,341           | (35,302)           | 119,310           | 72,232           |
| Building      |                   |                  |                    |                   |                                 |                  |                    |                   |                  |
| Improvements  | <u>2,490</u>      | <u>-</u>         | <u>-</u>           | <u>2,490</u>      | <u>2,490</u>                    | <u>-</u>         | <u>-</u>           | <u>2,490</u>      | <u>-</u>         |
| Total         | <u>\$ 252,790</u> | <u>\$ 44,253</u> | <u>\$ (35,302)</u> | <u>\$ 261,741</u> | <u>\$ 188,666</u>               | <u>\$ 31,341</u> | <u>\$ (35,302)</u> | <u>\$ 184,705</u> | <u>\$ 77,036</u> |

Depreciation expense totaled \$31,341 and \$30,551 for 2024 and 2023 respectively.

**NOTE 4 - INVESTMENT RETURN:**

The following schedule summarizes investment return and its classification in the statement of activities for the years ended:

|                 | <u>December 31, 2024</u>  |  |              | <u>December 31, 2023</u>  |  |              |
|-----------------|---|--|--------------|---|--|--------------|
|                 | <u>Net Asset</u><br><u>Without Donor</u><br><u>Restrictions</u> | <u>Net Asset</u><br><u>With Donor</u><br><u>Restrictions</u> | <u>Total</u> | <u>Net Asset</u><br><u>Without Donor</u><br><u>Restrictions</u> | <u>Net Asset</u><br><u>With Donor</u><br><u>Restrictions</u> | <u>Total</u> |
| Interest Income | \$ 76   | \$ -   | \$ 76        | \$ 58   | \$ -   | \$ 58        |

**NOTE 5 – PENSION:**

The Library maintains a pension plan with deferral provisions under §403(b) of the Internal Revenue Code covering all eligible employees. Employer contributions were \$1,200 for both 2024 and 2023.

**NOTE 6 - CONCENTRATIONS OF CREDIT RISK:**

The Library maintains cash balances at various financial institutions. Accounts are insured up to an aggregate total of \$250,000 per depositor. On December 31, 2024 and 2023, the Library's uninsured cash balances totaled \$-0- for both years.

(continued)

**TAYLOR COMMUNITY LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:**

The Library has \$479,127 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures. These assets consist of cash of \$101,313, state aid of \$34,064, local government revenue of \$308,750, expected net fund-raising proceeds of \$31,000 and expected library generated revenues of \$4,000. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Library has a goal to maintain financial assets, which consist of cash, on hand to meet 30 days of normal operating expenses, which are, on average, approximately \$29,000 per month. The Library has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Library Board of Directors have designated funds held in a savings account to provide for a library programs and activities.

The Library’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

|   |                          |
|---|--------------------------|
|   | <u>2024</u>              |
| Cash and cash equivalents                                       | <u>\$ 101,313</u>        |
| Assets on hand at year end available for liquidity purposes     | 101,313                  |
| Anticipated state aid   | 34,064                   |
| Anticipated local government revenue                            | 308,750                  |
| Expected net fund raising proceeds                              | 31,000                   |
| Expected library generated revenues                             | <u>4,000</u>             |
| Financial assets available within one year of December 31, 2024 | <u><u>\$ 479,127</u></u> |

(concluded)