



THE FORT WORTH PUBLIC LIBRARY --- FOUNDATION

The Fort Worth Public Library Foundation

Fort Worth, Texas

Financial Statements Together With
Independent Auditor's Report

December 31, 2024 and 2023



RATLIFF + ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

The Fort Worth Public Library Foundation
Financial Statements
December 31, 2024 and 2023

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Note Disclosures to the Financial Statements	7 - 15



RATLIFF + ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of
The Fort Worth Public Library Foundation

Opinion

We have audited the accompanying financial statements of The Fort Worth Public Library Foundation ("the Foundation"), a Texas nonprofit organization, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Independent Auditor's Report (continued)

Page 2

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Ratliff & Associates, P.C.

May 9, 2025

Fort Worth Public Library Foundation

Statements of Financial Position

December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 171,038	\$ 377,271
Investments	1,370,202	1,523,347
Receivables	4,493	1,906
Prepaid expenses	21,094	11,339
Total current assets	1,566,827	1,913,863
Noncurrent assets		
Operating lease right-of-use asset, net	145,340	4,690
Property and equipment		
Leasehold improvements	-	16,145
Furniture and fixtures	16,364	3,850
Office equipment	7,316	5,462
Less: accumulated depreciation	(7,033)	(24,447)
Net property and equipment	16,647	1,010
Total noncurrent assets	161,987	5,700
Total Assets	\$ 1,728,814	\$ 1,919,563
Liabilities & Net Assets		
Liabilities		
Current liabilities		
Current portion of operating lease liability	\$ 34,559	\$ 4,690
Accounts payable	-	2,864
Accrued liabilities	22,094	9,811
Total current liabilities	56,653	17,365
Noncurrent liabilities		
Noncurrent portion of operating lease liability	110,781	-
Total liabilities	167,434	17,365
Net assets		
Without donor restrictions	281,667	286,789
With donor restrictions	1,279,713	1,615,409
Total net assets	1,561,380	1,902,198
Total Liabilities & Net Assets	\$ 1,728,814	\$ 1,919,563

The accompanying note disclosures are an integral part of these financial statements.

Fort Worth Public Library Foundation
 Statements of Activities
 For the Years Ended December 31, 2024 and 2023

	2024	2023
Changes in net assets without donor restrictions		
Revenues		
Revenues without donor restrictions		
General contributions and grants	\$ 78,503	\$ 134,761
Special event revenues	363,150	393,554
In-kind donation of rent	3,000	18,000
Investment return, net	101,600	91,024
Other income	14,920	46,710
Total revenues without donor restrictions	561,173	684,049
Net assets released from restrictions		
Satisfaction of program restrictions	373,196	188,797
Total revenues	934,369	872,846
Expenses		
Programs		
Library support	234,842	155,337
LaunchPad	167,474	179,523
Total program expenses	402,316	334,860
Support services		
Fundraising	330,467	351,745
General and administrative	206,708	213,717
Total support services expenses	537,175	565,462
Total expenses	939,491	900,322
Change in net assets without donor restrictions	(5,122)	(27,476)
Changes in net assets with donor restrictions		
Restricted contributions and grants	37,500	326,554
Net assets released from restriction	(373,196)	(188,797)
Change in net assets with donor restrictions	(335,696)	137,757
Change in total net assets	(340,818)	110,281
Net assets at beginning of year	1,902,198	1,791,917
Net assets at end of year	\$ 1,561,380	\$ 1,902,198

The accompanying note disclosures are an integral part of these financial statements.

Fort Worth Public Library Foundation
Statements of Functional Expenses
For the Years Ended December 31, 2024 and 2023

	Program Services				Support Services					
	Library support		LaunchPad		Fundraising		General and administrative		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Accounting fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,528	\$ 41,871	\$ 46,528	\$ 41,871
Advertising	-	-	-	-	1,885	1,175	9,353	5,831	11,238	7,006
Contributions to Fort Worth Public Library	234,842	155,337	-	-	-	-	147	97	234,989	155,434
Depreciation expense	-	-	883	373	1,210	512	489	207	2,582	1,092
Dues & subscriptions	-	-	-	-	-	-	5,494	4,099	5,494	4,099
Information technology	-	-	2,598	2,370	3,563	3,250	28,125	25,653	34,286	31,273
Insurance	-	-	1,063	1,029	1,457	1,410	589	570	3,109	3,009
Meals & event supplies	-	-	-	-	15,194	12,936	1,506	1,282	16,700	14,218
Occupancy	-	-	10,495	1,538	14,390	2,109	5,812	852	30,697	4,499
Office expenses	-	-	2,189	3,964	4,651	8,423	14,202	25,720	21,042	38,107
Other employee benefits	-	-	8,748	10,163	12,208	14,183	5,700	6,622	26,656	30,968
Other fees for services	-	-	24,669	26,587	115,720	124,718	24,060	25,931	164,449	177,236
Payroll taxes	-	-	8,056	9,448	10,521	12,339	4,082	4,787	22,659	26,574
Salaries	-	-	108,773	124,051	149,668	170,690	60,621	69,138	319,062	363,879
Travel	-	-	-	-	-	-	-	1,057	-	1,057
Total expenses	<u>\$ 234,842</u>	<u>\$ 155,337</u>	<u>\$ 167,474</u>	<u>\$ 179,523</u>	<u>\$ 330,467</u>	<u>\$ 351,745</u>	<u>\$ 206,708</u>	<u>\$ 213,717</u>	<u>\$ 939,491</u>	<u>\$ 900,322</u>

The accompanying note disclosures are an integral part of these financial statements.

Fort Worth Public Library Foundation
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
General and restricted contributions, grants and other income	\$ 133,081	\$ 515,669
Special events contributions and receipts	363,150	393,554
Cash paid for operations and programs	<u>(934,246)</u>	<u>(927,659)</u>
Net cash provided (used) by operating activities	<u>(438,015)</u>	<u>(18,436)</u>
Cash flows from investing activities		
Proceeds from sale of investments	250,000	-
Purchases of property and equipment	<u>(18,218)</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>231,782</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(206,233)	(18,436)
Cash and cash equivalents at beginning of year	<u>377,271</u>	<u>395,707</u>
Cash and cash equivalents at end of year	<u><u>\$ 171,038</u></u>	<u><u>\$ 377,271</u></u>
Reconciliation of change in total net assets to net cash provided (used) by operating activities		
Change in total net assets	<u>\$ (340,818)</u>	<u>\$ 110,281</u>
Adjustments		
Net gain on investments	(96,855)	(83,367)
Depreciation expense	2,581	1,093
Change in other current assets	(12,342)	(3,756)
Change in accounts payable	(2,864)	(39,738)
Change in accrued liabilities	<u>12,283</u>	<u>(2,949)</u>
Total adjustments	<u>(97,197)</u>	<u>(128,717)</u>
Net cash provided (used) by operating activities	<u><u>\$ (438,015)</u></u>	<u><u>\$ (18,436)</u></u>

The accompanying note disclosures are an integral part of these financial statements.

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2024 and 2023

Note 1, Nature of the Organization

The Fort Worth Public Library Foundation ("the Foundation") is a 501(c)(3) nonprofit organization and operates separate from the Fort Worth Public Library itself. Founded in 1993, the Foundation's mission is to inspire, secure, and grow philanthropic support and advocacy to benefit the Fort Worth Public Library.

Private dollars raised by the Foundation are used to fill the funding gaps left by the city's general fund to support new and existing free library programs and services needed to meet the accelerating expectations and needs of the Fort Worth community. Since our founding, more than \$19M has been raised for building renovations, programming for all ages, technology enhancements for library services as well as the Foundation's LaunchPad college application mentoring program. Contributions from the Foundation and its donors ensure that vital library programs and services remain free to all Fort Worthians regardless of age, gender, or race, helping to close the information gap for our community's lowest-income residents.

Note 2, Summary of Significant Accounting Policies

The following is a summary of the Foundation's significant accounting policies consistently applied in the preparation of the accompanying financial statements:

Basis of accounting: The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) of the United States of America. Revenues are recognized when earned, and expenses are recorded when incurred.

Liquidity: The statement of financial position is classified to show subtotals for current assets and current liabilities as part of the Foundation's enhanced disclosure of liquidity. The Foundation anticipates using current assets and satisfying current liabilities within one year of the statement date. Current assets, excluding inventory and prepaids (as applicable), represent financial assets available for general expenditure within one year of the statement date. Disclosures are presented for both the quantitative and qualitative aspects of liquidity and the availability of financial assets.

Revenue recognition: Revenues of the Foundation are primarily derived from donor contributions and grants from supporters. A portion of the Foundation revenues is tied to the local economy. All contributions are considered available for the Foundation's general programs unless specifically restricted by the donor.

Amounts received that are donor restricted by time or purpose are reported as increases in net asset with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. However, contributions received with restrictions that are met in the same reporting period are reported as increases in net assets without restrictions.

Event fee revenues and product sales are recorded when received, which is at the time that services are performed and is generally within one month of receipt.

Investment income that is limited to specific uses by donor restrictions is also reported as increases in net assets without restrictions if the restrictions are met in the same reporting period as the income is recognized.

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2024 and 2023

Note 2, Summary of Significant Accounting Policies (continued)

Net assets without donor restrictions: The Foundation further disaggregates net assets without donor restriction into two subcategories:

- General unrestricted: Net assets that are neither subject to donor-imposed restrictions or self-imposed limits are general unrestricted.
- Internally designated: Net assets that are subject to the Foundation's self-imposed limits by action of the governing board or its delegates are internally designated. These voluntary limitations allow the Foundation to earmark net assets for a variety of needs that may arise. Such limits may also be lifted at any time in the future by resolution of the board or its delegates.

Net assets with donor restriction: The Foundation further disaggregates net assets with donor restriction into two subcategories:

- Temporarily restricted: The Foundation reports gifts of cash and other assets as with temporary donor restriction if they are received with donor stipulations temporarily limiting the use of the contributions and if the restrictions are not met in the period of receipt.
- Permanently restricted: The Foundation reports gifts of cash and other assets as with permanent donor restriction if they are received with donor stipulations permanently restricting the contribution to investment but permitting the Foundation to use part or all of the income derived from the investment for general or restricted purposes.

As of December 31, 2024 and 2023 the Foundation has no permanently restricted net assets.

Functions: The Foundation pursues its mission through the execution of the following major functions that are also the reported functional expenses of the Foundation:

- Library support: to raise money to supplement public funding of the Fort Worth library system.
- LaunchPad: to provide resources supporting educational programs, buildings, and infrastructure.
- Fundraising: encouraging additional contributions through various fund development activities such as research, cultivation, solicitation, and stewardship.
- General and administrative: providing administrative support to the above functional areas and managing the daily operations of the Foundation.

Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates included in the financial statements are the allocation of certain expenses and the valuation of donated staff services. The allocation of certain expenses is based on management's estimate of staff activities. The valuation of donated staff services is based upon a reasonable market range for an equivalent staff position's compensation.

Deferred revenue: Receipts that are conditional on the occurrence of a future event are recorded as deferred revenue until the condition has been met.

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2024 and 2023

Note 2, Summary of Significant Accounting Policies (continued)

Going concern considerations: The Foundation analyzes the effect that current and future events, both internal and external, may have on operations so that the Foundation may continue as a going concern (i.e., a viable organization). As of the date of this report, management has not identified a significant matter that, in its judgement, could materially threaten the ongoing operations of the Foundation for at least one year from the date of the report on page two. See the Liquidity disclosure for cash management strategies.

Cash and cash equivalents: For the purposes of the statement of cash flows, the Foundation considers highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and short-term investments held in a bank money market account are reported as investments instead of cash because the Foundation maintains and invests those funds separately.

Financial instruments that potentially subject the Foundation to credit risk include cash on deposit with a financial institution exceeding \$250,000 at various times during the year. The U.S. Federal Deposit Insurance Corporation insures amounts for up to \$250,000.

Allocation of expenses by function and nature: The costs of providing the various programs and other activities have been allocated and summarized on a functional basis in the statement of activities and on both a functional and a natural bases in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services, as well as the natural categories, benefited.

Noncash contributions: Contributed services are recognized as unrestricted revenues if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution. Contributed services that do not meet these criteria are not recognized as revenue.

Donated assets of equipment or supplies are recorded at fair market value as revenue and to the appropriate asset or expense account on the date of receipt. In the absence of donor restrictions, donated assets are reported as unrestricted revenue. See in relation to the In-Kind Contributions disclosure.

Contributions receivable: Contributions receivable are recognized when a donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions receivable that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. Contributions receivable are reported as increases to temporarily restricted net assets, and then they are reclassified to unrestricted net assets when received and, if applicable, when the donor-restricted purpose is fulfilled. Due to a historic high rate of collection, an allowance is not deemed necessary.

Investments: All investments are measured at fair value based upon the exit price model, which is the price that would be received to sell the investment. Investment fees are netted within the investment income. These expenses are not material to these financial statements.

Fair value measurement: Fair value hierarchy is used to disclose the inputs to fair value measurement. This hierarchy prioritizes the inputs into three broad levels. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2024 and 2023

Note 2, Summary of Significant Accounting Policies (continued)

Income tax status: The Foundation is a nonprofit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as other than a private foundation, except on net income derived from unrelated business activities.

For the years ended December 31, 2024 and 2023, the Foundation has not conducted unrelated business activities that are material to the financial statements taken as a whole. Accordingly, no provision for income taxes is included in the financial statements. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Tax returns of the Foundation are open to examination by the relevant taxing authorities for a period of three year from the date the returns are filed.

Property and equipment: Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Foundation capitalizes assets with a cost greater than \$1,000. Repairs and maintenance are expensed as incurred unless they materially extend the useful life of the related asset, in which case they are capitalized and depreciated. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation are removed, and a gain or loss, if any, is included in operations. Depreciation is computed using a straight-line method over the following estimated useful lives:

Leasehold improvements	5 - 10 years
Furniture and fixtures	3 - 5 years
Office Equipment	3 - 5 years
Computer Equipment	3 - 5 years

Impairment of Long-Lived assets: Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value, less cost to sell. Management is of the opinion that the carrying amount of its long-lived assets does not exceed their estimated recoverable amount.

Art collections: Collection of works of art, historical treasures, and similar assets are not capitalized in as much as the items are preserved and cared for continuously. Contributions of collection items are not reported on the financial statements. Proceeds from disposal of and insurance recoveries related to collection items are reported as increases in the appropriate net asset classes.

The Foundation's collections consist of artwork. They are subject to a policy that requires proceeds from the disposition of collection items to be used to further the mission of the Foundation. During the years ended, December 31, 2024 and 2023, the Foundation sold artwork, resulting in sales proceeds of \$14,716 and \$46,710, respectively. These proceeds are included in other income on the respective statements of activities.

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2024 and 2023

Note 3, Liquidity and Availability of Financial Assets

The Foundation's financial assets are current assets available for general expenditure within one year of the statement date. As part of the Foundation's liquidity management, it has a strategy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. The significant qualities of this strategy are as follows:

- The Foundation maintains general reserves in its unrestricted general net assets.
- The Foundation invests cash in excess of daily requirements in investments to be used as needed.
- The Foundation may redirect their internally designated funds to be utilized for operations as necessary.
- If liquidity becomes an ongoing concern, the Foundation may elect to decrease its program budget in order to eliminate excess spending.

The Foundation's financial assets at December 31, are quantified as follows:

	2024	2023
Current assets	\$ 1,566,827	\$ 1,913,863
Less: non-liquid assets	(21,094)	(11,339)
Less: those unavailable for general expenditures		
Internally designated (unrestricted)	(250,000)	(250,000)
Donor-imposed restrictions	(1,279,713)	(1,615,409)
Financial assets available for general expenditures	<u>\$ 16,020</u>	<u>\$ 37,115</u>

Note 4, Investments

For the years ended December 31, 2024 and 2023, all investments are based upon level 1 inputs which are quoted prices in active markets for identical assets.

The change in investments for the years ended December 31, are as follows:

	2024	2023
Investments, beginning of year	\$ 1,523,347	\$ 1,439,980
Investment income, net of fees	96,855	83,367
Investment sales	(250,000)	-
Investments, end of year	<u>\$ 1,370,202</u>	<u>\$ 1,523,347</u>

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2024 and 2023

Note 4, Investments (continued)

Investments by type at December 31 are as follows:

	2024	2023
Money markets	\$ 1,066,106	\$ 1,253,836
Stock equities	178,885	145,017
Fixed income	125,211	124,494
Investments, end of year	<u>\$ 1,370,202</u>	<u>\$ 1,523,347</u>

Note 5, Leasing Activities

The Foundation is under contractual leases for office space and office equipment under non-cancelable operating leases that expire in January 2029 and November 2029, respectively. The Foundation (the lessee) recognizes right-of-use (“ROU”) assets and corresponding lease liabilities for operating leases on the statements of financial position. Operating lease costs are included and allocated with expenses on the statements of activities and functional expenses. The ROU asset is measured based upon the minimum future payments remaining on the leases, which totaled \$145,341 and \$4,690, respectively, at December 31, 2024 and 2023.

The operating lease liability is carried at the same value as the ROU asset, and each subsequent year, the ROU asset and lease liability are reduced equally by the annual lease payments. A discount rate was not used since it was determined not to materially impact these calculations. For the years ended December 31, 2024 and 2023, operating lease expense was \$26,722 and \$6,569, respectively.

Reconciliation to the statement of financial position at December 31, is as follows:

	2024	2023
Current operating lease liabilities	\$ 34,559	\$ 4,690
Noncurrent operating lease liabilities	110,780	-
Total remaining minimum lease payments	<u>\$ 145,339</u>	<u>\$ 4,690</u>

Following are the approximate undiscounted minimum operating lease payments remaining at December 31, 2024, for each of the next five years:

2025	\$ 34,559
2026	34,559
2027	35,802
2028	35,915
2029	4,504
Total	<u>\$ 145,339</u>

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2024 and 2023

Note 6, In-Kind Contributions

Throughout 2023 and until March 2024, the Foundation received its office space free of charge to the organization. Accordingly, for the respective years ended December 31, 2024 and 2023, in-kind contributions consist of their office space and other professional services valued at \$3,000 and \$18,000. This estimate is based upon comparable market values. In April 2024, the Foundation signed a 5-year lease in a new Fort Worth location after the building that previously housed their office space was sold to an investor. See in relation to the Leasing Activities disclosure note.

For the years ended December 31, 2024 and 2023, donated supplies consist of special event auction items valued at \$72,157 and \$97,377, respectively. This estimate is based upon comparable market values.

Note 7, Concentration of Revenues

For the years ended, December 31, 2024 and 2023, donations from the Foundation's top five donors amount to approximately 24% and 28%, respectively, of its total cash revenues for each year.

Note 8, Net Assets

Net assets for the years ended December 31, 2024 and 2023, are presented as follows:

	Net Assets Without Donor Restrictions		Net Assets With Donor Restrictions
	General Unrestricted	Internally Designated	Temporarily Donor Restricted
Balance, January 1, 2023	\$ 64,265	\$ 250,000	\$ 1,477,652
Internal endowment earnings	-	24,072	-
Transfers to (from)	24,072	(24,072)	-
Other changes	(51,548)	-	137,757
Balance, December 31, 2023	36,789	250,000	1,615,409
Internal endowment earnings	-	41,563	-
Transfers to (from)	41,563	(41,563)	-
Other changes	(46,685)	-	(335,696)
Balance, December 31, 2024	\$ 31,667	\$ 250,000	\$ 1,279,713

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2024 and 2023

Note 8, Net Assets (continued)

In 2016 the Board of Directors designated \$250,000 of contributions without donor restrictions to establish the FWPLF Internal Endowment (the “Endowment”) to further the Foundation’s charitable purpose and mission. Since that amount resulted from an internal designation and is not donor-restricted, it is classified as net assets without donor restrictions.

The Foundation has adopted a policy that seeks to grow the Endowment through investment income and additional contributions. In establishing this policy, the Foundation considered the long-term expected investment return this fund. Over the long term, the Foundation expects the policy to allow its Endowment to grow to a point where it can diversify the investment portfolio.

Additionally, the Foundation’s policy includes appropriating a portion of investment earnings from matured investments within the Endowment to fund Foundation operations and programming while maintaining the Endowment corpus.

To achieve that objective, the Foundation has adopted an investment policy that intends to minimize the risk, but also provide a return over time that will allow the fund to grow into perpetuity. As of the date of the Independent Auditor’s Report on page two the Foundation is still working to define and formalize its spending policy for the FWPLF Internal Endowment Fund.

The details of the Foundation’s net assets by categories at December 31 are as follows:

	2024	2023
Net assets without donor restrictions		
General unrestricted	\$ 31,667	\$ 36,789
Internally designated		
FWPLF Internal Endowment	250,000	250,000
Total net assets without donor restrictions	<u>\$ 281,667</u>	<u>\$ 286,789</u>
Net assets with donor restrictions		
Temporarily restricted		
Central Library programs and improvements	\$ 737,665	\$ 773,355
Hazel Harvey Peace Youth Center programs	302,642	317,181
Branch libraries	26,013	36,702
College counseling/LaunchPad	-	131,139
Reading literacy programs	203,231	340,456
Technology	10,162	16,576
Total net assets with donor restrictions	<u>1,279,713</u>	<u>1,615,409</u>
Total net assets	<u>\$ 1,561,380</u>	<u>\$ 1,902,198</u>

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2024 and 2023

Note 9, Reclassifications

Certain reclassifications have been made to the 2023 statements of activities and functional expenses to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Note 10, Subsequent Events

The Foundation has evaluated subsequent events through the date of the Independent Auditor's Report on page two, which is the date the financial statements were available to be issued.