

Library Foundation

of LOS ANGELES

Providing Support for the Los Angeles Public Library

Financial Statements
June 30, 2025
(with Comparative Totals for 2024)

CONTENTS

Independent Auditors' Report.....	1-2
Statement of Financial Position.....	3
Statement of Activities	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to the Financial Statements	7-29

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Library Foundation of Los Angeles

Opinion

We have audited the accompanying financial statements of the Library Foundation of Los Angeles (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 Library Foundation of Los Angeles (the Foundation) as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 audit. 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.

Auditors' 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 auditors' 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 a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Report on Summarized Comparative Information

We have previously audited the Foundation's financial statements as of June 30, 2024, and we expressed an unmodified opinion on those audited financial statements in our report dated February 12, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the 2024 audited financial statements from which it has been derived.



Long Beach, California
February 10, 2026

LIBRARY FOUNDATION OF LOS ANGELES

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

ASSETS

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 6,678,022	\$ 5,777,213
Investments	60,510,559	58,225,159
Pledges receivable	809,273	1,684,361
Library store inventory	150,683	122,528
Property and equipment, net	257,609	282,079
Prepays and other assets	<u>184,056</u>	<u>230,683</u>
TOTAL ASSETS	<u>\$ 68,590,202</u>	<u>\$ 66,322,023</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 483,608</u>	<u>\$ 441,181</u>
Total Liabilities	<u>483,608</u>	<u>441,181</u>
NET ASSETS		
Without donor restrictions		
Available for general operations	4,886,250	4,602,806
Board designed endowment	<u>22,240,920</u>	<u>22,117,934</u>
	<u>27,127,170</u>	<u>26,720,740</u>
With donor restrictions		
Restricted for specific purpose	8,015,157	8,071,534
Endowment earnings for specific purposes	15,470,885	13,682,753
Endowment - perpetually restricted	<u>17,493,382</u>	<u>17,405,815</u>
	<u>40,979,424</u>	<u>39,160,102</u>
Total Net Assets	<u>68,106,594</u>	<u>65,880,842</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 68,590,202</u>	<u>\$ 66,322,023</u>

The accompanying notes are an integral part of these financial statements.

LIBRARY FOUNDATION OF LOS ANGELES

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

	Without Donor Restrictions		With Donor Restrictions	Total	
	Undesignated	Board Directed		2025	2024
OPERATING ACTIVITIES:					
SUPPORT AND REVENUE					
Contributions	\$ 2,183,061	\$ -	\$ 3,482,394	\$ 5,665,455	\$ 6,425,625
Fundraising events, net of direct expenses of \$141,964 and \$209,402 for 2025 and 2024, respectively	579,737	-	-	579,737	780,141
Store revenue, net of discounts	493,109	-	-	493,109	395,787
	<u>3,255,907</u>	<u>-</u>	<u>3,482,394</u>	<u>6,738,301</u>	<u>7,601,553</u>
NET ASSETS RELEASED FROM RESTRICTION/DESIGNATION					
Endowment appropriations	3,574,648	(2,116,197)	(1,458,451)	-	-
Satisfaction of donor intent	3,755,668	-	(3,755,668)	-	-
	<u>7,330,316</u>	<u>(2,116,197)</u>	<u>(5,214,119)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>10,586,223</u>	<u>(2,116,197)</u>	<u>(1,731,725)</u>	<u>6,738,301</u>	<u>7,601,553</u>
EXPENSES					
Program Services:					
Investing in Lifelong Learning	2,056,818	-	-	2,056,818	2,145,245
Engaging the Imagination	1,962,578	-	-	1,962,578	1,253,987
Helping Students Succeed	2,078,632	-	-	2,078,632	2,077,093
Library Store	695,589	-	-	695,589	669,628
Total Program Services	<u>6,793,617</u>	<u>-</u>	<u>-</u>	<u>6,793,617</u>	<u>6,145,953</u>
Supporting Services:					
General and administrative	1,687,504	-	-	1,687,504	1,727,930
Fundraising	2,019,859	-	-	2,019,859	1,958,074
Total Supporting Services	<u>3,707,363</u>	<u>-</u>	<u>-</u>	<u>3,707,363</u>	<u>3,686,004</u>
TOTAL EXPENSES	<u>10,500,980</u>	<u>-</u>	<u>-</u>	<u>10,500,980</u>	<u>9,831,957</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>85,243</u>	<u>(2,116,197)</u>	<u>(1,731,725)</u>	<u>(3,762,679)</u>	<u>(2,230,404)</u>
NON-OPERATING ACTIVITIES:					
Interest and dividends, net of fees	150,383	44,053	234,450	428,886	429,209
Net realized and unrealized gain on investments	47,818	2,195,130	3,316,597	5,559,545	5,838,988
	<u>198,201</u>	<u>2,239,183</u>	<u>3,551,047</u>	<u>5,988,431</u>	<u>6,268,197</u>
CHANGE IN NET ASSETS	<u>283,444</u>	<u>122,986</u>	<u>1,819,322</u>	<u>2,225,752</u>	<u>4,037,793</u>
BEGINNING NET ASSETS	<u>4,602,806</u>	<u>22,117,934</u>	<u>39,160,102</u>	<u>65,880,842</u>	<u>61,843,049</u>
ENDING NET ASSETS	<u>\$ 4,886,250</u>	<u>\$ 22,240,920</u>	<u>\$ 40,979,424</u>	<u>\$ 68,106,594</u>	<u>\$ 65,880,842</u>

The accompanying notes are an integral part of these financial statements.

LIBRARY FOUNDATION OF LOS ANGELES

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

	Program Services					Supporting Services			Total	
	Investing in Lifelong Learning	Engaging the Imagination	Helping Students Succeed	Library Store	Total Program	General & Administrative	Fundraising	2025	2024	
Collateral material and promotions	\$ 32,860	\$ 91,825	\$ 28,736	\$ 19,965	\$ 173,386	\$ -	\$ 110,904	\$ 284,290	\$ 180,660	
Computer equipment, maintenance, and website	145,493	45,109	65,098	5,255	260,955	50,682	159,979	471,616	220,473	
Library collections	79,867	24,747	2,490	-	107,104	-	-	107,104	195,772	
Events	85,818	192,559	21,568	-	299,945	3,281	94,057	397,283	435,008	
Furniture and fixtures	226,376	2,040	172,067	317	400,800	4,276	367	405,443	206,677	
Seminars, exhibits, and workshops	63,136	15,873	13,785	596	93,390	7,476	9,139	110,005	93,856	
Salaries, payroll taxes, and benefits	166,550	808,346	290,580	349,028	1,614,504	1,224,935	1,442,514	4,281,953	4,012,929	
Program materials	143,835	114,218	400,586	-	658,639	-	18,500	677,139	744,487	
Program presenters	48,550	208,425	310,131	-	567,106	-	11,253	578,359	561,594	
Cost of goods sold	-	-	-	238,563	238,563	-	-	238,563	203,651	
Rent	1,720	-	7,587	22,134	31,441	24,000	-	55,441	54,973	
Other	62,804	1,947	3,199	1,482	69,432	11,254	2,245	82,931	70,363	
Office administration and supplies	1,515	57,273	11,763	10,857	81,408	15,093	65,169	161,670	115,862	
Consulting and outside services	92,012	247,922	46,994	170	387,098	252,130	9,116	648,344	668,774	
Consulting - patron support	851,071	99,150	436,615	-	1,386,836	-	-	1,386,836	1,440,113	
Insurance	-	5,510	-	2,351	7,861	33,670	-	41,531	31,294	
Depreciation	-	-	-	23,467	23,467	1,002	-	24,469	24,469	
Bank fees	2,401	5	9	12,853	15,268	-	34,810	50,078	48,096	
Donor relations	-	-	-	-	-	170	14,774	14,944	9,624	
Travel and related expenses	17,683	42,944	9,003	7,747	77,377	44,459	25,378	147,214	138,728	
Dues and subscriptions	35,127	4,685	258,421	804	299,037	15,076	21,654	335,767	374,554	
	\$ 2,056,818	\$ 1,962,578	\$ 2,078,632	\$ 695,589	\$ 6,793,617	\$ 1,687,504	\$ 2,019,859	\$ 10,500,980	\$ 9,831,957	

The accompanying notes are an integral part of these financial statements.

LIBRARY FOUNDATION OF LOS ANGELES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,225,752	\$ 4,037,793
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	24,470	24,469
Net realized and unrealized gain on investments	(5,559,545)	(5,838,988)
Redemption of charitable remainder trust	-	740,493
Change in value of charitable remainder trust	-	(298,939)
Contributions restricted to endowment funds	(87,567)	(158,902)
Other adjustments	-	14,135
Changes in operating assets and liabilities:		
Pledges receivable	875,088	(539,769)
Library store inventory	(28,155)	9,289
Prepays and other assets	46,627	(90,879)
Accounts payable and accrued expenses	42,427	10,296
Net Cash Used In Operating Activities	(2,460,903)	(2,091,002)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale or maturity of investments	3,574,648	2,371,031
Purchases of investments	128,383	(243,071)
Interest and dividends reinvested	(428,886)	(126,545)
Net Cash Provided By Investing Activities	3,274,145	2,001,415
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Employee Retention Credit	-	226,827
Contributions restricted to endowment funds	87,567	158,902
Net Cash Provided By Financing Activities	87,567	385,729
NET CHANGE IN CASH AND CASH EQUIVALENTS	900,809	296,142
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,777,213	5,481,071
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 6,678,022	\$ 5,777,213

The accompanying notes are an integral part of these financial statements.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 1 – Organization and Programs

Organization

The Library Foundation of Los Angeles (the Foundation or LFLA) was founded in 1992 as a California public benefit corporation to encourage private support through memberships, corporate sponsorships, gifts, trusts, and bequests for the benefit of the Los Angeles Public Library (the Library or LAPL). The Foundation seeks to provide a continuous and dependable source of funding for long- and short-term projects that help students succeed, invest in lifelong learning, and engage the imagination of the people of Los Angeles (the City of L.A.) and beyond.

Programs

The following is a description of the Foundation’s program categories:

Investing in Lifelong Learning – LFLA supports adults who want to improve essential literacies. The Adult Literacy initiative offers one-on-one tutoring for adults reading below the sixth-grade level. The program's family literacy services provide coaching for adult literacy learners to support their children's early literacy development. Additional Adult Literacy components include drop-in tutoring, classes, and ESL services. Career Online High School gives adults another chance to earn an accredited high school diploma. LAPL’s Cybersnaut digital navigators, stationed at 37 libraries and via a remote service, promote digital inclusion by providing on-demand tech support and training and leading digital literacy workshops and classes for small groups. LAPL's Full STEAM Ahead initiative promotes science and environmental literacy by offering workshops, events, and kits that foster neighborhood science, creativity, and inquiry-based problem-solving for people of all ages.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 1 – Organization and Programs (Continued)

Programs (Continued)

Engaging the Imagination – Through its acclaimed ALOUD cultural programming series, LFLA brings renowned and emerging literary artists, filmmakers, scientists, musicians, policymakers, and other luminous minds into direct conversation with the library’s patrons. LFLA also supports LAPL’s L.A. Made series, which delivers humanities-based programming across the city’s diverse communities. LFLA and LAPL exhibition projects highlight LAPL’s historic collections and services, the diverse stories and people of the City of L.A., and contemporary issues. In 2024-2025, LFLA and LAPL launched the third cohort of the LAPL Creators in Residence initiative. The fellowship program engaged two creative practitioners, fashion designer and entrepreneur Ashley Walker and food writer and author Tien Nguyen, who are producing unique new work informed by LAPL’s collection and services. Their projects, including displays of menus from the Library’s special collections and newly designed outfits inspired by LA history at branch libraries across the city, will launch publicly in December 2025. Our most recent major exhibition, No Prior Art: Illustrations of Invention, was on view from September 2024 through May 2025 and welcomed more than 43,000 visitors – the project also included 81 free public programs at 23 library locations. LFLA also supports digitization projects at LAPL that archive and preserve collections of photos, ephemeral, maps, and other items so they can be accessed online by researchers, students, and other curious minds. With Library Foundation support, LAPL completed the planning phase of "CommUnity: Memory and Belonging in L.A." – the five-year project funded by a Mellon Foundation grant will cultivate community archiving practices and help LAPL enhance its digital special collections related to L.A.’s Black, LGBT+ Latinx, and Skid Row communities. LFLA also supported LAPL Cultural Celebrations throughout 2024-2025, including the L.A. Libros Festival, the AAPI Joy Festival, and the June Jubilee in honor of Black Excellence.

Helping Students Succeed – LFLA helps LAPL provide a range of services, programs, events, and other resources that help children and teens thrive. For children ages 0-10, LAPL’s We Read Together initiative engages early and emerging readers and their parents with story times to model evidence-based literacy practices, parent workshops to help families integrate literacy practices into their daily routines, and family-friendly events

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 1 – Organization and Programs (Continued)

Programs (Continued)

Helping Students Succeed (Continued) – These offerings promote school-readiness, literacy, learning, play, curiosity, and community. For school-age youth, LFLA helps LAPL deliver expert online private tutoring to all K-12 youth and college students with a library card between 11 am and 11 pm every day, Student Zones that provide dedicated and direct access to computers and in-person homework assistance at 38 local libraries in low-income communities, and college-prep services to help youth and families prepare for college. The Teens Leading Change program provides LFLA-funded mini-grants to groups of youth and librarians to research and pilot strategies to address local social issues.

Library Store – The Foundation has operated a gift shop located in the historic Central Library (the Store) since 1993. Foot traffic in the Store continues to be impacted by reduced office occupancy locally in the post-Covid climate. In response, the Store works actively to mitigate the decline in foot traffic by building its customer marketing list, growing its online presence, sending weekly emails, and maintaining a regular presence on social media. The Store is creating a new storefront signage plan to be completed in Fall 2025, which will make the store stand out in the lobby and distinguish it from the library. The Store has been updating its eCommerce platforms to optimize the user experience, with the ultimate goal of increasing online revenue. The Store works with the Library's P.R. Department to heighten visibility among LAPL constituents via the LAPL website and social media platforms. The Store manages event sales for Angel City Press, including using the store's Point of Sale platform and reporting sales to the distributor for royalty purposes. The Store has expanded the production of branded custom merchandise and continues to offer merchandise related to LAPL, Los Angeles, and reading and writing.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Leases

The Foundation determines if an arrangement contains a lease at inception based on whether the Foundation has the right to control the asset during the contract period and other facts and circumstances.

The Foundation’s policy for determining its lease discount rate used for measuring lease liabilities is to use the rate implicit in the lease whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable, then the Foundation has elected to use the risk-free discount rate, as permitted by U.S. GAAP, determined using a period comparable with that of the lease term.

The Foundation has elected a policy to account for short-term leases, defined as any lease with a term of less than 12 months, by recognizing all components of the lease payment in the statement of activities in the period in which the obligation for the payments is incurred.

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets (without donor restrictions and with donor restrictions) based upon the existence and nature of donor-imposed restrictions as follows:

Net assets without donor restrictions – Net assets without donor restrictions represent net assets that are not subject to donor-imposed restrictions and that may be expendable for any purpose in performing the primary objectives of the Foundation. The Foundation’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions – Net assets with donor restrictions represent net assets subject to donor-imposed restrictions that will be met either by actions of the Foundation or the passage of time. Perpetuity restricted net assets include gifts and pledges, which require, by donor restriction, that the corpus be maintained in perpetuity. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restriction/designation.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions support depending on the existence and nature of any donor restrictions. Upon expiration of the restriction, the contributions are reclassified to unrestricted net assets. Unconditional pledges are recognized as revenue when a written pledge is made.

Store Revenue

The Store sells gifts and library-related items to promote awareness of the Library. The Foundation recognizes revenue when the products are sold at the store or shipped when purchased online, persuasive evidence of an arrangement exists, the price is fixed, and collection is reasonably assured.

Recognition of Donor Restrictions

All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor-restricted net assets are reclassified to without donor-restricted net assets and reported in the statement of activities as net assets released from restriction/designation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Certain significant items in the financial statements subject to such use of estimates include the accounting for pledges receivable and contributions receivable from charitable remainder trusts.

Cash and Cash Equivalents

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

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Investment Valuation and Market Risk

Investments are reported at fair value based on quotations obtained from national securities exchanges. Alternative investments, which are not readily marketable, are carried at estimated fair value using the net asset value (NAV) as reported by management of the respective institutional investment fund. U.S. GAAP provides for the use of NAV as a practical expedient for estimating fair value for alternative investments. The Foundation reviews and evaluates the NAV provided by the funds and believes the valuation methods and assumptions used in determining the fair value of the investment funds are appropriate.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of changes in net assets as reported in the accompanying statement of activities.

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that significant changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Pledges Receivable

The Foundation considers all pledges receivable at June 30, 2025 and 2024 to be fully collectible. As of June 30, 2025 and 2024, there is no allowance for credit losses.

Library Store Inventory

Inventory is stated at the lower of cost or net realizable value determined principally by use of the first-in, first-out method.

Property and Equipment

Property and equipment consist primarily of furniture and fixtures for the Store and is stated at cost, with the exception of donated equipment, which is recorded at fair market value on the date received. Depreciation and amortization have been provided using the straight-line method over the assets' estimated useful lives, ranging from five to twenty years. Property and equipment purchased on behalf of LAPL are recorded as expenses.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Program Services

When the Foundation expends assets for program services in accordance with donor designations, those donor restricted net assets are released from restriction/designation. In addition, the Foundation also expends unrestricted net assets for program services.

Functional Allocation of Expenses

The costs of providing the Foundation’s various programs and other activities have been summarized on a functional basis in the statement of activities. Therefore, certain costs have been allocated among the programs and supporting services benefited based on the judgment of management. The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly.

Income Taxes

The Foundation is exempt from federal income taxes and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding California Revenue and Taxation Code sections. The Foundation recognizes the financial statement benefit of a tax position, such as its filing status as tax-exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Foundation is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal purposes is three years and for California purposes is four years.

Board-Directed Endowment

The board-directed endowment is composed of funds which are internally designated and used at the discretion of the governing board to achieve core mission initiatives. The endowment is used to build capacity, strengthen programs, and leverage philanthropy.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

In-Kind Contributions

In-kind contributions are recorded at their fair value when an unconditional promise to give has been made or when goods have been received. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For both of the years ended June 30, 2025 and 2024, the Foundation recognized in-kind contributions on the statement of activities of \$24,000, which includes donated office space from related parties. (See Note 9.) In addition, the Foundation recognized in-kind contributions on the statements of activities of approximately \$31,000, which includes donated books and toys from members of the board of directors for the year ended June 30, 2025.

Subsequent Events

In preparing these financial statements, the Foundation's management has evaluated events and transactions for potential recognition or disclosure through February 10, 2026, the date the financial statements were available to be issued.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 3 – Liquidity and Funds Available

The Foundation’s financial assets as of June 30, 2025, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions comprised of the following:

Financial assets as of June 30, 2025:	
Cash and cash equivalents	\$ 6,678,022
Investments	60,510,559
Pledges receivable	<u>809,273</u>
	<u>67,997,854</u>
Less those unavailable for general expenditure within one year due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose and time restrictions	(40,979,424)
Board designations:	
Board designated - supporting foundation activities and education	(22,240,920)
Estimated Board-approved endowment appropriations	<u>3,567,525</u>
	<u>(59,652,819)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 8,345,035</u>

The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Amounts not available include amounts set aside for long-term investing for board-designated activities that could be drawn upon if the governing board approves that action. The Foundation also has a portion of its investment portfolio in non-marketable level 3 illiquid funds. (See Note 5.)

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 4 – Investments

Investments consist of the following:

	June 30,	
	2025	2024
Investments:		
U.S. Treasury bonds	\$ 3,008,040	\$ 3,067,251
Corporate bonds-domestic	993,321	729,804
Equity funds	27,832,339	27,283,593
Fixed income	12,631,585	11,282,012
Income funds	-	625,971
Alternative investments	16,045,274	15,236,528
	<u>\$ 60,510,559</u>	<u>\$ 58,225,159</u>

Investment return consists of the following:

	For the Year Ended	
	June 30,	
	2025	2024
Interest and dividends	\$ 556,083	\$ 531,128
Investment management fees	(127,197)	(101,919)
	<u>428,886</u>	<u>429,209</u>
Net unrealized gain on investments	2,818,217	2,524,688
Net realized gain on investments	2,741,328	3,314,300
	<u>5,559,545</u>	<u>5,838,988</u>
	<u>\$ 5,988,431</u>	<u>\$ 6,268,197</u>

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 5 – Fair Value Measurements

Fair value is defined 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. In determining fair value, the Foundation uses various valuation approaches based on assumptions that market participants would use in pricing an asset or liability.

The Financial Accounting Standards Board (FASB) has established 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 three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are other observable inputs, such as quoted prices for similar instruments or quoted prices in markets that are not active.
- Level 3 inputs are unobservable inputs for the asset or liability.

Following is a description of valuation methodologies used for assets recorded at fair value. There have been no changes in methodologies used at June 30, 2025 and 2024.

Investments: Where quoted prices are available in active markets, investments are classified within level 1 of the valuation hierarchy. Level 1 securities include exchange-traded equity and fixed income funds. If quoted market prices are not available for investments, then fair values are estimated using direct or indirect observations other than quoted market prices. These investments, recorded in level 2, include those in which the Foundation is a unit of account holder within a fund that holds underlying assets that are traded in active exchange markets with readily available pricing.

Contributions receivable from charitable remainder trusts: The fair value of the contributions receivable from charitable remainder trusts is estimated as the present value of the projected proceeds that will be received from the charitable remainder trust. The value of these trusts relies on the Foundation's own assumptions and, therefore, is classified within level 3 of the fair value hierarchy.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 5 – Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, the Foundation’s assets at fair value at June 30, 2025 and 2024:

	Total Fair Value	Assets at Fair Value as of June 30, 2025		
		Level 1	Level 2	Level 3
Investments:				
U.S. Treasury bonds	\$ 3,008,040	\$ 3,008,040	\$ -	\$ -
Corporate bonds-domestic	993,321	993,321	-	-
Equity funds	27,832,339	-	27,832,339	-
Fixed income	12,631,585	-	12,631,585	-
Income funds	-	-	-	-
Alternative investments	16,045,274	-	-	16,045,274
	<u>\$ 60,510,559</u>	<u>\$ 4,001,361</u>	<u>\$ 40,463,924</u>	<u>\$ 16,045,274</u>

	Total Fair Value	Assets at Fair Value as of June 30, 2024		
		Level 1	Level 2	Level 3
Investments:				
U.S. Treasury bonds	\$ 3,067,251	\$ 3,067,251	\$ -	\$ -
Corporate bonds-domestic	729,804	729,804	-	-
Equity funds	27,283,593	-	27,283,593	-
Fixed income	11,282,012	-	11,282,012	-
Income funds	625,971	-	625,971	-
Alternative investments	15,236,528	-	-	15,236,528
	<u>58,225,159</u>	<u>3,797,055</u>	<u>39,191,576</u>	<u>15,236,528</u>
	<u>\$ 58,225,159</u>	<u>\$ 3,797,055</u>	<u>\$ 39,191,576</u>	<u>\$ 15,236,528</u>

Within the level 3 investment funds, certain investments are not considered liquid funds. Private equity investments are investments in limited partnerships, which the Foundation is not readily able to liquidate.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 5 – Fair Value Measurements (Continued)

Investments classified in level 2 consist of units in investment funds as opposed to direct investments in the funds’ underlying holdings, which may be marketable. As the NAV reported by each fund is used as a practical expedient to estimate the fair value of the Foundation’s interest therein, its classification in level 2 is based on the Foundation’s ability to redeem its interest at or near the date of the statement of financial position. If the interest can be redeemed in the near term, the investment is classified in level 2. The Foundation is invested in funds which generally trade on a monthly basis and require a week’s notice to liquidate. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment’s underlying assets.

Changes in Fair Value of Level 3 Assets

The following table sets forth a summary of changes in the fair value of the Foundation’s level 3 private equity assets:

Balance, June 30 2024	\$ 15,236,528
Capital calls	2,361,813
Distributions	(2,634,465)
Net realized and unrealized gain	<u>1,081,398</u>
Balance, June 30, 2025	<u>\$ 16,045,274</u>

Alternative Investments

The Organization holds alternative investments that are subject to capital commitments totaling \$24,320,000. As of June 30, 2025, \$15,426,753 of these commitments has been funded, resulting in unfunded commitments of \$8,893,247. The Organization anticipates funding the remaining commitments through rebalancing of its investment portfolio.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 6 – Pledges Receivable

Pledges receivable outstanding at June 30, 2025 are expected to be collected as follows:

Within one year	\$ 691,404
Between two and five years	<u>117,869</u>
	<u>\$ 809,273</u>

NOTE 7 – Net Assets

The following is a summary of the Foundation’s net assets:

Net assets without donor restrictions are as follows:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Undesignated	\$ 4,886,250	\$ 4,602,806
Board Designated Endowment	16,475,040	16,414,102
Victoria E. Foote Endowment	4,197,800	4,182,942
Jan McCoy Miller Endowed Fund	1,013,334	1,005,300
Jack G. Waldron Fund	461,413	427,657
Council of the Library Foundation Endowment	<u>93,333</u>	<u>87,933</u>
	<u>\$ 27,127,170</u>	<u>\$ 26,720,740</u>

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 7 – Net Assets (Continued)

Net assets with donor restrictions restricted for a specific purpose are as follows:

	June 30,	
	2025	2024
Investing in Lifelong Learning	\$ 1,962,278	\$ 1,410,373
Engaging the Imagination	1,840,169	2,639,645
Helping Students Succeed	934,516	611,707
Library Programming & Collections	1,923,315	2,126,838
Jon David Waldron Fund (Quasi)	893,466	855,314
Jack G. Waldron Fund (Quasi)	461,413	427,657
	8,015,157	8,071,534
Earnings on endowments	15,470,885	13,682,753
	\$ 23,486,042	\$ 21,754,287

Net assets were released from donor restrictions on contributions satisfying the restricted purposes specified by the donors as follows:

	For the Year Ended	
	June 30,	
	2025	2024
Investing in Lifelong Learning	\$ 1,675,998	\$ 2,392,279
Engaging the Imagination	1,559,044	1,611,861
Helping Students Succeed	1,533,627	2,231,658
Library Programming & Collections	445,450	28,534
	\$ 5,214,119	\$ 6,264,332

Jon David Waldron Fund (Quasi) are donor directed funds to be used to expand resources at the Venice branch of LAPL. The Foundation has elected to preserve the funds as a quasi endowment.

Jack G. Waldron Fund (Quasi) are donor directed funds to be used for outreach programs for youth and young adults to stimulate creativity, education enhancement, and the acquisition of books. The Foundation has elected to preserve the funds as a quasi endowment.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 7 – Net Assets (Continued)

Perpetuity restricted net assets consists of amounts designated for the following endowment funds:

	June 30,	
	2025	2024
Caroline Singleton Adult Literacy Endowment	\$ 5,062,352	\$ 5,062,352
Humanities Endowment Fund	3,000,000	3,000,000
Library Fellowship Program Endowment	2,000,000	2,000,000
Future Leaders Fund for Civic Engagement	1,500,000	1,500,000
Edythe Broad Technology Fund for Students	1,000,000	1,000,000
Flora L. Thornton Endowment for Literacy	1,000,000	1,000,000
Future Leaders Fund for Summer Reading Clubs	1,000,000	1,000,000
Gregory Peck Literary Endowment	833,949	833,949
Estella Fregoso de Garcia Endowment	692,412	692,412
Maxwell H. and Muriel S. Gluck Endowment	500,000	500,000
Claire Patterson Hutto Endowment for Live Homework Help	250,000	250,000
Lynn Strasburg Miller Endowed Fund	162,200	150,200
Dean Hansell Endowment for Adult Literacy	95,000	95,000
Sarah Gordon Kay Endowment	74,922	-
Norman Kane Z"L Institute of Jewish Education Yiddish Culture Fund	65,000	65,000
Evelyn Hoffman Memorial Fund	57,547	56,902
Gajin and Angela Fujita Endowed Fund for Art + Literacy	50,000	50,000
Sharon Oxborough Endowed Fund for ALOUD	50,000	50,000
Sharon Oxborough Endowed Fund for Adult Literacy	50,000	50,000
Rosalind Jarrett and Lamar Sepulveda Endowment	50,000	50,000
	\$ 17,493,382	\$ 17,405,815

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 7 – Net Assets (Continued)

Earnings from the Caroline Singleton Adult Literacy Endowment are designated to maintain and expand the Foundation’s programs that address the problem of adult literacy in the City of Los Angeles.

The Humanities Endowment Fund has designated that earnings on the endowment are to be spent for humanities and related materials.

The Library Fellowship Program Endowment was established for the purpose of launching a new interdisciplinary residency program at the Library. The program will recognize a wide array of practitioners taking on projects that will inform or enhance the work of the Library and the ways the public understands and interacts with it.

The Future Leaders Fund for Civic Engagement was established to create a Civic Engagement program that will enhance the Library’s Future Ready Teens and Teens Leading Change programs.

The Future Leaders Fund for Summer Reading Clubs was established for the purpose of bringing noted authors to the branches of the Library’s children and teen Summer and Winter Reading programs.

The Edythe Broad Technology Fund for Students was established for the purpose of supporting the Library’s technology programs within Student Zones.

Earnings from the Flora L. Thornton Endowment for Literacy are designated to maintain and expand the Foundation’s programs that address the problem of literacy in the City of Los Angeles.

The Gregory Peck Literary Endowment was established for the purpose of building the necessary financial resources to maintain literary readings and cultural programs in the Library in perpetuity, and to honor Mr. Peck for his work on behalf of the Library.

The Estella Fregoso de Garcia Endowment was established for the purpose of supporting the Library’s Spanish and French collections.

Earnings from the Maxwell H. and Muriel S. Gluck Endowment are designated to purchase books for the Library.

The Clare Patterson Hutto Endowment for Live Homework Help was established for the purpose of supporting the Library’s Live Homework Help program.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 7 – Net Assets (Continued)

The Sharon Oxborough Endowed Fund for ALOUD was established for the purpose of supporting the Foundation’s signature literary series, ALOUD. A second Sharon Oxborough Endowed Fund for Adult Literacy was established for the purpose of supporting the Library’s Adult Literacy program.

The Lynn Strasburg Miller Endowed Fund was established for the purpose of supporting the Library’s Student Zones program.

The Dean Hansell Endowment for Adult Literacy was established for the purpose of supporting the Library’s Adult Literacy program.

The Sarah Gordon Kay Endowment was established for the purpose of replacing children’s books after the Library fire.

The Norman Kane Z”L Institute of Jewish Education Yiddish Culture Fund was established for the purpose of producing public programming associated with the Library’s Yiddish collection.

The Evelyn Hoffman Memorial Fund was established for the purpose of supporting children’s literacy programs.

The Rosalind Jarrett and Lamar Sepulveda Endowment was established for the purpose of supporting the Library’s Adult Literacy and other Lifelong Learning programs.

The Gajin and Angela Fujita Endowed Fund for Art + Literacy was established for the purpose of supporting the Library’s Full STEAM Ahead programs.

NOTE 8 – Endowment

The Foundation’s endowment consists of board-designated funds and individual donor-designated funds to support a variety of purposes including literacy, humanities, and literary programs. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 8 – Endowment (Continued)

The Foundation’s management and investment of donor-restricted endowment funds is subject to the provisions of the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA). The Foundation has interpreted California’s enacted version of UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as perpetuity restricted net assets: (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as with donor restricted for specific purpose net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

Return Objectives and Risk Parameters

The Foundation’s endowment funds are invested and managed according to its investment and spending policies. These policies attempt to provide a consistent return on assets in order to achieve a stable stream of funding for programs supported by the Foundation’s endowment, while seeking to maintain the purchasing power of the endowment assets. As a result, the endowment assets are invested in a manner that is intended to produce results that, over the long term, meet or exceed the spending policy rate, plus the rate of inflation.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation employs a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

The Foundation maintains an advisory services agreement with Commonfund’s Strategic Solutions program. This program diversifies the Foundation’s investment portfolio into emerging markets, global and private equity, and alternatives.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 8 – Endowment (Continued)

Spending Policy and the Related Investment Objectives

The Foundation has set policies for appropriating expenditures each year at 4 to 6% of the endowment fund’s average fair value over the preceding 12 quarters, subject to maintaining certain minimum fund balances. For both of the years ended June 30, 2025 and 2024, the Foundation’s board approved a 5% appropriation rate. For June 30, 2025, the Foundation’s board approved an additional 5% for the board-directed endowment. The spending policies are consistent with the Foundation’s objectives 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. In establishing these policies, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policies to allow for an accumulation of earnings over time that will create endowment growth sufficient to preserve or increase the purchasing power of its endowment funds. The net accumulation of investment earnings under this policy for restricted endowment funds is classified within “with donor restricted net assets”.

Funds with Deficiencies

The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. No such deficiencies existed as of June 30, 2025 and 2024.

Amounts Appropriated for Expenditure

The amounts appropriated for expenditure during the year ended June 30, 2025, were \$2,116,197 from the board-directed endowment funds and \$1,426,844 from donor-designated endowment funds. The amounts appropriated for expenditure during the year ended June 30, 2024, were \$1,034,674 from the board-directed endowment funds and \$1,336,325 from donor-designated endowment funds. These amounts are reflected in the accompanying statement of activities within net assets released from restriction/designation.

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 8 – Endowment (Continued)

Endowment net asset composition by type of fund is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
At June 30, 2025			
Board Designated	\$ 22,240,920	\$ -	\$ 22,240,920
Donor Designated:			
Donor endowed fund earnings restricted	-	15,470,885	15,470,885
Quasi endowment funds	-	1,354,879	1,354,879
Perpetuity restricted	<u>-</u>	<u>17,493,382</u>	<u>17,493,382</u>
Total endowment funds	<u>\$ 22,240,920</u>	<u>\$ 34,319,146</u>	<u>\$ 56,560,066</u>
At June 30, 2024			
Board Designated	\$ 22,117,934	\$ -	\$ 22,117,934
Donor Designated:			
Donor endowed fund earnings restricted	-	13,682,753	13,679,753
Quasi endowment funds	-	1,282,971	1,282,971
Perpetuity restricted	<u>-</u>	<u>17,405,815</u>	<u>17,408,815</u>
Total endowment funds	<u>\$ 22,117,934</u>	<u>\$ 32,371,539</u>	<u>\$ 54,489,473</u>

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 8 – Endowment (Continued)

Amounts Appropriated for Expenditure (Continued)

Changes in endowment net assets for the year ended June 30, 2025 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year	\$ 22,117,934	\$ 32,371,539	\$ 54,489,473
Investment return:			
Interest and dividends, net of fees	44,053	62,834	106,887
Net appreciation	<u>2,195,130</u>	<u>3,255,657</u>	<u>5,450,787</u>
Total investment return	<u>2,239,183</u>	<u>3,318,491</u>	<u>5,557,674</u>
Contributions	<u>-</u>	<u>87,567</u>	<u>87,567</u>
Amounts appropriated for expenditures	<u>(2,116,197)</u>	<u>(1,458,451)</u>	<u>(3,574,648)</u>
End of year	<u>\$ 22,240,920</u>	<u>\$ 34,319,146</u>	<u>\$ 56,560,066</u>

Changes in endowment net assets for the year ended June 30, 2024 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year	\$ 20,785,801	\$ 30,052,766	\$ 50,838,567
Investment return:			
Interest and dividends, net of fees	23,509	35,592	59,101
Net appreciation	<u>2,335,066</u>	<u>3,435,907</u>	<u>5,770,973</u>
Total investment return	<u>2,358,575</u>	<u>3,471,499</u>	<u>5,830,074</u>
Contributions	<u>8,232</u>	<u>183,599</u>	<u>191,831</u>
Amounts appropriated for expenditures	<u>(1,034,674)</u>	<u>(1,336,325)</u>	<u>(2,370,999)</u>
End of year	<u>\$ 22,117,934</u>	<u>\$ 32,371,539</u>	<u>\$ 54,489,473</u>

LIBRARY FOUNDATION OF LOS ANGELES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 9 – Los Angeles Public Library

The Foundation has an agreement with the Library to pay rent for the Library Store at the rate of 5% of gross Library Store sales. The rent expense incurred for the years ended June 30, 2025 and 2024, amounted to \$22,134 and \$19,107, respectively.

The Library provides office space at no charge to the Foundation. The Foundation has recorded in-kind contributions of \$24,000 for both the years ended June 30, 2025 and 2024, for the donated space.

NOTE 10 – Retirement Plan

The Foundation has a defined contribution 401(k) plan covering all of its eligible employees. The plan is subject to limitations set forth by the Internal Revenue Code. Eligible employees can contribute up to 100% of their gross compensation, not to exceed amounts provided by law. The plan includes a safe harbor feature, where eligible employees receive a 100% vested matching contribution up to 3% of the employee's deferral and an additional 50% vested matching contribution on the next 2% of the employee's deferral. Matching contributions amounted to \$116,550 and \$109,612 for the years ended June 30, 2025 and 2024, respectively.