

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

With Independent Auditor's Report Thereon

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Atlanta-Fulton Public Library Foundation, Inc.
Atlanta, GA

Opinion

We have audited the accompanying financial statements of Atlanta-Fulton Public Library Foundation, Inc. (the "AFPLF") which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlanta-Fulton Public Library Foundation, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the AFPLF and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the AFPLF's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

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auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 AFPLF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the AFPLF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Morrow, Georgia
September 20, 2022

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 763,915	\$ 506,293
Investments	-	229,157
Contributions receivable	39,797	71,650
Pledges receivable	<u>-</u>	<u>100,000</u>
TOTAL CURRENT ASSETS	803,712	907,100
OTHER ASSETS		
Security deposit	<u>1,000</u>	<u>1,000</u>
TOTAL ASSETS	<u>\$ 804,712</u>	<u>\$ 908,100</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ <u>31,641</u>	\$ <u>24,370</u>
TOTAL CURRENT LIABILITIES	<u>31,641</u>	<u>24,370</u>
TOTAL LIABILITIES	<u>31,641</u>	<u>24,370</u>
NET ASSETS		
Without donor restrictions	251,418	230,802
With donor restrictions	<u>521,653</u>	<u>652,928</u>
TOTAL NET ASSETS	<u>773,071</u>	<u>883,730</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 804,712</u>	<u>\$ 908,100</u>

The accompanying notes are an integral part of these financial statements.

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions and grants	\$ 299,573	\$ 47,150	\$ 346,723
In-kind contributions	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Support and revenues	311,573	47,150	358,723
Net assets released from restrictions due to satisfaction of donor-imposed restrictions	<u>178,425</u>	<u>(178,425)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>489,998</u>	<u>(131,275)</u>	<u>358,723</u>
EXPENSES			
Program services	256,570	-	256,570
Supporting services			
Management and general expenses	107,073	-	107,073
Fundraising expenses	<u>105,342</u>	<u>-</u>	<u>105,342</u>
Total supporting services	<u>212,415</u>	<u>-</u>	<u>212,415</u>
TOTAL EXPENSES	<u>468,985</u>	<u>-</u>	<u>468,985</u>
OPERATING EXCESS	21,013	(131,275)	(110,262)
NONOPERATING CHANGES			
Investment revenue	<u>(397)</u>	<u>-</u>	<u>(397)</u>
CHANGES IN NET ASSETS	20,616	(131,275)	(110,659)
NET ASSETS:			
AT BEGINNING OF YEAR	<u>230,802</u>	<u>652,928</u>	<u>883,730</u>
AT END OF YEAR	<u>\$ 251,418</u>	<u>\$ 521,653</u>	<u>\$ 773,071</u>

The accompanying notes are an integral part of these financial statements.

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions and grants	\$ <u>125,197</u>	\$ <u>398,655</u>	\$ <u>523,852</u>
Support and revenues	125,197	398,655	523,852
Net assets released from restrictions due to satisfaction of donor-imposed restrictions	<u>40,251</u>	<u>(40,251)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>165,448</u>	<u>358,404</u>	<u>523,852</u>
EXPENSES			
Program services	89,903	-	89,903
Supporting services			
Management and general expenses	44,900	-	44,900
Fundraising expenses	<u>25,881</u>	<u>-</u>	<u>25,881</u>
Total supporting services	<u>70,781</u>	<u>-</u>	<u>70,781</u>
TOTAL EXPENSES	<u>160,684</u>	<u>-</u>	<u>160,684</u>
OPERATING EXCESS	4,764	358,404	363,168
NONOPERATING CHANGES			
Investment revenue	<u>2,969</u>	<u>-</u>	<u>2,969</u>
CHANGES IN NET ASSETS	7,733	358,404	366,137
NET ASSETS:			
AT BEGINNING OF YEAR	<u>223,069</u>	<u>294,524</u>	<u>517,593</u>
AT END OF YEAR	<u>\$ 230,802</u>	<u>\$ 652,928</u>	<u>\$ 883,730</u>

The accompanying notes are an integral part of these financial statements.

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program activities</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 180,093	\$ -	\$ -	\$ 180,093
Personnel expenses	31,275	15,002	46,554	92,831
Salaries	43,377	5,722	19,074	68,173
Advertising and promotion	-	18,150	37,106	55,256
Accounting	-	32,900	-	32,900
General and administrative	-	14,879	-	14,879
Occupancy	-	12,000	-	12,000
Conferences and meetings	-	7,638	-	7,638
Payroll taxes	<u>1,825</u>	<u>782</u>	<u>2,608</u>	<u>5,215</u>
 TOTAL EXPENSES	 <u>\$ 256,570</u>	 <u>\$ 107,073</u>	 <u>\$ 105,342</u>	 <u>\$ 468,985</u>

The accompanying notes are an integral part of these financial statements.

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program activities</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 39,950	\$ 123	\$ -	\$ 40,073
Personnel expenses	33,327	19,174	17,637	70,138
Advertising and promotion	13,325	-	5,572	18,897
Accounting	-	21,040	-	21,040
General and administrative	1,086	3,955	2,672	7,713
Conferences and meetings	<u>2,215</u>	<u>608</u>	<u>-</u>	<u>2,823</u>
 TOTAL EXPENSES	 <u>\$ 89,903</u>	 <u>\$ 44,900</u>	 <u>\$ 25,881</u>	 <u>\$ 160,684</u>

The accompanying notes are an integral part of these financial statements.

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (110,659)	\$ 366,137
Unrealized loss on investments	397	-
Decrease (Increase) in operating assets:		
Contributions receivable	31,853	(71,650)
Pledges receivable	100,000	(100,000)
Increase in operating liabilities:		
Accounts payable	<u>7,271</u>	<u>11,050</u>
 NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	 28,862	 205,537
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments, net	228,760	141
Interest and dividends, reinvested	<u>-</u>	<u>(1,230)</u>
 NET CASH FLOW USED IN INVESTING ACTIVITIES	 228,760	 (1,089)
 CASH FLOWS FROM FINANCING ACTIVITIES	 <u>-</u>	 <u>-</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 257,622	 204,448
 CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEARS	 <u>506,293</u>	 <u>301,845</u>
 CASH AND CASH EQUIVALENTS AT END OF THE YEARS	 <u>\$ 763,915</u>	 <u>\$ 506,293</u>

The accompanying notes are an integral part of these financial statements.

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

1. ORGANIZATION

Atlanta-Fulton Public Library Foundation, Inc. (the “AFPLF”) is a Georgia corporation, exempt from income taxes under section 501(c)(3) of the IRC. The AFPLF was established in 1988 by a small group of citizens in an effort to encourage a quality public library system by augmenting public funding.

The AFPLF has continued its original vision of generating private-sector support to supplement tax-based funding. The result has been improved collections, expanded programs and enhanced services. Individuals, governments, corporations and foundations contribute to the Foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of the AFPLF’s management and the board of directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met by actions of the AFPLF and/or passage of time. Donor-imposed restrictions are released when restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Atlanta-Fulton Public Library Foundation, Inc. considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. The AFPLF had cash equivalents of \$271,273 and \$75,512 for years ended December 31, 2021 and 2020, respectively.

Contributions and pledges receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Investments

Investments in equity and debt securities are reported at fair value with realized and unrealized gains and losses included in the statement of activities. Realized and unrealized gains or losses on marketable securities are determined by using specific identification.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 statements of activities as net assets released from restrictions.

Functional allocation of expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the AFPLF. All expenses have been allocated based on estimates of time and effort.

In-kind revenue

In-kind revenue consists of contribution office space provided by the Atlanta Fulton Public Library System.

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

Management of the AFPLF makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

Income taxes

The AFPLF qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is only subject to federal or state income taxes on specific types of income from activities that are unrelated to its exempt purpose. The AFPLF had no income from unrelated activities and has no income taxes due as of December 31, 2021.

The AFPLF's application of ASC 740 regarding uncertain tax positions had no effect on its financial position as management believes the AFPLF has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. The AFPLF would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. The AFPLF is no longer subject to examination by federal, state or local tax authorities for periods before 2018.

Recent accounting guidance

ASU No. 2016-02 Leases (Topic 842)

FASB issued ASU 2016-02, Leases (Topic 842), which will require organizations to recognize assets and liabilities on the balance sheet for the rights and obligations created by the leases. A lessee will be required to recognize assets and liabilities for leases with terms that exceed 12 months. The standard will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. ASU No. 2020-05 delayed the application of the new leases standard for one year. As a result, leases standard is effective for AFPLF's fiscal year beginning January 1, 2022. Early application is permitted.

ASU No. 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets

The ASU requires that an NFP present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, and disclose the following: (1) A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. (2) For each category of contributed nonfinancial assets recognized, qualitative information about whether nonfinancial assets were monetized or utilized; the NFP's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets;

ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

donor-imposed restrictions associated with contributed nonfinancial assets; and valuation techniques, inputs, and the principal market used for determining fair value. This ASU is effective for the AFPLF's year ended December 31, 2022. Retrospective basis is used for implementation. The AFPLF is currently evaluating the impact of the adoption on the financial statements.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform them to the current year's presentation.

Subsequent events

Subsequent events have been evaluated through September 20, 2022, which is the date the financial statements were available to be issued.

3. AVAILABILITY AND LIQUIDITY

The following represents the AFPLF's financial assets at December 31, 2021, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Financial assets:

Cash and cash equivalents	\$ 763,915
Contributions receivable	<u>39,797</u>

Financial assets, at year-end	803,712
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Less amounts unavailable to be used within one year:

Net assets with donor restrictions	<u>(521,653)</u>
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Financial assets available to meet cash needs
for general expenditures within one year

	<u>\$ 282,059</u>
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ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

4. FAIR VALUE MEASUREMENTS

The AFPLF has adopted the provisions of Accounting Standards Codification 820 (“ASC 820”), Fair Value Measurements, for financial assets and liabilities. Under ASC 820, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Unobservable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Inputs are unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

The investment account was closed in June 2021. AFPLF’s financial instruments measure at fair value on a recurring basis in accordance with ASC 820 as of December 31, 2020, and are deemed as Level 1.

5. NET ASSETS

Net assets with donor restrictions were as follows for the years ended December 31, 2021:

	2021	2020
Subject to expenditures for specific purpose:		
Exhibitions and public education	\$ 262,989	\$ 249,541
Research libraries	188,007	218,012
Other	56,771	169,789
Branch libraries	13,886	15,586
Total net assets with donor restrictions	\$ 521,653	\$ 652,928

Net assets with donor restrictions released from restrictions were as follows for the years ended December 31, 2021:

	2021	2020
Exhibitions and public education	\$ 100,702	\$ 10,977
Other	43,018	28,265
Research libraries	33,005	892
Branch libraries	1,700	117
Total released from restrictions	\$ 178,425	\$ 40,251