



**INDIANAPOLIS-MARION COUNTY PUBLIC
LIBRARY FOUNDATION, INC.
d/b/a
THE INDIANAPOLIS PUBLIC LIBRARY FOUNDATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

CPAs / ADVISORS



INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.
d/b/a
THE INDIANAPOLIS PUBLIC LIBRARY FOUNDATION

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DECEMBER 31, 2023 AND 2022

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Indianapolis-Marion County
Public Library Foundation, Inc.
d/b/a The Indianapolis Public Library Foundation
Indianapolis, Indiana

Opinion

We have audited the accompanying financial statements of Indianapolis-Marion County Public Library Foundation, Inc. d/b/a The Indianapolis Public Library Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2023 and 2022, 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, 2023 and 2022, 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.

REPORT OF INDEPENDENT AUDITORS
(Continued)

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 are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 judgement, 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.

Blue & Co., LLC

Carmel, Indiana
April 19, 2024

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.
d/b/a
THE INDIANAPOLIS PUBLIC LIBRARY FOUNDATION

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
Cash and cash equivalents	\$ 2,570,164	\$ 2,366,426
Prepaid expenses	24,058	19,343
Investments	10,688,747	9,858,190
Due from library	28,369	6,855
Pledges receivable, net	221,065	299,331
Other assets	41,164	42,346
Property and equipment, net	3,800	5,348
Beneficial interest in assets held by others	10,633,703	10,102,514
	\$ 24,211,070	\$ 22,700,353

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 2,781	\$ 19,561
Accrued expenses	40,373	37,184
Total liabilities	43,154	56,745
Net assets		
Without donor restrictions	4,439,983	4,172,074
With donor restrictions		
Purpose and time	6,906,285	6,425,517
Endowment	12,821,648	12,046,017
	19,727,933	18,471,534
Total net assets	24,167,916	22,643,608
	\$ 24,211,070	\$ 22,700,353

See accompanying notes to financial statements.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.
d/b/a
THE INDIANAPOLIS PUBLIC LIBRARY FOUNDATION

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(With Comparative Total for the Year Ended December 31, 2022)

	2023				2022	
	With Donor Restrictions			Total With Donor Restrictions	Total	Total
	Without Donor Restrictions	Purpose and Time	Endowment			
Revenues, gains, and support						
Contributions, net	\$ 421,857	\$ 1,536,126	\$ 89,889	\$ 1,626,015	\$ 2,047,872	\$ 1,655,156
Book sales	230,086	-0-	-0-	-0-	230,086	231,398
Dividends and interest, net	173,657	84,193	43,392	127,585	301,242	272,252
Realized and unrealized gains (losses) on investments, net	515,161	439,396	230,389	669,785	1,184,946	(1,738,330)
Change in value of beneficial interest in assets held by others	13,765	-0-	1,039,757	1,039,757	1,053,522	(1,290,350)
	<u>1,354,526</u>	<u>2,059,715</u>	<u>1,403,427</u>	<u>3,463,142</u>	<u>4,817,668</u>	<u>(869,874)</u>
Net assets released from restrictions	<u>2,206,743</u>	<u>(1,578,947)</u>	<u>(627,796)</u>	<u>(2,206,743)</u>	<u>-0-</u>	<u>-0-</u>
Total revenues, gains and support	3,561,269	480,768	775,631	1,256,399	4,817,668	(869,874)
Expenses						
Program services	2,386,413	-0-	-0-	-0-	2,386,413	2,282,214
Management and general	370,079	-0-	-0-	-0-	370,079	339,044
Fundraising	536,868	-0-	-0-	-0-	536,868	512,239
Total expenses	<u>3,293,360</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,293,360</u>	<u>3,133,497</u>
Change in net assets	267,909	480,768	775,631	1,256,399	1,524,308	(4,003,371)
Net assets, beginning of year	<u>4,172,074</u>	<u>6,425,517</u>	<u>12,046,017</u>	<u>18,471,534</u>	<u>22,643,608</u>	<u>26,646,979</u>
Net assets, end of year	<u>\$ 4,439,983</u>	<u>\$ 6,906,285</u>	<u>\$ 12,821,648</u>	<u>\$ 19,727,933</u>	<u>\$ 24,167,916</u>	<u>\$ 22,643,608</u>

See accompanying notes to financial statements.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.
d/b/a
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STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	With Donor Restrictions				Total
	Without Donor Restrictions	Purpose and Time	Endowment	Total With Donor Restrictions	
Revenues, gains, and support					
Contributions, net	\$ 371,198	\$ 1,124,910	\$ 159,048	\$ 1,283,958	\$ 1,655,156
Book sales	231,398	-0-	-0-	-0-	231,398
Dividends and interest, net	134,934	91,206	46,112	137,318	272,252
Realized and unrealized (losses) on investments, net	(762,826)	(664,169)	(311,335)	(975,504)	(1,738,330)
Change in value of beneficial interest in assets held by others	(16,466)	-0-	(1,273,884)	(1,273,884)	(1,290,350)
	<u>(41,762)</u>	<u>551,947</u>	<u>(1,380,059)</u>	<u>(828,112)</u>	<u>(869,874)</u>
Net assets released from restrictions	<u>2,155,232</u>	<u>(1,549,493)</u>	<u>(605,739)</u>	<u>(2,155,232)</u>	<u>-0-</u>
Total revenues, gains and support	2,113,470	(997,546)	(1,985,798)	(2,983,344)	(869,874)
Expenses					
Program services	2,282,214	-0-	-0-	-0-	2,282,214
Management and general	339,044	-0-	-0-	-0-	339,044
Fundraising	512,239	-0-	-0-	-0-	512,239
Total expenses	<u>3,133,497</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,133,497</u>
Change in net assets	(1,020,027)	(997,546)	(1,985,798)	(2,983,344)	(4,003,371)
Net assets, beginning of year	<u>5,192,101</u>	<u>7,423,063</u>	<u>14,031,815</u>	<u>21,454,878</u>	<u>26,646,979</u>
Net assets, end of year	<u>\$ 4,172,074</u>	<u>\$ 6,425,517</u>	<u>\$ 12,046,017</u>	<u>\$ 18,471,534</u>	<u>\$ 22,643,608</u>

See accompanying notes to financial statements.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.

d/b/a

THE INDIANAPOLIS PUBLIC LIBRARY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

(With Comparative Total for the Year Ended December 31, 2022)

	2023				2022
	Program	Management	Fundraising	Total	Total
	Services	and General			
Grants and program support for:					
Adult and lifelong learning	\$ 91,615	\$ -0-	\$ -0-	\$ 91,615	\$ 63,227
Children's initiatives	477,102	-0-	-0-	477,102	346,248
Collections and information technology	1,142,125	-0-	-0-	1,142,125	1,211,406
Cultural and community	328,446	-0-	-0-	328,446	297,419
Lectures	28,679	-0-	-0-	28,679	34,000
Library materials, branch projects, and other programs	202,834	-0-	-0-	202,834	197,222
Recognitions	38,313	-0-	-0-	38,313	61,762
Foundation fundraising events	-0-	-0-	34,909	34,909	40,067
Salaries and wages	58,498	190,140	336,340	584,978	545,233
Employee benefits and taxes	18,801	61,954	107,258	188,013	164,088
Branding and marketing	-0-	-0-	2,482	2,482	1,575
Donor cultivation	-0-	-0-	27,418	27,418	26,027
Printing and mailing	-0-	2,525	12,580	15,105	21,542
Computer maintenance	-0-	8,163	12,197	20,360	16,412
Travel and parking	-0-	-0-	1,412	1,412	1,525
Office expense	-0-	720	-0-	720	18,921
Insurance	-0-	9,088	-0-	9,088	6,986
Professional fees	-0-	41,620	-0-	41,620	40,429
Payroll and human resources service	-0-	7,260	-0-	7,260	7,077
Allowance for doubtful accounts	-0-	10,408	-0-	10,408	665
Training and membership dues	-0-	8,917	-0-	8,917	6,190
Miscellaneous	-0-	2,248	-0-	2,248	3,667
Depreciation	-0-	1,548	-0-	1,548	1,548
Annual meeting dinner	-0-	-0-	2,272	2,272	2,541
Consulting	-0-	25,488	-0-	25,488	17,720
Total expenses	<u>\$ 2,386,413</u>	<u>\$ 370,079</u>	<u>\$ 536,868</u>	<u>\$ 3,293,360</u>	<u>\$ 3,133,497</u>

See accompanying notes to financial statements.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.**d/b/a****THE INDIANAPOLIS PUBLIC LIBRARY FOUNDATION**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program	Management		
	Services	and General	Fundraising	Total
Grants and program support for:				
Adult and lifelong learning	\$ 63,227	\$ -0-	\$ -0-	\$ 63,227
Children's initiatives	346,248	-0-	-0-	346,248
Collections and information technology	1,211,406	-0-	-0-	1,211,406
Cultural and community	297,419	-0-	-0-	297,419
Lectures	34,000	-0-	-0-	34,000
Library materials, branch projects, and other programs	197,222	-0-	-0-	197,222
Recognitions	61,762	-0-	-0-	61,762
Foundation fundraising events	-0-	-0-	40,067	40,067
Salaries and wages	54,523	184,260	306,450	545,233
Employee benefits and taxes	16,407	53,611	94,070	164,088
Branding and marketing	-0-	-0-	1,575	1,575
Donor cultivation	-0-	-0-	26,027	26,027
Printing and mailing	-0-	3,461	18,081	21,542
Computer maintenance	-0-	8,509	7,903	16,412
Travel and parking	-0-	-0-	1,525	1,525
Office expense	-0-	18,921	-0-	18,921
Insurance	-0-	6,986	-0-	6,986
Professional fees	-0-	40,429	-0-	40,429
Payroll and human resources service	-0-	7,077	-0-	7,077
Allowance for doubtful accounts	-0-	665	-0-	665
Training and membership dues	-0-	6,190	-0-	6,190
Miscellaneous	-0-	3,667	-0-	3,667
Depreciation	-0-	1,548	-0-	1,548
Annual meeting dinner	-0-	-0-	2,541	2,541
Consulting	-0-	3,720	14,000	17,720
	<u>-0-</u>	<u>3,720</u>	<u>14,000</u>	<u>17,720</u>
 Total expenses	 <u>\$ 2,282,214</u>	 <u>\$ 339,044</u>	 <u>\$ 512,239</u>	 <u>\$ 3,133,497</u>

See accompanying notes to financial statements.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.
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STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Operating activities		
Change in net assets	\$ 1,524,308	\$ (4,003,371)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,548	1,549
Change in present value discount on pledges receivable	(6,136)	17,881
Realized and unrealized losses (gains) on investments, net	(1,184,946)	1,738,330
Change in value of beneficial interest in assets held by others	(1,053,522)	1,290,350
Contributions restricted for investment in endowment	(96,605)	(111,998)
Changes in operating assets and liabilities:		
Due from Library	(21,514)	47,177
Pledges receivable	84,402	(37,747)
Prepaid expenses and other assets	(3,533)	145
Accounts payable and accrued expenses	(13,591)	3,927
Net cash flows from operating activities	<u>(769,589)</u>	<u>(1,053,757)</u>
Investing activities		
Proceeds from sale of investments	1,960,443	1,694,896
Purchase of investments	(1,606,054)	(1,159,474)
Distributions from CICF	553,214	548,304
Transfer of funds to CICF	(30,881)	(30,039)
Net cash flows from investing activities	<u>876,722</u>	<u>1,053,687</u>
Financing activities		
Contributions restricted for investment in endowment	<u>96,605</u>	<u>111,998</u>
Net cash flows from financing activities	<u>96,605</u>	<u>111,998</u>
Change in cash and cash equivalents	203,738	111,928
Cash and cash equivalents, beginning of year	<u>2,366,426</u>	<u>2,254,498</u>
Cash and cash equivalents, end of year	<u>\$ 2,570,164</u>	<u>\$ 2,366,426</u>

See accompanying notes to financial statements.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.

d/b/a

THE INDIANAPOLIS PUBLIC LIBRARY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES

The Indianapolis-Marion County Public Library Foundation, Inc. (the Foundation) was incorporated in Indiana in 1969. In 2011, as part of a rebranding campaign with the Indianapolis-Marion County Public Library (the Library), the Foundation began doing business as The Indianapolis Public Library Foundation.

Its mission is to partner with donors to enrich lives, foster lifelong learning and engage our diverse community through The Indianapolis Public Library. Support for the Foundation is derived from contributions, grants, book sales and investment income. Thanks to the Foundation's support, all Library programs are free and open to the public throughout the city, including in historically underserved areas. Main program service areas include:

Adult and Lifelong Learning Programs

These free programs bolster workplace skills, provide training with the latest technology and provide outlets pursuing hobbies and exploring other topics of interest. Major examples of programs include:

- **Early Childhood Educator Workshops:** Childcare providers engage in workshops about teaching and best practices for working with preschool children to earn credits for credentialing and to improve the quality of the care they provide. Workshops were presented virtually and in person.
- **East Thirty-Eighth Street Branch Job Center:** Adults needing support in job searches, resume writing and more can meet with dedicated staff at the East Thirty-Eighth Street Branch for assistance.
- **Technology Programs:** Adults engaged in learning programs at branches and virtually throughout the year, including workshops on gardening, cooking, personal finance, health and wellness and more.
- **Other Programs:** Workshops on gardening, cooking, personal finance, and health are examples of other lifelong learning opportunities the Library provides.

Children's Initiatives

This series of programs and outreach efforts is designed to help children become more capable, enthusiastic readers and savvy, productive users of technology. Offered at all 25 Library locations throughout the city, these programs are highly accessible and reach underserved audiences, as 19% of Marion County children younger than age 18 live in poverty.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.

d/b/a

THE INDIANAPOLIS PUBLIC LIBRARY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Examples of major children's programs are:

- **Summer Reading Program:** This program, which rewards children for reading over the summer months, enrolled 22,000 youth participants who read more than 16 million minutes. Its goal is to counter summer learning loss.
- **Reading Ready:** This multi-faceted initiative helps children under the age of five develop early literacy and technology skills needed for a successful start in school. Reading Ready includes:
 - **On the Road to Reading:** Each month, the Library provided story programs to approximately 60 home and faith-based daycares in low and moderate income areas. Each session consisted of a story program and a delivery of Bunny Bags filled with picture books for the children to enjoy between visits, as well as early literacy professional development for childcare providers.
 - **Preschool Programs & Reading Ready Time:** Preschool children engaged in learning through in-branch programs as well as recorded video programs. Preschool programs allowed children and preschoolers to experience art, music, sports and more. Reading Ready Time videos often engaged many of the same presenters to do recorded programs for childcare centers and classrooms that cannot attend in-person programs.
 - **Staff:** Private funds supported the Library's Herbert Simon Early Literacy Specialist who oversees and evaluates Reading Ready programming, as well as part-time Outreach staff who implement the On the Road to Reading initiative.

Collections and Information Technology

The Foundation funds special collections and technology to help the library provide resources for patrons. Major examples of programs include:

- **Marion County Internet Library:** A collection of online databases the Library administers and shares with select high school media centers and university libraries throughout the city.
 - **Encyclopedia of Indianapolis:** In partnership with the Polis Center at Indiana University Indianapolis, the Library continues developing and expanding this interactive online repository of Indianapolis' past and present.
 - **Device Lending:** To help bridge the digital divide, Foundation support helped to sustain or expand device lending at several library locations across the city. Library patrons can check out either Wi-Fi hotspots, Chromebooks or both to use at home to assist with job searches, educational needs and more.
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INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Cultural and Community Programs, and Lectures

In 2023, the Foundation assisted the Library by funding special public programs highlighting the cultures and unique communities in Indianapolis. Examples of major programs include:

- **Meet the Artists:** This two-month exhibition of local and regional Black artists celebrates African American culture and heritage. The exhibit's gala features live performances, a fashion show and, of course, an opportunity to speak with the artists on exhibition.
- **Concert Series:** Musicians from the Indianapolis Symphony Orchestra and other local ensembles perform concerts throughout the year at Central Library and select branches, exposing patrons to a variety of musical styles.
- **Center for Black Literature & Culture:** A dedicated space at Central Library celebrated the vibrant heritage and triumphs of those born of African roots and provided a place for all who are interested in exploring this rich culture and heritage through collections, resources and programs.
- **Programs for Immigrants and Refugees:** Non-native English speakers can improve their literacy skills through several programs, including Pathways to Literacy and Conversation Circles.

Library Materials, Branch Projects, and Other Programs

The Foundation provides support for individual library locations (Central Library and each branch), books purchased through tribute gifts and other enhancements to Library programs. In addition, the Foundation provides support for some Library staffing costs associated with implementing the aforementioned programs, as well as professional development opportunities for Library staff.

Recognitions

The Foundation funds activities to show appreciation for Library volunteers and staff for their contributions and efforts throughout the year.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.

d/b/a

THE INDIANAPOLIS PUBLIC LIBRARY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Net assets, support, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation are classified and reported as follows:

Net assets without donor restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of such net assets are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of business.

Net assets with donor restrictions – Net assets with donor restrictions are net assets subject to donor stipulations for specific operating purposes or time restrictions. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations or specific purposes.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Foundation considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents, but excludes cash equivalents held by various fund managers which are included in investments. Cash equivalents are carried at cost, which approximates fair value, and primarily consist of bank savings accounts.

Investments and Investment Return

Investments having a readily determinable market value are carried at fair value. Realized gains or losses upon the sale of investments are based on the cost of specifically identified securities.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Changes in unrealized appreciation or depreciation of investments are reflected in the Statements of Activities as unrealized gains or losses in the period in which such changes occur. Dividend and interest income is recorded when earned.

The Foundation maintains an investment pool for its endowments and other invested funds. Dividends and interest and realized and unrealized gains and losses from securities are allocated to the individual endowments or other funds based on the relationship of the market value of each endowment or fund to the total market value of the investment pool, as adjusted for additions or deductions from those accounts.

Pledges Receivable

Unconditional promises to give are carried at net realizable value, discounted to present value using United States Treasury Bill rates with maturities commensurate to the time period of expected collection of the pledges. Amortization of the discount is included in contributions.

Management estimates an allowance for uncollectible pledges based on an evaluation of historical losses, current economic conditions, and other factors unique to its donor base. Periodically, management reviews pledges receivable, records an allowance based on current circumstances, and charges off the receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the Foundation's collection policy. Management has estimated and recorded an allowance for uncollectible pledges of \$3,000 at both December 31, 2023 and 2022.

Property and Equipment

The Foundation capitalizes all significant purchases of property and equipment at cost. Costs of ordinary maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

Gifts of property and equipment are recorded as support at fair value at the date of donation. Such gifts are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose or stipulated how long those assets must be used.

Beneficial Interest in Assets Held by Others

The beneficial interest in assets held by others in the Statements of Financial Position represents the Foundation's interest in eleven designated endowment funds held at Central Indiana Community Foundation (CICF) (Note 6). This asset is increased with additional deposits by the Foundation to the endowments or by new contributions to the endowments, and is decreased by distributions from the endowments to the Foundation. The change in value of beneficial interest in assets held by others in the Statements of Activities includes realized and unrealized gains and losses, dividends and interest, and administration and investment fees allocated to each fund by CICF.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC.

d/b/a

THE INDIANAPOLIS PUBLIC LIBRARY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

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Accounting for Contributions

The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions.

Book Sales Revenue Recognition

Revenue from book sales is recognized at the point of sale, when control of the book/material is transferred to the customer.

Functional Allocation of Expenses

The costs of providing the programs and services of the Foundation have been summarized on a functional basis in the Statements of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting activities benefited based on the actual direct expenses and an allocation of indirect expenses based on estimates of time and usage by personnel and programs. Expenses allocated include salaries and wages and employee benefits and taxes. Although the method used was appropriate, other methods could produce different results.

Income Taxes

The Foundation is organized as a not-for-profit corporation other than a private foundation, and is exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code and similar state law.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Foundation, and has concluded that as of December 31, 2023 and 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements.

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As such, the Foundation is generally exempt from income taxes. However, the Foundation is required to file Federal Form 990 – Return of Organization Exempt From Income Tax and a corresponding state return, which are informational returns only. The Foundation is subject to routine audits by taxing jurisdictions. However, as of the date the financial statements were available to be issued, there were no audits for any tax periods in progress.

Subsequent Events

The Foundation evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through April 19, 2024, which is the date the financial statements were available to be issued.

3. INVESTMENTS

Investments consist of the following at December 31:

	2023	2022
Cash	\$ 11,018	\$ 59,812
Money market mutual funds	376,026	357,413
Certificates of deposit	-0-	106,671
Bonds	1,939,240	1,559,376
Mutual funds	5,772,973	5,651,204
Common stocks	2,589,490	2,123,714
	\$ 10,688,747	\$ 9,858,190

Investment return consists of the following for the years ended December 31:

	2023	2022
Dividends and interest	\$ 339,155	\$ 318,837
Less investment fees	(37,913)	(46,585)
	301,242	272,252
Realized gains on investments, net	12,816	386,729
Unrealized gains (losses) on investments, net	1,172,130	(2,125,059)
	1,184,946	(1,738,330)
	\$ 1,486,188	\$ (1,466,078)

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4. PLEDGES RECEIVABLE

Pledges receivable are as follows at December 31:

	2023	2022
Past due	\$ 6,436	\$ 14,445
Due within 1 year	153,175	197,192
Due in 1-5 years	78,528	110,904
	238,139	322,541
Less present value discount	(14,074)	(20,210)
Less allowance for uncollectible pledges	(3,000)	(3,000)
	\$ 221,065	\$ 299,331

Of the pledges receivable classified as "past due" at December 31, 2023, approximately \$3,694 was collected as of March 5, 2024.

5. PROPERTY AND EQUIPMENT

Property and equipment include the following at December 31:

	2023	2022
Furniture and equipment	\$ 202,735	\$ 202,735
Less accumulated depreciation	(198,935)	(197,387)
	\$ 3,800	\$ 5,348

6. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Foundation has established eleven designated endowment funds with Central Indiana Community Foundation (CICF) and is the beneficiary of the funds holding those assets. The purpose of such funds is to provide support to the Foundation. If the Foundation ceases to exist, the funds will be used to provide support to the Library and its successors in interest.

Annual earnings are allocated to each fund and a portion of the fund balance is available for distribution during the succeeding year in accordance with the spending policy adopted by the CICF Board of Directors. At the time of execution of the agreements, the spending policy provided for 5% of the December 31 fund balance as the portion available for distribution, in addition to any unspent distributable amounts from prior years.

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The fair values of the designated funds, as reported by CICF, are as follows at December 31:

	2023	2022
Operating Endowment	\$ 2,514,555	\$ 2,411,066
Humanities Endowment	2,831,844	2,703,053
Lifelong Learning Endowment	1,551,903	1,472,444
Early Childhood Literacy Endowment	1,518,539	1,435,822
Professional Development Fund	234,442	221,032
J. Steve & Donna D. Talley Fund	115,384	96,286
Dr. Michael R. Twyman Endowment Fund	71,367	66,403
The Herbert Simon Early Literacy Specialist Fund	1,300,370	1,232,548
Zeff Weiss Memorial Fund	193,268	182,518
Herbert Simon Teen Services Endowment	72,725	67,861
Next 50 Fund	229,306	213,481
	\$ 10,633,703	\$ 10,102,514

The portions of these funds that were restricted by donors, plus Foundation funds without donor restrictions that were irrevocably transferred to these funds in order to earn donor-restricted matching contributions, are reflected as part of net assets with donor restrictions in the Statements of Financial Position. Foundation funds without donor restrictions that were irrevocably transferred to these funds as part of the Foundation’s endowment are reflected as without donor restrictions board-designated net assets (Note 8). Unappropriated earnings or cumulative deficits of these funds are classified as with donor restrictions or without donor restrictions, as applicable.

7. NET ASSETS

Net Assets without Donor Restrictions – Board Designated

The Foundation maintains a board designated professional development endowment fund. This fund has a balance of \$106,615 and \$99,054 at December 31, 2023 and 2022, respectively (Note 8).

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Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31:

	2023	2022
Subject to expenditure for specific purposes:		
Library materials, collections and branch projects	\$ 6,261,649	\$ 5,849,753
Foundation programs	563,917	509,820
	6,825,566	6,359,573
Subject to passage of time:		
For periods after December 31, 2023 and 2022	80,719	65,944
Net assets with purpose and time restrictions	6,906,285	6,425,517
Subject to endowment spending policy and appropriation:		
Operations	2,760,166	2,635,524
Library materials, collections and branch projects	537,454	488,596
Business lectures	404,894	369,844
Library social science	20,000	20,000
Summer reading program	15,000	15,000
McFadden Lecture Tea	5,000	5,000
Humanities (cultural and community programs)	2,940,286	2,811,496
Lifelong learning	1,551,903	1,472,444
Early childhood literacy	1,518,539	1,435,822
Professional development	129,073	123,147
The Danny R. Dean Fund (programs and operations)	517,726	469,559
J. Steve & Donna D. Talley Fund (programs)	144,776	136,495
Dr. Michael R. Twyman Endowment Fund (programs)	71,367	66,403
The Herbert Simon Early Literacy Specialist Fund (programs)	1,300,370	1,232,548
Zeff Weiss Memorial Fund (programs and operations)	196,467	185,717
Herbert Simon Teen Services Endowment (programs)	83,908	79,046
Cairo Family Fund (programs and operations)	22,803	19,737
Mary Frances Rubly and Jerry Hummer Fund (programs and operations)	145,858	102,877
Next 50 Fund (programs and operations)	227,127	213,552
Sally Miller Peck Endowment for Literacy (programs and operations)	59,623	54,623
Michael D. O'Brien Fund (programs and operations)	43,116	38,872
Annis Fund (Irvington branch)	22,697	19,715
Vargus Fund (programs and operations)	57,846	50,000
Lillian Childress Hall Fund (programs and operations)	45,649	-0-
Net assets subject to endowment spending policy and appropriations	12,821,648	12,046,017
Total net assets with donor restrictions	\$ 19,727,933	\$ 18,471,534

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Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows during the years ended December 31:

	2023	2022
Operations	\$ 164,221	\$ 147,636
Library materials, collections and branch projects	1,541,482	1,626,632
Foundation programs	80,807	50,974
Time restrictions expired	42,018	46,996
Business lectures	18,838	13,200
Humanities	148,919	134,640
Lifelong learning	61,845	60,473
Early childhood literacy	136,067	60,721
Dr. Michael R. Twyman Endowment Fund	2,000	2,972
Zeff Weiss Memorial Fund	8,294	7,984
Herbert Simon Teen Services Endowment	2,252	3,004
	\$ 2,206,743	\$ 2,155,232

8. ENDOWMENT

The Foundation's endowment consists of twenty-four (twenty-three at December 31, 2022) individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors of the Foundation has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair

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value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation has elected not to spend from underwater funds. Additionally, in accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

Underwater Endowment Funds

The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no funds with deficiencies at December 31, 2023. At December 31, 2022, deficiencies of this nature exist in one donor-restricted endowment fund, which has an original gift amount of \$20,000, a current fair value of \$19,715, and a deficiency of \$285.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for assets held for endowment that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

A portion of the Foundation's endowment is included in eleven funds held at CICF, which total \$10,633,703 and \$10,102,514 at December 31, 2023 and 2022, respectively (Note 6). The funds held by CICF are invested according to CICF's pooled investment fund strategies.

The Foundation also has other funds totaling \$2,294,560 and \$2,042,557 that are classified as part of the endowment at December 31, 2023 and 2022, respectively. These include cash, investments, and pledges receivable. Investable funds held by the Foundation are invested according to the Foundation's investment policy statements and are appropriated subject to approval by the Board of Directors.

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Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on both the CICF pooled investment fund strategies and its own total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (dividends and interest). The Foundation targets a diversified asset allocation that places an emphasis on equity and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a guideline for its donor-restricted endowment funds of appropriating for distribution each year 5% of its endowment fund's fair value (less that portion represented by pledges receivable) based on a thirty-six-month rolling average. With respect to funds held at CICF, the Foundation follows the CICF suggested spending policy of no more than 5% of the balance annually, in addition to any unspent distributable amounts from prior years. The Foundation typically does not appropriate the full amount that is available in any given year. In establishing this guideline, the Foundation considered the long-term expected return on its assets held for endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

The composition of endowment net assets is as follows at December 31:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 106,615	\$ -0-	\$ 106,615
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-0-	8,604,648	8,604,648
Accumulated investment gains	-0-	4,217,000	4,217,000
	\$ 106,615	\$ 12,821,648	\$ 12,928,263

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	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 99,054	\$ -0-	\$ 99,054
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-0-	8,514,759	8,514,759
Accumulated investment gains	-0-	3,531,258	3,531,258
	\$ 99,054	\$ 12,046,017	\$ 12,145,071

The change in endowment net assets is as follows for the years ended December 31:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 99,054	\$ 12,046,017	\$ 12,145,071
Contributions	-0-	89,889	89,889
Investment return, net	-0-	273,781	273,781
Change in value of beneficial interest in assets held by others	13,765	1,039,757	1,053,522
Appropriation of endowment assets pursuant to spending rate policy	(6,204)	(627,796)	(634,000)
Endowment net assets, end of year	\$ 106,615	\$ 12,821,648	\$ 12,928,263

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	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning			
of year	\$ 118,489	\$ 14,031,815	\$ 14,150,304
Contributions	-0-	159,048	159,048
Investment return, net	-0-	(265,223)	(265,223)
Change in value of beneficial interest			
in assets held by others	(16,466)	(1,273,884)	(1,290,350)
Appropriation of endowment assets			
pursuant to spending rate policy	(2,969)	(605,739)	(608,708)
Endowment net assets, end of year	\$ 99,054	\$ 12,046,017	\$ 12,145,071

9. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's annual operating costs are categorized as program services, management and general, and fundraising. Program services costs, including grants to the Library, consistently represent more than 70% of the Foundation's annual spending. This compares favorably to the Better Business Bureau Wise Giving Alliance recommendation that at least 65% of an organization's annual expenditures be for programs.

To fund its annual operations, the Foundation uses proceeds from sales of the Indy Library Store, contributions, investment return and earnings from its beneficial interest in assets held at Central Indiana Community Foundation (CICF). A significant portion of the Foundation's annual revenue and support is subject to donor-imposed restrictions regarding the specified timeframe within which, and/or purpose for which, funds may be spent. Moreover, because endowments exist in perpetuity, the Foundation may only spend from its endowments in accordance with its spending policies (Note 8).

The Foundation's Board of Directors seeks to maintain appropriate reserves that will allow the Foundation to operate within a prudent range of financial soundness and stability, enabling it to:

- Meet its long-term commitments to the Library
- Respond to the Library's emerging needs
- Maintain adequate liquid assets when the market drops
- Generate income to ensure its growth and sustainability

The Foundation funds Library programs based on their alignment with the Library's strategic plan, expected impact, and fit with anticipated donor-restricted support. Library requests for support are vetted by Library and Foundation leadership and only programs which fit within anticipated program budget categories are approved for funding.

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The Foundation’s annual budget combines planned support for the Library with projected fundraising and management costs. The Finance and Audit Committee of the Board of Directors presents the annual budget for approval to the full Board in November.

The Board of Directors reviews expenditures against the approved budget at every quarterly meeting.

The following table reflects the Foundation’s financial assets reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date because of donor restrictions or board designations at December 31:

	2023	2022
Financial assets		
Cash and cash equivalents	\$ 2,570,164	\$ 2,366,426
Investments	10,688,747	9,858,190
Due from library	28,369	6,855
Pledges receivable, net	221,065	299,331
Beneficial interest in assets held by others	10,633,703	10,102,514
Total financial assets	24,142,048	22,633,316
Donor-imposed restrictions		
Purpose and time restrictions	(6,906,285)	(6,425,517)
Endowment funds	(12,821,648)	(12,046,017)
Board designated endowment funds	(106,615)	(99,054)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,307,500	\$ 4,062,728

10. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of fair value hierarchy are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or

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liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

- *Money market mutual funds*: Generally transact subscription and redemption activity at a \$1 stable net asset value (NAV); however, on a daily basis the funds are valued at their daily NAV calculated using the amortized cost of the securities held in the fund.
- *Bonds (corporate, municipal, and U.S. government)*: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- *Mutual funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.
- *Common stocks*: Valued at the closing price reported on the active market on which the individual securities are traded.
- *Beneficial interest in assets held by others*: Valued at fair value as reported by CICF, which represents the Foundation's pro rata interest in CICF's pooled investment funds, substantially all of which are valued on a mark-to-market basis.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

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The following tables set forth by level, within the hierarchy, the Foundation's assets measured at fair value on a recurring basis as of December 31:

	2023			
	Level 1	Level 2	Level 3	Total
Investments				
Money market mutual funds	\$ -0-	\$ 376,026	\$ -0-	\$ 376,026
Bonds	-0-	1,939,240	-0-	1,939,240
Mutual funds				
Asset allocation	1,457,452	-0-	-0-	1,457,452
Emerging markets	458,904	-0-	-0-	458,904
International equity	1,182,842	-0-	-0-	1,182,842
Large cap	2,190,915	-0-	-0-	2,190,915
Mid cap	482,860	-0-	-0-	482,860
Common stocks				
Large cap	2,589,490	-0-	-0-	2,589,490
	<u>\$ 8,362,463</u>	<u>\$ 2,315,266</u>	<u>\$ -0-</u>	<u>10,677,729</u>
Cash				11,018
				<u>\$ 10,688,747</u>
Beneficial interest in assets held by others	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 10,633,703</u>	<u>\$ 10,633,703</u>
	2022			
	Level 1	Level 2	Level 3	Total
Investments				
Money market mutual funds	\$ -0-	\$ 357,413	\$ -0-	\$ 357,413
Bonds	-0-	1,559,376	-0-	1,559,376
Mutual funds				
Asset allocation	961,606	-0-	-0-	961,606
Emerging markets	353,762	-0-	-0-	353,762
International equity	981,551	-0-	-0-	981,551
Investment grade bond	615,596	-0-	-0-	615,596
Large cap	1,980,013	-0-	-0-	1,980,013
Real assets	332,072	-0-	-0-	332,072
Small cap	426,604	-0-	-0-	426,604
Common stocks				
Large cap	2,123,714	-0-	-0-	2,123,714
	<u>\$ 7,774,918</u>	<u>\$ 1,916,789</u>	<u>\$ -0-</u>	<u>9,691,707</u>
Cash				59,812
Certificates of deposit				106,671
				<u>\$ 9,858,190</u>
Beneficial interest in assets held by others	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 10,102,514</u>	<u>\$ 10,102,514</u>

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The following table sets forth the change in beneficial interest in assets held by others measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31:

	2023	2022
Beginning balance	\$ 10,102,514	\$ 11,911,129
Deposits	30,881	30,039
Dividends and interest, net of investment management fees	62,056	75,988
Realized gains	300,044	344,785
Unrealized gains (losses)	753,087	(1,646,125)
Operating support fees	(61,665)	(64,998)
Distributions	(553,214)	(548,304)
Ending balance	\$ 10,633,703	\$ 10,102,514

11. RETIREMENT PLAN

The Foundation has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers employees who have attained the age of twenty-one and met specified service requirements. The Foundation makes contributions to the Plan equal to 10% of eligible participants' gross compensation. Total expense for the years ended December 31, 2023 and 2022 was \$57,552 and \$53,617, respectively.

12. RELATED PARTY TRANSACTIONS

The Foundation is a not-for-profit corporation governed by its own Board of Directors. As required in the Foundation's bylaws, the Chief Executive Officer of the Library and one Board member of the Library serve on the Board of Directors of the Foundation. The Foundation's financial information is included in the group financial statements of the Library as a discretely presented component unit of the Library due to the relationship with and support provided to the Library.

The Foundation's activities support Library related functions, including but not limited to Library programs and projects. The Foundation expended \$2,309,114 and \$2,211,284 in support of Library programs and projects during the years ended December 31, 2023 and 2022, respectively.

The Library provides the Foundation with office space and technology support. The value of this support and the related expense are not reflected in the financial statements as the amounts have been determined to be insignificant.

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The Foundation has amounts due from the Library of \$28,369 and \$6,855 at December 31, 2023 and 2022, respectively, which represent unspent funds advanced to the Library.

13. CONCENTRATIONS

The Foundation maintains its cash and cash equivalents in accounts which generally exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Foundation's investments and the beneficial interest in assets held by others are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with these assets and the level of uncertainty related to changes in their value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

At December 31, 2023, three custodians held 88% of the Foundation's investments, with individual percentages of 59%, 15%, and 14%. At December 31, 2022, two custodians held 85% of the Foundation's investments, with individual percentages of 61% and 24%. The primary custodian includes ten fund managers at December 31, 2023 and 2022. At December 31, 2023 one mutual fund represents 12% of total investments. At December 31, 2022, two mutual funds represent 20% and 23%, respectively, of total investments. The Foundation's beneficial interest in assets held by others represents assets held by CICF (Note 6).

Contributions from one community foundation represent 44% of total contributions in 2023 and 36% in 2022.

At December 31, 2023, pledges from four donors represent approximately 51% of pledges receivable, net, with individual percentages of 11% to 15%. At December 31, 2022, pledges from three donors represent approximately 43% of pledges receivable, net, with individual percentages from 11% to 17%.