

Letter from the Chairman



One message came through loud and clear in 2009: The New York Public Library is on the front lines of the new economic reality. People rely on their libraries more than ever during these hard times, which is why visits to our research centers alone rose almost 20% in the fiscal year ended June 30, 2009, and circulation increased by more than 12%.

Recognizing the increased needs of New Yorkers, our dedicated staff and volunteers worked hard to overcome funding shortages, actually increasing the Library's offerings by, among other things, providing 24-hour free reference services online, and welcoming 150,000 visitors at our beautiful new Children's Center at 42nd Street in its first year.

We are especially thankful in these times for the extraordinary generosity of our Trustees and of our devoted family of individual, foundation, and corporate donors who continue to support our critical fundraising campaign to "Create the Library for the Future." Our most generous donors of \$5 million or more to the campaign include Timothy R. Barakett, Lewis B. Cullman, Roger Hertog, Kevin W. Kennedy, Scott D. Malkin, Carl H. Pforzheimer, Jr., Katharine J. Rayner, Elizabeth Rohatyn, Stephen A. Schwarzman, The Starr Foundation, Joshua L. Steiner, Edgar Wachenheim III, Sue Ann Weinberg, and Robert W. Wilson.

It also meant so much to all the Trustees and staff of the Library when tens of thousands of New Yorkers took up the gauntlet for their libraries last spring. Faced with the prospect of potentially devastating public funding cuts, users of all 89 libraries responded with an outpouring of support, sending more than 30,000 letters to elected officials and making 1,000 donations to our "Keep Your Library Open" campaign. Thanks to these efforts, Mayor Michael R. Bloomberg, City Council Speaker Christine C. Quinn, and members of the City Council restored funding that helped us maintain six-day service at libraries in the Bronx, Manhattan, and Staten Island, keeping all of our locations open and accessible for anyone and everyone who needs us.

Today, all this and more is at stake as The New York Public Library experiences some of the most difficult challenges in its history. Even as we reflect on the accomplishments of this past fiscal year, as outlined in our Year in Review, I am deeply concerned about more severe budget cuts in store in the coming year. At the same time, the Board of Trustees and the staff of the Library are more determined than ever to preserve and extend to users everywhere the vital services that have served as a port in the storm of economic unrest that has unsettled New York.

The work of the Library in the next year will be guided by a new mission statement, which Paul LeClerc discusses in his President's Letter. The Board of Trustees and I look forward to fulfilling this exciting new mission—to inspire lifelong learning, advance knowledge, and strengthen our communities—with you, our valued Library community.

Catherine Marron

Catherin Mario

March 2010

Letter from the President



Welcome to The New York Public Library's 2009 Annual Report, also available online at http://annualreports.nypl.org/2009. This website includes the information reported here as well as dynamic digital content, including videos, more photographs, and numerous links to information that illustrates the rich diversity of Library happenings over the past year. This first-ever NYPL digital Annual Report not only provides environmental savings, but is right for the Library's budget at this time.

The year 2009 has been an extraordinary time for The New York Public Library, highlighted by our dynamic new mission—to inspire lifelong learning, advance knowledge, and strengthen our communities.

The Library inspires lifelong learning by creating and supporting more able learners, from the youngest patrons in the children's rooms to the adults in the Deborah, Jonathan F.P., Samuel Priest, and Adam R. Rose Main Reading Room to those in their living rooms around the world connecting through the Internet. The Library advances knowledge through its continuing commitment to collect and preserve materials that reflect New York's global perspective, and to maintain free and open access to those materials. The Library is also an instrument for strengthening the communities we celebrate, honor, and bring together.

The mission stresses action, and we have been aggressively engaged in unifying our users as well as the Library's staff around 21st-century needs. There is just no substitute for the personal guidance of expertly trained reference librarians, job-search specialists, and children's librarians, who act as tour guides for those trying to negotiate and explore an increasingly complex world of information.

For evidence, we need only look at the number of reference inquiries fielded by our librarians: a staggering 15 million in this last year alone. In addition, we continue to share our knowledge and resources in new ways with new audiences, offering more than 800,000 items in our Digital Gallery and close to 300,000 eBooks, audio books, and music and video clips downloaded last year alone.

As our devoted and indefatigable Chairman Catie Marron notes in her Chairman's Letter, in today's unstable economic climate the Library has seen record levels of use, with all of our 89 locations becoming lifelines for so many struggling New Yorkers. We served everyone from laid-off executives to seniors learning how to re-enter the workforce to make ends meet. We dramatically expanded our job search services by retraining our staff across all of our libraries, and expanding free access to computers and the Internet. And we created Job Search Central, a specialized resource center at the Science, Industry and Business Library that has served more than 22,000 users since its opening in April 2009.

No matter what you are searching for—from a copy of Dan Brown's latest must-read novel, to Maimonides' famous definitions of charitable giving, to live online help registering for unemployment insurance in the middle of the night—there is someone in this library to help you find it.

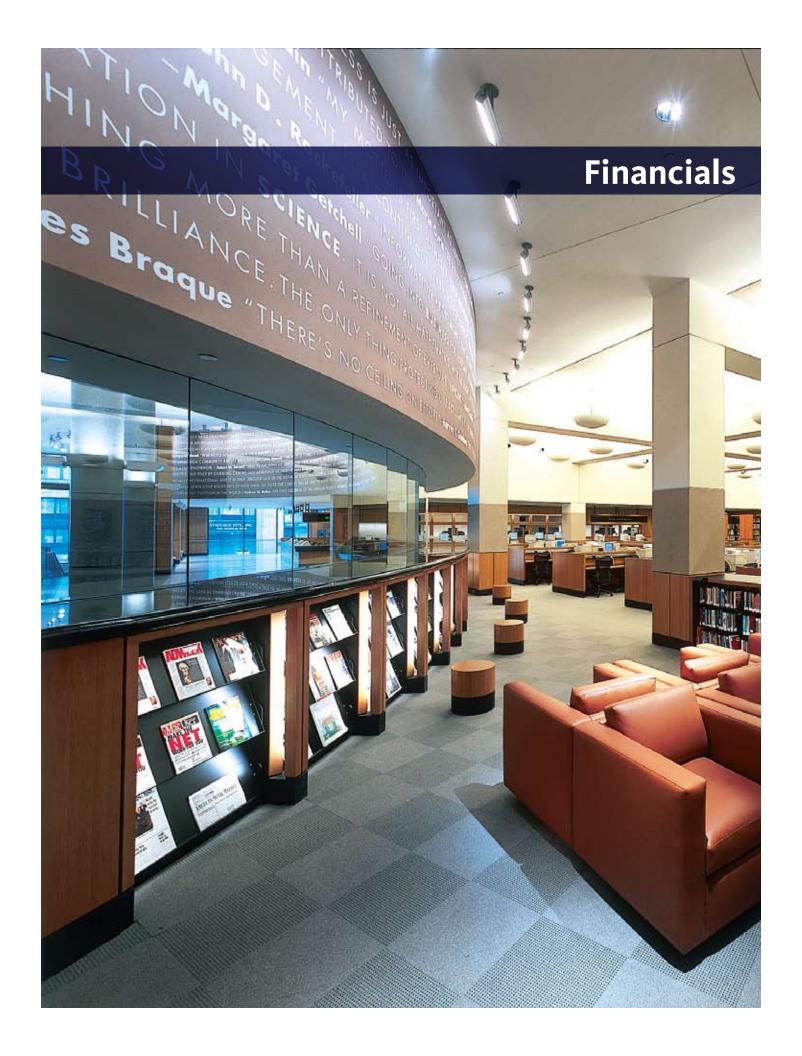
In the coming year my top priorities will be to address the extreme challenges brought about by proposed public funding cuts, to prepare for the momentous centennial of our landmark Stephen A. Schwarzman Building at 42nd Street, and to proceed with our transformation into the Library for the Future. Ancient Alexandria is remembered as the city that lost a great library, but New York is known for the incomparable library it created and sustains for the free use of all its people. No place, I think, touches more people, more powerfully, and in more ways than The New York Public Library.

Paul LeClerc March 2010

Paul Lelhon

LETTER FROM THE PRESIDENT

ANNUAL REPORT 2009 | 3



Report of the Treasurer

A year ago, The New York Public Library pondered the impact of the global financial meltdown along with the rest of the world. While the most apocalyptic scenarios have been averted, the international economy is certainly feeling the effects of a painful hangover. Thanks to careful contingency planning, discipline, and the staff's understanding, creativity, and "can-do" attitude, the Library has maintained service to its users despite financial cutbacks. The Library's commitment to maintaining service, combined with the wide and growing realization of the vital importance of library services during the recession, has led to record levels of library use and has helped to mitigate some revenue losses.

For the fiscal year ended June 30, 2009, NYPL circulation and attendance reached 22 million and 18 million, respectively, both historic record levels. Although the Library has experienced revenue drops from every source—the City, the State, and private donors—this increase in demand undoubtedly helped to lessen the cuts. For example, whereas New York City had slated a 21% cut in funding for libraries in this fiscal year, in the end the reduction was a more manageable 4%. Overall, the Library's budget declined from \$273 million for the year ended June 30, 2009 to \$254 million for the year ending June 30, 2010. Since then, the Library endured mid-year public funding cuts from the City and State, reducing its budget to just under \$250 million. In light of overall economic conditions, this 8% budget reduction, while painful, is modest compared with reductions at many other educational and cultural institutions.

Through prudent advance planning and staff ingenuity, the Library has adapted to these budget cuts without any involuntary layoffs.

As we look ahead to Fiscal Year 2011 and beyond, the financial outlook for the Library remains sobering. While the value of the Library's endowment has recovered significantly, from \$556 million at the end of December 2008 to \$651 million at the end of February 2010, it remains well below the \$741 million mark at June 2008. The Library's spending policy (5% of the trailing three-year market value) mitigates against large increases or drops in endowment spending, but the lower market values will reduce spending by about 25% over the next few years as compared with our prior planning assumptions.

In addition, the weak economy will weigh on the public and private sectors alike. As a result, revenue —especially from the public sector—is expected to decline over the next few years as compared with prior planning assumptions.

The upshot is that the Library will need to continue to find ways to deliver critical core services and invest in new strategic initiatives with increasingly constrained financial resources. It is sometimes said that strategy is about making hard choices. Fortunately, the Library now has a Strategic Planning group, which is leading the staff through a comprehensive process to ensure that the hard choices are made and implemented in a timely fashion.

Though constrained, the Library's financial condition is quite stable, with balanced budgets and declining debt levels. It remains well positioned to inspire lifelong learning, advance knowledge, and strengthen our communities..

David G. Offensend

Treasurer March 2010

FINANCIALS ANNUAL REPORT 2009 | 5

FIGURE 1

Neighborhood Libraries: Operating Support and Revenue (\$187,360,000)

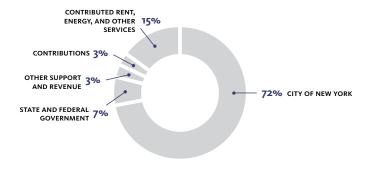


FIGURE 2

Research Centers and Librarywide Programs:
Operating Support and Revenue (\$175,561,000)

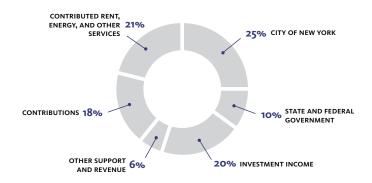


FIGURE 3

Neighborhood Libraries: Operating Expenses (\$186,183,000)

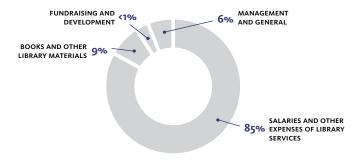


FIGURE 4

Research Centers and Librarywide Programs: Operating Expenses (\$177,109,000)

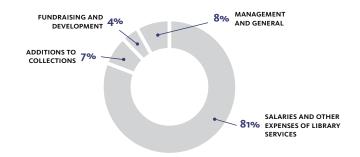
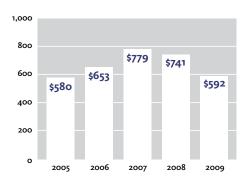


FIGURE 5

Change in Endowment (in millions)

MARKET VALUES AS OF JUNE 30, 2009



Balance Sheets

June 30, 2009 and 2008

THOUSANDS OF DOLLARS	2009	2008
ASSETS		
Cash and cash equivalents	\$138,175	\$140,208
Receivables, net	171,420	146,344
Other assets	4,121	3,730
Assets restricted as to use	3,776	3,829
Investments, at fair value	589,993	753,785
Real estate investment, at cost	15,521	15,521
Fixed assets, net of accumulated depreciation	184,328	152,549
Collections	-	_
Total assets	1,107,334	1,215,966
LIABILITIES		
Accounts payable, accrued expenses, and other liabilities	69,063	50,034
Deferred revenue—City of New York and other	120,696	101,043
Long-term debt	95,930	99,400
Interest rate swaps	11,424	7,377
Accrued postretirement benefits	144,735	126,374
Total liabilities	441,848	384,228
NET ASSETS		
The Branch Libraries:		
Unrestricted	(84,251)	(67,363)
Temporarily restricted	69,296	62,439
Permanently restricted	14,205	14,086
The Research Libraries and Librarywide Programs:		
 Unrestricted, primarily trustee-designated and net investment in fixed assets 	49,328	254,108
 Temporarily restricted, including promises to give and net investment in fixed assets 	238,026	190,181
Permanently restricted	378,882	378,287
Total net assets	665,486	831,738
Total liabilities and net assets	\$1,107,334	\$1,215,966

FINANCIALS ANNUAL REPORT 2009 | 7

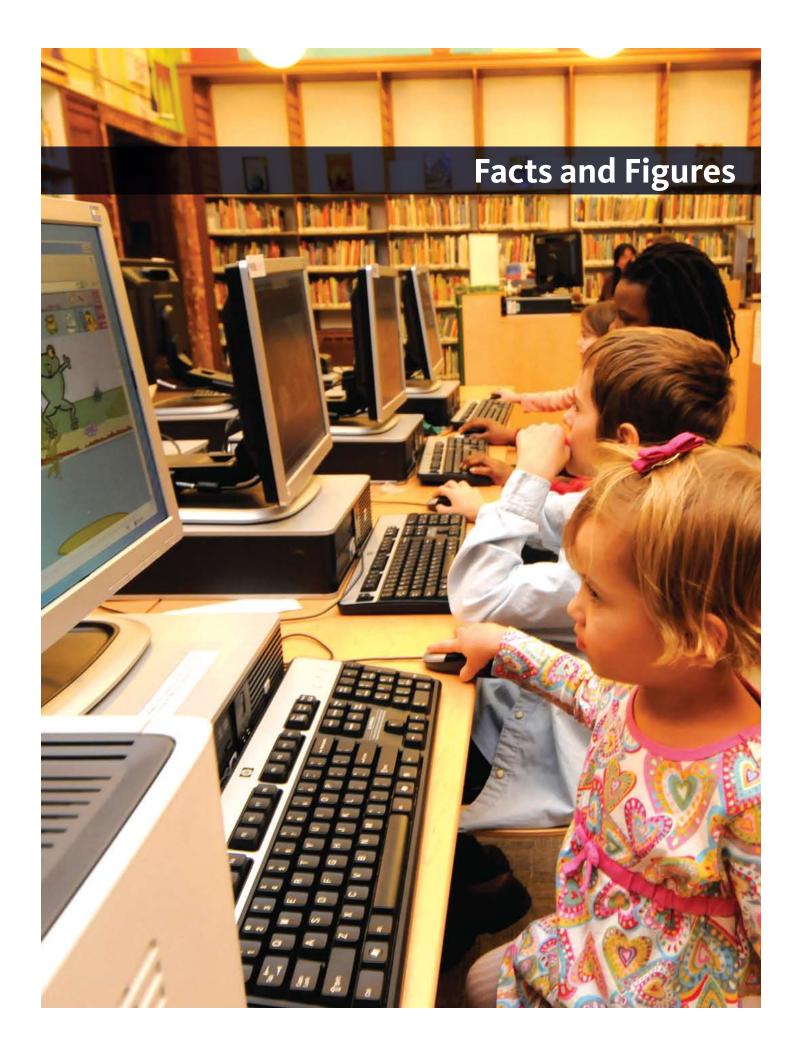
Financial Activities

For the years ended June 30, 2009 and 2008

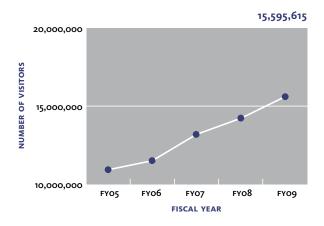
OPERATING SUPPORT AND REVENUES City of New York			Total 2009	Total 2008
City of New York				
	\$135,103	\$44,573	\$179,676	\$142,574
State of New York	11,741	15,909	27,650	25,239
Federal government	955	1,096	2,051	1,486
Contributed rent, energy, and other services	27,703	37,115	64,818	62,243
Contributions from individuals, corporations, and foundations, including promises to give	5,034	31,797	36,831	41,231
Investment income used for operations, net	1,303	35,617	36,920	33,011
Fines, royalties, and other revenue	5,521	9,454	14,975	20,812
Total operating support and revenues	187,360	175,561	362,921	326,596
OPERATING EXPENSES				
Library services:				
Books and other library materials*	16,466	_	16,466	14,422
Salaries and other expenses	155,431	135,244	290,675	261,299
Depreciation and amortization	2,667	8,120	10,787	10,460
Total library services	174,564	143,364	317,928	286,181
Fundraising and membership development	721	6,794	7,515	7,903
Management and general	10,898	14,309	25,207	25,063
Total operating expenses	186,183	164,467	350,650	319,147
Additions to collections*	_	12,642	12,642	15,325
Total operating expenses and additions to collections	186,183	177,109	363,292	334,472
Deficiency of operating support and revenues over operating expenses and additions to collections	(1,177)	(1,548)	(371)	(7,876)
NON-OPERATING SUPPORT, REVENUES, GAINS, AND LOSSES				
Gain from sale of donated art properties not capitalized	_	221	221	517
Additions to permanently restricted net assets	558	21,427	21,985	25,465
Funds designated for long-term investment	_	16,512	16,512	97,587
Investment return less than amounts used for operations	(6,847)	(186,566)	(193,413)	(65,775)
Postretirement benefit-related changes other than net periodic benefit cost	(4,224)	(2,915)	(7,139)	(1,103)
Change in value of interest rate swaps	_	(4,047)	(4,047)	(4,512)
Change in net assets before redesignation of net assets	(9,336)	(156,916)	(166,252)	44,303
Redesignation of net assets	(576)	576		_
Change in net assets	(9,912)	(156,340)	(166,252)	44,303
Net assets at beginning of year	9,162	822,576	831,738	787,435
Net assets (deficit) at end of year	(\$750)	\$666,236	\$665,486	\$831,738

^{*}BOOKS AND OTHER LIBRARY MATERIALS ACQUIRED BY THE RESEARCH CENTERS ARE DISPLAYED AS "ADDITIONS TO COLLECTIONS."

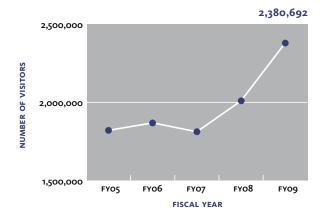
FINANCIALS ANNUAL REPORT 2009 | 8



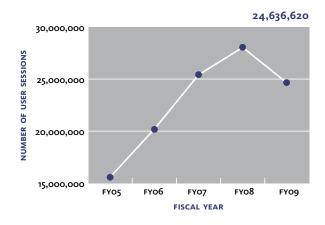
Neighborhood Library Visitors



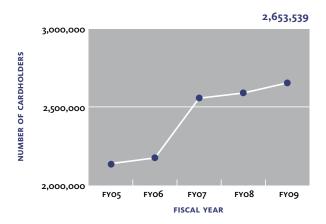
Research Center Visitors



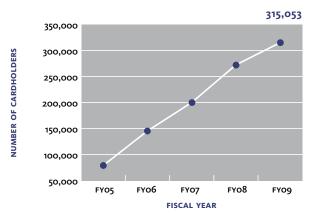
Visits to NYPL Website



Neighborhood Library Cardholders



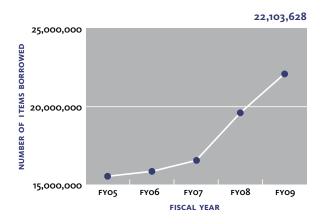
Research Center Cardholders



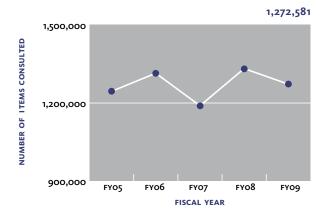
NOTE: Research Center Access card was discontinued on May 4, 2009

Usage of Materials/Resources at NYPL

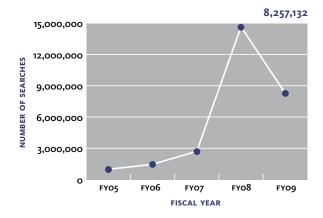
Neighborhood Library Materials Circulated



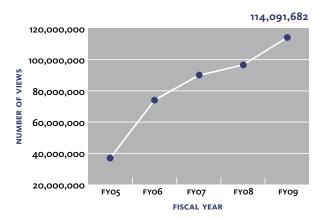
Research Center Materials Used



Electronic Resources Accessed



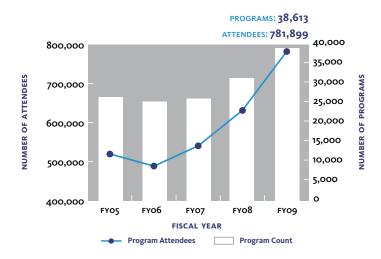
Digital Gallery Images Viewed



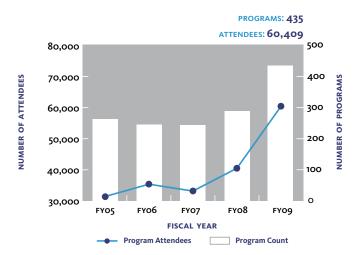
Holdings

FISCAL YEAR	BRANCH COLLECTION HOLDINGS	RESEARCH COLLECTION HOLDINGS	NUMBER OF ELECTRONIC DATABASES OFFERED
FY09	8,708,869	44,356,334	414
FYO8	7,565,579	44,160,825	480
FY07	7,299,286	43,975,362	456
FY 06	7,055,138	43,773,335	347
FYO5	7,026,679	43,583,505	370

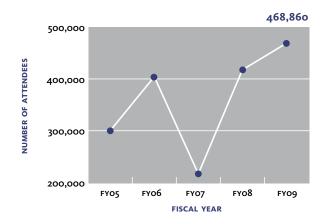
Neighborhood Library Programs and Attendance



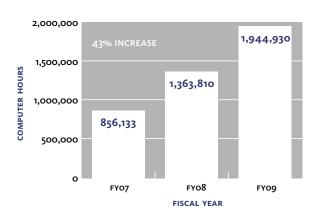
Research Center Programs and Attendance



Exhibition Attendance



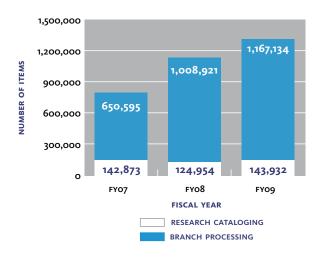
Public Computer Use



Reference Transactions

FISCAL YEAR	TELEPHONE	E-MAIL	СНАТ	BRANCH ON-SITE INQUIRIES	RESEARCH ON-SITE INQUIRIES
FY09	46,769	9,245	11,337	14,211,795	452,948
FYO8	37,628	9,753	7,479	14,060,250	615,986
FY07	47,234	12,951	8,429	15,644,180	615,967
FY06	44,813	13,353	7,858	12,477,756	556,820
FY05	41,715	13,398	7,220	13,215,518	572,874

Cataloging and Processing



Materials Preserved

FISCAL YEAR	PRINT MATERIALS & PRINTS	AUDIOTAPE & CDs (HOURS)	MOTION PICTURE (FOOTAGE)	VIDEOTAPE (HOURS)	ITEMS ADDED AT OFFSITE CLIMATE- CONTROLLED FACILITY (RECAP)
FY09	133,961	224	73,555	1,183	91,138
FYO8	156,433	884	7,138	1,796	111,419
FYO7	162,161	253	6,000	1,105	138,324
FYO6	145,249	770	1,775	3,351	131,099
FY05	163,879	1,372	12,969	2,006	147,822

Staffing

FISCAL YEAR	EMPL	DYEES	VOLUNTEERS		
TISCAL TEAK	NEIGHBORHOOD LIBRARIES	RESEARCH CENTERS	NEIGHBORHOOD LIBRARIES	RESEARCH CENTERS	
FY09	1,997	940	1,002	397	
FYO8	2,128	1,016	1,036	394	
FY07	2,151	1,004	1,175	342	
FY06	2,121	1,026	1,105	350	
FY05	2,120	1,086	1,147	278	

