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Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2009

Open to Public
Inspection

A For the 2009 calendar year, or tax year beginning

, and ending

- B** Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Termination
☐ Amended return
☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization **PRINCETON PUBLIC LIBRARY FOUNDATION INC.**
Dong Business As
Number and street (or P O box if mail is not delivered to street address) **Room/suite**
65 WITHERSPOON STREET
City or town, state or country, and ZIP + 4
PRINCETON NJ 08542

D Employer identification number

22-3494366

E Telephone number

609-924-9529

G Gross receipts **2,446,682**

H(a) Is this a group return for affiliates? ☐ Yes ☒ No
H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

I Tax-exempt status ☒ 501(c) (**3**) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: **N/A**

H(c) Group exemption number ▶

K Type of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation **1995** **M State of legal domicile** **NJ**

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: PRIMARY PURPOSE IS TO PROVIDE SUPPLEMENTARY SUPPORT AND CONDUCT ACTIVITIES FOR THE BENEFIT OF THE JOINT FREE LIBRARY OF PRINCETON.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3 16	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 16	
	5 Total number of employees (Part V, line 2a)	5 0	
	6 Total number of volunteers (estimate if necessary)	6	
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	
	b Net unrelated business taxable income from Form 990-T, line 34	7b 0	
	Revenue	8 Contributions and grants (Part VIII, line 1h)	1,132,538
		9 Program service revenue (Part VIII, line 2g)	
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		-22,167	
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)			
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		1,110,371	
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)			
14 Benefits paid to or for members (Part IX, column (A), line 4)			
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)			
16a Professional fundraising fees (Part IX, column (A), line 11e)			
b Total fundraising expenses (Part IX, column (D), line 25) ▶		48,194	
Expenses	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	329,368	
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	329,368	
	19 Revenue less expenses. Subtract line 18 from line 12	781,003	
	20 Total assets (Part X, line 16)	5,568,510	
	21 Total liabilities (Part X, line 26)	15,459	
	22 Net assets or fund balances. Subtract line 21 from line 20	5,553,051	
	Beginning of Current Year		
	End of Year		
	11-15-10		

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here **Signature of officer** **11-15-10** **Date**
Leslie Burger **Secretary**
Type or print name and title

Paid Preparer's Use Only **Preparer's signature** **ROBERT HIGGINS** **Date** **11/15/10** **Check if self-employed** ☐ **Preparer's identifying number (see instructions)** **P00143257**
Firm's name (or yours if self-employed), address, and ZIP + 4 **CIVALE SILVESTRI ALFIERI MARTIN & HIGGIN** **EIN** **22-3403296**
1540 KUSER ROAD, SUITE A4 **Phone**
MERCERVILLE, NJ 08619-3828 **no** **609-581-0300**

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Part III Statement of Program Service Accomplishments**1** Briefly describe the organization's mission:**PRIMARY PURPOSE IS TO PROVIDE SUPPLEMENTARY SUPPORT AND CONDUCT ACTIVITIES FOR THE BENEFIT OF THE JOINT FREE LIBRARY OF PRINCETON.****2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ **323,172** including grants of \$) (Revenue \$)
PROVIDING SUPPLEMENTARY SUPPORT AND CONDUCTING ACTIVITIES FOR THE BENEFIT OF THE JOINT FREE PUBLIC LIBRARY OF PRINCETON

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **▶ 323,172**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		X
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	X	
11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI		
• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		
• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.		
• Did the organization report an amount for other assets related in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		
• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.		
• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.		
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
12A Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
28a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
28b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
28c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		X
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		X
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body	16	
b Enter the number of voting members that are independent	16	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6 Does the organization have members or stockholders?	6	X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following.		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X
11a Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	
13 Does the organization have a written whistleblower policy?	13	X
14 Does the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	X
b Other officers or key employees of the organization	15b	X
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► **NJ**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☒ Own website ☐ Another's website ☐ Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization. ► **PRINCETON PUBLIC LIBRARY FOUNDATION 65 WITHERSPOON STREET**

PRINCETON

NJ 08542

609-924-8822

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees. See instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☒ Check this box if the organization did not compensate any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
BARBARA JOHNSON DIRECTOR	5.00	X						0	0	0
KAREN JEZIERNY DIRECTOR	5.00	X						0	0	0
MATTHEW HENDERSON DIRECTOR	5.00	X						0	0	0
RUTH MILLER DIRECTOR	5.00	X						0	0	0
SUSAN M. LEVY DIRECTOR	5.00	X						0	0	0
KATHERINE MCGAVERN DIRECTOR	5.00	X						0	0	0
ELEANOR PINELLI DIRECTOR	5.00	X						0	0	0
CLARKE BRUNO DIRECTOR	5.00	X						0	0	0
PETER DOUGHERTY DIRECTOR	5.00	X						0	0	0
HARRY LEVINE DIRECTOR	5.00	X						0	0	0
ALLEN PORTER DIRECTOR	5.00	X						0	0	0
PAM WAKEFIELD DIRECTOR	5.00	X						0	0	0
LESLIE BURGER LIBRARY DIR./SEC	15.00			X				0	0	0
TOBIN V. LEVY TREASURER	5.00			X				0	0	0
JANE SILVERMAN CHAIRPERSON	5.00			X				0	0	0
ELS PAINE V CHAIRPERSON	5.00			X				0	0	0

[illegible]

1b Total

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ► 0

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4		X
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	1,615,991			
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f		1,615,991			
Program Service Revenue	2a	Busn. Code				
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f					
	3 Investment income (including dividends, interest, and other similar amounts)		157,589			157,589
4 Income from investment of tax-exempt bond proceeds						
5 Royalties						
Other Revenue	6a Gross Rents	(i) Real	(ii) Personal			
	b Less: rental exps					
	c Rental inc. or (loss)					
	d Net rental income or (loss)					
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		672,966	136			
	b Less: cost or other basis & sales exps					
		843,303				
	c Gain or (loss)	-170,337	136			
	d Net gain or (loss)			-170,201		-170,201
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a				
	b Less: direct expenses	b				
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Busn. Code				
11a						
b						
c						
d All other revenue						
e Total. Add lines 11a-11d						
12 Total Revenue. See instructions			1,603,379	0	0	-12,612

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	5,500		5,500	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	7,753			7,753
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	255		255	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	2,505		2,505	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a LIBRARY PROGRAMS	187,014	187,014		
b CONTRIBUTION TO LIBRARY	106,016	106,016		
c INVESTMENT EXPENSES	38,642		38,642	
d CONSTRUCTION	25,642	25,642		
e PERSONNEL	14,627		1,627	13,000
f All other expenses	32,783	4,500	842	27,441
25 Total functional expenses. Add lines 1 through 24	420,737	323,172	49,371	48,194
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing		1	
	2 Savings and temporary cash investments	978,083	2	957,373
	3 Pledges and grants receivable, net	969,687	3	803,881
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b	10c	
	11 Investments—publicly traded securities	3,618,393	11	6,157,870
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	2,347	15	2,206
16 Total assets. Add lines 1 through 15 (must equal line 34)	5,568,510	16	7,921,330	
Liabilities	17 Accounts payable and accrued expenses	2,498	17	9,307
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	12,961	25	12,961
	26 Total liabilities. Add lines 17 through 25	15,459	26	22,268
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	3,362,258	27	5,421,162
	28 Temporarily restricted net assets	800,214	28	711,551
	29 Permanently restricted net assets	1,390,579	29	1,766,349
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	5,553,051	33	7,899,062
	34 Total liabilities and net assets/fund balances	5,568,510	34	7,921,330

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
b Were the organization's financial statements audited by an independent accountant?
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:
☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis

- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form **990** (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization **PRINCETON PUBLIC LIBRARY FOUNDATION
INC.**

Employer identification number
22-3494366

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state.
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a ☐ Type I
 - b ☐ Type II
 - c ☒ Type III—Functionally integrated
 - d ☐ Type III—Other
- e ☒ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box.
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 - (ii) A family member of a person described in (i) above?
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		<input checked="" type="checkbox"/>
11g(ii)		<input checked="" type="checkbox"/>
11g(iii)		<input checked="" type="checkbox"/>

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the US?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
THE JOINT FREE PUBLIC LIBRARY OF PRINCETON	21-6008497	8	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		323,172
Total									323,172

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%
16a 33 1/3 % support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 33 1/3 % support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage for 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a **33 1/3 % support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

b **33 1/3 % support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

**PRINCETON PUBLIC LIBRARY FOUNDATION
INC.**

Employer identification number

22-3494366

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _ _ _ _ _

4 Number of states where property subject to conservation easement is located ▶ _ _ _ _ _

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _ _ _ _ _

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _ _ _ _ _

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _ _ _ _ _
(ii) Assets included in Form 990, Part X	▶ \$ _ _ _ _ _

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1	▶ \$ _ _ _ _ _
b Assets included in Form 990, Part X	▶ \$ _ _ _ _ _

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- ☐ **a** Public exhibition
☐ **b** Scholarly research
☐ **c** Preservation for future generations
☐ **d** Loan or exchange programs
☐ **e** Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

- c** Beginning balance
d Additions during the year
e Distributions during the year
f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	5,197,259				
b Contributions	1,580,675				
c Net investment earnings, gains, and losses	1,112,115				
d Grants or scholarships					
e Other expenditures for facilities and programs	200,158				
f Administrative expenses	58,923				
g End of year balance	7,630,968				

2 Provide the estimated percentage of the year end balance held as:

- a** Board designated or quasi-endowment ▶ 71.04 %
b Permanent endowment ▶ 23.15 %
c Term endowment ▶ 5.81 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** unrelated organizations
(ii) related organizations

	Yes	No
3a(i)		X
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶

Part XIV Supplemental Information (continued)

This image shows a full page of white paper with horizontal dashed lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting practice. There are no margins, text, or other markings on the page.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.

▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization **PRINCETON PUBLIC LIBRARY FOUNDATION
INC.**

Employer identification number
22-3494366

FORM 990, PART VI, LINE 11A - ORGANIZATION'S PROCESS TO REVIEW FORM 990
THE BOARD OF TRUSTEES CIRCULATES A COPY OF FORM 990 TO ALL TRUSTEES OF THE
BOARD PRIOR TO ITS SUBMISSION

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION
GOVERNERING DOCUMENTS ARE AVAILABLE UPON REQUEST

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

PRINCETON PUBLIC LIBRARY FOUNDATION

INC.

Employer identification number
22-3494366

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
JOINT FREE PUBLIC LIBRARY OF PRINCE 65 WITHERSPOON STREET PRINCETON NJ 08542 21-6008497	LIBRARY	NJ			N/A

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispro- portionate alloc?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?
							Yes	No		

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?**a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to other organization(s)**c** Gift, grant, or capital contribution from other organization(s)**d** Loans or loan guarantees to or for other organization(s)**e** Loans or loan guarantees by other organization(s)**f** Sale of assets to other organization(s)**g** Purchase of assets from other organization(s)**h** Exchange of assets**i** Lease of facilities, equipment, or other assets to other organization(s)**j** Lease of facilities, equipment, or other assets from other organization(s)**k** Performance of services or membership or fundraising solicitations for other organization(s)**l** Performance of services or membership or fundraising solicitations by other organization(s)**m** Sharing of facilities, equipment, mailing lists, or other assets**n** Sharing of paid employees**o** Reimbursement paid to other organization for expenses**p** Reimbursement paid by other organization for expenses**q** Other transfer of cash or property to other organization(s)**r** Other transfer of cash or property from other organization(s)**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved
(1)	FREE PUBLIC LIBRARY OF PRINCETON	B	323,172
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2009

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Financial Statements
and
Independent Auditors' Report

Year Ended December 31, 2009
(With Comparative Totals for December 31, 2008)

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Year Ended December 31, 2009

(With Comparative Totals for December 31, 2008)

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Civale, Silvestri, Alfieri, Martin & Higgins, LLC

CERTIFIED PUBLIC ACCOUNTANTS

a member of

HFG
Hamilton Financial Group, LLC
FINANCIAL AND INSURANCE SERVICES

Albert V. Silvestri, CPA/PFS
James S. Alfieri, CPA
Peter S. Martin, CPA, CVA, CFF
Robert J. Higgins, CPA, RMA

Vincent Civale, CPA
Patricia A. Civale, CPA

To the Board of Trustees
Princeton Public Library Foundation, Inc.
Princeton, New Jersey

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of the Princeton Public Library Foundation, Inc. (a New Jersey Not-For-Profit Corporation) as of December 31, 2009 and 2008, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year ended December 31, 2008. These financial statements are the responsibility of the Princeton Public Library Foundation Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior years summarized comparative information has been derived from Princeton Public Library Foundation, Inc.'s financial statement and in our report dated September 17, 2010 we expressed an unqualified opinion on those financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Princeton Public Library Foundation, Inc. as of December 31, 2008, and the changes in its net assets, cash flows and functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Civale, Silvestri, Alfieri, Martin & Higgins, LLC

CIVALE, SILVESTRI, ALFIERI, MARTIN & HIGGINS, LLC

September 29, 2010

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Statements of Financial Position

December 31, 2009

(With Comparative Totals for December 31, 2008)

ASSETS		<u>2009</u>	<u>2008</u>
Current assets:			
Cash and cash equivalents	\$	957,373	\$ 978,083
Dividends receivable		2,206	2,347
Pledges receivable, current portion		<u>190,940</u>	<u>190,940</u>
Total current assets		1,150,519	1,171,370
Other assets:			
Pledges receivable, net of current portion		612,941	778,747
Investments		<u>6,157,870</u>	<u>3,618,393</u>
Total assets	\$	<u><u>7,921,330</u></u>	<u><u>\$ 5,568,510</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:			
Accounts payable	\$	9,307	\$ 2,498
Accrued interest		<u>12,961</u>	<u>12,961</u>
Total current liabilities		<u>22,268</u>	<u>15,459</u>
Net assets:			
Unrestricted			
Board designated for collections, programming and new initiatives		5,455,032	3,362,258
Temporarily restricted		686,401	800,214
Permanently restricted		<u>1,757,629</u>	<u>1,390,579</u>
Total net assets		<u>7,899,062</u>	<u>5,553,051</u>
Total liabilities and net assets	\$	<u><u>7,921,330</u></u>	<u><u>\$ 5,568,510</u></u>

The accompanying notes are an integral part of these financial statements.

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.
Statements of Activities and Changes in Net Assets
Year Ended December 31, 2009
(With Comparative Totals for December 31, 2008)

	2009			2008
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenues:				
Contributions	\$ 1,228,415	\$ 20,526	\$ 367,050	\$ 1,615,991
Investment income	119,083	-	-	119,083
Net realized and unrealized gain (losses) on endowments	993,032	-	-	993,032
Donated services	154,350	-	-	154,350
Total support and revenue	2,494,880	20,526	367,050	2,882,456
Net assets released due to satisfaction of time and purpose restriction	134,339	(134,339)	-	-
Total	2,629,219	(113,813)	367,050	2,882,456
Expenses:				
Program services	323,172	-	-	323,172
General and administrative	19,329	-	-	19,329
Fundraising	193,944	-	-	193,944
Total expenses	536,445	-	-	536,445
Changes in net assets	2,092,774	(113,813)	367,050	2,346,011
Net assets, January 1,	3,362,258	800,214	1,390,579	5,553,051
Net assets, December 31,	\$ 5,455,032	\$ 686,401	\$ 1,757,629	\$ 7,899,062
				\$ 5,553,051

The accompanying notes are an integral part of these financial statements.

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.
 Statements of Functional Expenses
 Year Ended December 31, 2009
 (With Comparative Totals for December 31, 2008)

	2009			2008
	Program Services	General and Administrative	Fund-raising	Total
Artwork	\$ 4,500	\$ -	\$ -	\$ -
Construction	25,642	-	-	25,642
Donor cultivation	-	-	5,259	5,259
Furniture and furnishings	-	-	-	-
Donated services	-	8,600	145,750	154,350
Material security	-	-	-	-
Printing and reproduction	-	-	7,302	7,302
Professional fees - other	-	7,127	17,223	24,350
Professional development	-	-	419	419
Library contribution	106,016	-	-	106,016
Library Programs	187,014	-	-	187,014
Program/Annual Report	-	-	-	-
Computer data base	-	-	4,540	4,540
Dues & subscriptions	-	749	-	749
Meeting expense	-	255	-	255
Personnel	-	-	13,000	13,000
Postage and delivery expense	-	-	28	28
Insurance	-	2,505	-	2,505
Office supplies	-	-	423	423
Bank service fees	-	93	-	93
Totals	\$ 323,172	\$ 19,329	\$ 193,944	\$ 536,445
				\$ 450,092

The accompanying notes are an integral part of these financial statements

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Statements of Cash Flows

Year Ended December 31, 2009

(With Comparative Totals for December 31, 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Changes in net assets	\$ 2,346,011	\$ (381,052)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Unrealized (gain) loss on investments	(1,164,471)	1,162,053
(Gain) loss on investments	171,439	186,248
Change in allowance and discount to net present value	(46,775)	59,760
Changes in assets and liabilities:		
Contributions receivable	212,581	(330,506)
Dividend receivable	141	1,738
Accounts payable and accrued expenses	<u>6,809</u>	<u>(19,018)</u>
Net cash provided by operating activities	<u>1,525,735</u>	<u>679,223</u>
Cash flows from investing activities:		
Proceeds from sale of investments	675,377	1,079,094
Purchase of investments	<u>(2,221,822)</u>	<u>(1,909,132)</u>
Net cash provided by (used in) investing activities	<u>(1,546,445)</u>	<u>(830,038)</u>
Net increase (decrease) in cash and cash equivalents	(20,710)	(150,815)
Cash and cash equivalents, January 1,	<u>978,083</u>	<u>1,128,898</u>
Cash and cash equivalents, December 31,	<u><u>\$ 957,373</u></u>	<u><u>\$ 978,083</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Taxes	<u>\$ -</u>	<u>\$ -</u>
Interest	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

1. Nature of Organization

The Princeton Public Library Foundation, Inc. (the "Foundation") is a not-for-profit foundation organized under section 501 (c) (3) of the Internal Revenue Code (the "Code"). It is operated exclusively for the purpose of providing support and conducting activities which benefit the Joint Free Public Library of Princeton (Library). The Board of Trustees of the Foundation is appointed by the Library and therefore could have the ability to influence the Foundations operating and financial decisions, which could result in operating results or financial position significantly different from those that have been obtained if the Foundation was autonomous.

2. Summary of Significant Accounting Policies

Basis of accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues and gains are recognized when they are earned and expenses and losses are recognized when they are incurred. Net assets are classified based on the existence or absence of donor imposed restrictions.

Basis of presentation

The Foundation reports information regarding its financial position and activities according into one of three net asset categories: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. For the years ended December 31, 2009 and 2008, the Foundation had accounting transactions in the following net asset categories:

- Unrestricted net assets - Net assets that are not subject to donor imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees.
- Temporarily restricted - Net assets whose use is subject to donor-imposed restrictions that can be fulfilled by the actions of the Foundation pursuant to those restrictions or that expire by the passage of time.
- Permanently restricted – net assets subject to donor imposed restrictions that will not expire by the passage of time nor can they be fulfilled by actions of the Foundation.

Revenue and support recognition

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, the Foundation recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restriction.

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

2. Summary of Significant Accounting Policies (continued)

The Foundation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, restricted contributions whose restrictions expire or are otherwise satisfied within the period of receipt are reported as unrestricted contributions in the statement of activities.

Contributions of assets other than cash are recorded at their estimate fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivables is provided based upon management's estimate, including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

Unrestricted revenues are obtained through contributions, investment income and other income. These revenues are used to offset management and general expenses as well as to increase program services. Revenues from these sources are recognized at the time they are received or unconditionally pledged.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes unrestricted time deposits, certificates of deposit and all highly liquid instruments with initial maturities of three months or less.

The Foundation maintains the majority of their cash and cash equivalents in financial institutions or in nationally known money market funds. The balances in the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC). At times during the year, cash balances exceeded FDIC limits.

Federal Income Tax

The Foundation has received a determination letter dated February 4, 1996 from the Internal Revenue Service concluding that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Generally accepted accounting principles prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It requires that computations of current and deferred income taxes only consider tax positions that are more than likely than not to be sustained if the tax authorities examine a position. The Organization evaluates statutes of limitations changes in tax law and new authoritative rulings and accrues for liabilities if applicable. The Organization's analysis found no uncertain tax positions.

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

2. Summary of Significant Accounting Policies (continued)

Federal Income Tax (continued)

Federal and state tax returns are subject to examination by the taxing authorities generally for a period of three years after they are filed. Any penalties and interest assessed by taxing authorities are included in operating expenses. No interest and penalties have been recorded for the years ended December 31, 2009 and 2008.

Expense allocation and program services

Expenses are charged to program services, general and administrative and fundraising using the direct cost method or based on historical percentages or other reasonable basis consisted with the benefits derived by each program service.

Estimates

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

Comparative financial information

The financial statements include certain prior year summarized comparative information in total but not support and revenue or changes in net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

Endowment funds

The endowment includes both donor restricted endowment funds and funds designated by the Board of Trustees to function as endowments.

The Foundation's endowment consists of two funds established to supplement tax-based funding to sustain a great library centered on three major areas – collections, programming and new initiatives. As required by generally accepted accounting principles, net assets associated with endowment funds including funds designated by the Board of Trustees to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

2. Summary of Significant Accounting Policies (continued)

Endowment funds (continued)

The Foundation has interpreted state law as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (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. Portions of the donor-restricted endowment funds not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by state law or as unrestricted net assets. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs 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 Foundation must hold in perpetuity or for donor specified periods.

Investment performance measures

Investment performance, net of fees, shall be compared to the following benchmarks with the expectation that returns will exceed such benchmarks:

1. Equity/Equity Funds
Equity performance will be compared to the total return (including dividends) of the S&P 500 Index.
2. Fixed Income/Fixed Income Funds
Fixed income performance will be compared to Lehman Brothers Intermediate Government/Corporate Index.

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

2. Summary of Significant Accounting Policies (continued)

Spending policy

As of September 30 of each year, the Foundation Board of Directors will determine the amount of money to be drawn from the Endowment Fund for the next fiscal year, based on the investment performance of the fund over the three previous years. This amount shall be determined by calculating the compounded annual real growth rate of the portfolio during the prior three years and multiplying the result by the average size of the fund as of September 30, adjusted by designated funds, during those same three years. A collar will be set so that no annual distribution can be less than 2.5 percent or more than 5 percent of the average size of the fund during the period being measured.

Changes in endowment net assets for the year ended December 31, 2009 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Endowment net assets				
beginning of year	\$ 3,362,258	\$ 683,422	\$ 1,390,579	\$ 5,436,259
Contributions	1,228,415	-	367,050	1,595,465
Investment income	119,083	-	-	119,083
Net appreciation	993,032	-	-	993,032
Net assets released due to satisfaction of restriction	134,339	(134,339)	-	-
Amount appropriated for expenditure	<u>(382,095)</u>	<u>-</u>	<u>-</u>	<u>(382,095)</u>
Endowment net assets end of year	<u>\$ 5,455,032</u>	<u>\$ 549,083</u>	<u>\$ 1,757,629</u>	<u>\$ 7,461,744</u>

3. Pledges Receivable

Pledges receivable with expected terms of greater than one year are presented at their net present value. They are discounted using the rate available for Treasury Notes issues with a remaining term equal to the term of the promises to give.

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

3. Pledges Receivable (continued)

Pledges receivable at December 31, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Receivable in less than one year	<u>\$ 190,940</u>	<u>\$ 190,940</u>
Receivable in one to five years	\$ 452,383	\$ 640,516
Receivable in more than five years	<u>505,043</u>	<u>529,491</u>
Total	957,426	1,170,007
Less Discounts to net present value	(294,365)	(309,660)
Less Allowance for uncollectible pledges	<u>(50,120)</u>	<u>(81,600)</u>
Pledges receivable - net	<u>\$ 612,941</u>	<u>\$ 778,747</u>

Included in contributions receivable are several Charitable Remainder Trusts. The Foundation's interest was recorded as a contribution at their net present value of \$397,500 based on actuarially determined life expectancies and discounted based on a risk free rate of return of 3% determined at the respective dates of the contribution.

As of December 31, 2009, the Foundation had Contribution Receivable of approximately \$626,868, under all of its Charitable Remainder Trust Agreements.

4. Investments

The Foundation accounts for investments which are available for sale at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In accordance with FASB ASC 820-10-50, *Fair Value measurements* establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

4. Investments (continued)

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally included certain U.S. Government and agency mortgage-backed debt securities, corporate-debt securities and alternative investments.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private debt and equity instruments and alternative investments.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial assets, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

Investments at December 31, 2009 and 2008 are comprised as follows:

	2009		
	Cost	*Fair Market Value	Unrealized (Depreciation) Appreciation
Corporate fixed income	\$ 499,655	\$ 528,710	\$ 29,055
U.S. Government fixed income	176,266	182,438	6,172
Taxable Municipal Bonds	209,661	213,954	4,293
Common Stocks	3,147,346	3,703,170	555,824
Mutual Funds	1,540,528	1,529,598	(10,930)
	<u>\$ 5,573,456</u>	<u>\$ 6,157,870</u>	<u>\$ 584,414</u>

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

4. Investments (continued)

	2008		
	Cost	*Fair Market Value	Unrealized (Depreciation) Appreciation
Corporate fixed income	\$ 499,655	\$ 497,199	\$ (2,456)
U.S. Government fixed income	225,883	239,948	14,065
Taxable Municipal Bonds	209,661	209,150	(511)
Common Stocks	1,986,657	1,675,311	(311,346)
Mutual Funds	1,276,594	996,785	(279,809)
	<u>\$ 4,198,450</u>	<u>\$ 3,618,393</u>	<u>\$ (580,057)</u>

*Quoted prices in active markets for identical assets (Level 1)

Investment return for the years ended December 31, 2009 and 2008 is summarized as follows:

	<u>2009</u>	<u>2008</u>
Interest Income on Bank Accounts	\$ 344	677
Interest on Corporate Bonds	37,158	30,520
Interest on U.S. Treasury	8,306	19,819
Capital Gains	136	17,142
Dividend Income on Mutual Fund Money Market	2,425	14,485
Dividend income	109,356	81,436
Investment fees	<u>(38,642)</u>	<u>(36,422)</u>
Total Investment Income	<u>\$ 119,083</u>	<u>\$ 127,657</u>

5. Net Assets

Contributions are classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions, if any.

Temporarily restricted net assets at December 31, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Endowment Funds	\$ 418,303	444,422
Technology	150,000	150,000
New Library Facility	28,290	45,000
Holistic Health Alternative Medicine	20,000	20,000
Happy World Mural	24,000	24,000
Grants, memorials, honorarium and miscellaneous	<u>45,808</u>	<u>116,792</u>
	<u>\$ 686,401</u>	<u>\$ 800,214</u>

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

5. Net Assets (continued)

Permanently Restricted Net Assets

Permanently restricted net assets are endowment funds restricted in perpetuity to continue the purpose of the Foundation. Interest and dividends along with investment gains and losses generated by these assets are unrestricted and available for use by the Foundation.

6. Related Party Transactions

In 2004, the Foundation entered into agreements with the Township of Princeton and the Borough of Princeton to borrow \$680,000 and \$320,000, respectively (\$1,000,000). As of December 31, 2008 the outstanding balances of these notes was \$-0-. In 2008, the Township of Princeton forgave their accrued interest of \$18,249. The Foundation has recognized the interest forgiveness as an unrestricted contribution in the financial statements for the year ended December 31, 2008.

During the years ended December 31, 2008 and 2007, the Foundation received contributions of \$2,375 and \$5,175, respectively, from Trustees of the Foundation. These contributions were used to pay for the general and administrative expenses of the Foundation.

The Joint Free Public Library of Princeton, New Jersey and volunteers provide the Foundation with management and fundraising services including accounting, supervisory and secretarial services. The value of these donated services was estimated to be \$145,750 and \$157,146 for the years ended December 31, 2009 and 2008, respectively.

7. Conditional Promises to Give

On October 10, 2006, the Robert Wood Johnson 1962 Charitable Trust approved a challenge gift in the amount of \$1,000,000. This gift requires the Foundation to obtain matching funds and is paid to the Foundation in increments of \$200,000. As of December 31, 2009 the Foundation has recognized \$800,000 as contributions in their financial statements.

On December 7, 2007, The National Endowment for the Humanities offered a grant up to \$500,000 (Humanities Challenge Grant Program). The program offers \$150,000 in 2008, \$100,000 in 2009 and 2010 and \$150,000 in 2011. To receive the offers, the Foundation must certify receipts of \$150,000 in contributions by July 31, 2008, receipt of an additional \$400,000 by July 31, 2009, receipt of additional \$300,000 by July 31, 2010, receipt of additional \$350,000 by July 31, 2011, and additional \$300,000 by July 31, 2012 (three times the total offer). As of December 31, 2009, The Foundation has received and recognized \$500,000 as contributions.

PRINCETON PUBLIC LIBRARY FOUNDATION, INC.

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

8. Subsequent Events

The Foundation has evaluated subsequent events occurring after the statement of financial position through October 4, 2010. Based on the evaluation The Foundation has determined that no subsequent events have occurred, which require disclosure in the financial statements.