

FISHERS ISLAND LIBRARY ASSOCIATION
FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE FINANCIAL
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

TOGETHER WITH INDEPENDENT
ACCOUNTANT'S REVIEW REPORT

**FISHERS ISLAND LIBRARY ASSOCIATION
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DECEMBER 31, 2023 AND 2022**

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**MYSTIC
ACCOUNTING
GROUP, LLP**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Fishers Island Library Association
Fishers Island, New York

We have reviewed the accompanying financial statements of Fishers Island Library Association (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2023, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements 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 accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Fishers Island Library Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying December 31, 2023 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously reviewed Fishers Island Library's 2022 financial statements and in our conclusion dated May 9, 2023, stated that based on our review, we were not aware of any material modifications that should be made to the 2022 financial statements in order for them to be in accordance with accounting principles generally

accepted in the United States of America. 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, 2022, for it to be consistent with the reviewed financial statements from which it has been derived.



Mystic, Connecticut
August 14, 2024

**FISHERS ISLAND LIBRARY ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023
(with comparative financial information as of December 31, 2022)**

ASSETS	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 96,711	\$ 154,827
Total current assets	<u>96,711</u>	<u>154,827</u>
PROPERTY AND EQUIPMENT, NET	407,818	440,038
OTHER ASSETS		
Investments - board designated endowment	<u>1,130,193</u>	<u>880,278</u>
Total other assets	<u>1,130,193</u>	<u>880,278</u>
Total assets	<u>\$ 1,634,722</u>	<u>\$ 1,475,143</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 13,745	\$ 4,728
Total current liabilities	<u>13,745</u>	<u>4,728</u>
NET ASSETS		
Without donor restrictions:		
Board designated	1,188,927	919,978
Undesignated	<u>418,656</u>	<u>537,043</u>
Total net assets without donor restrictions	<u>1,607,583</u>	<u>1,457,021</u>
With donor restrictions:		
Temporarily restricted	8,699	8,699
Permanently restricted	<u>4,695</u>	<u>4,695</u>
Total net assets with donor restrictions	<u>13,394</u>	<u>13,394</u>
Total net assets	<u>1,620,977</u>	<u>1,470,415</u>
Total liabilities and net assets	<u>\$ 1,634,722</u>	<u>\$ 1,475,143</u>

See accompanying notes and independent accountant's review report.

FISHERS ISLAND LIBRARY ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative financial information for the year ended December 31, 2022)

	<u>With Donor Restrictions</u>			Total 2023	Total 2022
	Without Donor Restrictions	Temporarily Restricted	Permanently Restricted		
REVENUE					
Grants	\$ -	\$ -	\$ -	\$ -	\$ 5,000
School District	48,617	-	-	48,617	51,000
Donations	243,685	-	-	243,685	195,263
Miscellaneous income	831	-	-	831	939
Local library incentive aid	2,934	-	-	2,934	1,428
Interest and dividends	27,602	-	-	27,602	21,669
Realized gain (loss) on investments	113,056	-	-	113,056	(5,278)
Unrealized gain (loss), net of investment fees	(29,050)	-	-	(29,050)	(126,382)
Released from restriction: Purpose restrictions met	-	-	-	-	-
Total revenue	<u>407,675</u>	<u>-</u>	<u>-</u>	<u>407,675</u>	<u>143,639</u>
EXPENSES					
Librarian and program compensation	90,573	-	-	90,573	82,183
Payroll taxes	6,030	-	-	6,030	5,232
Accounting	6,563	-	-	6,563	12,370
Alarm system	-	-	-	-	434
Bank charges	3,935	-	-	3,935	2,106
Books	4,223	-	-	4,223	2,386
Depreciation	38,035	-	-	38,035	31,532
Insurance	25,312	-	-	25,312	23,040
Utilities	9,138	-	-	9,138	8,582
Maintenance	22,187	-	-	22,187	61,801
Medical insurance	10,374	-	-	10,374	6,518
Other	8,155	-	-	8,155	3,731
Pension	2,790	-	-	2,790	2,741
Performers	-	-	-	-	750
Periodicals and videos	-	-	-	-	781
Capital campaign	7,870	-	-	7,870	6,687
Supplies	19,078	-	-	19,078	14,676
Telephone	2,850	-	-	2,850	2,688
Total expenses	<u>257,113</u>	<u>-</u>	<u>-</u>	<u>257,113</u>	<u>268,238</u>
CHANGE IN NET ASSETS	<u>150,562</u>	<u>-</u>	<u>-</u>	<u>150,562</u>	<u>(124,599)</u>
NET ASSETS, BEGINNING	1,457,021	8,699	4,695	1,470,415	1,595,014
NET ASSETS, ENDING	<u>\$ 1,607,583</u>	<u>\$ 8,699</u>	<u>\$ 4,695</u>	<u>\$ 1,620,977</u>	<u>\$ 1,470,415</u>

See accompanying notes and independent accountant's review report.

FISHERS ISLAND LIBRARY ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative financial information for the year ended December 31, 2022)

	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2023</u>	<u>Total 2022</u>
Librarian and program compensation	\$ 65,330	\$ 14,420	\$ 10,823	\$ 90,573	\$ 82,183
Payroll taxes	4,349	960	721	6,030	5,232
Accounting	-	6,563	-	6,563	12,370
Alarm system	-	-	-	-	434
Bank charges	-	3,935	-	3,935	2,106
Books	4,223	-	-	4,223	2,386
Depreciation	27,435	6,056	4,544	38,035	31,532
Insurance	18,257	4,028	3,027	25,312	23,040
Utilities	6,590	1,454	1,091	9,136	8,582
Maintenance	16,003	3,533	2,651	22,187	61,801
Medical insurance	7,485	1,652	1,239	10,376	6,518
Other	8,155	-	-	8,155	3,731
Pension	2,012	444	334	2,790	2,741
Performers	-	-	-	-	750
Periodicals and videos	-	-	-	-	781
Capital campaign	-	-	7,870	7,870	6,687
Supplies	19,078	-	-	19,078	14,676
Telephone	2,056	454	340	2,850	2,688
Total expenses	<u>\$ 180,973</u>	<u>\$ 43,499</u>	<u>\$ 32,640</u>	<u>\$ 257,113</u>	<u>\$ 268,238</u>

See accompanying notes and independent accountant's review report.

FISHERS ISLAND LIBRARY ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative financial information as of December 31, 2022)

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 150,562	\$ (124,599)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	38,035	31,532
Noncash stock donations	(138,234)	-
Unrealized/realized loss (gain) on investments	(93,542)	123,294
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	9,017	(4,473)
Net cash (used in) provided by operating activities	<u>(34,162)</u>	<u>25,754</u>
Cash Flows from Investing Activities		
Purchase of (maturities in) investments	(18,139)	(157,138)
Purchase of property and equipment	<u>(5,815)</u>	<u>(73,853)</u>
Net cash used in investing activities	<u>(23,954)</u>	<u>(230,991)</u>
Net change in cash and cash equivalents	(58,116)	(205,237)
Cash and cash equivalents, beginning	<u>154,827</u>	<u>360,064</u>
Cash and cash equivalents, ending	<u>\$ 96,711</u>	<u>\$ 154,827</u>

See accompanying notes and independent accountant's review report.

**FISHERS ISLAND LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Fishers Island Library Association (the Organization) serves the Island community by providing literary, informational, cultural, and educational enrichment resources and programs throughout the year at the library and other Island venues.

Basis of Accounting

The financial statements of Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification 958-205, *Not-for-profit Entities, Presentation of Financial Statements*.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on information available at the time the financial statements are prepared. Actual amounts or results could differ from these estimates.

Prior Year Comparative Totals

The financial information shown for 2022 in the accompanying financial statements is included to provide a basis for comparison with 2023 and presents summarized totals only. Such total amounts do not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such amounts should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022 from which the comparative total amounts were derived.

Reclassifications

Certain reclassifications and adjustments have been made to the financial statements of the prior year in order to conform to the current year presentation. These reclassifications have no effect on previously reported net income or total net assets.

Net Asset Categories

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in the following net asset categories:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by the Board of Directors (the Board).

- *Board designated endowment* – The Board has designated a portion of net assets without donor restrictions that represents the book value of the Organization's endowment fund to emphasize that this portion of net assets without donor restrictions is available for current operations only to the extent that is set forth in the annual budget, subject to the endowment investment spending policy. See *Note 4* for more detail on the Organization's board designated endowment.

**FISHERS ISLAND LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Categories (Continued)

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by the actions of the Organization and/or the passage of time, or which may be perpetual. When a restriction is satisfied, the associated amount is reclassified from net assets with donor restrictions to net assets without donor restrictions and is reported in the Statement of Activities as net assets released from restrictions. See *Note 6* for more detail on the Organization’s net assets with donor restrictions.

Liquidity

Assets are presented in the accompanying Statement of Financial Position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and highly liquid debt instruments with maturities of three months or less at the date of purchase. This policy does not apply to funds with donor-imposed restrictions. The Organization’s cash deposits may, at times, exceed federal depository insurance limits.

Property and Equipment

Property and equipment are carried at cost. Depreciation is provided by the straight-line method over the estimated useful lives of assets. Repairs and maintenance of building and equipment are charged to expense as incurred.

Investments

Investments in marketable equity securities with readily determined fair values and investments in debt securities are carried at fair value. Fair value is determined based on quoted market price (all Level 1 measurements). Realized and unrealized gains and losses on these investments are reported in the statement of activities, as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period in which the income and gains are recognized.

The investment policy establishes an achievable return objective through professional management and sufficient portfolio diversification to minimize volatility and to help assure a reasonable consistency of return. The current long-term return objective is to achieve a total rate of return that is above the median performance of similarly managed funds on a risk-adjusted basis. To satisfy its long term-rate-of-return objectives, the Organization 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 Organization targets a diversified asset allocation by setting a minimum aggregate exposure of 40% in fixed income and a maximum aggregate exposure of 60% in equity-based securities to achieve its long-term return objectives within prudent risk parameters.

Fair Value of Financial Instruments

US GAAP defines fair value and establishes a framework that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. Fair value is defined as the price that would be received in a sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**FISHERS ISLAND LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued)

The hierarchy is broken down into three levels of input that market participants would use in valuing the asset or liability, which can be summarized as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Quoted prices for similar assets and liabilities in active markets.
- Level 3 – Valuation based on inputs that are unobservable therefore requiring management’s best estimate of what market participants would use as fair value.

The level of a financial instrument within the fair value hierarchy is based on the lowest, or least observable, level of input that is significant to the fair value measurement. Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximates their fair values due to the short-term nature of these instruments.

At December 31, 2023 and 2022, the Organization’s Level 1 financial assets consist of investments which are valued at quoted market prices in active markets for identical assets. The Organization had no Level 2 or 3 financial assets.

Revenue Recognition

Substantially all of the Organization’s revenues result from contributions, bequests, and investment income which are recognized as revenue when received and are recorded as increases in net assets without donor restrictions or increases in net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. In addition, unconditional promises to give are recorded in the year made. Conditional promises to give are recognized when the conditions upon which they were given are substantially met.

Contributed property is recorded at fair value at the date of the donation. In the absence of any donor restrictions, contributions of property and equipment are recorded as unrestricted support.

Investment income is recognized when earned. The change in realized and unrealized gains and losses is included in the change in net assets in the statement of activities. Investment income includes interest, dividends, and capital gain distributions.

Grants and Contracts

Revenue from grants and contracts with resource providers such as the government and its agencies, other organizations, and private foundations are accounted for either as exchange transactions or as contributions. When the resource provider commensurate value in return for the resources transferred to the Organization, the revenue from the grant or contract is accounted for as an exchange transaction in accordance with FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. Revenue from grants and contracts that are accounted for as exchange transactions is recognized when performance obligations have been satisfied. Cash received in advance of meeting performance is recorded as deferred revenue.

Transactions where the resource provider does not receive commensurate value are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Organization has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Organization fails to overcome the barrier. The Organization recognizes the contribution revenue upon overcoming the barrier or hurdle. Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

**FISHERS ISLAND LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Contracts (Continued)

Contributions received are recorded as either with donor restrictions or without donor restrictions. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset or are restricted for time. Contributions received with no donor stipulations are recorded as contributions without donor restrictions. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

Contributions In-Kind

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. There were non-cash stock donations of \$138,234 for the year ended December 31, 2023.

Contributed Services

Contributed services are recognized and recorded at fair market value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed goods are recognized at fair market value on the date received. There were no services contributed during the years ended December 31, 2023 and 2022.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

The Organization did not recognize any liability for uncertain tax positions as defined by accounting principles generally accepted in the United States of America.

The Organization's tax return for the year ended December 31, 2023 is subject to examination by the IRS, generally for three years after it has been filed.

Functional Allocation of Expenses

The Organization allocates costs for providing program and support services on a functional basis as reported in the Statement of Functional Expenses.

Subsequent Events

Management evaluated subsequent events through August 14, 2024, the date these financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to credit risk consist principally of the cash and investments. The Federal Deposit Insurance Corporation insures up to \$250,000 of cash balances as of December 31, 2023 and 2022 respectively. At various times during the year the cash balances may exceed the insured limits. At December 31, 2023 and 2022 there was no cash in excess of insured limits.

**FISHERS ISLAND LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 – INVESTMENTS

The cost and fair market value of the Organization’s investments at December 31, 2023 and 2022 are as follows:

	Carrying Amount	Fair Value (Level 1)	Fair Value (Level 2)	Fair Value (Level 3)
December 31, 2023				
Cash equivalents	\$ 18,163	\$ 18,163	\$ -	\$ -
Mutual Funds	275,463	275,463	-	-
ETF and CEF	560,989	560,989	-	-
Government securities	275,578	275,578	-	-
	<u>\$ 1,130,193</u>	<u>\$ 1,130,193</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2022				
Cash equivalents	\$ 7,900	\$ 7,900	\$ -	\$ -
Mutual Funds	292,405	292,405	-	-
ETF and CEF	427,299	427,299	-	-
US Treasury	148,967	148,967	-	-
Equities - Common Stock	3,707	3,707	-	-
	<u>\$ 880,278</u>	<u>\$ 880,278</u>	<u>\$ -</u>	<u>\$ -</u>

The cost and estimated fair value of the Organization’s investments as of December 31, 2023 and 2022 were as follows:

	Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
December 31, 2023				
Cash equivalents	\$ 18,163	\$ -	\$ -	\$ 18,163
Mutual funds	282,270	-	(6,807)	275,463
ETF and CEF	374,697	186,292	-	560,989
Government securities	268,202	7,376	-	275,578
Equities - common stock	-	-	-	-
	<u>\$ 943,332</u>	<u>\$ 193,668</u>	<u>\$ (6,807)</u>	<u>\$ 1,130,193</u>
December 31, 2022				
Cash equivalents	\$ 7,900	\$ -	\$ -	\$ 7,900
Mutual funds	177,528	114,877	-	292,405
ETF and CEF	322,777	104,522	-	427,299
Government securities	148,309	658	-	148,967
Equities - common stock	170	3,537	-	3,707
	<u>\$ 656,684</u>	<u>\$ 223,594</u>	<u>\$ -</u>	<u>\$ 880,278</u>

The Board evaluates the Organization’s investment portfolio for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market conditions warrant such evaluation. Consideration is given to the length of time and the extent to which fair value has been less than cost, the financial condition of the issuer, and the intent and ability of the Organization to retain the investment until a recovery value is achieved.

**FISHERS ISLAND LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 – INVESTMENTS (Continued)

A summary of the Organization’s investment return is presented below at December 31, 2023 and 2022:

	2023	2022
Interest and dividends	\$ 27,602	\$ 21,669
Investment management fees	(9,536)	(8,366)
Realized gains (losses)	113,056	(5,278)
Unrealized gains (losses)	(19,514)	(118,016)
Total return on investments	\$ 111,608	\$ (109,991)

NOTE 4 – ENDOWMENT FUNDS

The Organization has adopted investment and spending policies, approved by the Board, for board designated endowment assets that attempt to provide future growth sufficient to offset normal inflation plus reasonable program spending to preserve the constant dollar value and purchasing power of the endowment for future generations. The Organization’s spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through professional management and sufficient portfolio diversification to minimize volatility and to help assure a reasonable consistency of return. The current long-term is to achieve a total rate of return that is above the median performance of similarly managed funds on a risk adjusted basis. The endowment assets have a long-term time horizon that runs concurrent with the endurance of the Organization. As such, these funds can assume a time horizon that extends well beyond a normal market cycle. To satisfy its long-term rate-of-return objectives, the Organization 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 Organization targets a diversified asset allocation by investing its assets to achieve its long-term return objectives within prudent risk parameters. The spending policy’s objective is to achieve a balance between providing support for the funding of Organization operating needs and to provide a relatively predictable, constant and stable stream of earnings for future use. The value of the Endowment is reviewed periodically at the Board meetings. The board designated endowment consists of the entire investment account balance which is detailed in *Note 3*, along with investment cash accounts reported in cash and cash equivalents on the Statements of Financial Position.

The Organization’s endowment consists of board designated net assets. The Board has designated these funds for future use as required by generally accepted accounting principles, net assets associated with endowments, including funds designated as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Changes in board designated endowment net assets for the year ended December 31, 2023 and 2022 are as follows:

	2023	2022
Board designated endowment assets, beginning of year	\$ 919,978	\$ 995,812
Investment return:		
Net investment income	27,602	21,669
Net realized and unrealized (losses) gains	93,542	(123,294)
Total investment return	121,144	(101,625)
Endowment funds added from (utilized for) operations	165,204	191,295
Investment sales	449,152	142,549
Investment purchases	(457,015)	(299,687)
Investment fees	(9,536)	(8,366)
Board designated endowment assets, end of year	\$ 1,188,927	\$ 919,978

**FISHERS ISLAND LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 – PROPERTY AND EQUIPMENT

At December 31, 2023 and 2022, property and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Land and improvements	\$ 16,802	\$ 16,802
Building and improvements	725,778	725,778
Equipment	94,315	94,315
Furniture and fixtures	<u>27,184</u>	<u>21,369</u>
Property and equipment, total	864,079	858,264
Less: accumulated depreciation	<u>(456,261)</u>	<u>(418,226)</u>
Property and equipment, net	<u>\$ 407,818</u>	<u>\$ 440,038</u>

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions – temporarily restricted are as follows as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 8,699	\$ 176,374
Less: net assets released from restriction	-	<u>(167,675)</u>
Ending balance	<u>\$ 8,699</u>	<u>\$ 8,699</u>

As of December 31, 2023 and 2022, net assets with donor restrictions - temporarily restricted are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Future renovations funded by the 2017 capital campaign	<u>\$ 8,699</u>	<u>\$ 8,699</u>

Net assets with donor restrictions - permanently restricted consist of donations made to the library: \$1,695 in memory of Marilyn Porter and \$3,000 in memory of Rachel and Maxwell Porter. The income earned on the donations is to be used to purchase books for the library.

NOTE 7 – LIQUIDITY AND AVAILABILITY FOR GENERAL EXPENDITURE

The following table reflects the Organization’s financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use within one year in accordance with its investment policy and due to contractual or donor-imposed restrictions:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 96,711	\$ 154,827
Investments - board designated endowment	<u>1,130,193</u>	<u>880,278</u>
Financial assets, at year end	1,226,904	1,035,105
Less: those unavailable for general expenditure within one year:		
Investments and cash equivalents - board designated endowment	(1,188,927)	(919,978)
Net assets with donor restrictions	<u>(13,394)</u>	<u>(13,394)</u>
Financial assets available for general expenditure within one year	<u>\$ 24,583</u>	<u>\$ 101,733</u>

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NOTES TO FINANCIAL STATEMENTS
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NOTE 8 – PENSION PLAN

The Organization contributes 5% of each eligible employee's salary to the Teachers Insurance and Annuity Association College Retirement Equities Fund. The librarian was the only eligible participant in both 2023 and 2022. Pension expense for the years ended December 31, 2023 and 2022 totaled \$2,790 and \$2,741, respectively.