

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statements of Cash Flows	5
Consolidated Statement of Functional Expenses	6
Notes to Consolidated Financial Statements	7 - 19
SUPPLEMENTARY INFORMATION	
Consolidating Statements of Financial Position	20 - 21
Consolidating Statements of Activities	22 - 25
Consolidating Statements of Cash Flows	26 - 27
Consolidating Statements of Functional Expenses	28 - 29

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Free Library of Philadelphia Foundation and Subsidiary
Philadelphia, Pennsylvania

We have audited the accompanying consolidated financial statements of the Free Library of Philadelphia Foundation and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, and functional expenses for the year ended June 30, 2017, and statements of cash flows for the years ended June 30, 2017 and 2016, and the related notes to the consolidated 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Free Library of Philadelphia Foundation and Subsidiary as of June 30, 2017 and 2016, and the changes in their net assets for the year ended June 30, 2017 and their cash flows for the years ended June 30, 2017 and 2016, in accordance with accounting principles generally accepted in the United States.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information (consolidating statements of financial position, consolidating statements of activities, consolidating statements of cash flows and consolidating statements of functional expenses) is presented for purposes of additional analysis of the consolidated financial statements, rather than to present financial position, changes in net assets, and cash flows of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Free Library of Philadelphia Foundation and Subsidiary's 2016 consolidated financial statements, and our report dated December 5, 2016, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Wipfli LLP".

Philadelphia, Pennsylvania
March 29, 2018

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	JUNE 30,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 8,868,472	\$ 14,981,381
Grants and contributions receivable, net	18,364,927	8,874,656
Fines and other receivables	1,022,089	1,063,418
Inventory	100,783	104,971
Prepaid expenses	131,145	168,908
Property and equipment, net	3,719,397	3,771,162
Investments	36,063,433	34,127,879
Beneficial interest in life insurance	35,934	35,416
	<u>\$ 68,306,180</u>	<u>\$ 63,127,791</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 10,446,019	\$ 1,112,357
Accrued payroll and related liabilities	380,357	371,764
Split-interest liabilities	137,411	156,175
	<u>10,963,787</u>	<u>1,640,296</u>
NET ASSETS		
Unrestricted	13,618,628	12,697,655
Temporarily restricted	26,640,046	31,707,121
Permanently restricted	17,083,719	17,082,719
	<u>57,342,393</u>	<u>61,487,495</u>
	<u>\$ 68,306,180</u>	<u>\$ 63,127,791</u>

The accompanying Notes are an integral part of these statements.

**FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE TOTALS FOR 2016**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>2017 TOTAL</u>	<u>2016 TOTAL</u>
Operating support and revenue:					
Grants and contributions	\$ 3,019,719	\$ 13,055,424	\$ -	\$ 16,075,143	\$ 16,891,001
Federal and state grants and city capital	369,136	8,576,706	-	8,945,842	930,998
Contributions - Central Library Campaign	-	6,783,966	-	6,783,966	2,429,896
Fees and library services	387,667	28,111	-	415,778	450,162
Fines and lost books	151,421	-	-	151,421	203,082
Sale of books and publications	32,148	-	-	32,148	38,395
Program revenue	194,228	-	-	194,228	25,646
Admissions	23,926	-	-	23,926	39,799
Other income	401,706	150,959	-	552,665	442,113
Dividend and interest income	737	-	-	737	7,600
Long-term investment return designated for operations	256,965	1,564,499	-	1,821,464	1,671,366
Net assets released from restriction	<u>37,025,093</u>	<u>(37,025,093)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Support and Revenue	<u>41,862,746</u>	<u>(6,865,428)</u>	<u>-</u>	<u>34,997,318</u>	<u>23,130,058</u>
Operating expenses:					
Programs and library services					
Public programs	6,422,323	-	-	6,422,323	5,460,156
Collections and preservation	154,074	-	-	154,074	108,598
Technology	200,415	-	-	200,415	143,547
Facilities renovation	23,756,355	-	-	23,756,355	1,784,181
Central Library capital renovation project	7,258,888	-	-	7,258,888	5,362,051
Total Program Services	<u>37,792,055</u>	<u>-</u>	<u>-</u>	<u>37,792,055</u>	<u>12,858,533</u>
Supporting services					
Administration	1,053,139	-	-	1,053,139	1,065,867
Fund raising	2,751,521	-	-	2,751,521	2,641,192
Total Supporting Services	<u>3,804,660</u>	<u>-</u>	<u>-</u>	<u>3,804,660</u>	<u>3,707,059</u>
Total Operating Expenses	<u>41,596,715</u>	<u>-</u>	<u>-</u>	<u>41,596,715</u>	<u>16,565,592</u>
Change in net assets from operations	<u>266,031</u>	<u>(6,865,428)</u>	<u>-</u>	<u>(6,599,397)</u>	<u>6,564,466</u>
Non-operating support and gains (loss):					
Grants and contributions to endowment	79,387	237,847	1,000	318,234	1,241,725
Long-term investment return (loss) in excess of return designated for operations	608,650	1,568,515	-	2,177,165	(2,373,022)
Collection items purchased	<u>(33,095)</u>	<u>(8,009)</u>	<u>-</u>	<u>(41,104)</u>	<u>(16,609)</u>
Total Non-operating Support and Gains (Loss)	<u>654,942</u>	<u>1,798,353</u>	<u>1,000</u>	<u>2,454,295</u>	<u>(1,147,906)</u>
CHANGE IN NET ASSETS	920,973	(5,067,075)	1,000	(4,145,102)	5,416,560
NET ASSETS - BEGINNING OF YEAR	<u>12,697,655</u>	<u>31,707,121</u>	<u>17,082,719</u>	<u>61,487,495</u>	<u>56,070,935</u>
NET ASSETS - END OF YEAR	<u>\$ 13,618,628</u>	<u>\$ 26,640,046</u>	<u>\$ 17,083,719</u>	<u>\$ 57,342,393</u>	<u>\$ 61,487,495</u>

The accompanying Notes are an integral part of these statements.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED	
	JUNE 30,	
	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (4,145,102)	\$ 5,416,560
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	73,290	77,303
Net loss (gain) on investments	(3,325,906)	1,776,019
Increase in beneficial interest in life insurance	(518)	(2,698)
(Increase) decrease in assets		
Grants and contributions receivable	(9,490,271)	(2,013,312)
Fines and other receivables	41,329	(430,471)
Prepaid expenses	37,763	(71,396)
Inventory	4,188	(4,741)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	9,333,662	379,393
Accrued payroll and related liabilities	8,593	(138,687)
Split-interest liabilities	(18,764)	48,703
Total Adjustments	<u>(3,336,634)</u>	<u>(379,887)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(7,481,736)</u>	<u>5,036,673</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(21,525)	(12,250)
Purchase of investments	(10,180,283)	(9,422,617)
Proceeds from sale of investments	<u>11,570,635</u>	<u>9,467,433</u>
Net Cash Provided by Investing Activities	<u>1,368,827</u>	<u>32,566</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	<u>-</u>	<u>(119,000)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,112,909)	4,950,239
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>14,981,381</u>	<u>10,031,142</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,868,472</u>	<u>\$ 14,981,381</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash was paid during the year for:		
Interest	\$ -	\$ 4,590

The accompanying Notes are an integral part of these statements.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE TOTALS FOR 2016

	Programs and Library Services					Supporting Services		2017 Total	2016 Total	
	Public Programs	Collections and Preservation	Technology	Facilities Renovation	Capital Campaign	Subtotal	Administration			Fund Raising
Salaries and wages	\$ 1,926,960	\$ 33,724	\$ -	\$ 368,748	\$ 743,081	\$ 3,072,513	\$ 993,158	\$ 1,195,575	\$ 5,261,246	\$ 5,062,941
Payroll taxes and benefits	419,271	-	-	24,582	255,906	699,759	203,715	367,618	1,271,092	1,176,301
Audit and legal fees	207,571	-	-	-	6,370	213,941	134,358	1,772	350,071	392,510
Advertising, printing and photography	349,982	305	9,191	(3,445)	95,417	451,450	9,486	419,170	880,106	835,712
Bank and credit card fees	42,513	-	-	510	124	43,147	14,555	31,817	89,519	77,195
Conferences and receptions	120,064	2,644	1,418	8,481	95,343	227,950	102,683	168,773	499,406	595,687
Depreciation	64,067	-	-	-	-	64,067	7,031	2,192	73,290	77,303
Dues and publications	48,961	1,219	55	544	300	51,079	34,429	8,530	94,038	54,958
Equipment	159,228	4,210	1,590	1,206,937	383,234	1,755,199	22,891	10,439	1,788,529	935,424
Exhibition installation materials	141,714	-	-	-	-	141,714	-	-	141,714	50,089
Indirect costs	370,311	7,127	-	386,532	152,577	916,547	(901,932)	-	14,615	12,198
Insurance	28,659	-	-	-	-	28,659	62,029	6,528	97,216	99,219
Interest expense	-	-	-	-	-	-	-	-	-	4,590
Library materials	156,481	78,035	16,893	56,853	16,199	324,461	237	34,568	359,266	739,660
Meals and entertainment	14,631	-	-	-	-	14,631	7,771	49,682	72,084	46,725
Other expenses	54,450	388	41,770	80,411	9,949	186,968	8,304	28,218	223,490	167,148
Professional and other services	891,307	4,607	120,003	21,312,561	5,432,604	27,761,082	199,436	195,902	28,156,420	4,320,898
Programs and exhibits	917,521	13,857	-	276,129	5,762	1,213,269	36,277	109,443	1,358,989	854,118
Repairs and maintenance	49,971	-	-	-	-	49,971	32,279	-	82,250	64,095
Supplies and software	290,830	2,839	5,048	22,741	21,089	342,547	18,834	27,035	388,416	555,626
Telephone and postage	43,810	-	3,984	6,553	23,217	77,564	21,103	75,342	174,009	235,971
Travel	55,610	5,119	463	8,218	17,716	87,126	40,842	14,071	142,039	132,604
Utilities	29,882	-	-	-	-	29,882	5,653	4,846	40,381	40,752
Volunteer services	38,529	-	-	-	-	38,529	-	-	38,529	33,868
TOTAL	\$ 6,422,323	\$ 154,074	\$ 200,415	\$ 23,756,355	\$ 7,258,888	\$ 37,792,055	\$ 1,053,139	\$ 2,751,521	\$ 41,596,715	\$ 16,565,592

The accompanying Notes are an integral part of these statements.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE A - Summary of Significant Accounting Policies

Nature of Organization - The Free Library of Philadelphia Foundation (the Foundation) raises funds from individuals, corporations, and foundations to create and incubate cutting-edge programs, to sustain and grow its collections, and to bolster the resources on which citizens depend.

The Rosenbach of the Free Library of Philadelphia (the Rosenbach), formerly the Rosenbach Museum and Library, is a Pennsylvania nonprofit corporation located in the former home of Dr. A.S.W. Rosenbach and his brother, Philip, international dealers in books, manuscripts, and fine art in the early twentieth century. The brothers' 1865 townhouse holds a collection of rare books and manuscripts, English and American furnishings, and fine and decorative arts. The Rosenbach acquired an adjacent residence in 1993 and enlarged its facilities to include that property in the museum and library.

The Rosenbach offers on-site public programs, exhibitions, guided tours, off-site lectures and readings, a full-service research library, publications, and a website.

Principles of Consolidation - The consolidated financial statements include the accounts of the Free Library of Philadelphia Foundation and The Rosenbach of the Free Library of Philadelphia, referred to collectively throughout the notes as the "Organization". All significant intercompany transactions and balances have been eliminated.

Agreement with the Board of Trustees of the Free Library of Philadelphia

The Foundation entered into an agreement dated June 19, 1984 with the Board of Trustees of the Free Library of Philadelphia, an independent board of the City of Philadelphia (City or City Library) responsible for securing and expending City appropriations. Under this agreement, the Board of Trustees of the Free Library of Philadelphia maintains care and custody of the collections of the Foundation and makes all necessary operational decisions as to the management of the libraries and the collections of the Foundation. These financial statements report only the assets, liabilities, net assets and changes in net assets of the Foundation and, accordingly, do not include any amounts applicable to the financial position or changes in net assets of the City Library.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and report all significant assets and liabilities.

Basis of Presentation - The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets are not subject to donor-imposed stipulations. The Board of Directors may elect to designate such assets for specific purposes or to have them function as endowments. This designation may be removed at the Board's discretion.

Temporarily restricted net assets are subject to donor-imposed stipulations that will be met either by actions of the Organization or by the passage of time.

Permanently restricted net assets are subject to donor-imposed stipulations that require that they be maintained permanently.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE A - Summary of Significant Accounting Policies - continued

The statement of activities distinguishes changes in net assets from operations from other changes in net assets. Operating activity includes revenues and other support, including investment income generated from short-term investments, as well as long-term investment income designated for operations (see Note D), and all expenses that are available to provide program services, and support the administrative functions of the Organization. Other changes in net assets include grants and contributions to endowment, as well as long-term investment return in excess of (or less than) the Organization's designated spending rate (see Note D).

Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on disposition of assets or settlement of liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as net assets released from restrictions.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements - Fair value is defined as 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. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

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

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments - The Organization states investments in marketable equity and debt securities at fair value based on quoted market prices in active markets. Gains and losses on these investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law.

Inventories - Inventories of publications and merchandise are stated at the lower of cost (determined on a first-in, first-out basis) or market.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE A - Summary of Significant Accounting Policies - continued

Property and Equipment - Land, buildings and improvements are recorded at cost of construction or acquisition, or at appraisal value for Rosenbach's land and building and improvements at date of acquisition. Acquisitions of property and equipment, and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 25 years.

Split-Interest Liabilities - The Organization records assets, liabilities and revenue relating to gifts donated in the form of split-interest agreements for which it serves as trustee. The types of split-interest agreements include gift annuities. The assets received are recorded at their fair value at the time of receipt as restricted support in accordance with donor-imposed restrictions until a stipulated time restriction ends or specified condition is met. Liabilities represent the net present value of expected future payments of income earned or a fixed percentage of the assets owed to the beneficiaries designated by the donors on the basis of their estimated life expectancies. Contribution revenues are recognized at the amount of the difference of assets received and expected future payments. Over the term of the agreements, amortization of the discount on the liability and effects of changes in the life expectancy of the beneficiary are recorded as adjustments to the liability and amortization of discount and change in actuarial assumptions on split-interest agreements. A discount rate of 5.5% was used for gifts received during the year ended June 30, 2017. Contribution revenue recognized on these arrangements totaled approximately \$11,000 and \$13,000 for the years ended June 30, 2017 and 2016, respectively.

Revenue and Other Support - The Organization's revenue and other support consists of contributions from various individuals, corporations and foundations. The Organization also receives support from certain federal, state and local government agencies.

Contributions and other support received are recorded as unrestricted, temporarily restricted, or permanently restricted support. This classification is dependent on the existence and/or nature of any donor restrictions. Support, including gains and investment income, that is not restricted by the donor is reported as an increase in unrestricted net assets. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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.

Promises to Give - Unconditional promises to give are recorded at net realizable value if they are expected to be collected in one year and fair value (determined by the present value of estimated future cash flows) if expected to be collected in more than one year. Additionally, uncollected promises to give are recorded net of estimated allowances for uncollectible amounts. Conditional promises to give are not recorded as contribution revenue until the conditions associated with the promises are met.

Expenses - Expenses are recognized as changes in unrestricted net assets when incurred. The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities, and functional expenses. Accordingly, the expenses directly related to the program are combined with allocations of certain common costs of the Organization which have been allocated based on estimates made by management.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE A - Summary of Significant Accounting Policies - continued

Advertising - The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense was approximately \$107,000 and \$83,000 for the years ended June 30, 2017 and 2016, respectively.

Contributed Facilities and Services - The City provides the Foundation with facilities and certain administrative services without charge. The fair value of these contributions is not readily determinable and is not reported in the accompanying financial statements. The Rosenbach uses unpaid volunteers to lead tours through the museum and library and to perform research projects. The value of this contributed time is recorded as an expense based on hourly rates customarily paid for such services, with an equivalent amount recorded as revenue.

Tax Status - The Foundation and the Rosenbach have each obtained a favorable determination that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and each is classified as an organization that is other than a private foundation. Accordingly, no provision has been made for income taxes.

Management has reviewed tax positions taken in filings with federal and state jurisdictions and believes those positions would be sustained should the filings be examined by the relevant taxing authority. These tax filings for fiscal 2014, 2015 and 2016 are subject to examination, generally for three years after filing.

Recently Issued Accounting Standard - On August 18, 2016, the FASB issued ASU 2016-14 (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* ("Update"). The Update reduces the number of net asset classes from three to two, those with donor restrictions and those without, requires all nonprofit organizations to report expenses by nature and function and improves information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance, and cash flows. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application of the amendments in this Update is permitted. The Organization is currently in the process of determining the impact of the new standard, and has not elected to early implement the amendments.

New Accounting Pronouncements - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic companies for annual periods beginning after December 15, 2018. The Organization is currently evaluating the impact of the provisions of ASC 606.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE B - Grants and Contributions Receivable

Grants and contributions receivable include unconditional promises to give and other amounts that are expected to be collected and are stated at realizable value or at the present value of estimated cash flows. Grants and contributions receivable consisted of the following:

	June 30,	
	<u>2017</u>	<u>2016</u>
Receivable in less than one year	\$ 16,348,541	\$ 5,610,323
Receivable in one to four years	<u>2,210,447</u>	<u>3,485,756</u>
Total	18,558,988	9,096,079
Less: Allowance for uncollectible promises to give	(124,850)	(124,850)
Less: Present value discount (.75% - 5%)	<u>(69,211)</u>	<u>(96,573)</u>
Grants and contributions receivable, net	<u>\$ 18,364,927</u>	<u>\$ 8,874,656</u>

The Foundation also has a revocable interest in a split-interest arrangement with an estimated value of \$1 million. However, because of the revocable nature of the Foundation's interest, it has not been recognized in the financial statements.

Additionally, the Organization has received conditional promises to give up to a value of \$26,751,000 in connection with the Central Library Project (also see Note N).

NOTE C - Property and Equipment

	June 30,	
	<u>2017</u>	<u>2016</u>
Land	\$ 2,200,000	\$ 2,200,000
Building and building improvements	1,735,000	1,735,000
Computer equipment	101,933	101,933
Furniture and equipment	320,493	298,968
Other equipment	<u>129,643</u>	<u>129,643</u>
Total property and equipment	4,487,069	4,465,544
Less: accumulated depreciation	<u>(767,672)</u>	<u>(694,382)</u>
Property and equipment, net	<u>\$ 3,719,397</u>	<u>\$ 3,771,162</u>

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE D - Investments

The fair value of the Organization's investments is as follows:

	June 30,	
	<u>2017</u>	<u>2016</u>
Investments:		
Level 1		
Mutual Fund - Money Market	\$ 503,602	\$ 497,556
Mutual Funds - Equity	4,478,883	3,832,820
Mutual Funds - Fixed Income	2,145,922	2,223,311
Mutual Funds - Multi-Asset	12,854,537	12,045,859
Equity securities	<u>10,102,798</u>	<u>10,163,937</u>
	30,085,742	28,763,483
Level 2		
U.S. government agency securities and corporate bonds	<u>5,977,691</u>	<u>5,364,396</u>
Total	<u>\$ 36,063,433</u>	<u>\$ 34,127,879</u>

The fair value of mutual funds and equity securities are based on quoted market prices in active markets. (Level 1 inputs).

The fair value of U.S. government agency securities and corporate bonds are estimated using rates currently offered for bonds of similar remaining maturities (Level 2 inputs).

The investments of the Organization include permanent endowments, funds established by the Board of Directors to function as endowments, and other balances. Investment returns related to assets of permanent endowments are classified as unrestricted or temporarily restricted depending on donor stipulations.

The investments are managed on a total return basis to provide both income and capital appreciation. Under the Organization's spending policy, a spending rate is assessed against endowments that support unrestricted and certain temporarily restricted activities, consistent with an annual budget approved by the Board of Directors. The spending rate policy allows the expenditure of a prudent amount of the total investment return over a period of time that preserves the future purchasing power of endowment principal. A spending rate of 5% of the average fair value of the investments over the preceding twelve quarters through March 31, 2016 was appropriated to support current library operations and administration of various library projects for the year ended June 30, 2017.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE D - Investments - continued

The following schedule summarizes the investment return for the year ended June 30, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Dividend and interest	\$ 149,879	\$ 522,844	\$ 672,723
Net realized and unrealized gains	<u>715,736</u>	<u>2,610,170</u>	<u>3,325,906</u>
Total investment return	865,615	3,133,014	3,998,629
Less: Long-term investment return designated for operations and administration	<u>256,965</u>	<u>1,564,499</u>	<u>1,821,464</u>
Long-term investment return in excess of return designated for operations	<u>\$ 608,650</u>	<u>\$ 1,568,515</u>	<u>\$ 2,177,165</u>

Total investment return is net of fees of approximately \$157,000 for the year ended June 30, 2017.

NOTE E - Debt

Line of Credit

The Foundation has a \$1,500,000 PNC Bank line of credit expiring March 31, 2018. The line of credit bears interest at the bank's prime rate (3.50% effective rate at June 30, 2017). The line of credit is renewable annually. No amounts were outstanding at June 30, 2017 or 2016.

During November 2017, a non-revolving line of credit in the amount of \$11.1 million dollars was established with PNC Bank. The rate on the line is Libor plus 2.25%. The line was established for the purpose of compensating for delayed cash flow from various grants, related to the 21st century capital project.

The Rosenbach had a \$250,000 bank line of credit which expired on March 1, 2017. Borrowings were collateralized by certain investments and bear interest at 4%. No amounts were outstanding at June 30, 2017 and 2016. Management elected not to renew the line of credit.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE F - Retirement Plan

The Foundation has established a tax deferred retirement plan under Section 403(b) of the Internal Revenue Code for its employees. All employees (other than employees who normally work less than 20 hours per week and/or have not completed one year of service) are eligible for participation in the plan. The Foundation will match employee contributions up to a maximum of 4.5% of the participant's compensation for all employees who have completed one year of service. For the fiscal years ended June 30, 2017 and 2016, pension expense was \$115,066 and \$105,068, respectively.

The Rosenbach has a defined contribution 403(b) retirement plan covering eligible employees. The Rosenbach contributes 5% of participating employees' salaries, and matches employees' contributions to a maximum of an additional 5%. For the fiscal years ended June 30, 2017 and 2016, plan contributions were \$25,184 and \$25,386, respectively.

NOTE G - Collections

The Foundation owns and maintains collections of rare books, manuscripts, maps, paintings, prints, music, etc., most of which have been acquired through individual gifts and bequests. The Rosenbach contributed collection items include rare books, manuscripts, fine and decorative arts and period furnishings. A fine arts insurance policy with coverage up to \$11,000,000 is carried on the collections. In the opinion of management, this represents only a fraction of the present fair value of the items, many of which are irreplaceable. The Organization has not assigned a value to the collections for accounting purposes, since it is not practical to determine the cost, the fair value at date of acquisition or the net realizable value of these collections.

NOTE H - Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
The Foundation		
Branch and other program services	\$ 11,381,821	\$ 11,091,583
Technology	1,478,334	1,178,693
Collection and preservation	5,535,368	4,997,389
Central Library and 21st Century Libraries	7,508,374	13,598,593
The Rosenbach		
Projects and exhibitions	437,140	296,451
Subsequent year operations	265,755	216,234
Transition fund	<u>33,254</u>	<u>328,178</u>
Total temporarily restricted net assets	<u>\$ 26,640,046</u>	<u>\$ 31,707,121</u>

Permanently restricted net assets consist of endowment fund assets to be held indefinitely. The income from the assets can be used for the purposes noted above for temporarily restricted net assets.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE I - Endowment Fund

Accounting standards for the classification and disclosure of endowments of not-for-profit organizations provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds. As of June 30, 2017, Pennsylvania has not adopted UPMIFA.

The endowment of the Foundation consists of 68 funds established by donors for various purposes. The endowment of the Rosenbach consists of 24 funds established by donors for various purposes. As required by United States generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

Management has interpreted Pennsylvania law for investment of trust funds (PA Law) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by PA Law.

In accordance with PA Law, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) the duration and preservation of the fund
- (2) the purposes of the Organization and the donor-restricted endowment fund
- (3) general economic conditions
- (4) the possible effect of inflation and deflation
- (5) the expected total return from income and the appreciation of investments
- (6) other resources of the Organization
- (7) the investment policies of the Organization

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE I - Endowment Fund - continued

The composition of endowment net assets by type of fund at June 30, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 2,620,644</u>	<u>\$ 12,082,751</u>	<u>\$ 16,867,760</u>	<u>\$ 31,571,155</u>

Changes in endowment net assets for the year ended June 30, 2017 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 2,285,404	\$ 10,111,654	\$ 16,866,760	\$ 29,263,818
Contributions	28,815	323,545	1,000	353,360
Investment income	107,588	624,851	-	732,439
Net realized and unrealized gains	411,061	2,650,397	-	3,061,458
Amounts appropriated for expenditure	<u>(212,224)</u>	<u>(1,627,696)</u>	<u>-</u>	<u>(1,839,920)</u>
Endowment net assets, end of year	<u>\$ 2,620,644</u>	<u>\$ 12,082,751</u>	<u>\$ 16,867,760</u>	<u>\$ 31,571,155</u>

The composition of endowment net assets by type of fund at June 30, 2016 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 2,285,404</u>	<u>\$ 10,111,654</u>	<u>\$ 16,866,760</u>	<u>\$ 29,263,818</u>

Changes in endowment net assets for the year ended June 30, 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,948,049	\$ 11,956,590	\$ 16,865,760	\$ 30,770,399
Contributions	629,145	118,583	1,000	748,728
Investment income	152,087	940,610	-	1,092,697
Net realized and unrealized losses	(244,411)	(1,359,353)	-	(1,603,764)
Amounts appropriated for expenditure	<u>(199,466)</u>	<u>(1,544,776)</u>	<u>-</u>	<u>(1,744,242)</u>
Endowment net assets, end of year	<u>\$ 2,285,404</u>	<u>\$ 10,111,654</u>	<u>\$ 16,866,760</u>	<u>\$ 29,263,818</u>

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE I - Endowment Fund - continued

Funds with Deficiencies

At times, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or PA Law requires the Organization to retain as a fund of perpetual duration.

Deficiencies result from unfavorable market fluctuations that occur after the investment of new permanently restricted contributions and continued appropriation for certain programs that were deemed prudent by the Board of Directors. There were no deficiencies of this nature as of June 30, 2017 and 2016.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor specified period as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the rate of general price inflation (Consumer Price Index) by 5%.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior twelve quarters through March 31 of the fiscal year preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average rate equal to the rate of inflation (Consumer Price Index). This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment returns.

NOTE J - Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments made with financial institutions.

The Organization maintains its cash balances in two financial institutions located in Philadelphia, Pennsylvania. As of June 30, 2017, the uninsured balance was approximately \$9,375,000. The Organization has not experienced any losses in such financial instruments. Management believes that the Organization is not exposed to any significant credit risk related to financial instruments.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE K - Other Related Party Transactions

The Foundation and the City Library have some board members in common. Fine income and related receivables are received from and due from, respectively, the City Library.

NOTE L - Commitments and Contingencies

City Lease

There is a lease development agreement between the Philadelphia Authority Industrial Development (PAID) (on behalf of the City) and the Foundation in connection with the Foundation's management of the Central Library Capital Renovation Project. Rent under terms of the agreement is stated at \$1. The terms of the agreement stipulate that the Foundation will pay as additional rent any and all sums which may become due under the lease or by reason of the failure of the Foundation to comply with the terms of the lease.

Other

The Foundation, as part of the ongoing restoration and expansion of the Parkway Central Library and the 21st Century Project, has construction contracts of approximately \$30,000,000 of which approximately \$18,900,000 was expended as of June 30, 2017.

During July 2013, the Foundation entered into a ten-year facility lease expiring in 2023. Lease expense was \$286,131 for the year ended June 30, 2017.

Total future minimum lease commitments as of June 30, 2017 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2018	\$ 297,621
2019	305,061
2020	312,688
2021	320,505
2022	328,518
Thereafter	<u>336,730</u>
Total	<u>\$ 1,901,123</u>

NOTE M - Grant Compliance

The use of contract and grant monies received is subject to the various compliance requirements of each granting agency. Management believes the Organization is in compliance with all significant contract and grant requirements. Additionally, grants received are subject to audit and adjustment by grantor agencies. Any disallowed expenditures, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenses, if any, which may be disallowed by a grantor cannot be determined at this time, although the Organization expects any such amounts to be immaterial.

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE N - Operational Matters

In fiscal year 2003, the Foundation began a major capital campaign for the purpose of expanding and renovating the Parkway Central Library. The ultimate goal of that campaign was to raise approximately \$175,000,000 which included \$10,000,000 to increase the programming endowment for the Library. During fiscal year 2012, the Foundation expanded the campaign to include the entire branch system and increase the size of the contribution towards the endowment. The total Building Inspiration Campaign is now \$240,000,000 and is as follows: \$185,000,000 for the restoration and expansion of the Parkway Central Library (of which \$105,600,000 was raised prior to fiscal year 2017), \$30,000,000 to grow the endowment for Free Library programs; \$15,000,000 for neighborhood library upgrades and \$10,000,000 for unrestricted support.

During the fiscal year 2017, the Foundation recorded \$6,783,966 in contributions related to the Central Library Capital Renovation Project. Included in grants and contributions receivable (net of discounts and allowances) at June 30, 2017 is \$7,433,337 related to the Project. Expenses incurred in connection with the Project during fiscal year 2017 were \$7,258,888, including fund raising costs of \$1,187,596.

In December 2004, City Council of the City of Philadelphia approved an ordinance authorizing the City to issue up to \$30 million in bonds. Certain conditions must be met before \$20 million of the funds are released to the Foundation for construction of the Project.

NOTE O - Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through March 29, 2018, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Eliminations	Consolidated Total
ASSETS				
Cash and cash equivalents	\$ 7,681,091	\$ 1,187,381	\$ -	\$ 8,868,472
Grants and contributions receivable, net	17,717,336	647,591	-	18,364,927
Fines and other receivables	1,002,816	19,273	-	1,022,089
Inventory	-	100,783	-	100,783
Prepaid expenses	119,319	11,826	-	131,145
Property and equipment, net	-	3,719,397	-	3,719,397
Investments	27,640,519	8,422,914	-	36,063,433
Beneficial interest in life insurance	35,934	-	-	35,934
Due from related party	599,845	-	(599,845)	-
Total Assets	\$ 54,796,860	\$ 14,109,165	\$ (599,845)	\$ 68,306,180
LIABILITIES				
Accounts payable and accrued expenses	\$ 10,353,108	\$ 92,911	\$ -	\$ 10,446,019
Accrued payroll and related liabilities	315,494	64,863	-	380,357
Split-interest liabilities	137,411	-	-	137,411
Due to related party	-	599,845	(599,845)	-
Total Liabilities	10,806,013	757,619	(599,845)	10,963,787
NET ASSETS				
Unrestricted	8,643,242	4,975,386	-	13,618,628
Temporarily restricted	25,903,897	736,149	-	26,640,046
Permanently restricted	9,443,708	7,640,011	-	17,083,719
Total Net Assets	43,990,847	13,351,546	-	57,342,393
Total Liabilities and Net Assets	\$ 54,796,860	\$ 14,109,165	\$ (599,845)	\$ 68,306,180

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Eliminations	Consolidated Total
ASSETS				
Cash and cash equivalents	\$ 14,338,340	\$ 643,041	\$ -	\$ 14,981,381
Grants and contributions receivable, net	7,517,168	1,357,488	-	8,874,656
Fines and other receivables	1,062,299	1,119	-	1,063,418
Inventory	-	104,971	-	104,971
Prepaid expenses	123,093	45,815	-	168,908
Property and equipment, net	2,192	3,768,970	-	3,771,162
Investments	25,933,942	8,193,937	-	34,127,879
Beneficial interest in life insurance	35,416	-	-	35,416
Due from related party	766,598	-	(766,598)	-
Total Assets	<u>\$ 49,779,048</u>	<u>\$ 14,115,341</u>	<u>\$ (766,598)</u>	<u>\$ 63,127,791</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 1,038,773	\$ 73,584	\$ -	\$ 1,112,357
Accrued payroll and related liabilities	318,611	53,153	-	371,764
Split-interest liabilities	156,175	-	-	156,175
Due to related party	-	766,598	(766,598)	-
Total Liabilities	<u>1,513,559</u>	<u>893,335</u>	<u>(766,598)</u>	<u>1,640,296</u>
NET ASSETS				
Unrestricted	7,955,523	4,742,132	-	12,697,655
Temporarily restricted	30,866,258	840,863	-	31,707,121
Permanently restricted	9,443,708	7,639,011	-	17,082,719
Total Net Assets	<u>48,265,489</u>	<u>13,222,006</u>	<u>-</u>	<u>61,487,495</u>
Total Liabilities and Net Assets	<u>\$ 49,779,048</u>	<u>\$ 14,115,341</u>	<u>\$ (766,598)</u>	<u>\$ 63,127,791</u>

**FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Total	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Total	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Total	Consolidated
	Unrestricted	Unrestricted	Unrestricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	Permanently Restricted	Permanently Restricted	Permanently Restricted	Total
Operating support and revenue:										
Grants and contributions	\$ 2,569,933	\$ 449,786	\$ 3,019,719	\$ 12,397,320	\$ 658,104	\$ 13,055,424	\$ -	\$ -	\$ -	\$ 16,075,143
Federal and state grants and city capital	369,136	-	369,136	8,539,924	36,782	8,576,706	-	-	-	8,945,842
Contributions - Central Library Campaign	-	-	-	6,783,966	-	6,783,966	-	-	-	6,783,966
Fees and library services	387,667	-	387,667	28,111	-	28,111	-	-	-	415,778
Fines and lost books	151,421	-	151,421	-	-	-	-	-	-	151,421
Sale of books and publications	15,844	16,304	32,148	-	-	-	-	-	-	32,148
Program revenue	-	194,228	194,228	-	-	-	-	-	-	194,228
Admissions	-	23,926	23,926	-	-	-	-	-	-	23,926
Other income (expense)	359,202	42,504	401,706	151,157	(198)	150,959	-	-	-	552,665
Dividend and interest income	730	7	737	-	-	-	-	-	-	737
Long-term investment return designated for operations	256,965	-	256,965	1,012,156	552,343	1,564,499	-	-	-	1,821,464
Net assets released from restriction	<u>35,263,599</u>	<u>1,761,494</u>	<u>37,025,093</u>	<u>(35,263,599)</u>	<u>(1,761,494)</u>	<u>(37,025,093)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Support and Revenue	<u>39,374,497</u>	<u>2,488,249</u>	<u>41,862,746</u>	<u>(6,350,965)</u>	<u>(514,463)</u>	<u>(6,865,428)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,997,318</u>
Operating expenses:										
Programs and library services										
Public programs	4,875,269	1,547,054	6,422,323	-	-	-	-	-	-	6,422,323
Collections and preservation	154,074	-	154,074	-	-	-	-	-	-	154,074
Technology	200,415	-	200,415	-	-	-	-	-	-	200,415
Facilities renovation	23,756,355	-	23,756,355	-	-	-	-	-	-	23,756,355
Central Library capital renovation project	7,258,888	-	7,258,888	-	-	-	-	-	-	7,258,888
Total Program Services	<u>36,245,001</u>	<u>1,547,054</u>	<u>37,792,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,792,055</u>
Supporting services										
Administration	774,534	278,605	1,053,139	-	-	-	-	-	-	1,053,139
Fund raising	2,301,234	450,287	2,751,521	-	-	-	-	-	-	2,751,521
Total Supporting Services	<u>3,075,768</u>	<u>728,892</u>	<u>3,804,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,804,660</u>
Total Operating Expenses	<u>39,320,769</u>	<u>2,275,946</u>	<u>41,596,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,596,715</u>
Change in net assets from operations	<u>53,728</u>	<u>212,303</u>	<u>266,031</u>	<u>(6,350,965)</u>	<u>(514,463)</u>	<u>(6,865,428)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,599,397)</u>

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(continued)

	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Total Temporarily Restricted	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Total Temporarily Restricted	Total Consolidated Total	
	Unrestricted	Unrestricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	
Non-operating support and gains (loss):										
Grants and contributions to endowment	79,387	-	79,387	237,847	-	237,847	-	1,000	1,000	318,234
Long-term investment return (loss) in excess of return designated for operations	554,604	54,046	608,650	1,150,757	417,758	1,568,515	-	-	-	2,177,165
Collection items purchased	-	(33,095)	(33,095)	-	(8,009)	(8,009)	-	-	-	(41,104)
Total Non-operating Support and Gains (Loss)	<u>633,991</u>	<u>20,951</u>	<u>654,942</u>	<u>1,388,604</u>	<u>409,749</u>	<u>1,798,353</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>2,454,295</u>
CHANGE IN NET ASSETS	687,719	233,254	920,973	(4,962,361)	(104,714)	(5,067,075)	-	1,000	1,000	(4,145,102)
NET ASSETS - BEGINNING OF YEAR	<u>7,955,523</u>	<u>4,742,132</u>	<u>12,697,655</u>	<u>30,866,258</u>	<u>840,863</u>	<u>31,707,121</u>	<u>9,443,708</u>	<u>7,639,011</u>	<u>17,082,719</u>	<u>61,487,495</u>
NET ASSETS - END OF YEAR	<u>\$ 8,643,242</u>	<u>\$ 4,975,386</u>	<u>\$ 13,618,628</u>	<u>\$ 25,903,897</u>	<u>\$ 736,149</u>	<u>\$ 26,640,046</u>	<u>\$ 9,443,708</u>	<u>\$ 7,640,011</u>	<u>\$ 17,083,719</u>	<u>\$ 57,342,393</u>

**FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Total	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Total	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Total	Consolidated
	Unrestricted	Unrestricted	Unrestricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	Permanently Restricted	Permanently Restricted	Permanently Restricted	Total
Operating support and revenue:										
Grants and contributions	\$ 2,610,406	\$ 298,132	\$ 2,908,538	\$ 13,183,696	\$ 798,767	\$ 13,982,463	\$ -	\$ -	\$ -	\$ 16,891,001
Federal and state grants and city capital	332,551	-	332,551	535,341	63,106	598,447	-	-	-	930,998
Contributions - Central Library Campaign	-	-	-	2,429,896	-	2,429,896	-	-	-	2,429,896
Fees and library services	419,618	-	419,618	30,544	-	30,544	-	-	-	450,162
Fines and lost books	203,082	-	203,082	-	-	-	-	-	-	203,082
Sale of books and publications	17,216	21,179	38,395	-	-	-	-	-	-	38,395
Program revenue	-	25,646	25,646	-	-	-	-	-	-	25,646
Admissions	-	39,799	39,799	-	-	-	-	-	-	39,799
Other income (expense)	388,076	38,814	426,890	15,266	(43)	15,223	-	-	-	442,113
Dividend and interest income	7,589	11	7,600	-	-	-	-	-	-	7,600
Long-term investment return designated for operations	245,034	-	245,034	889,236	537,096	1,426,332	-	-	-	1,671,366
Net assets released from restriction	<u>10,553,357</u>	<u>1,683,432</u>	<u>12,236,789</u>	<u>(10,553,357)</u>	<u>(1,683,432)</u>	<u>(12,236,789)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Support and Revenue	<u>14,776,929</u>	<u>2,107,013</u>	<u>16,883,942</u>	<u>6,530,622</u>	<u>(284,506)</u>	<u>6,246,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,130,058</u>
Operating expenses:										
Programs and library services										
Public programs	4,138,134	1,322,022	5,460,156	-	-	-	-	-	-	5,460,156
Collections and preservation	108,598	-	108,598	-	-	-	-	-	-	108,598
Technology	143,547	-	143,547	-	-	-	-	-	-	143,547
Facilities renovation	1,784,181	-	1,784,181	-	-	-	-	-	-	1,784,181
Central Library capital renovation project	5,362,051	-	5,362,051	-	-	-	-	-	-	5,362,051
Total Program Services	<u>11,536,511</u>	<u>1,322,022</u>	<u>12,858,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,858,533</u>
Supporting services										
Administration	917,716	148,151	1,065,867	-	-	-	-	-	-	1,065,867
Fund raising	2,246,709	394,483	2,641,192	-	-	-	-	-	-	2,641,192
Total Supporting Services	<u>3,164,425</u>	<u>542,634</u>	<u>3,707,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,707,059</u>
Total Operating Expenses	<u>14,700,936</u>	<u>1,864,656</u>	<u>16,565,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,565,592</u>
Change in net assets from operations	<u>75,993</u>	<u>242,357</u>	<u>318,350</u>	<u>6,530,622</u>	<u>(284,506)</u>	<u>6,246,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,564,466</u>

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
(continued)

	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Total Temporarily Restricted	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Total Temporarily Restricted	Total Temporarily Restricted	Consolidated Total
	Unrestricted	Unrestricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted	Temporarily Restricted
Non-operating support and gains (loss):										
Grants and contributions to endowment	872,744	-	872,744	367,981	-	367,981	-	1,000	1,000	1,241,725
Long-term investment return (loss) in excess of return designated for operations	(425,016)	(3,367)	(428,383)	(1,419,059)	(525,580)	(1,944,639)	-	-	-	(2,373,022)
Collection items purchased	-	(13,595)	(13,595)	-	(3,014)	(3,014)	-	-	-	(16,609)
Total Non-operating Support and Gains (Loss)	<u>447,728</u>	<u>(16,962)</u>	<u>430,766</u>	<u>(1,051,078)</u>	<u>(528,594)</u>	<u>(1,579,672)</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>(1,147,906)</u>
CHANGE IN NET ASSETS	523,721	225,395	749,116	5,479,544	(813,100)	4,666,444	-	1,000	1,000	5,416,560
NET ASSETS - BEGINNING OF YEAR	<u>7,431,802</u>	<u>4,516,737</u>	<u>11,948,539</u>	<u>25,386,714</u>	<u>1,653,963</u>	<u>27,040,677</u>	<u>9,443,708</u>	<u>7,638,011</u>	<u>17,081,719</u>	<u>56,070,935</u>
NET ASSETS - END OF YEAR	<u>\$ 7,955,523</u>	<u>\$ 4,742,132</u>	<u>\$ 12,697,655</u>	<u>\$ 30,866,258</u>	<u>\$ 840,863</u>	<u>\$ 31,707,121</u>	<u>\$ 9,443,708</u>	<u>\$ 7,639,011</u>	<u>\$ 17,082,719</u>	<u>\$ 61,487,495</u>

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$ (4,274,642)	\$ 129,540	\$ -	\$ (4,145,102)
Adjustments to reconcile change in net assets to net cash used in operating activities:				
Depreciation	2,192	71,098	-	73,290
Net gain on investments	(2,427,488)	(898,418)	-	(3,325,906)
Increase in beneficial interest in life insurance	(518)	-	-	(518)
(Increase) decrease in assets				
Grants and contributions receivable	(10,200,168)	709,897	-	(9,490,271)
Fines and other receivables	59,483	(18,154)	-	41,329
Prepaid expenses	3,774	33,989	-	37,763
Inventory	-	4,188	-	4,188
Due from related party	166,753	-	(166,753)	-
Increase (decrease) in liabilities				
Accounts payable and accrued expenses	9,314,335	19,327	-	9,333,662
Accrued payroll and related liabilities	(3,117)	11,710	-	8,593
Split-interest liabilities	(18,764)	-	-	(18,764)
Due to related party	-	(166,753)	166,753	-
Total Adjustments	<u>(3,103,518)</u>	<u>(233,116)</u>	<u>-</u>	<u>(3,336,634)</u>
Net Cash Used in Operating Activities	<u>(7,378,160)</u>	<u>(103,576)</u>	<u>-</u>	<u>(7,481,736)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	-	(21,525)	-	(21,525)
Purchase of investments	(7,061,711)	(3,118,572)	-	(10,180,283)
Proceeds from sale of investments	<u>7,782,622</u>	<u>3,788,013</u>	<u>-</u>	<u>11,570,635</u>
Net Cash Provided by Investing Activities	<u>720,911</u>	<u>647,916</u>	<u>-</u>	<u>1,368,827</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,657,249)	544,340	-	(6,112,909)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>14,338,340</u>	<u>643,041</u>	<u>-</u>	<u>14,981,381</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,681,091</u>	<u>\$ 1,187,381</u>	<u>\$ -</u>	<u>\$ 8,868,472</u>

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$ 6,003,265	\$ (586,705)	\$ -	\$ 5,416,560
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	5,261	72,042	-	77,303
Net loss on investments	1,641,628	134,391	-	1,776,019
Increase in beneficial interest in life insurance	(2,698)	-	-	(2,698)
(Increase) decrease in assets				
Grants and contributions receivable	(2,407,745)	394,433	-	(2,013,312)
Fines and other receivables	(440,371)	9,900	-	(430,471)
Prepaid expenses	(32,699)	(38,697)	-	(71,396)
Inventory	-	(4,741)	-	(4,741)
Due from related party	(315,310)	-	315,310	-
Increase (decrease) in liabilities				
Accounts payable and accrued expenses	365,094	14,299	-	379,393
Accrued payroll and related liabilities	(123,958)	(14,729)	-	(138,687)
Split-interest liabilities	48,703	-	-	48,703
Due to related party	-	315,310	(315,310)	-
Total Adjustments	(1,262,095)	882,208	-	(379,887)
Net Cash Provided by Operating Activities	4,741,170	295,503	-	5,036,673
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	-	(12,250)	-	(12,250)
Purchase of investments	(8,082,217)	(1,340,400)	-	(9,422,617)
Proceeds from sale of investments	7,956,145	1,511,288	-	9,467,433
Net Cash Provided by (Used in) Investing Activities	(126,072)	158,638	-	32,566
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on notes payable	-	(119,000)	-	(119,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,615,098	335,141	-	4,950,239
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	9,723,242	307,900	-	10,031,142
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 14,338,340</u>	<u>\$ 643,041</u>	<u>\$ -</u>	<u>\$ 14,981,381</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash was paid during the year for:				
Interest	\$ -	\$ 4,590	\$ -	\$ 4,590

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	Free Library of Philadelphia Foundation					The Rosenbach of the Free Library of Philadelphia	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Total			
	Programs and Library Services					Program	Subtotal	Supporting Services						
	Public Programs	Collections and Preservation	Technology	Facilities Renovation	Capital Campaign			Administration	Administration	Fund Raising		Fund Raising	Subtotal	
Salaries and wages	\$ 1,509,938	\$ 33,724	\$ -	\$ 368,748	\$ 743,081	\$ 417,022	\$ 3,072,513	\$ 847,314	\$ 145,844	\$ 993,158	\$ 926,966	\$ 268,609	\$ 1,195,575	\$ 5,261,246
Payroll taxes and benefits	291,492	-	-	24,582	255,906	127,779	699,759	164,252	39,463	203,715	294,484	73,134	367,618	1,271,092
Audit and legal fees	61,598	-	-	-	6,370	145,973	213,941	66,846	67,512	134,358	1,772	-	1,772	350,071
Advertising, printing and photography	265,167	305	9,191	(3,445)	95,417	84,815	451,450	5,149	4,337	9,486	401,221	17,949	419,170	880,106
Bank and credit card fees	42,267	-	-	510	124	246	43,147	14,308	247	14,555	25,590	6,227	31,817	89,519
Conferences and receptions	117,819	2,644	1,418	8,481	95,343	2,245	227,950	101,797	886	102,683	163,060	5,713	168,773	499,406
Depreciation	-	-	-	-	-	64,067	64,067	-	7,031	7,031	2,192	-	2,192	73,290
Dues and publications	35,433	1,219	55	544	300	13,528	51,079	31,049	3,380	34,429	6,905	1,625	8,530	94,038
Equipment	156,363	4,210	1,590	1,206,937	383,234	2,865	1,755,199	20,377	2,514	22,891	10,439	-	10,439	1,788,529
Exhibition installation materials	-	-	-	-	-	141,714	141,714	-	-	-	-	-	-	141,714
Indirect costs	318,096	7,127	-	386,532	152,577	52,215	916,547	(850,388)	(51,544)	(901,932)	-	-	-	14,615
Insurance	1,364	-	-	-	-	27,295	28,659	53,333	8,696	62,029	2,728	3,800	6,528	97,216
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library materials	156,275	78,035	16,893	56,853	16,199	206	324,461	237	-	237	34,568	-	34,568	359,266
Meals and entertainment	-	-	-	-	-	14,631	14,631	-	7,771	7,771	-	49,682	49,682	72,084
Other expenses	38,509	388	41,770	80,411	9,949	15,941	186,968	8,304	-	8,304	28,218	-	28,218	223,490
Professional and other services	615,045	4,607	120,003	21,312,561	5,432,604	276,262	27,761,082	198,734	702	199,436	194,402	1,500	195,902	28,156,420
Programs and exhibits	917,268	13,857	-	276,129	5,762	253	1,213,269	36,277	-	36,277	104,965	4,478	109,443	1,358,989
Repairs and maintenance	-	-	-	-	-	49,971	49,971	14,796	17,483	32,279	-	-	-	82,250
Supplies and software	273,557	2,839	5,048	22,741	21,089	17,273	342,547	11,733	7,101	18,834	25,201	1,834	27,035	388,416
Telephone and postage	28,284	-	3,984	6,553	23,217	15,526	77,564	13,025	8,078	21,103	69,822	5,520	75,342	174,009
Travel	46,794	5,119	463	8,218	17,716	8,816	87,126	37,391	3,451	40,842	8,701	5,370	14,071	142,039
Utilities	-	-	-	-	-	29,882	29,882	-	5,653	5,653	-	4,846	4,846	40,381
Volunteer services	-	-	-	-	-	38,529	38,529	-	-	-	-	-	-	38,529
TOTAL	\$ 4,875,269	\$ 154,074	\$ 200,415	\$ 23,756,355	\$ 7,258,888	\$ 1,547,054	\$ 37,792,055	\$ 774,534	\$ 278,605	\$ 1,053,139	\$ 2,301,234	\$ 450,287	\$ 2,751,521	\$ 41,596,715

FREE LIBRARY OF PHILADELPHIA FOUNDATION AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Free Library of Philadelphia Foundation					The Rosenbach of the Free Library of Philadelphia	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Free Library of Philadelphia Foundation	The Rosenbach of the Free Library of Philadelphia	Subtotal	Fund Raising	Fund Raising	Subtotal	Total
	Programs and Library Services					Supporting Services									
	Public Programs	Collections and Preservation	Technology	Facilities Renovation	Capital Campaign	Program	Subtotal	Administration	Administration	Subtotal					
Salaries and wages	\$ 1,269,359	\$ -	\$ 289	\$ 336,653	\$ 891,631	\$ 499,554	\$ 2,997,486	\$ 875,894	\$ 64,722	\$ 940,616	\$ 924,121	\$ 200,718	\$ 1,124,839	\$ 5,062,941	
Payroll taxes and benefits	230,783	-	-	28,432	260,566	145,669	665,450	151,668	16,358	168,026	273,865	68,960	342,825	1,176,301	
Audit and legal fees	67,237	-	-	-	19,861	241,197	328,295	44,135	15,229	59,364	4,851	-	4,851	392,510	
Advertising, printing and photography	259,522	-	1,762	70,505	50,331	35,385	417,505	22,861	4,080	26,941	375,472	15,794	391,266	835,712	
Bank and credit card fees	30,185	-	29	55	801	321	31,391	14,944	616	15,560	23,535	6,709	30,244	77,195	
Conferences and receptions	141,178	1,784	855	6,977	160,164	7,712	318,670	54,654	88	54,742	193,877	28,398	222,275	595,687	
Depreciation	-	-	-	-	-	64,892	64,892	-	7,150	7,150	5,261	-	5,261	77,303	
Dues and publications	8,364	-	141	837	255	5,024	14,621	31,489	3,214	34,703	4,559	1,075	5,634	54,958	
Equipment	59,665	-	66,262	253,774	422,066	5,262	807,029	96,375	779	97,154	30,712	529	31,241	935,424	
Exhibition installation materials	-	-	-	-	-	50,089	50,089	-	-	-	-	-	-	50,089	
Indirect costs	305,589	1,667	-	230,491	128,699	22,284	688,730	(654,248)	(22,284)	(676,532)	-	-	-	12,198	
Insurance	1,824	-	-	-	-	27,661	29,485	53,784	8,424	62,208	3,649	3,877	7,526	99,219	
Interest expense	-	-	-	-	-	-	-	-	4,590	4,590	-	-	-	4,590	
Library materials	148,543	98,605	17,207	420,419	14,868	220	699,862	283	395	678	39,120	-	39,120	739,660	
Meals and entertainment	-	-	-	-	-	7,911	7,911	-	5,615	5,615	-	33,199	33,199	46,725	
Other expenses	10,187	360	11,432	22,068	67,789	35,010	146,846	4,176	-	4,176	15,973	153	16,126	167,148	
Professional and other services	387,430	5,910	14,010	351,991	3,241,505	47,369	4,048,215	58,115	4,515	62,630	206,957	3,096	210,053	4,320,898	
Programs and exhibits	743,407	272	-	24,352	1,263	554	769,848	52,863	-	52,863	31,358	49	31,407	854,118	
Repairs and maintenance	-	-	-	-	-	36,708	36,708	8,700	15,465	24,165	-	3,222	3,222	64,095	
Supplies and software	366,284	-	25,987	25,283	43,282	5,507	466,343	47,277	6,036	53,313	30,544	5,426	35,970	555,626	
Telephone and postage	51,498	-	3,608	7,798	52,267	10,039	125,210	19,329	5,150	24,479	72,566	13,716	86,282	235,971	
Travel	57,079	-	1,965	4,546	6,703	9,629	79,922	35,417	2,304	37,721	10,289	4,672	14,961	132,604	
Utilities	-	-	-	-	-	30,157	30,157	-	5,705	5,705	-	4,890	4,890	40,752	
Volunteer services	-	-	-	-	-	33,868	33,868	-	-	-	-	-	-	33,868	
TOTAL	\$ 4,138,134	\$ 108,598	\$ 143,547	\$ 1,784,181	\$ 5,362,051	\$ 1,322,022	\$ 12,858,533	\$ 917,716	\$ 148,151	\$ 1,065,867	\$ 2,246,709	\$ 394,483	\$ 2,641,192	\$ 16,565,592	