

BOSLER MEMORIAL LIBRARY

FINANCIAL REPORT

DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

Ladies and Gentlemen
Bosler Memorial Library
Carlisle, Pennsylvania

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities and net assets - cash basis of Bosler Memorial Library as of December 31, 2012 and 2011, and the related statements of activities - cash basis and cash flows - cash basis for the years then ended and the related notes to the 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Bosler Memorial Library as of December 31, 2012 and 2011, and its activities and its cash flows for the years then ended in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Carlisle, Pennsylvania
February 12, 2013

BOSLER MEMORIAL LIBRARY

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	\$ 187,360	\$ 2,106,535
Land, buildings and equipment - net	6,412,974	1,143,022
Endowment funds	1,126,434	1,298,593
Beneficial interest in perpetual trust	145,395	119,078
Total assets	\$ 7,872,163	\$ 3,905,127
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Payroll withholding and sales tax collected	\$ 2,446	\$ 2,230
Total current liabilities	2,446	2,230
Note Payable - net of current maturities	2,500,000	-
Net Assets		
Unrestricted		
Board designated for endowment	1,126,434	1,298,593
Board designated for land, buildings and equipment	3,912,974	1,143,022
Board designated for building expansion	-	450,756
Other unrestricted	143,807	278,944
Total unrestricted	5,183,215	3,171,315
Temporarily restricted	41,107	1,374,605
Permanently restricted	145,395	119,078
Total net assets	5,369,717	4,664,998
Total liabilities and net assets	\$ 7,872,163	3,905,127

See Notes to Financial Statements.

BOSLER MEMORIAL LIBRARY

STATEMENTS OF ACTIVITIES - CASH BASIS
Years Ended December 31, 2012 and 2011

	2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue and Other Support				
Governmental support	\$ 630,059	\$ -	\$ -	\$ 630,059
Contributions	142,744	1,211,384	-	1,354,128
Library operations	58,206	-	-	58,206
Rental - net	(21,794)	-	-	(21,794)
Interest income	5,570	-	-	5,570
Investment income	150,050	-	-	150,050
Unrealized gain on beneficial interest in perpetual trust	-	-	26,317	26,317
Net assets released from restrictions	2,544,882	(2,544,882)	-	-
Total revenue and other support	3,509,717	(1,333,498)	26,317	2,202,536
Expenses				
Program services				
Adult programs	366,893	-	-	366,893
Juvenile programs	156,844	-	-	156,844
Reference program	104,636	-	-	104,636
Total program service expenses	628,373	-	-	628,373
Support services				
Fundraising	90,146	-	-	90,146
Management and general	154,139	-	-	154,139
Total support services	244,285	-	-	244,285
Total expenses	872,658	-	-	872,658
Loss on Disposal of Assets	488,478	-	-	488,478
Changes in net assets before changes related to collection items not capitalized	2,148,581	(1,333,498)	26,317	841,400
Change in Net Assets Related to Collection				
Items Purchased but not Capitalized	(136,681)	-	-	(136,681)
Changes in net assets	2,011,900	(1,333,498)	26,317	704,719
Net Assets:				
Beginning	3,171,315	1,374,605	119,078	4,664,998
Ending	\$ 5,183,215	\$ 41,107	\$ 145,395	\$ 5,369,717

See Notes to Financial Statements.

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue and Other Support				
Governmental support	\$ 598,983	\$ -	\$ -	\$ 598,983
Contributions	127,709	941,638	-	1,069,347
Library operations	69,734	-	-	69,734
West Street rental - net	8,082	-	-	8,082
Interest income	14,061	-	-	14,061
Investment income (loss)	25,986	-	-	25,986
Unrealized gain (loss) on beneficial interest in perpetual trust	-	-	8,316	8,316
Net assets released from restrictions	145,150	(145,150)	-	-
Total revenue and other support	989,705	796,488	8,316	1,794,509
Expenses				
Program services				
Adult programs	345,830	-	-	345,830
Juvenile programs	128,448	-	-	128,448
Reference program	92,832	-	-	92,832
Total program services	567,110	-	-	567,110
Support services				
Fundraising	210,101	-	-	210,101
Management and general	131,436	-	-	131,436
Total support services	341,537	-	-	341,537
Total expenses	908,647	-	-	908,647
Loss on Disposal of Assets	3,559	-	-	3,559
Changes in net assets before changes related to collection items not capitalized	77,499	796,488	8,316	882,303
Change In Net Assets Related to Items Purchased but not Capitalized	(117,261)	-	-	(117,261)
Changes in net assets	(39,762)	796,488	8,316	765,042
Net Assets:				
Beginning	3,211,077	578,117	110,762	3,899,956
Ending	\$ 3,171,315	\$ 1,374,605	\$ 119,078	\$ 4,664,998

See Notes to Financial Statements.

BOSLER MEMORIAL LIBRARY

STATEMENTS OF CASH FLOWS - CASH BASIS
Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows From Operating Activities		
Changes in net assets	\$ 704,719	\$ 765,042
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	99,748	83,907
Net realized and unrealized gains (loss) on investments	(101,051)	22,242
Loss on disposal of assets	488,478	3,559
Purchased collections not capitalized	136,681	113,938
Changes in account balances:		
(Decrease) increase in:		
Taxes withheld and collected	216	(2,941)
Net cash provided by operating activities	1,328,791	985,747
Cash Flows From Investing Activities		
Purchase of property and equipment	(5,858,178)	(9,569)
Purchase of investments	(364,703)	(46,909)
Purchased collections not capitalized	(136,681)	(113,938)
Proceeds from sale of investments	611,596	40,966
Net cash used in investing activities	(5,747,966)	(129,450)
Cash Flows From Financing Activities		
Issuance of long-term debt	2,500,000	-
Net increase (decrease) in cash and cash equivalents	(1,919,175)	856,297
Cash and Cash Equivalents:		
Beginning	2,106,535	1,250,238
Ending	\$ 187,360	\$ 2,106,535

See Notes to Financial Statements.

BOSLER MEMORIAL LIBRARY

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies

Nature of Activity: The Bosler Memorial Library provides public library service to the residents of the Carlisle area. The goal is to provide the broadest possible offering of books and other materials to meet the patrons' needs for information, culture, education and leisure. The Library provides free loans of books, periodicals, spoken cassettes, videos and other library materials. Librarians assist patrons in locating materials to answer reference or information questions, both on-site and via telephone. Inter-library loan service is available to provide patrons materials which are not available on-site. A variety of children's and adult programs are offered to promote reading and learning.

Basis of Accounting: The Library's policy is to maintain its accounting records and to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenue and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred.

Income Taxes: The Library qualifies under Section 501(c)(3) of the Internal Revenue Code and thus is exempt from federal income tax on activities related to its exempt purpose.

Management has assessed the Library's exposure to income taxes at the entity level as a result of uncertain tax positions taken in current and previously filed tax returns. Examples of tax positions taken at the entity level include continuing validity of its exempt organization status, potential filing requirement for unrelated business income and other tax positions that could result in income tax liabilities to the Library upon examination by taxing authorities. Presently, management believes that it is more likely than not that its tax positions will be sustained upon examination, including any appeals and litigation, such that the Library has no exposure to income tax liabilities from uncertain tax positions. The Library is no longer subject to federal or state and local income tax examination by tax authorities for years before 2009.

Use of Estimates: The preparation of financial statements on the basis of cash receipts and disbursements requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

Contributions: Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor's stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Gifts of land, buildings and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service or as the assets are used in the Organization's activities.

BOSLER MEMORIAL LIBRARY

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

Inexhaustible Collections and Books: Because the values of the existing inexhaustible collections, including research books, are not readily determinable, the Library has not capitalized them and does not sell these items. Books used in the circulating library have not been capitalized because their estimated useful lives are less than one year.

Cash and Cash Equivalents: For purposes of the Statements of Cash Flows, the Library considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

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

Investments: The Library reports investments in equity securities with readily determinable fair values and all investments in debt securities at fair values with gains and losses included in the Statements of Activities.

Donated Materials: All materials donated to the Library are recorded at their estimated fair market value when received. Donated materials consisted of the following:

	2012	2011
Program Services		
Books	\$ 28,122	\$ 21,949
Audiovisual materials	8,541	8,500
Event supplies	-	530
Advertising	5,000	-
Management and General		
Legal services	7,500	-
Office supplies	400	-
	<u>\$ 49,563</u>	<u>\$ 30,979</u>

Capital Campaign Pledges: During 2010, the Library sponsored a capital campaign. The contributions are restricted for the new building expansion. Pledges receivable as of December 31, 2012 and 2011, were \$596,365 and \$860,015, respectively.

Subsequent Events: In preparing these financial statements, the Library has evaluated events and transactions for potential recognition through February 12, 2013, the date the financial statements were available to be issued.

BOSLER MEMORIAL LIBRARY

NOTES TO FINANCIAL STATEMENTS

Note 2. Land, Buildings and Equipment

Land, buildings and equipment at December 31, 2012 and 2011, consisted of the following:

	2012	2011
Land	\$ 84,499	\$ 123,708
Building	706,820	1,665,336
Building - Capital Campaign expansion	5,534,179	-
Furniture and equipment	200,316	347,327
Furniture and equipment - Capital Campaign expansion	331,499	-
Land - West Street	56,700	56,700
Building - West Street	-	629,426
	<u>6,914,013</u>	<u>2,822,497</u>
Less accumulated depreciation	<u>(501,039)</u>	<u>(1,679,475)</u>
Land, Buildings and Equipment - Net	<u>\$ 6,412,974</u>	<u>\$ 1,143,022</u>

Note 3. Temporarily Restricted - Net Assets

Temporarily restricted - net assets as of December 31, 2012 and 2011, are available for the following purposes:

	2012	2011
Specific books and materials	\$ 3,747	\$ -
Educational improvement programs	29,859	19,862
Computers	7,447	8,261
Building expansion fund	-	1,346,428
Meetings	54	54
	<u>\$ 41,107</u>	<u>\$ 1,374,605</u>

Note 4. Endowment Fund

The Library's endowments, classified as such on the statements of assets, liabilities and net assets, consist of a Board Designated endowment fund established for the administration of existing and future gifts and contributions to the Bosler Memorial Library and to memorialize and secure those funds for the future benefits of the community. The endowment includes funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

BOSLER MEMORIAL LIBRARY

NOTES TO FINANCIAL STATEMENTS

Note 4. Endowment Fund (Continued)

Interpretation of Relevant Law

The Commonwealth of Pennsylvania has not enacted a version of the UPMIFA, or a version of the Uniform Management of Institutional Funds Act (UPMIFA). Governing law resides in 15 Pa. C.S. §5548 “Investment of Trust Funds.” The Library has interpreted relevant law as requiring the donor-restricted endowment fund, absent explicit donor stipulations to the contrary, to be managed with the long-term objective of at least maintaining the real value (after inflation) of the funds. The Library 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 fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Library in a manner consistent with the standard of prudence prescribed by relevant law. Pennsylvania law permits the Board of Directors to make an election to annually appropriate for expenditure a selected percentage between 2% and 7% of the fair value of the assets related to donor-restricted endowment funds averaged over a period of three preceding years, provided the Board has determined that such percentage is consistent with the long-term preservation of the real value of such assets.

Return Objectives and Risk Parameters

The Library has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to maintain expenditures 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 as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested based on the standards of a “Prudent Man” that is intended to produce results that exceed the standard indices for each investment classification on an annual basis.

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’s investment fund asset mix is invested among equities, fixed income and cash equivalents. The Board has determined an asset mix strategy to improve the probability of achieving enhanced real (inflation protected) rates of return.

BOSLER MEMORIAL LIBRARY

NOTES TO FINANCIAL STATEMENTS

Note 4. Endowment Fund (Continued)

Spending Policy

The spending policy of the Library is set to provide, as closely as possible, equitable benefit from the endowment for current and future programs. A spending policy has been adopted to fairly meet programmatic requirements of the endowment. The Library appropriates funds determined on a total return basis, e.g. interest, dividends, and appreciation of the principal. Distributions from principal can be made in whole or in part, by a vote of at least 75% of the Board of Directors of the Library and by supplying the Trustee 90 day's written notice of its intention. The Board must then reaffirm its intention no less than one month and no more than 45 days from the date of the original notice.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift amount maintained as permanently restricted net assets. There were no such deficiencies as of December 31, 2012 and 2011. Pennsylvania law allows for the aggregation of endowments, therefore endowments with deficiencies are netted with gains and accounted for within temporarily restricted net assets.

Net Asset Classifications of Endowment Funds

The Library's endowment fund is classified as unrestricted, board-designated as of December 31, 2012 and 2011, in the amount of \$1,126,434 and \$1,298,593, respectively.

Changes in endowment net assets for the years ended December 31, 2012 and 2011:

	2012	2011
Endowment net assets, beginning of year	\$ 1,298,593	\$ 1,323,208
Investment return:		
Interest and dividend income	72,702	46,909
Net realized and unrealized gains and losses	74,732	(30,558)
Investment-related fees	(11,626)	(11,517)
Total investment return	135,808	4,834
Contributions	-	-
Appropriation of endowment assets for expenditure	(307,967)	(29,449)
	<u>\$ 1,126,434</u>	<u>\$ 1,298,593</u>

BOSLER MEMORIAL LIBRARY

NOTES TO FINANCIAL STATEMENTS

Note 5. Beneficial Interest in Perpetual Trust

The Library is a beneficiary of the Samuel C. Hertzler perpetual trust and is entitled to a 1/8 interest in the income of the trust to be used for work among women. The trust is held by M&T Investment Group with quarterly investment income payments distributed to the Library.

The value of the split-interest agreement as of December 31, 2012 and 2011, is \$145,395 and \$119,078, respectively. These values reflect a net increase of \$26,317 and \$8,316 for the years ended December 31, 2012 and 2011, respectively. Income received from the split-interest agreements for the years ended December 31, 2012 and 2011, was \$3,451 and \$3,429, respectively.

Note 6. Fair Value Measurements

The FASB's authoritative guidance on fair value measurements establishes a framework for measuring fair value, and expands disclosure about fair value measurements. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Under this guidance, assets and liabilities carried at fair value must be classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

The asset's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The assets that are recorded at fair value on a recurring basis are investments including the Endowment Fund and split-interest trusts. The Organization has no financial liabilities or non-financial items that are recorded at fair value on a recurring basis. Following is a description of the valuation methodologies used for assets measured at fair value.

Common stock, and fixed income funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Beneficial interest in perpetual and remainder trusts: Fair value of the beneficial interest in perpetual trusts was based on the percentage ownership of the respective trust assets, which approximates the present value of the estimated future cash flows to be received from the trusts. The present value method is utilized as the underlying assets of each individual trust are not in control of the Organization.

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NOTES TO FINANCIAL STATEMENTS

Note 6. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of years ended December 31, 2012 and 2011:

	Level 1	Level 2	Level 3	2012
Fixed income funds				
High Income Bond Fund	\$ 38,301	\$ -	\$ -	\$ 38,301
International Bond Fund	28,417	-	-	28,417
Intermediate Term Bond Funds	211,714	-	-	211,714
Short-term Bond Funds	171,222	-	-	171,222
	449,654	-	-	449,654
Equities				
Domestic equity mutual funds	544,210	-	-	544,210
Global/Intl mutual funds	123,720	-	-	123,720
	667,930	-	-	667,930
Cash and cash equivalents	95,236	-	-	95,236
Beneficial interest in perpetual trust	-	-	145,395	145,395
Total investments, at fair value	\$ 1,117,584	\$ -	\$ 145,395	\$ 1,358,215

	Level 1	Level 2	Level 3	2011
Fixed income funds				
High Income Bond Fund	\$ 36,893	\$ -	\$ -	\$ 36,893
International Bond Fund	26,525	-	-	26,525
Intermediate Term Bond Funds	190,678	-	-	190,678
Short-term Bond Funds	851,114	-	-	851,114
	1,105,210	-	-	1,105,210
Equities				
Common equity	697,359	-	-	697,359
Global/Intl mutual funds	141,141	-	-	141,141
	838,500	-	-	838,500
Cash and cash equivalents	1,376,581	-	-	1,376,581
Beneficial interest in perpetual trust	-	-	119,078	119,078
Total investments, at fair value	\$ 3,320,291	\$ -	\$ 119,078	\$ 3,439,369

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NOTES TO FINANCIAL STATEMENTS

Note 6. Fair Value Measurements (Continued)

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the years ended December 31, 2012 and 2011.

	Beneficial Interest in Perpetual Trust
Balance, beginning of year	\$ 119,078
Purchases, sales, issuances and settlements (net)	34,833
Investment income distributions	(8,516)
Balance, end of year 2012	<u>\$ 145,395</u>
	Beneficial Interest in Perpetual Trust
Balance, beginning of year	\$ 110,762
Purchases, sales, issuances and settlements (net)	11,745
Investment income distributions	(3,429)
Balance, end of year 2011	<u>\$ 119,078</u>

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NOTES TO FINANCIAL STATEMENTS

Note 7. Notes Payable

On July 31, 2013, the Library entered into a note payable with M&T Bank in the amount of \$2,500,000, for the payment of the building expansion project. The maximum term of the note is 23 years. Interest only, at 3.25%, is paid for the first three years. For the next 20 years, regular monthly payments are required including interest at the Wall Street rate. As of December 31, 2012, the Library has borrowed the full \$2,500,000 available.

Maturities required on long-term debt at December 31, 2012, are due in future years as follows:

Year	Amount
2013	\$ -
2014	-
2015	51,170
2016	91,482
2017	94,500
Beyond	<u>2,262,848</u>
	<u>\$2,500,000</u>

Note 8. Operations

Continuation of an entity's operations is usually assumed in financial accounting in the absence of evidence to the contrary. However, an operation which depends primarily on support from agencies of the government is always subject to legislative action which could significantly affect the amount of support it receives.

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NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan

The Library participates in a 403-B Tax Deferred Annuity Plan in conjunction with local non-profit organizations. This contributory Plan covers all employees who meet the minimum wage and service requirements. The Library expenses its contributions as paid. The Library contributes an amount equal to 2% of each permanent employee's annual salary after one year. Pension expense was \$8,196 and \$7,959, for December 31, 2012 and 2011, respectively.

Note 10. Concentrations of Credit Risk

The Library maintains its cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2012 and 2011, the uninsured cash balances were \$257,543 and \$-0-, respectively.

Note 11. Lease Commitments

In 2009, the Library entered into a four-year lease agreement for a copier machine with monthly lease payments of \$356.

The following table summarizes future lease payments required:

Year	Amount
2013	\$ 711

Note 12. Building Expansion Construction-in-Process

On October 26, 2011, the Library entered into a contract with R.S. Mowery & Sons, Inc., to construct the expansion of their building. The total cost of the contract is \$5,872,000. As of December 31, 2012, \$132,699 of construction-in-process remained to be paid.

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NOTES TO FINANCIAL STATEMENTS

Note 13. Functional Expenses

	2012		
	Programs		
	Adult	Juvenile	Reference
Salaries	\$ 191,346	\$ 90,638	\$ 75,531
Payroll taxes	16,860	7,986	6,655
Employee benefits	18,056	8,553	7,127
Depreciation	53,349	16,415	4,104
Utilities and telephone	30,942	9,521	2,380
Building and grounds maintenance	6,580	3,117	2,597
Insurance	14,093	4,336	1,084
Professional fees	1,184	544	265
Trust administrative fees	-	-	-
Programs and public relations	16,067	7,218	-
Accounting and payroll	-	-	-
Equipment rental and maintenance	3,506	1,661	1,384
Postage	1,244	572	278
Office expense	9,805	4,507	2,193
Supplies and collection maintenance	897	415	347
Printing	184	84	41
Miscellaneous	1,589	730	355
Dues and memberships	512	235	114
Travel and conferences	499	229	111
Shipping - collections	180	83	70
Bank charges	-	-	-
Total expenses	\$ 366,893	\$ 156,844	\$ 104,636

Support Services		
Fundraising	Management and General	Totals
\$ 60,425	\$ 85,603	\$ 503,543
5,324	7,544	44,369
5,702	8,077	47,515
821	7,386	82,075
476	4,284	47,603
2,078	2,943	17,315
217	1,951	21,681
1,968	214	4,175
-	13,406	13,406
-	-	23,285
-	14,035	14,035
1,107	1,568	9,226
2,292	224	4,610
363	1,766	18,634
-	-	1,659
8,959	33	9,301
79	286	3,039
-	93	954
335	90	1,264
-	-	333
-	4,636	4,636
<u>\$ 90,146</u>	<u>\$ 154,139</u>	<u>\$ 872,658</u>

BOSLER MEMORIAL LIBRARY**NOTES TO FINANCIAL STATEMENTS**

Note 13. Functional Expenses (Continued)

	2011		
	Programs		
	Adult	Juvenile	Reference
Salaries	\$ 192,671	\$ 81,885	\$ 62,618
Payroll taxes	16,796	7,138	5,459
Employee benefits	18,812	7,995	6,114
Depreciation	48,733	11,124	3,708
Utilities and telephone	26,793	6,116	2,039
Building and grounds maintenance	9,132	3,881	2,968
Insurance	17,386	3,968	1,323
Professional fees	706	258	327
Trust administrative fees	-	-	-
Programs and public relations	6,321	2,709	-
Accounting and payroll	-	-	-
Equipment rental and maintenance	4,124	1,753	1,340
Postage	945	346	438
Office expense	1,526	558	707
Supplies and collection maintenance	125	52	5,030
Printing	53	19	25
Miscellaneous	583	213	270
Dues and memberships	571	209	264
Travel and conferences	141	51	65
Shipping - collections	412	173	137
Bank charges	-	-	-
Total expenses	\$ 345,830	\$ 128,448	\$ 92,832

Support Services		
Fundraising	Management and General	Totals
\$ 72,252	\$ 72,251	\$ 481,677
6,299	6,299	41,991
7,055	7,055	47,031
596	2,052	66,213
328	1,128	36,404
3,425	3,424	22,830
213	732	23,622
95,909	431	97,631
-	15,542	15,542
17	-	9,047
-	13,814	13,814
1,547	1,547	10,311
3,855	576	6,160
1,116	930	4,837
-	-	5,207
13,155	32	13,284
3,154	357	4,577
425	348	1,817
755	86	1,098
-	-	722
-	4,832	4,832
<u>\$ 210,101</u>	<u>\$ 131,436</u>	<u>\$ 908,647</u>