

The Fort Worth Public Library Foundation
Fort Worth, Texas

Financial Statements Together With
Independent Auditor's Report

December 31, 2021 and 2020

The Fort Worth Public Library Foundation
Financial Statements
December 31, 2021 and 2020

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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 Organization”), a Texas nonprofit organization, which comprise the statements of financial position as of December 31, 2021 and 2020, 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 Organization as of December 31, 2021 and 2020, 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 Organization 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 Organization'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)

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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 Organization'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 Organization'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.

Razloff & Associates, P.C.

April 14, 2022

Fort Worth Public Library Foundation

Statements of Financial Position

December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 371,712	\$ 247,033
Investments	1,427,933	1,648,620
Prepaid expenses	6,102	12,392
Total current assets	1,805,747	1,908,045
Noncurrent assets		
Operating lease right-of-use asset, net	16,415	22,043
Property and equipment		
Leasehold improvements	16,145	16,145
Furniture and fixtures	3,850	3,850
Office equipment	5,462	5,462
Less: accumulated depreciation	(22,262)	(21,709)
Net property and equipment	3,195	3,748
Total noncurrent assets	19,610	25,791
Total Assets	\$ 1,825,357	\$ 1,933,836
Liabilities & Net Assets		
Liabilities		
Current liabilities		
Current portion of operating lease liability	\$ 5,628	\$ 5,628
Accounts payable	1,094	20,618
Deferred revenue	-	22,125
Accrued liabilities	11,619	14,538
Total current liabilities	18,341	62,909
Noncurrent liabilities		
Noncurrent portion of operating lease liability	10,787	16,415
Total liabilities	29,128	79,324
Net assets		
Without donor restrictions	298,949	309,278
With donor restrictions	1,497,280	1,545,234
Total net assets	1,796,229	1,854,512
Total Liabilities & Net Assets	\$ 1,825,357	\$ 1,933,836

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, 2021 and 2020

	2021	2020
Changes in net assets without donor restrictions		
Revenues		
Revenues without donor restrictions		
General contributions	\$ 72,210	\$ 102,831
Grant revenues	69,000	58,449
Special event revenues	310,496	43,380
In-kind donation of rent	18,000	18,000
Investment return, net	2,987	12,494
Total revenues without donor restrictions	472,693	235,154
Net assets released from restrictions		
Satisfaction of program restrictions	182,520	212,059
Total revenues	655,213	447,213
Expenses		
Programs		
Library Support	147,591	181,901
Community Programs	56,675	59,160
Total program expenses	204,266	241,061
Support services		
Fundraising	254,044	119,942
General and administrative	207,232	256,706
Total support services expenses	461,276	376,648
Total expenses	665,542	617,709
Change in net assets without donor restrictions	(10,329)	(170,496)
Changes in net assets with donor restrictions		
Restricted contributions and grants	134,566	152,684
Net assets released from restriction	(182,520)	(212,059)
Change in net assets with donor restrictions	(47,954)	(59,375)
Change in total net assets	(58,283)	(229,871)
Net assets at beginning of year	1,854,512	2,084,383
Net assets at end of year	\$ 1,796,229	\$ 1,854,512

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, 2021 and 2020

	Program Services				Support Services				Total	
	Library Support		Community Programs		Fundraising		General and Administrative			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Salaries	\$ 14,139	\$ 16,283	\$ 52,579	\$ 54,407	\$ 98,573	\$ 82,972	\$ 93,109	\$ 115,095	\$ 258,400	\$ 268,757
Other fees for services	850	-	-	510	115,494	4,858	12,305	10,806	128,649	16,174
Office expenses	310	-	-	12	9,649	23,568	26,373	32,262	36,332	55,842
Contributions to Library	127,939	164,446	-	-	-	-	-	-	127,939	164,446
Information technology	-	-	-	316	4,534	650	19,789	21,750	24,323	22,716
Accounting fees	-	-	-	-	-	-	18,398	20,750	18,398	20,750
Payroll taxes	1,102	1,172	4,096	3,915	7,680	5,971	7,254	8,283	20,132	19,341
Conferences, conventions, and meetings	-	-	-	-	-	-	305	266	305	266
Meals and entertainment	2,544	-	-	-	11,289	283	860	851	14,693	1,134
Depreciation	-	-	-	-	-	-	553	2,091	553	2,091
Insurance	-	-	-	-	-	-	3,804	7,446	3,804	7,446
Advertising	707	-	-	-	5,186	1,439	300	6,618	6,193	8,057
Other employee benefits	-	-	-	-	1,639	201	17,759	25,257	19,398	25,458
Dues and subscriptions	-	-	-	-	-	-	3,803	3,978	3,803	3,978
Occupancy	-	-	-	-	-	-	2,352	1,253	2,352	1,253
Travel	-	-	-	-	-	-	268	-	268	-
Total expenses	\$ 147,591	\$ 181,901	\$ 56,675	\$ 59,160	\$ 254,044	\$ 119,942	\$ 207,232	\$ 256,706	\$ 665,542	\$ 617,709

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, 2021 and 2020

	2021	2020
Cash flows from operating activities		
General and restricted contributions, grants and other income	\$ 276,070	\$ 316,807
Special events contributions and receipts	288,371	31,268
Cash paid for operations and programs	(663,142)	(588,849)
Net cash provided (used) by operating activities	(98,701)	(240,774)
Cash flows from investing activities		
Purchases of investments	-	(1,406,879)
Proceeds from sale of investments	223,380	1,406,879
Purchases of property and equipment	-	(668)
Net cash provided (used) by investing activities	223,380	(668)
Net increase (decrease) in cash and cash equivalents	124,679	(241,442)
Cash and cash equivalents at beginning of year	247,033	488,475
Cash and cash equivalents at end of year	\$ 371,712	\$ 247,033
 Reconciliation of change in total net assets to net cash provided (used) by operating activities		
Change in total net assets	\$ (58,283)	\$ (229,871)
Adjustments		
Net gain on investments	(2,693)	(11,117)
Depreciation expense	553	2,091
Change in accounts receivable	-	1,466
Change in other current assets	6,290	(3,044)
Change in accounts payable	(19,524)	(5,648)
Change in deferred revenue	(22,125)	3,025
Change in accrued liabilities	(2,919)	2,324
Total adjustments	(40,418)	(10,903)
Net cash provided (used) by operating activities	\$ (98,701)	\$ (240,774)

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, 2021 and 2020

Note 1, Nature of the Organization

The Fort Worth Public Library Foundation (the “Foundation”) is a 501(c)(3) Texas nonprofit corporation whose mission is to benefit both the Fort Worth Library and the Fort Worth community by providing resources that support educational programming, buildings, and infrastructure improvements.

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.

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 one. See the Liquidity disclosure for cash management strategies.

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.

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.

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, 2021 and 2020

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, 2021 and 2020 the Foundation has no permanently restricted net assets.

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

- Program activities:
 - Library Support: to raise money to supplement public funding of the library system.
 - Community Programs: to provide resources that support educational programming, buildings, and infrastructure improvements.
- Fundraising: encouraging additional contributions and grants for the Foundation and its programs.
- General and Administrative: providing administrative support to the above functional areas

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

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2021 and 2020

Note 2, Summary of Significant Accounting Policies (continued)

Cash and cash equivalents: For 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.

For the years ended December 31, 2021 and 2020 in-kind contributions consist of rent and professional services valued at \$18,000 for each of the years ended, respectively. This estimate is based upon comparable market values.

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.

For the years ended December 31, 2021 and 2020, donated supplies consist of special event auction items valued at \$12,648 and \$15,317, respectively. This estimate is based upon comparable market values.

A substantial number of volunteers have also donated significant amounts of their time to the Foundation's programs. However, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition.

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.

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2021 and 2020

Note 2, Summary of Significant Accounting Policies (continued)

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.

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, 2021 and 2020, 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.

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2021 and 2020

Note 2, Summary of Significant Accounting Policies (continued)

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. There was no collection item sold or removed during 2021 or 2020.

Note 3, Investments

For the year ended December 31, 2021 and 2020, money market investments are based upon level 1 inputs which are quoted prices in active markets for identical assets, and certificates of deposit are based upon level 2 inputs, which are other observable inputs for fair value measurement.

Investments by type for the years ended December 31, are as follows:

	2021	2020
Money Market	\$ 1,427,933	\$ 1,427,791
CD	-	220,829
Total	\$ 1,427,933	\$ 1,648,620

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

	2021	2020
Investments, beginning of year	\$ 1,648,620	\$ 1,637,503
Investment income, net of fees	2,693	11,117
Purchase of investments	-	1,406,879
Sale of investments	(223,380)	(1,406,879)
Investments, end of year	\$ 1,427,933	\$ 1,648,620

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2021 and 2020

Note 4, Leasing Activities

The Foundation is under contractual leases for office equipment under non-cancelable operating leases that expire in November 2024. In 2021, the Foundation adopted the new accounting standard ASC 2016-02, Leases (Topic 842). This new standard requires the Foundation (the lessee) to recognize lease right-of-use (“ROU”) assets and corresponding lease liabilities for operating leases on the statement of position. Operating lease costs are included and allocated with expense 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 \$16,415 and \$22,043, respectively, at December 31, 2021 and 2020.

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, 2021 and 2020, operating lease expense was \$5,956 and \$5,392, respectively.

Following are the approximate undiscounted minimum operating lease payments remaining at December 31, 2021, for each of the next three years:

2022	\$	5,628
2023		5,628
2024		<u>5,159</u>
Total	\$	<u><u>16,415</u></u>

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

	<u>2021</u>	<u>2020</u>
Current operating lease liabilities	\$ 5,628	\$ 5,628
Noncurrent operating lease liabilities	<u>10,787</u>	<u>16,415</u>
Total remaining minimum lease payments	<u><u>\$ 16,415</u></u>	<u><u>\$ 22,043</u></u>

Note 5, Reclassifications

Certain reclassifications have been made to the 2020 financial statement presentations of the statement of financial position and statement of activities to correspond to the current year’s format. Net assets and changes in net assets are unchanged due to the reclassifications.

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2021 and 2020

Note 6, Paycheck Protection Program

In April 2020, the Foundation qualified for a Paycheck Protection Program (PPP) loan for \$58,449. This loan was used for payroll and other qualifying expenditures and was forgiven by the U.S. Small Business Administration (SBA). Therefore, it was recognized as grant revenue in the statement of activities for the year ended December 31, 2020.

In February 2021, the Foundation qualified for a second round PPP loan and received a \$58,000 loan with the same terms as the first, which includes a fixed interest rate of 1% and a two-year term. In July 2021, this loan was forgiven in full, as it too was used on qualifying expenditures. Accordingly, these proceeds are included with grant revenues in the statement of activities for the year ended December 31, 2021.

Note 7, Net Assets

Net assets for the years ended December 31, 2021 and 2020, are presented as follows:

	Net Assets Without Donor Restrictions		Net Assets With Donor Restrictions
	General Unrestricted	Internally Designated	Temporarily Donor Restricted
Balance, January 1, 2020	\$ 218,813	\$ 260,961	\$ 1,604,609
Transfers to (from)	(1,319)	1,319	-
Net change	<u>(170,496)</u>	<u>-</u>	<u>(59,375)</u>
Balance, December 31, 2020	46,998	262,280	1,545,234
Transfers to (from)	(26)	26	-
Net change	<u>(10,329)</u>	<u>-</u>	<u>(47,954)</u>
Balance, December 31, 2021	<u>\$ 36,643</u>	<u>\$ 262,306</u>	<u>\$ 1,497,280</u>

In 2016 the Board of Directors designated \$250,000 of contributions without donor restrictions to establish the FWPLF 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 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 the FWPLF Endowment to grow to a point where it can diversify the investment portfolio.

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2021 and 2020

Note 7, Net Assets (continued)

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 the risk. Endowment assets are placed in short-term highly conservative investments. Actual returns in any given year may vary.

The details of the Foundations net assets by categories at December 31 are as follows:

	2021	2020
Net assets without donor restrictions		
General unrestricted	\$ 36,643	\$ 46,998
Internally designated		
Endowment	262,306	262,280
 Total net assets without donor restrictions	 \$ 298,949	 \$ 309,278
Net assets with donor restrictions		
Temporarily restricted		
Central Library programs and improvements	\$ 807,298	\$ 854,880
Hazel Harvey Peace Youth Center programs	327,458	327,458
Branch libraries	26,327	25,427
College counseling/Launchpad	40,531	54,725
Reading literacy programs	267,504	272,582
Technology	28,162	10,162
Total net assets with donor restrictions	1,497,280	1,545,234
 Total net assets	 \$ 1,796,229	 \$ 1,854,512

The Fort Worth Public Library Foundation

Note Disclosures to the Financial Statements

December 31, 2021 and 2020

Note 8, 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:

	2021	2020
Current assets	\$ 1,805,747	\$ 1,908,045
Less: non-liquid assets	(6,102)	(12,392)
Less: those unavailable for general		
Internally designated (unrestricted)	(262,306)	(262,280)
Donor-imposed restrictions	(1,497,280)	(1,545,234)
Financial assets available for general expenditures	\$ 40,059	\$ 88,139

Note 9, Concentration of Revenues

For 2021 and 2020, donations from the Foundation's top five donors amount to approximately 18% and 25%, respectively, of its total cash revenues for each year.

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. In addition, see the Foundation's accounting policies in Note 2 for liquidity and going concern considerations.