



**Free**  
**LIBRARY** OF  
PHILADELPHIA

**2006**  
Annual Report

Fiscal Year  
July 1, 2005 -  
June 30, 2006

## Boards and Executive Staff – Fiscal Year 2006

### The Free Library of Philadelphia

Board of Trustees

7/1/05-6/30/06

#### Officers

W. Wilson Goode, Sr., Chair

Phyllis W. Beck, First Vice Chair

Peter A. Benoliel, Second Vice Chair Ex-Officio

Ronald Hinton, Jr., Secretary

Kathleen Simms, Assistant Secretary

John E. Riggan, Treasurer

Elliot L. Shelkrot, Assistant Treasurer

#### Members

Darwin Beauvais, Phyllis W. Beck, Peter A. Benoliel, Roland K. Bullard, II, Joseph F. Burke, Girard S. Clothier, Patricia A. Coulter, Stephen M. Curtis, Abbe Fletman, Matthew Garfield, W. Wilson Goode, Sr., Robert Heim, Ronald Hinton, Jr., Linda E. Johnson, Michael Karp, Alexander Kerr, Herman Mattleman, Noel Mayo, Stephanie W. Naidoff, John E. Riggan, Teresa M. Sarmina, Sherry Swirsky, Shelly Yanoff

#### Ex-Officio

Victor Richard, Recreation Commissioner

John C. Younge, President, Friends of the Free Library of Philadelphia

#### Emeriti

Gloria Twine Chisum

Armand Della Porta

Eugene F. Dixon, Jr.\*

John A. Philbrick III

Jerome Shestack

### The Free Library of Philadelphia Foundation

Board of Directors

7/1/05-6/30/06

#### Officers

Peter A. Benoliel, Chair

A. Morris Williams, Jr., First Vice Chair

W. Wilson Goode, Sr., Second Vice Chair

Elizabeth Gemmill, Secretary

Sandra A. Horrocks, Assistant Secretary

Deborah M. Fretz, Treasurer

Patricia Meller, Assistant Treasurer

Elliot L. Shelkrot, President and Director

#### Members

Paul D. Addis, Renee Amooore, James H. Averill, Peter A. Benoliel, Sheldon Bonovitz, Gretchen Burke, Richard Collier, Tobey Dichter, Kevin F. Donohoe, Loretta C. Duckworth, Marie Field, Susanna Foo, Deborah M. Fretz, Elizabeth Gemmill, David Glickman, Barbara J. Gohn, W. Wilson Goode, Sr., Daniel Gordon, Richard A. Greenawalt, Andrew T. Greenberg, Robert J. Hall, John Imbesi, Linda E. Johnson, Ernest E. Jones, Alexander Kerr, Ian A. MacKinnon, Marciene S. Mattleman, C. Kent McGuire, Leslie Anne Miller, Nancy Petersmeyer, William R. Sasso, Donn G. Scott, Susan G. Smith, Miriam Spector, Sherry Swirsky, A. Morris Williams, Jr., Ronald D. Wilson, William L. Wilson, Suzanne Womack, Andrew N. Yao

#### Legal Counsel

Joann Hyle, Pepper Hamilton LLP

#### Executive Staff

Elliot L. Shelkrot, President and Director

Kevin Vaughan, Associate Director

William J. Fleming, Administrative Services Director

Sandra A. Horrocks, Vice President for Communications and Development

Joseph McPeak, Director of Library Operations

Patricia Meller, Chief Financial Officer of Foundation

Sara Moran, Chief of Staff

Hedra Packman, Director of Library Services

James Pecora, Chief Technology Officer

\* Mr. Dixon passed away August 2, 2006.

*"Equal access to information is a civil right and Philadelphians deserve to have the kind of space in this city where they can exercise this right seven days a week. It's an exceptionally exciting time for the Library and the Parkway right now."*

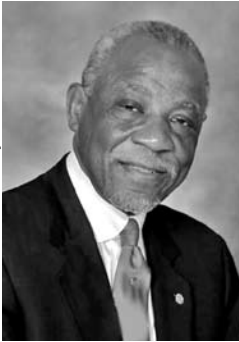
*Reverend Dr. W. Wilson Goode, Sr.*

## An Outstanding Year

2006 was a banner year at the Free Library of Philadelphia. It was a year of rejuvenation and progress for our ever-growing Library system. The Central Library continued its momentum toward the renovation and expansion of its current facility through new and important public/private partnerships while branch libraries celebrated the complete reinstatement of Saturday hours, two major branch anniversaries, and bold new public art. To top it all off, we received significant support for key initiatives such as *One Book, One Philadelphia*, Summer Reading, and Science in the Summer, making it possible to continue these popular programs annually.

We are the City of Philadelphia's largest free institution. The breadth of service and open access we provide each year is an astonishing feat and would not be possible without the dedication of our Library users, Friends Groups, volunteers, donors, unions, staff members, boards, and especially the City of Philadelphia and the Commonwealth of Pennsylvania. In their hands lie our many successes this year and we thank them for helping the Free Library of Philadelphia to achieve its mission.

©Kelly&Massa, 2006



**W. Wilson Goode, Sr.**  
Chair, Board of Trustees  
The Free Library of Philadelphia

©Kelly&Massa, 2006



**Peter A. Benoliel**  
Chair, Board of Directors  
The Free Library of Philadelphia Foundation

©Kelly&Massa, 2006



**Elliot L. Shelkrot**  
President and Director  
The Free Library of Philadelphia

<b>Service Statistics</b>	<b>FY 2006</b> (7/1/05-6/30/06)	<b>FY 2005</b> (7/1/04-6/30/05)
Library visits	6,103,354	5,517,569
Reference questions handled	2,925,812	2,780,389
Registered borrowers	517,839	482,310
Materials loaned, system-wide	6,188,637	6,294,315
Interlibrary loan requests processed	25,219	22,647

## A Changing of the Guard

### The Free Library of Philadelphia Foundation's Board of Directors:

At the June 2006 annual meeting of the Board, Peter A. Benoliel stepped down from his post as Chairman of the Board of Directors and A. Morris Williams, Jr. was elected to succeed him as of July 1, 2006.

Peter A. Benoliel was appointed to the Board in 2001 and acted as Chairman from 2002-2006. Mr. Benoliel's passion for the Free Library is manifested in his tireless championing of the Library's mission, commitment to bolstering annual giving, support for the Central Library Project, and stewardship of leadership building among the Board of Directors. The Library looks forward to his continued guidance and wisdom as a board member and exemplary Library supporter.

A. Morris Williams, Jr., President of Williams & Company, has been a member of the Board of Directors since 1999 and served as Vice Chair for the past several years. In addition to acting as an emeritus trustee of Duke University, he chairs the Philadelphia Scholars Fund Advisory Committee and the Pine Tree Family Foundation.

© Kelly & Massa, 2006



Joe McPeak and Hedra Packman

### Executive Staff:

In 2006, the Executive Staff welcomed new members, Joe McPeak, Director of Library Operations, and Hedra Packman, Director of Library Services. Both have contributed enormously to the Free Library, each serving 30 years in their tenure.

**Joe McPeak** has come a long way since his early days as a Free Library Page. He worked his way up to Library Assistant, Librarian, Library Supervisor, Department Head, Chief of Central Public Services Division, and finally, his latest post. In his new position, Dr. McPeak hopes to "provide the support and vision necessary to allow staff to continue to provide quality library service in every branch, in every neighborhood." He is most excited about newly hired staff, whose energy and enthusiasm offer fresh perspectives and great promise for future leadership.

Before **Hedra Packman** became the Director of Library Services, she fulfilled numerous roles at the Free Library, including Children's Librarian, Branch Manager, Children's Library Coordinator in West Philadelphia, Head of Central Children's Department, Assistant Coordinator of the Office of Work with Children, Assistant Chief, and then Chief of The Office of Public Service Support. She believes:

*"the Library's strengths are its staff, its public, and its resources and services...Our outreach and programs are key in bringing the Library and the public and the community together."*

## A New Central Library – Building the Future

The Central Library opened its doors in 1927 after nearly 40 years of planning. The result was one of the most cutting-edge libraries in the country. Nearly 80 years later, in order to meet the informational needs of diverse communities and neighborhoods, Philadelphia's largest free institution must update its spectacular facility on the Benjamin Franklin Parkway to remain relevant and exciting.

World renowned architect Moshe Safdie has been selected to renovate and expand the existing Beaux Arts structure. The additional space will allow the Central Library—the organizational and administrative hub for the Free Library of Philadelphia's 53 branches—to be the state-of-the art urban institution the people of Philadelphia deserve.

As a dynamic center of urban life, the new Central Library will incorporate many exciting features, including:

- A Teen Center, the first exclusive space for teens to call their own.
- A new, inviting Children's Department.
- The Parkway Pavilion, a glass-enclosed structure for reading and gathering, with retail space and a café.
- A small business and career center providing resources for Philadelphia's economic development.
- A high-tech auditorium.
- A new Visual and Performing Arts Center.
- Many new computers, including the Sunoco Internet Center for quick browsing.

As funds for the new building continue to be raised through a public/private partnership, several improvements designed to showcase the potential of a renovated and expanded Central Library are underway.

This initiative began with an exciting new addition to our popular lecture series—a public forum designed to engage our community in valuable discourse about a variety of current and relevant topics. **Talk About It! @ the Free Library** has quickly become the place for people with divergent viewpoints to come together in lively debate on subjects making headlines and impacting their communities.

Other planned initiatives are an internet café and renovation of the Main Lobby, including a new exhibition on the Central Library Project and the creation of a Visitors Center for all the institutions along the Benjamin Franklin Parkway.

Collections Statistics (system wide)		FY 2006 (7/1/05-6/30/06)	FY 2005 (7/1/04-6/30/05)
*Cataloged books	Adult:	2,453,386	2,917,464
	Juvenile:	1,185,560	1,153,012
Audio materials		1,336,503	1,072,689
Government documents		1,129,719	1,184,425
Microforms		1,980,526	2,005,586
Video cassettes		172,484	173,000
DVDs		32,031	30,788
Journal, magazine, and newspaper titles		3,586	3,350

*\*This year's statistics include paperbacks, and reflect the weeding of items no longer appropriate.*

## Vibrant Programming



*The Phillie Phanatic entertains groups of school children and Miss Philadelphia at the Summer Reading kickoff event.*

The Library is committed to free, public access to a variety of resources, some of the most important of which are its popular programs. Over the past year, programs have grown in essential ways, reaching new audiences and enriching the Library community.

**One Book, One Philadelphia:** In honor of the 300<sup>th</sup> birthday of Philadelphia's favorite iconoclast, Benjamin Franklin, the Free Library celebrated his life with its *One Book* selection. In order to attract the widest participation possible, the Library selected three books for one founding father—*Franklin: The Essential Founding Father* by James Srodes, *Ben and Me* by Robert Lawson, and *The Autobiography of Benjamin Franklin* by Benjamin Franklin. 6,134 people attended author and branch events and the number of community partners doubled from 150 to 300, with Independence Blue Cross as Lead Sponsor. Other sponsors included: City of Philadelphia Commerce Department; PECO, An Exelon Company; Pepper Hamilton LLP; Citizens Bank Foundation; Stradley Ronon Stevens & Young, LLP; WHYY Arts and Culture; Harmelin Media; and Temple University Health System. Very special thanks are due to our board member and Chair of *One Book, One Philadelphia*, Marie Field.

**Summer Reading:** This year's theme, **Wild About Reading @ Your Library**, allowed children and teens to learn about animals of every size and stripe. Partnering with area institutions, nearly 60,000 children participated in this year's Summer Reading Game. Alongside Lead Sponsor Wachovia, PKG Foundation, AMETEK Foundation, Sunoco, the Philadelphia City Institute Board of Managers, Verizon Corporation, Sovereign Bank, Prudential, and UGI Corporation provided great incentives for kids to read books, sign up for Library cards, use the online catalog, read to a friend or sibling, or participate in a Library program. In-kind support came from the Phillies, the Philadelphia Coca-Cola Bottling Company, Rite Aid Pharmacy, Herr's, the Mutter Museum, the Please Touch Museum, the Academy of Natural Sciences, Barnes & Noble, the Franklin Institute Science Museum, the Philadelphia Museum of Art, and 6ABC.

**Science in the Summer:** The program celebrated its 20-year partnership with GlaxoSmithKline this year. Each branch offered a series of free, fun classes taught by certified teachers about simple machines to get kids involved in hands-on experiments. 1,277 participants learned how machines can lift huge boulders, build bridges, and pump water.

Program Statistics	FY 2006 (7/1/05-6/30/06)	FY 2005 (7/1/04-6/30/05)
Number of adult programs	8,712	7,322
Attendance at adult programs	139,164	155,447
Number of children's programs	11,185	10,946
Attendance at children's programs	233,464	203,353

## Lively Branches



Jules Vuotto

*A group of children eagerly take part in the festivities at the Walnut West centennial.*

The local library has become an invaluable source of education, information, entertainment, and enjoyment, particularly in light of cuts in arts and enrichment programming at Philadelphia public and parochial schools. 2006 was a very special year for Free Library branches.

- By the end of February, every branch had Saturday hours reinstated.
- The North Philadelphia Arts and Culture Project, funded by the John S. and James L. Knight Foundation, increased the depth of arts and cultural programming for North Philadelphia residents through their branches. Cecil B. Moore, Fishtown, Kensington, Lillian Marrero, McPherson Square, Nicetown-Tioga, Ramonita G. de Rodriguez, Richmond, Widener, and Wyoming all benefited from special free workshops and book giveaways.
- As the last of the 2,509 libraries built with funding from Andrew Carnegie in the early 1900s, Wyoming Branch celebrated its 75<sup>th</sup> anniversary. More than 800 guests enjoyed a tremendous block party featuring a neighborhood art show, music by local groups, craft workshops, and information tables from neighborhood organizations. A historical marker from the Pennsylvania Historical and Museum Commission was also dedicated.
- Walnut Street West Branch held its 100<sup>th</sup> anniversary in June with State Representative James Roebuck, Free Library President and Director Elliot Shelkrot, and the Friends of Walnut Street West. An interactive jazz performance, storytelling, and outdoor concert thoroughly engaged revelers.
- On June 5, Ramonita G. de Rodriguez Branch unveiled a stunning mural illustrating the primary categories of the Dewey Decimal System. The project was the result of a collaboration between muralists Paul Santoleri, Eric Okdeh, Jennie Shankar, Mural Corps youth, and the Ceramics Workshop class at Temple University's Tyler School of Art. Students from the James R. Ludlow School contributed artwork as well, which is represented on the branch's metal gates. Entitled "Dewey's World," the mural was made possible by sponsorship from Children's Investment Strategy, Bank of America, the Ford Foundation, and United Way of Southeastern Pennsylvania Neighborhood Funding Stream.



## Profile of a Librarian

Veronica Britto



*Audrey Roll shares a picture book with young readers.*

**Audrey Roll**, the Head of the Children's Department at the Joseph E. Coleman Northwest Regional Library, wants "this community to see the Library as the heart of their community....What I like best about the Free Library of Philadelphia is that we never cease to search for ways to remain a "pulse" in the community—Books Aloud, LEAP After-School Program, *One Book, One Philadelphia*, as well as the Library Trainee programs are all examples of this commitment." She finds the size of the system to be an exciting challenge. "I can work in one part of the City and move to another location to find an entirely different dynamic in what is needed to make an impact on that particular clientele. I have always felt that I am making a difference in the lives of the people that I serve." At the moment, her goal is to build a relationship with parents in the Northwest Regional Community through a new series of monthly Sunday Family Programs.

*"I want to capture the loyalty of families in this location. I believe that this will be the foundation for making this library a vital force in the lives of our community at large...one child at a time, one adult at a time, one family at a time."*

## Friends and Volunteers

Emily Brochin



*The Little Friends of Paschalville enjoy a story time and celebrate their new membership with Amy Dougherty, Executive Director of the Friends of the Free Library of Philadelphia.*

Emily Brochin



*Assistant Director of Volunteer Services, Kenneth Manns, and Director of Volunteer Services, Sharon Butler, award a certificate of achievement to Kensington High School Life Skills student, Clarence Burgess.*

Following a year of successful advocacy, community leaders took advantage of the return of full service to Library branches by forming and revitalizing the now 40 active Friends Groups. These groups celebrated the fruits of their labor with festivities and programs at such branches as **Holmesburg, Greater Olney, Charles Santore, and Joseph E. Coleman Northwest Regional.**

On May 19<sup>th</sup>, **Friends of the Free Library** inaugurated the first **Little Friends of Paschalville Group**. Friends Coordinator Monique McCallister and Librarian Kim Robinson rewarded the pre-Kindergarten and Kindergarten class of the Philadelphia Montessori Charter School for their donation of \$80, which they raised at a bake sale in April, with their very own Friends Group membership. Located in a community where 23% of the families live below the poverty level, Paschalville provides much-needed access to books for children and adults. **When asked to decide how to spend the money they raised, 5-year-old Emile Holland suggested that they “buy something for children who don’t have as much as we do.”**

**Volunteers** really rolled up their sleeves to get involved in neighborhood branch activities during this fiscal year. Many volunteers assisted with beautification projects at the Wynnefield and Widener Branches. They came out in droves to support the Community Builders Tour at the McPherson Square Branch in October and again in April. Blackwell Regional and Walnut Street West welcomed tutors for the third consecutive year from the University of Pennsylvania’s Teacher Training Program. Volunteers helped with food, judging, information, and traffic control at the Free Library-sponsored Reading Olympics, which challenged the minds of students from 4<sup>th</sup> to 6<sup>th</sup> grades.

	FY 2006 (7/1/05-6/30/06)	FY 2005 (7/1/04-6/30/05)
Volunteers	2,105	2,038
Volunteer Hours	101,040	96,073

## The Tech Boom



© Kelly&Masso, 2006

*Preschoolers are enthralled by a program on an Early Literacy Station™.*

In 2006, great strides were made to provide users with new technologies.

**www.library.phila.gov:** More than two years ago, the Free Library began to redesign its website, which has proven to be a cornerstone of providing free resources to Library patrons. This endeavor was made possible through grants from the Library Services and Technology Act, the Horace W. Goldsmith Foundation, the Christian and Mary Lindback Foundation, and the Institute of Museum and Library Services. Highlights of the site include:

**Find:** A new and efficient site search tool, “Find” was added to the top of the Free Library website. It allows users to search the catalog, calendar of events, and e-resources, pulling up a comprehensive list of Free Library pages that contain selected keywords.

**Electronic Resources:** Even when the physical Library branches are closed, our 145 e-resources provide website users with their own virtual library 24/7. For example, the Gale Virtual Reference Library alone includes over 260 reference titles that can be immediately translated into 8 languages (Spanish, French, Japanese, German, Italian, Portuguese, simplified Chinese, and Korean) with a click of the mouse.

**Downloadable Music:** This summer, the Free Library began offering downloadable music on its website using OverDrive® technologies. From a diverse list of classical, blues, jazz, ambient/New Age, and rock releases, the catalog will continue to grow.

**Audiobooks:** This remote service allows users to complete a virtual checkout for three weeks by downloading files onto their home or work computers. Users can listen to the books on the computer or on an MP3 player. The audiobooks contain a full, unabridged reading of popular fiction, nonfiction, classics, and a core collection of 50 “Always Available” titles.

**RSS Feeds:** RDF Site Summary Feeds were added to the site, making it possible to subscribe to content from the website, such as the popular lecture series, and have it streamed directly onto computer desktops or personalized Web portals.

Technology Statistics	FY 2006 (7/1/05-6/30/06)	FY 2005 (7/1/04-6/30/05)
Library website access (“hits”)	79,387,219	56,968,564
Electronic resource use	145,665	129,001
Public-access computers	700	700
Electronic virtual visitors (visits from non-Library computers)	2,594,527	2,044,518

## Financial Highlights

Free Library of Philadelphia

FY 2006

7/1/05 – 6/30/06

### Operating Support and Revenue\*

City General Fund	\$ 38,767,617
State Grant Funds	\$ <u>11,019,867</u>
Total support and revenue	\$ <u>49,787,484</u>

### Operating Expense

Salaries and benefits	\$ 37,577,149
Library collections and materials	\$ 7,014,929
Facility leases, furnishings, maintenance	\$ 1,804,167
Technology purchases and support	\$ 1,153,789
Training and other professional services	\$ 1,412,772
Office supplies, postage, and printing	\$ 405,288
Other expense	\$ <u>419,390</u>
Total expense	\$ <u>49,787,484</u>

*\*Revenues may include encumbrances and/or appropriations from prior fiscal years, using the modified accrual and cash basis of accounting permitted by municipal accounting standards.*

Free Library of Philadelphia Foundation  
Statement of Activities for the Year Ended June 30, 2006\*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2005 Total
<b>Operating support and revenue:</b>					
Grants and contributions	\$ 871,593	\$ 1,342,533	\$ -	\$ 2,214,126	2,341,896
Federal and state grants and city capital appropriations	53,276	6,579,416	-	6,632,692	1,222,745
Contributions-Central Library Campaign	-	11,217,490	-	11,217,490	5,501,934
Fees and library services	339,382	15,912	-	355,294	68,085
Fines and lost books	282,265	-	-	282,265	411,844
Sales of books and publications	18,620	-	-	18,620	38,555
Other income	353,088	66,858	-	419,946	282,171
Dividend and interest return	102,249	-	-	102,249	93,890
Long-term investment return designated for operations	323,318	750,312	-	1,073,630	1,044,997
Net assets released from restriction	12,741,740	(12,741,740)			
Total operating support and revenue	<u>15,085,531</u>	<u>7,230,781</u>		<u>22,316,312</u>	<u>11,006,117</u>
<b>Operating Expenses:</b>					
Program services:					
Public programs	7,974,064	-	-	7,974,064	2,311,668
Collection and preservation	256,885	-	-	256,885	390,464
Technology	242,865	-	-	242,865	699,959
Facilities renovation	34,427	-	-	34,427	210,270
Central library capital renovation project	4,722,100	-	-	4,722,100	2,917,788
Total program services	<u>13,230,341</u>	<u>-</u>	<u>-</u>	<u>13,230,341</u>	<u>6,530,149</u>
Supporting services:					
Administration	903,964	-	-	903,964	923,441
Fundraising	922,615	-	-	922,615	917,883
Total supporting services	<u>1,826,579</u>	<u>-</u>	<u>-</u>	<u>1,826,579</u>	<u>1,841,324</u>
Total Expenses	<u>15,056,920</u>	<u>-</u>	<u>-</u>	<u>15,056,920</u>	<u>8,371,473</u>
<b>Change in net assets from operations</b>	<b>28,611</b>	<b>7,230,781</b>	<b>-</b>	<b>7,259,392</b>	<b>2,634,644</b>
<b>Non-operating support and gains:</b>					
Grants and contributions to endowment	-	87,526	2,025,000	2,112,526	-
Long-term investment return in excess of return designated for operations	194,849	714,202	-	909,051	453,476
Other	(154,400)	(91,403)	232,031	(13,722)	-
Total non-operating support and gains	<u>40,449</u>	<u>710,325</u>	<u>2,257,031</u>	<u>3,007,805</u>	<u>453,476</u>
<b>Total change in net assets</b>	<b>69,060</b>	<b>7,941,106</b>	<b>2,257,031</b>	<b>10,267,197</b>	<b>3,088,120</b>
<b>Net assets at beginning of year</b>	<b>6,389,629</b>	<b>22,688,802</b>	<b>7,031,783</b>	<b>36,110,214</b>	<b>33,022,094</b>
<b>Net assets at end of year</b>	<b>\$ 6,458,689</b>	<b>\$ 30,629,908</b>	<b>\$ 9,288,814</b>	<b>\$ 46,377,411</b>	<b>\$ 36,110,214</b>

Free Library of Philadelphia Foundation  
Statement of Financial Position  
June 30, 2006 and 2005

	2006	2005
<b>ASSETS</b>		
Cash and cash equivalents	\$12,477,143	\$4,794,483
Grants and contributions receivable	13,015,268	9,182,346
Fine income other receivables	667,441	859,871
Prepaid expenses	66,864	95,553
Land*		2,015,505
Furniture and equipment, net	28,342	91,410
Investments:		
Short-term investments	471,745	436,527
Long-term investments	21,121,795	19,215,191
Beneficial interest in life insurance	19,894	18,650
Executive retirement plan trust	159,234	140,590
Total assets	\$48,027,726	\$36,850,126
<b>LIABILITIES</b>		
Accounts payable and accrued expense	\$1,340,173	\$495,856
Accrued payroll and related liabilities	130,908	103,466
Obligation under deferred compensation	159,324	140,590
Total liabilities	1,630,405	739,912
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	5,063,916	4,915,727
Board designated for specific purpose	1,394,773	1,473,902
Total unrestricted	6,458,689	6,389,629
Temporarily restricted	30,629,908	22,688,802
Permanently restricted	9,288,814	7,031,783
Total net assets	46,377,411	36,110,214
<b>Total liabilities and net assets</b>	<b>\$48,007,816</b>	<b>\$36,850,126</b>

\* The land asset was transferred to the City of Philadelphia on August 3, 2005, for use as the future site of the expanded Central Library.

## Background

The Free Library of Philadelphia Foundation (the Foundation) functions primarily to secure federal, state, city and private grants and contributions, and to expend those funds on various Library programs.

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

The Foundation entered into an agreement dated June 19, 1958 with the Board of Trustees of the Free Library of Philadelphia, an independent board of the City of Philadelphia (City or City Library) responsible for securing and expending City appropriations. Under this agreement, the Board of Trustees of the Free Library of Philadelphia maintains care and custody of certain physical assets of the Foundation and makes all necessary operational decisions as to the management of the libraries and other assets of the Foundation. The Statement of Activities reflects only the operating support and revenue and associated expenses, net assets and changes in net assets of the Foundation, and, accordingly, do not include any amounts applicable to the financial position or changes in net assets of the Free Library of Philadelphia.

## Summary of Significant Accounting Policies

### Basis of Accounting

The financial statements of the Foundation are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and reflects all significant receivables, payables, and other liabilities.

### Basis of Presentation

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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

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

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

The statement of activities distinguishes changes in net assets from operations from other changes in net assets. Operating activity includes revenues and other support, including investment income generated from short-term investments, as well as long-term investment income designated for operations, and all expenses that are available to provide program services and support the administrative functions of the Foundation. Other changes in net assets include permanently restricted contributions and contributions designated for other purposes by the Board, as well as long-term investment income in excess of the Foundation's designated spending rate.

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

### **Central Library Project**

In fiscal year 2003, The Foundation began a major capital contribution campaign for the purpose of expanding and renovating the Central Library. This overall project will be funded by a public-private capital campaign following the model of the Changing Lives capital campaign that resulted in the renovation of the branch libraries.

During the fiscal year 2006, the Foundation recorded \$11,217,490 in contributions and \$2,000,000 in endowment funds. Included in grants and contributions receivable (net of discounts and allowances) at June 30, 2006 is \$11,138,669 related to the capital campaign. Expenses incurred in connection with the Central Library capital campaign, during fiscal year 2006, were \$4,722,100, including fundraising costs of approximately \$976,628.

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



Visit any one of our 54 Free Library locations or visit us at [www.library.phila.gov](http://www.library.phila.gov)

CENTER CITY

**Central**

1901 Vine St.  
215.686.5322

**Independence**

18 S. 7th St.  
215.685.1633

**Library for the Blind & Physically Handicapped**

919 Walnut St.  
215.683.3213

**Philadelphia City Institute**

1905 Locust St.  
215.685.6621

NORTH

**Cecil B. Moore Avenue**

2320 W. C.B. Moore Ave.  
215.685.2766

**Fishtown Community**

1217 E. Montgomery Ave.  
215.685.9990

**Kensington**

104 W. Dauphin St.  
215.685.9996

**Lillian Marrero**

601 W. Lehigh Ave.  
215.685.9794

**McPherson Square**

601 E. Indiana Ave.  
215.685.9995

**Nicetown-Tioga**

3720 N. Broad St.  
215.685.9790

**Richmond**

2987 Almond St.  
215.685.9992

**Ramonita G. de Rodriguez**

600 W. Girard Ave.  
215.686.1768

**Widener**

2808 W. Lehigh Avenue  
215.685.9799

NORTHEAST

**Bushrod**

6304 Castor Ave.  
215.685.1471

**Bustleton**

10199 Bustleton Ave.  
215.685.0472

**Fox Chase**

501 Rhawn St.  
215.685.0547

**Frankford**

4634 Frankford Ave.  
215.685.1473

**Holmesburg**

7810 Frankford Ave.  
215.685.8756

**Katharine Drexel**

11099 Knights Road  
215.685.9383

**Lawncrest**

6098 Rising Sun Ave.  
215.685.0549

**Northeast Regional**

2228 Cottman Ave.  
215.685.0501

**Tacony**

6742 Torresdale Ave.  
215.685.8755

**Torresdale**

3079 Holme Ave.  
215.685.0494

**Welsh Road**

9233 Roosevelt Blvd.  
215.685.0498

**Wyoming**

231 E. Wyoming Ave.  
215.685.9158

NORTHWEST

**Andorra**

705 E. Cathedral Road  
215.685.2552

**Chestnut Hill**

8711 Germantown Ave.  
215.248.0977

**Falls of Schuylkill**

3501 Midvale Ave.  
215.685.2093

**Greater Olney**

5501 N. 5th St.  
215.685.2846

**Logan**

1333 Wagner Ave.  
215.685.9156

**Joseph E. Coleman Northwest Regional**

68 W. Cheltenham Ave.  
215.685.2150

**Lovett Memorial**

6945 Germantown Ave.  
215.685.2095

**Oak Lane**

6614 N. 12th St.  
215.685.2848

**Ogontz**

6017 Ogontz Ave.  
215.685.3566

**Roxborough**

6245 Ridge Ave.  
215.685.2550

**Wadsworth**

1500 Wadsworth Ave.  
215.685.9293

**West Oak Lane**

2000 Washington Lane  
215.685.2843

SOUTH

**Charles Santore**

932 S. 7th St.  
215.686.1766

**Fumo Family**

2437 S. Broad St.  
215.685.1758

**Queen Memorial**

1201 S. 23rd St.  
215.685.1899

**South Philadelphia**

1700 S. Broad St.  
215.685.1866

**Thomas F. Donatucci, Sr.**

1935 Shunk St.  
215.685.1755

**Whitman**

200 Snyder Ave.  
215.685.1754

WEST

**Blanche Nixon/Cobbs Creek**

5800 Cobbs Creek Prkwy.  
215.685.1973

**Charles Durham**

3320 Haverford Ave.  
215.685.7436

**Eastwick**

2851 Island Ave.  
215.685.4170

**Haddington**

446 N. 65th St.  
215.685.1970

**Haverford**

5543 Haverford Ave.  
215.685.1964

**Kingsessing**

1201 S. 51st Street  
215.685.2690

**Lucien E. Blackwell**

**West Philadelphia Regional**  
125 S. 52nd St.  
215.685.7424

**Overbrook Park**

7422 Haverford Ave.  
215.685.0182

**Paschalville**

6942 Woodland Ave.  
215.685.2662

**Walnut Street West**

201 S. 40th St.  
215.685.7671

**Wynnefield**

5325 Overbrook Ave.  
215.685.0298



▪ Bustleton

▪ Katharine Drexel

▪ Welsh Road

▪ Fox Chase

▪ Torresdale

▪ **Northeast Regional**

▪ Lawncrest

▪ Holmesburg

▪ Bushrod

▪ Tacony

▪ Wadsworth

▪ Chestnut Hill

▪ West Oak Lane

▪ Ogontz

▪ Oak Lane

▪ Greater Olney

▪ Frankford

▪ Lovett Memorial

▪ Logan

▪ Andorra

▪ **Joseph E. Coleman  
Northwest Regional**

▪ Wyoming

▪ Roxborough

▪ Nicetown

▪ McPherson Square

▪ Falls of Schuylkill

▪ Lillian Marrero

▪ Richmond

▪ Kensington

▪ Widener

▪ Fishtown Community

▪ Cecil B. Moore

▪ Wynnefield

▪ Ramonita G. de Rodriguez

▪ **Central Library**

▪ **Library for the Blind & Physically Handicapped**

▪ Haverford Avenue

▪ Overbrook Park

▪ Charles Durham

▪ Independence

▪ Haddington

▪ **Lucien F. Blackwell  
West Philadelphia Regional**

▪ Philadelphia City Institute

▪ Charles Santore

▪ Walnut Street West

▪ Queen Memorial

▪ Blanche A. Nixon/  
Cobbs Creek

▪ South Philadelphia

▪ Fumo Family

▪ Whitman

▪ Kingsessing

▪ Thomas F. Donatucci, Sr.

▪ Paschalville

▪ Eastwick