

**THE FORT WORTH  
PUBLIC LIBRARY FOUNDATION**

**AUDITED FINANCIAL STATEMENTS**

**Years Ended December 31, 2017 and 2016**



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Fort Worth Public Library Foundation (the "Foundation") which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

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, 2017 and 2016, 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.

*Rylander, Clay + Opitz, LLP*

May 9, 2018

# THE FORT WORTH PUBLIC LIBRARY FOUNDATION

## STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

|  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| <b>ASSETS</b>                                    |                     |                     |
| Cash and cash equivalents                        | \$ 687,635          | \$ 1,067,940        |
| Contributions receivable                         | 44,000              | 44,600              |
| Certificates of deposit                          | 1,320,010           | 1,065,459           |
| Prepaid expenses                                 | 20,671              | 33,832              |
| Property and equipment, net                      | 10,824              | 12,064              |
| Certificates of deposit designated for endowment | 252,864             | 250,000             |
|  | <u>2,336,004</u>    | <u>2,473,895</u>    |
| <b>Total assets</b>                              | <u>\$ 2,336,004</u> | <u>\$ 2,473,895</u> |
| <b>LIABILITIES AND NET ASSETS</b>                |                     |                     |
| Liabilities                                      |                     |                     |
| Accounts payable and accrued expenses            | \$ 14,045           | \$ 74,015           |
| Deferred revenue                                 | 48,200              | 45,200              |
|  | <u>62,245</u>       | <u>119,215</u>      |
| <b>Total liabilities</b>                         | <u>62,245</u>       | <u>119,215</u>      |
| Net Assets                                       |                     |                     |
| Unrestricted                                     | 356,350             | 436,828             |
| Designated                                       | 252,864             | 250,000             |
|  | <u>609,214</u>      | <u>686,828</u>      |
| Temporarily restricted                           | <u>1,664,545</u>    | <u>1,667,852</u>    |
| <b>Total net assets</b>                          | <u>2,273,759</u>    | <u>2,354,680</u>    |
| <b>Total liabilities and net assets</b>          | <u>\$ 2,336,004</u> | <u>\$ 2,473,895</u> |

See notes to financial statements.



# THE FORT WORTH PUBLIC LIBRARY FOUNDATION

## STATEMENTS OF ACTIVITIES

Years Ended December 31, 2017 and 2016

|   | 2017              |                        |                     | 2016              |                        |                     |
|---|-------------------|------------------------|---------------------|-------------------|------------------------|---------------------|
|   | Unrestricted      | Temporarily Restricted | Total               | Unrestricted      | Temporarily Restricted | Total               |
| Public support and revenue:             |                   |                        |                     |                   |                        |                     |
| Contributions                           | \$ 13,177         | \$ 122,603             | \$ 135,780          | \$ 488,524        | \$ 63,126              | \$ 551,650          |
| Contributions - program events          | 138,083           | -                      | 138,083             | 114,175           | -                      | 114,175             |
| Special events                          | 180,040           | -                      | 180,040             | 140,057           | -                      | 140,057             |
| Donated facilities and services         | 18,000            | -                      | 18,000              | 18,000            | -                      | 18,000              |
| Interest income                         | 17,692            | -                      | 17,692              | 6,540             | -                      | 6,540               |
| Investment loss                         | (485)             | -                      | (485)               | (1,002)           | -                      | (1,002)             |
| Net assets released from restrictions   | 125,910           | (125,910)              | -                   | 59,643            | (59,643)               | -                   |
| <b>Total public support and revenue</b> | <b>492,417</b>    | <b>(3,307)</b>         | <b>489,110</b>      | <b>825,937</b>    | <b>3,483</b>           | <b>829,420</b>      |
| Expenses:                               |                   |                        |                     |                   |                        |                     |
| Program services                        | 201,869           | -                      | 201,869             | 230,978           | -                      | 230,978             |
| Support services                        |                   |                        |                     |                   |                        |                     |
| Management and general                  | 138,926           | -                      | 138,926             | 96,299            | -                      | 96,299              |
| Fundraising                             | 229,236           | -                      | 229,236             | 205,355           | -                      | 205,355             |
| Total supporting services               | 368,162           | -                      | 368,162             | 301,654           | -                      | 301,654             |
| <b>Total expenses</b>                   | <b>570,031</b>    | <b>-</b>               | <b>570,031</b>      | <b>532,632</b>    | <b>-</b>               | <b>532,632</b>      |
| <b>Change in net assets</b>             | <b>(77,614)</b>   | <b>(3,307)</b>         | <b>(80,921)</b>     | <b>293,305</b>    | <b>3,483</b>           | <b>296,788</b>      |
| Net assets at beginning of year         | 686,828           | 1,667,852              | 2,354,680           | 393,523           | 1,664,369              | 2,057,892           |
| <b>Net assets at end of year</b>        | <b>\$ 609,214</b> | <b>\$ 1,664,545</b>    | <b>\$ 2,273,759</b> | <b>\$ 686,828</b> | <b>\$ 1,667,852</b>    | <b>\$ 2,354,680</b> |

See notes to financial statements.



# THE FORT WORTH PUBLIC LIBRARY FOUNDATION

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2017 and 2016

|   | <u>2017</u>              | <u>2016</u>                |
|---|--------------------------|----------------------------|
| Cash Flows from Operating Activities  |                          |                            |
| Change in net assets  | \$ (80,921)              | \$ 296,788                 |
| Adjustments to reconcile change in net assets<br>to net cash provided (used) by operating activities: |                          |                            |
| Depreciation  | 1,240                    | 1,240                      |
| Net unrealized and realized loss on investments   | 485                      | 1,002                      |
| (Increase) decrease in operating assets:  |                          |                            |
| Contributions receivable  | 600                      | (44,600)                   |
| Prepaid expenses  | 13,161                   | (19,518)                   |
| Increase (decrease) in operating liabilities:   |                          |                            |
| Accounts payable and accrued expenses   | (59,970)                 | 63,415                     |
| Deferred revenue  | 3,000                    | 41,200                     |
| <b>Net cash provided (used) by operating activities</b>   | <u>(122,405)</u>         | <u>339,527</u>             |
| Cash Flows from Investing Activities  |                          |                            |
| Increase in certificates of deposit designated for endowment  | (2,864)                  | -                          |
| Purchase of certificates of deposits  | (512,011)                | (853,687)                  |
| Proceeds from maturities of certificates of deposit   | 256,975                  | 212,815                    |
| <b>Net cash used by investing activities</b>  | <u>(257,900)</u>         | <u>(640,872)</u>           |
| <b>Net decrease in cash and cash equivalents</b>  | (380,305)                | (301,345)                  |
| Cash and cash equivalents at beginning of year  | <u>1,067,940</u>         | <u>1,369,285</u>           |
| <b>Cash and cash equivalents at end of year</b>   | <u><u>\$ 687,635</u></u> | <u><u>\$ 1,067,940</u></u> |

See notes to financial statements.



# THE FORT WORTH PUBLIC LIBRARY FOUNDATION

## STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017

|                                 | Supporting Services |                           |                   |                                 | Total             |
|---------------------------------|---------------------|---------------------------|-------------------|---------------------------------|-------------------|
|                                 | Program<br>Services | Management<br>and General | Fundraising       | Total<br>Supporting<br>Services |                   |
| Awards and gifts                | \$ -                | \$ 319                    | \$ -              | \$ 319                          | \$ 319            |
| Bank fees                       | -                   | 1,525                     | -                 | 1,525                           | 1,525             |
| Board retreat                   | -                   | 1,075                     | -                 | 1,075                           | 1,075             |
| Contract labor                  | 59,435              | -                         | 1,120             | 1,120                           | 60,555            |
| Credit card processing fees     | -                   | -                         | 3,902             | 3,902                           | 3,902             |
| Decoration and supplies         | -                   | -                         | 860               | 860                             | 860               |
| Depreciation                    | -                   | 1,240                     | -                 | 1,240                           | 1,240             |
| Dues and subscriptions          | -                   | 268                       | -                 | 268                             | 268               |
| Equipment rent                  | -                   | 2,650                     | -                 | 2,650                           | 2,650             |
| Facilities                      | 8,100               | 3,960                     | 5,940             | 9,900                           | 18,000            |
| Health benefits                 | 3,508               | 9,299                     | 10,857            | 20,156                          | 23,664            |
| Insurance                       | -                   | 8,504                     | -                 | 8,504                           | 8,504             |
| Internet                        | -                   | 662                       | -                 | 662                             | 662               |
| Marketing                       | -                   | -                         | 21,378            | 21,378                          | 21,378            |
| Materials                       | 4,957               | -                         | -                 | -                               | 4,957             |
| Office expenses                 | -                   | 5,699                     | -                 | 5,699                           | 5,699             |
| Parking                         | -                   | 5,654                     | -                 | 5,654                           | 5,654             |
| Postage and printing            | 168                 | 913                       | 5,808             | 6,721                           | 6,889             |
| Professional development        | -                   | 1,395                     | -                 | 1,395                           | 1,395             |
| Professional services           | 18,139              | 19,500                    | 33,827            | 53,327                          | 71,466            |
| Library reimbursement           | 60,371              | -                         | -                 | -                               | 60,371            |
| Recruiting expense              | -                   | 362                       | -                 | 362                             | 362               |
| Rentals                         | -                   | -                         | 2,225             | 2,225                           | 2,225             |
| Reserve auction                 | -                   | -                         | 3,718             | 3,718                           | 3,718             |
| Retirement plan                 | 966                 | 2,898                     | 966               | 3,864                           | 4,830             |
| Salaries and taxes              | 40,986              | 68,850                    | 100,368           | 169,218                         | 210,204           |
| Software                        | -                   | -                         | 2,495             | 2,495                           | 2,495             |
| Storage                         | -                   | 952                       | -                 | 952                             | 952               |
| Telephone                       | 552                 | 2,883                     | -                 | 2,883                           | 3,435             |
| Travel, meals and entertainment | 4,687               | 18                        | 35,772            | 35,790                          | 40,477            |
| Website maintenance             | -                   | 300                       | -                 | 300                             | 300               |
| <b>Total expenses</b>           | <b>\$ 201,869</b>   | <b>\$ 138,926</b>         | <b>\$ 229,236</b> | <b>\$ 368,162</b>               | <b>\$ 570,031</b> |

See notes to financial statements.



# THE FORT WORTH PUBLIC LIBRARY FOUNDATION

## STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2016

|                                  | Supporting Services |                           |                   |                                 | Total             |
|----------------------------------|---------------------|---------------------------|-------------------|---------------------------------|-------------------|
|                                  | Program<br>Services | Management<br>and General | Fundraising       | Total<br>Supporting<br>Services |                   |
| Awards and gifts                 | \$ -                | \$ 693                    | \$ -              | \$ 693                          | \$ 693            |
| Bank fees                        | -                   | 1,485                     | -                 | 1,485                           | 1,485             |
| Board retreat                    | -                   | 1,047                     | -                 | 1,047                           | 1,047             |
| Contract labor                   | 72,433              | 875                       | 19,145            | 20,020                          | 92,453            |
| Credit card processing fees      | -                   | -                         | 1,875             | 1,875                           | 1,875             |
| Decoration and supplies          | -                   | -                         | 1,698             | 1,698                           | 1,698             |
| Depreciation                     | -                   | 1,240                     | -                 | 1,240                           | 1,240             |
| Dues and subscriptions           | -                   | 574                       | -                 | 574                             | 574               |
| Equipment rent                   | -                   | 2,589                     | -                 | 2,589                           | 2,589             |
| Facilities                       | 8,100               | 3,960                     | 5,940             | 9,900                           | 18,000            |
| Insurance                        | -                   | 6,810                     | 204               | 7,014                           | 7,014             |
| Internet                         | -                   | 599                       | -                 | 599                             | 599               |
| Library reimbursement            | 58,731              | -                         | -                 | -                               | 58,731            |
| Marketing                        | -                   | -                         | 21,859            | 21,859                          | 21,859            |
| Materials                        | 22,496              | -                         | -                 | -                               | 22,496            |
| Office expenses                  | -                   | 4,283                     | -                 | 4,283                           | 4,283             |
| Parking                          | -                   | 5,716                     | -                 | 5,716                           | 5,716             |
| Printing and postage             | 172                 | 1,474                     | 2,250             | 3,724                           | 3,896             |
| Professional development         | -                   | 635                       | -                 | 635                             | 635               |
| Professional services            | 11,344              | 21,578                    | 10,761            | 32,339                          | 43,683            |
| Recruiting expense               | -                   | 469                       | -                 | 469                             | 469               |
| Rentals                          | -                   | -                         | 1,750             | 1,750                           | 1,750             |
| Reserve auction                  | -                   | -                         | 3,819             | 3,819                           | 3,819             |
| Salaries and taxes               | 52,677              | 37,165                    | 88,876            | 126,041                         | 178,718           |
| Storage                          | -                   | 445                       | -                 | 445                             | 445               |
| Telephone                        | 1,641               | 3,266                     | -                 | 3,266                           | 4,907             |
| Travel, meals, and entertainment | 3,384               | 760                       | 47,178            | 47,938                          | 51,322            |
| Website maintenance              | -                   | 636                       | -                 | 636                             | 636               |
| <b>Total expenses</b>            | <b>\$ 230,978</b>   | <b>\$ 96,299</b>          | <b>\$ 205,355</b> | <b>\$ 301,654</b>               | <b>\$ 532,632</b> |

See notes to financial statements.





# THE FORT WORTH PUBLIC LIBRARY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Activities**

The Fort Worth Public Library Foundation (the “Foundation”) is a not-for-profit organization formed on April 15, 1993 to support the Fort Worth Public Library. The Foundation receives support primarily from fundraising events and contributions.

#### **Basis of Presentation**

The accompanying financial statements of the Foundation have been presented on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP) and include the accounts maintained by and for the benefit of the Foundation.

#### **Management Estimates and Assumptions**

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that are used.

#### **Cash and Cash Equivalents**

The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

#### **Contributions Receivable**

Contributions receivable represent grants and gifts for which the Foundation has received notice from the donors of an unconditional promise to give, but remain unpaid at the statement of financial position date. After reviewing individual receivables for collectability, management writes off amounts that are believed to be uncollectible or records an allowance to provide for any uncertainty. Management has determined that no allowance is necessary at December 31, 2017 and 2016. All amounts are expected to be collected within the next year.

#### **Certificates of Deposit**

Certificates of deposit held for investment are reported at their fair values in the statement of financial position. Interest income is included in the statement of activities.

#### **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.



# THE FORT WORTH PUBLIC LIBRARY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Property and Equipment**

Property and equipment purchases exceeding \$1,000 are capitalized at cost and depreciated over estimated useful lives of 5 to 15 years using the straight-line method. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

#### **Deferred Revenue**

Deferred revenue represents amounts for a fundraising event to be held in 2018.

#### **Revenue Recognition**

The Foundation records revenue upon receipt of donations or, in the event of an unconditional promise to give, when the commitment has been made to the Foundation. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

#### **Recognition of Donor Restrictions**

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### **Donated Facilities and Services**

Donated assets are recorded at fair value on the date of receipt. In absence of donor restrictions, donated assets are reported as unrestricted support or according to any designations by the Board of Directors. Contributions of services are recognized at the fair value of the services received if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Foundation occupies office space owned by the City of Fort Worth. The estimated value of this contribution was approximately \$18,000 in 2017 and 2016. Additionally, a substantial number of volunteers have donated significant amounts of their time to the Foundation. The value of the volunteer hours is not reflected in the accompanying financial statements because it does not meet the criteria above.



# THE FORT WORTH PUBLIC LIBRARY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services benefited.

#### Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation within the meaning of Section 509(a) of the Code.

#### Collections

The Foundation does not recognize contributions of works of art that are held for public exhibition, are protected and preserved, and are subject to a Foundation policy that requires proceeds from sale of artwork to be used to acquire other works of art. The Foundation has received approximately \$156,000 of works of art that have not been recorded in the accompanying financial statements as of December 31, 2017 and 2016.

#### Subsequent Events

Management evaluated subsequent events through May 9, 2018, which is the date the financial statements were available to be issued.

#### Reclassification

Certain amounts in 2016 have been reclassified to conform to 2017 presentation.

### NOTE 2. FAIR VALUE OF ASSETS AND LIABILITIES

The *Fair Value Measurements and Disclosures Topic* (the "Topic") of the Accounting Standards Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Topic also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- |         |  |
|---------|--|
| Level 1 | Quoted prices in active markets for identical assets or liabilities.   |
| Level 2 | Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. |
| Level 3 | Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.  |



# THE FORT WORTH PUBLIC LIBRARY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

#### Investments

At December 31, 2017 and 2016, certificates of deposit, valued at \$1,572,874 and \$1,315,459, respectively, are classified as Level 1.

#### Other Financial Instruments

The recorded values of cash and cash equivalents, contributions receivable, accounts payable, and accrued expenses approximates fair value due to their short-term nature.

### NOTE 3. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2017 and 2016 follows:

|                               | 2017             | 2016             |
|-------------------------------|------------------|------------------|
| Leasehold improvements        | \$ 16,145        | \$ 16,145        |
| Furniture and fixtures        | 16,995           | 16,995           |
| Office equipment              | 4,126            | 4,126            |
| Computer equipment            | 5,929            | 5,929            |
|                               | <u>43,195</u>    | <u>43,195</u>    |
| Less accumulated depreciation | <u>(32,371)</u>  | <u>(31,131)</u>  |
|                               | <u>\$ 10,824</u> | <u>\$ 12,064</u> |

### NOTE 4. UNRESTRICTED DESIGNATED NET ASSETS

During 2016, the Board of Directors designated \$250,000 of unrestricted contributions to establish the FWPLF Endowment in order 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 unrestricted net assets.

The Foundation has adopted a policy that seeks to grow the FWPLF Endowment through investment income and additional contributions. In establishing this policy, the Foundation considered the long-term expected investment return on its endowment. Over the long term, the Foundation expects the policy to allow its FWPLF 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 FWPLF Endowment to fund Foundation operations and programming while maintaining the endowment corpus.

To achieve that objective, the Foundation has adopted an investment policy that attempts to minimize risk. Endowment assets are invested in short-term FDIC insured certificate of deposit with at least a 1% yield. Actual returns in any given year may vary from this amount.



# THE FORT WORTH PUBLIC LIBRARY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. UNRESTRICTED DESIGNATED NET ASSETS (Continued)

Activity in unrestricted designated net assets for the years ended December 31, 2017 and 2016 follows:

|                              | <u>2017</u>       | <u>2016</u>       |
|------------------------------|-------------------|-------------------|
| Balance at beginning of year | \$ 250,000        | \$ -              |
| Additions:                   |                   |                   |
| Board designation            | -                 | 250,000           |
| Income on invested funds     | <u>2,864</u>      | <u>-</u>          |
| Balance at end of year       | <u>\$ 252,864</u> | <u>\$ 250,000</u> |

### NOTE 5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets relate to contributions restricted by the donor for a specific purpose. Restrictions are classified as follows:

|  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| General programs                             | \$ 425,849          | \$ 396,319          |
| Hazel Harvey Peace Youth Center<br>programs  | 327,458             | 337,838             |
| Central Library programs and<br>improvements | <u>911,238</u>      | <u>933,695</u>      |
|  | <u>\$ 1,664,545</u> | <u>\$ 1,667,852</u> |

### NOTE 6. CONCENTRATIONS

The Foundation receives a substantial amount of its support from private foundations and individual donors. During 2017, the Foundation received approximately \$70,000 in donations from one donor representing approximately 15% of the Foundation's total revenue. During 2016, the Foundation received approximately \$488,000 in donations from three donors representing approximately 60% of the Foundation's total revenue.

