

ASSOCIATES OF THE BOSTON PUBLIC LIBRARY

FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

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Associates of the Boston Public Library, Inc.
Notes to the Financial Statements
For the years ended June 30, 2009 and 2008

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Associates of the Boston Public Library, Inc.
Boston, Massachusetts

I have audited the Statement of Financial Position of the Associates of the Boston Public Library, Inc. (a non profit organization) as of June 30, 2009 and 2008, and the related statements of revenues, expenses and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Associates of the Boston Public Library management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Associates of the Boston Public Library, Inc. as of June 30, 2009 and 2008 and the results of their operations and changes in financial position and its cash flow for the year ended in conformity with accounting principles generally accepted in the United States of America.



January 9, 2010
Medford, Massachusetts

ASSOCIATES OF THE BOSTON PUBLIC LIBRARY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2009 AND 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Current Assets:		
Cash and Cash Equivalents (Notes 2 and 4)	\$ 31,088	\$ 39,572
Investments (Note 5)	<u>1,431,840</u>	<u>1,142,399</u>
Total Current Assets	<u>1,462,928</u>	<u>1,181,971</u>
Equipment, net (Notes 2 and 6)	<u>1</u>	<u>1</u>
Total Assets	\$ <u>1,462,929</u>	\$ <u>1,181,972</u>

LIABILITIES AND FUND BALANCES

Current Liabilities:		
Grants Payable (Note 8)	<u>26,315</u>	<u>38,315</u>
Total Current Liabilities	<u>26,315</u>	<u>38,315</u>
Net Assets:		
Unrestricted	189,726	199,028
Temporarily restricted - McCullough Fund (Note 9)	1,186,549	939,629
Temporarily restricted - Other (Note 10)	<u>60,339</u>	<u>5,000</u>
Total Net Assets:	<u>1,436,614</u>	<u>1,143,657</u>
Total Liabilities and Net Assets	\$ <u>1,462,929</u>	\$ <u>1,181,972</u>

See accompanying notes to financial statements.
See accountant's review letter.

ASSOCIATES OF THE BOSTON PUBLIC LIBRARY, INC.
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

				<u>2009</u>	<u>2008</u>
	Unrestricted	Temporarily Restricted McCullough Fund	Temporarily Restricted Other	Total	Total
Revenues:					
Donations	\$ 116,504	\$ 300,770	\$ 100,000	\$ 517,274	\$ 456,748
Membership Dues	28,405	-	-	28,405	29,020
Interest and Dividends	1,813	18,625	1,603	22,041	38,723
Realized/Unrealized Investments Gain		293	-	293	
Satisfaction of program restrictions	50,464	(4,200)	(46,264)	-	-
Total Revenues	<u>197,186</u>	<u>315,488</u>	<u>55,339</u>	<u>568,013</u>	<u>524,491</u>
Expenses:					
Management and General	89,908			89,908	83,102
Fund Raising	252	68,568	-	68,820	69,327
Programs	116,328			116,328	102,849
Total Expenses	<u>206,488</u>	<u>68,568</u>	<u>-</u>	<u>275,056</u>	<u>255,278</u>
Increase (Decrease) in Net Assets	(9,302)	246,920	55,339	292,957	269,213
Transfer of Funds to McCullough Fund from Grant Payable to Boston Public Library (Note 8)		-	-	-	-
Net Assets, beginning of year (Note 3)	<u>199,028</u>	<u>939,629</u>	<u>5,000</u>	<u>1,143,657</u>	<u>874,444</u>
Net Assets, end of year	<u>\$ 189,726</u>	<u>\$ 1,186,549</u>	<u>\$ 60,339</u>	<u>\$ 1,436,614</u>	<u>\$ 1,143,657</u>

See accompanying notes to financial statements.
 See accountant's review letter.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009		2008	
	Management General	Total	Management Fundraising	Total
Salaries	\$ 61,667	\$ 61,667	\$	\$ 59,791
Payroll Taxes, etc.	6,901	6,901		6,256
Accounting Fees/Payroll Proc. Fees	5,735	5,735		4,813
Board Expenses	1,041	1,041		-
Consultants	3,087	3,087		3,570
Supplies	1,085	1,085		1,611
Telephone	742	742		727
Postages and Shipping	657	657		1,379
Membership expense	794	794		1,184
Printing	1,131	1,131		280
Computer Related Expenses	2,601	2,601		195
Event Related		68,820	68,820	69,327
Grant/Writer-in-Residence	-	21,461		25,000
Donations BPL	-	62,027		62,907
Program Other	-	32,840		14,942
Insurance Expenses	888	888		888
Other	3,579	3,579		2,408
	<u>\$ 89,908</u>	<u>\$ 275,056</u>	<u>\$ 116,328</u>	<u>\$ 255,278</u>

See accompanying notes to financial statements.
See accountant's review letter.

ASSOCIATES OF THE BOSTON PUBLIC LIBRARY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>		<u>2008</u>
Cash Flows from operating activities:			
Increase in net assets	\$ 292,957	\$	269,213
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:			
Depreciation	-		-
Realized/Unrealized investment losses (gains)	-		-
Increase (Decrease) in accounts payable	-		(13,178)
Increase (Decrease) in grants payable	<u>(12,000)</u>		<u>(38,000)</u>
Net cash provided by/(used in) operating activities	<u>280,957</u>		<u>218,035</u>
 Cash Flows from investing activities:			
Investments (purchases) reductions	(289,441)		(213,995)
Net cash used in investing activities	<u>(289,441)</u>		<u>(213,995)</u>
Net increase (decrease) in cash and cash equivalents	(8,484)		4,040
Cash and cash equivalents, beginning of year	<u>39,572</u>		<u>35,532</u>
Cash and cash equivalents, end of year	\$ <u>31,088</u>	\$	<u>39,572</u>

See accompanying notes to financial statements.
See accountant's review letter.

Associates of the Boston Public Library, Inc.
Notes to the Financial Statements
For the years ended June 30, 2009 and 2008

1. Organization and Purposes

Associates of the Boston Public Library, Inc. (the "Organization") is a private, not-for-profit corporation organized to promote and support the Boston Public Library through sponsorship of readings by recently published authors, hosting benefits, and presenting special events for members and the public. The Organization also provides funding for the acquisition and exhibition of rare and important books, prints and manuscripts, and for the restoration and conservation of items in the Special Collections of the Library in Copley Square.

2. Summary of Significant Accounting Policies

Revenue and Expense Recognition

The Organization maintains its accounts on the accrual basis of accounting whereby revenues are recognized in the appropriate net asset class as earned and expenses recognized as incurred.

Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows the Organization considers all money market and savings accounts, which have no maturity requirements to be cash equivalents.

Concentrations of Credit Risk

Financial instruments, which potentially expose the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents and grants receivable. Certain cash accounts contain balances in excess of the FDIC insurance limit.

Equipment and Depreciation

Property and equipment is stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

Associates of the Boston Public Library, Inc.
Notes to the Financial Statements
For the years ended June 30, 2009 and 2008

Income Taxes

The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

Functional Expenses

The Organization allocates its expenses on a functional basis to its various programs and support services. Expenses that can be identified with a specific program or support service are allocated to such functional expense category.

3. Accounting and Reporting

Financial Statement Presentation

The Organization presents the Financial Statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, not-for-profit organizations are required to report information regarding their financial position and activities according to three classes of net assets: temporarily restricted net assets, unrestricted net assets, and permanently restricted net assets.

Contributions

The Organization has also adopted AFAS No. 116 "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted revenues depending on the existence and/or nature of any donor restriction.

4. Cash and Cash Equivalents

Cash and cash equivalents Consists of the following:

June 30,	<u>2009</u>	<u>2008</u>
Operating checking account	<u>\$ 31,087</u>	<u>\$39,572</u>
	<u>\$ 31,087</u>	<u>\$39,572</u>

Associates of the Boston Public Library, Inc.
Notes to the Financial Statements
For the years ended June 30, 2009 and 2008

5. Investments

Investments are reflected at market and are all publicly traded these are summarized as follows:

	<u>Cost</u>	<u>Market</u>
Money Market Funds	<u>\$ 1,431,840</u>	<u>\$ 1,431,840</u>
	<u>\$ 1,431,840</u>	<u>\$ 1,431,840</u>

Money Market Funds are not covered by FDIC Insurance. Subsequent to year end, approximately \$1,275,000 of Money Market Funds was transferred to a managed investment account which invested a portion in marketable securities.

6. Donated Services and Facilities

The Organization receives donated products and services from a variety of unpaid volunteers assisting the Organization with fundraising and programming events. There were no transactions recognized in the accompanying statements of revenues, expenses and change in net assets because of the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

The Organization occupies part of the Boston Public Library located at Copley Square under a month-to-month arrangement. No rent is paid by the Organization. An estimate of the fair value of the annual rental has not been determined, and therefore, no contribution or expense amount is included in the statement of revenues, expenses, and change in net assets.

7. Equipment

Equipment consists of the following:

Equipment	\$16,035
Less: Accumulated Depreciation	<u>(16,034)</u>
	<u>\$ 1</u>

8. Grants Payable

Associates of the Boston Public Library, Inc.
Notes to the Financial Statements
For the years ended June 30, 2009 and 2008

The grants payable consists of grants awarded by the Board of Directors in prior years out of unrestricted funds, which will be paid in a subsequent year.

The grants still owed are summarized as follows:

Boston Public Library	<u>\$26,315</u>
	<u>\$26,315</u>

9. Temporarily Restricted Net Assets - McCullough Fund

This represents funding which may be used for conservation and preservation of rare books and other treasures in the Boston Public Library.

10. Temporarily Restricted - Other

This represents funding received in fiscal year June 30, 2009 for conservation, preservation and cataloging of the treasures of the Boston Public Library.