

TRUSTEES

ANSTICE, M. R.

Anstice M. R. Jr.

~~BACON, LEONARD~~

~~BRIGGS, T. C.~~

GOODENOUGH, S. P.

HOPEMAN, A. A.

LOWE, J. A.

MIDDLETON, E. W.

MINER, E. G.

PERKINS, DR. DEXTER

PIKE, J. D.

~~SLATER, DR. J. R.~~

SIBLEY, HIRAM, JR.

~~SMITH, C. W.~~

SPROAT, G. ALFRED

~~THOMPSON, R. L.~~

WELLER, J. F.

COMMITTEES

LIBRARY: J. A. Lowe, Chairman

E. Willoughby Middleton

E. G. Miner

Dr. Dexter Perkins

Dr. John R. Slater

FINANCE: S. P. Goodenough, Chairman

E. G. Miner

G. Alfred Sproat

R. L. Thompson

J. F. Weller

BLDG: J. D. Pike, Chairman

S. P. Goodenough

Hiram Sibley, Jr.

C. W. Smith

of
HONARY MEMBER

JUDGE G. A. CARNAHAN

ACT OF INCORPORATION

and

BY-LAWS

of

THE REYNOLDS LIBRARY

ACT OF INCORPORATION
Laws of New York, 1884, Chap. 9.

Section 1. Martin Brewer Anderson, Josiah Anstice, Theodore Bacon, Arthur Cleveland Coxe, George Ellwanger, Daniel T. Hunt, Max Landsberg, Samuel A. Lattimore, Donald McNaughton, Edward Mott Moore, William C. Morey, Geo. E. Mumford, Howard Osgood, Gilman H. Perkins, Mortimer F. Reynolds, William C. Rowley, Hiram Sibley, Samuel Sloan, Don Alonzo Watson, Frederick A. Whittlesey, and their successors, are hereby constituted, and shall forever continue to be, a body corporate by the name of "The Reynolds Library "

Section 2. The said body corporate shall possess all the powers and privileges of a corporation as conferred by the laws of this state, and as granted by this act.

Section 3. Such powers and privileges shall be exercised by the members of said corporation, who shall be known as trustees, and shall hold regular meetings on the second Fridays of January, April, June, and October, or, at such times as the by-laws may provide. (Section 3 of Act of Incorporation amended as above by act of the Legislature, which became a law June 2, 1911.)

Section 4. Any vacancies which may at any time occur in said corporation, by death, resignation or otherwise, may be filled by ballot by the remaining members thereof. No person shall be eligible unless openly nominated at a regular meeting next preceding that at which the election is held. The concurrence of two-thirds of the remaining members shall be necessary to a choice.

Section 5. The place of any trustee who shall fail to attend six consecutive meetings, duly called, shall thereby become vacant. But such trustee may be re-elected to the vacancy thus made.

Section 6. Said trustees shall have power, at a meeting named for the election of members, to reduce their number by refusing to fill vacancies, by a vote of two-thirds of the actual members to that effect, and in like manner to repeat such reduction from time to time to a number not less than eleven.

Section 7. The purposes of said corporation are to establish and maintain a public library and reading-room, and, so far as may seem to the trustees to be expedient, to promote the mental improvement of the inhabitants of the city of Rochester by means of lectures, discussions, courses of instruction, collections of objects of art and science, and other suitable means.

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Section 8. For the uses and purposes aforesaid, the said corporation is authorized to take by grant, devise, bequest or otherwise, and to hold, lease, sell and convey real and personal property; and such property, while the same shall be owned by said corporation, shall be subject to taxation, in pursuance of general laws, applicable equally to all corporations for library purposes in this state, and not otherwise.

Section 9. In case of any failure to elect trustees as herein provided, the said corporation shall not therefor be dissolved; but the remaining trustees, even though less in number than a quorum, shall meet and fill the vacancies.

Section 10. The said trustees shall have power to adopt by-laws, not inconsistent with the laws of this state, for the management of the affairs of the corporation, to modify the same from time to time, and to provide thereby for the protection of the books, papers, periodicals and other personal property of said corporation.

Section 11. The said trustees shall elect one of their own number to preside over them, who shall hold such office during their pleasure; and they may also appoint, and at any time remove, a secretary, a treasurer, and such other officers as their business may require. The trustees shall not receive any compensation for their services.

Section 12. The said corporation shall not contract any pecuniary obligations for any year to any greater amount, in addition to sums given to it for the specific purpose for which such obligation is incurred, or reserved from the income of previous years for such purpose, than one-half the estimated net income at its disposal for such year; it being intended hereby that such corporation shall never be in debt beyond the amount of funds already provided to meet such obligations, together with one-half of its net annual income. For any debt incurred beyond such limitation the said corporation shall not be liable, but such trustees as voted in favor of contracting such debts shall be personally liable for the excess thereof

Section 13. The supreme court shall possess and exercise a supervisory power over the corporation aforesaid, and may at any time, on reasonable notice of application therefor to the trustees, compel from them a full account of the execution of their trust; and they shall at any time render such account upon the request of either branch of the legislature.

Section 14. Chapter two hundred and seventy-two of the laws of eighteen hundred and eighty-two, entitled "An Act to incorporate the Reynolds Library in the City of Rochester," is hereby repealed.

Section 15. This act shall take effect immediately

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BY-LAWS

Adopted by the Board of Trustees Feb. 23, 1903

Article I.--General Officers of the Board.

Section 1. The general officers of the Board of Trustees shall be a President, a First Vice-President, a Second Vice-President, a Secretary, and a Treasurer. — and an *ex-officio* Treasurer.

Section 2. The above named officers shall be regularly elected by ballot at each annual meeting of the Board. If for any reason a vacancy occurs before the annual meeting, it may be filled at any regular meeting, providing a previous notice has been given of such an election.

Section 3. It shall be the duty of the President to preside at all meetings of the Board, to appoint all standing committees, and to exercise a general supervision over the interests of the corporation.

Section 4. The Vice-Presidents, in the absence of the President, shall, in the order of their seniority, exercise all the duties of that officer, and shall at other times render such assistance to the President as he shall deem advisable.

Section 5. The Secretary shall keep a correct and permanent record of the proceedings of each meeting of the Board, including a list of subjects referred to standing and special committees. He shall furnish to any member of the Board, upon request of such member, any information desired regarding the official action of the Board; he shall act as the correspondent of the Board in all matters not coming within the province of the several committees, and he shall take charge of all official papers, records, and documents of the corporation not belonging to the jurisdiction of any committee, or other officer.

Section 6. The Treasurer shall be the general custodian of all moneys and funds belonging to the corporation.

(1) He shall keep accurate books of account of all receipts and expenditures, such books being always open to the inspection of any member of the Finance Committee.

(2) He shall, with the exception of the limited powers hereinafter conferred on the Superintendent of Productive Property, be the only disbursing officer of the Board, and shall expend no money from the treasury except in accordance with the appropriations designated by the Board of Trustees, and in payment of bills duly certified to him by the Chairman of the Library Committee, the Chairman of the Property Committee or the Chairman of the Finance Committee.

(3) He shall keep an account of all expenditures for salaries and wages of employees, repairs and improvements to the buildings and property of the corporation, which account shall show for what purpose and to whom the amount has been paid, and for each payment he shall obtain a receipt, which shall be filed with the order directing the payment of the same.

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(4) He shall keep an active deposit account in such bank or trust company, located in the city, as shall be designated by the Finance Committee, and the limit of the amount to be carried in such bank or trust company shall be fixed by the same Committee. Said account shall be kept in the name of "The Reynolds Library," and all checks on said account shall be signed in the corporate name by him as Treasurer. Cash deposited in other banks or trust companies, to be named by the Finance Committee, shall be deposited to the credit of "The Reynolds Library," subject only to drafts which shall be signed by both the Treasurer and the Chairman of the Finance Committee. Pursuant to like action by the Finance Committee, he may establish a special deposit account in the name of "The Reynolds Library," and may delegate to the Superintendent of Productive Property the power to draw thereon in discharge of current liabilities, payment of which cannot conveniently await action by the Treasurer. Checks on said special account shall be signed in the corporate name by the Treasurer as such or by the Superintendent of Productive Property as such "Superintendent "

(5) He shall present to the Board of Trustees at its annual meeting a written report of the receipts and expenditures, and of the finances of the corporation; and he shall make monthly reports to the Finance Committee.

(6) He, and the Superintendent of Productive Property, shall give a bond for the faithful performance of the duties of their offices for such an amount as the Finance Committee may annually determine; the cost of such bond to be met by the Library.

(This section was amended to read as above on January 9, 1925.)

Article II.--Standing Committees of the Board.

Section 1. The active control of all the affairs of the corporation shall be entrusted to four committees, namely: A committee of general supervision, called the Executive Committee; and three committees of special administration, called respectively, the Property Committee, the Library Committee and the Finance Committee.

Section 2. The Executive Committee shall consist of three members, appointed by the President of the Board, and shall have **direction** of the general policy of the corporation as a body organized for the ultimate purpose of advancing the moral and intellectual interests of the community. During the recesses of the Board, this Committee shall have control of all matters of general administration, and of such special matters as do not come within the defined province of other standing committees.

Section 3. The Property Committee shall consist of three ^{five} members, appointed by the President of the Board, and shall have the control and management of all that part of the real estate belonging to the corporation which is intended to yield an income, or is set apart for productive purposes. The duties of the committee shall be:

(1) The preservation, insurance, and keeping in proper repair of the property intrusted to its management and control.

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(2) To determine methods which shall render such property as productive as possible, and which shall best contribute to the available income of the corporation.

(3) The leasing of stores, offices and rooms, which are intended for the occupation of tenants, provided only, that the rents due from such leases shall be payable monthly and subject to collection by the Superintendent of Productive Property.

(4) The settlement of any differences which may arise between the tenants and the Superintendent relating to the nature, extent or terms of any lease.

(5) The eviction of tenants, the continuation of whose leases on account of non-payment of rent, or for other sufficient reasons, is considered undesirable by the Committee.

(6) The employment of all persons necessary to assist the Superintendent in the administration of the productive property of the corporation, and the fixing of the salaries and duties of such persons employed.

(7) To submit to the Board at the annual meeting estimates of the funds necessary to be expended for the purposes of the Property Committee during the ensuing year. These estimates shall be arranged under the following items:

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|----------------|-----------------------------|
| (1) Salaries. | (6) Water supply. |
| (2) Insurance. | (7) Office supplies. |
| (3) Repairs. | (8) Sundries. |
| (4) Heating. | (9) Extraordinary expenses. |
| (5) Lighting. | |

Section 4. The Library Committee shall consist of three members, appointed by the President of the Board, and shall have general supervision over the interests of the Library, and control of all real and personal property specially set aside for Library purposes. The duties of the Committee shall be:

(1) To have control and care of the building and grounds set apart for the use of the Library; to keep the building and its contents insured; to decide all questions relating to repairs and alterations in the building or its furnishings, heating, lighting and ventilation, within the limits of its appropriation.

(2) To recommend to the Board the hours during which the Library and Reading Room shall be open to the public, and the time and duration of vacations.

(3) To receive and decide on all applications for the use of the Library buildings, or parts thereof, for other than Library purposes, by literary and scientific societies.

(4) To establish rules relating to the lending of books, the collection of fines and the mode of dealing with delinquents.

(5) To establish a general policy for the disposition of duplicates and unserviceable books and pamphlets.

(6) To submit to the Board, at the annual meeting, estimates of the funds necessary to be expended for the purposes of the Library Committee during the ensuing year. These estimates shall be arranged under the following items:

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| (1) Salaries | (8) Periodicals. |
| (2) Insurance. | (9) Binding. |
| (3) Repairs. | (10) Printing. |
| (4) Heating. | (11) Postage and expressage. |
| (5) Lighting. | (12) Library supplies. |
| (6) Water supply | (13) Sundries |
| (7) Books. | (14) Extraordinary expenses |

(7) To adopt, as soon as is practicable after the annual meeting in each year, a general policy to be followed during the year, in the purchase of books and periodicals, and to distribute, to the different objects thus determined upon, the funds appropriated by the Board for the use of the Library Committee; and to submit to the Board at the October meeting a written outline of the policy adopted and the distribution of funds in connection therewith.

(8) To employ a Librarian and necessary attendants for the Library and Reading Room, in consultation with the Library Director, and to fix the salaries of these employees, subject to the limits of the appropriations made for such purposes by the Board.

(9) To present at each meeting of the Board a written report of all action taken by the Committee since the last meeting of the Board in the performance of the duties assigned to them.

(10) To present at the annual meeting of the Board a written report giving a general survey of the work of the Committee during the year.

Section 5. The Finance Committee shall consist of three members, appointed by the President of the Board, and shall be responsible for the financial condition of the corporation. The duties of the committee shall be:

(1) To see that all general and special funds held in trust by the Board shall be invested and employed in harmony with the powers granted by the charter of incorporation and in accordance with the purpose of the donor or donors from whom such funds have been received.

(2) To supervise the financial methods adopted by the Treasurer, the Library Committee and the Property Committee, in accounting for receipts and expenditures

(3) To audit the Treasurer's accounts, and examine his securities before the annual meeting in each year, and to certify to the correctness of his annual report.

ARTICLE III.--ADMINISTRATIVE OFFICERS OF THE BOARD.

Section 1. A Superintendent of Productive Property shall be appointed by the Board on nomination of the Property Committee, and shall be responsible to that committee for the proper discharge of his duties. He shall hold his office during the pleasure of the Board. The duties of the Superintendent shall be:

(1) To carry out the will of the Property Committee in the care and leasing of the property placed under its management, and to have charge of all persons employed by that Committee.

(2) To report to the Property Committee, as often as it may direct, the condition of the tenantable property, whether leased or unoccupied.

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(3) To collect all the rents as they become due, and to turn over promptly the funds thus collected to the Treasurer. To make monthly reports to the Property Committee of all rents so collected and paid to the Treasurer, with names of tenants in arrears for rent.

(4) To present at the close of each month to the Chairman of the Property Committee the bills for all expenses incurred under the direction of said Committee. Such bills, after their approval by the Chairman of said Committee, shall be sent to the Treasurer, who will pay them, if within the appropriation authorized by the Board.

(5) To make out annually triplicate statements of all the rents due, such statements to be furnished to the Property Committee, to the Finance Committee and to the Treasurer. These annual statements must be supplemented by a report of any additional rents due from leases made subsequently to the yearly statement.

(6) To make annually a general statement of the condition of all real estate belonging to the corporation, which is intended to yield an income; and include receipts, disbursements, uncollected rents, also amount of insurance in force. Such statements to be furnished to the Property Committee for the Board of Trustees.

Section 2. A Library Director shall be elected by the Board by ballot, to hold office during the pleasure of the Board. It shall be the duty of the Library Director:

(1) To act as the executive officer of the Library Committee in all matters within the province of that Committee.

(2) To have control over the internal administration of the Library and Reading Room, subject to the approval of the Library Committee; and to have charge of all persons employed by that Committee, prescribing their duties and directing them in their work.

(3) To devise, subject to the approval of the Library Committee, such methods of library administration, regarding the cataloguing, shelving and loaning of books and the acknowledging of donations, as shall promote the efficiency of the Library and the interests of the public.

(4) To purchase all books and periodicals for the Library in accordance with the policy adopted for the year by the Library Committee, such purchases to be made from lists previously submitted to and approved by the Committee, or from lists submitted to the Director by the Committee, provided, however, that he may purchase books needed for immediate use to an amount of not more than twenty-five dollars in any one month, all such unauthorized purchases to be reported to the Committee at its next meeting.

(5) To purchase furniture or other Library supplies approved by the Committee upon estimates previously submitted to the Committee. Provided, however, that he may pay petty incidental expenses whenever the need arises, within an amount to be designated for this purpose by the Committee; such incidental expenses to be reported to the Committee at its next meeting.

(6) To present to the Library Committee at the close of each month the bills of all expenditures incurred by him as the executive officer of the Committee, duly certified as correct. With these bills the Director shall also furnish to the Committee a detailed memorandum of all his expenses, indicating the relations thereof to the general policy and distribution of funds adopted for the year by the Committee. The Committee will present to the Treasurer all bills approved by them, whereupon the Treasurer will pay the same if they are found to be within the appropriation for the Library Committee authorized by the Board.

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(7) To report to the Library Committee at the close of each month a tabulated statement, showing the total number of books within each class, the numbers and names of the volumes acquired and lost since the last monthly statement, and the extent of the circulation during the previous month; also to report to the Committee the number of newspapers received during the month for the Reading Room and the statistics concerning the use of the Reading Room by the public.

(8) To submit to the Library Committee, ten days prior to the annual meeting in each year, his estimate of the funds necessary for the maintenance of the Library, and a similar estimate for the Reading Room for the ensuing year, itemized as in Art II., Section 4. (6)

(9) To suggest to the Library Committee, immediately after the annual meeting of each year, those departments of the Library which, in his opinion, are in the greatest need of development and enlargement.

(10) To furnish to the Library Committee prior to each regular meeting of the Board, for transmission to the Board, a written report concerning the work of the Library, including the titles of all books acquired by purchase or gift since the last report, also the titles of all books ordered but not yet received, and a statement concerning the means adopted to make the Library most useful to the public, for whom it is maintained.

(11) To furnish to the Library Committee, prior to the annual meeting of the Board, for transmission to the Board, a written report showing the character of the work of the Library during the year, its growth, the character and extent of its circulation, the names of donors, and any other information which he may regard as of interest to the Trustees.

ARTICLE IV.--APPROPRIATIONS OF THE BOARD.

Section 1. No funds belonging to the corporation shall be expended for any purpose, except in accordance with appropriations made by the Board, and no indebtedness shall be incurred in excess of available appropriations

Section 2. The appropriation of funds to be expended shall be based upon estimates presented by the Chairman of the several Committees at the annual meeting of the Board--such estimates to cover the expense for the ensuing year.

Section 3. Any part of the yearly income remaining in the treasury after the general annual appropriations have been made may, at the request of any Committee, at any regular meeting of the Board, be specially appropriated to meet the further need of such Committee, if in the judgment of the Board such additional appropriation seems desirable.

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ARTICLE V.--MEETINGS OF THE BOARD.

Section 1. The Board shall meet on the second Fridays (Amendment of January 12, 1912) of October, January, April and June of each year. The Secretary shall give at least three days' notice of each meeting by mail to each Trustee.

Section 2. A majority of the whole number of Trustees shall constitute a quorum.

Section 3. The order of business at the regular meetings shall be as follows:

- (1) Reading of minutes
- (2) Reports of Standing Committees.
- (3) Reports of Special Committees.
- (4) Unfinished business.
- (5) Correspondence.
- (6) Miscellaneous business.

Section 4. The annual meeting of the Board shall be held at the time of the regular meeting in June.

Section 5. At the annual meeting the order of business prescribed for the regular meeting shall be supplemented as follows:

- (7) Report of the Treasurer.
- (8) Report of the Superintendent of Productive Property.
- (9) Report of the Library Director.
- (10) Election of Officers.
- (11) Appointment of Standing Committees.
- (12) Annual appropriations.

Section 6. Special meetings may be called by the Secretary at any time at the request of the President of the Board or of the chairman of any standing committee.

ARTICLE VI.--AMENDMENT OF BY-LAWS.

Section 1. Any amendment may be made to these By-Laws by a two-thirds vote of the members present, provided that the proposed amendment has been submitted to the Board at a regular meeting immediately preceding its adoption.

THE REYNOLDS LIBRARY
BY-LAWS

As amended January 11, 1934

ARTICLE I
Board of Trustees

Section 1. The Board of Trustees shall consist of not more than twenty and not less than eleven members. Vacancies occurring in the Board may be filled by ballot by the remaining members thereof. No person shall be eligible for election unless openly nominated at a regular meeting preceding that at which the election is held. The concurrence of two-thirds of the remaining members shall be necessary to a choice.

ARTICLE II
Meetings of the Board

Section 1. Regular meetings of the Board shall be held as follows:

(a) The annual meeting shall be held on the first Friday in February of each year.

(b) Quarterly meetings shall be held on the second Fridays of April, June, and October.

Section 2. Special meetings of the Board may be called by the Secretary at any time upon the request of the President or of the Chairman of any standing committee.

Section 3. At all meetings of the Board a majority of the whole number of trustees shall constitute a quorum.

Section 4. Written notice of each regular or special meeting shall be mailed by the Secretary to each trustee at least three days before such meeting.

ARTICLE III
Officers

Section 1. The officers of the corporation shall be a President, a First Vice-President, a Second Vice-President, a Secretary, a Treasurer, and an Assistant Treasurer, all of whom shall be elected by ballot at the annual meeting of the Board. In addition to the foregoing, the Board may, by resolution, appoint such other officers, agents or employees, as it shall deem necessary, each of whom shall hold his office for such term and shall have such powers and perform such duties as shall be prescribed from time to time by the Board.

Section 2. The officers shall be elected for the term of one year and shall hold office until their successors are elected and have qualified. Any vacancy occurring in any office may be filled for the unexpired term by the Board at any regular or special meeting.

Section 3. The President shall exercise general supervision over the interests of the corporation. He shall preside at all meetings of the Board and shall appoint all standing and special committees, except those appointed by resolution of the Board.

Section 4. The Vice Presidents, in the absence or disability of the President, shall, in the order of their seniority, exercise all the duties of that office, and shall at other times render such assistance to the President as he shall deem advisable.

Section 5. The Secretary shall keep a correct and permanent record of the proceedings of each meeting of the Board, including a list of all subjects referred to standing and special committees. He shall furnish to any member of the Board, upon request of such member, any information desired regarding the official action of the Board. He shall cause notice to be given of all meetings of the Board, and shall act as the correspondent of the Board in all matters not coming within the province of the several committees. He shall take charge of all official papers, records, and documents of the corporation not belonging to the jurisdiction of any committee or other officer.

Section 6. The Treasurer shall be the general custodian of all moneys and funds belonging to the corporation.

(1) The Treasurer, or the Assistant Treasurer, as hereinafter provided, shall collect all income and sums due the corporation; and shall be the only disbursing officer of the corporation; provided, however, that the Treasurer may, if so directed by resolution of the Board, establish and maintain a special deposit account in the name of the corporation, to be drawn upon by such officer or employee of the corporation as may be designated in such resolution.

(2) The funds of the corporation shall be expended only in accordance with appropriations of the Board, and in payment of bills duly certified to the Treasurer by the Chairman or Vice-Chairman of the Library Committee, the Property Committee, or the Finance Committee, respectively, or of any special committee appointed by the Board with power to expend funds appropriated for its use.

(3) He shall have, under the direction of the Finance Committee, the care and custody of all the securities of the corporation, including all deeds, bonds, mortgages, contracts, legal papers, and documents belonging to the corporation, except as provided for by the Finance Committee, and shall, when so instructed in writing by the Finance Committee, sell and transfer any securities owned by the corporation, and shall execute, under the corporate seal of the corporation, all instruments necessary or incidental to the transfer of such securities, no special resolution of the Board being required in such cases. He shall keep a record of all transactions of the Finance Committee, and shall report the same to the Board at its next regular meeting following any such transaction.

(4) He shall keep an accurate record in complete detail of all investments, income, and expenditures of the corporation, and shall furnish, upon request, complete and detailed reports to the President and to the Finance Committee on budgets, investments, and other matters as to which they may seek information. His books shall be open at all reasonable times to inspection by members of the Finance Committee.

(5) He shall, at the expense of the corporation, give bond for the faithful performance of his duties in such amount as the Board shall direct, and his books shall be audited annually by public accountants approved by the Finance Committee.

(6) He shall keep the funds of the corporation deposited in its name in such bank or banks, trust company or trust companies, for such general or special purposes as the Finance Committee may, from time to time, designate.

(7) He shall present to the Board at its regular meetings in April, June, and October of each year, a written report of receipts and expenditures, and at the annual meeting a similar report for the entire fiscal year, together with a statement of assets and liabilities, and a schedule of securities owned by the corporation.

Section 7. In the absence or inability of the Treasurer to act, the Assistant Treasurer may receive and deposit funds of the corporation, and may sign checks in payment of bills approved in accordance with the provisions of Section 6, Sub-section (2) of this article. He shall have such other powers and perform such other duties as may be prescribed from time to time by resolution of the Board. He shall give bond for the faithful performance of his duties in such amount as the Board shall direct, the cost of such bond to be paid by the corporation.

ARTICLE IV Standing Committees

Section 1. Subject to the right of the President to appoint special committees for special purposes, the active control of the affairs of the corporation shall be entrusted to four committees, namely: A committee of general supervision, called the Executive Committee, and three committees of special administration, called respectively, the Property Committee, the Library Committee, and the Finance Committee. Such committees shall be appointed by the President at or following each annual meeting of the Board.

Section 2. The Executive Committee shall consist of three members. It shall be the duty of the Executive Committee to act on all matters which may be referred to it by the Board, and it may, in intervals between the meetings of the Board, transact any business which the Board is empowered to transact, except election of members of the Board or amendment of the By-Laws.

Section 3. The Property Committee shall consist of five members. The duties of the Property Committee shall be the preservation, management, and general control of all that part of the real estate belonging to the corporation which is intended to yield an income. The Property Committee shall have power to employ such persons as may be necessary in the management of said property, any such employee handling money belonging to the corporation to be bonded for the faithful performance of his duties in such amount as shall be determined by the Committee. The Property Committee shall give instructions as to the execution of leases. The Property Committee shall submit to the Board at its regular meetings in April, June, and October, quarterly reports of income and expenditures, and shall likewise submit at the annual meeting of the Board a complete report for the entire fiscal year, together with a budget showing

estimated income and expenditures for such property for the ensuing year. The Property Committee shall not, in any year, incur indebtedness in excess of the amount appropriated by the Board for its use during such year.

Section 4. The Library Committee shall consist of three members. The duties of the Library Committee shall be to exercise general supervision over the interests of the Library and control of all real and personal property specifically set aside for library purposes. The Library Committee shall have power to appoint such employees as may be required for the care of the library buildings and grounds. It shall have power to appoint a librarian and a superintendent of the Reading Room, and to appoint, in consultation with the librarian, all necessary assistants. It shall have power to make rules for the operation of the Library and the Reading Room, and to determine the hours during which they shall be open, and to take any steps to make them more useful to the public.

The Library Committee shall make quarterly and annual reports to the Board. It shall submit at the annual meeting a budget showing estimated income and expenditures for the ensuing year. It shall not incur any indebtedness during any year in excess of the amount appropriated by the Board from the general funds of the corporation for its use during such year.

Section 5. The Finance Committee shall consist of three members. The duties of the Finance Committee shall be to see that all general funds of the corporation shall be invested and employed in harmony with the powers granted by the charter of incorporation, and that all special funds shall be invested and employed in accordance with the expressed purpose of the donor or donors from whom such special funds have been received; to consult with the President and Treasurer in regard to the sale of any securities owned by the corporation; to supervise the financial methods adopted by the Treasurer, the Library Committee, and the Property Committee, in accounting for receipts and expenditures; and to assist in the preparation of a consolidated budget to be submitted to the Board at its annual meeting by supplying to the Board a budget of any income and expenses for the ensuing year not covered by the budget of any other committee. The Finance Committee shall keep a book of records of its meetings and transactions and shall report such transactions at each regular meeting of the Board. It shall cause the Treasurer's accounts to be properly audited and to have the securities belonging to the corporation checked and accounted for at least once in each year.

ARTICLE V

Appropriations of the Board

Section 1. No funds belonging to the corporation shall be expended for any purpose, except in accordance with appropriations made by the Board, and no indebtedness shall be incurred in excess of available appropriations.

Section 2. The appropriation of funds to be expended shall be based upon budgets presented by the Chairmen of the several committees at the annual meeting of the Board.

Section 3. Upon the request of any committee, special appropriations may be made by the Board at any regular meeting of the Board to meet the further need of such committee, if in the judgment of the Board such additional appropriation seems desirable.

ARTICLE VI
Amendment of By-Laws

Section 1. These By-Laws may be amended, from time to time, by a two-thirds vote of the members present at any regular meeting of the Board, provided that the proposed amendment has been submitted ^{to the Board} at a regular meeting immediately preceding its adoption.

MEETINGS OF THE REYNOLDS LIBRARY BOARD OF TRUSTEES

1937--

ANNUAL MEETING OF THE REYNOLDS LIBRARY, FEBRUARY 5, 1937

The annual meeting of The Reynolds Library was held February 5, 1937, at 4: p. m., in the Board Room of the Reynolds Arcade. Present: Messrs. Bacon, Briggs, Gilchrist, Goodenough, Hopeman, Rhees, Slater, Thompson, and Weller. President Thompson presided.

The minutes of the October quarterly meeting were read and approved.

The report of the Treasurer and auditors for the year ending December 31, 1936, was presented by Mr. Goodenough. The income from the Arcade Building for the year was \$98,605; operating expenses of the Arcade \$89,738, showing an operating profit, before depreciation, from this source of \$8,867. In addition to the operating expense mentioned above, the maintenance of the Reading Room at the Arcade cost \$3,120. Miscellaneous, Legal and Trust fees were \$642.76. With the above expenses the maintenance of the Library for the first eight months of the year cost \$7,579 and there were moving expenses of \$939 and Library Property expenses of \$372. The income of the Corporation included not only the \$98,605 from Arcade operation but also \$7,076 from interest and dividends on invested funds and \$300 from Library Fines. The total accrued income of the corporation for the year from all sources was \$105,983., and the total expenditures were \$102,387, leaving a profit, before depreciation, of \$3,595. There were capital additions made during the year to our Arcade building of \$19,979. Depreciation figured on the schedules already

adopted amounted to \$26,978.30, showing a book loss of \$22,483.01. A part of the unfavorable showing for the year is due to the fact that city and county taxes were about \$3,000 higher than in 1935, and that bonds of the Milwaukee & St. Paul, Northwestern, Rock Island, and St. Louis & San Francisco railroads are defaulting interest amounting to \$1350 per annum. The market value of the bonds and stocks owned by the corporation as of December 31st was \$162,886.91, as compared with a book value of \$174,061.49. The Treasurer in his comments on the report noted that the bond list has improved notably from a low market value in 1933 of \$106,000 to the present figure of \$162,000. He also reported an encouraging increase in income from rentals from year to year.

The complete reports of the Treasurer and auditors, with schedules of all investments in detail, are filed with these minutes, together with the Treasurer's explanations. The Treasurer's report was ordered received and filed.

Mr. Goodenough also presented the report of the Property Committee, which announced that in order to induce the F. W. Woolworth Company to add to its space the stores on the east side of the Arcade at an additional annual rental of \$3,000 the committee had decided to make necessary alterations at a cost of \$8,200. Woolworth declined to pay any part of this expense. Other tenant charges anticipated during the year will bring the total for building alterations during 1937 up to \$10,000. The committee recommended that this be taken out of current income for the year. The report of the Property Committee, with the exception of the recommended budget item, was ordered received and filed. The chairman ruled that the budget recommendations of the Treasurer and the Property Committee should be separately considered. The report of the Finance Committee showing

changes in investments and borrowings for current expenses was presented by Mr. Weller. It was reported that payments on the principal of the mortgage begin this year, \$6,000 on April 18, 1937, and \$6,000 on October 18. The semi-annual payments in 1938 will be \$7,000 and in 1939 and following years \$8,000 each six months. The report was ordered received and filed.

The question of budget appropriations then came before the Board. The chairman of the Library Committee read the resolution unanimously adopted by the Board at its October meeting calling on the Finance Committee to consider the matter of beginning payments to the Public Library for purchase of reference books and to report some plan concerning this matter at the annual meeting. Since the report of the Finance Committee contained no reference to the subject, it appeared that no adequate consideration had as yet been given to it. The budget appropriations called for \$89,597.50 for Arcade building expenses and library property expense, \$2,900 for the Reading Room, \$10,000 for building alterations, and \$12,000 for payments on the mortgage, a total of \$114,497.50, as against an estimated total income for the year of \$111,566. Although the suggestion was made that the \$10,000 to be spent on alterations should be amortized over the period of the leases, it was pointed out that nevertheless money would have to be borrowed during the year to meet current obligations when they fall due. It was therefore clear that with the budget and policy proposed there would be no money available for buying reference books for the Reynolds Reference Library this year. Nevertheless the chairman of the Library Committee inquired whether it is not possible and proper for the Finance Committee to look ahead, considering the increasing income and expenditures of the corporation, and report when in their judgment it will be possible

to begin these contributions. It was moved by Mr. Gilchrist, seconded, and carried, that the budget as recommended be adopted, with the understanding that the matter of appropriations for the Public Library will be studied by the Finance Committee on a long time view, that a report on the subject will be made at the next quarterly meeting, and that the chairman of the Library Committee sit with the Finance Committee for the consideration of this subject.

The report of the Library Committee, presented by the chairman, stated that since the removal of the main collection of books efforts have been made to dispose of those left behind. Up to date 651 volumes of public documents have been sold for \$317.25 and furniture to the amount of \$90.50. The Public Library finds it necessary to discard a few duplicate books and some incomplete sets of unbound periodicals, concerning the disposition of which the committee is now inquiring. The Reading Room in charge of Mr. Herbrand is operating efficiently, and the expenses have been slightly reduced from last year's figures.

The Library Committee recommended, and the Board by motion duly made and carried ordered, that the value of the Library books belonging to the corporation and now in the Public Library be reduced from the present book value of \$166,431.89 to \$80,000, and that the library furniture and fixtures now carried at \$10,548.38 and the card index carried at \$17,000 be written off, thus reducing the book assets of the corporation by \$113,980.27

On motion of Mr. Goodenough, duly seconded, it was voted that the schedule of rates for depreciation shown on page 6 of the auditors' report as applied to the building and equipment for 1936 be approved.

With reference to the recommendation of the auditors on page 10 of their report that a complete inventory of books belonging to the Reynolds Library now used by the Public Library be maintained and kept up to date, it was stated by Mr. Gilchrist that this policy is already being followed. The accession lists now deposited with the Public Library have been corrected by cancelling the titles of books left behind in Spring Street, and other books disposed of in future will be similarly removed from that shelf list of Reynolds Library books.

Attention was also called by the auditors to the provision in the will of Mortimer F. Reynolds whereby the Spring Street property reverts to his heirs after it has ceased to be occupied for library purposes for the period of one year. This period will end on September 1, 1937. The president stated that the Property Committee had been advised by the attorney of the Board that if the Reynolds heirs so desire a transfer of the Spring Street property to them can legally be executed before the expiration of the year. No action was taken.

After the election of Mr. Bacon as temporary chairman, the Board proceeded to the election of officers for 1937. On motion of Dr. Rhees the secretary was instructed to cast one ballot for the re-election of the present officers. The ballot was cast and the officers were declared elected. The president announced the reappointment of the existing committees.

The meeting then adjourned.


Secretary

Treasurer's Report - January 1937

As an encouraging sign of the times I am glad to report income from rentals in the Arcade Building are slowly but surely mounting - \$39,000 in 1933, \$82,000 in 1934, \$89,000 in 1935, \$94,369 in 1936 and we see \$100,000 and better for 1937.

In the meantime our bond list has picked up through improved markets to within 5 or 6% of our book value - a rise since 1933 from \$106,000 to \$162,000.

We have finished the year with a profit of \$3500 before depreciation.

The usual year end audit has been completed and copies are filed with the Secretary and the Arcade Office. I have condensed the report for you on the accompanying sheets.

Page #1 gives a summary of cash receipts and disbursements - a record of the flow of cash for the year.

Deposits show the amount of the special book fund at the Rochester Trust and Safe Deposit Company.

Page #2 - shows in the first column the Budget we set up for last year. The second column shows what the actual income and expenditure figures were. On the income side we were close enough but our expense in connection with the building was thrown out by an increase in taxes over that anticipated of \$3,000. Under operations we spent \$1,000 more in building maintenance - due to changes for tenants. The building operation shows a profit of \$8,000 - while the corporation has a profit of \$3,595 for the year - this, before depreciation. With depreciation we have a loss of \$23,483.00.

- 2 -

The third column gives our budget for the coming year. We can discuss this further - if you wish - when we come to appropriating money for the year.

Page #3 gives our statement as of December 1935 and December 1936. Payment of \$13,000 for new building and \$6,000 for new ice machine - capital payments out of income have brought our cash position to the vanishing point.

Depreciation will show from now on in our real estate and equipment account. Our investment reserve is off \$2,000 through the sale of \$10,000 Buffalo, Rochester and Pittsburgh bonds - last June - with a loss of \$2,000.

Our falling off in net worth reflects chiefly depreciation of \$26,000 - \$8,000 written off for Library - \$2,000 loss in investment list.

THE REYNOLDS LIBRARY INC.

Statements as of
December 31, 1936

THE REYNOLDS LIBRARY

(1)

SUMMARY STATEMENT OF CASH RECEIPTS & DISBURSEMENTS
DECEMBER 31, 1936

CASH BALANCE JANUARY 1, 1936			\$ 21,626.17
<u>ADDITIONS - INCOME</u>			
Interest - Bank Balances	198.80		
" - Bonds	6,923.75		
Dividends - Stocks	76.50		
Notes Payable (Lincoln-All.Bk)	10,000.00	17,199.05	
Total			\$ 38,825.22
<u>DEDUCTIONS</u>			
LIBRARY -			
Library Expense	7,952.13		
Reading Rm. "	3,120.31	11,072.44	
Less: Fines Inc.	300.67		
Books Sold	72.25	372.92	
		10,699.52	
ARCADE BUILDING -			
Income from Rentals,			
Pkg. Sta., etc.	98,050.51		
Less Expenses	85,633.96	13,396.55	
			\$ 52,221.77
MISCELLANEOUS EXPENSE -			
Accounts Payable	29.37		
Legal & Prof.	400.00		
Trust Fees (Line.)	213.39		
Library Prop. Exp.	372.93		
" Moving "	939.65	1,955.34	
CAPITAL ADDITIONS -			
Bldg. Construction			
(J.B. Pike & Son)	12,950.13		
New Arcade Addition			
(Ice Machine)	6,119.90	19,070.03	
OTHER -			
Purchase of Stock	7,752.25		
Less Sale of Bonds	7,683.74	68.51	
Accounts Payable			
(Lincoln-All.BK)		10,000.00	41,793.40
CASH BALANCE DECEMBER 31, 1936			\$ <u>10,428.37</u>
ON DEPOSIT:			
Lincoln-Alliance Bk.	272.14		
Roch. Trust (Fund a/c)	10,146.23		
Petty Cash	10.00		
CASH ON HAND AND IN BANKS DEC. 31, 1936			\$ <u>10,428.37</u>

THE REYNOLDS LIBRARY

STATEMENT OF INCOME & EXPENSES - ACCRUAL
BASIS WITH BUDGETS -

	BUDGET 12 MOS. ENDED DEC. 31, 1936	ACTUAL 12 MOS. ENDED DEC. 31, 1936	PROPOSED 1937 BUDGET
INCOME			
Rentals	95,000.00	94,369.42	100,000.00
Elec. & Water	2,450.00	2,586.09	2,800.00
Miscellaneous	300.00	182.03	300.00
Parking Station	1,450.00	1,468.25	1,500.00
	\$ 99,200.00	\$ 98,605.79	\$ 104,600.00
Other:			
Interest - Bonds	6,700.00	7,076.75	6,966.00
Library Fines		300.67	
TOTALS	\$ 105,900.00	\$ 105,983.21	\$ 111,566.00
EXPENSES			
Arcade Building -			
Operation	19,125.00	20,451.01	20,027.50
Payrolls	18,000.00	17,957.16	19,000.00
Insurance	1,500.00	1,515.70	1,400.00
Taxes: County & City	25,550.00	28,892.71	27,500.00
Interest on Loans	200.00	134.66	200.00
" " Mtgs.	19,125.00	19,125.12	18,990.00
Misc. Eq., Adv., & Exp.	500.00	440.15	500.00
Parking Station	980.00	958.00	1,080.00
Legal & Audit	150.00	150.00	150.00
Legal & Professional	1,000.00	613.39	500.00
	\$ 86,130.00	\$ 90,237.90	\$ 89,347.50
Library Property Exp.		372.93	250.00
		\$ 90,610.83	\$ 89,597.50
Library (Budget 6 Mos.)			
Operation	1,300.00	890.08	
Salaries	4,400.00	5,776.00	
Insurance		644.23	
	\$ 5,700.00	\$ 7,310.31	
Moving Expense	\$ 3,000.00	\$ 939.65	
Reading Room			
Operation	900.00	743.38	800.00
Salaries	2,500.00	2,376.93	2,100.00
	\$ 3,400.00	\$ 3,120.31	\$ 2,900.00
Other - Bad Debts		406.82	
Contingent	\$ 2,000.00		
Mtg. Payments			\$ 12,000.00*
TOTAL EXPENSES	\$ 100,230.00	\$ 102,387.92	\$ 92,497.50
Profit		\$ 3,595.29	
Depreciation Exp.		\$ 26,078.30	
NET LOSS FOR 12 MOS.		\$ 22,483.01	

*Not included in Total

98,605.79
 90,237.90
 8,367.89 Cash profit (2)
 7,076.75 cash income
 15,444.64 Reading Room
 3,120.31
 12,324

THE REYNOLDS LIBRARY

STATEMENT OF ASSETS AND LIABILITIES - COMPARISON

	<u>DECEMBER 31, 1935</u>	<u>DECEMBER 31, 1936</u>
<u>ASSETS</u>		
CASH -		
General Funds	11,695.29	282.14
Permanent Funds	9,930.88	10,146.23
RECEIVABLES -		
Accounts (Rents)	567.95	150.82CR
Interest	555.00	631.50
Other		73.29
INVESTMENTS -		
Cost	176,309.24	174,061.49
REAL ESTATE -		
Main Street	944,888.32	951,008.22
Less Depreciation		<u>19,548.48</u>
Spring Street	70,000.00	931,459.74
		70,000.00
EQUIPMENT -		
Library	201,896.11	193,980.27
Building	65,298.38	65,298.38
Less Depreciation		<u>6,529.82</u>
		58,768.56
DEFERRED CHARGES -		
Prepaid Expenses	1,372.00	2,547.13
Inventory	<u>512.12</u>	<u>472.90</u>
TOTAL ASSETS	\$ 1,483,025.29	\$ 1,442,272.43
<hr/>		
<u>LIABILITIES</u>		
ACCOUNTS PAYABLE -		
To complete Building	19,524.67	6,829.26
Building Contractor	1,080.00	825.28
Accrued Taxes	4,463.99	7,835.17
Sundry	29.37	1,054.89
NOTES PAYABLE -		
Mortgage Account	425,000.00	425,000.00
Interest Accrued	3,293.76	3,878.25
Investment Reserve	10,958.53	8,642.27
Permanent Funds	9,930.88	10,146.23
NET WORTH	<u>1,008,744.09</u>	<u>978,061.08</u>
TOTAL LIABILITIES	\$ 1,483,025.29	\$ 1,442,272.43

THE REYNOLDS LIBRARY

INVESTMENT ACCOUNT STATEMENT - 1936

"INVESTMENT ACCOUNT" BALANCE JANUARY 1, 1936 \$ 176,509.24

SOLD:

June 1, 1936 - 10 $\frac{1}{2}$ Buff. Rock. &
Pitts. 4 $\frac{1}{2}$ ¢/57 7,683.74

Cost	10,000.00	
Sale Pr.	<u>7,683.74</u>	
Loss		<u>2,316.26</u>

10,000.00

PURCHASED:

June 19, 1936- 85 Shs. Cons. Gas.
& Elec. Pw. of
Baltimore Common 7,752.25

Difference 2,247.75

BALANCE OF "INVESTMENT ACCOUNT" AS OF DEC. 31, 1936 \$ 174,061.49

(See Page 3)

(\$68.51 - difference between above transactions -
taken from General Funds)

Copy for
Rochester File

THE REYNOLDS LIBRARY
ROCHESTER, N.Y.
REPORT AS AT DECEMBER 31ST, 1936

WILSON, SHULTS & Co.
CERTIFIED PUBLIC ACCOUNTANTS
1111 FLOOR COMMERCE BUILDING
ROCHESTER, N. Y.

MEMBERS
—
AMERICAN INSTITUTE
OF ACCOUNTANTS
—
NEW YORK STATE
SOCIETY OF
CERTIFIED PUBLIC
ACCOUNTANTS

WILSON, SHULTS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
1111 FLOOR COMMERCE BUILDING
ROCHESTER, N. Y.

January 28th, 1937.

To the President and Board of Trustees,
The Reynolds Library,
Reynolds Arcade Building,
Rochester, N.Y.

Gentlemen:-

As requested, we made our periodical examination
of the books and accounts of The Reynolds Library for the year ended
December 31st, 1936, and submit the following:-

Exhibit A:

Statement of Assets and Liabilities as at
December 31st, 1936.

Exhibit B:

Statement of Cash Receipts and Disbursements for the
year ended December 31st, 1936.

Schedule #1:

Analysis of Maintenance and Operation Charges of Arcade
Building for the year ended December 31st, 1936.

Schedule #2:

Cash Expenditures for Maintenance and Operation of Library.

Schedule #3:

List of Investments as at December 31st, 1936.

Schedule #4: *Bonds*

List of books sold during 1936.

Schedule #5:

Statement of Estimated Cost to complete Building as at
December 31st, 1936.

Schedule #6:

Statement of Income and Expenses on Accrual Basis for the
year ended December 31st, 1936.

Schedule #7:

Analysis of Net Worth (Surplus Account) January 1st to
December 31st, 1936.

Schedule #8:

Abstract of Leases in effect as at December 31st, 1936.

Schedule #9:

Budget of Arcade Building and Reading Room for twelve
months of 1937.

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GENERAL COMMENTS1. CASH RECEIPTS AND DISBURSEMENTS:

The cash transactions were reviewed and we found that the recorded receipts were regularly deposited and there are on file vouchers supporting the disbursements. A summary of cash transactions for the period January 1, 1936 to December 31, 1936 follows:-

Cash Balance January 1, 1936			\$ 21,626.17
Cash Receipts:			
Rentals	\$ 94,675.92		
Electricity	2,204.97		
Water	386.57		
Sundry	264.18		
Parking	1,468.25	\$98,999.89	
Fines: Library		300.67	
Interest on bank balances		198.80	
Interest on bonds		6,923.75	
Dividends on stocks		76.50	
Sales of bonds		7,683.74	
Notes Payable: Lincoln-Alliance Bank and Trust Co.		10,000.00	
Book Sales: Library		72.25	
Discounts		30.62	124,286.22
Total:			\$ 145,912.39
Cash Disbursements:			
Maintenance and Operation:			
Arcade Building	\$ 85,633.96		
Library	7,952.13		
Reading Room	3,120.31		
New Arcade Building Construction:			
Payments to John B. Pike & Son, Inc.		12,950.13)	
Sundry additions (Air-condition- ing unit)		6,119.90	
Trust Fees: Lincoln-Alliance Bank and Trust Co.		213.39	
Notes Payable: Lincoln-Alliance Bank and Trust Co.		10,000.00	
Legal and Professional		400.00	
Library Property Expense (From Oct. 1 '36)		372.93	
Accounts Payable		29.37	
Purchases of stocks		7,752.25	
Moving Expense Library		939.65	135,484.02
Cash Balance as at December 31st, 1936			\$ 10,428.37

The cash balance is accounted for as follows:

On Deposit: Lincoln-Alliance Bank and Trust Co.	\$ 272.14	
Rochester Trust & Safe Deposit Co.		
Permanent Fund	10,146.23	\$ 10,418.37
Petty Cash		10.00
Total cash on hand and in banks:		\$ 10,428.37

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1. CASH RECEIPTS AND DISBURSEMENTS: CONTINUED:

The cash on hand was verified by actual count and the funds on deposit were confirmed by the depositories. Included in the foregoing balances, are the following special funds:-

Gordon Fund	\$ 4,352.73	
Bowman Fund	<u>5,793.50</u>	
Total:		\$ <u>10,146.23</u>

For statement purposes, the cash balance is segregated as follows:-

Cash on Deposit:		
General Fund	\$ 282.14	
Permanent Fund	<u>10,146.23</u>	
Total:		\$ <u>10,428.37</u>

2. SUMMARY STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR BY APPLICATION OF FUNDS:

Cash Balance January 1, 1936		\$ 21,626.17
Additions from Principal:		
Library books sold		72.25
Additions-Income:		
Interest on Bank Balances	\$ 198.80	
Interest on Bonds	6,923.75	
Dividends on Stock	76.50	
Sundry	<u>1.25</u>	7,200.30
Total:		\$ 28,898.72
Deductions:		
Arcade Building:		
Rentals and Miscellaneous		
Income	\$ 98,999.89	
Less: Operating Expense	<u>85,633.96</u>	
Net Income		\$13,365.93
Library:		
Library Expenses	\$7,952.13	
Reading Room "	<u>3,120.31</u>	
		\$11,072.44
Less: Income-		
Fines	<u>300.67</u>	\$ 10,771.77
Miscellaneous:		
Legal and Prof.	\$ 400.00	
Trust Co. Fees	213.39	
Moving Expense:		
Library	939.65	
Library Propy Exp.	<u>372.93</u>	1,925.97
Capital Additions:		
New Arcade Bldg Construc'n		
Costs		19,070.03
Deductions from Principal:		
Sale of Bonds	\$ 7,683.74	
Purch. of Stock	<u>7,752.25</u>	68.51 31,836.28
Net Total:		<u>18,470.35</u>
Cash Balance December 31, 1936		<u>\$10,428.37</u>

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3. ACCOUNTS RECEIVABLE:

Accounts receivable for rental charges unpaid at December 31st, 1936 are as follows:-

Brown and Zurett	\$ 182.66	
Rochester Hospital Service	73.29	
Tom D. Smith	5.14	
Total:		\$ <u>261.09</u>

These amounts are considered to be collectible.

4. INTEREST RECEIVABLE:

Interest receivable consists of the following amounts which represent coupons due and payable on January 1st, 1937:

Aluminum Co.Ltd.of Canada	\$ 125.00
Great Northern Railway Co.	212.50
Illinois Central R.R.Co.	17.50
Southern Pacific R.R.Co.	200.00
	<u>\$ 555.00</u>
Dividend Receivable:	
Consolidated Gas Electric Light and Power Co. of Baltimore	76.50
Total:	<u>\$ 631.50</u>

5. INVESTMENTS:

A summary of investments which are set forth in detail on Schedule #3 of this report follows:-

Municipal and Corporation Bonds and Stock:		
Par Value Bonds		\$ 171,000.00
" " Stock		<u>None</u>
Market Value: Bonds	\$ 155,481.28	
" " : Stock	7,405.63	
Total:	<u>\$ 162,886.91</u>	
Book value or cost: Bonds	\$166,309.24	
" " " " : Stocks	7,752.25	
	<u>\$174,061.49</u>	
Less: Reserve	8,642.27	
Net Book Value:		<u>\$ 165,419.22</u>

All stocks and bonds are held for safe-keeping by the Lincoln-Alliance Bank and Trust Co. as per their certificate to us dated December 31st, 1936.

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5. INVESTMENTS: CONTINUED:

- (a) Chicago and Northwestern Rwy Co. 1st and Refunding $4\frac{1}{2}\%$ mortgage bonds due in 2037, par \$5,000.00. The maker defaulted on Dec. 1, 1935 and the coupon due on said date and subsequent coupons are unpaid.
- (b) Chicago, Milwaukee and St. Paul Rwy. Co. General $4\frac{1}{2}\%$ bonds due May 1, 1939, par \$10,000.00. The maker defaulted on July 1, 1935. Coupons due on said date paid and \$75.00 paid on 1-1-36 coupon, all subsequent coupons are unpaid.
- (c) German Government International Loan $5\frac{1}{2}\%$ bonds due 1965, par \$5,000.00. These coupons are being paid at the approximate rate of 4%. Interest on this basis has been received up to 12-1-36.
- (d) St. Louis and San Francisco R.R. Co. Cons. Mtge Co. bonds $4\frac{1}{2}\%$, due 1978, par \$10,000.00. The maker defaulted March 1, 1933. Coupons due on said date and subsequent coupons have not been paid. Total amount of coupons unpaid aggregate \$1,800.00.
- (e) Chicago, Rock Island and Pacific R.R. Series A (Cert. of Deposit) $4\frac{1}{2}\%$ bonds, due 1952, par \$5,000.00. The maker defaulted March 1, 1934. Coupons due on said date and subsequent coupons have not been paid.

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6. REAL ESTATE AND SUNDRY ASSETS:

Investment in real estate and other properties
is as follows:-

16 Main St., East: Real Estate:

	Cost	Depe'n	Book Value	
Land	\$ 350,000.00	\$ -	\$350,000.00	
Building	415,310.93	8,306.24	407,004.69	
Building Construction:				
Special:	65,298.38	6,529.82	58,768.56	
Equipment	185,697.29	11,242.24	174,455.05	
	<u>\$1,016,306.60</u>	<u>\$ 26,078.30</u>	<u>\$990,228.30</u>	\$ 990,228.30

150 Spring St. Real Estate:

Land	\$ 40,000.00			
Building	<u>30,000.00</u>	\$ 70,000.00		
Library Books		166,431.89		
Library Furniture & Fixtures		10,548.38		
Library Card Index		<u>17,000.00</u>		263,980.27

Total: \$1,254,208.57

The assessed value of real estate is shown

below:

16 Main St. East:

Total assessment (including exempt \$308,800.00) \$1,108,800.00

150 Spring St:

Total assessment (exempt) 94,800.00

Total assessed value:

\$1,203,600.00

Starting with the year 1936, depreciation was written off on various items of real estate and equipment as follows:-

	Cost to Dec. 31, 1935	Rate	Amount
Building:			
Bldg: 16 Main St. E.	\$401,626.93	2%	\$ 8,032.54
Accoustical Treatment	13,684.00	2%	273.70
Total:	<u>\$415,310.93</u>		<u>\$ 8,306.24</u>
Equipment:			
Carrier Equipment	\$ 57,283.83	10%	\$ 5,728.35
Heating Equipment	27,639.93	4%	1,105.58
Plumbing	37,709.99	4%	1,508.40
Elevators, Machinery & Cabs	27,623.00	5%	1,381.11
Venetian Blinds	2,243.28	8%	179.43
Electric Wiring & Fixtures	22,844.63	4%	913.79
Drinking Fountains	2,138.89	15%	320.85
Sprinkler System	2,093.84	5%	104.73
Miscellaneous Additions during 1936 not classified	<u>6,119.90</u>	-0-	-0-
Total:	<u>\$185,697.29</u>		<u>\$ 11,242.24</u>

-7-

6. REAL ESTATE AND SUNDRY ASSETS: CONTINUED:

"Building Construction: Special:" carried at a cost of \$65,298.38 consists of the following:-

Cost of construction for change in plans to accommodate tenants	\$ 50,606.98
Commissions re: acquisition of leases	14,691.40
Total:	<u>\$ 65,298.38</u>
Less: Amortization: at rate of 10%	6,529.82
Net Total:	<u>\$ 58,768.56</u>

The book value as set forth, for the various properties, does not necessarily represent the present market value of said properties.

7. DEFERRED CHARGES:

Deferred charges are as follows:-

Inventory: Sundry Supplies	\$ 472.90
Prepaid Insurance	2,419.01
Prepaid Watchmen's Service	128.12
Total:	<u>\$ 3,020.03</u>

8. LIABILITIES:

Liabilities are as follows:

Accounts Payable: Regular	\$ 1,054.89
-do- : Due to Building Contract'r	825.28
Rentals paid in advance	338.62
Accrued Mortgage Interest	3,878.25
" County Tax	<u>7,835.17</u>

Total Current Liabilities (To Sheet #8) \$ 13,932.21

-8-

8. LIABILITIES: CONTINUED:

Total Current Liabilities(Forwarded from sheet #7).....\$ 13,932.21

Provision for Contractor's estimate for
completion of Building (See Schedule #5) 6,829.26

Mortgage Payable:

First mortgage dated Oct.18,1935, held by
Northwestern Mutual Life Insurance Company,
covering Arcade Bldg., 16 Main St.East,
Rochester, N.Y. Principal amount \$425,000.00.
Interest $4\frac{1}{2}\%$ per annum, for the first ten
years and thereafter at the rate of 5% per
annum, is payable semi-annually, Principal
payments start on April 18,1937 at which time
an amount of \$6,000.00 is payable; subsequent
payments are as follows: Oct. 18, 1937,\$6,000.00:
April 18, 1938 \$7,000.00: Oct. 18, 1938 \$7,000.00:
April 18, 1939 \$8,000.00, and a like sum every
six months for eleven years thereafter; the re-
maining \$215,000.00 being due in fifteen years
from date, or on Oct. 18, 1950. Amount of
mortgage:

425,000.00

Total Liabilities:

\$ 445,761.47

9. PERMANENT FUNDS:

(a) W. S. Gordon	\$ 4,352.73	
(b) John R. Bowman	<u>5,793.50</u>	
Total:		<u>\$ 10,146.23</u>

(a) W. S. Gordon Fund:

This fund was created by
W.S.Gordon on or about June 10,1895,
and the income therefrom is to be
used to purchase books on landscape
gardening. Original amount of fund
\$2,500.00. Accumulated interest to
date \$1,852.73. Balance of
fund:\$4,352.73.

(b) John R. Bowman Fund:

This fund was created by John R.
Bowman on or about Jan.13,1932. At a
meeting of the Board held on Feb.11,
1932, a resolution was passed that the
legacy of Mr.Bowman be set apart as a
special fund to be used at the dis-
cretion of the Library Committee,for
library purposes. Original amount of
fund \$5,000.00. Interest accumulated
to date \$ 793.50. Balance of fund
\$5,793.50.

-9-

10. BUDGET OF OPERATIONS FOR THE PERIOD
JANUARY 1, 1937 TO DECEMBER 31, 1937:

Reading Room:

Total Budget- see Schedule #10 \$ 2,900.00

Property Committee:

Total Budget- see Schedule #10 101,597.50

Total: \$104,497.50

11. ESTIMATED INCOME: (See Schedule #9):

Rentals	\$ 100,000.00
Electricity and other miscellaneous income from	
real estate	4,600.00
Interest on bonds and stocks	<u>6,966.00</u>
Total:	<u>\$111,566.00</u>

12. INSURANCE CARRIED:

Arcade Building:

Fire, Windstorm, Hail, Explosion, Riot,	
Aircraft and Motor Vehicles	\$450,000.00
Workmen's Compensation	Based on Payroll
Public Liability and Property Damage	
and Elevator (Includes Parking Station)	\$10,000/20,000/1,000.00
Officer and Employee Fidelity Bonds:	
S. P. Goodenough, Treasurer	20,000.00
Miss Margaret Maurer, Bookkeeper	5,000.00
Bond: Subway Sidewalk Grating	5,000.00
" : Maintenance-Sidewalk Opening	5,000.00
Ford Auto owned by P. N. Schubmehl, Bldg. Mgr.	
Policy in the name of Reynolds Library and	
P. N. Schubmehl:	20,000/40,000/5,000.00

Library:

Fire: Building- 150 Spring St.	65,000.00
" : Books	80,000.00
" : Card Index File	5,000.00
" : Dwelling- Hemlock Alley	2,000.00
Workmen's Compensation is now included in	
Arcade Building Policy.	
Public Liability	10,000/20,000.00
Boiler Liability	5,000/15,000.00

13. SUMMARY OF ITEMS TO BE CONSIDERED BY THE BOARD OF TRUSTEES:

1. Resolution providing for appropriations for the Committees for the period January 1, 1937 to December 31, 1937 (See Budget referred to under Item 10 herein, as detailed on Schedule 9 of this report.)
2. Approval of Treasurer's report for the year ended December 31, 1936.
3. Passing of a resolution approving depreciation on building cost and amortization of deferred charges, as written off for the year at the following rates:

Depreciation:	
Building: Accoustical Treatment	2%
Carrier Equipment	10%
Heating Equipment	4%
Plumbing Equipment	4%
Elevators, Machinery and Cabs	5%
Venetian Blinds	8%
Electrical Wiring and Fixtures	4%
Drinking Fountains	15%
Sprinkler System	5%
Amortization:	
Expenses re: cost of construction for change in plans to accomodate tenants	10%
4. Consider adjusting of book values to actual inventory of library books, furniture and fixtures.
5. Consider advisability of taking a complete inventory of books delivered to the Rochester Public Library. We are of the opinion that it is advisable for the Reynolds Library to now start, and always have available, a perpetual inventory of books (being the property of Reynolds Library) which are loaned to or used by the Rochester Public Library.
6. Consider provisions of Will of Mortimer F. Reynolds pertaining to the property at 40 Spring St. Paragraph in Mr. Reynolds' Will pertaining to said property, is as follows: (See sheet 11)

-11-

13. ITEM #6: CONTINUED:

First:

I give, devise and bequeath to The Reynolds Library, a corporation created by an act of the Legislature of New York, passed February, 2, 1884, being Chapter 9 of the Laws of 1884.

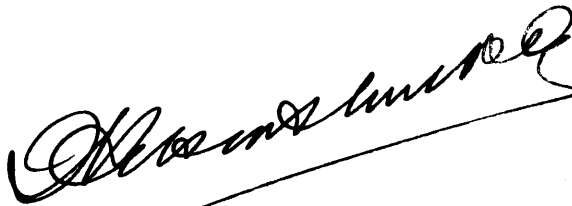
All the property known as the Arcade and the East Arcade in the City of Rochester.

Also my homestead, No. 40 Spring Street in Rochester, with all the land and buildings, and as much of the personal property, including gas-fixtures, upon the premises as my adopted daughter Mary, now the wife of Josiah Anstice, may desire to set apart to go with it. But my said daughter may continue to occupy said homestead and appurtenances so long after my decease, not exceeding three years, as she may desire. And this devise of the homestead property, is on condition that the same shall always be occupied by said corporation for its library and any other of the educational purposes contemplated by the said act; and in case it shall cease to be so occupied for the period of one year, the estate hereby devised shall cease and determine.

The foregoing devise and bequest are intended as a memorial of my father, Abelard Reynolds of my brother, William Abelard Reynolds; and of myself.

The cooperation extended to our representative on this assignment is greatly appreciated.

Respectfully submitted,



A handwritten signature in cursive script, likely of William Abelard Reynolds, is written over a long, sweeping horizontal line that extends across the lower half of the page.

EXHIBIT A
STATE OF
ASSETS AND
LIABILITIES

ASSETS

LIABILITIES AND SURPLUS

CURRENT:

Cash on Deposit (General Funds)
Accounts Receivable: Rents:
Interest Receivable

factor

\$ 1,054.89

825.28

338.62

3,878.25

7,835.17

\$

13,932.21

INVESTMENTS: (See Schedule #3):

Municipal and Corporation Bonds
Stocks: Common:

COMPLETION OF BUILDING

6,829.26

Less: Reserve

PERMANENT FUND:

Cash on Deposit

OTHER:

Real Estate: 16 Main St.E.

Land

Building

Building Construction:

Special

Equipment

Total:

Cost

as per

\$ 350

415

65

185

\$1,016

35 held by Northwestern
Milwaukee, Wis. covering
St. East. Principal amount
per annum for the first
rate of 5% per annum,
Principal payments start
each time an amount of
Principal payments varying
are due semi-annually
thirteen years. The
all due and payable on

425,000.00

Real Estate: 150 Spring St:

Land

Building

\$ 4,352.73

5,793.50

10,146.23

Library: Books

: Furniture and Fixtures

: Card Index

978,061.08

DEFERRED:

Inventory: Sundry Supplies

Prepaid Insurance

Prepaid Watchman's Service

TOTAL:

\$ 1,433,968.78

THE REYNOLDS LIBRARY
ROCHESTER, N.Y.
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR YEAR ENDED DECEMBER 31, 1936

CASH BALANCES:

Lincoln-Alliance Bank and Trust Co.	\$ 11,650.21	
Rochester Trust & Safe Deposit Co: Treas'r A/c	36.24	
-do- : Permanent	9,930.88	
Petty Cash	8.84	\$ 21,626.17

CASH RECEIPTS:

Rentals	\$ 94,675.92	
Electricity	2,204.97	
Water	386.57	
Sundry	264.18	
Parking	1,468.25	\$ 98,999.89
Fines: Library		300.67
Interest on Bank Balances		198.80
Interest on Bonds		6,923.75
Dividends on stocks		76.50
Discounts		30.62
Sales of Bonds		7,683.74
Notes Payable: Lincoln-Alliance Bank and Trust Co.	10,000.00	
Book Sales: Library:	72.25	124,286.22
Total:		\$ 145,912.39

CASH DISBURSEMENTS:

Maintenance and Operation:		
Arcade Building (Sch. #1)	\$ 85,633.96	
Library (Sch. 2)	7,952.13	
Reading Room (Sch. 2)	3,120.31	
New Arcade Building Construction:		
Payments to John B. Pike & Son, Inc.	12,950.13	
New Arcade Building Additions	6,119.90	
Lincoln-Alliance Bank & Trust Co: Trust Fees	213.39	
Notes Payable: Lincoln-Alliance Bank and Trust Co.	10,000.00	
Legal and Professional	400.00	
Library Property Expense: From Oct. 1, 1936	372.93	
Accounts Payable	29.37	
Purchase of stocks	7,752.25	
Moving Expense Library	939.65	135,484.02

CASH BALANCE AS AT DECEMBER 31, 1936

\$ 10,428.37

REPRESENTED BY:

Deposits: Lincoln-Alliance Bank & Trust Co.	\$ 272.14	
Rochester Trust & Safe Deposit Co. (Per-		
manent Fund)	10,146.23	
Petty Cash	10.00	\$ 10,428.37

SCHEDULE #1THE REYNOLDS LIBRARY
ROCHESTER, N.Y.CASH EXPENDITURES FOR MAINTENANCE AND OPERATION OF ARCADE BUILDING
FOR THE YEAR ENDED DECEMBER 31ST, 1936

OPERATING CHARGES:

Building and Janitor Supplies	\$ 1,631.02	
Office Supplies	162.76	
Elevator Maintenance	1,200.00	
Heat	4,718.10	
Electricity	5,959.06	
Legal and Audit Service	150.00	
Payrolls: Building	17,957.16	
Insurance	1,968.87	
Taxes: County and City	25,521.53	
Telephone and Telegraph	358.54	
Water	2,343.31	
Building Maintenance	2,271.55	
Repairs: Building and Equipment	678.35	
A. D. T. Service	512.50	
Directory Board Service	15.00	
Miscellaneous Expenses and Equipment	552.92	\$ 66,000.67

OTHER CHARGES:

Interest on Mortgages and Notes	18,675.29
---------------------------------	-----------

PARKING STATION:

Payroll	958.00
---------	--------

Total: (To Exhibit B) \$ 85,633.96

RECONCILIATION OF CASH AND ACCRUED BUILDING EXPENSE:

Total: per cash statement(above)			\$ 85,633.96
Plus: County taxes 1936 accrued	\$ 7,835.17	\$	
County taxes 1935 paid in 1936	<u>4,463.99</u>	3,371.18	
Unexpired Insurance Adjustment		873.17*	
Interest Accrued Adjustment		584.49	
Decrease in inventory of supplies		39.22	
Accounts Payable: Electricity	\$ 429.69		
: Insurance	420.00		
: Bldg. Maintenance	<u>131.91</u>	981.60	
Arcade Bldg Expense Depen: Bldg	\$ 8,306.24		
-do- : Equipt	11,242.24		
Amortization of Building Construction- Special	6,529.82	26,078.30	30,181.62
Total: per Accrual Statement (Schedule #6)			<u>\$ 115,815.58</u>

* Indicates a red figure

SCHEDULE #2

THE REYNOLDS LIBRARY
ROCHESTER, N.Y.
CASH EXPENDITURES FOR MAINTENANCE AND OPERATION OF LIBRARY
FOR THE YEAR ENDED DECEMBER 31ST, 1936

MAINTENANCE AND OPERATION OF LIBRARY:

Snow Removal, Lighting and Sprinkling	\$	87.64	
Heating		225.29	
Insurance		946.19	
Lighting		314.08	
Postage		16.22	
Repairs		1.50	
Salaries		5,776.00	
Sundries		159.48	
Supplies		32.68	
Water		53.19	\$ 7,612.27
			<hr/>

PURCHASE OF NEW BOOKS:

Books	\$	72.85	
Periodicals		24.21	
Bindings: New:		242.80	339.86
			<hr/>

Total Library Expense:

\$ 7,952.13

MAINTENANCE AND OPERATION OF READING ROOM:

Periodicals	\$	365.58	
Salaries		2,376.93	
Supplies		98.80	
Lighting		279.00	3,120.31
			<hr/>

Total:(To Exhibit B)

\$ 11,072.44

RECONCILIATION OF CASH AND ACCRUED LIBRARY EXPENSE:

Total:per cash statement(above)			\$ 11,072.44
Less:			
Purchase of Books	\$	72.85	
-do- Periodicals		24.21	
- do- Bindings		242.80	\$ 339.86
			<hr/>
Unexpired Insurance Adjustment		301.96	641.82
			<hr/>
Total: per Accrual Statement (Schedule #6)			\$ <u>10,430.62</u>

THE REYNOLDS LIBRARY
ROCHESTER, N.Y.
BONDS SOLD DURING 1936

Bond:

Buffalo, Rochester & Pittsburgh R.R.Co. Cons.Mtg.

Date Sold: 6/19/36

Rate : $4\frac{1}{2}$

Maturity : 1957

Par Value: 10,000.00

Date

Purchased: 1907

Book Val : 10,000.00

Sale Price: 7,683.74

Net Loss : 2,316.26

Total Interest

Income:

12 Mos. 1936: 263.75

(Note: The above sale was authorized by the
Board of Directors at a meeting held
on June 12, 1936.

THE REYNOLDS LIBRARY
ROCHESTER, N.Y.
SCHEDULE OF ESTIMATED COST TO COMPLETE BUILDING
AS AT DECEMBER 31, 1936

	Estimated Cost Jan. 1, '36	1936 Cost	Estimated Cost Dec. 31, '36
1. Partitions to complete all floors	\$13,890.60	\$ 9,002.28	\$ 4,888.32
2. Painting	1,084.24	612.18	472.06
3. Erect Balance Acoustic Ceilings	370.44	237.97	132.47
4. Carpentry and Trim	291.05	613.38	322.33 Cr
5. Cutting and Patching	981.36	-	981.36
6. Hardware	538.99 Cr	492.34	1,031.33 Cr
7. Electric Changes	86.07	938.23	852.16 Cr
8. Electric Fixtures	29.78	299.49	269.71 Cr
9. Plumbing Changes	1,338.00	-	1,338.00
10. Heating Changes	1,200.00	-	1,200.00
11. Carting and Cleaning	34.70	-	34.70
12. Contingencies and Special Work for Tenants	603.28	499.54	103.74
13. Contractors' Fees	-	-	-
14. Young's Wrought Iron Works	58.20 Cr	-	58.20 Cr
15. Dwyer Electric Co.	179.69	-	179.69
16. Dwight L. Smith	32.65	-	32.65

Total: \$ 19,524.67 \$12,695.41 \$ 6,829.26

(As per schedule on file submitted
by J.B.Pike & Son, Inc.)

THE REYNOLDS LIBRARY
ROCHESTER, N.Y.
STATEMENT OF INCOME AND EXPENSES ON ACCRUAL BASIS
JANUARY 1, 1936 TO DECEMBER 31, 1936

INCOME:

Reynolds Arcade Building:

Rentals	\$ 94,369.42	
Electricity	2,199.52	
Water	386.57	
Sundry	264.18	
Parking Station	<u>1,468.25</u>	\$ 98,687.94

Library:

Fines		300.67
-------	--	--------

Interest:

Bonds (Schedule #3 & #4)	\$ 6,923.75		
Dividends (-do-)	<u>153.00</u>	<u>7,076.75</u>	\$ 106,065.36

98,687.94
79,987.06
18,700.88

EXPENSES:

Reynolds Arcade Bldg:

	Budget Jan. 1, 1936	Actual to Dec. 31 '36
Building and Janitor Supplies	\$ 1,500.00	\$ 1,670.24
Office Supplies	300.00	162.76
Elevator Maintenance	1,200.00	1,200.00
Heat	4,800.00	4,718.10
Electricity	6,400.00	6,388.75
Legal and Audit Service	150.00	150.00
Payrolls	18,000.00	17,957.16
Insurance	1,500.00	1,515.70
Taxes: County and City	25,550.00	28,892.71
Telephone and Telegraph	300.00	358.54
Water	2,600.00	2,343.31
(*) Building Maintenance	900.00	2,403.46
Repairs: Building and Equip't	600.00	678.35
A. D. T. Service	512.50	512.50
Directory Board Service	12.50	15.00
Interest on Mortgages and Notes	19,325.00	19,259.78
Miscellaneous Equipment	500.00	552.92
Depreciation: Building	-	8,306.24
" : Equipment	-	11,242.24
Amortization: Building Construc'n:		
Special:	-	6,529.82
Contingent Expense	<u>2,000.00</u>	-
	\$ <u>86,150.00</u>	\$ <u>114,857.58</u>

Parking Station:

Payroll	\$ 980.00	\$ 958.00
---------	-----------	-----------

Totals forwarded to sheet #2: \$ 87,130.00 \$ 115,815.58 \$ 106,065.36

26,078.30
26,078.30
79,987.28

(*) Tenant changes \$1,276.39.

SCHEDULE #6
SHEET #2

	Budget Jan. 1, '36 to Dec. 31, '36	Actual	
Totals Forwarded from Sheet #1:	<u>\$87,130.00</u>	<u>\$115,815.58</u>	\$ 106,065.36
Library Expenses:			
Salaries	\$ 4,400.00	\$ 5,776.00	
Heating	120.00	225.29	
Lighting	190.00	314.08	
Binding	150.00	-	
Supplies	70.00	32.68	
Water	20.00	53.19	
Sundries	130.00	159.48	
Insurance	-	644.23	
Postage and Express	20.00	16.22	
Repairs	50.00	1.50	
Snow Removal, Street Lighting, etc.	130.00	87.64	
Printing	100.00	-	
Total:	<u>\$ 5,380.00</u>	<u>\$ 7,310.31</u>	
Reading Room:			
Salaries	\$ 2,500.00	\$ 2,376.93	
Lighting	280.00	279.00	
Periodicals	370.00	365.58	
Supplies	250.00	98.80	
Total:	<u>\$ 3,400.00</u>	<u>\$ 3,120.31</u>	
Total Expenses:	<u>\$95,910.00</u>	<u>\$126,246.20</u>	<u>126,246.20</u>
NET OPERATING INCOME			\$ 20,180.84*
OTHER INCOME:			
Discounts		\$ 30.62	
OTHER DEDUCTIONS:			
Library Moving Expense	\$ 939.65		
Library Property Expense:			
Coal	228.58		
Salary	45.00		
Cleaning	46.50		
Plumbing & Repairs	16.41		
Checking books and			
Light	36.44	372.93	
Legal and Professional		400.00	
Trust Co. Fees		213.39	
Bad Debts		406.82	2,332.79
			<u>2,302.17</u>
NET LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1936 (Sch. #7)			<u>\$ 22,483.01*</u>

* Indicates red figures.

SCHEDULE #7

THE REYNOLDS LIBRARY
ROCHESTER, N.Y.
ANALYSIS OF SURPLUS ACCOUNT: NET WORTH ACCOUNT
JANUARY 1, 1936 TO DECEMBER 31, 1936

JANUARY 1, 1936: Balance

\$ 1,008,744.09

LESS:

Net Loss for the 12 months ended
December 31st, 1936 (See Schedule
#6) \$ 22,483.01

Library Books, Directories, etc.
Discarded

8,200.00 30,683.01

DECEMBER 31, 1936: Balance

\$ 978,061.08

THE REYNOLDS LIBRARY
ROCHESTER, N.Y.
PROPOSED BUDGETS FOR YEAR 1937
AS SUBMITTED BY MR. S. P. GOODENOUGH

1. ARCADE BUILDING:

Income:

Rentals	\$ 100,000.00	
Electricity	2,400.00	
Water	400.00	
Sundry	300.00	
Parking Station	1,500.00	\$ 104,600.00
Interest on Bonds and Stock		<u>6,966.00</u>

Total Income: \$ 111,566.00

Expenses:

Bldg & Janitor Supp's	\$ 1,500.00
Office Supplies	300.00
Elevator Maintenance	1,200.00
Steam	5,000.00
Electricity	6,900.00
Repairs: Bldg & Eq.	700.00
Bldg. Maintenance	1,000.00
Tel. & Tel.	300.00
Water	2,600.00
A.D.T. Service	512.50
Directory Board Service	15.00
Total:	<u>\$20,027.50</u>
Mortgage Payments	\$12,000.00
Int. on Mortgage	18,990.00
" " Loans	200.00
Payrolls	19,000.00
Insurance	1,400.00
Taxes: C&G	27,500.00
Misc. Eq. Adv. etc.	500.00
Parking St. Expense	1,080.00
Legal & Audit	150.00
Legal & Profess'l	500.00
Total:	<u>\$ 81,320.00</u>
Library Propy Expense	<u>\$ 250.00</u>

Total Expenses: \$ 101,597.50

2. READING ROOM:

Supplies	\$ 120.00
Periodicals	400.00
Lighting	280.00
Salaries:	<u>2,100.00</u>

Total: \$ 2,900.00

BUILDING COMMITTEE REPORT:

December 31, 1936

The Building Committee has had frequent meetings regarding the renting of the stores on the east side of the Arcade to F. W. Woolworth Company. They want to merge the stores into their main store, having an entrance from the Arcade. Our first thought was to get them to pay the expense which they didn't agree to, and we next tried to get them to pay half of the cost which they also turned down. The Building Committee then decided to assume the full expense. The additional rental will amount to \$3,000. a year and inasmuch as we have had no prospect of renting these stores it was the opinion of the Building Committee that it would be a good move to have Woolworth in there.

The expense of making the alterations, outside of what the building force can do, will amount to about \$8,200.

The above, together with other possible tenant changes during the coming year will call for an additional appropriation of \$10,000. It is our recommendation that this be taken out of current expenses.

The rental changes during the past year have been as per the attached sheet.

During the year we have had an actual increase in rentals of \$5,399.55 over 1935.

Office space rented to date is 76% as against 72% a year ago. All rentable space included the building is 80% rented.

RENTAL CHANGES

(Yearly Basis)

	INCREASES		DECREASES	
	<u>SQ. FT.</u>	<u>RENTALS</u>	<u>SQ. FT.</u>	<u>RENTALS</u>
AMERICAN RES. PRODUCTS	609	1,200.00	194	370.08
ASSO. TRUCKING INDUSTRY	178	240.00		
BROWN & ZURETT	None	108.00		
CURRY, W. J.	600	1,200.00		
EQUITABLE LIFE INS. CO.	1417	2,580.00		
FED. HARDW. & IMPL. MUT.	37	227.28		
HEICKLEN & GREENE			358	714.00
LUMBERMEN'S MUT. CAS. CO.	None	180.00		
NEW ENGLAND MUT. LIFE	"	227.76		
PRUDENTIAL LIFE INS. CO.	328	600.00		
PURE OIL CO.	2100	3,990.00		
ROCH. HOSP. SERV.	1588	996.00		
ROCH. LAKE.ONT. WATER CO.	<u> </u>	<u> </u>	<u>392</u>	<u>784.08</u>
TOTALS	8375	\$ 11,549.04	944	\$ 1,868.16

BUILDING MANAGER'S REPORT

December 31, 1936

During the year we purchased a new ice-machine and considerable work in connection with the installation of same, such as installing a shut off valve from the main water line to building so that Woolworth and Waldorf and the ice-machine could operate separately, was done by us directly - at a saving. (In the past there was a main valve shutting off all the water in the building including Woolworth, Waldorf, and the ice-machine.) Other work in connection with the ice-machine piping was done by us.

Changes in the following suites (re-partitions) were made by our men: Tucker-Anthony's, #212, Pure Oil, #1000, Little & Hopkins, #800, and some additional work in the Hospital Service Suite #820; Suite #714 was changed, and #500, the Household Office, and #222 was made over for the American Research Products Inc.

A big item which was done by our men was the painting of the outside fire escapes.

We also made a change in our storage room in the basement, necessary to take care of partitions on hand.

QUARTERLY MEETING OF THE REYNOLDS LIBRARY, APRIL 9, 1937

The regular quarterly meeting of the Board of Trustees of The Reynolds Library was held in the Board Room at the Arcade on April 9, 1937, at 4 p.m., President Thompson in the chair. Present: Messrs. Anstice, Gilchrist, Goodenough, Middleton, Pike, Slater, Thompson, and Weller.

The minutes of the last meeting were read and approved. Mr. Goodenough presented the report of the Treasurer for the three months ending March 31, showing income from the Arcade of \$25,866.53 and expenses for the Arcade of \$24,691.44, both on the accrual basis, additional income from interest and dividends \$1,741.50, additional expenses for the Reading Room \$569.05, for the Spring Street property \$288.70. The total profit of the corporation for the quarter was \$2,058.84 before depreciation; deducting \$6,670.68 the net loss was \$4,611.84. The statement of assets and liabilities showed that owing to depreciation charged off on the Arcade as usual and on the library books and equipment as ordered at the annual meeting, the assets have been reduced from \$1,442,272.43 to \$1,328,965.38. The investment report showed sales of 5M Chicago & Northwestern Railway bonds at a loss of \$3,215.40 and of 10M Great Northern Railway bonds at a profit of \$1,018.90. Fifteen shares of Consolidated Gas & Electric of Baltimore common stock were purchased for \$1,193. and the remainder of the proceeds of bond sales, \$11,610.50, was turned into the General Funds. In addition a loan of \$8,500 from the Lincoln-Alliance Bank was found necessary to meet taxes and other current obligations during the quarter. The report was ordered accepted and is filed with these minutes.

THE REYNOLDS LIBRARY INC.

Statements - March 31, 1937

THE REYNOLDS LIBRARY INC.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

CASH BALANCE JANUARY 1, 1937	\$ 10,428.37	
RECEIPTS FOR 3 MONTH	<u>48,192.13*</u>	
		\$ 58,620.50
TOTAL DISBURSEMENTS FOR 3 MONTHS		<u>33,281.49</u>
BALANCE MARCH 31, 1937		\$ <u>25,339.01</u>

Above Balance Represented By:

Petty Cash	10.00	
Lincoln-Alliance	15,000.53	
Rochester Trust	<u>10,328.48</u>	
		\$ <u>25,339.01</u>

* Includes: Loan of \$8,500 from Lincoln,
Proceeds from Sale of Bonds.

THE REYNOLDS LIBRARY INC.

STATEMENT OF INCOME & EXPENSES ON THE ACCRUAL BASIS WITH
COMPARISON & BUDGET

	<u>3 MOS. ENDED</u> <u>MCH. 31, 1936</u>	<u>3 MOS. ENDED</u> <u>MCH. 31, 1937</u>	<u>B U D G E T</u> <u>3 MOS. 1937</u>
<u>INCOME</u>			
Rentals	22,312.46	24,469.80	24,999.00
Elec. & Water	684.21	897.16	699.00
Sundry	82.41	80.94	75.00
Discounts		5.88	
Parking Station	<u>394.75</u>	<u>412.75</u>	<u>375.00</u>
	\$ 23,473.83	\$ 25,866.53	\$ 26,148.00
Library Fines	70.55		
Int. & Dividends	<u>1,652.49</u>	<u>1,741.50</u>	<u>1,741.50</u>
	\$ 25,196.87	\$ 27,608.03	\$ 27,889.50
<u>EXPENSES</u>			
<u>Arcade Building -</u>			
Operation	5,306.07	7,211.41	5,003.07
Payrolls	4,158.64	4,633.93	4,749.99
Insurance	486.15	343.24	349.98
Taxes: County & City	6,380.43	6,913.06	6,913.02
Interest on Mortgage	4,781.28	4,781.25	4,747.50
" " Loans		56.70	50.00
Misc. Eq., Adv. & Exp.	89.25	148.35	125.10
Parking Station	234.00	260.00	270.00
Legal & Audit	150.00	150.00	37.50
Legal & Professional	<u>50.00</u>	<u>193.00</u>	<u>125.00</u>
	\$ 21,635.82	\$ 24,691.44	\$ 22,371.16
<u>Reading Room -</u>			
Operation	16.10	65.05	200.00
Salaries	<u>577.50</u>	<u>504.00</u>	<u>525.00</u>
	\$ 593.60	\$ 569.05	\$ 725.00
Spring St. Prop. Exp.	\$ 2,721.78	\$ 288.70	\$ 62.50
TOTAL EXPENSES BEFORE DEP.	\$ 24,951.20	\$ 25,549.19	\$ 23,158.66
Profit or Loss	\$ 245.67 P	\$ 2,058.84 P	
Less Depreciation		\$ 6,670.68	
NET PROFIT OR LOSS	\$ 245.67 P	\$ 4,611.84 L	

* * * * *

THE REYNOLDS LIBRARY INC.

COMPARATIVE STATEMENT OF ASSETS & LIABILITIES

	<u>DECEMBER 31, 1936</u>		<u>MARCH 31, 1937</u>	
<u>ASSETS</u>				
CASH -				
General Funds		282.14		15,010.53
Permanent "		10,146.23		10,328.48
RECEIVABLES -				
Accounts - Rents		150.82CR		93.70
Interest		631.50		1,361.92
Other		73.29		44.00
INVESTMENTS -				
Cost		174,061.49		160,254.49
REAL ESTATE -				
Main Street	951,008.22		951,008.22	
Less Deprec.	<u>19,548.48</u>	931,459.74	<u>24,586.71</u>	926,421.51
Spring Street		70,000.00		70,000.00
EQUIPMENT -				
Library		193,980.27		80,000.00
Building	65,298.38		65,298.38	
Less Deprec.	<u>6,529.82</u>	58,768.56	<u>8,162.27</u>	57,136.11
DEFERRED CHARGES -				
Prepaid Expenses		2,547.13		7,831.56
Inventory		<u>472.90</u>		<u>483.08</u>
TOTAL ASSETS		\$ 1,442,272.43		\$ 1,328,965.38
<hr/>				
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE -				
To complete Bldg.		6,829.26		4,757.98
Bldg. Contractor		825.28		1,752.30
Accrued Taxes		7,835.17		2,070.00
Sundry		1,054.89		1,982.38
NOTES PAYABLE -				
Mortgage Account		425,000.00		425,000.00
Loan Account				8,500.00
Interest Accrued		3,878.25		8,659.50
Investment Reserve		8,642.27		6,445.77
Permanent Funds		10,146.23		10,328.48
NET WORTH		<u>978,061.08</u>		<u>859,468.97</u>
TOTAL LIABILITIES		\$ 1,442,272.43		\$ 1,328,965.38

THE REYNOLDS LIBRARY INC.

INVESTMENT STATEMENT

(Quarter Ended March 31, 1937)

INVESTMENT ACCOUNT BALANCE JAN. 1, 1937	\$ 174,061.49	
RESERVE " " " 1, 1937		\$ 8,642.27

Transactions:

SOLD: 2/26/37 - 5 $\frac{1}{2}$ Chicago North-western Ry 4 $\frac{1}{2}$ s/2037			
Cost	5,000.00	5,000.00DR	
Sale Pr.	<u>1,784.60</u>		
	Loss		3,215.40DR

3/20/37 - 10 $\frac{1}{2}$ Great Northern Ry 4 $\frac{1}{4}$ s/61			
Sale Pr.	11,018.90		
Cost	<u>10,000.00</u>	10,000.00DR	
	Profit		1,018.90CR

BOUGHT: 3/19/37 - 15 Shs. Cons. Gas Elec. Pw. of Baltimore Common			
Cost		<u>1,193.00CR</u>	

BALANCES MARCH 31, 1937 (See Page 3)	\$ 160,254.49	\$ 6,445.77
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* * * * *

CASH DISPOSITION:

NET PROCEEDS	\$ 12,803.50	
Cost of Stock purchased	<u>1,193.00</u>	
Balance	\$ 11,610.50	(In General Funds)

THE REYNOLDS LIBRARY INC.

ACCOUNTS RECEIVABLE STATEMENT AS OF MARCH

31, 1937

	<u>Debit</u>	<u>Credit</u>
ANGELIDIS	.10	
ASSO. TRUCKING IND.	57.46	
SMITH	<u>4.14</u>	
	61.70	
Parkers:		
Bruce	8.00	
Foote	4.00	
Hartfuer	4.00	
Ives	4.00	
Roodenbg	8.00	
VanWie	<u>4.00</u>	
	<u>32.00</u>	<u> </u>
BALANCE	\$ 93.70*	-0-

*See Page 3.

THE REYNOLDS LIBRARY INC.

TREASURER'S REPORT FOR QUARTER ENDING MARCH 31, 1937

The usual quarterly report of the Treasurer is herewith submitted.

Page I provides a record of Receipts and Disbursements of Cash for the quarter.

Page II shows the income and expense items for the period in comparison with those for the like period last year, and our Budget on a quarterly basis for 1937.

You will note that the total income for the Arcade is \$25,866.53, the total expense is \$24,691.44, leaving an operating profit of \$1,175 for the quarter. There is included, under Operation Expense, an item of \$1,985.50 which was due to expense in beginning the ^{work} ~~cost~~ of changing the Arcade stores over for Woolworth's occupancy. When this job is completed the amount in-volved may be set up as a capital addition and depreciated over the balance of the Woolworth lease - as suggested at our annual meeting.

The total income for the corporation during the quarter, including that from our bond interest, was \$27,608.03, while total expenses, including the Reading Room and Spring Street property, amounted to \$25,549.19, leaving operating profit for the corporation - before Depreciation - of \$2,058.84 for the quarter. Less a Depreciation of \$6,670.68 leaves us with a loss for the quarter of \$4,611.84.

Page III is our Statement of Assets and Liabilities in comparison with our statement of December 31, 1936. This re-

Treasurer's Report
March 31, 1937
Page II

fleets the reduction authorized by the Board of the value placed on our Library Books from \$166,431.89 to \$80,000.00, and the writing off entirely of Library Furniture and Fixtures previously valued at \$10,548.38, and the Card Index formerly valued at \$17,000.00, or a total of \$113,980.27.

This statement also reflects the increase in Permanent Funds of \$182.25, proceeds received from sale of books.

You will also note a reduction in the Investment Reserve Account of \$2,196.50, due to the loss taken in the sale of 5^M Chicago Northwestern Ry bonds (See Page 4).

Page IV gives a complete list of our Investment Transactions during the past quarter, showing a net reduction in our list of \$13,807.00.

(Submitted at meeting held April 9, 1937)

Mr. Weller then presented the quarterly report of the Finance Committee, as follows:

REPORT OF THE FINANCE COMMITTEE OF THE

REYNOLDS LIBRARY APRIL 9, 1937

The members of your Finance Committee have spent considerable time in studying the 1937 budget with the idea of making some provision for the purchase of books for the City of Rochester. At this time they do not see how they can make such a provision with their present income position.

The committee find that the building, practically speaking, is not complete nor is it filled with tenants. In order to have the building in a profitable position it is necessary to secure additional tenants. It is also necessary to make capital expenditures in the way of alterations, partitions, etc. in order to obtain tenants. Until such time as we find ourselves in a stronger cash income position we do not think it advisable to make any definite appropriation for books.

We believe that very good progress is being made in leasing space in the building and are in hopes that it may be possible later in the year to be able to make a recommendation for an expenditure on books. At the present time, however, we cannot see how this is possible. We fully appreciate our responsibility in carrying out that provision of the will and realize that just as soon as possible as much money as possible must be turned over to the library committee.

Joseph F. Weller

The report was approved, with the understanding that the Reynolds representative on the Public Library Board be requested to communicate to that Board the reasons why it is not yet practicable to begin contributing funds for the purchase of reference books for the Reynolds Reference Library.

The report of the Property Committee, presented by Mr. Goodenough, reported rentals of new space during the quarter amounting to an annual rental of \$4,671, in addition to the \$3,000 increase in the Woolworth rental which will begin when alterations are completed. By that time the building will be 88% rented, and the store space 100%.

The report of the Library Committee showed steady improvement in the attendance at the Reading Room. Disposal of the remaining furniture and miscellaneous materials now left in the Spring Street building was by informal agreement turned over to the Property Committee. Mr. Gilchrist reported difficulty in disposing of the old city directories. It is not likely that much more of the old books can be sold except for junk.

Mr. Thompson presented a letter from Mr. Finucane resigning his membership in the Board and in the Public Library Board as Reynolds representative, on account of ill health. The resignation was regretfully accepted. Mr. Thompson was requested by the Board to ask Mr. Miner to accept our nomination for the Reynolds vacancy on the Public Library Board as of June 1, 1937, and later reported to the secretary that Mr. Miner had consented to accept this position, subject to the approval of the City Manager and the Public Library Board.

The meeting then adjourned.



Secretary

QUARTERLY MEETING OF THE REYNOLDS LIBRARY, JUNE 11, 1937

The regular quarterly meeting of The Reynolds Library Board of Trustees was held on June 11, 1937, at 4 p.m., in the Board Room in the Arcade. Present: Messrs. Anstice, Bacon, Gilchrist, Goodenough, Hawks, Middleton, Miner, Pike, Rhees, Slater, and Thompson; President Thompson presiding.

The minutes of the last meeting were read and approved. The report of the Treasurer was presented by Mr. Goodenough, showing for the two months ending May 31 cash receipts of \$22,708.33. For the five months ending May 31 the income from rentals was \$41,934.77, or 4,279.19 more than for the same period in 1936. Other miscellaneous items raised the income from the Arcade to \$44,287.06. The expenses on account of the Arcade were \$47,268.18, of which about \$3,000 represents the cost of alterations made for Woolworth and other tenants, to be transferred on the books to capital account later in the year. The total receipts from all sources, including \$2,902.50 interest and dividends, were \$47,189.56. The total expenditures, including \$913.35 for the Reading Room and \$386.21 for library property expense, were \$48,567.74. The deficit before depreciation was \$1,378.18, less \$11,117.80 depreciation a total book deficit of \$12,495.98. A payment of \$6,000 has been made on the mortgage. The bank loan of \$8,500 has been paid off by the sale of 10M Southern Pacific bonds, leaving a small cash balance. The Treasurer's complete report, which was duly accepted, is attached to these minutes.

The Finance Committee reported investment of \$9,747.55 of the Gordon-Bowman Fund in Treasury 3's and Standard Oil of Indi-

The report was approved.

THE REYNOLDS LIBRARY INC.

May 31, 1937
Statements

THE REYNOLDS LIBRARY INC.

STATEMENT OF CASH RECEIPTS & DISBURSEMENTS

(2 MOS. ENDED MAY 31, 1937)

CASH BALANCE APRIL 1, 1937	\$ 25,339.01	
INCOME	<u>22,708.33</u>	
		\$ 48,047.34
LESS EXPENDITURES		<u>44,898.47</u>
BALANCE AS OF MAY 31, 1937		\$ <u>3,148.87</u>

Above Balance Represented By:

Lincoln-Alliance Bk. a/c	2,492.36	
Roch. Trust - Fund a/c	646.51	
Petty Cash	<u>10.00</u>	
Total Cash on Hand & in Banks		\$ <u>3,148.87</u>

THE REYNOLDS LIBRARY INC.

INCOME & EXPENSES ON ACCRUAL BASIS WITH BUDGET

	5 MOS. ENDED <u>MAY 31, 1936</u>	5 MOS. ENDED <u>MAY 31, 1937</u>	B U D G E T <u>5 MOS./1937</u>
<u>INCOME</u>			
Rentals	37,655.58	41,934.77	41,655.00
Elec. & Water	1,126.20	1,507.98	1,165.00
Sundry	88.36	147.50	125.00
Discounts	4.25	6.81	
Parking Station	<u>615.00</u>	<u>690.00</u>	<u>625.00</u>
	39,489.39	44,287.06	43,580.00
Library Fines	70.55		
Int. & Dividends	<u>2,754.15</u>	<u>2,902.50</u>	<u>2,902.50</u>
Total	\$ 42,314.09	\$ 47,189.56	\$ 46,482.50
<u>EXPENSES</u>			
Arcade Building -			
Operation	9,174.35	17,852.47	8,338.45
Payrolls	7,038.99	8,269.52	7,916.65
Insurance	724.02	572.47	583.30
Taxes: C&C	10,634.01	11,521.74	11,521.70
Int. on Mtg.	7,968.80	7,883.94	7,916.65
" " Loans		68.98	83.30
Misc. Expense	213.01	335.56	208.50
Parking Station	396.00	420.00	450.00
Legal & Audit	150.00	150.00	62.50
Legal & Prof.	<u>153.28</u>	<u>193.50</u>	<u>416.65</u>
	\$ 36,452.46	\$ 47,268.18	\$ 37,497.70
Library Prop. Exp.		<u>386.21</u>	<u>104.15</u>
		\$ 47,654.39	\$ 37,601.85
Library -			
Operation	605.41		
Insurance	348.80		
Salaries	<u>3,620.00</u>		
	\$ 4,574.21		
Reading Room -			
Operation	27.82	73.35	216.65
Salaries	<u>997.22</u>	<u>840.00</u>	<u>840.00</u>
	\$ 1,025.04	\$ 913.35	\$ 1,056.65
Total Expenses	\$ 42,051.71	\$ 48,567.74	\$ 38,658.50
Profit or Loss	\$ 262.38 P	\$ 1,378.18 L	
Less Depreciation		\$ 11,117.80	
NET PROFIT OR LOSS		\$ 12,495.98 L	

THE REYNOLDS LIBRARY INC.

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES

	<u>MARCH 31, 1937</u>		<u>MAY 31, 1937</u>	
<u>ASSETS</u>				
CASH -				
General Funds		15,010.53		2,502.36
Permanent Funds		10,328.48		646.51
RECEIVABLES -				
Accounts (Rents)		93.70		232.14
Interest		1,361.92		228.51
Other		44.00		
INVESTMENTS -				
Regular Account		160,254.49		150,466.99
Gordon-Bowman Account				9,747.55
REAL ESTATE -				
Main Street	951,008.22		951,008.22	
Less Deprec.	<u>24,586.71</u>	926,421.51	<u>27,945.53</u>	923,062.69
Spring Street		70,000.00		70,000.00
EQUIPMENT -				
Library		80,000.00		80,000.00
Building	65,298.38		65,298.38	
Less Deprec.	<u>8,162.27</u>	57,136.11	<u>9,250.57</u>	56,047.81
DEFERRED CHARGES -				
Prepaid Expenses		7,831.56		5,294.75
Inventory		<u>483.08</u>		<u>511.30</u>
TOTAL ASSETS		\$ 1,328,965.38		\$ 1,298,740.61
<hr/>				
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE -				
To complete Bldg.		4,757.98		-0-
Bldg. Contractor		1,752.30		3,093.34
Accrued Taxes		2,070.00		3,450.00
Sundry		1,982.38		1,883.81
NOTES PAYABLE -				
Mortgage Account		425,000.00		419,000.00
Loan Account		8,500.00		-0-
Interest Accrued		8,659.50		2,199.69
Investment Reserve		6,445.77		7,076.98
Permanent Funds		10,328.48		10,451.98
NET WORTH		<u>859,468.97</u>		<u>851,584.83</u>
TOTAL LIABILITIES		\$ 1,328,965.38		\$ 1,298,740.61

THE REYNOLDS LIBRARY INC.

INVESTMENT STATEMENT AS OF MAY 31, 1937

REGULAR INVESTMENT a/c BALANCE APRIL 1, 1937 \$ 160,254.49

SOLD: April 13 -

10 $\frac{1}{2}$ Southern Pacific RR 4s/1955

Sale Price	10,418.69	
Cost	<u>9,787.50</u>	9,787.50
Profit	631.19	

BALANCE AS OF MAY 31, 1937 \$ 150,466.99

* * * * *

GORDON-BOWMAN INVESTMENT a/c:

PURCHASED: May 4 -

5 $\frac{1}{2}$ U. S. Treas. 3s/1946-8 5,157.30

100 Shs. Std. Oil of In-
diana - Rate: 1.00

Payable Quarterly 4,590.25

BALANCE AS OF MAY 31, 1937 \$ 9,747.55*

*Proceeds taken from "Special
Fund Account" - Roch. Trust.

* * * * *

Disposal of Proceeds from Sale of Southern Pacific:

Loan Account Paid - in full -	\$ 8,500.00
Interest	12.28
Balance in General Funds	<u>1,906.41</u>

\$10,418.69

THE REYNOLDS LIBRARY INC.

ACCOUNTS RECEIVABLE STATEMENT AS OF

MAY 31, 1937

	DR.	CR.
ANGELIDIS	11.70	
ASSO. TRUCKING INDUSTRY	62.46	
BROWN & ZURETT	91.36 (Paid)	
DE BOER	63.48 (Paid)	
H OUSEHOLD FINANCE		30.00
SMITH	<u>4.14</u>	<u> </u>
	233.14	30.00

Parkers:

Hartfuer	4.00	
Ives	4.00 Pd.	
Keane	3.00	
Roodenburg	6.00	
Spear	8.00 Pd.	
Van Wie	<u>4.00 Pd.</u>	<u>29.00</u>

262.14

Less Credits	<u>30.00</u>
--------------	--------------

BALANCE PER G/L	\$ <u><u>232.14</u></u>
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The Property Committee reported substantial completion of construction work on the building, and rentals of new space. The building is now approximately 90% rented. It is proposed in the near future to advance all rentals to the \$2 level now covered in new leases. There was some discussion of the desirability of adopting a fixed policy as to applications of tenants for permission to erect signs projecting beyond the building line, but it was pointed out that this matter is already covered in the leases, and that the Property Committee is standing firmly against relaxing the terms. No action was taken. The report of the committee was adopted.

The Library Committee reported that the Reading Room in the Arcade is operating smoothly under Mr. Herbrand's supervision.

Mr. Miner, who was nominated by the Board as the Reynolds representative on the Public Library Board, succeeding Mr. Finucane, resigned, reported that he had received formal notice from the City Manager and the Public Library Board of his election to that Board.

The meeting was then adjourned by the chairman.


Secretary

TREASURER'S REPORT

May 31, 1937

Report of the Treasurer for the five months ended May 31, 1937 is herewith submitted.

Page I provides a record of Receipts and Disbursement of Cash for the period from April 1st through May 31st. It will be noted that the Fund a/c at the Rochester Trust Company has diminished - this being due to investments having been made for this account. Details on Page 4.

Page II shows the Income and Expenses for the period in comparison with those for the like period of last year, giving our Budget for the five months ended May 31, 1937. The increase in Building Operation Expenses is due principally to the \$8,000 item in our Alteration Special Account, covering additional Woolworth store expense, also \$1,000 in our Regular Alteration Account which covers work done by us in connection with various new suites. Payroll increase is due partly to raises which took place the first of the year, also considerable overtime cause by construction work done by us - including work on our air ducts, cleaning and painting of Arcade, metal work on Air Conditioning system, etc. After Depreciation of \$11,117.80 our Loss for the period is \$12,495.98.

Page III gives the comparative statement of Assets and Liabilities since our last report. General Funds decreased - due principally to Mortgage Payment and Interest in April. Difference in Permanent Funds is reflected in new Investment Account for Gordon-

TREASURER'S REPORT

May 31, 1937

Page II

Bowman Fund. Decrease in Regular Investment Account due to sale of bonds as shown on Page 4. Under Liabilities it will be noted that the Construction Account to Complete Building has been wiped out. Mortgage account has been reduced by our payment in April. Loan account has been cleaned up. Investment Reserve account has increased - due to profit as shown on Page 4.

Page IV is a statement of our Investment Account which is self-explanatory.

Page V is the Accounts Receivable Statement as of May 31, 1937. It will be noted that most of these accounts have been paid up since that date.

Presented at Meeting of the Board

June 11, 1937

BLDG. MANAGER'S REPORT

May 31, 1937

During the past two months we have completed the following construction work: Woolworth additional store space; National Life Insurance Company Suite; moving of Household Finance office with additional space; moving of Prudential Life Insurance Company office. Rental has already begun on the additional space of both Household and Woolworth. National Life rental begins July 1st.

Leases have been signed by Brown & Zurett, #720, Spiegel Ins. Agency, #718, and Lumbermen's Mutual, #716, - to move on the Ninth floor in order to make room for a new Suite for Rochester Hospital Service Corporation.

We have recently cleaned and re-painted the whole Arcade, built new air ducts, and done considerable metal work on our Air Conditioning system.

We have arranged a new store room in basement using a quantity of shelves from the Library on Spring Street. We have re-tagged our lights so that every fixture in the building now has a permanent number.

We have authorized Pike to order a supply of partitions so that we may have same on hand when necessary; also additional ceiling pans and felt to complete ceilings.

P. N. SCHUBMEHL

QUARTERLY MEETING OF THE REYNOLDS LIBRARY BOARD OF TRUSTEES
October 29, 1937

A regular quarterly meeting of the Reynolds Library Board of Trustees, postponed from October 8 because of the lack of a quorum on that date, was held after due notice on October 29, 1937 in the Board Room at the Reynolds Arcade at 4 p.m. Present: Messrs. Anstice, Bacon, Gilchrist, Goodenough, Perkins, Rhees, Slater, Thompson, and Weller, nine members of the Board, constituting a quorum. President Thompson presided. The minutes of the preceding meeting of June 11 were read and approved.

The president then presented the matter of transferring the Spring Street property to the trustees of the Reynolds Estate, more than a year having elapsed since that property has been used for library purposes. Since Mr. E. Willoughby Middleton, a member of the Board and attorney for the corporation, is at present incapacitated by illness, the legal questions involved in such transfer have been investigated by Messrs. Raymond Bentley and Frank J. Goodwin of the firm of Hubbell, Taylor, Goodwin, Nixon & Hargrave on behalf of the Board. Their report was presented in the form of a proposed resolution with preamble explaining the points involved, and authorizing the officers to execute and deliver to the trustees of the Reynolds Estate a certificate that the Spring Street property has ceased to be used for library purposes, and waiving any rights which the Board might have in the premises, and also to execute when requested by the Reynolds trustees a quitclaim deed. The full text of the follows:

Resolution adopted by Board of Trustees of The Reynolds Library
at a Meeting of said Board held on _____, 1937

Upon motion of _____, duly
seconded by _____, the following resolution was
duly adopted:

WHEREAS, by the Will of Mortimer Fabricius Reynolds there was devised to this corporation certain property described in said Will as "My homestead, No. 40 Spring Street in Rochester, with all the land and buildings, and as much of the personal property, including gas-fixtures, upon the premises as my adopted daughter Mary, now the wife of Josiah Anstice, may desire to set apart to go with it"; and said Will further provides "And this devise of the homestead property is on condition that the same shall always be occupied by said corporation for its Library and any other of the educational purposes contemplated by the said Act (to wit, the Act of February 2nd, 1884, being Chapter 9 of the Laws of 1884 incorporating The Reynolds Library); and in case it shall cease to be so occupied for the period of one year, the estate hereby devised shall cease and determine." And

WHEREAS, by paragraph Eighth of said Will, said Mortimer Fabricius Reynolds gave, devised and bequeathed all the rest, residue and remainder of his estate, real and personal, to his Executors thereafter named, in trust, for certain purposes as therein set out at length; and by paragraph Eleventh of said Will appointed Gilman H. Perkins, John P. Munn, Mary Belle Anstice and Josiah Anstice, Executors of said Will; and

WHEREAS, by a Codicil to said Will, dated June 22nd, 1889, said Mortimer Fabricius Reynolds provided that "In the event that the Estate in the Homestead property, by which the First paragraph of said Will is devised to The Reynolds Library, shall cease and determine by reason of a breach of the condition thereby imposed, the said estate shall thereupon be disposed of exactly as if the same were a part of my residuary estate under the Eighth paragraph of said Will." And

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WHEREAS, the trust created by said paragraph Eighth of said Will is still in full force and effect, but all of the Executors named in said Will, with the exception of Mary Belle Anstice, have died, and by proceedings duly had the Trustees now acting as Trustees of the trust created by said paragraph Eighth of said Will, are Mary Belle Anstice, Mortimer R. Anstice, Mary Anstice Weller and Emily Anstice Gardiner. And

WHEREAS, owing to the Agreement heretofore made by The Reynolds Library with the City of Rochester, it has become and will continue to be impracticable for the corporation to use said property at No. 40 Spring Street, Rochester, N. Y., either for its Library or for any other of the educational purposes contemplated by said Act incorporating The Reynolds Library, and the period of one year since said property ceased to be so used by the corporation has expired, or will shortly expire. And

WHEREAS, the corporation desires to waive the necessity of any formal re-entry upon said premises for breach of said condition and to waive the necessity of any formal determination by judgment of a competent court, or otherwise, that said condition has been broken. And

WHEREAS, this corporation is advised by its counsel that the legal validity of the provision of the Codicil to said Will hereinbefore referred to, providing in effect that upon a breach of the condition imposed upon the devise of said premises to this corporation, the said estate shall be disposed of as if it were part of the residuary estate, under paragraph Eighth of said Will, is doubtful, and that it is possible that the only persons entitled to re-enter upon said premises, or recover the same for breach of condition, are the heirs-at-law now living of said Mortimer Fabricius Reynolds, and likewise possible that by reason of the illegality of the provision contained in said Codicil the whole condition imposed by said Will upon the devise to this corporation might be held to be void, so that the corporation took an absolute title to said premises free of any conditions, but that the meaning of said Will and Codicil and the intention of said Mortimer Fabricius Reynolds that upon breach of said condition said premises should revert to and become part of his residuary estate and be disposed of according to the provisions of paragraph Eighth of his Will, is perfectly clear; and furthermore, that there is no reason why this corporation should not do whatever is in its power to carry out the meaning and intent of said Will and Codicil and of said Mortimer Fabricius Reynolds, by

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conveying to the Trustees under said Will, by quitclaim deed, whatever interest this corporation may have in said premises, and that the corporation will not become liable to any person whatever for any claims or damages, of any sort whatever, by reason of executing and delivering such a quitclaim deed, it is hereby

RESOLVED: That the officers of this corporation, or any one of them, be and hereby are authorized and directed to execute, acknowledge and deliver to the now acting Trustees under the Will of Mortimer Fabricius Reynolds, deceased, a certificate or other instrument, in form approved by its counsel, that said property at No. 40 Spring Street, Rochester, N. Y. has ceased to be occupied by The Reynolds Library for its Library and/or for any of the educational purposes contemplated by the Act incorporating The Reynolds Library, and waiving the necessity for the expiration of a period of one year since said property ceased to be so used, in order to constitute a breach of said condition, and waiving any formal re-entry upon said premises by said Trustees, and further waiving the obtaining of any formal determination of the existence of a breach of said condition upon which said premises were devised to the corporation, as aforesaid, either in a court of competent jurisdiction or otherwise:
Further

RESOLVED: That in order to carry out the meaning and intention of said Mortimer Fabricius Reynolds and the terms of his Will and Codocil, in so far as this corporation may assist in carrying out the same, the officers of the corporation, or any one of them, are further authorized and directed, at any time when requested by the Trustees under said will so to do, to execute, acknowledge and deliver to said Trustees, on behalf of the corporation, a quitclaim deed, in form to be approved by its counsel, of all its right, title and interest, of any nature whatsoever, in said premises at No. 40 Spring Street, Rochester, N. Y.:

Further

RESOLVED: That in case said deed shall not be requested until the termination of the trust created by paragraph Eighth of said Will, said deed be executed and delivered to the persons entitled to the residuary estate of said Mortimer Fabricius Reynolds, upon the termination of said trust:
Further

RESOLVED: That in case said Trustees or said persons entitled to the residuary estate, in case said deed is not requested until after the termination of such trust, shall have contracted to sell said premises at No. 40 Spring Street, Rochester,

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N.Y., prior to request being made to the corporation for the execution of such deed, said deed may be executed and delivered to such person or persons, or corporations, as shall have contracted to purchase said premises, or the nominee or nominees of said purchaser or purchasers.

By invitation of the President, Mr. Frank J. Goodwin of the Hubbell-Taylor firm was present at the meeting and explained to the Board the legal points involved. In brief, it is the opinion of Mr. Bentley and Mr. Goodwin that the clause of the will of Mortimer F. Reynolds providing that the title of this Board to the Spring Street property shall terminate when that property has ceased to be used for library purposes for more than one year is of doubtful legal validity, for the reason that the condition so imposed might under conceivable circumstances have taken effect after the limit of two lives and twenty-one years fixed by the law; though as a matter of fact it does fall within the lifetime of the one surviving executor of the estate, Mrs. Mary Belle Anstice. Further, the codicil to the will providing that in the event of reversion of title the Spring Street property "shall be disposed of as if it were part of the residuary estate," is also believed by counsel to be of doubtful legal validity for the reason that "it is possible that the only persons entitled to re-enter upon said premises, or recover the same for breach of condition, are the heirs-at-law now living" of Mr. Reynolds. These heirs-at-law may include other persons in addition to the beneficiaries of the trust now holding the residuary estate. These legal difficulties might be settled by formal determination and judgment of a competent court, but such a proceeding would be slow and expensive. In view of the fact that the intent of the testator is clear, the recommendation of counsel is that the Board waive all possible legal claim to an absolute title to the Spring Street property which it might perhaps successfully defend if the issue were raised, and execute a certificate of waiver and, when requested by the trustees of the Reynolds estate, a

quitclaim deed to clear the title. It was explained by Mr. Goodwin that there is no exact precedent for this case in the decisions of New York State courts, though a somewhat similar case involving a church has been decided in Massachusetts. The substance of the opinion of counsel was to the effect that the Reynolds Library probably has absolute title to the Spring Street property notwithstanding the provisions of the will and the codicil, for technical legal reasons; but that the Board has the right to waive its claims and turn the property back to the estate by suitable documents designed to carry out the evident intent of the testator.

This last point was questioned by Mr. Bacon in the discussion that followed Mr. Goodwin's remarks. Mr. Bacon doubted whether the Board has a legal right to transfer without consideration a valuable property to which it may have absolute title; and he was of opinion that it would be illegal to transfer it to the trustees of the Reynolds estate if there are any surviving heirs-at-law of Mortimer F. Reynolds not included among the beneficiaries of the estate trust holding the residuary estate. If there are any such heirs they might hold this Board responsible for a transfer ignoring their possible rights under the will.

After considerable discussion it was agreed that the Board was not ready to act upon the proposed resolution, and it was voted that Mr. Bacon be requested to confer with the attorneys, and with Mr. George A. Carnahan, honorary member of the Board, and report at an adjourned meeting what steps should be taken. In order that such a meeting may be held before the

next regular meeting, it was moved by Dr. Rhees, seconded and carried, that when the Board adjourns it should adjourn to a date to be fixed by the President.

Other business was then taken up after the withdrawal of Mr. Goodwin. The resignation of Mr. George H. Hawks as a member of the Board, dated October 6, 1937, on account of pressure of other duties, was presented by the secretary. On motion of Dr. Rhees, seconded by Mr. Weller, the resignation was regretfully accepted. This resignation leaves the membership of the Board at fifteen.

The report of the Treasurer, presented by Mr. Goodenough, is attached to these minutes. For the nine months ending September 30 the income from the Arcade building on an accrual basis was \$81,433.67 and the expenditures \$88,002.61. The expenditures were about \$13,000 larger than last year, some \$8,000 of which were for alterations in the building not yet transferred to capital account. It was agreed that the transfer should be deferred until the end of the year. The total operations of the corporation, including receipts from interest and dividends and expenditures of \$1,655.71 for the Reading Room and \$586.83 for care of the Spring Street property no longer in use, showed a net loss before depreciation of \$3,586.90 and a book loss after depreciation of \$23,599.92. The statement of investment accounts showed that during the nine months on recommendation of the Finance Committee various bonds had been sold for \$46,354.58 at a net loss of \$10,002.92, other bonds and stocks were bought for \$16,583.13, and the balance of \$29,501.45 was turned into the general funds of the corporation. The Treasurer's report was ordered received and filed. The report of the Finance Committee, presented by Mr. Weller, covering the

sales and purchases of securities above mentioned, was also ordered received and filed. The report of the Property Committee, submitted with the Treasurer's report, showed the building well rented and outstanding overdue rents of \$116.64.

The secretary reported for the Library Committee that the Reading Room is running as usual at reduced expense as compared with previous years. He reported that Mr. Lowe of the Public Library had been authorized to dispose of unwanted books from the Reynolds collection at his discretion, and if any cash should be realized from sales, to purchase books for the Reynolds Reference Library with the proceeds.

The secretary also inquired what disposition had been made by the Property Committee of the proposal to place in the entrance lobby of the Arcade a memorial tablet commemorating the old Arcade, text for which was prepared on request of the Board some years ago. The President and Treasurer reported that the matter had been forgotten, and Mr. Gilchrist was requested to take up with Gordon & Kaelber the question of designing and ordering such a tablet and to report at a later meeting of the Board.

The Treasurer reported that notwithstanding all efforts to the contrary the Assessors have lowered the exemption for the Reading Room from \$275,000 to \$175,000 for next year, thereby in effect increasing the ^{net} ~~assessment~~ ^{valuation} by \$100,000.

There being no further business, the Board was then adjourned by the chairman, subject to call for an adjourned meeting.

John R. Slater
Secretary

THE REYNOLDS LIBRARY INC.

Treasurer's Report
September 30, 1937

THE REYNOLDS LIBRARY INC.

CASH STATEMENT - INCOME AND EXPENDITURES

CASH BALANCE JANUARY 1, 1937

\$ 10,428.37

INCOME:	January	17,299.28
	February	10,800.44
	March	20,092.41
	April	12,980.58
	May	9,727.95
	June	9,807.95
	July	12,640.82
	August	9,333.30
	September	<u>30,089.53</u>

Total Income

132,772.06

\$ 143,200.43

EXPENDITURES:

January	16,972.16
February	5,449.04
March	10,860.29
April	23,947.43
May	20,951.04
June	9,352.56
July	9,636.03
August	8,972.42
September	<u>27,875.24</u>

Total Expenditures

134,016.21

CASH BALANCE SEPTEMBER 30, 1937

\$ 9,184.22

Above Balance Represented By:

Lincoln-Alliance a/c	8,260.59
Rech. Trust Fund a/c	<u>913.63</u>

9,174.22

Petty Cash

10.00

Total

\$ 9,184.22

THE REYNOLDS LIBRARY INC.

COMPARATIVE STATEMENT OF INCOME & EXPENSES ON AN ACCRUAL BASIS

	9 MOS. ENDED SEPT. 30, 1936	9 MOS. ENDED SEPT. 30, 1937
<u>INCOME</u>		
Rentals	69,987.88	77,143.64
Elec. & Water	1,884.88	2,767.06
Parking Station	1,086.25	1,250.00
Discounts	24.92	23.32
Sundry	141.94	249.66
	<u>73,125.87</u>	<u>81,433.67</u>
Int. & Dividends	4,957.47	5,224.50
Library Fines	289.67	5,224.50
	<u>5,247.14</u>	<u>5,224.50</u>
Total Income	\$ 78,373.01	\$ 86,658.17
<u>EXPENSES</u>		
Arcade Building -		
Operation	15,568.40	34,038.60
Payrolls	13,399.81	16,328.90
Insurance	1,183.14	1,089.78
Taxes: C&C	19,141.17	20,739.10
Int. on Mtg.	14,343.84	14,168.94
" " Loans	55.55	68.98
Misc. Eq. & Exp.	282.15	399.11
Parking Station	720.00	825.70
Legal & Audit	150.00	150.00
Legal & Prof.	153.28	193.50
	<u>64,997.34</u>	<u>88,002.61</u>
Library Property	7,238.20	586.83
	<u>\$ 72,235.54</u>	<u>\$ 88,589.44</u>
Reading Room -		
Operation	45.10	89.55
Salaries	1,872.93	1,566.16
	<u>\$ 1,918.03</u>	<u>\$ 1,655.71</u>
TOTAL EXPENSE BEFORE DEPREC.	\$ 74,373.02	\$ 90,245.15
Profit or Loss	\$ 3,999.99 P	\$ 3,586.98 L
Less Deprec. Exp.	\$ 19,558.73	\$ 20,012.04
NET LOSS	\$ 15,558.74	\$ 23,599.02

THE REYNOLDS LIBRARY INC.

STATEMENT OF ASSETS AND LIABILITIES

	<u>DEC. 31, 1936</u>	<u>SEPT. 30, 1937</u>
<u>ASSETS</u>		
CASH -		
General Funds	282.14	8,270.59
Permanent Funds	10,146.23	918.68
RECEIVABLES -		
Accounts (Rents)	150.82 CR	116.64
Int. & Dividends	631.50	1,419.76
Other	73.29	
INVESTMENTS -		
Cost - Regular a/c	174,061.49	134,557.12
" - Fund a/c		9,747.55
REAL ESTATE -		
Main Street	951,008.22	951,008.22
Less Deprec. 19,548.48	931,459.74	<u>34,663.17</u> 916,345.05
Spring Street	70,000.00	70,000.00
EQUIPMENT -		
Library	193,980.27	80,000.00
Building	65,298.38	65,298.38
Less Deprec. 6,529.82	58,768.56	<u>11,427.17</u> 53,871.21
DEFERRED CHARGES -		
Prepaid Expenses	2,547.13	7,692.55
Inventory	<u>472.90</u>	<u>542.91</u>
TOTAL ASSETS	\$ 1,442,272.43	\$ 1,283,477.01
<hr/>		
<u>LIABILITIES</u>		
ACCOUNTS PAYABLE -		
To complete Building	6,829.26	-0-
Building Contractor	825.28	-0-
Accrued Taxes	7,835.17	6,210.00
Sundry	1,054.89	-0-
NOTES PAYABLE -		
Mortgage Account	425,000.00	419,000.00
Interest Accrued	3,878.25	8,484.69
Investment Reserve	8,642.27	1,360.65 DR
Permanent Funds	10,146.23	10,554.10
" " Inv. Inc.		107.08
NET WORTH	<u>978,061.08</u>	<u>840,481.79</u>
TOTAL LIABILITIES	\$ 1,442,272.43	\$ 1,283,477.01

THE REYNOLDS LIBRARY INC.

INVESTMENT ACCOUNTS STATEMENT

BALANCE DECEMBER 31, 1936

\$ 174,061.49

SOLD:2/26 - 5M Chic. Northw.
4¹/₂s/2037

Cost	5,000.00
Sale	1,784.60
Loss	<u>3,215.40</u>

3/31 - 10M Grt. North.
Ry 4¹/₂s/61

Cost	10,000.00
Sale	11,018.90
Profit	<u>1,018.90</u>

4/13 - 10M So. Pac. RR
4s/55

Cost	9,787.50
Sale	10,418.69
Profit	<u>631.19</u>

7/6 - 3M Alum Ltd. Can.
5s/48 (Called)

Cost	2,958.00
Sale	3,150.00
Profit	<u>192.00</u>

9/13 - 20M NYC RR 5s/
2013

Cost	19,435.00
Sale	18,537.42
Loss	<u>897.58</u>

9/16 - 10M St. Louis &
SanFran. 4¹/₂s/78

Cost	9,177.00
Sale	1,444.97
Loss	<u>7,732.03</u>

TOTAL SALES	46,354.58
PLUS NET LOSS	<u>10,002.92</u>

56,357.50

\$ 117,703.99

PURCHASES:

3/19 - 15 Con. Gas. Common

1,193.00

9/13 - 35 Shs. Humble Oil "

2,639.78

3M Std. Oil of New
Jersey 3s/61

2,918.25

10M Penn. Co. 4s/63

10,102.1016,853.13

BALANCE SEPTEMBER 30, 1937

\$ 134,557.12

Total Cash from Sales	46,354.58
Less Cost of Purchases	<u>16,853.13</u>

Balance in Gen. Funds \$ 29,501.45

THE REYNOLDS LIBRARY INC.

ACCOUNTS RECEIVABLE STATEMENT

AS OF

SEPTEMBER 30, 1937

	DR.	CR.
ANGELIDIS		.68
ASSO. TRUCKING IND.	2.46	
DE BOER	70.00	
SMITH	4.14	
STONEBRAKER	<u>.72</u>	<u> </u>
	77.32	.68
PARKERS	<u>40.00</u>	
	117.32	
	<u>.68</u>	
BALANCE	\$ <u><u>116.64</u></u>	

Report of the Trustees of
Reynolds Library Inc.

as of

September 30, 1937

The first page of the attached report shows the flow of cash for the first nine months of the year leaving us with a cash balance of \$9,184.22. This was a larger than normal balance due to the fact that we were holding funds from the investment account for mortgage payment of \$6,000.

The second page of the report gives a comparison of the income and expense on an accrual basis for the past nine months as compared with the same period for 1936. You will note that our increase from rentals is better than \$7,000.00. Expenses have increased, but included in the amount for operation is a sum over \$26,000.00 which we have expended on new construction and alterations work for new tenants. This amount covers cost of construction in connection with the Woolworth addition, amounting to about \$8,000 and, in other new suites put in operation during this period. In this connection also, there has been an increase in the payroll expenses for over-time, amounting to \$650.00, in addition to the increase caused by raising salaries at the first of the year. As we have kept the records, a loss of \$3,586.98 is shown before depreciation. How much of the increase in operation, due to new construction, the Board will want to charge to capital expense, is a question for the meeting to consider.

Page three is a comparative statement of the assets and liabilities of the corporation since the last statement. Our general funds

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have increased due to the sale of securities. The Gordon and Bowman fund has increased somewhat due to the sale of books from the library. There have been charges in the investment account which are taken up in more detail on page four. Due to the sale of securities in the past nine months we have eaten up our investment reserve account and that account at present is represented by a debit balance of \$1,360.65. A new account for the Gordon and Bowman fund income has been opened to take care of the interest and dividends from securities in that account.

Net worth \$840,481.00 for September 30, 1937 shows a reduction of \$137,579.29 from the December 31, 1936 figure of \$978,061.00. This is accounted for by the write-off on books, card index and library equipment totalling \$113,980.27 and a loss after depreciation for the nine months of \$23,599.02.

The accounts receivable for the end of the quarter shows that the usual excellent collection job has been done for the period.

ANNUAL MEETING OF THE REYNOLDS LIBRARY BOARD OF TRUSTEES
February 4, 1938

The annual meeting of the Reynolds Library Board of Trustees was held on February 4, 1938, at 4 p.m., in the Board Room of the Arcade. Present: Messrs. Anstice, Bacon, Briggs, Gilchrist, Goodenough, Middleton, Perkins, Rhees, Slater, Thompson, and Weller. President Thompson in the chair.

The minutes of the last quarterly meeting were read and approved. The annual report of the Treasurer was presented by Mr. Goodenough, the full report being attached to these minutes. The statement of income and expenses on accrual basis showed income from the Arcade of \$110,029.56 and expenditures for the Arcade of \$90,619.75. The Reading Room, including cost of repainting, cost \$3,033.29. The total income of the corporation including \$6,106.62 from interest and dividends was \$116,136.18, and the total expenditures \$95,824.29 leaving a profit before depreciation of \$20,311.89 from which \$12,000 was paid on the principal of the mortgage.

The total assets have been reduced during the year from \$1,442,272.43 to \$1,292,070.40 by reason of depreciation on the Arcade and the library books and sales of securities. The investment account has been reduced from \$174,061.49 to \$134,557.13. The treasurer's report was ordered accepted and filed.

On motion duly made and seconded the budget recommended by the Finance Committee of \$97,547.50 for the Arcade and \$2,900 for the Reading Room was adopted. The committee expects a profit for the present year between \$15,000 and \$18,000 with an obligation to pay off \$14,000 on the mortgage.

THE REYNOLDS LIBRARY INC.

Annual Statement
December 31, 1937

THE REYNOLDS LIBRARY INC.

SUMMARY STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
1937

		<u>DISBURSEMENTS</u>	<u>CASH RECEIPTS</u>
CASH BALANCE JANUARY 1, 1937			\$ 10,428.37
Interest - Bank Balances	61.58		
Interest - Bonds	6,317.82		
Dividends - Stocks	544.88		
Notes Payable - Line.All.	<u>8,500.00</u>		15,424.28
Arcade Building -			
Income: Rentals, Pkg.			
Sta. & Misc.	110,214.80		
Less Expenses	<u>91,501.36</u>		
	18,713.44		
Plus Discounts	<u>28.78</u>		18,742.22
Other -			
Sale of Bonds	46,354.58		
Less Purchases	<u>26,600.68</u>		19,753.90
Reading Room -			
Expenses		3,033.09	
Library Property -			
Expenses	906.14		
Less Inc. from sale books	<u>354.75</u>	551.39	
Capital Additions -			
Acc'ts Payable - Contract	7,654.54		
Alterations	<u>17,565.71</u>	25,220.25	
Miscellaneous -			
Legal & Prof.	193.50		
Trust Fees	<u>198.79</u>	392.29	
Notes Payable - Line.All.	8,500.00		
Payments on Mortgage	12,000.00		
Acc'ts Payable ('36 Exp)	<u>1,054.89</u>	<u>21,554.89</u>	
		\$ 50,751.91	\$ 64,348.77
			<u>50,751.91</u>
CASH BALANCE AS OF DECEMBER 31, 1937			\$ <u>13,596.86</u>
Above Balance Represented By:			
Lincoln-Alliance Bk. a/o	12,489.77		
Rech. Trust Spec. Fund "	1,097.09		
Petty Cash	<u>10.00</u>		
Total			\$ <u>13,596.86</u>

THE REYNOLDS LIBRARY INC.

INCOME AND EXPENSE STATEMENT ON ACCRUAL BASIS WITH BUDGETS

	<u>1937 BUDGET</u>	<u>1937 ACTUAL</u>	<u>PROPOSED 1938 BUDGET</u>
<u>INCOME</u>			
Rentals	100,000.00	104,172.38	105,000.00
Electricity & Water	2,800.00	3,840.25	3,750.00
Sundry	300.00	285.40	300.00
Discounts		28.78	
Parking Station	<u>1,500.00</u>	<u>1,702.75</u>	<u>1,600.00</u>
	104,600.00	110,029.56	110,650.00
Interest & Dividends	<u>6,966.00</u>	<u>6,106.62</u>	<u>5,235.00</u>
Totals	\$ 111,566.00	\$ 116,136.18	\$ 115,885.00
<u>EXPENSES</u>			
<u>Arcade Building -</u>			
Operation	20,027.00	20,925.09	24,977.50
Pay rolls	19,000.00	21,194.90	21,000.00
Insurance	1,400.00	1,438.11	1,500.00
Taxes: County & City	27,500.00	26,170.90	28,840.00
Interest on Mortgage	18,990.00	18,828.75	18,300.00
Interest on Loans	200.00	68.98	200.00
Misc. Eq., Adv. & Exp.	500.00	563.82	500.00
Parking Station	1,080.00	1,085.70	1,080.00
Legal & Audit	150.00	150.00	150.00
Legal & Prof.	<u>500.00</u>	<u>193.50</u>	<u>500.00</u>
	\$ 89,347.00	\$ 90,619.75	\$ 97,047.50
Library Prop. Exp.	250.00	806.66	500.00
Bad Debts		4.14	
Loss on Sale Bonds		<u>1,360.65</u>	
	\$ 89,597.00	\$ 92,791.20	\$ 97 ,547.50
<u>Reading Room -</u>			
Operation	800.00	962.93	800.00
Salaries	<u>2,100.00</u>	<u>2,070.16</u>	<u>2,100.00</u>
	\$ 2,900.00	\$ 3,033.29	\$ 2,900.00
TOTAL EXPENSES	\$ 92,497.00	\$ 95,824.29	\$ 100,447.50
<u>PROFIT BEFORE DEPRECIATION</u>		\$ 20,311.89	
LESS DEPRECIATION EXPENSE		\$ 26,682.72	
<u>NET LOSS FOR YEAR</u>		\$ <u>6,370.83</u>	

* * * * *

THE REYNOLDS LIBRARY INC.

STATEMENT OF ASSETS & LIABILITIES WITH COMPARISON

		<u>DECEMBER 31, 1936</u>		<u>DECEMBER 31, 1937</u>	
<u>ASSETS</u>					
CASH -					
General Funds		282.14		12,499.77	
Permanent Funds		10,146.23		1,097.09	
RECEIVABLES -					
Accounts (Rents)		150.82CR		98.42	
Interest & Dividends		631.50		157.50	
Other		73.29			
INVESTMENTS -					
Regular Account		174,061.49		134,557.12	
Fund Account				9,747.55	
REAL ESTATE -					
Main Street	951,008.22		951,008.22		
Less Deprec.	<u>19,548.48</u>	931,459.74	<u>39,701.40</u>	911,306.82	
Spring Street		70,000.00		70,000.00	
EQUIPMENT -					
Library Books		193,980.27		80,000.00	
DEFERRED CHARGES -					
Construction					
a/e Special	65,298.38		82,864.12		
Less Deprec.	<u>6,529.82</u>	58,768.56	<u>13,059.62</u>	69,804.50	
Prepaid Expenses		2,547.13		2,293.18	
Inventory		<u>472.90</u>		<u>508.45</u>	
TOTAL ASSETS		\$ 1,442,272.43		\$ 1,292,070.40	
<hr/>					
<u>LIABILITIES</u>					
ACCOUNTS PAYABLE -					
To Complete Building		6,829.26			
Bldg. Contractor		825.28			
Accrued Taxes		7,835.17		6,798.78	
Sundry		1,054.89			
NOTES PAYABLE -					
Mortgage Account		425,000.00		413,000.00	
Interest Accrued		3,878.25		3,717.00	
Permanent Funds		10,146.23		10,562.56	
Perm. Fund Invest. Inc.				282.08	
Investment Reserve		8,642.27			
NET WORTH		<u>978,061.08</u>		<u>857,709.98</u>	
TOTAL LIABILITIES		\$ 1,442,272.43		\$ 1,292,070.40	

THE REYNOLDS LIBRARY INC.

INVESTMENT ACCOUNT STATEMENT FOR YEAR 1937

INVESTMENT ACCOUNT BALANCE JANUARY 1, 1937

\$ 174,061.49

SALES -LOSS PROFIT

2/28/37 - 5M Chic. No. Ry. 4 $\frac{1}{2}$ s/2037		
Cost	5,000.00	
Sale Pr.	<u>1,784.60</u>	3,215.40
3/20/37 - 10M Gt. No. Ry. 4 $\frac{1}{2}$ s/61		
Cost	10,000.00	
Sale Pr.	<u>11,018.90</u>	1,018.90
4/13/37 - 10M So. Pac. 4s/55		
Cost	9,787.50	
Sale Pr.	<u>10,418.69</u>	631.19
7/6/37 - 3M Alum. Ltd. 5s/48(Called)		
Cost	2,958.00	
Sale Pr.	<u>3,150.00</u>	192.00
8/13/37 - 20M NYC 5s/2013 "C"		
Cost	19,435.00	
Sale Pr.	<u>18,537.42</u>	897.58
8/16/37 - 10M St. Louis 4 $\frac{1}{2}$ s/78		
Cost	9,177.00	
Sale Pr.	<u>1,444.97</u>	<u>7,732.03</u>
Totals		
	11,845.01	1,842.09
	<u>1,842.09</u>	

NET LOSS

10,002.92

TOTAL AMOUNT OF SALES

46,354.58

\$ 117,703.99

PURCHASES -

3/19/37 - 15 Shs. Cons. Gas of Balt. Comm.	1,193.00
9/15/37 - 35 Shs. Humble Oil Common	2,639.78
3M Std. Oil of N. J. 3s/61	2,918.25
10M Penn. Co. 4s/63	<u>10,102.10</u>

TOTAL PURCHASES

16,853.13

BALANCE OF INVESTMENT ACCOUNT DECEMBER 31, 1937

\$ 134,557.12

Cash Received from Sales	46,354.58
Less Cost of Purchases	<u>16,853.13</u>
Difference in Gen'l Funds	\$29,501.45

Treasurer's Report

December 31, 1937

Page #1 of our Annual Statement shows briefly a summary of cash receipts and disbursements - starting with a Cash Balance of \$10,428.37 January 1, 1937, and finishing December 31, 1937, with a balance of \$13,596.86, as represented by deposits and cash as shown at the foot of the page.

Page #2 of the Statement gives in the first column our Budget of 1937 - in the second column shows our Actual Income and Expense - and the third column our proposed Budget for 1938.

Due to increased occupancy our income from the Arcade and services amounted to \$110,029, as against our expected \$104,600. Interest and Dividends from investments were off \$860, due to sales and changes in our list.

Our Expense for the Arcade of \$90,619 ran pretty much as expected with two exceptions - Payrolls for the Arcade were up \$2000. above our budget figure, due chiefly to additional work demanded by new tenants and some payroll adjustments. Completion of the building for tenants, or unusual alteration for tenants such as making over Arcade stores for Woolworth, totaled \$17,565 for the year. This amount we have been carrying in expense this year until the present statement where we have taken it out of expense and made it a capital charge. The operation of the Arcade Building thus shows a profit for the year of approximately \$19,500.

Other expense, including Library Property - write off of investment loss - and Reading Room operation, brought the total expense of the corporation to \$95,824, against a total income of

\$116,138, leaving a Net Profit before Depreciation of \$20,311, and after Depreciation of \$26,682 we have a Loss of \$6,370.

Our Budget for 1938 anticipates an income of \$115,885. Estimated operating expense of the Arcade has been increased \$4000 over last year as we have set up accounts anticipating alterations for tenants and extraordinary replacement of equipment amounting to \$4000. This, with an added \$2,600 for County & City taxes, accounts for increase in our expense budget to \$97,547.50 which we are asking the Board to approve in addition to the amount required for the Reading Room.

Page #3 of the Statement shows Assets and Liabilities of the corporation on December 31, 1937, as compared with the year previous.

Increased cash was in anticipation of January tax requirements; change in investment account is given in more detail on page #4. Under Deferred Charges the item \$65,298 is increased by the amount of construction work charged to capital - heretofore mentioned - thus increasing the total \$82,864.

Under Liabilities we have made some progress in cleaning up accounts. The Building is officially completed. \$12,000 has been paid off on the mortgage.

Our Net Worth has been reduced since the previous annual statement by \$120,351. This reduction is due to the following:

Net Loss for the 12 mos.	\$ 6,370.00
Reduction in Value of Books	86,431.00
Card Index Charge Off	17,000.00
Furniture & Fixture Charge Off	<u>10,548.00</u>
	\$120,351.00

We anticipate for the coming year a profit between \$15,000 and \$18,000 with an obligation to pay of \$14,000 on the mortgage.

The Property Committee reported the Arcade about 90% rented. The building being now approximately completed, cost of previous construction work has been transferred to capital account, and future repairs and alterations will be charged to current expenses.

The Library Committee reported that the Reading Room in charge of Edward C. Herbrand has had a total attendance for the year of 79,854, or a daily average of 222. The committee also read a letter from Mr. John A. Lowe replying to inquiries made by the auditors concerning inventories maintained by the Rochester Public Library for the Reynolds books. The letter indicated that the shelf list and accession records of the Reynolds Library are kept up to date by entering all books disposed of and all books recatalogued. The present number of Reynolds books in the Rundel Memorial Building is 90,992 of which 3,294 have been recatalogued.

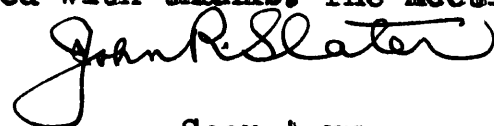
In response to the request of President Thompson and the Finance Committee for an expression of opinion from the Library Committee on the subject of future contributions by the Board to the Public Library for the purchase of new books for the Reynolds Library, the secretary reported for the Library Committee that in its opinion such contributions should be begun at the earliest possible date. It was pointed out that no new books have been added to the Reynolds collection for a number of years, that it is steadily losing its value as a reference collection by reason of failure to keep it up to date, and that its present status in the Public Library is not creditable to this Board or to the memory of the founder. The primary purpose of operating the Arcade being to provide library funds, it is desirable that this purpose should be resumed without

unnecessary delay. It was moved by Mr. Anstice, seconded by Dr. Rhees, that the Finance Committee be requested to report at the next meeting whether a quarterly contribution of \$1,500 for the purchase of books for the Reynolds Library can be begun during the present year. The motion was carried.

Mr. Bacon, having been requested by the Board at the October meeting to confer with Mr. Anstice and Mr. Raymond Bentley on the legal questions concerning title to the Spring Street property, reported a recommendation that the trustees of the Reynolds estate be requested to institute a proceeding in the Surrogate's Court for a construction of the will. It was his opinion that without such a judicial decision neither the trustees of the Reynolds estate nor the Reynolds heirs-at-law nor the Reynolds Library would have a marketable title to the property. Mr. Bacon's report is filed with these minutes. In accordance with his recommendation it was moved by Dr. Perkins, seconded by Mr. Gilchrist, and voted that this Board request the trustees of the Reynolds estate to institute a proceeding in the Surrogate's Court to determine title to the Spring Street property.

Mr. Gilchrist reported the result of his inquiries regarding a memorial plaque commemorating the old Arcade to be installed in the lobby of the present Arcade. He showed preliminary sketches made by Gordon & Kaelber, containing the proposed inscription with and without a drawing of the old building taken from an early woodcut. He was authorized to proceed with the matter and obtain estimates.

The chairman read a letter from Judge Carnahan accompanying an oak gavel made from timbers of the old Arcade for the use of the Board, which was ordered accepted with thanks. The meeting then adjourned.



Secretary

MEMORANDUM

In re: Title to the Reynolds Residence Property on Spring St.

February 4, 1938

In accordance with the instructions to the Committee appointed at the last meeting of the Board, consisting of myself and Mr. Mortimer R. Anstice, we have consulted with each other, and with Mr. Raymond Bentley, and have come to these conclusions:

The title to the land may be eventually determined to be in

1. The Trustees under the Will, or
2. The heirs at law at the time of the operation of the condition subsequent, i.e., one year from the abandonment, or
3. The Reynolds Library.

The Trustees (i.e. the Estate) are now the owners, if the gift over to them as expressed in the Will, after the operation of the condition, is determined by the court to be legal.

But if the gift over as expressed in the Will is determined to be illegal, the title would then be in the heirs at law of the testator, or possibly in the Reynolds Library.

The principal question, of course, is whether the obvious intention of the testator is so expressed as to come within the legal limitations on future gifts by will.

I have had an extended conference, as directed, with Mr. Bentley, whose firm represents the Reynolds Estate, and we have agreed as to what ought to be done to settle the question of title.

There is the possibility of the court determining that the title is in the Library. There is a Massachusetts decision on very similar facts, which if applied in this case would result in the title being declared to be in the Library; however, no New York decision to the same effect has been discovered.

This being the situation, Mr. Bentley and I are agreed that wherever the title to the land may actually be, no one properly advised would purchase the title, without a court decision, from any one of the three classes of possible owners, i.e. the Trustees, the heirs at law or the Reynolds Library. We agreed also that the simplest, cheapest and quickest method of obtaining a judicial decision would be by instituting a proceeding in the Surrogate's Court for a construction of the Will of Mr. Reynolds; this proceeding would be instituted by the Trustees, represented by their attorneys, Messrs. Hubbell, Taylor, Goodwin, Nixon and Hargrave, and the other parties to the proceeding would be the heirs at law (some half dozen people) and the Reynolds Library.

As to the probable outcome, no one can speak with confidence.

This Board, naturally, thinks that the obvious intention of the testator, Mr. Reynolds, ought to control, and its members would be personally pleased to have such a construction proceeding result in determining the title to be in the Trustees of the Estate; I think, however, that the Trustees of the Library as a Board would be under a moral obligation to present such arguments as may be available to protect the rights, if any, of the Library.

Certainly the obvious intention of Mr. Reynolds can not be maintained and secured simply by the Library making a gratuitous conveyance of what rights the Library may have to the Trustees of the Estate, for the Trustees, without a judicial determination, would still not have a marketable title.

Leonor B. B. B.

January 20, 1938

Wilson Shults and Company
1111 Commerce Building
119 Main Street East
Rochester, New York

Gentlemen:

Mr Donald B. Gilchrist has asked me to send you a statement as to the records kept by the Rochester Public Library as custodians of the Reynolds Library.

The Library has adopted the following procedure, to meet its obligation under the agreement between the City of Rochester and the Reynolds Library:

1. The Accessions Record is maintained intact as written by the Reynolds Library, and on it is indicated a record of all books withdrawn or recatalogued.
2. New Accessions are recorded in the regular Rochester Public Library Accessions Record.
3. The shelf list as made by the Reynolds Library is maintained and on it is indicated all books recatalogued or withdrawn.
4. A new Reynolds shelf list separate from the old one is being made for all Reynolds books recatalogued.
5. A careful inventory was made of all books transferred in September 1936, and the (original) shelf list was used for this purpose, all records being indicated on it.
6. Before any books are withdrawn, a list of all books which in the process of recataloguing seem to be no longer essential to be preserved is sent to Professor Slater and Mr Gilchrist and action taken in accordance with authority received from them.

The following figures may be of interest:

Report on Number of Volumes in Reynolds Collection

December 31, 1937

Received from Reynolds Library - September, 1936

91,343	volumes
<u>373</u>	withdrawn
90,970	
22	added (by gift 21, by purchase 1)
<u>90,992</u>	
3,294	recatalogued
<u>87,698</u>	

363 volumes rebound \$220.10 from Rochester Public
Library funds

If we can be of further service we shall await
your instructions with pleasure.

Very truly yours,

John A. Lowe
Director of Libraries

JAL'D

CARNAHAN AND BLOCK
ATTORNEYS AND COUNSELORS AT LAW
412 UNION TRUST BUILDING
ROCHESTER, N. Y.

GEORGE A. CARNAHAN
WILTON A. BLOCK
LESTER A. FANNING

November 3, 1937

Mr. Ray Thompson
President Reynolds Library
Board of Trustees
Rochester, New York

Dear Mr. Thompson:

The gavel which is handed you with this letter was turned out of a section of a timber of the old Reynolds Arcade, which timber must have been over one hundred years of age. It was delivered to me by Mr. McKown two to four years ago and I had forgotten it and found it in the office safe a few days ago.

The gavel was turned out of a timber by a man employed in the office of the Western Union Telegraph Company, whose name Mr. McKown does not now recall, but states that he could be traced through the Rochester Trust & Safe Deposit Company and lives near Rochester.

I think the gavel will be of interest to the members of the Board of Trustees and will be preserved and used by the presiding officer of the Board as a memento of the old building.

Sincerely yours,



GAC:S

REGULAR QUARTERLY MEETING OF THE REYNOLDS LIBRARY, APRIL 15, 1938

The regular quarterly meeting of The Reynolds Library Board was held April 15, 1938, at 4 p.m. in the Board Room of the Arcade. Present: Messrs. Anstice, Briggs, Goodenough, Miner, Rhees, Slater, Thompson, and Weller.

The minutes of the preceding meeting were read and approved. President Thompson stated that the annual election of officers, which normally would have been held at the Annual Meeting in February, had been deferred to this date. He also expressed his inability to continue in the office of president. In the hope that he might be persuaded to change this decision, it was moved by Dr. Rhees, seconded by Mr. Miner, and carried that the secretary be directed to cast one ballot for the re-election of the present officers with the exception of the president. It was then moved, seconded, and carried that the question of filling the office of president be referred to the Executive Committee to report at the June meeting, the present incumbent retaining office until a successor is elected.

The report of the Treasurer, presented by Mr. Goodenough, for the three months ending March 31 showed income from the Arcade of \$28,640.35, expenses for the Arcade \$23,350.23; other income bringing the total up to \$29,949.60 and other expenses including the Reading Room making a total of \$24,166.95. The profit before depreciation was \$5,782.65, the loss after depreciation \$1,327.17. The report was ordered accepted and filed.

The Property Committee Report showed some changes in tenants and some minor repairs. For the first time the Waldorf restaurant paid excess rental of \$312 on earnings above the guaranteed minimum.

The Finance Committee presented a report pursuant to the action taken at the previous meeting on the subject of a contribution to the Public Library for purchase of reference books. After some discussion it was agreed that the sum of \$1,000 representing approximately the accrued interest on the Bowman Fund since it was established should be placed at the disposal of the President, the Treasurer, and the Chairman of the Library Committee to be paid to the Public Library for purchase of reference books for the Reynolds collection if and when in their discretion the payment would best achieve the desired purpose of indicating the intention of the Reynolds Board to make such contributions whenever their finances permit. It was moved by Dr. Rhees, duly seconded, and voted that the recommendation of the Finance Committee be approved.

The chairman of the Library Committee reported that the matter of installing a memorial plaque commemorating the old Arcade is still receiving attention. Being shown two enlarged views of the old Arcade, one an exterior elevation, the other an interior with figures in antique costume, the members present were unanimous in preferring the interior.

In the matter of the proposed suit in Surrogate's Court to determine the title to the Spring Street property, it was reported by Mr. Anstice that no steps have yet been taken, because of Mr. Bacon's illness and because it is now thought that the action should be in the Supreme Court rather than in Surrogate's Court.

The meeting then adjourned.


Secretary

THE REYNOLDS LIBRARY INC.

Quarterly Report

March 31, 1938

THE REYNOLDS LIBRARY INC.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

CASH BALANCE JANUARY 1, 1938		\$ 13,506.06
------------------------------	--	--------------

CASH RECEIPTS:

January	9,797.64	
February	10,074.58	
March	<u>9,650.54</u>	<u>29,522.76</u>

	\$ 43,119.62
--	--------------

EXPENDITURES:

January	16,496.43	
February	5,803.31	
March	<u>9,684.43</u>	<u>30,184.17</u>

	\$ <u>12,935.45</u>
--	---------------------

BANK BALANCES & CASH ON HAND

MARCH 31, 1938:

Lincoln-Alliance a/c	11,573.36
Roch. Trust Fund a/c	<u>1,352.09</u>

	12,925.45
Petty Cash	<u>10.00</u>

	\$ <u>12,935.45</u>
--	---------------------

THE REYNOLDS LIBRARY INC.

STATEMENT OF INCOME & EXPENSES - ACCRUAL WITH BUDGET

<u>INCOME</u>	<u>3 MOS. ENDED MCH. 31, 1937</u>	<u>3 MOS. ENDED MCH. 31, 1938</u>	<u>B U D G E T 3 MOS. 1938</u>
Rentals	24,469.80	26,972.55	26,250.00
Elec. & Water	897.16	1,233.41	937.50
Sundry	80.94	33.49	75.00
Discounts	5.88	7.65	
Parking Station	<u>412.75</u>	<u>593.75</u>	<u>399.99</u>
	\$ 25,866.53	\$ 28,840.85	\$ 27,662.49
Int. & Dividends	<u>1,741.50</u>	<u>1,308.75</u>	<u>1,308.75</u>
Total Income	\$ 27,608.03	\$ 29,949.60	\$ 28,971.24
<u>EXPENSES</u>			
Arcade Building -			
Operation	7,211.41	6,235.63	6,299.36
Payrolls	4,833.93	4,365.91	5,250.00
Insurance	343.24	354.12	375.00
Taxes: C&C	6,913.06	7,210.77	7,209.00
Int. on Mortgage	4,781.25	4,646.25	4,575.00
" " Loans	55.70		51.00
Miscellaneous	148.35	127.56	125.01
Parking Station	260.00	260.00	270.00
Legal & Audit	150.00	150.00	27.50
Legal & Professional	<u>193.00</u>		<u>125.10</u>
	\$ 24,691.44	\$ 23,360.23	\$ 24,297.99
Spring St. Prop. Exp.	<u>288.70</u>	<u>252.07</u>	<u>125.10</u>
	\$ 24,980.14	\$ 23,602.30	\$ 24,423.09
Reading Room -			
Operation	65.05	60.65	200.10
Salaries	<u>504.00</u>	<u>504.00</u>	<u>525.00</u>
	\$ 569.05	\$ 564.65	\$ 725.10
TOTAL EXPENSES BEFORE DEPRAC.	\$ 25,549.19	\$ 24,166.95	\$ 25,148.19
Profit or Loss	\$ 2,058.84 F	\$ 5,782.65 F	
Less Depreciation	\$ 6,570.68	\$ 7,109.82	
NET PROFIT OR LOSS	\$ 4,611.64 L	\$ 1,527.17 L	

THE REYNOLDS LIBRARY INC.

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES

	<u>DECEMBER 31, 1937</u>		<u>MARCH 31, 1938</u>	
<u>ASSETS</u>				
CASH -				
General Funds		12,499.77		11,583.36
Permanent Funds		1,067.09		1,352.09
RECEIVABLES -				
Accounts (Rents)		98.42		55.52
Int. & Dividends		157.50		971.25
INVESTMENTS -				
Regular a/c		134,557.12		134,557.12
Perm. Fund a/c		9,747.55		9,747.55
REAL ESTATE -				
Main Street	951,008.22		951,008.22	
Less Deprec.	<u>39,701.40</u>	911,306.82	<u>44,739.63</u>	906,268.59
Spring Street		70,000.00		70,000.00
EQUIPMENT -				
Library Books		80,000.00		80,000.00
DEFERRED CHARGES -				
Constr. a/c Sp.	62,864.12		62,864.12	
Less Deprec.	<u>13,059.62</u>	69,804.50	<u>15,131.21</u>	67,732.91
Prepaid Expenses		2,295.18		7,756.90
Inventory		<u>508.45</u>		<u>518.56</u>
TOTAL ASSETS		\$ 1,292,070.40		\$ 1,290,545.65
<hr/>				
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE -				
Accrued Taxes		6,796.78		1,699.95
Sundry				
NOTES PAYABLE -				
Mortgage Account		413,000.00		413,000.00
Accrued Interest		3,717.00		8,563.25
Permanent Funds		10,562.56		10,792.56
Perm. Fund Inv. Inc.		282.08		307.08
NET WORTH		<u>857,709.98</u>		<u>856,552.81</u>
TOTAL LIABILITIES		\$ 1,292,070.40		\$ 1,290,545.65

THE REYNOLDS LIBRARY INC.

ACCOUNTS RECEIVABLE STATEMENT AS OF
MARCH 31, 1933

	<u>DR.</u>	<u>CR.</u>	
ANGELIDIS		.48	
DE BOER	65.00		
ELEC. CONTRACTORS' ASSOCIATION		35.00	(New Tenant April 1st)

PAYMENTS:

Hartfuer	4.00		
Kenyon	6.00		
Hoodenburg	<u>16.00</u>	<u>26.00</u>	
		91.00	35.48
		<u>35.48</u>	
Balance per G/L	\$ <u><u>55.52</u></u>		

TREASURER'S REPORT

March 31, 1938

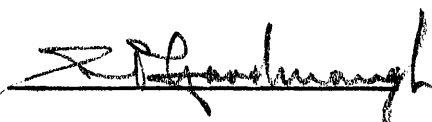
On Page I of the quarterly statement herewith presented, will be found the Cash Receipts and Disbursements for the period ending March 31, 1938, showing a Cash balance at the end of the quarter of \$12,935.45. This, together with the April income, will take care of our extensive cash requirements for the month of April - due to Mortgage payment and Interest due April 18, 1938.

On Page II will be found a comparison of the Income and Expenses on the Accrual Basis for the three months of 1937 and 1938, together with Budget for the three months of 1938. You will note that our income has increased over the same period of last year and expenses - before depreciation - have decreased. There remains for the period ending March 31, 1938, a Net Loss of \$1,327.17, as compared with \$4,611.84 of last year.

On Page III will be found a comparison of the Assets and Liabilities for December 31, 1937, and March 31, 1938. No changes have taken place in the Investment Account, as you will note. Change in Net Worth Account reflects Loss for the quarter.

Page IV shows our Accounts Receivable Statement as of March 31, 1938, with a balance of \$55.53. We have no tenants who lag behind - in fact, practically all rental bills are paid up before the 15th of the current month.

Signed



Presented at April 15th Meeting.

Bldg. Manager's Report

March 31, 1938

During the past quarter we have obtained one new tenant, namely, The Rochester Electrical Contractors' Association, who has taken Suite No. 922 at the rental of \$35.00 per month. We completed the suite ourselves.

The Penn-Dixie Cement Corporation wish to decrease their space. They now occupy 996 feet and want to reduce it to 630 feet. They want to retain the window space on the east and two of the front windows.

Tucker Anthony reduced their space but same was taken over by Willard Smith, however, it is agreed that if Mr. Smith defaults in his rent at any time Tucker Anthony will re-lease this space. We changed partitions in Tucker Anthony's office, as well as re-vamping space taken over by Willard Smith, which is now Suite No. 220.

We installed two heaters in the Waldorf front entrance.

In the basement we installed a hot water pre-heater.

A permit was obtained for an areaway on the Corinthian Street side-walk, rear of building. Pikes have the material on the job and will proceed with the new areaway as soon as weather permits.

No other changes have taken place in the building since the first of the year.

Signed

A handwritten signature in dark ink, appearing to be "R. H. [unclear]", written over a horizontal line.

(For meeting Apr. 15, 1938)

EDWARD G. MINER
ROCHESTER, N.Y.

May Ninth
1938

My dear Dr. Slater:

As I understood the action of the Board at its last meeting, I was instructed to propose names for Officers and Committees, and I suggest the following:-

President, Raymond L. Thompson
First Vice-Pres., Rush Rhees
Second Vice-Pres., J. F. Weller
Secretary, John R. Slater
Treasurer, Swayne P. Goodenough
Asst. Treas., Mr. Goodenough to select one.

Executive Committee:

~~E. G. Miner~~ ~~Rush Rhees~~, Chairman
T. E. Briggs
E. W. Middleton
~~E. G. Miner~~
~~Rush Rhees~~

Building Committee:

Swayne P. Goodenough, Chairman
M. R. Anstice
A. A. Hopeman
T. E. Briggs
John D. Pike

Library Committee:

John R. Slater, Chairman
Rush Rhees
Dexter Perkins
D. B. Gilchrist
Leonard Bacon

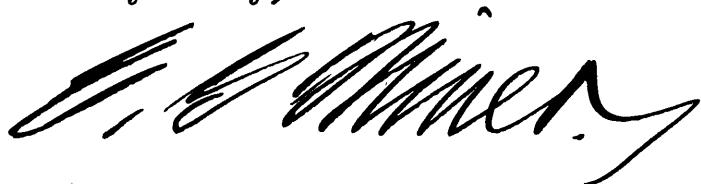
Finance Committee:

J. F. Weller, Chairman
R. L. Thompson
Swayne P. Goodenough
E. G. Miner

I assume that you will be able to submit these names to the Board at its next meeting.

Yours very truly,

Dr. John R. Slater,
Secretary,
Reynolds Library,
Rochester, N. Y.



THE UNIVERSITY OF ROCHESTER

INTRAMURAL CORRESPONDENCE

May 2, 1938

Dr. John R. Slater
Morey Hall

Dear Dr. Slater:

As directed at the last meeting of Reynolds Library Board, Mr. Miner and I have had several conversations with reference to committee appointments for the current year.

I am enclosing a list which has been approved by both of us. I suggest that you retain it and present it to the Board at the next meeting.

Sincerely yours,

A handwritten signature in cursive script, reading "Ray Thompson". The signature is written in dark ink and is positioned below the typed name "Ray Thompson".

REYNOLDS LIBRARY

Executive Committee:

Edward G. Miner, Chairman
T. E. Briggs
E. W. Middleton
Rush Rhees

Building Committee:

Swayne P. Goodenough, Chairman
M. R. Anstice
A. A. Hopeman
T. E. Briggs
John D. Pike

Library Committee:

John R. Slater, Chairman
Rush Rhees
Dexter Perkins
D. B. Gilchrist
Leonard Bacon

Finance Committee:

J. F. Weller, Chairman
R. L. Thompson
Swayne P. Goodenough
E. G. Miner

5/2/38

QUARTERLY MEETING OF THE REYNOLDS LIBRARY, JUNE 10, 1933

A regular quarterly meeting of The Reynolds Library Board of Trustees was held June 10, 1933, at 4 p.m., in the Board Room of the Arcade. Present: Messrs. Anstice, Gilchrist, Goodenough, Middleton, Pike, Rhees, Slater, and Weller. In the absence of President Thompson, Vice-President Rhees presided.

The minutes of the last meeting were read and approved. The report of the Treasurer for the five months ending May 31 was presented by Mr. Goodenough, showing cash receipts of \$50, 293.25 and expenditures of \$54, 069.79. On an accrual basis the income from the Arcade for these five months was \$48, 012.61 and the expenditures for the Arcade \$38, 059.26. Other income was \$2, 181.25 and other expenses including the Reading Room \$1268.73. The profit before depreciation was \$10, 855.02 and the loss after depreciation \$993.33. The Treasurer's report was ordered received and filed.

The report of the Property Committee, also presented by Mr. Goodenough, stated that on July 1 there will be several changes among the tenants, the most important of which is the removal to another city of the offices of the Pure Oil Company. There will be a net decrease in monthly income of \$305 until these losses of tenants can be made up. The Property Committee also reported an offer from Mr. Kantrowitz, proprietor of a neighboring parking station, to rent the Arcade parking station from the owners at a rental of \$150 a month. Since he has agreed to offer rental preference to Arcade tenants at the present rates, and since the present net annual profit on parking is only about \$400, the offer was regarded as a good one, and the committee was authorized to accept it if after further investigation they deem best.

THE REYNOLDS LIBRARY INC.

May 31, 1938

THE REYNOLDS LIBRARY INC.

CASH RECEIPTS AND DISBURSEMENTS

CASH BALANCE JANUARY 1, 1958 \$ 15,596.86

RECEIPTS:

January	9,797.64	
February	10,074.58	
March	9,650.54	
April	10,784.68	
May	<u>10,005.81</u>	<u>50,293.25</u>

\$ 63,890.11

EXPENDITURES:

January	16,496.45	
February	3,803.51	
March	9,884.45	
April	20,098.76	
May	<u>3,786.86</u>	<u>54,069.79</u>

\$ 9,820.32

Above Balance Represented by:

Lincoln-Alliance Bank a/c 8,458.23

Rochester Trust Fund a/c 1,352.09

Petty Cash 10.00

\$ 9,820.32

THE REYNOLDS LIBRARY INC.

INCOME & EXPENSE STATEMENT ON ACCRUAL BASIS WITH BUDGET

	<u>5 MOS. ENDED MAY 31, 1937</u>	<u>5 MOS. ENDED MAY 31, 1938</u>	<u>B U D G E T 5 MOS. 1938</u>
<u>INCOME</u>			
Rentals	41,934.77	45,352.57	43,750.00
Electricity & Water	1,507.98	1,941.54	1,562.50
Sundry & Miscellaneous	147.50	67.47	125.00
Discounts	8.81	10.78	
Parking Station	<u>690.00</u>	<u>640.25</u>	<u>666.65</u>
	44,287.06	48,012.61	46,104.15
Int. & Dividends	<u>2,902.50</u>	<u>2,181.25</u>	<u>2,181.25</u>
Totals	\$ 47,189.56	\$ 50,193.86	\$ 48,285.40
<u>EXPENSES</u>			
Arcade Building -			
Operation	17,852.47	9,536.73	10,467.30
Payrolls	8,269.52	7,315.00	8,750.00
Insurance	572.47	636.45	625.00
Taxes: County & City	11,521.74	12,017.83	12,015.00
Int. on Mortgage	7,883.94	7,707.00	7,625.00
Int. on Loans	68.98		85.00
Miscellaneous Expenses	335.56	276.25	208.35
Parking Station	420.00	420.00	450.00
Legal & Audit	150.00	150.00	62.50
Legal & Professional	<u>193.50</u>		<u>208.50</u>
	\$ 47,268.18	\$ 38,059.26	\$ 40,496.65
Library Property Exp.	<u>386.21</u>	<u>360.90</u>	<u>208.50</u>
	\$ 47,654.39	\$ 38,420.16	\$ 40,705.15
Reading Room -			
Operation	73.35	77.88	333.50
Salaries	<u>840.00</u>	<u>840.00</u>	<u>875.00</u>
	\$ 913.35	\$ 917.88	\$ 1,208.50
TOTAL EXPENSES BEFORE DEPREC.	\$ 48,567.74	\$ 39,338.04	\$ 41,913.65
Profit or Loss	\$ 1,378.18 L	\$ 10,855.82 P	
Less Depreciation Exp.	\$ 11,117.80	\$ 11,849.70	
NET PROFIT OR LOSS	\$ 12,495.98 L	\$ 993.88 L	

THE REYNOLDS LIBRARY INC.

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES

	<u>MARCH 31, 1938</u>		<u>MAY 31, 1938</u>	
<u>ASSETS</u>				
CASH -				
General Funds		11,583.36		8,468.23
Permanent Funds		1,352.09		1,352.09
RECEIVABLES -				
Accounts (Rents)		55.52		172.42
Int. & Dividends		971.25		328.12
INVESTMENTS -				
Regular Account		134,557.12		134,557.12
Perm. Fund Account		9,747.55		9,747.55
REAL ESTATE -				
Main Street	951,008.22		951,008.22	
Less Deprec.	<u>44,739.63</u>	906,268.59	<u>48,098.45</u>	902,909.77
Spring Street		70,000.00		70,000.00
EQUIPMENT -				
Library Books		80,000.00		80,000.00
DEFERRED CHARGES -				
Constr. a/e Sp.	82,864.12		82,864.12	
Less Deprec.	<u>15,131.21</u>	67,732.91	<u>16,512.27</u>	66,351.85
Prepaid Expenses		7,758.90		4,261.14
Inventory		<u>518.36</u>		<u>632.20</u>
TOTAL ASSETS		\$ 1,290,545.65		\$ 1,278,780.49
<hr/>				
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE -				
Accrued Taxes		1,699.95		2,833.25
Sundry				
NOTES PAYABLE -				
Mortgage Account		413,000.00		406,000.00
Accrued Interest		8,363.25		2,131.50
Permanent Funds		10,792.56		10,792.56
Perm. Fund Income (Inv.)		307.08		307.08
NET WORTH		<u>856,382.81</u>		<u>856,716.10</u>
TOTAL LIABILITIES		\$ 1,290,545.65		\$ 1,278,780.49
<hr/>				

THE REYNOLDS LIBRARY INC.

ACCOUNTS RECEIVABLE STATEMENT

AS OF

MAY 31, 1958

	<u>DR.</u>	<u>CR.</u>
ANGELIDIS	5.32	
DE BOER	65.00	
JENNINGS	<u>76.10</u>	

\$ 146.42

Parkers:

Cody	4.00	
Kenyon	6.00	
Roedenburg	<u>15.00</u>	<u>26.00</u>

\$ 172.42

The Library Committee reported through the secretary that it desired further advice from the Board on the question whether the payment of \$1000 to the Public Library for purchase of reference books authorized at the April meeting should be made at this time. The secretary reported that in an interview with Mr. John A. Lowe he had been informed that the Public Library Board is fully informed of the financial situation of the Arcade and the heavy taxation which still prevents substantial profits from the building, and does not think the Reynolds Library board unmindful of the promise to begin payments for new books as soon as practicable. In view of this statement, and the uncertainty whether such a payment at this time would or would not impress favorably the new assessing authority of the city, it was the consensus of those present that the payment be not made until the situation is clearer.

The next business was the election of a president for the remainder of the fiscal year, Mr. Thompson having since the last meeting withdrawn his objections to re-election. It was moved by Mr. Middleton, seconded by Mr. Weller, and unanimously carried that the secretary cast one ballot for the re-election of Mr. Thompson as president. The secretary then read the new list of committees as prepared by the Executive Committee and filed with these minutes.

Mr. Gilchrist reported progress on the preparations for designing the proposed plaque for the entrance lobby of the Arcade.

Mr. Middleton, as attorney for the Board, then presented by request of the President a report on the new aspects of the proposed suit to clear the title to the Spring Street property. The report was as follows:

THE REYNOLDS LIBRARY RE SPRING STREET PROPERTY

A committee appointed by this Board to investigate and report on the proper disposition of the Spring Street property has submitted its report in which a question has been raised as to the validity of that provision of the Will of Mortimer F Reynolds devising this property to his residuary legatees, and suggesting two other parties as possibly entitled to this property, to wit, The Reynolds Library itself and the heirs of Mortimer F. Reynolds. On the basis of this report, it was suggested that a suit be brought by the residuary legatees for a construction of the Will, but these parties have refused to bring such suit, largely because they did not wish to be placed in the position of apparently asserting a claim contrary to the interests of the Library

Under these circumstances, the question presented is what, if any, action should be taken by the Board of Trustees of The Reynolds Library. This Board might do nothing, taking the position that it has no further interest in the property and that the problem should be solved by those who are interested. In answer to this proposal, the Board has never surrendered possession of the property, and could hardly be justified in refusing to protect it by maintaining insurance. Further, as reported by the committee, it is possible that this Board has legal title to the property.

-2-

While there might be some doubt as to the legal obligation of this Board to attempt to defeat the desires of Mr. Reynolds in reference to this property as expressed in his Will, still this Board should avoid being placed in a position where it might be criticised for having voluntarily given up property to which it might have been legally entitled. For these reasons, in our opinion, the Board should take the initiative in bringing a suit for a judicial determination of the party entitled to this property

Such a course raises two questions, first, as to adverse publicity, and, second, as to the expenses of litigation.

As to publicity, we have little doubt that the newspapers would cooperate with us by publishing any appropriate statement in reference to the litigation which we might desire to make.

As to expenses, insofar as possible, the expenses should be a burden directly on the property so that whatever party might finally obtain the property would be obligated to pay these expenses. An agreement to this effect should be made between The Reynolds Library and the residuary legatees. If the heirs should appear and participate in the litigation, an effort might be made to have them agree likewise. Of course, we cannot foretell what the attitude of the heirs might be, and if the property should ultimately go to the heirs, The Reynolds Library and the residuary legatees would probably be compelled to bear the expenses which they had incurred in this litigation. Any agreement to be

-3-

made between The Reynolds Library and the residuary legatees should make some provision for bearing expenses in this event. As a further precaution in reference to expenses, it would be well to reach as definite an agreement as possible with counsel for the Library and the residuary legatees as to what their charges would be.

As to legal representation of the Library and the residuary legatees, the Hubbell, Taylor firm has already made a pretty thorough investigation of the questions involved, and is prepared to draft a form of complaint to raise the necessary issues, and to furnish to counsel for The Reynolds Library a memorandum covering the points to be made in support of the Library's claim.

Inasmuch as it is assumed that both the Library Board and the residuary legatees desire Mr. Reynolds' expressed intentions to be carried out by having the property go to the residuary legatees, and inasmuch as the Hubbell, Taylor firm has already made the investigation to support the contentions in favor of the residuary legatees, it is suggested that that firm represent the residuary legatees, and that Mr. Bacon's firm represent the Library, bringing the suit and presenting the argument in favor of the Library.

If this course is decided upon, it is suggested that appropriate resolutions be adopted retaining Mr. Bacon's firm to bring this suit, authorizing the bringing of the suit, and also authorizing the making of a contract in reference to

-4-

expenses substantially along the lines indicated in this memorandum.

June 9, 1938

E. W Middleton

Resolutions adopted by the Board of Trustees of The Reynolds Library at a meeting of said Board held June 10, 1938.

WHEREAS, by the Will of Mortimer Fabricius Reynolds there was devised to this corporation certain property described in said Will as "My homestead, No. 40 Spring Street in Rochester, with all the land and buildings, and as much of the personal property, including gas fixtures, upon the premises as my adopted daughter Mary, now the wife of Josiah Anstice, may desire to set apart to go with it"; and said Will further provides "And this devise of the homestead property is on condition that the same shall always be occupied by said corporation for its Library and any other of the educational purposes contemplated by the said Act (to wit, the Act of February 2nd, 1884, being Chapter 9 of the Laws of 1884 incorporating The Reynolds Library); and in case it shall cease to be so occupied for the period of one year, the estate hereby devised shall cease and determine." And

WHEREAS, by paragraph Eighth of said Will, said Mortimer Fabricius Reynolds gave, devised and bequeathed all the rest, residue and remainder of his estate, real and personal, to his Executors thereafter named, in trust, for certain purposes as therein set out at length; and by paragraph Eleventh of said Will appointed Gilman H. Perkins, John P. Munn, Mary Belle Anstice and Josiah Anstice, Executors of said Will; and

WHEREAS, by a Codicil to said Will, dated June 22nd, 1889, said Mortimer Fabricius Reynolds provided that "In the event that the Estate in the Homestead property, which by the First paragraph of said Will is devised to The Reynolds Library, shall cease and determine by reason of a breach of the condition thereby imposed, the said estate shall thereupon be disposed of exactly as if the same were a part of my residuary estate under the Eighth paragraph of said Will." And

-2-

WHEREAS, the trust created by said paragraph Eighth of said Will is still in full force and effect, but all of the Executors named in said Will, with the exception of Mary Belle Anstice, have died, and by proceedings duly had the Trustees now acting as Trustees of the trust created by said paragraph Eighth of said Will, are Mary Belle Anstice, Mortimer R. Anstice, Mary Anstice Weller and Emily Anstice Gardiner. And

WHEREAS, owing to the Agreement heretofore made by The Reynolds Library with the City of Rochester, it has become and will continue to be impracticable for the corporation to use said property at No. 40 Spring Street, Rochester, N. Y., either for its Library or for any other of the educational purposes contemplated by said Act incorporating The Reynolds Library, and the period of one year since said property ceased to be so used by the corporation has expired. And

WHEREAS, this corporation is advised by its counsel that the legal validity of the provision of the Codicil to said Will hereinbefore referred to, providing in effect that upon a breach of the condition imposed upon the devise of said premises to this corporation, the said estate shall be disposed of as if it were part of the residuary estate, under paragraph Eighth of said Will, is doubtful, and that it is possible that the only persons entitled to re-enter upon said premises, or recover the same for breach of condition, are the heirs-at-law now living of said Mortimer Fabricius Reynolds, and likewise possible that by reason of the illegality of the provision contained in said Codicil the whole condition imposed by said Will upon the devise to this corporation might be held to be void, so that the corporation took an absolute title to said premises free of any conditions, but that the meaning of said Will and Codicil and the intention of said Mortimer Fabricius Reynolds that upon breach of said condition said premises should revert to and become part of his residuary estate and be disposed of according to the provisions of paragraph Eighth of his Will, is perfectly clear. And

WHEREAS, this corporation does not desire to defeat the wishes of said Mortimer Fabricius Reynolds as expressed in his said Will and Codicil, but at the same time deems it proper that the legal questions presented as hereinbefore set forth be judicially determined. NOW, THEREFORE,

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RESOLVED: That the President of this Corporation be, and he hereby is, authorized to retain the firm of Harris, Beach, Folger, Bacon & Keating, as attorneys for this corporation, to commence and prosecute to conclusion an appropriate suit for the purpose of securing a judicial determination of the party or parties entitled to said property.

FURTHER RESOLVED: That said President be, and he hereby is, authorized to supervise the conduct of said suit, to make such arrangements and contracts in reference to the expenses incident thereto as he, in his discretion may deem advisable, and to supervise all publicity in connection with said suit, to the end that no impression may be given to the public that any real controversy has arisen between this corporation and the residuary legatees of said Mortimer Fabricius Reynolds.

In accordance with this report it was moved by Mr. Middleton, seconded by Mr. Anstice, and unanimously voted that the Reynolds Library Board authorize the firm of Harris, Beach, Folger, Bacon, and Keating to bring suit in order to determine the proper party entitled to the Spring Street property, that this firm should endeavor to make satisfactory arrangements with the residuary legatees under the Reynolds will in reference to the expenses of this litigation, that they should see to it that any publicity attending the bringing of this friendly suit should be properly presented by the press, and that they be authorized to confer with the President of the Reynolds Library in reference to all matters relating to this litigation.

Mr. Anstice reported that ^{tentative} an offer has been received from the Mechanics Institute of a price of \$20,000 ^{or less} for the Spring Street property and inquired what attitude should be taken by the Reynolds heirs toward this proposal, in view of the lowness of the figure and the still uncertain problem of title. It was moved by Mr. Goodenough, seconded by Mr. Middleton, and unanimously voted that all matters respecting the disposal of the Spring Street property be left to a committee of two consisting of Mr. Thompson and Mr. Miner, and that they be authorized to represent this Board in negotiations for the sale of the property, subject to the approval of the Board. It was the understanding that this resolution carried with it power to agree upon a price, but that in the event of a sale a special meeting of the Board would be called to take the necessary legal steps leading to the passing of ownership to the purchasers.

The meeting was then adjourned by the chairman.

John R. Slater

Secretary

QUARTERLY MEETING OF THE REYNOLDS LIBRARY, October 21, 1938

A regular quarterly meeting of The Reynolds Library was held October 21, 1938, at 4 p.m. in the board room of the Arcade. Present: Messrs. Anstice, Gilchrist, Goodenough, Middleton, Perkins, Pike, Slater, and Thompson.

The minutes of the previous meeting were read and approved. The report of the Treasurer presented by Mr. Goodenough showed for the nine months ending September 30 cash receipts of \$92,063.66 and expenditures of \$84,430.15. On an accrual basis the income for the same period was \$84,949.14 from the Arcade and \$3,926.25 from interest and dividends. The expenses for the Arcade were \$69,144.03, for the Reading Room \$1,675.72 and for library property expenses \$564.49. The profit before depreciation was \$17,491.15, after deducting depreciation a loss of \$3,838.31. The income from the Arcade is somewhat better than last year. Securities from the investment account were sold during the year at a net loss of \$20,293.06. The report was ordered received and filed.

Mr. Goodenough also reported for the Property Committee. The chief item was the reassessment of the Arcade. Although the assessment was decreased, the exemption for the Reading Room was reduced in the same proportion so that the net assessment on which taxes must be paid remains at \$800,000. In view of the higher tax rates this means an increase of \$4,000 in the tax bills. Protests against this decision have been unavailing.

The Library Committee reported uneventful operation of the Reading Room.

President Thompson then read a letter from Mrs. Mary Anstice dated October 10 in which she strongly disapproved of litigation to determine the title to the Spring Street property. Mr. Middleton

reported that because of Mrs. Anstice's opposition no legal proceedings have been instituted, and suggested that the whole problem be referred to a committee with power to act. He expressed the opinion that some Agents can be found to clear up the title without a suit. It was thereupon moved, seconded, and voted that the matter be so referred, and the President named the Executive Committee, consisting of Messrs. Miner, Rhees, and Thompson, to take charge of further proceedings.

The meeting was then adjourned.


Secretary

THE REYNOLDS LIBRARY INC.

Treasurer's Report
September 30, 1938

THE REYNOLDS LIBRARY INC.

C A S H S T A T E M E N T

CASH BALANCE JANUARY 1, 1938 \$ 13,596.86

INCOME:

January	9,797.64
February	10,074.58
March	9,650.54
April	10,764.68
May	10,005.81
June	9,938.14
July	9,464.67
August	13,523.58
September	<u>8,844.02</u>

Total Income	<u>92,063.66</u>	\$ 105,660.52
--------------	------------------	---------------

EXPENSES:

January	16,496.43
February	8,803.31
March	9,684.43
April	20,098.76
May	3,736.86
June	9,309.39
July	3,655.26
August	12,434.68
September	<u>4,951.08</u>

Total Expenses	<u>84,430.15</u>
----------------	------------------

CASH BALANCE SEPTEMBER 30, 1938 \$ 21,230.37

Above Balance Represented By:

Lincoln-Alliance a/c	19,701.00
Rochester Trust Fund a/c	1,519.17
Petty Cash	<u>10.00</u>

\$ 21,230.37

THE REYNOLDS LIBRARY INC.

COMPARATIVE STATEMENT OF INCOME & EXPENSES - ACCRUAL BASIS

	9 MOS. ENDED SEPT. 30/57	9 MOS. ENDED SEPT. 30/58
<u>INCOME</u>		
Rentals	77,143.64	80,469.54
Electricity & Water	2,767.06	3,161.59
Parking Station	1,250.00	1,180.00
Discounts	23.52	17.43
Sundry	249.66	120.78
	<u>81,433.67</u>	<u>84,949.14</u>
Interest & Dividends	5,224.50	5,926.25
Total Income	\$ 86,658.17	\$ 88,875.39
<u>EXPENSES</u>		
Arcade Building -		
Operation	34,038.60*	16,955.14
Payrolls	16,528.90	14,680.73
Insurance	1,089.78	1,086.06
Taxes: County & City	20,739.10	21,631.98
Interest on Mortgage	14,168.94	13,797.00
" " Loans	68.98	
Miscellaneous	399.11	341.15
Parking Station	825.70	522.00
Legal & Audit	150.00	150.00
Legal & Professional	193.50	
	<u>\$ 88,002.61</u>	<u>\$ 69,144.03</u>
Library Property Expense	586.83	584.49
	\$ 88,589.44	\$ 69,708.52
Reading Room -		
Operation	89.55	109.56
Salaries	1,566.16	1,566.16
	\$ 1,655.71	\$ 1,675.72
Total Expenses Before Depreciation	\$ 90,245.15	\$ 71,384.24
Profit or Loss	\$ 3,586.98 Loss	\$ 17,491.15 Profit
Less Depreciation Expense	\$ 20,012.04	\$ 21,329.46
<u>NET LOSS FOR NINE MONTHS</u>	\$ 23,599.02	\$ 3,838.31

* (Alteration accounts amounted to \$17,306.96 - taken out and set up as Capital at end of year)

THE KEYNOLDS LIBRARY INC.

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES -

		<u>DECEMBER 31, 1957</u>		<u>SEPTEMBER 30, 1958</u>	
<u>ASSETS</u>					
CASH -	General Funds		12,499.77		19,711.20
	Permanent Funds		1,097.09		1,519.17
RECEIVABLES -					
	Accounts (Rents)		98.42		411.30
	Interest & Dividends		157.50		1,195.00
INVESTMENTS -					
	Regular Account		134,887.12		114,170.65
	Fund Account		9,747.55		9,747.55
REAL ESTATE -					
	Main Street	951,008.22		951,008.22	
	Less Depreciation	<u>39,701.40</u>	911,306.82	<u>54,816.09</u>	896,192.13
	Spring Street		70,000.00		70,000.00
EQUIPMENT -					
	Library Books		80,000.00		80,000.00
DEFERRED CHARGES -					
	Construction a/c	82,864.12		82,864.12	
	Less Depreciation	<u>13,059.62</u>	69,804.50	<u>19,274.39</u>	63,589.75
	Prepaid Expenses		2,295.18		7,104.75
	Inventory		<u>508.45</u>		<u>525.30</u>
TOTAL ASSETS			\$ 1,292,070.40		\$ 1,264,166.68
<hr/>					
<u>LIABILITIES</u>					
ACCOUNTS PAYABLE -					
	Accrued Taxes		6,798.78		5,099.65
	Sundry				
NOTES PAYABLE -					
	Mortgage Account		415,000.00		406,000.00
	Int. Accrued- Mortgage a/c		3,717.00		3,221.50
	Loan Account				
	Int. Accrued- Loan a/c				
	Investment Reserve				20,293.06D1
	Permanent Funds		10,562.56		10,834.64
	" " Investment Inc.		282.08		432.08
NET WORTH			<u>857,709.98</u>		<u>853,871.87</u>
TOTAL LIABILITIES			\$ 1,292,070.40		\$ 1,264,166.68

THE REYNOLDS LIBRARY INC.

INVESTMENT STATEMENT

BALANCE AS OF DECEMBER 31, 1937

\$ 154,557.12

SALES:

Aug. 3, 1938 - 5 $\frac{1}{2}$ Chicago Rock
Island & Pacific
Ry 4 $\frac{3}{8}$ /52

Cost	4,722.72
Sale Price	<u>403.74</u>
Loss	4,318.98

Aug. 16, 1938 - 10 $\frac{1}{2}$ Erie RR 5 $\frac{1}{2}$ /75

Cost	9,580.00
Sale Price	<u>1,320.22</u>
Loss	8,259.78

Aug. 25, 1938 - 10 $\frac{1}{2}$ Chicago Milwaukee
& St. Paul Ry 4 $\frac{3}{8}$ /59

Cost	10,000.00
Sale Price	<u>2,285.70</u>
Loss	7,714.30

TOTAL SALES 4,009.66

PLUS NET LOSS 20,293.06

24,302.72

\$ 110,254.40

PURCHASES:

Aug. 26, 1938 - 55 Shares Humble Oil Common

Cost	<u>5,916.25</u>
------	-----------------

BALANCE AS OF SEPTEMBER 30, 1938

\$ 114,170.65

Cash Proceeds Received	
from above Sales	4,009.66
Less Cost of Purchase	<u>5,916.25</u>

Balance in Gen'l Funds 93.41

THE REYNOLDS LIBRARY INC.

ACCOUNTS RECEIVABLE STATEMENT

AS OF

SEPTEMBER 30, 1933

	DR.	CR.
GODY	4.00	
CURRY	120.24 PD.	
DE BOER	65.00	
JENNINGS	72.90	
KENTON	4.00	
LUMBERMENS MUTUAL	129.16 PD.	
HOODENBURG	<u>16.00</u>	
BALANCE	\$ <u><u>411.30</u></u>	

REYNOLDS LIBRARY INC.

Treasurer's Report - Oct. 14, 1938

You have before you the third quarterly report of the current year. Page one of the report is a cash statement which, beginning with our cash balance of January 1, 1938 shows the flow of funds into our cash account to a total of \$92,063 for the first nine months. This is followed by expenditures amounting to \$84,430.00 leaving a cash balance of \$21,230.37, as reflected in the bank accounts listed.

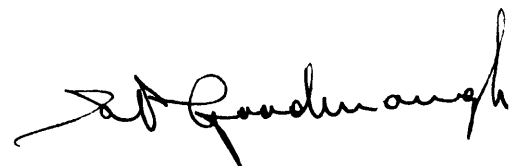
Page two gives the Income and Expense statement on an accrual basis for the first nine months of the year. Despite a reduction of over \$1,000 in our income from securities, and some recent vacancies in the building, our income still shows an improvement over the same period last year of better than \$2,000.

In the Operation account of last year there is included an item of \$17,306.00 which we later charged to Capital account. In other details the expense items are on a par with the nine months of 1937, totalling \$71,384.00 and leaving us a profit, before depreciation of \$17,491. Our depreciation expense for the period is \$21,329.00 leaving a net loss for the nine months of \$3,838.00 as against a comparable loss of \$6,200 for the same period last year.

Page three of the report reflects the changes in our assets and liabilities since the beginning of the year. The large amount of cash on hand is due to the fact that this month we have principal payment of \$7,000 on the mortgage and \$9,000 on mortgage interest *due in October.*

The loss in the investment account is explained on page four. Our loss to date of \$3,838.00 is reflected in the changed net worth.

Page four shows changes in the Investment account authorized by the Finance Committee.



REYNOLDS LIBRARY INC.

Report of Finance Committee Meeting

held on August 12, 1938

On August 12, 1938 the Finance Committee considered recommendations made by the Investment Department of the Lincoln-Alliance Bank and Trust Company in their letter of August 3rd, motion was made by Mr. Goodenough, seconded by Mr. Miner, that the following bonds be sold -

\$10M Chicago, Mil. and St. Paul $4\frac{1}{2}$'s '89 at the market

\$10M Erie RR Rfg and Imp.5's '75 at the market

It was further moved and seconded that the Treasurer be instructed to take the proceeds from the above sale and from previous sale of -

\$ 5,000 Chicago Rock Island Pac. $4\frac{1}{2}$'s '52

and invest the same in -

65 shares of Humble Oil and Refining

There being no further business the meeting adjourned.

Secretary

Report of Special Property Committee

Reynolds Arcade
Sept. 28, 1938

Mr. R. L. Thompson and Mr. Goodenough on September 20th called on Mr. Baker to protest the cutting down of the exemption on the Reynolds Arcade property from \$300,000 to \$130,000. We told Mr. Baker that we had no objection to the new assessment, we thought it was fair but we did not see any reason for reducing our exemption by exactly the same amount that the assessment was reduced, as the net result would be to raise our taxes between three and four thousand dollars per year. Mr. Baker said that he had nothing to do with the situation but was referring all such to the Board of Assessors.

We thereupon called on Mr. Woodworth who, after hearing our story, said that he would talk the matter over with Mr. Baker and advise us.

On September 27th I called Mr. Woodworth. He claimed that he had not seen Mr. Baker but would talk to him that afternoon. I called Mr. Woodworth again on September 28 and he advised me that the Board was inclined to leave the matter as it was. I told him we thought this was unreasonable and after some conversation on the subject he said that he would go into the matter personally and call us again this afternoon or tomorrow morning.

THE REYNOLDS LIBRARY

Report on Letter of Mrs. Mary R.
Anstice dated October 10, 1938,
in Reference to Spring Street
Property

No legal action has yet been taken pursuant to the resolutions adopted by this Board at its last meeting. This delay in commencing proceedings was due to two causes. First, under the resolutions of this Board, the suit was to be brought by The Reynolds Library, with the firm of Harris, Beach, Folger, Bacon & Keating, as counsel for the Library, the firm of Hubbell, Taylor, Goodwin, Nixon & Hargrave to represent the Reynolds estate.

Mr. Bentley, of the latter firm, had handled this matter during my illness last winter, and had done the legal research. Just after the last meeting of this Board Mr. Bentley went to Canandaigua Lake for the summer, and during his absence, I took charge of this work. As preparation for the litigation progressed, and especially in my conferences with Mr. Anstice, I realized that Mrs. Anstice very definitely disliked the idea of any litigation, and for this reason, I withheld starting proceedings until finally Mrs. Anstice wrote the letter of October 10th, definitely requesting the Board to avoid litigation and to make every effort to find some other solution of this problem.

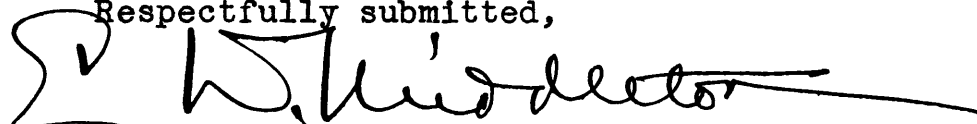
I feel very definitely that the desires of Mrs. Anstice should be respected and complied with if this can properly be done. I also feel that it ill becomes the Library,

-2-

as one of the principal beneficiaries of Mr. Reynolds' will, to raise any question which might result in defeating a provision of that will in favor of the other principal beneficiaries, and that this should not be done unless we are forced to do so by compelling legal reasons.

Accordingly, I suggest that this matter be referred by the President to some committee with authority to act, on the understanding that this committee will make every reasonable effort to solve this problem without litigation and to the satisfaction of the Trustees under the Reynolds will.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "E. W. Middleton", with a long horizontal flourish extending to the right.

E. W. MIDDLETON

ANNUAL MEETING OF THE BOARD OF TRUSTEES OF THE REYNOLDS LIBRARY

February 3, 1939

The annual meeting of the Board of Trustees of the Reynolds Library was held February 3, 1939, at 4 p.m. in the Board Room of the Arcade. Present: Messrs. Anstice, Gilchrist, Goodenough, Middleton, Miner, Slater, Thompson, and Weller; President Thompson presiding.

The minutes of the last meeting were read and approved. Mr. Goodenough presented the annual report of the Treasurer for the year ending December 31, 1938. On a cash basis the receipts for the year were net cash income from the Arcade \$22,441.67, interest and dividends on investments \$5,175.64. In addition there were book sales amounting to \$295, and sales of bonds for \$5,039.66. The cash expenditures aside from those for the Arcade were \$2,974.41 for the Reading Room, \$407.62 for the Spring Street property, \$185.56 for fees, and \$14,000 paid on the principal of the mortgage. The statement of income and expenses on an accrual basis differs from the cash statement to some extent, the Arcade gross income being figured at \$112,500.77, Arcade expenses \$92,582.44, net accrued income from Arcade \$19,918.33, income from interest and dividends \$4,873.75, total \$24,792.98, from which expenses for the Reading Room and Spring Street property being deducted the accrued net income shows a profit before depreciation of \$21,090.49, after depreciation a net loss of \$7,348.79. The investment statement showed sales of bonds which cost \$20,249.06 for \$5,039.66, a net loss in the investment account of ^{\$15,209.40} ~~\$20,249.06~~. After purchase of some oil stock the investment account now has a book value of \$113,184.65. The report of the Property Committee, also presented by Mr. Goodenough, included various prospective changes of tenants.

the attempt being made in each new lease to bring rentals up to the average of \$2 per square foot so that although somewhat less space will be rented the income will not be materially reduced. With the amount to be paid on the mortgage principal increasing this year from \$14,000 to \$16,000 it does not appear likely that there will be much net profit.

The reports were ordered received and filed. On motions duly made and seconded the budgets recommended by the Property Committee and the Treasurer were approved, as follows: for the Arcade, \$98,527.50, for the Spring Street property \$750.00, for contingent expense \$1,000, for the Reading Room \$3,000.

The Library Committee reported through the chairman that the Reading Room is operating smoothly with increased attendance. The matter of possible appropriations for purchase of reference books for the Reynolds Reference Room in the Public Library was again brought up, it being understood that for the present such appropriations can be made only from the Bowman and Gordon Permanent Funds. After discussion by Mr. Miner and Mr. Gilchrist, it was moved by Mr. Anstice, seconded, and carried, that the Library Committee be authorized to propose to Mr. Lowe that the Public Library may from time to time call upon us to assist in the purchase of special collections of reference books suitable for the Reynolds Reference Library. This plan would avoid the difficulties involved in a regular annual appropriation from our funds, which could not be indefinitely continued, and yet would provide a means by which we could assist the Public Library in acquiring desirable books for which their regular book budget is unavailable. It was part of Mr. Miner's suggestion that in some cases we might even pay for books which would be housed elsewhere than in the Reynolds Reference Room, with the understanding that such purchases would be later matched by books bought with city funds and deposited in the

Reynolds room. Such purchases from our Permanent Fund would not require action by this Board but only the approval by the Library Committee of bills transmitted by the Public Library for payment by our Treasurer. If properly supervised such a policy would be of assistance to the reference department of the Public Library and would, at least in principle, carry out the intent of the founder, who expected that this Arcade property would always provide an income for library purposes. It was understood that this action of the Board should be communicated to the Public Library Board by Mr. Miner, and personally to Mr. Lowe by the Library Committee.

Mr. Middleton, being called upon by the chairman for a report on the stage of negotiations regarding the Spring Street property, stated that in accordance with the action of the Board at its last meeting no legal proceedings had been begun, that on the subject of some other solution of the problem he would shortly present a report to the Executive Committee.

The annual election of officers being then in order, Mr. Thompson repeated his former request to be relieved of the presidency, but reluctantly consented to serve one more year on condition that a successor shall then be found. It was moved by Mr. Weller, duly seconded, and carried that the secretary cast one ballot for the re-election of the present officers, and for the election of Mr. Middleton as Assistant Treasurer, with the understanding that the Executive Committee will recommend at the April meeting a First Vice-President to succeed Dr. Rush Rhees, recently deceased.

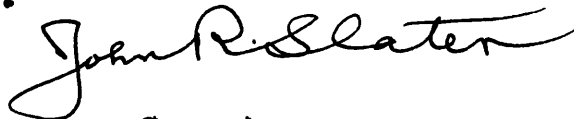
The Board then adopted the following minute on the death of its most distinguished member:

The death of Dr. Rush Rhees on January 5, 1939, removes from the Reynolds Library Board of Trustees its oldest member. He was the last link with that notable group of Rochester citizens who at the beginning of this century administered the affairs of this corporation. With men in control during those earlier years like Dr. Dewey, Dr. Landsberg, Mr. Josiah Anstice and Mr. Wile, a conservative policy was followed, compelled by limited resources and uncertain prospects.

During the protracted negotiations with the city regarding relations with the Public Library, in which Mr. Schuyler Davis and Judge Carmahan with others worked out the plan finally adopted, Dr. Rhees's influence was always on the progressive side, yet with that cautious and realistic sagacity which marked all his attitudes and decisions. As Vice-President of this Board he was often called upon to preside at our meetings, where his expedition of business saved delays and his genial humor sometimes smoothed away asperities.

A notable example of his high sense of duty was his refusal even to consider the proposal made at one time to merge the Reynolds Library with the University Library, when it became evident that such a step would involve misinterpretations unfortunate for all concerned. Always in such cases he thought not of himself but of his official obligations to the dead, the living, and the unborn. Those obligations, throughout a long and useful life with many public activities, he fulfilled so well that in later years he became the leading citizen of post-war Rochester. Such though departed he still remains, until a greater shall arise.

This resolution was adopted by a rising vote. The meeting was then adjourned.

A handwritten signature in cursive script, reading "John R. Slater". The signature is written in dark ink and is positioned above the printed name "Secretary".

Secretary

THE REYNOLDS LIBRARY INC.

Treasurer's Report
December 31, 1938

THE REYNOLDS LIBRARY INC.

SUMMARY STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

1 9 3 8

CASH BALANCE JANUARY 1, 1938 \$ 13,596.86

ADDITIONS - INCOME

Interest - Bank Balances	26.89	
Interest - Bonds	4,550.00	
Dividends - Stocks	598.75	
Book Sales - Library	<u>295.00</u>	<u>5,470.64</u>

\$ 19,067.50

DEDUCTIONS -

Arcade Building:

Income: Rentals,		
Pkg. Sta. &		
Sundry	112,482.92	
Less Expenses	<u>90,068.52</u>	
	22,414.40	
Plus Discounts	<u>27.27</u>	22,441.67

Reading Room:

Expenses	2,974.41	
----------	----------	--

Library Property:

Expenses	407.62	
----------	--------	--

Miscellaneous:

Legal & Professional	29.50	
Trust Fees (Lincoln)	<u>156.06</u>	185.56

Other:

Sales of Bonds	5,039.66	
Less Purchases	<u>3,916.25</u>	1,123.41

Payments on Mortgage	<u>14,000.00</u>	
----------------------	------------------	--

17,567.59	<u>42,632.58</u>
	<u>17,567.59</u>

CASH BALANCE AS OF DECEMBER 31, 1938 \$ 25,064.99

Above Balance Represented By:

Lincoln-Alliance Bk. a/c	23,386.01	
Roch. Trust Fund a/c	1,668.98	
Petty Cash	<u>10.00</u>	\$ <u>25,064.99</u>

THE REYNOLDS LIBRARY INC.

INCOME & EXPENSES STATEMENT - ACCRUAL BASIS - WITH BUDGETS

	<u>1 9 3 8</u> <u>BUDGET</u>	<u>1 9 3 8</u> <u>ACTUAL</u>	PROPOSED 1939 <u>BUDGET</u>
<u>INCOME -</u>			
Rentals	105,000.00	106,517.30	106,000.00
Electricity & Water	3,750.00	4,169.94	3,800.00
Sundry	300.00	156.26	200.00
Discounts		27.27	
Parking Station	<u>1,600.00</u>	<u>1,630.00</u>	<u>1,600.00</u>
	110,650.00	112,500.77	110,650.00
Interest & Dividends	<u>5,235.00</u>	<u>4,873.75</u>	<u>4,900.00</u>
Totals	\$ 115,885.00	\$ 117,374.52	\$ 116,500.00
<u>EXPENSES -</u>			
Arcade Building -			
Operation	22,977.50	21,710.18	23,477.00
Payrolls	21,000.00	19,392.54	21,000.00
Insurance	1,500.00	1,423.71	1,500.00
Taxes: County & City	28,840.00	30,290.13	33,500.00
" : Miscellaneous		141.97	100.00
Interest on Mortgage	18,300.00	18,301.50	17,600.00
" " Loans	200.00	-0-	200.00
Miscellaneous	500.00	531.91	500.00
Parking Station	1,080.00	522.00	-0-
Legal & Professional	500.00	29.50	500.00
Legal & Audit	150.00	150.00	150.00
Bad Debts		<u>89.00</u>	
	95,025.00	92,582.44	98,527.50
Spring Street Property Exp.	500.00	727.18	750.00
Contingent Expense	<u>-0-</u>	<u>-0-</u>	<u>1,000.00</u>
	\$ 95,525.00	\$ 93,309.62	\$ 100,277.50
Reading Room -			
Operation	800.00	904.25	900.00
Salaries	<u>2,100.00</u>	<u>2,070.16</u>	<u>2,100.00</u>
	\$ 2,900.00	\$ 2,974.41	\$ 3,000.00
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 98,447.50	\$ 96,284.03	\$ 103,277.50
PROFIT BEFORE "		\$ 21,090.49	
LESS DEPRECIATION EXPENSE		\$ 28,439.28	
NET LOSS FOR TWELVE MONTHS ENDING DEC. 31, 1938		\$ 7,348.79	

THE REYNOLDS LIBRARY INC.

COMPARATIVE STATEMENT OF ASSETS & LIABILITIES

	<u>DECEMBER 31, 1937</u>		<u>DECEMBER 31, 1938</u>	
<u>ASSETS</u>				
CASH -				
General Funds		12,499.77		23,396.01
Permanent Funds		1,097.09		1,668.98
RECEIVABLES -				
Accounts (Rents)		98.42		-0-
Interest & Dividends		157.50		132.50
Other				40.47
INVESTMENTS -				
Regular Account		134,557.12		113,184.65
Fund Account		9,747.55		9,747.55
REAL ESTATE -				
Main Street	951,008.22		951,008.22	
Less Deprec.	<u>39,701.40</u>	911,306.82	<u>59,854.32</u>	891,153.90
Spring Street		70,000.00		70,000.00
EQUIPMENT -				
Library Books		80,000.00		80,000.00
DEFERRED CHARGES -				
Construction a/c				
Special	82,864.12		82,864.12	
Less Deprec.	<u>13,059.62</u>	69,804.50	<u>21,345.98</u>	61,518.14
Prepaid Expenses		2,293.18		1,050.73
Inventory		<u>508.45</u>		<u>500.57</u>
TOTAL ASSETS		\$ 1,292,070.40		\$ 1,252,393.50
<hr/>				
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE -				
Accrued Taxes		6,798.78		8,247.39
Sundry				26.45
NOTES PAYABLE -				
Mortgage Account		413,000.00		399,000.00
Accrued Interest		3,717.00		3,591.00
Permanent Funds		10,562.56		10,884.45
Perm. Fund Inv. Inc.		282.08		532.08
NET WORTH		<u>857,709.98</u>		<u>830,112.13</u>
TOTAL LIABILITIES		\$ 1,292,070.40		\$ 1,252,393.50

THE REYNOLDS LIBRARY INC.

INVESTMENT STATEMENT AS OF DECEMBER 31, 1938

BALANCE AS OF JANUARY 1, 1938

\$ 134,557.12

SALES:8/3/38 - 5M Chic. Rock Island
& Pacific Ry 4 $\frac{1}{2}$ s/52

Cost 4,722.72

Sale Pr. 403.74

Loss 4,318.98

8/16/38 10M Erie RR 5s/75

Cost 9,580.00

Sale Pr. 1,320.22

Loss 8,259.78

8/23/38 10M Chic. Milwaukee
& St. Paul Ry 4 $\frac{1}{2}$ s/89

Cost 10,000.00

Sale Pr. 2,285.70

Loss 7,714.30

12/27/38 CALLED - 1M Alum.
Ltd. of Canada 5s/48

Cost 986.00

Call Pr. 1,030.00

Profit 44.00

TOTAL SALES 5,039.66

PLUS NET LOSS 20,249.0625,288.72

\$ 109,268.40

PURCHASES:

8/26/38 55 Shs. Humble Oil Common

3,916.25

BALANCE AS OF DECEMBER 31, 1938

\$ 113,184.65

Cash Proceeds Received 5,039.66

Less Cost of Purchases 3,916.25

Balance in Gen'l Funds \$ 1,123.41

Dec. 31, 1938

TREASURER'S REPORT

On Page 1 of the report submitted will be found a Cash Statement for the twelve months ended December 31, 1938, beginning with the Cash Balance of \$13,596.86 at the end of 1937, and closing with the balance of \$25,064.99 at the first of this year. During the year we have had ample cash to take care of all expenses without borrowing, and have paid off \$14,000 on our Mortgage.

Page 2 is the Income and Expense statement for the year. Column No. 1 shows the Budget for the year, column No. 2 the Actual Income and Expenses, and column No. 3 the Proposed Budget for 1939. It is worth noting that the total income from the Arcade property was \$112,500.77, and the total expenses connected with the Arcade were \$92,582.44, leaving a Gross Profit before Depreciation of \$19,918.33. The total Income of the Corporation, including the Arcade and our Investment Incomes, was \$117,374.52, while the total Expenses, including the Reading Room and Spring Street Property expenses, amounted to \$96,284.03, giving us a Profit Before Depreciation of \$21,090.49. This, less Depreciation of \$28,439.28, leaves us with a Net Loss of \$7,348.79 for the twelve months. Our Net Loss for the past three years runs as follows:

1936 -	\$22,483.01
1937 -	6,370.83
1938 -	7,348.79

Page 3 shows a comparative statement of Assets and Liabilities of the Corporation as of December 31, 1937 and December 31, 1938. The first item shows that we have accumulated some cash during the past

Treasurer's Report
Page II

year. \$1,123.41 of this comes from our Investment List and probably should be reinvested. The coming year calls for a heavier payment on the Mortgage and with the increased taxes we shall be fortunate if we get through the year without borrowing.

Under Investments our Regular Account took a decided slump during the year, as will be noted on Page 4. We cleaned house. We eliminated bonds that had been carried on the books at a cost of \$25,288.72, and wrote off \$20,249.06.

Other items on this page are self-explanatory, (under Assets)

Under Liabilities our Accrued Taxes show a difference in the County Tax bill of 1937 and 1938. Our Mortgage ^{debt} has dropped \$14,000. The Permanent Funds have increased, due to interest and some book and library equipment sales, amounting to \$571.89.

Page 4 gives a list of the changes that have taken place in our Investment Account during the past year. The cash difference of \$1,123.41, which was put in our General Funds Account, should probably be used for reinvestment.

Presented at Meeting
February 3, 1939

THE REYNOLDS LIBRARY

Notice of Special Meeting
of Board of Trustees

A special meeting of the Board of Trustees of The Reynolds Library, a corporation organized and existing under a Special Act of the Legislature of the State of New York, has been duly called by the President of said corporation and will be held at Room No. 614, Reynolds Arcade Building, in the City of Rochester, New York, on the 19th day of May, 1939, at 4:30 o'clock in the after noon for the purpose of considering and acting upon an offer by the Trustees under the will of Mortimer F. Reynolds, deceased, to pay to said corporation the sum of \$ 500. in cash in exchange for an instrument quitclaiming to said Trustees all of the right, title and interest of said corporation in and to the property located on Spring Street, in the City of Rochester, New York, heretofore constituting the library site of said corporation, including not only that portion of said property heretofore acquired by said corporation from Helen Augusta Smith, facing on Goldsmith Alley and measuring 55 feet in length by 55 feet in depth, but also all of said property acquired by said corporation under the will of said Mortimer F. Reynolds.

Dated: May 15th, 1939


Secretary

THE REYNOLDS LIBRARY

Call

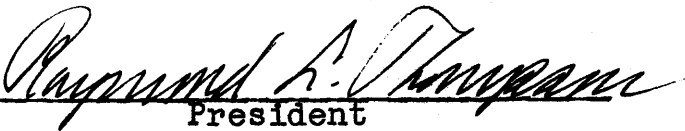
Special Meeting of Board of Trustees

Pursuant to Section 2 of Article II of the By-Laws of The Reynolds Library, a corporation organized and existing under a Special Act of the Legislature of the State of New York, the undersigned, being the President of said corporation, hereby calls a special meeting of the Board of Trustees of said corporation to be held at Room No. 614, Reynolds Arcade Building, in the City of Rochester, New York, on the 19th day of May, 1939, at 4³⁰ o'clock in the afternoon for the purpose of considering and acting upon an offer by the Trustees under the will of Mortimer F. Reynolds, deceased, to pay to said corporation the sum of \$ 500. in cash in exchange for an instrument quitclaiming to said Trustees all of the right, title and interest of said corporation in and to the property located on Spring Street, in the City of Rochester, New York, heretofore constituting the library site of said corporation, including not only that portion of said property heretofore acquired by said corporation from Helen Augusta Smith, facing on Goldsmith Alley and measuring 55 feet in length by 55 feet in depth, but also all of said property acquired

-2-

by said corporation under the will of said Mortimer F.
Reynolds.

Dated: May 10, 1939



President

STATE OF NEW YORK :
COUNTY OF MONROE : SS.
CITY OF ROCHESTER :

JOHN R. SLATER, being duly sworn, deposes and says:
That he is the Secretary of The Reynolds Library, a New
York corporation, having its principal office in the City
of Rochester, New York; that on the 15th day of May,
1939, he ^{caused to be} served upon each member of the Board of Trustees
of said corporation a copy of the annexed notice of a
special meeting of said Board of Trustees by depositing
in a mail box maintained by the United States Post Office
in said City of Rochester copies of the annexed notice,
each such copy being enclosed in a sealed postpaid wrapper
directed to one such Trustee at his address, as such address
appears on the records of said corporation.

John R. Slater

Subscribed and sworn to before
me this 19th day of May, 1939.

E. Willoughby Middleton

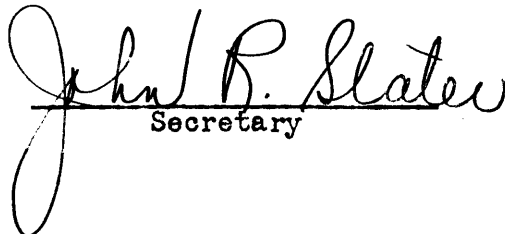
Notary Public, Monroe County, N. Y.

THE REYNOLDS LIBRARY

Notice of Special Meeting
of Board of Trustees

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Dated: May 15th, 1939


Secretary

S-103

Rochester, N. Y.
May 3 , 1939

The Reynolds Library
Reynolds Arcade Building
Rochester, New York

Gentlemen:

The undersigned, being all of the Trustees under the will of Mortimer F. Reynolds, deceased, hereby offer to pay to you the sum of \$ 500.00 in cash in exchange for an instrument quitclaiming to the undersigned, as such Trustees, all of the right, title and interest of The Reynolds Library in and to the Spring Street property in the City of Rochester, New York, heretofore constituting your library site, including not only that portion of such property heretofore acquired by you from Helen Augusta Smith, facing on Goldsmith Alley and measuring fifty-five feet in length by fifty-five feet in depth, but also all of said Spring Street property acquired by you under the will of said Mortimer F. Reynolds.

Yours very truly,

Mary P. Antice
Emily A. Gardner
Mary O. Weller
Mortimer F. Antice

Trustees under the will of
Mortimer F. Reynolds, deceased.

SPECIAL MEETING OF THE BOARD OF TRUSTEES OF REYNOLDS LIBRARY

May 19, 1939

A special meeting of the Board of Trustees of The Reynolds Library, called by the President and Secretary according to the method prescribed in the by-laws, was held on May 19, 1939, at 4:30 p.m. in the Board Room of the Reynolds Arcade. The president's call for this meeting was as follows:

Pursuant to Section 2 of Article II of the By-Laws of The Reynolds Library, a corporation organized and existing under a Special Act of the Legislature of the State of New York, the undersigned, being the President of said corporation, hereby calls a special meeting of the Board of Trustees of said corporation to be held at Room. No. 614, Reynolds Arcade Building, in the City of Rochester, New York, on the 19th day of May, 1939, at 4:30 o'clock in the afternoon, for the purpose of considering and acting upon an offer by the Trustees under the will of Mortimer F. Reynolds, deceased, to pay to said corporation the sum of \$500 in cash in exchange for an instrument quitclaiming to said Trustees all of the right, title and interest of said corporation in and to the property located on Spring Street, in the City of Rochester, New York, heretofore constituting the library site of said corporation, including not only that portion of said property heretofore acquired by said corporation from Helen Augusta Smith, facing on Goldsmith Alley and measuring 55 feet in length by 55 feet in depth, but also all of said property acquired by said corporation under the will of said Mortimer F. Reynolds.

(signed) Raymond L. Thompson
President

Dated May 10, 1939

In accordance with this call by the President, the Secretary on May 15, 1939, caused to be mailed to all members of the Board of Trustees, thirteen in number, a written notice of said special meeting, which notice was as follows:

A special meeting of the Board of Trustees of The Reynolds Library, a corporation organized and existing under a Special Act of the Legislature of the State of New York, has been duly called by the President of said corporation and will be held at Room No. 614, Reynolds Arcade Building, in the City of Rochester, New York, on the 19th day of May, 1939, at 4:30 o'clock in the afternoon for the purpose of considering and acting upon an offer by the Trustees under the will of Mortimer F. Reynolds, deceased, to pay to said corporation the sum of \$500 in cash in exchange for an instrument quitclaiming to said Trustees all of the right, title and interest of said corporation in and to the property located on Spring Street, in the City of Rochester, New York, heretofore

constituting the library site of said corporation, including not only that portion of said property heretofore acquired by said corporation from Helen Augusta Smith, facing on Goldsmith Alley and measuring 55 feet in length by 55 feet in depth, but also all of said property acquired by said corporation under the will of said Mortimer F. Reynolds.

(signed) John R. Slater
Secretary

Dated May 15, 1939

At this meeting eleven of the thirteen trustees were present, namely, Messrs. Anstice, Briggs, Gilchrist, Goodenough, Hopeman, Middleton, Miner, Pike, Slater, Thompson, and a Weller, being a quorum. President Thompson presided. The motion was made by Mr. Middleton, seconded by Mr. Briggs, and unanimously adopted that the resignation from the Board of Trustees of Hon. George A. Carnahan, presented by him in 1934 and not at that time formally accepted by the Board, which preferred to elect him an Honorary Trustee without obligation to attend its meetings, should at this time be accepted with expressions of high appreciation for his past services to the Board. The reason for this action was that although Mr. Carnahan since his election as Honorary Trustee has not been able to attend Board meetings and has not been counted as a regular member in determining the presence of a quorum, yet some legal question might arise at this special meeting if he were regarded as technically a fourteenth member of the Board, a two-thirds vote being necessary and two of the members present not being eligible to vote. After the acceptance of Judge Carnahan's resignation the President laid before the Board the special business for which the meeting was called.

The secretary was first called upon to certify the legality of the call for the meeting, and it was voted on motion of Mr. Middleton that proof of adequate advance notice should be prefixed to the minutes. The following offer from the Trustees under the will of Mortimer F. Reynolds, deceased, was then read to the Board:

Rochester, New York
May 3, 1939

The Reynolds Library
Reynolds Arcade Building
Rochester, New York

Gentlemen:

The undersigned, being all of the Trustees under the will of Mortimer F. Reynolds, deceased, hereby offer to pay ~~to you~~ the sum of \$500.00 in cash in exchange for an instrument quitclaiming to the undersigned, as such Trustees, all of the right, title and interest of The Reynolds Library in and to the Spring Street property in the City of Rochester, New York, heretofore constituting your library site, including not only that portion of such property heretofore acquired by you from Helen Augusta Smith, facing on Goldsmith Alley and measuring fifty-five feet in length by fifty-five feet in depth, but also all of said Spring Street property acquired by you under the will of said Mortimer F. Reynolds.

Yours very truly,

(signed) Mary R. Anstice

Emily A. Gardner

Mary A. Weller

Mortimer R. Anstice

Trustees under the will of

Mortimer F. Reynolds, deceased

At this stage Messrs. Weller and Anstice, being beneficiaries two of the ~~trustees~~ under the will of Mortimer F. Reynolds ~~signing this offer~~ and therefore not qualified to vote on its acceptance, withdrew from the meeting. Mr. Middleton then read the report of the committee previously appointed, consisting of Mr. Thompson and Mr. Miner, to consider what solution can be found for clearing title for the Spring Street property without court litigation. The report was as follows:

THE REYNOLDS LIBRARY

Report of Committee Re: Disposition of Spring Street Property

This Committee was appointed by the Board of Trustees with authority to decide upon a course of action in reference to the Spring Street property and to put that decision into effect.

We have conferred with counsel for The Reynolds Library, and are familiar with the opinion of such counsel to be submitted to this Board at this meeting.

Under the language of the will of Mortimer F. Reynolds, it is clear that if the Spring Street property should cease to be occupied by The Reynolds Library for its library and other educational purposes for the period of one year, Mr. Reynolds intended that this property should become a part of his residuary estate, which estate he left to Trustees for the benefit of the Anstice family, the income therefrom to go to Mrs. Mary Belle Anstice for her life, and the principal to be divided among her children upon her death. We understand, however, from our counsel, that a rule of law raises some question as to the legality of this clearly expressed intent, causing some doubt as to whether the title to this property is now vested in such Trustees under the language of the will, or in The Reynolds Library.

In order for The Reynolds Library to assert a claim to this property it would be compelled to make an effort to defeat the clearly expressed intent of the testator, and inasmuch as The Reynolds Library was the creature of the testator, and inasmuch as the testator was

-2-

the source of practically all of the assets of The Reynolds Library, it seems to this Committee unbecoming, if not actually improper, for The Reynolds Library to enter upon any such undertaking. Further, since the consolidation with the City Public Library, The Reynolds Library has no use for this property, its only value to The Reynolds Library being its sale value, which, at the present time, is highly problematical.

Should The Reynolds Library desire to assert a claim to this property against the clearly expressed intent of the testator, it would be compelled to undertake expensive litigation for a construction of the Will. We understand from our counsel, that in their opinion such litigation would be unsuccessful, the probability being that the title to this property would be held to be vested in the Trustees under Mr. Reynolds' will in accordance with his expressed intent. In addition, pending the determination of such litigation, The Reynolds Library would be put to the expense of paying the taxes, insuring and maintaining this property.

For all these reasons, we recommend to this Board that it take no action to assert any claim to this property.

As to the course to be followed, our investigation discloses that while the great bulk of the Spring Street property was acquired by The Reynolds Library under Mr. Reynolds' will, a small portion fronting on Goldsmith Alley, and measuring 55 feet by 55 feet, was acquired by

-3-

The Reynolds Library in 1908 under a deed from Helen Augusta Smith. The records of The Reynolds Library indicate that at the time this Smith property was acquired, it included a substantial barn. The price paid by the Library therefor was \$3500. Our investigation further indicates that this barn was torn down in about 1911, the Smith property being now vacant.

The entire land constituting the Spring Street property is now assessed for purposes of taxation at \$38,160. Its total area is approximately 72,938 square feet, while the area of the Smith property is approximately 3,025 square feet. Accordingly, on a strictly proportionate valuation, the Smith property would represent approximately \$1,580 of the assessed valuation. However, we believe that a considerable portion of the value of the Spring Street property lies in the fact that it fronts partly on Spring Street and partly on Broad Street. For this reason, we do not think it proper to allocate the assessed value of this property simply on the basis of square footage. Further, the Smith property is bounded on three sides by the property acquired under Mr. Reynolds' will, its only outlet being on Goldsmith Alley, a narrow passage 15 feet wide with one way traffic. For these reasons, we believe that it would be difficult, if not substantially impossible, to find a purchaser for this single piece of property.

We have had Warren Allen, an independent appraiser, appraise the Smith property, and he has reported its value to be approximately \$480. Mr. Allen's appraisal

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is attached to this report and submitted to you herewith.

The Trustees under the will of Mortimer F. Reynolds have offered to purchase the Smith property provided The Reynolds Library will, for the consideration of \$500 in cash, quitclaim to them all the right, title and interest of The Reynolds Library in and to not only the Smith property but also all that portion of the Spring Street property acquired under the Reynolds will. This committee recommends that, subject to the necessary legal steps, The Reynolds Library accept this offer.

Respectfully submitted,

May 19 —, 1939.

Raymond R. Thompson
E. G. Miner

COMMITTEE

LINCOLN-ALLIANCE

BANK AND TRUST COMPANY

MEMBER FEDERAL RESERVE SYSTEM

ROCHESTER, N.Y.

REAL ESTATE DEPARTMENT

MAIN OFFICE

May 3, 1939

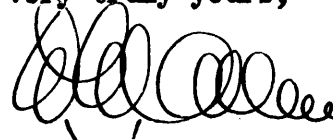
Mr. Raymond L. Thompson, Treasurer
University of Rochester
Rochester, New York

Dear Mr. Thompson:

In accordance with your request I have made an examination and am giving to you my resultant valuation opinion of a portion of Lots 216 and 217 of the Hundred Acre Tract. This parcel fronts 55 feet on the west side of Goldsmith Place and has a depth of approximately 55 feet.

In my opinion this parcel has a present value of \$480. I will be glad to go over with you my work sheets made in connection with this valuation estimate, if you so desire. I am returning your sketch herewith.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'W. W. Allen', with a long, sweeping horizontal line extending to the right.

Warren W. Allen, Manager
Real Estate Department

A:C

It was moved by Mr. Middleton, seconded by Mr. Goodenough, and voted unanimously that the report of the committee be accepted and approved.

The written opinion of Hubbell, Taylor, Goodwin, Nixon & Hargrave upon the question of accepting the offer was then read by Mr. Middleton. The opinion was as follows:

Hubbell, Taylor, Goodwin, Nixon & Hargrave
Attorneys and Counselors at Law
31 Exchange Street
Rochester, N.Y.
May 4, 1939

FRED C. GOODWIN
T. CARL NIXON
THOMAS J. HARGRAVE
E. WILLOUGHBY MIDDLETON
FRANK E. DEVANS
RAYMOND BENTLEY
W. CLYDE O'BRIEN

EDWARD I. CRISTY
LEWIS CLINTON
CASPER BALTENSPERGER
ALFRED W. DUNBAR
JUSTIN J. DOYLE
FRANK J. GOODWIN
SCOTT STEWART, JR.
CARL F. PAUL, JR.
ARTHUR L. STERN

The Reynolds Library
Reynolds Arcade
Rochester, New York

Gentlemen:

In compliance with your request that we render to you our opinion with reference to the present status of the title to the Spring Street property, which you acquired under the will of Mortimer F. Reynolds, we submit herewith the following.

Under the language of Mr. Reynolds' will, it is clear that Mr. Reynolds intended that if for the period of one year this property should cease to be occupied by the Library for its library and other educational purposes, then this property should be disposed of as if it were part of his residuary estate, which estate he left to Trustees for the benefit of Mrs. Mary Belle Anstice for life, and then to her children. The Reynolds Library has ceased so to use this property for more than a year, Mrs. Mary Belle Anstice being still living, and the trust therefore being still operative.

Because of the so-called rule against perpetuities, the legality of this gift over is subject to question. Should

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The Reynolds Library

5/4/39

the question be litigated, the court might hold that the gift over is invalid, and that because of such illegality, the title to this property is now vested in The Reynolds Library.

However, in our opinion, based upon our examination of the current trend of the authorities, it is very probable that the court would so construe the language of the will as to make the testator's intent effective, and would hold the title to this property to be now vested in the Trustees under Mr. Reynolds' will.

As to the course which you might properly follow in order to solve this problem, in our opinion you have the legal right, upon the affirmative vote of two-thirds of your Board of Trustees, and with the approval of the Supreme Court or the County Court to quitclaim to the Trustees under Mr. Reynolds' will all your right, title and interest in this property, as well as the small tract acquired from Helen Augusta Smith, for such consideration as you may deem proper.

You understand, of course, that our firm is now, and for some time past, has been acting as counsel for the Trustees under Mr. Reynolds' will.

Yours very truly,

Hubbell, Taylor, Goodwin, Nixon Hargrave

EWM:DM

Thereupon the following resolutions were moved by Mr. Middleton, seconded by Mr. Briggs, and unanimously adopted by the nine members of the Board then present in the meeting, being more than two-thirds of the entire membership of the Board. The text of the resolutions was as follows:

64
Sum
5/1/24

THE REYNOLDS LIBRARY

Re: Spring Street Property

Resolutions for Board of
Trustees

WHEREAS, The Reynolds Library was incorporated, at the instance of Mortimer F. Reynolds, by a Special Act of the Legislature of the State of New York, in 1884; and

WHEREAS, under the terms of the will of said Mortimer F. Reynolds, probated in 1892, said Mortimer F. Reynolds devised to said The Reynolds Library certain real property located on Spring Street, in the City of Rochester, New York, on condition that the same should always be occupied by said The Reynolds Library for its Library and any other of its educational purposes, and in case the same should cease to be so occupied for the period of one year, then said property should be disposed of as if it were part of the residuary estate of said Mortimer F. Reynolds; and

WHEREAS, pursuant to an agreement dated December 29, 1933, between the City of Rochester and said The Reynolds Library, the library of said The Reynolds Library was combined with the Rochester Public Library, and was installed in the building occupied by said Rochester Public Library at the corner of Broad Street and South Avenue in the City of Rochester, where said Library is now maintained; and

WHEREAS, for the foregoing reason, said The Reynolds Library has for more than a year ceased to occupy said property as required by the condition of said will,

-2-

has no further need for said property, and has no intention of ever hereafter occupying said property; and

WHEREAS, said The Reynolds Library has been advised by its counsel that there is some question as to the legality of the gift over of said property upon breach of the condition of said will, and, accordingly, that said The Reynolds Library may have some claim to said property, but, in the opinion of said counsel, such claim would probably not be sustained; and

WHEREAS, the Board of Trustees of said The Reynolds Library deem it unbecoming, if not actually improper, to assert any such claim, in opposition to the clearly expressed intent of its benefactor as set forth in his will, and further deem it inadvisable for said The Reynolds Library to enter into any litigation to enforce such claim, or to render itself liable for the payment of taxes on and expenses of upkeep of said property;

NOW, THEREFORE,

RESOLVED: That said The Reynolds Library shall not assert any claim to said property in opposition to the intent of said Mortimer F. Reynolds as expressed in his said will.

The Board having by this resolution disclaimed any intention of asserting its possible rights in the Spring Street property then proceeded to act upon the offer of the Trustees under the will of Mortimer F. Reynolds to pay \$500 for a quitclaim. The following resolutions were moved by Mr. Middleton, seconded by Mr. Briggs, and unanimously adopted by the nine members of the Board then present in the meeting, being more than two-thirds of the entire membership of the Board. The text of the resolutions was as follows:

THE REYNOLDS LIBRARY

Re: Spring Street Property

Resolutions authorizing application to court for leave to quitclaim Spring Street property.

WHEREAS, The Reynolds Library, a corporation organized and existing under a Special Act of the Legislature of the State of New York, received under the will of Mortimer F. Reynolds, prebated on or about July 5, 1892, in Monroe County, New York, certain real property hereinafter specifically described, on condition that said real property should always be occupied by said corporation for its library and other educational purposes; and in case said real property should cease to be so occupied for the period of one year, then the estate thereby devised should cease and determine, and in such event said real property was devised as if it were part of the residuary estate of said Mortimer F. Reynolds for the beneficiaries therein set forth; and

WHEREAS, said real property has ceased to be so occupied by said corporation for more than one year; and

WHEREAS, said real property consists of the following:

All That Tract or Parcel of land situate in the City of Rochester, County of Monroe, State of New York, being Lots 214, 215, 216, 217, 218, 219 and 220 of the Hundred Acre Tract, excepting therefrom the northeast part of said Lot 217 fronting 40 feet on the west side of

-2-

West or Goldsmith Alley and running back a depth of 55 feet, and also excepting the right, title and interest, if any, formerly owned by Helen Augusta Smith in the south-east part of Lot 216 of said Tract, being a strip 15 feet wide fronting on the west side of said Alley and running back a depth of 55 feet.

Together with all the right, title and interest of The Reynolds Library in and to that portion of Lot 241 of said Tract lying south of the south line of Broad Street, excepting from said Lot 214 so much thereof as has been taken for the Erie Canal or Broad Street, or either of them.

The premises intended to be described are bounded south by Spring Street; west by Child or Hemlock Alley; east by West or Goldsmith Alley and the west line of the premises excepted as aforesaid; and north by the south line of Broad Street; and it is hereby intended to describe so much of said Lot 241 as lies south of the south line of Broad Street and premises conveyed to Mortimer F. Reynolds by the following Deeds: Deed by Sidney B. Roby and wife, by Referee, dated November 13th, 1876, and recorded on that day in Monroe County Clerk's Office in Liber 301 of Deeds at page 70; Deed by Julia A. Hamilton, dated April 23d, 1878, and recorded in said Clerk's Office April 24th, 1878, in Liber 313 of Deeds at page 274; Deed by Oscar Craig and wife, dated June 9th, 1879, and recorded in said Clerk's Office June 12th, 1879, in Liber 322 of Deeds at page 240; Deed by William Burke and wife, dated June 9th, 1879, and recorded in said Clerk's Office June 12th, 1879, in Liber 325 of Deeds at page 62; and Deed by James B. Stevens, et al., by Referee, dated May 10th, 1879, and recorded in said Clerk's Office on that day in Liber 324 of Deeds at page 81.

Together with all the right, title and interest of The Reynolds Library in and to the streets and alleys adjoining said premises.

and

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WHEREAS, said The Reynolds Library acquired by purchase from Helen Augusta Smith, and has continuously occupied as a part of its Spring Street property certain additional real property described as follows:

All that Tract or Parcel of Land, situate in the City of Rochester, County of Monroe, State of New York, being the northeast part of Lot 217 of the Hundred Acre Tract, bounded on the east by Goldsmith, formerly West, Alley; on the north by the north line of said Lot; on the west by a line parallel with and 55 feet west of the west line of said Alley, and on the south by a line parallel with the north line and 40 feet south therefrom, measured along the west line of said Alley.

Also all the right, title and interest formerly of Helen Augusta Smith, now of The Reynolds Library, in and to the southeast part of Lot 216 of said Tract, being a strip of land 15 feet wide fronting on the west side of said Alley and running back a depth of 55 feet, lying immediately north of the parcel first above described. Being the same premises conveyed by Helen Augusta Smith to The Reynolds Library, by deed dated March 2nd, 1908 and recorded on that day in Monroe County Clerk's Office in Liber 771 of Deeds at page 113.

Together with all right, title and interest formerly of said Helen Augusta Smith, now of The Reynolds Library, in and to said Alley adjoining said premises.

and

WHEREAS Mary Belle Anstice, Mortimer R. Anstice, Mary A. Weller and Emily A. Gardner, as Trustees under the will of said Mortimer F. Reynolds, deceased, have offered to purchase from said The Reynolds Library said real property

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acquired from said Helen Augusta Smith, provided that said The Reynolds Library will, for the consideration of five hundred dollars (\$500) quitclaim to them all the right, title and interest of said The Reynolds Library in and to not only said Smith property but also all said real property acquired under the will of said Mortimer F. Reynolds; and

WHEREAS, the Board of Trustees of said The Reynolds Library deem it to be in the best interests of said The Reynolds Library to accept such offer, subject to leave of court to make such sale.

NOW, THEREFORE,

RESOLVED: That, subject to leave of a court of competent jurisdiction, said The Reynolds Library hereby accepts the offer of the Trustees under the will of said Mortimer F. Reynolds, deceased, as hereinabove set forth, and hereby authorizes the President, the Secretary, the Treasurer, or any one of them, to execute and verify such petition or other application as may be necessary or appropriate to obtain from the Supreme Court of the State of New York or the Monroe County Court an order granting leave to said The Reynolds Library to make, execute and deliver to said Trustees an appropriate instrument quitclaiming to said Trustees all the right, title and interest of said The Reynolds Library in and to all of the real property hereinabove described;

FURTHER RESOLVED: That the proper officers of said The Reynolds Library be, and they hereby are, authorized to take such action and to execute and deliver such documents as they, in their discretion, may deem necessary or advisable to consummate said sale and to effectuate the purposes of these resolutions.

This special business having been disposed of, Messrs. Anstice and Weller were invited to return to the meeting, and the action just taken was reported to them. The Board then proceeded to hear reports and to transact routine business held over from the postponed quarterly meeting scheduled for April 14, which was not held then because of lack of a quorum.

Mr. Goodenough presented the report of the Treasurer for the three months ending March 31, which report is attached to these minutes. It showed cash receipts of \$28,505 and disbursements of \$35,673. The operation expense for the quarter was \$2,700 over the budget because of alterations necessary in shifting offices to free the entire eighth floor for the Rochester Hospital Service Corporation. The profit before depreciation was \$1,659; after depreciation of \$7,109 there was a net loss for the quarter of \$5,450. The building is about 95% rented and all rents are paid to date. The report of the Treasurer and of the Property Committee was ordered accepted and filed.

The Library Committee reported through the chairman that Mr. Lowe, librarian of the Public Library, had been informed of the offer of the Board to contribute funds from time to time for the purchase of special collections of books when recommended, and had expressed gratification. No requests have yet come for such appropriations.

The secretary also reported that access to the safety deposit trunk belonging to the corporation in the Rochester Trust Company vaults should be open to more than one officer. On motion duly made and seconded it was voted that both the

secretary and the treasurer be authorized to have access to this trunk and that the secretary so notify the safety deposit officials.

The secretary also inquired what different disposition, if any, should be made of the contents of this trunk. It contains title papers for the Arcade property, miscellaneous old financial reports of the building superintendent and other probably useless papers, and several large books containing bound photostat copies of the accession lists of the library books. It was voted that the photostat accession lists be offered to the Public Library to be kept with their records if they are willing to do so. The title papers and anything else of historical value are to be preserved in the custody of the Reynolds Library Board, either in the safety deposit vault or in a safe in the Arcade Building as may be later determined.

Mr. Miner inquired if it may not be possible to induce the Northwestern Mutual Life Insurance Company to reduce the interest rate on the mortgage from 4 1/2 to 4%, or if not, to allow 1/2% a year to be applied on the principal payment for the year. The treasurer agreed to see what could be done in this direction.

Appreciation of the Board to Mr. Middleton for his services in working out a solution for the Spring Street property problem was voted.

Attention was called by the President to the historical plaque commemorating the old Arcade recently erected in the lobby of the building. The Board then adjourned.


Secretary

THE REYNOLDS LIBRARY INCORPORATED

Statements *** March 31st, 1939

THE REYNOLDS LIBRARY INC.STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

CASH BALANCE JANUARY 1st, 1939	\$ 25,064.99	
RECEIPTS FOR 3 MONTHS	<u>28,505.89</u>	
		\$ 53,570.88
 TOTAL DISBURSEMENTS FOR 3 MONTHS		 <u>35,673.25</u>
 BALANCE MARCH 31st, 1939		 \$ <u>17,897.63</u>

Above Balance Represented By:

Petty Cash	10.00
Lincoln-Alliance	16,127.45
Rochester Trust a/e	<u>1,760.18</u>
	\$ <u>17,897.63</u>

THE REYNOLDS LIBRARY INCSTATEMENT OF INCOME & EXPENSES ON THE ACCRUAL BASIS
COMPARISON - BUDGET

<u>INCOME</u>	<u>3 MOS ENDED</u> <u>MAR 31, 1938</u>	<u>3 MOS ENDED</u> <u>MAR 31, 1939</u>	<u>BUDGET</u> <u>3 MOS 1939</u>
Rentals	26,972.55	26,233.31	26,502.00
Elec & Water	1,233.41	1,195.21	951.00
Sundry	33.49	48.61	51.00
Discount	7.65	11.87	-0-
Parking Station	393.75	454.00	402.00
	<u>28,640.85</u>	<u>27,943.00</u>	<u>27,906.00</u>
Interest & Dividends	1,308.75	1,227.51	1,227.51
	<u>29,949.60</u>	<u>29,170.51</u>	<u>29,133.51</u>
<u>EXPENSES</u>			
Arcade Bldg -			
Operation	6,235.63	8,569.62	5,870.85
Payrolls	4,365.91	4,608.26	5,250.00
Insurance	354.12	337.81	375.00
Misc. Taxes	-0-	43.26	27.00
Taxes: County and City	7,210.77	8,378.94	8,376.00
Int. On Mortgage	4,646.25	4,488.00	4,398.00
Int. On Loans	-0-	-0-	51.00
Misc. Exp., Adv. Exp.	127.55	137.78	126.00
Parking Station	260.00	-0-	-0-
Legal and Audit	150.00	150.00	39.00
Legal and Professional	-0-	-0-	126.00
	<u>23,350.23</u>	<u>26,713.67</u>	<u>24,638.85</u>
Spring St Prep. Exp.	252.07	271.51	189.00
	<u>23,602.30</u>	<u>26,985.18</u>	<u>24,827.85</u>
Reading Room:			
Operation	60.65	21.78	225.00
Salaries	504.00	504.00	525.00
	<u>564.65</u>	<u>525.78</u>	<u>750.00</u>
TOTAL EXPENSE BEFORE DEPREC.	24,166.95	27,510.96	
Profit or Loss	5,782.65 Pr	1,659.55 Pr	
Less Depreciation	7,109.82	7,109.82	
NET PROFIT OR LOSS	1,327.17 L	5,450.27 L	

THE REYNOLDS LIBRARY INC.

(3)

COMPARATIVE STATEMENT OF ASSETS & LIABILITIES

<u>ASSETS</u>	<u>DEC 31, 1938</u>		<u>MAR 31, 1939</u>	
<u>CASH</u>				
General Funds		23,396.01		16,137.45
Permanent Funds		1,668.98		1,760.18
 RECEIVABLES				
Accounts - Rent		-0-		44.71
Interest		132.50		890.01
Other		40.47		-0-
 INVESTMENTS				
Regular a/e		113,184.65		113,184.65
Fund a/e		9,747.55		9,747.55
 REAL ESTATE				
Main Street	951,008.22		951,008.22	
Less Deprec.	<u>59,854.32</u>	891,153.90	<u>64,892.55</u>	886,115.67
Spring Street		70,000.00		70,000.00
 EQUIPMENT				
Library Books		80,000.00		80,000.00
 DEFERRED CHARGES				
Construct. a/e Spc.	82,864.12		82,864.12	
Less Deprec.	<u>21,345.98</u>	61,518.14	<u>23,417.57</u>	59,446.55
Prepaid Expenses		1,050.73		7,430.06
Inventory		<u>500.57</u>		<u>543.76</u>
 <u>TOTAL ASSETS</u>		<u>\$1,252,393.50</u>		<u>\$ 1,245,300.59</u>
<hr/>				
<u>LIABILITIES</u>				
 ACCOUNTS PAYABLE				
Accrued Taxes		8,247.39		2,052.00
Sundry		26.45		-0-
 NOTES PAYABLE				
Mortgage a/e		399,000.00		399,000.00
Interest Accrued		3,591.00		8,079.00
 Fund Inv. a/e		532.08		557.08
Permanent Funds		10,884.45		10,950.65
 NET WORTH		<u>830,112.13</u>		<u>824,661.86</u>
 <u>TOTAL LIABILITIES</u>		<u>\$ 1,252,393.50</u>		<u>\$ 1,245,300.59</u>

ADJOURNED QUARTERLY MEETING, DECEMBER 15, 1939

An adjourned quarterly meeting of the Board of Trustees of The Reynolds Library was held December 15, 1939, at 4 p.m. in the Board Room of the Arcade. Present: Messrs. Briggs, Goodenough, Middleton, Miner, Perkins, Pike, Slater, and Thompson, a quorum being present. President Thompson presided.

The minutes of the previous meeting were read and approved. The Treasurer's report for the first nine months of the year, ending September 30, was presented by Mr. Goodenough. It showed that while the income for the period was only slightly less than in 1938, the expenses were much heavier because of an increase in taxes and the cost of alterations made for tenants. The profit before depreciation in 1939 was only \$9,027.49 as compared with \$17,491.15. Less depreciation the net loss for nine months this year was \$12,301.97 as compared with \$3,538.31 in 1938. The full figures are shown in the attached report, which was duly adopted.

The Treasurer also reported lack of success in the attempt to induce the Northwestern Mutual Life Insurance Company to reduce the interest on the mortgage from 4 1/2 to 4 per cent, or to allow 1/2 per cent of the interest to count as a reduction of principal. Mr. Miner suggested that renewed efforts, perhaps by approaching a different official, be made.

The Library Committee through the chairman reported a perplexing problem as to the ultimate disposal of large numbers of Reynolds Library books now stored at the Public Library which, being duplicates, are not desired by that

Library. The Public Library is proceeding slowly in cataloguing and shelving the Reynolds books, because of the expense of such labor, and is reluctant to add at this time many more than the 13,000 volumes so far accessioned because of the cost of rebinding. It was suggested by the Board that we offer to contribute from our funds to the cost of rebinding if desired by the Public Library. No definite suggestions were made as to how to dispose of the many thousand volumes discarded by the Public Library but still stored there.

The secretary, having been requested earlier in the year to prepare a minute for the Board concerning the death of Mr. Donald B. Gilchrist, which minute had not been earlier presented because the October meeting was not held, offered the following resolution, which was duly adopted:

By the death on August 4, 1939, of Mr. Donald Bean Gilchrist the Reynolds Library has lost one of its most useful trustees. Though not long a member of this Board, he came into it at a time when the removal of our books to the Public Library and the problems of adjustment arising from that merger were in need of a practical library administrator. In such matters as the transportation of the books, the disposal of duplicates and of library equipment, and the arrangements for recataloguing the Reynolds books his assistance was indispensable. More recently he was solely responsible for arranging for the design and manufacture of the historical plaque recently erected in the lobby of the Reynolds Arcade. By his business judgment as well as by his expert library technique he served our library well in a period of transition. In this capacity, as in his major office as University librarian and otherwise, he contributed much to the promotion of public education and public spirit in Rochester. We deeply deplore his loss.

The President stated that he had previously appointed as a nominating committee to suggest new members for the Board Messrs. Pike, Middleton, Weller, and Anstice. Mr. Pike nominated as candidates for future election to the Board Mr. Hiram Sibley, Jr., Mr. G. Alfred Sproat, and Mr. Fred H. Gordon, Jr.

The meeting was then adjourned.

John R. Slater
Secretary

THE REYNOLDS LIBRARY INCORPORATED

Treasurer's Report
September 30, 1939

THE REYNOLDS LIBRARY INCORPORATED

C A S H S T A T E M E N T

CASH BALANCE JANUARY 1, 1939

\$25,064.99

INCOME:

January	9,433.42
February	9,581.32
March	9,491.15
April	10,425.26
May	10,325.65
June	9,987.17
July	10,439.86
August	9,258.82
September	<u>10,054.62</u>

Total Income

88,997.27

\$114,062.26

EXPENSES:

January	18,542.48
February	5,009.31
March	12,121.46
April	21,416.59
May	5,285.43
June	11,244.26
July	4,890.12
August	10,208.64
September	<u>8,804.61</u>

Total Expenses

92,522.90\$ 21,539.36

CASH BALANCE SEPTEMBER 30, 1939 REPRESENTED BY:

Lincoln-Alliance Bank a/c	19,627.17
Rochester Trust Fund a/c	1,902.19
Petty Cash	<u>10.00</u>

\$ 21,539.36

THE HEYNOLDS LIBRARY INCORPORATED

COMPARATIVE STATEMENT OF INCOME & EXPENSES - ACCRUAL BASIS

<u>INCOME</u>	<u>9 MOS ENDED SEPT. 30/38</u>	<u>9 MOS ENDED SEPT. 30/39</u>
Rentals	80,469.34	79,703.95
Electricity & Water	5,161.59	5,071.09
Parking Station	1,180.00	1,279.00
Discount	17.43	33.81
Sundry	120.78	172.10
	<u>84,949.14</u>	<u>84,259.95</u>
Interest & Dividends	<u>3,926.25</u>	<u>3,687.55</u>
TOTAL INCOME	\$ 88,875.39	\$ 87,942.48
<u>EXPENSES</u>		
Arcade Building -		
Operation	16,935.14	20,892.57
Payroll	14,680.73	14,572.13
Insurance	1,086.06	1,038.06
Taxes: City & County	21,631.95	25,136.94
Taxes: Miscellaneous		95.80
Interest on Mortgage	13,797.00	13,304.25
Interest on Loans		
Miscellaneous	341.15	1,161.23
Parking Station	522.00	
Legal & Audit	150.00	150.00
Legal & Professional		500.00
	<u>\$ 69,144.03</u>	<u>\$ 76,850.98</u>
Library Property Expense	<u>564.49</u>	<u>426.63</u>
	\$ 69,708.52	\$ 77,277.61
Reading Room -		
Operation	109.56	71.22
Salaries	<u>1,566.16</u>	<u>1,566.16</u>
	1,675.72	1,637.38
Total Expense Before Depreciation	\$ 71,384.24	\$ 78,914.99
Profit or Loss	\$ 17,491.15 Pr.	\$ 9,027.49 Pr.
Less Depreciation Expense	\$ 21,329.46	\$ 21,329.46
<u>NET LOSS FOR NINE MONTHS</u>	\$ 3,838.51	\$ 12,301.97

THE REYNOLDS LIBRARY INCORPORATED

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES

<u>ASSETS</u>	<u>DECEMBER 31, 1938</u>	<u>SEPTEMBER 30, 1939</u>
CASH - General Funds	23,396.01	19,637.17
Permanent Funds	1,668.98	1,902.19
RECEIVABLES -		
Accounts (Rents)		45.44
Interest & Dividends	132.50	935.03
Others	40.47	
INVESTMENTS -		
Regular Account	113,184.65	113,211.15
Fund Account	9,747.55	9,747.55
REAL ESTATE -		
Main Street	951,008.22	951,008.22
Less Depreciation	<u>59,854.32</u>	<u>74,969.01</u>
Spring Street	891,153.90	876,039.21
	70,000.00	
EQUIPMENT -		
Library Books	80,000.00	80,000.00
DEFERRED CHARGES -		
Construction a/c	82,864.12	82,864.12
Less Depreciation	<u>21,345.98</u>	<u>27,560.75</u>
Prepaid Expenses	61,518.14	55,303.37
Inventory	1,050.73	7,578.53
	<u>500.57</u>	<u>677.96</u>
TOTAL ASSETS	\$ 1,252,393.50	\$ 1,165,077.65

LIABILITIES

ACCOUNTS PAYABLE -		
Accrued Taxes	8,247.39	8,153.00
Sundry	26.45	
NOTES PAYABLE -		
Mortgage Account	399,000.00	391,000.00
Int. Accrued Mtg. a/c	3,591.00	7,917.75
Loan Account		
Int. Accrued - Loan a/c		
Permanent Funds	10,884.45	10,967.66
" Fund Inv. Inc.	532.08	682.08
Investment Reserve a/c		44.00
NET WORTH	<u>830,112.13</u>	<u>743,310.16</u>
TOTAL LIABILITIES	\$ 1,252,393.50	\$ 1,165,077.65

INVESTMENT STATEMENT

BALANCE AS OF DECEMBER 31, 1938 \$115,184.65

SALES:

July 5, 1939 1 M Alum. Ltd. 5s/48 (Called)

Sale Price	1,050.00	
Cost	986.00	
Profit	<u>44.00</u>	<u>986.00</u>
		\$ 112,196.65

PURCHASE:

July 25, 1939 5 U. S. Savings Bonds
Series "D" - 7/1/49 Cost 1,012.50

BALANCE AS OF SEPTEMBER 30, 1939 \$ 113,211.15

Cash Proceeds	
From Above Sale	1,050.00
Less Cost	
Of Purchase	<u>1,012.50</u>
Balance in General Funds	17.50

TREASURER'S REPORT

September 30th, 1939

The accompanying report gives Cash Statement, comparison statement of Income and Expense and statement of Assets and Liabilities as of September 30th, 1939.

Cash Statement on page #1 shows cash at the beginning of the period of \$25,064.99 and added income through the first nine months of \$88,997.27, a total of \$114,062.26.

Cash outlay for the first nine months totaled \$92,522.90, leaving a cash balance of \$21,539.36 as of September 30th, 1939, as shown in the bank account.

The statement of Income and Expense, on page #2, gives a comparison of a similar period in 1938. Our income, during the period, has varied very little. Our expenses, however, during that period were substantially increased by \$4,000 additional taxes and, approximately, \$4,000 spent in alterations for Tenants, making the total expense for the building of \$76,850. This, together with the Library Property Expense and the Reading Room Expense gave a total expense for the Corporation, during the period, of \$78,914, leaving a profit, before depreciation, of \$9,027. With the usual depreciation of \$21,329, left a deficit of \$12,300.

Statement of Assets and Liabilities, on page #3, reflects depreciation charges against our building and shows the write-off of \$70,000 for the Spring Street property, leaving total assets of \$1,165,077.65.

Our Liabilities have been decreased under Mortgage account by the \$8,000 paid off on the Mortgage account and our net worth reflects the loss of \$70,000. Spring Street property and the \$12,000 lost in operation.

...2...

Reporting for the Investment Committee, on July 5th we had
\$1,000 Aluminum Ltd. 5% Bond called at a price of \$1,030. and
on July 25th we invested the \$1,000 in U. S. Savings Bonds due
in 1949. The balance of \$17.50 was added to the General Funds.

Treasurer's Report
Reynolds Library Inc.,
Feb. 2, 1940

The Treasurer's report for 1939 is attached herewith -

Page one of the report is a summary of cash receipts and disbursements for the year.

Beginning with a balance of \$25,064.99 the net increases in cash are shown from interest and dividends and sundry items \$5,658.54 - from building operation a net \$13,094.72 - from sale or redemption of securities \$8,371.90 for a total of \$52,390.15 from which is deducted disbursements of \$20,857.97 leaving a cash balance of \$31,532.18 represented as follows:

Lincoln-Alliance Bank & Trust Co. General Fund	\$29,467.23
Rochester Trust and Safe Deposit Co. Fund	2,054.95
Petty Cash	<u>10.00</u> \$31,532.18

Page two gives the income and expense statement for the year on an accrual basis. The first column shows the budget set up for the year - the second gives the actual income and expense figures. The third column offers the proposed budget for 1940. You will note that the income from the Reynolds Building totalled, during the past year, \$111,324.98. While the expense of maintaining the building for the year totalled \$100,431.60, leaving a gross profit for the operation of the building of \$10,893.38. One fact that should receive the consideration of the Board is that the profit from operation of the building falls short of meeting the down payment required on the mortgage which, at present is \$16,000 a year.

2.

Our income from interest and dividends this year has amounted to \$4,910.75. After taking from that the expense of the reading room of \$2,874, leaving a surplus of \$1036.06, this amount together with the profit from the building gives us a total net income of \$11,929.44 to apply on the mortgage payment of \$16,000. This year, therefore, we have had to dip into other funds to the extent of \$4,070.56 to complete the amortization payment. This procedure may be good business for we are using funds for which there is little investment opportunity at present to cut down a mortgage liability that is costing us 4½%. It is a matter however, that I thought should be called to the attention of the Board.

In our budget for 1940 we have been unable to foresee at the present writing a very much increased income though we anticipate somewhat less in the way of expenditures for the year; although if we can adhere to the budget set up we will have a total income of \$116,818.75 as against a total expense of \$100,718.56, which will barely give us the \$16,000 necessary to pay off on the mortgage.

Page three gives a statement of our assets and liabilities as of the close of the year, comparing them with the previous year's figures. Our general fund account of \$29,477.23 is higher than usual because at present there is in the account \$8,571.90 from our investment fund which is awaiting reinvestment. \$2,054.95 is cash in the permanent fund with the Rochester Trust and Safe Deposit Company made up of the Bowman and Gordon funds. The investment account dropping to \$105,666 reflects the amount in cash waiting for reinvestment. Real estate on Main Street \$871,000 - the Spring Street property of \$70,000 has been entirely written off. Equipment, library books \$80,000 and deferred charges bring total assets to \$1,153,924, reflecting the depreciation on buildings and equipment and the write off of the Spring

3.

Street property.

Under liabilities the chief items are accounts payable, accrued taxes \$9,211.68, sundry bills \$492.58. Under the mortgage account, the mortgage has been reduced \$16,000 to \$385,000 with accrued interest of \$5,447.00, and our permanent fund account at the Rochester Trust, net worth \$745,974.29 total liabilities \$1,153,924.05.

Treasurer

THE REYNOLDS LIBRARY INC

Treasurer's Report
December 31, 1939

THE REYNOLDS LIBRARY INC

SUMMARY STATEMENT OF CASH RECEIPTS AND DISBURSEMENTSCASH BALANCE JANUARY 1, 1939

\$ 25,064.99

ADDITIONS - INCOME

Interest - Bank Balances	31.02
Interest - Bonds	4,545.75
Dividends - Stocks	665.00
Book Sales - Library	79.95
Sale of Real Estate	500.00
Discounts	<u>36.82</u>

5,858.54

\$ 30,923.53

DEDUCTIONS -

Arcade Building:

Rentals and	
Misc. Income	112,065.20
Bad Debt Recoveries	<u>44.00</u>
	<u>112,109.20</u>
Less Operating Expense	<u>99,014.48</u>

13,094.72

Reading Room:

Expenses	2,874.69
----------	----------

Library Property:

Expenses	506.44
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Miscellaneous Expenses:

Trust Fees (Line. All.)	154.21
Legal & Professional	<u>500.00</u>
Adjustment of F. W.	654.21
Woolworth Water Rent	
for prior years	822.63
Principal payment on Mortgage	16,000.00

Other:

Sale of Bonds	11,490.00
Less Purchase of Bonds	<u>3,118.10</u>

8,371.90

\$ 20,857.97

\$ 52,390.18

20,857.97

CASH BALANCE AS OF DECEMBER 31, 1939

\$ 31,532.18

Above Balance Represented By:

Lincoln-Alliance Bank a/c	29,467.23
Rochester Trust Fund a/c	2,064.95
Petty Cash	<u>10.00</u>

\$ 31,532.18

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THE REYNOLDS LIBRARY INC

INCOME & EXPENSE STATEMENT - ACCRUAL BASIS - BUDGETS

<u>INCOME</u>	<u>1 9 3 9</u> <u>BUDGET</u>	<u>1 9 3 9</u> <u>ACTUAL</u>	<u>PROPOSED</u> <u>1 9 4 0</u> <u>BUDGET</u>
Rentals	106,000.00	106,427.78	107,000.00
Electricity & Water	3,800.00	2,887.56	3,475.00
Sundry	200.00	261.82	200.00
Discounts		36.82	
Parking Station	<u>1,600.00</u>	<u>1,729.00</u>	<u>1,725.00</u>
	111,600.00	111,324.98	112,400.00
Investment Reserve (chgd off)		854.00	
Interest & Dividends	<u>4,900.00</u>	<u>4,910.75</u>	<u>4,418.75</u>
	\$ 116,500.00	\$ 117,107.73	\$ 116,818.75
 <u>EXPENSES</u>			
Arcade Building -			
Operation	23,477.50	25,295.78	23,328.00
Payrolls	21,000.00	19,079.64	19,000.00
Insurance	1,500.00	1,385.53	1,500.00
Taxes: City & County	33,500.00	34,515.62	34,526.56
Taxes: Miscellaneous	100.00	120.89	100.00
Interest on Mortgage	17,600.00	17,631.00	16,911.00
Interest on Loans	200.00	-0-	-0-
Miscellaneous	500.00	1,286.19	500.00
Legal & Professional	500.00	500.00	500.00
Legal & Audit	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>
	\$ 98,527.50	\$ 99,964.65	\$ 96,515.56
Spring Street Property Expense	750.00	466.95	203.00
Contingent Expense	<u>1,000.00</u>		<u>1,000.00</u>
	100,277.50	100,431.60	97,718.56
Reading Room -			
Operation	900.00	804.53	900.00
Salaries	<u>2,100.00</u>	<u>2,070.16</u>	<u>2,100.00</u>
	3,000.00	2,874.69	3,000.00
TOTAL EXPENSE BEFORE DEPRECIATION	\$ 103,277.50	\$ 103,306.29	\$ 100,718.56
PROFIT BEFORE DEPRECIATION		\$ 13,801.44	
LESS DEPRECIATION EXPENSE		\$ 28,439.28	
NET LOSS FOR TWELVE MONTHS ENDING DEC 31, 1939		\$ 14,637.84	

THE REYNOLDS LIBRARY INC

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIESASSETSDECEMBER 31, 1938DECEMBER 31, 1939

CASH -

General Funds	23,396.01	29,477.23
Permanent Funds	1,668.98	2,054.95

RECEIVABLES -

Accounts (Rent)	-0-	60.06
Interest & Dividends	132.50	107.50
Other	40.47	

INVESTMENTS -

Regular Account	113,184.65	105,666.75
Fund Account	9,747.55	9,747.55

REAL ESTATE -

Main Street	951,008.22	951,008.22
Less Depreciation	<u>59,854.32</u>	<u>80,007.24</u>
Spring Street	891,153.90	871,000.98
	70,000.00	

EQUIPMENT -

Library Books	80,000.00	80,000.00
---------------	-----------	-----------

DEFERRED CHARGES -

Construction a/e		
Special	82,864.12	82,864.12
Less Depreciation	<u>21,345.98</u>	<u>29,632.34</u>
Prepaid Expenses	61,518.14	53,231.78
Inventory	1,050.73	1,838.79
	<u>500.57</u>	<u>738.46</u>

TOTAL ASSETS

\$ 1,252,393.50

\$ 1,153,924.05

LIABILITIES

ACCOUNTS PAYABLE -

Accrued Taxes	8,247.39	9,207.68
Sundry Bills	26.45	492.58

NOTES PAYABLE -

Mortgage Account	399,000.00	383,000.00
Accrued Interest	3,591.00	3,447.00

Permanent Funds	10,884.45	10,995.42
Permanent Funds Investment Income	532.08	807.08

NET WORTH830,112.13745,974.29TOTAL LIABILITIES

\$ 1,252,393.50

\$ 1,153,924.05

INVESTMENT STATEMENT AS OF DECEMBER 31, 1939

BALANCE AS OF JANUARY 1, 1939

\$ 113,184.65

SALES -

7/5/39 1 M Aluminum Co. Ltd.
of Toronto 5% Gold Bonds

Sale Price	\$1,030.00	
Cost	<u>986.00</u>	
Profit		\$ 44.00

11/8/39 10 M/ New York Power
and Light 4 $\frac{1}{2}$ %/67

Sale Price	\$ 10,480.00	
Cost	<u>9,650.00</u>	
Profit		\$ 810.00

TOTAL SALES \$ 11,490.00

LESS PROFIT 854.00 10,636.00

\$ 102,548.65

PURCHASES -

7/25/39 United States Savings
Bonds (5) 7/1/49 1,012.50

12/20/39 Standard Oil Co. of
New Jersey 3s/61 2,105.60

BALANCE AS OF DECEMBER 31, 1939

\$ 105,666.75

Cash Proceeds Received	\$ 11,490.00
Less Cost of Purchases	<u>3,118.10</u>

Balance in Gen'l Funds \$ 8,371.90

ANNUAL MEETING OF THE REYNOLDS LIBRARY, February 2, 1940

The annual meeting of The Reynolds Library was held on February 2, 1940, at 4 p.m., in the Board Room of The Reynolds Arcade. Present: Messrs. Anstice, Goodenough, Miner, Pike, Slater, Thompson, and Weller, being a quorum of the Board.

The minutes of the last meeting were read and approved. The Treasurer's report for the year ending December 31, 1939 was presented by Mr. Goodenough. On an accrual basis the total income from the Arcade was \$111,324.98 and the Arcade expenses amounted to \$102,839.34 of which \$2,874.69 was for the Reading Room. Other income from interest and dividends amounted to \$4,910.75. The profit before depreciation was \$13,801.44 and after depreciation there was a net loss of \$14,637.84. Inasmuch as the annual payment of \$16,000 on the principal of the mortgage was not covered by the profit on the Arcade it became necessary to take the balance of about \$4,631 from the invested funds. This policy of diminishing each year the invested reserve of the corporation in order to reduce the mortgage was pointed out by the Treasurer as a debatable one. On the one hand, it may be regarded as equivalent to investing that amount of capital at 4 1/2 per cent; on the other hand, it steadily reduces the margin of safety and provision for emergencies. Attempts to induce the holder of the mortgage to lower the annual payments on principal from \$16,000 to \$12,000 have so far been unsuccessful. On motion of Mr. Miner the Treasurer's report was accepted, the full report being filed with these minutes.

The budget recommended by the Finance Committee for the year 1940, \$100,718.56, of which \$3,000 is for the Reading Room and the remainder for the Arcade and contingent expenses, was adopted on motion of Mr. Weller.

The Building Committee reported minor changes among tenants. There was some discussion of the possibility of maintaining present rental rates when present leases expire, especially in view of the suggestion of the Woolworth people that they would expect a reduction at that time.

The meeting then proceeded to the election of officers for the current year. Mr. Pike, previously appointed chairman of a nominating committee, presented the following list of candidates, who were unanimously elected upon a ballot cast by the secretary:

President: Mortimer R. Anstice, in place of Mr. Thompson
who asked to be excused from serving
longer in this office.

Vice-President: Mr. Weller

Treasurer: Mr. Goodenough

Assistant Treasurer: Mr. Middleton

Secretary: Mr. Slater

Mr. Pike also presented the following nominations for election to the Board as additional Trustees:

Mr. John A. Lowe
Mr. Bruce Lindsay
Mr. Charles Winslow Smith
Mr. Schuyler Wells
Mr. Russell Chamberlin
Mr. Ezra A. Hale

together with the three others nominated at the previous meeting. It was voted that these nine names lie over until a special meeting to be called by the President a month hence, namely, on March 3, at which time an election of several of these persons may be decided upon.

The meeting was then adjourned.


Secretary

SPECIAL MEETING MARCH 8, 1940

A special meeting of the Board of Directors of The Reynolds Library was held March 8th, 1940, at four P. M., in the Board Room of the Arcade. Present: Messrs. Anstice, Briggs, Goodenough, Middleton, Perkins, Slater and Thompson, being a quorum of the Board.

The meeting was called for action on the nominations presented at the last meeting, for the election of new members. On motion of Mr. Goodenough, seconded by Mr. Thompson, the following persons were elected members of the Board:

Mr. John Adams Lowe
Mr. Hiram Sibley, Jr.
Mr. G. Alfred Sproat
Mr. Charles Winslow Smith

After some discussion of the desirability of amending the By-laws to reduce the number necessary for a quorum to seven, it was voted that the Secretary be requested to draft an amendment for that purpose, to be presented at the April meeting and acted on at the June meeting.

The meeting was then ajourned.

SECRETARY

QUARTERLY MEETING OF THE BOARD OF TRUSTEES, APRIL 12, 1940

A regular quarterly meeting of the Board of Trustees of Reynolds Library was held April 12, 1940, at 4 p.m., in the Board Room of the Arcade, with Messrs. Anstice, Goodenough, Pike, and Slater present, and because of lack of a quorum was adjourned to April 26 at the same hour and place.

This adjourned quarterly meeting was held on April 26 with eleven the following members present: Messrs. Anstice, Goodenough, Lowe, Middleton, Perkins, Pike, Sibley, Slater, Smith, Sproat, and Weller. With the addition of the four new members, Messrs. John A. Lowe, Hiram Sibley, Charles W. Smith, and G. Alfred Sproat, present for the first time at this meeting, the entire Board consists of sixteen members, of whom Messrs. Bacon and Hopeman have not been able for some time to attend a meeting.

After the reading and approval of the minutes of the preceding meeting the Treasurer's report was presented by Mr. Goodenough showing for the three months ending March 31 receipts of \$29,510.41 and expenses of \$24,578.34, a profit before depreciation of \$4,932.07, a loss after depreciation of \$2,177.75. The report, which is incorporated in full with these minutes, was accepted.

The report of the Property Committee, also presented by Mr. Goodenough, covered changes of space for tenants, and the attempts of the Woolworth people to begin now negotiations for a new lease although the present one has two years more to run. Their object is to secure some reduction of rental, which the committee is not disposed to concede.

The secretary, by request of President Anstice, gave for the information of the four new members of the Board a brief sketch of the Reynolds Library, before and since the merger with the Public Library, explaining how the large increase in taxes has been the principal reason why the corporation is at present unable to make any regular annual contribution for the purchase of new books.

Notice was given that at the June meeting an amendment to the By-Laws will be voted on, namely, that Section 3 of Article II be amended to read:

"At all meetings of the Board seven members shall constitute a quorum." X

A resolution giving such notice of the proposed amendment was unanimously adopted. At the subsequent regular meeting when this amendment is voted on, a quorum of the present membership, namely, nine members, must be present, and two-thirds of the members present must vote in favor of the amendment.

President Anstice announced the appointment of the following committees:

Library Committee, : John Adams Lowe, Chairman
E. Willoughby Middleton
Edward G. Miner
Dexter Perkins
John R. Slater

Finance Committee: ~~Edward G. Miner, Chairman~~
Swayne P. Goodenough, *Chairman*
G. Alfred Sproat
Raymond L. Thompson
Joseph F. Weller

Building Committee: John D. Pike, Chairman
Swayne P. Goodenough
Hiram Sibley, Jr.
Charles W. Smith

The meeting was then adjourned.

John R. Slater
Secretary

THE REYNOLDS LIBRARY INCORPORATED

Treasurer's Report
March 31st, 1940

THE REYNOLDS LIBRARY INCORPORATED
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

CASH BALANCE JANUARY 1st, 1940	\$ 31,532.18	
RECEIPTS FOR 3 MONTHS	<u>28,960.54</u>	
		\$ 60,492.72
TOTAL DISBURSEMENTS FOR 3 MONTHS		<u>57,303.25</u>
BALANCE MARCH 31st, 1940		\$ <u>23,189.47</u>

Above Represented By:

Petty Cash	10.00	
Lincoln-Alliance a/c	21,099.52	
Rochester Trust a/c	<u>2,079.95</u>	
		\$ <u>23,189.47</u>

THE REYNOLDS LIBRARY INCORPORATEDSTATEMENT OF INCOME & EXPENSES ON THE ACCRUAL BASISCOMPARISON - BUDGET

<u>INCOME</u>	<u>3 MOS ENDED MAR 31, 1939</u>	<u>3 MOS ENDED MAR 31, 1940</u>	<u>BUDGET 3 MOS 1940</u>
Rentals	26,233.31	26,823.74	26,751.00
Elec & Water	1,195.21	1,088.94	849.00
Sundry	48.61	47.66	51.00
Discount	11.87	7.89	
Parking Station	454.00	450.00	429.00
	<u>27,943.00</u>	<u>28,418.23</u>	<u>28,080.00</u>
Interest & Dividends	<u>1,227.51</u>	<u>1,092.18</u>	<u>1,107.00</u>
	\$ 29,170.51	\$ 29,510.41	\$ 29,187.00
<u>EXPENSES</u>			
Arcade Building -			
Operation	8,569.62	5,677.79	5,819.85
Payrolls	4,608.26	4,738.39	4,752.00
Insurance	337.81	334.22	375.00
Misc. Taxes	43.26	30.30	25.02
Taxes: City & County	8,378.94	8,630.93	8,631.00
Interest on Mortgage	4,488.00	4,308.75	4,227.75
Misc. Expense	137.78	159.54	126.00
Legal & Audit	150.00	150.00	37.50
Legal & Professional	-0-	-0-	126.00
	<u>\$ 26,713.67</u>	<u>\$ 24,029.92</u>	<u>\$ 24,120.12</u>
Spring Street Prep. Expense	<u>271.51</u>	<u>29.28</u>	<u>51.00</u>
	\$ 26,985.18	\$ 24,059.20	\$ 24,171.12
Reading Room -			
Operation	21.78	15.14	225.00
Salaries	504.00	504.00	525.00
	<u>525.78</u>	<u>519.14</u>	<u>750.00</u>
TOTAL EXPENSE BEFORE DEPREC.	\$ 27,510.96	\$ 24,578.34	
Profit or Loss	\$ 1,659.55 Pr	\$ 4,932.07 Pr	
Less Depreciation	\$ 7,109.82	\$ 7,109.82	
NET PROFIT OR LOSS	\$ 5,450.27 L	\$ 2,177.75 L	

THE REYNOLDS LIBRARY INCORPORATED
COMPARATIVE STATEMENT OF ASSETS & LIABILITIES

<u>ASSETS</u>		<u>DEC 31, 1939</u>	<u>MAR 31, 1940</u>
CASH			
General Funds		29,477.23	21,109.52
Permanent Funds		2,054.95	2,079.95
RECEIVABLES			
Accounts - Rents		60.06	2.00 Cr
Interest		107.50	754.88
INVESTMENTS			
Regular a/c		105,666.75	108,287.75
Fund a/c		9,747.55	9,747.55
REAL ESTATE			
Main Street	951,008.22		951,008.22
Less Depreciation	<u>80,007.24</u>	871,000.98	<u>85,045.47</u> 865,962.75
EQUIPMENT			
Library Books		80,000.00	80,000.00
DEFERRED CHARGES			
Construction a/c Spe.	82,864.12		84,864.12
Less Depreciation	<u>29,632.34</u>	53,231.78	<u>31,703.93</u> 51,160.19
Prepaid Expenses		1,838.79	8,900.21
Inventory		<u>738.46</u>	<u>681.09</u>
<u>TOTAL ASSETS</u>		\$ 1,153,924.05	\$ 1,148,681.69

<u>LIABILITIES</u>			
ACCOUNTS PAYABLE			
Accrued Taxes		9,207.68	2,301.90
Sundry Bills		492.58	-0-
NOTES PAYABLE			
Mortgage a/c		383,000.00	383,000.00
Interest Accrued		3,447.00	7,755.75
Fund Inv. a/c		807.08	832.08
Permanent Funds		10,995.42	10,995.42
NET WORTH		<u>745,974.29</u>	<u>743,796.54</u>
<u>TOTAL LIABILITIES</u>		\$ 1,153,924.05	\$ 1,148,681.69

INVESTMENT STATEMENT AS OF MARCH 31, 1940

BALANCE AS OF DECEMBER 31, 1939 \$ 105,666.75

PURCHASES

2/8/40 11 shares Lincoln-Alliance
Bank & Trust Co. @ \$51.00 561.00

3/6/40 40 shares Lincoln-Alliance
Bank & Trust Co. @ \$51.50 2,060.00 2,621.00

BALANCE AS OF MARCH 31, 1940 \$ 108,287.75

THE REYNOLDS LIBRARY INCORPORATED

Treasurer's Report
April 12th, 1940

Treasurer's Report for the first quarter of 1940 is attached.

PAGE ONE of the report is a summary of Cash Receipts and Disbursements for the quarter, showing disposition of the present funds in our Bank Balances.

PAGE TWO gives the Income and Expenses for the quarter on an accrual basis.

The first column gives the Income and Expense figures for the first three months of 1939, for comparative purposes. The second column gives the figures for the same period of 1940 and the third column, our budget for the three months.

In the second column, we note that the Income from Rentals is \$26,823.74. Income from Electricity and Water furnished Tenants is \$1,088.94. Sundry accounts and Discounts, together with Parking Station Rental of \$450.00 brings the Income for the Building to \$28,418.23. Added to that we have the Interest and Dividends from our Investment account, making a total Income of \$29,510.41.

The three months closely parallel the three months of 1939 and follow closely the budget of anticipated Income.

Under Expenses for the Building, Operation for the quarter is \$5,677.79.

Payrolls	4,738.39
Insurance	334.22
Taxes: Misc.	30.30
Taxes: City & County	8,630.93
Int. on Mortgage	4,308.75
Misc. Expense	159.54
Legal & Audit	150.00

which makes a total of \$24,029.92.

Greatest saving here is under "Operation", which is accounted for by the fact that in 1939 we had considerable changes to make for Tenants, which we charged to Expense.

Spring Street property Expense of \$29.28 and Reading Room Expenses amounting to \$519.14 brings the total expense, before Depreciation, to \$24,578.34, leaving us with a gross profit for the period of \$4,932.07, less Depreciation of \$7,109.82, leaves us with a loss for the period of \$2,177.75.

PAGE THREE gives statement of Assets and Liabilities for the Corporation at the beginning of the quarter, December 31st, 1939 and at the close, March 31st, 1940.

...2...

Cash - General Funds	21,109.52
Permanent Funds	2,079.95
Accounts Receivable	2.00 Cr
Interest on Investment Account	754.68
Investment Account	108,287.75
The increase of \$3,000. being the purchase of 51 shares of Linc. All. Prfd stock at a total of \$2,621.00	
In the Fund Account	9,747.55
Real Estate, Main Street	
Less Depreciation	865,962.75
Library Books	80,000.00
And Deferred Charges	51,160.19
showing a depreciation of \$31,703.93 on Construction a/c Spc. of \$84,864.12	
Prepaid Expenses of	8,900.21
Inventory	681.09

Gives us total Assets of \$1,148,681.69

Our Liabilities are as follows:

Accrued Taxes	2,301.90
Mortgage a/c	383,000.00
Interest accrued on Mtg	7,755.75
Fund Investment Income a/c	832.08
Permanent Funds a/c	10,995.42

leaves net worth of \$743,796.54, which reflects our loss for the period of \$2,177.75 and gives us total Liabilities of \$1,148,681.69.

The only transactions in the Investment Account are listed on Page 4

RP Goodman

THE REYNOLDS LIBRARY INCORPORATED

BUILDING MANAGER'S REPORT
APRIL 12th, 1940

The Metropolitan Life Ins Co., located in Suite 1020, lease expired March 31st. Their rent has been increased from \$3,060.00 (or \$1.80 per square foot) to \$3,400.00 (or \$2.00 per square foot) There has been some talk about increasing their space.

The Metropolitan, located in suite 702, have been negotiating for more space.

The Phoenix Mutual, located in suite 900, asked to have their space re-arranged. This has been done. They have agreed to pay \$100.00 towards the cost of changing the partitions.

Starting March 1st, The Hospital Service Corp. are paying an increase of \$200.00 per year Rent. Their yearly rental is now \$8,516.00.

SPECIAL MEETING OF THE BUILDING COMMITTEE HELD MONDAY, APRIL 8th, 1940

Meeting called to consider request of Mr. Bruce Johnson, who wanted to reduce space that he is occupying (Suite 550) from 1,050 feet to 600 feet. His lease does not expire until August 1st, 1940, but he is insistent that we make some change at present so as to afford him a saving. The committee suggested that he be moved to the seventh floor, on a two-year lease, at \$2.25 per foot, for space of 600 feet. This would afford him a saving of \$725 a year over his present rental. Mr. Pike is going to see Mr. Johnson on this proposal and if agreeable with him, it is the opinion of the committee that we enter into the new lease as of May 1st, 1940.

The question of consideration of a new lease for the Woolworth store was also taken up. The Woolworth management wants to talk now about renewing their lease two years hence. It is the opinion of the committee they should be advised that the matter will be again considered at a future meeting of the Board and to so advise them. It was the opinion of the committee that if we were to suffer a deep cut in rental for this store, that they would rather see it go to some other company than let Woolworth chisel down the present rate.

Mr. Schubmehl reported an accident in the stairway of the Reading Room and the committee advised him to get bids on a folding gate that could be used to close off the stairway when the Reading Room was not open.

REYNOLDS LIBRARY, QUARTERLY MEETING, JUNE 14, 1940

A regular quarterly meeting of The Reynolds Library was held at the Board Room in the Reynolds Arcade on June 14, 1940, at 4 p.m. Present: Messrs. Anstice, Briggs, Miner, Perkins, Pike, Sibley, Slater, Smith, and Sproat--nine members, being a quorum of the entire Board. President Anstice presided.

The minutes of the last meeting were read and approved. In the absence of Mr. Goodenough, the Treasurer's report was presented by Mr. Miner. It covered the five months ending May 31, 1940, and showed for this period income of \$49,173.47 and expenses of \$40,285.81, a profit before depreciation of \$8,887.66, after depreciation a loss of \$2,962.04. The total assets now stand at \$1,135,645.00. The amount of the permanent fund is \$10,995.42, plus income of \$832.08. The investments have been added to during the quarter by the purchase of Lincoln-Alliance stock.

By request of the Finance Committee Mr. Sproat presented an analysis of the investments now held by the corporation, showing a present market value of \$89,732.50 as compared with an inventory value of \$108,288.25, annual income \$4,528.86.

The report of the Treasurer with accompanying analysis of investments was ordered approved and filed, and these papers in full are made a part of these minutes.

The report of the Building Committee was presented by Mr. Pike, showing minor changes in space occupied by tenants, and reporting again on the efforts of the F.W.Woolworth Company to begin negotiations for a reduction of rental at the expiration of the present lease two years hence. After discussion, the committee was authorized to acknowledge receipt of the letter and to state that in due time the matter would be considered.

Mr. Pike also reported the results of his attempt to bring again to the attention of the Northwestern Mutual Life Insurance Company ~~of~~ our desire to have the interest rate on the mortgage reduced and also the amount of the annual payments on principal. He expects at an early date to have an interview with a director of the company on this subject.

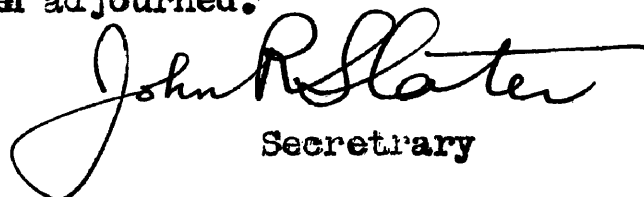
As already announced at the April meeting, action was taken on the motion then made to amend Section 3 of Article II of the By-Laws by substituting for the words "a majority of the entire number of trustees" the words "seven trustees" as constituting a quorum. By unanimous vote of the nine members present the article was so amended.

In the absence of Mr. Lowe, chairman of the Library Committee, the secretary reported a meeting of the committee held on the previous Wednesday. Two subjects were chiefly the subject of discussion at this meeting. First, the disposition to be made of a large number of duplicate books belonging to the Reynolds Library, now stored at the Public Library but not needed for that collection. It was decided that if possible these duplicates should be presented to some deserving college or other library rather than sold for nominal prices. The second

subject of discussion was the undesirable class of readers who frequent the Reading Room in the Arcade and what can be done about it. With regard to the first of these two matters, it was voted, on motion of Mr. Miner, that the committee be empowered to give away duplicate books to deserving institutions in preference to selling them. With reference to the Reading Room, there was some general discussion as in the past of the feasibility of abandoning the Reading Room if it could be done without too large an increase in the net assessment. No action was taken.

The secretary also reported that certain papers belonging to the corporation had been removed from the safe deposit vault at the Rochester Trust Company and were now in the Board Room. Of these papers a few old title deeds and maps may be of historical interest, and on motion of Mr. Miner it was voted that such papers may be deposited with the Public Library for safe keeping.

The meeting was then adjourned.


Secretary

THE REYNOLDS LIBRARY INCORPORATED

Treasurer's Report

May 31st, 1940

THE REYNOLDS LIBRARY INCORPORATED

CASH RECEIPTS AND DISBURSEMENTS

CASH BALANCE JANUARY 1, 1940 \$ 31,532.18

RECEIPTS:

January	9,517.42	
February	9,870.87	
March	9,572.25	
April	10,303.33	
May	<u>9,952.26</u>	<u>49,216.13</u>
		\$ 80,748.31

EXPENDITURES:

January	19,577.26	
February	5,432.43	
March	12,293.56	
April	20,090.64	
May	<u>3,786.54</u>	<u>61,180.43</u>

CASH BALANCE MAY 31, 1940 \$ 19,567.88

Above Balance Represented by:

Lincoln-Alliance Bank a/c	17,477.93
Rochester, Trust Fund a/c	2,079.95
Petty Cash	<u>10.00</u>

\$ 19,567.88

THE REYNOLDS LIBRARY INCORPORATED

INCOME & EXPENSE STATEMENT ON ACCRUAL BASIS WITH BUDGET

<u>INCOME</u>	<u>5 MOS. ENDED MAY 31, 1939</u>	<u>5 MOS. ENDED MAY 31, 1940</u>	<u>B U D G E T 5 MOS. 1940</u>
Rentals	44,139.85	44,739.16	44,585.00
Electricity & Water	1,871.98	1,754.83	1,415.00
Sundry & Miscellaneous	88.43	99.22	85.00
Discount	19.04	9.96	
Parking Station	754.00	750.00	715.00
	<u>46,873.30</u>	<u>47,353.17</u>	<u>46,800.00</u>
Interest & Dividends	2,045.85	1,820.30	1,845.00
Totals	\$ 48,919.15	\$ 49,173.47	\$ 48,645.00
<u>EXPENSES</u>			
Arcade Building -			
Operation	13,276.75	8,827.17	9,699.75
Payrolls	7,560.60	7,912.33	7,920.00
Insurance	591.91	568.93	625.00
Taxes: City & County	13,964.94	14,384.83	14,385.00
Taxes: Miscellaneous	43.26	30.30	41.70
Int. on Mortgage	7,439.25	7,139.25	7,046.25
Miscellaneous Expenses	1,158.53	303.14	210.00
Legal & Audit	150.00	150.00	62.50
Legal & Professional	-0-	-0-	210.00
	<u>44,185.24</u>	<u>39,315.95</u>	<u>40,200.20</u>
Library Property Expense	373.66	46.04	85.00
	\$ 44,558.90	\$ 39,361.99	\$ 40,285.20
Reading Room:			
Operation	37.11	83.82	375.00
Salaries	840.00	840.00	875.00
	\$ 877.11	\$ 923.82	\$ 1,250.00
TOTAL EXPENSE BEFORE DEPREC.	\$ 45,436.01	\$ 40,285.81	
Profit or Loss	\$ 3,483.14 P	\$ 8,887.66 P	
Less Depreciation Expense	\$ 11,849.70	\$ 11,849.70	
NET PROFIT OR LOSS	\$ 8,366.56 L	\$ 2,962.04 L	

THE REYNOLDS LIBRARY INCORPORATED
STATEMENT OF ASSETS AND LIABILITIES

ASSETS

CASH -	<u>JANUARY 1, 1940</u>		<u>MAY 31, 1940</u>	
General Funds		29,477.23		17,487.93
Permanent Funds		2,054.95		2,079.95
RECEIVABLES -				
Accounts (Rents)		60.06		17.35
Int. & Dividends		107.50		146.05
INVESTMENTS -				
Regular Account		105,666.75		108,287.75
Perm. Fund Account		9,747.55		9,747.55
REAL ESTATE -				
Main Street	951,008.22		951,008.22	
Less Deprec.	<u>80,007.24</u>	871,000.98	<u>88,404.29</u>	862,603.93
EQUIPMENT -				
Library Books		80,000.00		80,000.00
DEFERRED CHARGES -				
Constr. a/c Spc.	82,864.12		82,864.12	
Less Deprec.	<u>29,632.34</u>	53,231.78	<u>33,084.99</u>	49,779.13
Prepaid Expenses		1,838.79		4,766.70
Inventory		<u>738.46</u>		<u>728.66</u>
<u>TOTAL ASSETS</u>		\$ 1,153,924.05		\$ 1,135,645.00

LIABILITIES

ACCOUNTS PAYABLE -				
Accrued Taxes		9,207.68		3,836.50
Sundry Bills		492.58		
NOTES PAYABLE -				
Mortgage Account		383,000.00		375,000.00
Interest Accrued		3,447.00		1,968.75
Permanent Funds		10,995.42		10,995.42
Perm. Fund Income (Investment)		807.08		852.08
NET WORTH		<u>745,974.29</u>		<u>743,012.25</u>
TOTAL LIABILITIES		\$ 1,153,924.05		\$ 1,135,645.00

INVESTMENT STATEMENT AS OF MAY 31, 1940

BALANCE AS OF JANUARY 1, 1940

\$ 105,666.75

PURCHASES -

2/8/40	11 shares Lincoln-Alliance Bank & Trust Company @ \$51.00	561.00
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3/6/40	40 shares Lincoln-Alliance Bank & Trust Company @ \$51.50	2,060.00	<u>2,621.00</u>
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BALANCE AS OF MAY 31, 1940

\$ 108,287.75

THE REYNOLDS LIBRARY, QUARTERLY MEETING, OCTOBER 11, 1940

A regular quarterly meeting of the Reynolds Library was held October 11, 1940, at 4 p.m., in the Board Room of the Arcade. Present: Messrs. Anstice, Lowe, Middleton, Pike, Sibley, Slater, Sproat, and Weller. President Anstice in the chair.

The minutes of the preceding meeting were read and approved. In the absence of Mr. Goodenough the Treasurer's report was presented by the chairman. For the nine months ending September 30, 1940, it showed income of \$88,123.05 and expenses of \$70,473.02, for the Reading Room an expenditure of \$1683.54. Profit before depreciation was \$15,966.49, loss after depreciation \$5,362.97. After a motion had been adopted that in future reports the budget items shall be shown opposite expenditures as in the past, the report was adopted.

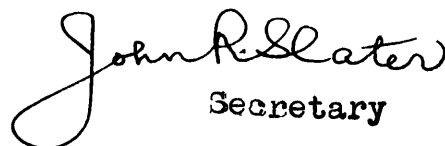
For the Building Committee Mr. Pike reported that after extended negotiations with the Woolworth Company concerning terms for a new lease to follow the expiration of the present one in 1942, the best arrangement that could be made was for a twelve-year lease at an annual rental of \$10,000 plus 6% on gross sales over \$175,000. This is a reduction of one-third in the present rental, but unless this concession had been made there was danger that the Woolworth store would be moved out and the ground floor might remain vacant for some time. On motion of Mr. Sproat seconded by Mr. Weller the terms of the proposed lease were approved. No progress has been made toward securing a reduction of interest or of principal payments on the mortgage on the Arcade held by the Northwestern Mutual Life Insurance Company.

For the Library Committee Mr. Lowe reported that some progress

has been made in disposing of the Reynolds Library duplicate books now stored in the Public Library. Some 175 titles have been sent to the College of Charleston, South Carolina, and further gifts will be made to deserving institutions as occasion arises. This disposition of duplicates had already been authorized by the Board.

There was extended discussion of the Reading Room in the Arcade. It was generally agreed that an undesirable class of loungers is attracted to the room largely by the daily newspapers from Rochester and other cities. Two plans proposed for consideration by the Library Committee were registration cards for all readers, and the discontinuance of daily papers, leaving only weekly and monthly periodicals. Complete closing of the Reading Room was regarded as the best solution if it were possible to get some assurance from the assessors that the present net assessment would not be increased. On this point Mr. Pike was requested to approach the assessors informally and find out what the prospect might be for reducing the present gross assessment to the net, on the ground that present conditions in the Reading Room constitute at times some menace to public health. No formal action was taken.

The meeting was then adjourned.


Secretary

THE REYNOLDS LIBRARY INCORPORATED

TREASURER'S REPORT

September 30, 1940

THE REYNOLDS LIBRARY INCORPORATED

CASH STATEMENT

CASH BALANCE JANUARY 1, 1940

\$ 31,552.15

INCOME:

January	9,517.42	
February	9,870.87	
March	9,572.25	
April	10,303.33	
May	9,952.28	
June	9,932.40	
July	9,471.62	
August	9,761.57	
September	<u>9,585.15</u>	<u>87,966.87</u>
		\$ 119,499.05

EXPENDITURES:

January	19,577.26	
February	5,432.43	
March	12,293.56	
April	20,080.64	
May	3,786.54	
June	9,774.22	
July	3,551.51	
August	10,846.87	
September	<u>3,126.37</u>	<u>88,279.20</u>

CASH BALANCE SEPTEMBER 30, 1940

\$ 31,219.85

Represented By:

Lincoln-Alliance Bank a/c	\$ 28,964.61
Rochester Trust Bank a/c	2,245.24
Petty Cash	<u>10.00</u>

\$ 31,219.85

THE REYNOLDS LIBRARY INCORPORATED

COMPARATIVE STATEMENT OF INCOME & EXPENSES - ACCRUAL BASIS

<u>INCOME</u>	<u>9 MOS ENDED SEPT. 30/39</u>	<u>9 MOS ENDED SEPT. 30/40</u>
Rentals	79,703.95	80,576.92
Electricity & Water	3,071.09	3,001.00
Parking Station	1,279.00	1,275.00
Discount	33.81	15.28
Sundry	172.10	178.31
	<u>84,259.95</u>	<u>84,946.51</u>
Interest & Dividends	<u>3,682.53</u>	<u>3,276.54</u>
<u>TOTAL INCOME</u>	<u>\$ 87,942.48</u>	<u>\$ 88,123.05</u>
<u>EXPENSES</u>		
Arcade Building -		
Operation	20,892.57	16,611.09
Payroll	14,572.13	14,514.63
Insurance	1,038.06	1,014.76
Taxes: City & County	25,136.94	25,692.63
Taxes: Miscellaneous	95.80	81.16
Interest on Mortgage	13,304.25	12,764.25
Miscellaneous	1,161.23	570.46
Legal & Audit	150.00	150.00
Legal & Professional	500.00	
	<u>78,850.98</u>	<u>70,898.98</u>
Library Property Expense	<u>426.63</u>	<u>74.04</u>
	<u>77,277.61</u>	<u>70,473.02</u>
Reading Room -		
Operation	71.22	117.36
Salaries	1,566.16	1,566.16
	<u>1,637.38</u>	<u>1,683.52</u>
Total Expense Before Depreciation	<u>\$ 78,914.99</u>	<u>\$ 72,156.56</u>
Profit or Loss	<u>\$ 9,027.49</u> Pr	<u>\$ 15,966.49</u> Pr
Less Depreciation Expense	<u>\$ 21,329.46</u>	<u>\$ 21,329.46</u>
<u>NET LOSS FOR NINE MONTHS</u>	<u>\$ 12,501.97</u>	<u>\$ 5,362.97</u>

THE REYNOLDS LIBRARY INCORPORATED
STATEMENT OF ASSETS & LIABILITIES

<u>ASSETS</u>	<u>DECEMBER 31, 1939</u>		<u>SEPTEMBER 30, 1940</u>	
CASH - General Funds		29,477.23		28,974.61
Permanent Funds		2,064.95		2,245.24
RECEIVABLES -				
Accounts (Rents		60.06		
Interest & Dividends		107.50		698.04
INVESTMENTS -				
Regular Account		106,666.75		106,257.75
Fund Account		9,747.55		9,747.55
REAL ESTATE -				
Main Street	951,008.22		951,008.22	
Less Depreciation	<u>80,007.24</u>	871,000.98	<u>95,121.93</u>	855,886.29
EQUIPMENT -				
Library Books		80,000.00		80,000.00
DEFERRED CHARGES -				
Construction a/o	82,864.12		82,864.12	
Less Depreciation	<u>29,632.34</u>	53,231.78	<u>35,847.11</u>	47,017.01
Prepaid Expenses		1,858.79		8,579.57
Inventory		<u>758.46</u>		<u>867.50</u>
<u>TOTAL ASSETS</u>		\$ 1,153,924.05		\$ 1,142,103.56
<hr/>				
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE -				
Accrued Taxes		9,207.68		6,905.70
Sundry Bills		492.58		
NOTES PAYABLE -				
Mortgage Account		333,000.00		375,000.00
Int. Accrued Mtg. a/o		3,447.00		7,593.75
Permanent Funds		10,995.42		11,010.71
" Fund Invest. Income		807.08		952.08
NET WORTH		<u>745,974.29</u>		<u>740,611.32</u>
<u>TOTAL LIABILITIES</u>		\$ 1,153,924.05		\$ 1,142,103.56

THE REYNOLDS LIBRARY
ROCHESTER, NEW YORK
REPORT AS AT DECEMBER 31, 1940

WILSON, SHULTS & Co.
CERTIFIED PUBLIC ACCOUNTANTS
119 MAIN STREET EAST
ROCHESTER, N.Y.

MEMBERS
AMERICAN INSTITUTE
OF ACCOUNTANTS
NEW YORK STATE
SOCIETY OF
CERTIFIED PUBLIC
ACCOUNTANTS

WILSON, SHULTS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
119 MAIN STREET EAST
ROCHESTER, N.Y.

January 14th, 1941.

To the President and Board of Trustees,
The Reynolds Library,
Reynolds Arcade Building,
Rochester, N.Y.

Gentlemen:-

As requested, we have made our annual audit (consisting of an examination of financial condition and audit-test of transactions) of the books and accounts of The Reynolds Library for the year ended December 31st, 1940. As a part of this report, we submit the following statements:-

Exhibit A:

Statement of Assets and Liabilities as at
December 31st, 1940.

Exhibit B:

Statement of Cash Receipts and Disbursements
for the year ended December 31st, 1940.

Schedule #1:

Cash expenditures for maintenance and operation
of Arcade Building for the year ended December 31st,
1940.

Schedule #2:

Cash expenditures for maintenance and operation of
Reading Room for the year ended December 31st, 1940.

Schedule #3:

Investments as at December 31st, 1940.

Schedule #4:

Statement of income and expenses on accrual basis
for the year ended December 31st, 1940.

Schedule #5:

Analysis of Net Worth (Surplus Account) January 1st,
1940 to December 31st, 1940.

Schedule #6:

Abstract of leases in effect as at December 31st, 1940.

Schedule #7:

Budget of Arcade Building and Reading Room for the
twelve months of 1941.

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GENERAL COMMENTS1. CASH RECEIPTS AND DISBURSEMENTS:

The cash transactions were reviewed. We found that the recorded receipts were deposited, and that there are on file vouchers supporting the disbursements. A summary of cash transactions for the period January 1st, 1940 to December 31st, 1940 follows:-

Cash Balance: January 1st, 1940		\$ 31,532.18
Cash receipts:		
Rentals	\$ 105,735.64	
Electricity	3,587.86	
Water	404.72	
Parking	1,725.00	
Sundry	231.20	\$ 111,684.42
Interest on bank balances	\$ 31.75	
Interest on bonds	4,035.00	
Dividends on stocks	766.50	
Discounts	17.44	
Bad debt recoveries	15.25	4,865.94 116,550.36
Total:		\$148,082.54

Cash disbursements:		
Maintenance and operation:		
Arcade Building	\$ 93,780.13	
Reading Room	2,690.85	
Legal	250.00	
Accounts payable (paid in 1940)	492.58	
Trust fees: Lincoln-Alliance		
Bank and Trust Co.	135.51	\$ 97,349.07
Principal payments on mortgage	\$ 16,000.00	
Purchase of stocks	2,621.00	18,621.00 115,970.07
Cash balance: December 31st, 1940		\$ 32,112.47

The cash balance of \$32,112.47 is accounted for as follows:-

On deposit:		
Lincoln-Alliance Bank and Trust Co.	\$ 29,715.77	
Rochester Trust and Safe Deposit Co: Permanent Fund	2,386.70	\$32,102.47
Petty cash		10.00
Total cash on hand and in banks:		\$32,112.47

The cash on hand was verified by actual count. The funds on deposit were confirmed by the depositories. The following special funds are included in the total cash balance:

Gordon and Bowman Funds	\$ 2,386.70
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For statement purposes, the cash balance is segregated as follows:

Cash on deposit:		
General Fund	\$ 29,725.77	
Permanent Fund	2,386.70	
Total:		\$32,112.47

-2-

GENERAL COMMENTS1. CASH RECEIPTS AND DISBURSEMENTS:

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-------------------------	-------------

For statement purposes, the cash balance is segregated as follows:

Cash on deposit:	
General Fund	\$ 29,725.77
Permanent Fund	2,386.70
Total:	\$32,112.47

-3-

2. SUMMARY STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR BY APPLICATION OF FUNDS:

Cash balance January 1, 1940			\$ 31,532.18
Additions from principal:			
None			
Additions: Income from investments, etc:			
Interest on bank balances	\$	31.75	
Interest on bonds		4,035.00	
Dividends on stocks		766.50	
Discount earned		17.44	4,850.69
			<u>4,850.69</u>
Operating Income:			
Arcade Building:			
Rentals and miscellaneous income	\$	111,684.42	
Bad debt recoveries		15.25	
	\$	111,699.67	
Less: Operating expenses		93,780.13	
Net income:			<u>17,919.54</u>
Total:			\$ 54,302.41
Deductions:			
Reading room expenses	\$	2,690.85	
Miscellaneous expenses:			
Trust Fees	\$	135.51	
Legal		250.00	385.51
Accounts payable: 1939:			492.58
Principal payment on mortgage			16,000.00
Purchase of stocks			2,621.00
			<u>22,189.94</u>
Cash balance December 31, 1940			\$ <u>32,112.47</u>

-4-

3. INTEREST RECEIVABLE:

Interest receivable consists of the following amounts which represent bond coupons due and dividends receivable on January 1, 1941:

Bond coupons due:	
Illinois Central R.R.Co.	\$ 17.50
Dividends receivable:	
Consolidated Gas, Electric Light and Power Co. of Baltimore	<u>90.00</u>
Total:	\$ <u>107.50</u>

4. INVESTMENTS:

A summary of investments which are set forth on Schedule #3 of this report follows:-

Municipal and Corporation Bonds and Stocks:

A: Par value:	Bonds:	\$ 92,350.00	
	Stocks:	<u>2,550.00</u>	
Total:			\$ <u>94,900.00</u>
B: Market value:	Bonds:	\$ 80,364.25	
	Stocks:	<u>15,170.50</u>	
Total:			\$ <u>95,534.75</u>
C: Book value:	Bonds:	\$ 90,192.47	
	Stocks:	<u>18,122.28</u>	
Total:			\$ <u>108,314.75</u>

Stocks and bonds as set forth on Schedule #3 are held for safe-keeping by the Lincoln-Alliance Bank and Trust Co. as per their certificate dated January 6th, 1941.

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5. REAL ESTATE AND SUNDRY ASSETS:

Investment in real estate and other properties is as follows:-

16 East Main Street, Rochester, N.Y.

Real Estate:

	Cost	Deprec'n	Book Value
Land	\$350,000.00	\$ -	\$350,000.00
Buildings	415,310.93	41,531.36	373,779.57
Equipment	185,697.29	58,628.80	127,068.49
Total:	<u>\$951,008.22</u>	<u>\$100,160.16</u>	<u>\$850,848.06</u>

\$ 850,848.06

Library Books (At Rundel Library)

80,000.00

Total:

\$ 930,848.06

The assessed value of real estate for tax purposes is as follows:-

16 East Main Street, Rochester, N.Y.

Total assessment (including exempt \$130,000.00) \$ 930,000.00

During 1940 depreciation was written off as follows:-

Building:	Cost to Dec. 31, 1940	Rate	Amount
Bldg: 16 E. Main St.	\$ 401,626.93	2%	\$ 8,032.56
Acoustical Treatment	13,684.00	2%	273.72
Total:	<u>\$ 415,310.93</u>		<u>\$ 8,306.28</u>
Equipment:			
Carrier equipment	\$ 63,328.73	10%	\$ 6,332.76
Heating "	27,639.93	4%	1,105.56
Plumbing	37,709.99	4%	1,508.40
Elevators, machinery and cabs	27,623.00	5%	1,381.08
Venetian blinds	2,243.28	8%	179.40
Electric wiring and fixtures	22,844.63	4%	913.80
Drinking fountains	2,138.89	15%	320.88
Sprinkler system	2,093.84	5%	104.76
Shelving	75.00	-	-
Total:	<u>\$ 185,697.29</u>		<u>\$ 11,846.64</u>

The book value as set forth for the various properties, does not necessarily represent the present market value of said properties.

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6. DEFERRED CHARGES:

Deferred charges are as follows:-

Building construction special	\$ 82,864.12	
Less: Amortization at the rate of 10%	<u>37,918.70</u>	\$ 44,945.42
Inventory of sundry supplies		854.16
Prepaid insurance		<u>1,695.24</u>
Total:		\$ <u>47,494.82</u>

"Building Construction Special" carried at a cost of \$82,864.12 consists of the following:-

Cost of construction for change in plans to accommodate tenants 1933	\$ 50,606.98	
Tenant alterations 1937	<u>17,565.74</u>	\$ 68,172.72
Commissions Re: acquisition of leases		<u>14,691.40</u>
Total:		\$ 82,864.12
Less: Amortization		<u>37,918.70</u>
Balance:		\$ <u>44,945.42</u>

7. LIABILITIES:

A summary of liabilities is as follows:-

Accounts payable		\$ 636.01
Interest accrued on mortgage covering the period October 18, 1940 to December 31, 1940	\$ 3,303.00	
Mortgage principal payments due during 1941	<u>16,000.00</u>	19,303.00
County tax accrued (Payable during 1941)		<u>2,133.04</u>
Total current liabilities: (Forward to sheet #7)		\$ 29,072.05

-7-

7. LIABILITIES: (CONTINUED)

Total current liabilities: (Forwarded from sheet #6).....\$ 29,072.05

Mortgage payable: First mortgage dated October 18, 1935, held by Northwestern Mutual Life Insurance Co. covering Arcade Building, 16 East Main Street, Rochester, N.Y. Principal amount \$425,000.00. Interest $4\frac{1}{4}\%$ per annum, for the first 10 years, and thereafter at the rate of 5% per annum, is payable semi-annually. Principal payments started on April 18, 1937 at which time an amount of \$6,000.00 was paid; subsequent payments are due as follows:-

October 18, 1937	\$ 6,000.00 (Paid)
April 18, 1938	7,000.00 (")
October 18, 1938	7,000.00 (")
April 18, 1939	8,000.00 (")
October 18, 1939	8,000.00 (")
April 18, 1940	8,000.00 (")
October 18, 1940	8,000.00 (")
April 18, 1941	8,000.00
October 18, 1941	8,000.00

And a like sum every 6 months for 11 years thereafter; the remaining \$215,000.00 being due in 15 years from date, or on October 18, 1950.

Amount of mortgage		\$ 425,000.00
Less: Payments made	\$ 58,000.00	
Payments due during 1941 (See current-sheet #6)	16,000.00	74,000.00

Balance: per Exhibit A:

351,000.00

Total liabilities:

\$ 380,072.05

We have in our files a certificate signed by Mr. Swayne F. Goodenough, Treasurer, certifying that all known obligations of The Reynolds Library, Inc. were recorded upon the books before closing as at December 31st, 1940.

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8. PERMANENT FUNDS:

Gordon and Bowman

\$ 12,134.25**W. S. Gordon Fund:**

This fund was created by W.S.Gordon of Cleveland, Ohio, on or about June 10, 1895, and the income therefrom is to be used to purchase books of landscape gardening.

Original amount of fund: \$ 2,500.00

John R. Bowman Fund:

This fund was created by John R. Bowman, on or about January 13, 1932. At a meeting of the Board held on February 11, 1932, a resolution was passed that the legacy of Mr. Bowman be set apart as a special fund to be used at the discretion of the Library Committee, for library purposes.

Original amount of fund: \$ 5,000.00

Total: \$ 7,500.00

Plus interest and dividends accumulated to date

4,634.25

Total:

\$ 12,134.25

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9. BUDGET OF OPERATIONS FOR THE PERIOD
JANUARY 1, 1941 TO DECEMBER 31, 1941:

Reading Room:

Total budget (See Schedule #7)

\$ 2,900.00

Property Committee:

Total budget: (See Schedule #7)

97,801.50**Total:**\$100,701.50

10. ESTIMATED INCOME: (See Schedule #7)

Rentals

\$ 108,344.00

Electricity and other miscellaneous

4,250.00

Income from real estate

1,725.00

Interest on bonds and stocks4,550.00**Total:**\$118,869.00

11. INSURANCE CARRIED:

Arcade Building:

Fire: Windstorm, hail, explosion, riot, aircraft,
 smoke and vehicles 80%

\$450,000.00

Public liability and property damage and
 elevator (including parking station)

15/30/3,000.00

Public liability and property damage
 covering three street encroachments
 (Assured: City of Rochester)

15/30/2,000.00

Workmen's compensation

Based on payroll

Officer and employees' Fidelity bond:

S. P. Goodenough, Treasurer

20,000.00

Miss Mildred Walsh, bookkeeper

5,000.00

Automobile liability and property damage on

Plymouth sedan owned by P. H. Schubachl, building
 manager.

Assured: Paul H. Schubachl and Reynolds Library

20/40/5,000.00

Library:

Fire:

Books located at 105 South Avenue

80%

20,000.00

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**12. SUMMARY OF ITEMS TO BE CONSIDERED BY THE
BOARD OF TRUSTEES:**

1. Resolution providing for appropriations for the Committees for the period January 1, 1941 to December 31, 1941. (See budget referred to under 9 herein, as detailed on Schedule #7 of this report.)
2. Approval of Treasurer's report for the year ended December 31, 1940.

13. MISCELLANEOUS:

We were informed that your organization, pursuant to the opinion of your attorneys, is not subject to the filing of unemployment and social security reports, and that, accordingly, returns as required by said laws are not filed.

The cooperation extended to our representatives on this assignment by the officers and employees of The Reynolds Library, is greatly appreciated and facilitated our examination.

Respectfully submitted,

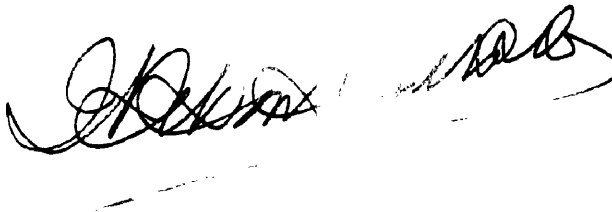
A handwritten signature in dark ink, appearing to be "J. H. [unclear]", is written over a horizontal line.

EXHIBIT B

THE REYNOLDS LIBRARY
ROCHESTER, N. Y.
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR
ENDED DECEMBER 31, 1940

CASH BALANCES:

Lincoln-Alliance Bank and Trust Co.	\$ 29,467.23
Rochester Trust and Safe Deposit Co. Permanent fund	2,054.95
Petty cash	<u>10.00</u> \$ 31,532.18

CASH RECEIPTS:

Rentals	\$105,735.64	
Electricity	3,587.86	
Water	404.72	
Parking	1,725.00	
Sundry	<u>231.20</u>	111,684.42
Interest on bank balances		31.75
Interest on bonds		4,035.00
Dividends on stock		766.50
Discounts		17.44
Bad debt recoveries		<u>15.25</u> 116,550.36
Total:		\$148,082.54

CASH DISBURSEMENTS:

Maintenance and operations:		
Arcade Building (See schedule #1)	\$ 93,780.13	
Reading room (See schedule #2)	<u>2,690.85</u>	\$ 96,470.98
Legal expense		250.00
Accounts payable Dec. 31, 1940 paid		492.58
Trust fees: Lincoln-Alliance Bank & Trust Co.		135.51
Principal payments on mortgage	\$ 16,000.00	
Purchase of stocks	<u>2,621.00</u>	18,621.00 115,970.07

CASH BALANCE AS AT DECEMBER 31, 1940

\$ 32,112.47

REPRESENTED BY:

Deposits: Lincoln-Alliance Bank & Trust Co.	\$ 29,715.77
Rochester Trust & Safe Deposit Co.	
Permanent fund	2,386.70
Petty cash	<u>10.00</u> \$ 32,112.47

**THE HEYHOLDS LIBRARY
ROCHESTER, N. Y.
CASH EXPENDITURES FOR MAINTENANCE AND OPERATION OF ARCADE BUILDING
FOR THE YEAR ENDED DECEMBER 31, 1940**

OPERATING CHARGES:

Building and janitor supplies	\$ 1,548.87	
Office supplies	217.14	
Elevator maintenance	1,203.13	
Heat	5,029.91	
Electricity	6,919.65	
Legal and audit service	150.00	
Payrolls: building	19,473.86	
Insurance	1,300.63	
Taxes: miscellaneous utility	106.25	
County and city	34,523.56	
Telephone and telegraph	390.21	
Water	2,314.02	
Building maintenance	1,018.92	
Repairs: building and equipment	370.27	
A. D. T. Service	512.50	
Directory board service	15.00	
Miscellaneous expenses and equipment	519.78	
Alterations	<u>1,111.43</u>	\$ 76,725.13

OTHER CHARGES:

Interest on mortgages and notes	<u>17,055.00</u>
---------------------------------	------------------

TOTAL: (TO EXHIBIT B) \$ 93,780.13

RECONCILIATION OF CASH AND ACCRUED BUILDING EXPENSE:

Total: (Per cash statement above)			\$ 93,780.13
Plus: Depreciation: building	\$ 8,306.28		
Depreciation: equipment	11,846.64		
Amortization of building construction special	<u>8,286.36</u>	\$28,439.28	
Accounts payable Dec. 31, 1940		636.01	
Unexpired insurance adjustment		<u>48.51</u>	
		\$29,123.80	
Less: County taxes 1939 accrued	\$9,207.63		
" " 1940 "	<u>9,135.04</u>	\$ 74.64	
Increase in inventory		87.00	
Interest accrued adjustment	<u>144.00</u>	305.64	28,818.16

Total per accrual statement (Schedule #4) \$122,598.29

THE REYNOLDS LIBRARY
ROCHESTER, N. Y.
CASH EXPENDITURES FOR MAINTENANCE AND OPERATION OF READING ROOM
FOR THE YEAR ENDED DECEMBER 31, 1940

MAINTENANCE AND OPERATION OF READING ROOM:

Periodicals	\$ 216.72
Salaries	2,071.39
Supplies	123.74
Lighting	<u>279.00</u>
Total:	<u>\$ 2,690.85</u>

RECONCILIATION OF CASH AND ACCRUED BUILDING EXPENSE:

Total per cash statement above	\$ 2,690.85
Less: increase in inventory	28.70
Total per accrual statement (Schedule #4)	<u>\$ 2,662.15</u>

SCHEDULE #4

SHEET #1

THE REYNOLDS LIBRARY
ROCHESTER, N.Y.

STATEMENT OF INCOME AND EXPENSES ON ACCRUAL BASIS
JANUARY 1, 1940 TO DECEMBER 31, 1940

INCOME:

Income

Reynolds Arcade Building:

Rentals	\$105,675.58	
Electricity	3,587.86	
Water	404.72	
Parking station	1,725.00	
Sundry	231.20	\$111,624.36

Interest:

Bonds (See Schedule #3)	\$ 3,912.00	
Dividends (-40-)	616.50	4,528.50

Total:

\$116,152.86

EXPENSES:

Expenses

Reynolds Arcade Building:

	Budget	Actual
Building and janitor supplies	\$1,300.00	\$ 1,463.52
Office supplies	250.00	217.14
Elevator maintenance	1,250.00	1,203.13
Heat	5,000.00	5,029.91
Electricity	7,400.00	7,433.40
Legal and audit service	150.00	150.00
Payrolls	19,000.00	19,473.86
Insurance	1,500.00	1,349.14

Taxes:

Utility	100.00	106.25
County and city	34,526.56	34,448.92
Telephone and telegraph	400.00	390.21
Water	2,500.00	2,414.38
Building maintenance	2,000.00	1,021.70
Repairs: Building and equipment	700.00	370.27
A. D. T. Service	513.00	512.50
Directory board service	15.00	15.00
Interest on mortgages and notes	16,911.00	16,911.00
Miscellaneous equipment & expense	500.00	519.78
Alterations	2,000.00	1,128.90

Total:

\$ 96,015.56 \$ 94,159.01

Reading Room:

Salaries	2,100.00	2,071.39
Lighting	(279.00
Periodicals) 900.00	216.72
Supplies	(95.04

Total:

\$ 3,000.00 \$ 2,662.15

Total expenses:

\$ 99,015.56 \$ 96,821.16

Depreciation: Building

8,306.28

Depreciation: Equipment

11,846.64

Amortization: Building construction special

8,286.36

Total:

125,260.44

NET OPERATING LOSS*

(Forward to sheet #2)

\$ 9,107.58*

*Red figure (loss)

SCHEDULE #4
SHEET #2

NET OPERATING LOSS* (Forwarded from sheet #1).....\$ 9,107.58*

OTHER INCOME:

Discounts	\$ 17.44		
Bad debt recoveries(charged off 1938)	<u>15.25</u>	\$ 32.69	

OTHER DEDUCTIONS:

Legal and other professional	\$250.00		
Library insurance	95.04		
Trust Fees	<u>135.51</u>	<u>480.55</u>	<u>447.86</u>

NET LOSS FOR THE 12 MONTHS ENDED DECEMBER 31, 1940(Schedule #5) \$ 9,555.44*

* Red figures (Loss)

THE REYNOLDS LIBRARY
ROCHESTER, N. Y.
ANALYSIS OF SURPLUS ACCOUNT: NET WORTH ACCOUNT:
JANUARY 1, 1940 TO DECEMBER 31, 1940

JANUARY 1, 1940: BALANCE \$ 745,974.29

LESS:

Net loss for the twelve months ended
December 31, 1940 (See Schedule #4)

9,555.44

BALANCE: DECEMBER 31, 1940

\$ 736,418.85

SCHEDULE #7

**THE REYNOLDS LIBRARY
ROCHESTER, N.Y.
INCOME AND EXPENSES: BUDGET FOR 1941**

INCOME:

Rentals		\$108,344.00	
Electricity	\$ 3,600.00		
Water	400.00		
Sundry charges to tenants and miscellaneous	<u>250.00</u>	4,250.00	
Parking station		1,725.00	
Interest and dividends		<u>4,550.00</u>	
Total:			\$ <u>118,869.00</u>

EXPENSES:**Building Operation:**

Building and janitor supplies	\$ 1,500.00		
Office supplies	250.00		
Elevator maintenance	1,250.00		
Heat (Steam)	5,000.00		
Electricity	7,500.00		
Telephone and telegraph	395.00		
Water	2,450.00		
Building maintenance	1,200.00		
Alterations	3,500.00		
Repairs: Building and equipment	400.00		
A. D. T. Service	512.50		
Directory Board Service	<u>15.00</u>		
Total:			\$ 23,972.50

OTHER EXPENSES:

Payrolls	\$ 20,000.00		
Insurance	1,500.00		
Taxes: City and county	34,104.00		
Taxes: Miscellaneous (Utility)	100.00		
Interest on mortgage	16,191.00		
Miscellaneous	400.00		
Legal and professional	300.00		
Legal and audit	150.00		
Contingent expense	<u>1,000.00</u>		
Total;		73,745.00	

Library property expense	<u>84.00</u>		
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TOTAL:

\$ 97,801.50

READING ROOM:

Operation	\$ 765.00		
Salaries	<u>2,135.00</u>	2,900.00	

TOTAL EXPENSES:\$ 100,701.50

REYNOLDS ARCADE

Present Assessed Valuation	\$930,000.00
Exemption Reading Room	<u>\$130,000.00</u>
Tax Basis	\$800,000.00
@ approximately \$43.00 per M	\$34,525.56

Revised Valuation

Building	\$441,649.00
Land (No reduction)	<u>\$429,400.00</u>
Total	<u>\$871,049.00</u>
Tax @ \$43.00 per M	\$37,455.00
Reading Room Exemption (\$130,000.)	<u>5,590.00</u>
Total Tax	\$31,865.00

Present Tax	\$34,525.56
Revised Tax	<u>\$31,865.00</u>
	\$2,660.56 Saving

Tax - Reading Room Abandoned	\$37,455.00
Cost to operate Reading Room	<u>2,690.00</u>
	\$34,765.00

Cost if Reading Room is maintained	\$31,865.00
Cost to maintain	<u>2,690.00</u>
	\$34,555.00

Saving per year by operating Reading Room - - - - \$210.00

THE REYNOLDS LIBRARY INCORPORATED

Treasurer's Report

December 31st, 1940

THE REYNOLDS LIBRARY INCORPORATED

SUMMARY STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

CASH BALANCE JANUARY 1, 1940 \$ 31,532.18

Cash Receipts:

Rentals	105,735.64	
Electricity	3,587.86	
Water	404.72	
Parking Station	1,725.00	
Sundry	231.20	
Interest on Bank Balance	31.75	
Interest on Bonds	4,035.00	
Dividends on Stocks	766.50	
Discounts	17.44	
Bad Debt Recoveries	15.25	116,550.36

Total: \$ 148,082.54

Cash Disbursements:

Maintenance and operation:

Arcade Building	93,780.13	
Reading Room	2,690.85	
Legal	250.00	
Accounts Payable (paid in 1940)	492.58	
Trust Fees - Lincoln-Alliance	135.51	
Principal payments on Mortgage	16,000.00	
Purchase of Stocks	2,621.00	\$ 115,970.07

CASH BALANCE DECEMBER 31, 1940 \$ 32,112.47

The cash balance of \$32,112.47 is accounted for as follows:

on deposit:

Lincoln-Alliance Bank & Trust Co	29,715.77
Rochester Trust & Safe Deposit Co	2,386.70
Petty Cash	10.00
Total cash on hand and in banks	<u>\$ 32,112.47</u>

THE REYNOLDS LIBRARY INCORPORATED

INCOME & EXPENSE STATEMENT - ACCRUAL BASIS - BUDGETS

	<u>1 9 4 0</u> <u>BUDGET</u>	<u>1 9 4 0</u> <u>ACTUAL</u>	<u>PROPOSED</u> <u>1 9 4 1</u> <u>BUDGET</u>
<u>INCOME</u>			
Rentals	107,000.00	105,690.83	108,344.00
Electricity	3,200.00	3,587.86	3,600.00
Water	275.00	404.72	400.00
Sundry Charges to Tenants & misc.	200.00	231.20	250.00
Discounts		17.44	
Parking Station	1,725.00	1,725.00	1,725.00
	<u>\$ 112,400.00</u>	<u>\$ 111,657.05</u>	<u>\$ 114,319.00</u>
Interest & Dividends	4,418.75	4,528.50	4,550.00
	<u>\$ 116,818.75</u>	<u>\$ 116,185.55</u>	<u>\$ 118,869.00</u>
<u>EXPENSES</u>			
Arcade Building -			
Operation	23,328.00	21,200.06	23,972.50
Payrolls	19,000.00	19,473.86	20,000.00
Insurance	1,500.00	1,349.14	1,500.00
Taxes: County & City	34,526.56	34,448.92	34,104.00
Taxes: Miscellaneous	100.00	106.25	100.00
Interest on Mortgage	16,911.00	16,911.00	16,191.00
Miscellaneous	500.00	655.29	400.00
Legal & Professional	500.00	250.00	300.00
Legal & Audit	150.00	150.00	150.00
Contingent Expense	1,000.00		1,000.00
	<u>\$ 97,515.56</u>	<u>\$ 94,544.52</u>	<u>\$ 97,717.50</u>
Library Property Expense	203.00	95.04	84.00
	<u>\$ 97,718.56</u>	<u>\$ 94,639.56</u>	<u>\$ 97,801.50</u>
Reading Room -			
Operation	900.00	590.76	765.00
Salaries	2,100.00	2,071.39	2,135.00
	<u>3,000.00</u>	<u>2,662.15</u>	<u>2,900.00</u>
TOTAL EXPENSE BEFORE DEPRECIATION	<u>\$ 100,718.56</u>	<u>\$ 97,301.71</u>	<u>\$ 100,701.50</u>
PROFIT BEFORE DEPRECIATION		\$ 18,883.84	
LESS DEPRECIATION EXPENSE		\$ 28,439.28	
NET LOSS FOR TWELVE MONTHS ENDING DEC 31, 1940		\$ 9,555.44	

THE REYNOLDS LIBRARY INCORPORATED
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES

<u>ASSETS</u>	<u>DECEMBER 31, 1939</u>	<u>DECEMBER 31, 1940</u>
CASH -		
General Funds	29,477.23	29,725.77
Permanent Funds	2,054.95	2,386.70
RECEIVABLES -		
Accounts (Rent)	60.06	-0-
Interest & Dividends	107.50	107.50
INVESTMENTS -		
Regular Account	105,666.75	108,314.75
Fund Account	9,747.55	9,747.55
REAL ESTATE -		
Main Street	951,008.22	951,008.22
Less Depreciation	<u>80,007.24</u>	<u>100,160.16</u>
	871,000.98	850,848.06
EQUIPMENT -		
Library Books	80,000.00	80,000.00
DEFERRED CHARGES -		
Construction a/c Special	82,864.12	82,864.12
Less Depreciation	<u>29,632.34</u>	<u>37,918.70</u>
Prepaid Expenses	1,838.79	1,695.24
Inventory	<u>738.46</u>	<u>854.16</u>
<u>TOTAL ASSETS</u>	\$ <u>1,153,924.05</u>	\$ <u>1,128,625.15</u>
<hr style="border-top: 1px dashed black;"/>		
<u>LIABILITIES</u>		
ACCOUNTS PAYABLE -		
Accrued Taxes	9,207.68	9,133.04
Sundry Bills	492.58	636.01
NOTES PAYABLE -		
Mortgage Account	383,000.00	367,000.00
Accrued Interest	3,447.00	3,303.00
Permanent Funds	10,995.42	11,027.17
Permanent Funds Investment Income	807.08	1,107.08
NET WORTH	<u>745,974.29</u>	<u>736,418.85</u>
<u>TOTAL LIABILITIES</u>	\$ <u>1,153,924.05</u>	\$ <u>1,128,625.15</u>

INVESTMENT STATEMENT AS OF DECEMBER 31, 1940

BALANCE AS OF DECEMBER 31, 1939 105,666.75

PURCHASES

2/8/40	11 shares Lincoln-Alliance Bank & Trust Co. @ \$51.00	561.00	
3/6/40	40 shares Lincoln-Alliance Bank & Trust Co. @ \$51.50	<u>2,060.00</u>	<u>2,621.00</u>
			\$ 108,287.75

INCOME

U. S. Savings Bonds Dec 31, 1940	<u>27.00</u>
BALANCE AS OF DECEMBER 31, 1940	<u><u>\$ 108,314.75</u></u>