

THE FREE LIBRARY OF NEW HOPE & SOLEBURY

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(With Comparative Total for December 31, 2021)**

THE FREE LIBRARY OF NEW HOPE & SOLEBURY

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BAUM, SMITH & CLEMENS, LLP

CERTIFIED PUBLIC ACCOUNTANTS and BUSINESS ADVISORS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
The Free Library of New Hope & Solebury

We have reviewed the accompanying financial statements of The Free Library of New Hope & Solebury (a not-for-profit organization), which are comprised of the statement of financial position as of December 31, 2022, and the related statements of activities, cash flows and functional expenses 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 management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

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

We are required to be independent of The Free Library of New Hope & Solebury and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

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

Summarized Comparative Information

The prior year financial statements were audited by us and we issued a qualified opinion on them in our report dated April 20, 2022, the qualification was for the contribution of \$13,928 recognized in 2021 that was made in 2020. 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, 2021 for it to be consistent with the audited financial statements from which it has been derived. We have not performed any auditing procedures since that date.

Baum, Smith & Clemens, LLP

Harleysville, PA
May 17, 2023

THE FREE LIBRARY OF NEW HOPE & SOLEBURY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(With Comparative Totals for 2021)
(See Independent Accountants' Review Report)

	<u>Reviewed 2022</u>	<u>Restated Audited 2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 184,202	\$ 198,198
Accounts receivable	9,000	10,564
Investments - operating	1,228,504	1,440,277
Total current assets	<u>1,421,706</u>	<u>1,649,039</u>
Fixed assets, net	<u>771,695</u>	<u>781,117</u>
Other assets		
Investments - endowment	113,703	141,370
	<u>113,703</u>	<u>141,370</u>
Total assets	<u><u>\$ 2,307,104</u></u>	<u><u>\$ 2,571,526</u></u>
LIABILITIES		
Liabilities		
Accounts payable	<u>\$ 11,275</u>	<u>\$ 9,622</u>
NET ASSETS		
Without donor restrictions		
Undesignated	2,157,463	2,371,142
Designated by the board	17,142	24,943
Total without donor restrictions	<u>2,174,605</u>	<u>2,396,085</u>
With donor restrictions		
Purpose restrictions	7,521	24,449
Perpetual in nature	113,703	141,370
Total with donor restrictions	<u>121,224</u>	<u>165,819</u>
Total net assets	<u>2,295,829</u>	<u>2,561,904</u>
Total liabilities and net assets	<u><u>\$ 2,307,104</u></u>	<u><u>\$ 2,571,526</u></u>

THE FREE LIBRARY OF NEW HOPE & SOLEBURY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Totals for 2021)
(See Independent Accountants' Review Report)

	Reviewed		Audited	
	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
PUBLIC SUPPORT AND REVENUES				
Public Support				
Grants - government	196,984	-	196,984	229,298
Contributions	8,339	1,600	9,939	17,841
Fund drive contributions	64,730	-	64,730	73,754
Special events, net of direct benefits to donors	14,566	-	14,566	3,832
Revenue				
Summer reading	752	-	752	5,752
Other	7,743	3,500	11,243	5,338
Satisfaction of program restrictions	29,028	(29,028)	-	
Total public support and revenue	<u>322,142</u>	<u>(23,928)</u>	<u>298,214</u>	<u>335,815</u>
EXPENSES				
Program	217,291	-	217,291	195,212
Management and general	72,845	-	72,845	63,123
Fundraising	41,900	-	41,900	36,742
Total expenses	<u>332,036</u>	<u>-</u>	<u>332,036</u>	<u>295,077</u>
Change in net assets before non-operating income	<u>(9,894)</u>	<u>(23,928)</u>	<u>(33,822)</u>	<u>40,738</u>
Non-operating income				
Change in value of investments	(235,052)	(22,908)	(257,960)	153,912
Investment income	23,466	2,241	25,707	27,327
	<u>(211,586)</u>	<u>(20,667)</u>	<u>(232,253)</u>	<u>181,239</u>
Change in net assets	<u>(221,480)</u>	<u>(44,595)</u>	<u>(266,075)</u>	<u>221,977</u>
Net assets beginning of year	2,354,969	206,935	2,561,904	2,339,727
Prior period adjustment	41,116	(41,116)	-	-
Restated net assets beginning of year	2,396,085	165,819	2,561,904	2,339,727
Net assets end of year	<u>\$ 2,174,605</u>	<u>\$ 121,224</u>	<u>\$ 2,295,829</u>	<u>2,561,904</u>

THE FREE LIBRARY OF NEW HOPE & SOLEBURY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Totals for 2021)
(See Independent Accountants' Review Report)

	Reviewed 2022	Audited 2021
Cash flows from operating activities		
Change in net assets	\$ (266,075)	\$ 221,977
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	19,466	18,122
Forgiveness of PPP Loan	-	(36,875)
Realized and unrealized (gain) loss on investments	257,960	(153,912)
Investment income, net of operating interest	(23,279)	(24,493)
Change in assets and liabilities		
Accounts receivable	1,564	2,326
Accounts payable	1,653	5,902
Deferred income	-	(13,298)
Net cash provided (used) by operating activities	(8,711)	19,749
Cash flows from investing activities		
Purchase of fixed assets	(10,044)	-
Transfer to operating	7,000	10,645
Purchase of endowment investments	(2,241)	(2,651)
Net cash provided (used) by investing activities	(5,285)	7,994
Net change in cash and cash equivalents	(13,996)	27,743
Cash and cash equivalents		
Beginning of year	198,198	170,455
End of year	\$ 184,202	\$ 198,198

See Accompanying Notes to Financial Statements

THE FREE LIBRARY OF NEW HOPE & SOLEBURY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

(With Comparative Totals for 2021)

(See Independent Accountants' Review Report)

	Reviewed			2022 Total	Audited
	Program Services	Management and General	Fundraising		2021 Total
Personnel					
Salaries	\$ 118,006	\$ 27,825	\$ 22,159	\$ 167,990	\$ 159,052
Payroll taxes and employee benefits	16,631	3,921	3,123	23,675	15,680
Total personnel	<u>134,637</u>	<u>31,746</u>	<u>25,282</u>	<u>191,665</u>	<u>174,732</u>
Operations					
Books/ reference materials	33,107	-	-	33,107	31,878
DVD/ audio materials	1,775	-	-	1,775	3,134
Lectures & workshops	3,468	-	-	3,468	2,264
Periodical subscriptions	4,570	-	-	4,570	4,957
Liability insurance	4,339	814	271	5,424	4,956
Postage	-	366	2,246	2,612	2,662
Supplies	51	5,031	-	5,082	4,807
Printing and advertising	183	-	8,964	9,147	8,419
Telecommunications and telephone	-	3,756	-	3,756	3,500
Utilities	3,891	665	190	4,746	3,393
Depreciation	15,573	3,893	-	19,466	18,122
Building maintenance	15,214	3,804	-	19,018	11,208
Website/computer/database mgt	483	603	4,947	6,033	2,816
Professional and consulting fees	-	19,180	-	19,180	15,450
Dues and membership	-	-	-	0	-
Bank/CCD service fees	-	1,835	-	1,835	1,702
Miscellaneous	-	1,152	-	1,152	1,077
Total operating	<u>82,654</u>	<u>41,099</u>	<u>16,618</u>	<u>140,371</u>	<u>120,345</u>
Total expenses	<u>\$ 217,291</u>	<u>\$ 72,845</u>	<u>\$ 41,900</u>	<u>\$ 332,036</u>	
 2021 Totals	 <u>\$ 195,212</u>	 <u>\$ 63,123</u>	 <u>\$ 36,742</u>		 <u>\$ 295,077</u>

See Accompanying Notes to Financial Statements

THE FREE LIBRARY OF NEW HOPE & SOLEBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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 and donor contributions.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Revenues are recognized as they are earned and expenses are recorded when liabilities are incurred.

Basis of Presentation

The Library reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restriction on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Library's ongoing services and programs. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and 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 carrying amounts of the Library's cash and cash equivalents approximate their fair values.

Receivables

Receivables represent the unpaid balance of contributions. These receivables are determined to be readily collectible within the next year; therefore, an allowance for bad debts is not warranted.

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 and unrealized 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 in the statements of financial position.

Fair Value Measurement

The Library applies the provisions of the Financial Accounting Standards Board's Accounting Standards Codification in determining fair value. This standard defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements

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 U.S. generally accepted accounting principles, 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 fixed assets. Items under the \$2,000 capitalization threshold as well as costs of maintenance and repairs that do not extend the useful lives of the applicable assets are charged to expense as incurred. When fixed assets are retired, or otherwise disposed of, the asset and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in operations.

THE FREE LIBRARY OF NEW HOPE & SOLEBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Collections

Circulating Collections – the circulating collections (materials including books, periodicals, audio visual, etc.) are not recognized as assets in the statement of financial position. Purchases of collection items are expensed in the year in which the items are acquired.

Special Collections – The Library’s special collections, which were primarily acquired through contributions since the Library’s inception, consist of paintings, prints, furniture and literary works are held for educational and aesthetic purposes. The proceeds from the sale of any collection items would be used to purchase additional items or for the direct care of existing collections (maintenance/repairs). Special collection items are not recognized as an asset on the statement of financial position.

Net Assets

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

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 board-designated funds, to be used for purposes of the board's discretion.

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 classics literature in any form.

Board Designated Funds

Board designated funds have been set aside for future expenditures that benefit the Library and are outside of normal operational expenses. Past releases from the designated funds have been for website improvement, consulting and unbudgeted maintenance and repairs.

Donated Services

The contribution of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No amounts have been reflected in the statements for donated services. However, many individuals volunteer their time and perform a variety of tasks that assists the Library.

Income Taxes

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).

The Library is required to recognize, measure, classify, and disclose in the financial statements uncertain tax positions taken or expected to be taken in the Library’s tax return. Management has determined that the Library does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures

THE FREE LIBRARY OF NEW HOPE & SOLEBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenues are recorded on the accrual basis. The Library records special event revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. The current year event did not include any exchange transactions. Revenues from the summer reading program and other miscellaneous items, such as fines, are recognized at the point of sale. The Library does not have any significant financing component as payment is received at or shortly after the point of sale.

Contributions are recognized when the donor makes a promise to give to the Library that is, in substance, an unconditional promise to give. The Library recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend have been met. 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.

Functional Expenses

The costs of providing the activities of the Library are presented on a functional basis in the statement of activities. Personnel costs of direct labor, including the cost of employee fringe benefits and payroll taxes are charged to the respective category of program, management and general and fundraising based on time spent on tasks for those functions. Allocations among the classifications are performed using a variety of techniques, such as management's identification of direct costs, time and effort or space used.

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.

Reclassification

Certain items in the accompanying 2021 financial statement totals have been reclassified to conform to the current year presentation. The reclassifications had no impact on the previously reported net assets. See Note J for a change in the previously reported net assets.

Comparative Financial Statements

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 U. S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Library's audited financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued which was May 17, 2023.

THE FREE LIBRARY OF NEW HOPE & SOLEBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE B: CREDIT RISK AND CONCENTRATIONS

Credit Risk

The Library maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. No loss has been experienced in such accounts and the Library believes it is not exposed to any significant credit risk on cash.

The Library maintains accounts with a brokerage firm. The accounts contain cash and securities. Security balances are insured up to \$500,000 by the Securities Investor Protection Corporation. Cash balances held in these accounts have not exceeded federal limits, and the Library has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Support and Revenue

Concentrations in support and revenue are those who account for 10% or more of the activity. For the year ended December 31, 2022, the Library had three funders who provided a total of 65% of the support and revenue. State Aid was 11% and the Solebury Township and New Hope Borough contributed 42% and 12%, respectively.

NOTE C: PROPERTY & EQUIPMENT

Property and equipment consists of the following as of December 31, 2022:

	<u>Amount</u>
Building-Historically Certified	\$ 267,000
Building improvements	636,292
Furniture and fixtures	51,286
	\$ 954,578
Accumulated depreciation	(182,883)
	<u>\$ 771,695</u>

For the year ended December 31, 2022, depreciation expense totaled \$19,466.

NOTE D: FAIR VALUE MEASUREMENT

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Library has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none"> ▪ Quoted prices for similar assets in active markets; ▪ Quoted prices for identical or similar assets in inactive markets; ▪ Inputs other than quoted prices that are observable for the asset; ▪ Inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p style="margin-top: 10px;">If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset.</p>
Level 3	Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

THE FREE LIBRARY OF NEW HOPE & SOLEBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE D: FAIR VALUE MEASUREMENT (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimizes the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There are no changes in the methodologies used for the years ended December 31, 2022.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Library are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Library are deemed to be actively traded.

	Level 1	Level 2	Level 3	Total
Mutual funds - stocks	\$ 786,327	\$ -	\$ -	\$ 786,327
Mutual funds - bonds	555,880	-	-	555,880
Total investments	\$ 1,342,207	\$ -	\$ -	\$ 1,342,207

NOTE E: ENDOWMENTS

The Library's endowment consists of an individual fund established for the purpose of purchasing books and periodicals related to class literature, educational material and certain video streaming services. The terms of the endowment permit an annual draw up to 6% of the amount of the fund. The As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

The Library considers the following factors in making a determination to expend 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

Return Objectives and Risk Parameters: The Library has adopted investment and spending policies for endowment assets that attempt to provide solid growth over time, rather than react to short-term market movements. 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 FREE LIBRARY OF NEW HOPE & SOLEBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE E: ENDOWMENTS (Continued)

Endowment activity for the year ended December 31, 2022 is as follows:

	<u>Perpetual In Nature</u>
Endowment net assets, beginning of year as restated, (See Note J)	\$ 141,370
Investment return:	
Interest and dividends	2,241
Net depreciation (realized and unrealized)	<u>(22,908)</u>
	<u>(20,667)</u>
Appropriation for restricted purpose	<u>(7,000)</u>
Endowment net assets, end of year	<u>\$ 113,703</u>

NOTE F: LINE OF CREDIT

The Library has available a \$100,000 line of credit, which expires August 2025. The line is secured by the Library's real property. The interest rate on the line is variable. There were no outstanding borrowings at December 31, 2022.

NOTE G: NET ASSETS WITH DONOR RESTRICTION

Net Assets with donor restrictions were restricted for the following purposes for the year ended December 31, 2022:

Subject to expenditure for specified Purpose:

	<u>Amount</u>
Adult programming – Kanopy movies	\$ 1,167
Security system	105
Technology grant	<u>6,249</u>
Sub- total	7,521

Restricted by donors for class literature, in any format

Perpetual in nature 113,703

Total \$ 121,224

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

	<u>Amount</u>
Shelving	\$ 6,650
Classic literature and educational material	7,000
Employee benefits	3,864
Security system	3,393
Spelling bee	3,832
Kanopy movies	433
Technology	1,262
Summer reading	<u>2,594</u>
Total	<u>\$ 29,028</u>

THE FREE LIBRARY OF NEW HOPE & SOLEBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE H: FUND RAISING ACTIVITIES

The Library had a spelling bee event during the year. The amount of support that sponsors and donors contributed during the current year for the event was \$14,726, direct expenses incurred were \$160.

NOTE I: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets of the Library available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

	Amount
Cash and cash equivalents	\$ 184,202
Accounts receivable	9,000
Investments - operating	1,228,504
	1,421,706
Less amounts that are internally designated or externally restricted:	
Donor restricted for specified purpose or time period	(121,224)
Board designated funds	(17,142)
Amounts available for general operations for the next twelve months	\$ 1,283,340

The Library has a line of credit available to them of \$100,000 that can be used for operations (See Note F). In addition, approximately \$7,500 of the donor restricted funds are restricted for ongoing library programs and are available for use in the next 12 months. The Board-designated assets of \$17,142 would be available for use if needed.

NOTE J: PRIOR PERIOD ADJUSTMENT

The prior period unrestricted net assets were restated to reflect an increase of \$41,116 for funds that had been previously identified as donor restricted but that in fact were not restricted for time or purpose by the donor upon contribution to the Library.

During the current year, the board and the family of the donor of the endowment fund agreed that the Library can withdraw from the endowment 6% on an annual basis as described in Note E. As a result, the funds that were previously classified as temporarily restricted, \$69,249, have been reclassified as perpetual in nature.