

**THE FREE LIBRARY OF NEW HOPE AND SOLEBURY**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2019 (Reviewed)  
and December 31, 2018 (Audited)**

(See Independent Accountants' Review Report)



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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Free Library of New Hope and Solebury  
New Hope, Pennsylvania

We have reviewed the accompanying financial statements of The Free Library of New Hope and Solebury (a not-for-profit organization) which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to plan and perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We previously audited the Free Library of New Hope and Solebury's 2018 financial statements and we expressed an unmodified opinion on them in our audit report dated April 1, 2019. We have not performed any auditing procedures since that date. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2018, for them to be consistent with the audited financial statements from which it has been derived.

*Bee, Bergvall & Co.*

Bee, Bergvall and Company, P.C.  
Certified Public Accountants

Warrington, PA  
April 9, 2020

THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

STATEMENTS OF FINANCIAL POSITION

December 31, 2019 (Reviewed) and December 31, 2018 (Audited)

ASSETS

	<u>2019</u> <u>Reviewed</u>	<u>2018</u> <u>Audited</u>
Current Assets		
Cash and Cash Equivalents	\$ 133,717	\$ 90,458
Accounts Receivable	6,000	12,268
Investments - operating	<u>1,122,269</u>	<u>931,162</u>
Total Current Assets	<u>1,261,986</u>	<u>1,033,888</u>
 Property and Equipment (net of accumulated depreciation)	 <u>798,781</u>	 <u>817,086</u>
 Other Assets		
Investments - Restricted	<u>118,766</u>	<u>108,051</u>
 TOTAL ASSETS	 <u>\$ 2,179,533</u>	 <u>\$ 1,959,025</u>

**LIABILITIES AND NET ASSETS**

Liabilities		
Accounts Payable	\$ 4,925	\$ 7,522
Total Liabilities	<u>4,925</u>	<u>7,522</u>
 Net Assets		
Without Donor Restrictions		
Undesignated	1,969,014	1,783,211
Designated By the Board	<u>24,943</u>	<u>24,943</u>
	1,993,957	1,808,154
With Donor Restrictions		
Perpetual In Nature	51,798	36,603
Purpose Restrictions	<u>128,853</u>	<u>106,746</u>
	<u>180,651</u>	<u>143,349</u>
 Total Net Assets	 <u>2,174,608</u>	 <u>1,951,503</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,179,533</u>	 <u>\$ 1,959,025</u>

See accompanying notes and independent accountants' review report

THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2019 (Reviewed)  
With Summarized Comparative Totals for the Year Ended December 31, 2018 (Audited)

	<u>2019</u>			<u>2018</u>
	<u>Without</u>	<u>With</u>	<u>Total</u>	<u>Audited</u>
	<u>Donor</u>	<u>Donor</u>		<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>		<u>Total</u>
Public Support and Revenue				
Grants				
State Aid	\$ 29,232	\$ -	\$ 29,232	\$ 29,232
New Hope Borough	42,985	-	42,985	30,300
Solebury Township	120,000	-	120,000	100,000
Yoga Grant	-	3,000	3,000	-
Contributions	9,187	21,362	30,549	9,992
Summer Reading	-	5,550	5,550	5,700
Other	10,320	-	10,320	8,747
Fund Drive Contributions	51,712	-	51,712	64,881
Special Events	22,583	5,864	28,447	22,030
Investment Income	24,631	4,864	29,495	25,855
Change in Value of Investments	154,043	15,195	169,238	(68,876)
Satisfaction of Program Restrictions	18,533	(18,533)	-	-
Total Public Support and Revenue	<u>483,226</u>	<u>37,302</u>	<u>520,528</u>	<u>227,861</u>
Expenses				
Library Services	200,182	-	200,182	186,180
Management and General	69,100	-	69,100	64,736
Fundraising	28,141	-	28,141	27,758
Total Expenses	<u>297,423</u>	<u>-</u>	<u>297,423</u>	<u>278,674</u>
Change in Net Assets	185,803	37,302	223,105	(50,813)
Net Assets, Beginning of Year	<u>1,808,154</u>	<u>143,349</u>	<u>1,951,503</u>	<u>2,002,316</u>
Net Assets, Ending of Year	<u>\$ 1,993,957</u>	<u>\$ 180,651</u>	<u>\$ 2,174,608</u>	<u>\$ 1,951,503</u>

See accompanying notes and independent accountants' review report

THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

Statements of Functional Expenses

For the Year Ended December 31, 2019 (Reviewed)

With Summarized Comparative Totals for the Year Ended December 31, 2018 (Audited)

	Program Services		Support Services		2019	2018
	Library	Program Services	Management		Total	Total
	Services	Total	and General	Fundraising	Expenses	Total
Payroll & Related Expenses						
Salaries	\$ 104,790	\$ 104,790	\$ 31,591	\$ 17,722	\$ 154,103	\$ 142,891
Payroll Taxes & Benefits	9,836	9,836	2,965	1,663	14,464	13,640
Total Payroll & Related Expenses	<u>114,626</u>	<u>114,626</u>	<u>34,556</u>	<u>19,385</u>	<u>168,567</u>	<u>156,531</u>
Other Expenses						
Books/Reference Materials	38,237	38,237	-	-	38,237	33,167
DVD/Audio Materials	5,420	5,420	-	-	5,420	6,432
Lectures & Workshops	5,299	5,299	-	-	5,299	-
Periodical Subscriptions	4,323	4,323	-	-	4,323	4,558
Liability Insurance	3,696	3,696	693	231	4,620	4,553
Postage	-	-	380	465	845	2,020
Supplies	382	382	5,060	72	5,514	6,123
Printing and Advertising	611	611	80	5,051	5,742	4,131
Telecommunications and Telephone	-	-	2,420	-	2,420	2,350
Utilities	3,278	3,278	560	160	3,998	4,292
Depreciation	14,644	14,644	3,661	-	18,305	18,696
Building Maintenance	8,982	8,982	2,246	-	11,228	9,743
Website/Computer/Database Mgt	435	435	-	2,777	3,212	10,010
Professional and Consulting Fees	-	-	17,150	-	17,150	14,085
Dues and Membership	-	-	325	-	325	325
Staff Development/Travel Expense	249	249	25	-	274	331
Bank/CCD Service Fees	-	-	1,362	-	1,362	1,211
Miscellaneous	-	-	582	-	582	116
Total Other Expenses	<u>85,556</u>	<u>85,556</u>	<u>34,544</u>	<u>8,756</u>	<u>128,856</u>	<u>122,143</u>
Total Functional Expenses	<u>\$ 200,182</u>	<u>\$ 200,182</u>	<u>\$ 69,100</u>	<u>\$ 28,141</u>	<u>\$ 297,423</u>	<u>\$ 278,674</u>

See accompanying notes and independent accountants' review report



THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

STATEMENTS OF CASH FLOWS

December 31, 2019 (Reviewed) and December 31, 2018 (Audited)

	<u>2019</u> <u>Reviewed</u>	<u>2018</u> <u>Audited</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 223,105	\$ (50,813)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	18,305	18,696
Realized and unrealized (gain) loss on operating investments	(152,061)	61,497
Endowment net investment (return) loss	(17,178)	7,378
Changes in Operating Assets and Liabilities		
(Increase) in accounts receivable	6,268	(12,268)
Increase in accounts payable	(2,597)	1,366
Net Cash Provided by Operating Activities	<u>75,842</u>	<u>25,856</u>
Cash Flows from Investing Activities		
Purchase of operating investments	(79,046)	(23,137)
Proceeds from sales of operating investments	40,000	4,543
Purchase of endowments investments	(2,881)	(2,639)
Proceeds from sales of endowments investments	9,344	-
Net Cash Provided by (Used in) Investing Activities	<u>(32,583)</u>	<u>(21,233)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	43,259	4,623
Cash and Cash Equivalents - Beginning of the Year	<u>90,458</u>	<u>85,835</u>
Cash and Cash Equivalents - End of the Year	<u>\$ 133,717</u>	<u>\$ 90,458</u>

See accompanying notes and independent accountants' review report

THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1. Summary of Significant Accounting Policies**

*Nature of Operations:* The Library provides a library collection and library services to the residences and businesses of New Hope, Solebury and its surrounding communities. Major sources of revenue include state and municipal funding, investment income and donor contributions.

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

*Net Assets Without Donor Restrictions:* Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions a board-designated endowment, to be used for purposes of the board's discretion.

*Net Assets With Donor Restrictions:* Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, they are released when the stipulated time has lapsed or when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Income generated from the endowment fund can be used for purchase of British and American Literature, classics and educational material.

*Tax Status:* The Library is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Additionally, the Library has been classified as an organization that is not a private foundation under Section 509(a)(2).

*Cash Equivalents:* The Library considers all highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1. Summary of Significant Accounting Policies (Continued)**

*Budget:* The Library adopts and maintains a yearly budget. The budget is subject to correction and changes during the year at the discretion of the Board of Directors.

*Capitalization:* The Library expenses the costs of all books, materials and periodicals in its inventory.

*Property and Equipment:* Property and equipment as well as additions are carried on the books at cost if purchased or fair value if donated. Included in property and equipment is a historically certified building with a historical cost of \$267,000. In accordance with generally accepted accounting principles in the United States of America, depreciation is not required to be provided for historically certified buildings.

Property and equipment are depreciated using the straight line method over the assets estimated useful lives. All capital expenditures in excess of \$2,000 are capitalized to property and equipment.

*Revenue Recognition:* Revenues are recorded on the accrual basis. Contributions are recognized when the donor makes a promise to give to the Library that is, in substance, an unconditional promise to give. Contributions that are restricted by the donor are reported as net assets without restrictions if the restrictions expire in the fiscal year in which the contribution is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Library has adopted Accounting Standards Update (ASU) No. 2014-09-*Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Library's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Library recognizes revenue; and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

*Receivables:* Receivables for the year end December 31, 2019 were \$ 6,000. The receivables have been determined to be readily collectible, therefore, no allowance for bad debts has been provided. If a receivable is determined to be uncollectible, it will be charged directly to operations in the year that determination is made. Receivables are considered past due after 90 days.

THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1. Summary of Significant Accounting Policies (Continued)**

*Investments:* Investments are recorded at fair value based upon quoted market prices. Net realized and unrealized gains and losses on investments are reflected in the statement of activity and changes in net assets. Investment income includes interest, dividends, and realized gains and losses. In general, investments are exposed to market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reposted in the statements of financial position.

*Comparative Information:* The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting policies generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended, from which the summarized information was derived.

*Donated Materials and Services:* No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services.

*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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Subsequent Events:* The Library has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report which is the date the statements were available for release. The current economic conditions and changing market circumstances created by the COVID-19 virus has resulted in a significant decline, approximately 20%, in our investment portfolio. At the present time we are assessing the impact of this on our Organization. No other subsequent events have been recognized or disclosed.

*Reclassification:* Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1. Summary of Significant Accounting Policies (Continued)**

*Functional Allocation of Expenses:* The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 2. Concentration of Credit Risk**

The Library maintains cash balances at a financial institution. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 on interest bearing accounts. There is no limit on FDIC insurance for non-interest bearing accounts. At times, such investments may be in excess of the FDIC insurance limits. At December 31, 2019 there were no amounts in excess of FDIC limits. In addition, \$ 1,241,035 of investments is held at one brokerage house. They are covered by SIPC insurance coverage which is limited to \$500,000 per customer.

**NOTE 3. Liquidity and Availability**

Financial assets of The Free Library of New Hope and Solebury available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2019
	<u>Reviewed</u>
Cash and Cash Equivalents	\$ 133,717
Accounts Receivable	6,000
Operating Investments	<u>1,122,269</u>
	<u>\$ 1,261,986</u>

THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 3. Liquidity and Availability (Continued)**

The Library has certain board designated and donor restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the information above. Board-designated assets of \$ 24,943 are included in Cash & Cash Equivalents. Although the Library does not intend to spend from this amount (other than amounts appropriated for general expenditure as part of the annual budget approval and appropriation), the money is available if necessary. In addition, the Library has \$61,885 of funds for ongoing library programs. As these programs are considered part of the ongoing library services, they are considered part of the financial assets available for use in the next 12 months.

As part of our liquidity management plan, the Library invests cash in excess of three month's operating expenses into short term investments and money market funds.

**NOTE 4. Fair Value of Financial Instruments**

The Library follows Fair Value Measurements as required by the FASB Standards Codification, which applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. The Codification emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumption that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 - Inputs that utilized quoted prices (unadjusted) in active markets for identical assets or liabilities that the Library has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

**NOTE 4. Fair Value of Financial Instruments (Continued)**

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The primary uses of fair value measures in the Organization's financial statements are: recurring measurement of short term investments. The following table represents the Library's fair value hierarchy for those investments, excluding money market funds, that are measured at fair value on a recurring basis as of December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Vanguard Mutual Funds	\$ 1,122,269	\$ -	\$ -	\$ 1,122,269
Vanguard Mutual Fund - Richard G. Augenblick (Fund)	<u>118,766</u>	<u>-</u>	<u>-</u>	<u>118,766</u>
	<u>\$ 1,241,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,241,035</u>

The first investment held by the Library does not contain donor imposed restrictions and are available for use at the Board of Trustees discretion. The Richard G. Augenblick Fund is donor restricted: however, the investment income of this fund is available to purchase books and periodicals related to British and American literature, classics and educational materials. Changes in the value of donor restricted investments are reported as increases or decreases in donor restricted net assets.

THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 5. Net Assets with Donor Restrictions**

Net Assets with donor restrictions were restricted for the following purposes for the year ended December 31, 2019:

Subject to Expenditure for Specified Purpose:	<u>2019</u>
Children's Programs	\$ 20,847
Teen and Tween Programs	5,604
Read-a-Thon	31,933
Summer Reading Club	1,791
Community Programs (Yoga)	<u>1,710</u>
	<u>61,885</u>
Endowments:	
Restricted by donors for British American Literature:	
Perpetual in Nature	51,798
Purpose Restrictions	<u>66,968</u>
	<u>118,766</u>
Total	<u>\$ 180,651</u>

Donor restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	<u>2019</u>
Summer Reading Club	\$ 6,063
Read-a-Thon	1,386
Children's Programs	-
Teen and Tween Program	450
British/American Literature	9,344
Miscellaneous Community	<u>1,290</u>
Total	<u>\$ 18,533</u>



THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 6. Endowments**

The Organization's endowments consist of an individual fund established for the purpose of purchasing books and periodicals related to British and American literature, classics and educational material. The endowments consist of temporarily restricted and permanently restricted investments. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of Relevant Law: The Board of Directors of the Library have interpreted the law as requiring any donor-restricted contributions as being classified as unrestricted, temporarily restricted, or permanently restricted depending on the nature of the restriction. The Library 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 purpose of the Library 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 Library.
- (7) The investment policies of the Library.

Endowment Net Asset Composition by Type of Fund for the year ended December 31, 2019.

	<u>Perpetual in Nature</u>	<u>Purpose Restrictions</u>	<u>With Donor Restrictions</u>
Endowment net assets, beginning of year	\$ 36,603	\$ 71,448	\$ 108,051
Investment return:			
Interest and dividends		2,881	2,881
Net appreciation (realized and unrealized)	<u>15,195</u>	<u>1,983</u>	<u>17,178</u>
Total investment return	<u>15,195</u>	<u>4,864</u>	<u>20,059</u>
Appropriation for books	<u>-</u>	<u>(9,344)</u>	<u>(9,344)</u>
	<u>-</u>	<u>(9,344)</u>	<u>(9,344)</u>
Endowment net assets, end of year	<u>\$ 51,798</u>	<u>\$ 66,968</u>	<u>\$ 118,766</u>

THE FREE LIBRARY OF NEW HOPE AND SOLEBURY

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 6. Endowments (Continued)**

Return Objectives and Risk Parameters: The Library has adopted investment and spending policies for endowment assets that attempt to provide growth of the fund through the ownership of securities that have growth potential. The Library expects its endowment funds, over time, to provide an acceptable long-term return at a level of risk which the Library has determined to be suitable; however, actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Library 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 Library targets a conservative asset allocation that places a greater emphasis on high quality bond investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: Investment policy and spending policy are recommended to the Board for approval by the Finance Committee.

**NOTE 7. Property and Equipment**

Property and Equipment consists of the following:

Building-Historically Certified	\$ 267,000
Leasehold Improvements	632,898
Furniture and Fixtures	23,789
Building Improvements	-
Less: Accumulated Depreciation	<u>(124,906)</u>
Total	<u>\$ 798,781</u>

For the year ended December 31, 2019, depreciation charged to expense was \$18,305.