



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

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

CPAs / ADVISORS



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

TABLE OF CONTENTS
DECEMBER 31, 2025 AND 2024

	Page
Report of Independent Auditors	1
 Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses.....	6
Statements of Cash Flows	8
Notes to Financial Statements	9



Blue & Co., LLC / 12800 N. Meridian Street, Suite 400 / Carmel, IN 46032
main 317.848.8920 fax 317.573.2458 email blue@blueandco.com

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, 2025 and 2024, 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, 2025 and 2024, 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 24, 2026

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

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Cash	\$ 4,318,474	\$ 3,140,599
Prepaid expenses	98,798	45,852
Investments	12,383,087	11,382,861
Due from Library (IndyPL)	5,949	20,053
Pledges receivable, net	276,610	161,085
Other assets	40,010	40,697
Property and equipment, net	703	2,252
Beneficial interest in assets held by others	<u>12,378,473</u>	<u>11,401,978</u>
	<u>\$ 29,502,104</u>	<u>\$ 26,195,377</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 32,299	\$ 12,474
Accrued expenses	<u>25,767</u>	<u>43,418</u>
Total liabilities	58,066	55,892
Net assets		
Without donor restrictions	8,638,510	4,860,344
With donor restrictions		
Purpose and time	5,857,011	7,561,754
Endowment	<u>14,948,517</u>	<u>13,717,387</u>
	<u>20,805,528</u>	<u>21,279,141</u>
Total net assets	<u>29,444,038</u>	<u>26,139,485</u>
	<u>\$ 29,502,104</u>	<u>\$ 26,195,377</u>

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, 2025
(With Comparative Total for the Year Ended December 31, 2024)

	2025				2024	
	Without Donor Restrictions	With Donor Restrictions		Total With Donor Restrictions	Total	Total
		Purpose and Time	Endowment			
Revenues, gains, and support						
Contributions	\$ 1,548,489	\$ 1,947,248	\$ 95,333	\$ 2,042,581	\$ 3,591,070	\$ 2,257,946
Book sales	211,668	-0-	-0-	-0-	211,668	212,607
Dividends and interest, net	262,353	134,996	74,533	209,529	471,882	493,277
Realized and unrealized gains on investments, net	450,220	363,448	204,443	567,891	1,018,111	825,116
Change in value of beneficial interest in assets held by others	2,014	-0-	1,521,347	1,521,347	1,523,361	1,266,552
	<u>2,474,744</u>	<u>2,445,692</u>	<u>1,895,656</u>	<u>4,341,348</u>	<u>6,816,092</u>	<u>5,055,498</u>
Net assets released from restrictions	<u>2,388,257</u>	<u>(1,723,731)</u>	<u>(664,526)</u>	<u>(2,388,257)</u>	<u>-0-</u>	<u>-0-</u>
Total revenues, gains and support	4,863,001	721,961	1,231,130	1,953,091	6,816,092	5,055,498
Expenses						
Program services	2,363,300	-0-	-0-	-0-	2,363,300	2,130,667
Management and general	396,326	-0-	-0-	-0-	396,326	413,448
Fundraising	751,913	-0-	-0-	-0-	751,913	539,814
Total expenses	<u>3,511,539</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,511,539</u>	<u>3,083,929</u>
Change in net assets	1,351,462	721,961	1,231,130	1,953,091	3,304,553	1,971,569
Reclassification of net assets	2,426,704	(2,426,704)	-0-	(2,426,704)	-0-	-0-
Net assets, beginning of year	<u>4,860,344</u>	<u>7,561,754</u>	<u>13,717,387</u>	<u>21,279,141</u>	<u>26,139,485</u>	<u>24,167,916</u>
Net assets, end of year	<u>\$ 8,638,510</u>	<u>\$ 5,857,011</u>	<u>\$ 14,948,517</u>	<u>\$ 20,805,528</u>	<u>\$ 29,444,038</u>	<u>\$ 26,139,485</u>

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, 2024

	With Donor Restrictions				Total
	Without Donor Restrictions	Purpose and Time	Endowment	Total With Donor Restrictions	
Revenues, gains, and support					
Contributions	\$ 466,000	\$ 1,731,714	\$ 60,232	\$ 1,791,946	\$ 2,257,946
Book sales	212,607	-0-	-0-	-0-	212,607
Dividends and interest, net	268,449	144,822	80,006	224,828	493,277
Realized and unrealized gains on investments, net	364,195	300,302	160,619	460,921	825,116
Change in value of beneficial interest in assets held by others	16,661	-0-	1,249,891	1,249,891	1,266,552
	<u>1,327,912</u>	<u>2,176,838</u>	<u>1,550,748</u>	<u>3,727,586</u>	<u>5,055,498</u>
Net assets released from restrictions	<u>2,176,378</u>	<u>(1,521,369)</u>	<u>(655,009)</u>	<u>(2,176,378)</u>	<u>-0-</u>
Total revenues, gains and support	3,504,290	655,469	895,739	1,551,208	5,055,498
Expenses					
Program services	2,130,667	-0-	-0-	-0-	2,130,667
Management and general	413,448	-0-	-0-	-0-	413,448
Fundraising	539,814	-0-	-0-	-0-	539,814
Total expenses	<u>3,083,929</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,083,929</u>
Change in net assets	420,361	655,469	895,739	1,551,208	1,971,569
Net assets, beginning 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>
Net assets, end of year	<u>\$ 4,860,344</u>	<u>\$ 7,561,754</u>	<u>\$ 13,717,387</u>	<u>\$ 21,279,141</u>	<u>\$ 26,139,485</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, 2025
(With Comparative Total for the Year Ended December 31, 2024)

	2025				2024
	Program Services	Management and General	Fundraising	Total	Total
Grants and program support for:					
Adult and lifelong learning	\$ 214,400	\$ -0-	\$ -0-	\$ 214,400	\$ 131,896
Children's initiatives	750,761	-0-	-0-	750,761	727,803
Collections and information technology	678,424	-0-	-0-	678,424	644,925
Cultural and community	263,339	-0-	-0-	263,339	248,105
Lectures	53,198	-0-	-0-	53,198	22,302
Library materials, branch projects, and other programs	273,120	-0-	-0-	273,120	208,731
Recognitions	32,741	-0-	-0-	32,741	68,037
Foundation fundraising events	-0-	-0-	54,156	54,156	40,019
Salaries and wages	70,606	209,171	426,284	706,061	580,548
Employee benefits and taxes	26,711	78,076	163,145	267,932	208,120
Branding and marketing	-0-	-0-	5,946	5,946	2,322
Donor cultivation	-0-	-0-	39,809	39,809	20,467
Printing and mailing	-0-	2,019	31,260	33,279	23,384
Computer maintenance	-0-	10,045	18,923	28,968	22,497
Travel and parking	-0-	-0-	2,037	2,037	1,232
Office expense	-0-	1,015	-0-	1,015	2,373
Insurance	-0-	8,842	-0-	8,842	8,459
Professional fees	-0-	49,159	-0-	49,159	59,511
Payroll and human resources service	-0-	8,371	-0-	8,371	7,178
Training and membership dues	-0-	19,330	-0-	19,330	9,297
Miscellaneous	-0-	3,710	6,849	10,559	11,191
Depreciation	-0-	1,549	-0-	1,549	1,548
Annual meeting and reception	-0-	-0-	2,701	2,701	3,170
Consulting	-0-	1,660	803	2,463	30,814
DEI initiatives	-0-	3,379	-0-	3,379	-0-
Total expenses	\$ 2,363,300	\$ 396,326	\$ 751,913	\$ 3,511,539	\$ 3,083,929

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, 2024

	2024			Total
	Program Services	Management and General	Fundraising	
Grants and program support for:				
Adult and lifelong learning	\$ 131,896	\$ -0-	\$ -0-	\$ 131,896
Children's initiatives	727,803	-0-	-0-	727,803
Collections and information technology	644,925	-0-	-0-	644,925
Cultural and community	248,105	-0-	-0-	248,105
Lectures	22,302	-0-	-0-	22,302
Library materials, branch projects, and other programs	208,731	-0-	-0-	208,731
Recognitions	68,037	-0-	-0-	68,037
Foundation fundraising events	-0-	-0-	40,019	40,019
Salaries and wages	58,055	198,977	323,516	580,548
Employee benefits and taxes	20,813	73,294	114,013	208,120
Branding and marketing	-0-	-0-	2,322	2,322
Donor cultivation	-0-	-0-	20,467	20,467
Printing and mailing	-0-	4,023	19,361	23,384
Computer maintenance	-0-	9,339	13,158	22,497
Travel and parking	-0-	-0-	1,232	1,232
Office expense	-0-	2,373	-0-	2,373
Insurance	-0-	8,459	-0-	8,459
Professional fees	-0-	59,511	-0-	59,511
Payroll and human resources service	-0-	7,178	-0-	7,178
Training and membership dues	-0-	9,297	-0-	9,297
Miscellaneous	-0-	11,191	-0-	11,191
Depreciation	-0-	1,548	-0-	1,548
Annual meeting and reception	-0-	-0-	3,170	3,170
Consulting	-0-	28,258	2,556	30,814
 Total expenses	 <u>\$ 2,130,667</u>	 <u>\$ 413,448</u>	 <u>\$ 539,814</u>	 <u>\$ 3,083,929</u>

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Operating activities		
Change in net assets	\$ 3,304,553	\$ 1,971,569
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,549	1,548
Change in present value discount on pledges receivable	(5,900)	(5,880)
Realized and unrealized gains on investments, net	(1,018,111)	(825,116)
Change in value of beneficial interest in assets held by others	(1,523,361)	(1,266,552)
Contributions restricted for investment in endowment	(95,333)	(60,232)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(52,259)	(21,327)
Due from Indy PL	14,104	8,316
Pledges receivable	(109,625)	65,860
Accounts payable and accrued expenses	2,174	12,738
Net cash flows from operating activities	517,791	(119,076)
Investing activities		
Proceeds from sale of investments	4,952,546	2,455,092
Purchase of investments	(4,934,661)	(2,324,090)
Distributions from CICF	581,405	576,068
Transfer of funds to CICF	(34,539)	(77,791)
Net cash flows from investing activities	564,751	629,279
Financing activities		
Contributions restricted for investment in endowment	95,333	60,232
Net cash flows from financing activities	95,333	60,232
Change in cash	1,177,875	570,435
Cash, beginning of year	3,140,599	2,570,164
Cash, end of year	\$ 4,318,474	\$ 3,140,599

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, 2025 AND 2024

1. NATURE OF ACTIVITIES

The Indianapolis-Marion County Public Library Foundation, Inc., doing business as The Indianapolis Public Library Foundation (Foundation), was incorporated in Indiana in 1969.

Its mission is to elevate The Indianapolis Public Library (IndyPL) by activating the community's generosity. Support for the Foundation is derived from contributions, grants, sponsorships, book sales, and investment income. Thanks to the Foundation's support, all IndyPL programs are free and open to the public throughout the city, including historically underserved areas. Main program service areas include the following categories:

Adult and Lifelong Learning Programs

These programs bolster workplace skills, offer training on the latest technology, explore topics of interest, and provide outlets for pursuing hobbies with fellow community members.

Major examples of programs include:

- **Social Work:** Onsite licensed social workers provide referrals to resources geared toward low-income patrons, including (but not limited to) employment, housing, transportation, and food.
- **Adult Summer Reading Program:** As a companion to the youth Summer Reading Program, adults can similarly earn prizes and incentives for minutes logged, with each branch hosting activities that align with the annual theme.
- **Seed Library:** Patrons interested in gardening can receive free flower, fruit, vegetable, and herb seeds from their local IndyPL branch.
- **Building Digital Literacy:** Programs include computer classes as well as workshops at a variety of skill levels and languages for adults to explore basic technology applications.
- **Wellness Programs:** Branches host instructor-led classes designed to promote physical activity, with sessions on chair yoga, Thai Chi, and meditation.
- **Other Programs:** Workshops on gardening, career charting, personal finance, and health are examples of other lifelong learning opportunities provided by IndyPL.

Children's Initiatives

These programs are designed to help children become more capable, enthusiastic readers and to support healthy social, emotional, and physical development. Offered at all 25 IndyPL locations throughout the city, these programs are free and available for everyone to participate, reducing the cost barrier for low-to-moderate income families.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Examples of major children's programs are:

- **Summer Reading Program:** Children can earn prizes and incentives for minutes read, contributing to a community reading goal of 15 million minutes. Participants can also participate in activities hosted by each branch that align with the annual theme.
- **On the Road to Reading:** Each month, IndyPL provides story programs to approximately 60 childcare facilities, specifically targeting low- and moderate-income areas. Each session consists of storytime and a delivery of bags filled with picture books for children to enjoy between visits, as well as early literacy professional development for childcare providers.
- **Preschool Programs:** Preschool children engage in learning through interactive activities. Preschool programs allow children and preschoolers to experience art, music, sports, and more.
- **Early Literacy Staff:** Private funds support IndyPL's Herbert Simon Early Literacy Specialist who oversees and evaluates childhood literacy programming, as well as part-time Outreach staff who implement On the Road to Reading.
- **Día del Niño:** A bilingual early literacy program, this event partners with community organizations to promote reading/learning in Spanish and English.
- **Other Programs:** Other programs geared toward youth include bilingual storytime, author visitors, and age-specific book clubs.

Collections and Information Technology

The Foundation funds special collections and technology to help IndyPL provide additional resources for patrons. Major examples include:

- **Marion County Internet Library:** A collection of online databases IndyPL administers and shares with the public, high school media centers, and university libraries throughout the city.
- **Encyclopedia of Indianapolis:** IndyPL continues developing and expanding this interactive online resource about Indianapolis' past and present.
- **Digital Indy:** IndyPL works with community partners to digitize their archival materials and make them publicly available through the Digital Indy website, with a purpose to share and preserve community stories.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Cultural and Community Programs

The Foundation funds IndyPL programs that highlight the cultures and communities represented 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 corresponding gala features live performances, a fashion show, and an opportunity to speak with the featured artists.
- **Center for Black Literature & Culture:** A dedicated space at Central Library celebrates the vibrant heritage and experiences of those born of African roots while providing a place for all who are interested in exploring this rich culture through collections, resources and programs.
- **Pathway to Literacy:** A course presented to teach literacy and other topics to immigrants with limited formal education. Students will receive four hours of in-person instruction per week from instructors with experience teaching adult English language-learning emergent readers.
- **Conversation Circles:** Participants can practice conversational skills in different languages with other people who are also learning.
- **Fall Fest:** Hosted in the Fall, this annual festival creates a positive atmosphere that encourages reading and literacy for families. Local students grades 7-12 are invited to submit poems based on the annual theme. Ten teens are then selected to read their poems for the Fall Fest audience. This event also features an African American keynote speaker who serves as an inspirational role model for teen attendees, as well as other interactive sessions.
- **Other Programs:** Other cultural/community initiatives include adult art programs, international festivals and celebrations, and Meet Your Neighbor.

Library Materials, Branch Projects and Other Programs

The Foundation provides support for individual library locations (Central Library and 24 branches). In addition, the Foundation provides support for professional development opportunities for IndyPL staff.

Recognitions (Volunteer & Staff Stewardship)

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

**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC. d/b/a
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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.

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. 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

**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC. d/b/a
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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, 2025 and 2024.

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 twelve designated endowment funds held at Central Indiana Community Foundation (CICF) (Note 5). This asset is increased with additional contributions and deposits by the Foundation 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.

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.

**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY FOUNDATION, INC. d/b/a
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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 considered contract revenue and 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, 2025 and 2024, 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.

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.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Reclassifications

Certain amounts in the fiscal year 2024 financial statements have been reclassified to conform to the fiscal year 2025 presentation.

Additionally, during 2025, the Foundation reclassified \$2,426,704 from net assets with donor restrictions to net assets without donor restrictions based on a review of fund balance classifications. This reclassification had no effect on total net assets or the change in total net assets.

These reclassifications had no effect on the total net assets or the change in net assets for the year ended December 31, 2025.

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 24, 2026, which is the date the financial statements were available to be issued.

3. INVESTMENTS

Investments consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Cash	\$ 50,604	\$ 19,954
Money market mutual funds	1,542,990	226,403
Bonds	1,907,225	2,367,338
Exchange traded funds	647,468	91,291
Mutual funds	5,606,728	6,118,264
Common stocks	<u>2,628,072</u>	<u>2,559,611</u>
	<u>\$ 12,383,087</u>	<u>\$ 11,382,861</u>

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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

	2025	2024
Dividends and interest (including bank interest)	\$ 515,739	\$ 533,188
Less investment fees	(43,857)	(39,911)
	471,882	493,277
Realized gains on investments, net	766,204	345,169
Unrealized gains on investments, net	251,907	479,947
	1,018,111	825,116
	\$ 1,489,993	\$ 1,318,393

4. PLEDGES RECEIVABLE

Pledges receivable are as follows at December 31:

	2025	2024
Past due	\$ 9,610	\$ 11,878
Due within 1 year	161,810	116,249
Due in 1-5 years	122,282	44,152
	293,702	172,279
Less present value discount	(14,092)	(8,194)
Less allowance for uncollectible pledges	(3,000)	(3,000)
	\$ 276,610	\$ 161,085

5. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Foundation has established twelve 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 IndyPL 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

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

for 5% of the December 31 fund balance as the portion available for distribution, in addition to any unspent distributable amounts from prior years.

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

	2025	2024
Operating Endowment	\$ 2,862,683	\$ 2,659,809
Humanities Endowment	3,282,233	3,024,734
Lifelong Learning Endowment	1,800,328	1,658,532
Early Childhood Literacy Endowment	1,762,701	1,623,519
Professional Development Fund	273,859	251,954
J. Steve & Donna D. Talley Fund	164,521	137,848
Dr. Michael R. Twyman Endowment Fund	82,667	72,912
The Herbert Simon Early Literacy Specialist Fund	1,510,244	1,390,949
Zeff Weiss Memorial Fund	226,783	208,729
Herbert Simon Teen Services Endowment	84,556	77,833
Next 50 Fund	267,714	246,111
Lillian Childress Hall Fund	60,184	49,048
	\$ 12,378,473	\$ 11,401,978

The Foundation has deposited into these funds both donor-restricted and unrestricted funds held by the Foundation at the time of deposit. As such, 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 7). Unappropriated earnings or cumulative deficits of these funds are classified as with donor restrictions or without donor restrictions, as applicable.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

6. 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 \$117,907 and \$116,598 at December 31, 2025 and 2024, respectively (Note 7).

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Net Assets with Donor Restrictions

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

	2025	2024
Subject to expenditure for specific purposes:		
Library materials, collections and branch projects	\$ 5,550,496	\$ 7,476,442
Encyclopedia of Indianapolis	172,221	-0-
CBLC and Digitization	55,510	20,062
Foundation programs	9,000	5,682
	5,787,227	7,502,186
Subject to passage of time:		
For periods after December 31, 2025 and 2024	69,784	59,568
Net assets with purpose and time restrictions	5,857,011	7,561,754
Subject to endowment spending policy and appropriation:		
Operations	3,141,796	2,921,944
Library materials, collections and branch projects	629,261	580,684
Business lectures	465,869	432,255
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)	3,390,987	3,133,488
Lifelong learning	1,800,328	1,658,531
Early childhood literacy	1,762,700	1,623,518
Professional development	157,342	135,811
The Danny R. Dean Fund (programs and operations)	610,374	556,306
J. Steve & Donna D. Talley Fund (programs)	171,009	156,112
Dr. Michael R. Twyman Endowment Fund (programs)	82,667	72,912
The Herbert Simon Early Literacy Specialist Fund (programs)	1,510,244	1,390,948
Zeff Weiss Memorial Fund (programs and operations)	228,982	210,928
Herbert Simon Teen Services Endowment (programs)	95,739	89,016
Cairo Family Fund (programs and operations)	26,472	24,475
Mary Frances Rubly and Jerry Hummer Fund (programs)	210,424	184,330
Next 50 Fund (programs and operations)	265,533	243,931
Sally Miller Peck Endowment for Literacy (programs and operations)	68,661	63,703
Michael D. O'Brien Fund (programs and operations)	50,448	46,542
Annis Fund (Irvington branch)	28,496	25,374
Vargus Fund (programs and operations)	69,760	64,653
Lillian Childress Hall Fund (programs and operations)	60,185	49,321
Harrison Conner Strader Wood Endowment (programs and operations)	28,740	12,605
Kenneth P. & Karen A. McCune Fund (programs and operations)	27,500	-0-
Cathy Lewis Endowment (programs and operations)	25,000	-0-
Net assets subject to endowment spending policy and appropriations	14,948,517	13,717,387
Total net assets with donor restrictions	\$ 20,805,528	\$ 21,279,141

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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:

	2025	2024
Operations	\$ 170,112	\$ 170,199
Library materials, collections and branch projects	1,660,267	1,446,222
Foundation programs	55,300	78,576
Time restrictions expired	78,811	60,129
Business lectures	20,045	19,725
Humanities	117,274	154,768
Lifelong learning	117,992	77,394
Early childhood literacy	154,954	149,441
Dr. Michael R. Twyman Endowment Fund	-0-	6,915
Zeff Weiss Memorial Fund	9,828	9,492
Herbert Simon Teen Services Endowment	3,674	3,517
	\$ 2,388,257	\$ 2,176,378

7. ENDOWMENT

The Foundation's endowment consists of twenty-seven (twenty-five at December 31, 2024) 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.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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 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, 2025 and 2024.

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 twelve funds held at CICF, which total \$12,378,473 and \$11,401,978 at December 31, 2025 and 2024, respectively (Note 5). The funds held by CICF are invested according to CICF's pooled investment fund strategies.

The Foundation also has other funds totaling \$2,687,951 and \$2,432,007 that are classified as part of the endowment at December 31, 2025 and 2024, 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.

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

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 117,907	\$ -0-	\$ 117,907
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-0-	8,777,697	8,777,697
Accumulated investment gains	-0-	6,170,820	6,170,820
	\$ 117,907	\$ 14,948,517	\$ 15,066,424
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 116,598	\$ -0-	\$ 116,598
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-0-	8,664,833	8,664,833
Accumulated investment gains	-0-	5,052,554	5,052,554
	\$ 116,598	\$ 13,717,387	\$ 13,833,985

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 116,598	\$ 13,717,387	\$ 13,833,985
Contributions	-0-	95,333	95,333
Investment return, net	-0-	278,976	278,976
Change in value of beneficial interest in assets held by others	2,014	1,521,347	1,523,361
Appropriation of endowment assets pursuant to spending rate policy	<u>(705)</u>	<u>(664,526)</u>	<u>(665,231)</u>
Endowment net assets, end of year	<u>\$ 117,907</u>	<u>\$ 14,948,517</u>	<u>\$ 15,066,424</u>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 106,615	\$ 12,821,648	\$ 12,928,263
Contributions	-0-	60,232	60,232
Investment return, net	-0-	240,625	240,625
Change in value of beneficial interest in assets held by others	16,661	1,249,891	1,266,552
Appropriation of endowment assets pursuant to spending rate policy	<u>(6,678)</u>	<u>(655,009)</u>	<u>(661,687)</u>
Endowment net assets, end of year	<u>\$ 116,598</u>	<u>\$ 13,717,387</u>	<u>\$ 13,833,985</u>

8. 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 IndyPL, consistently represent approximately 69% 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 CICF. A

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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 7).

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 IndyPL
- Respond to IndyPL's emerging needs
- Maintain adequate liquid assets when the market drops
- Generate income to ensure its growth and sustainability

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

The Foundation's annual budget combines planned support for IndyPL 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.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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:

	2025	2024
Financial assets		
Cash and cash equivalents	\$ 4,318,474	\$ 3,140,599
Investments	12,383,087	11,382,861
Due from IndyPL	5,949	20,053
Pledges receivable, net	276,610	161,085
Beneficial interest in assets		
held by others	12,378,473	11,401,978
Total financial assets	29,362,593	26,106,576
Donor-imposed restrictions		
Purpose and time restrictions	(5,857,011)	(7,561,754)
Endowment funds	(14,948,517)	(13,717,387)
Board designated endowment funds	(117,907)	(116,598)
Financial assets available to meet cash needs for		
general expenditures within one year	\$ 8,439,158	\$ 4,710,837

9. 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 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.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

- 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, 2025 and 2024.

- *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 and exchange traded 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 and exchange traded funds:* 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.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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:

	2025			
	Level 1	Level 2	Level 3	Total
Investments				
Money market mutual funds	\$ -0-	\$ 1,542,990	\$ -0-	\$ 1,542,990
Bonds	-0-	1,907,225	-0-	1,907,225
Exchange traded funds	647,468	-0-	-0-	647,468
Mutual funds				
Asset allocation	1,682,284	-0-	-0-	1,682,284
Emerging markets	504,918	-0-	-0-	504,918
International equity	1,193,915	-0-	-0-	1,193,915
Large cap	1,857,018	-0-	-0-	1,857,018
Mid cap	368,593	-0-	-0-	368,593
Common stocks				
Large cap	<u>2,628,072</u>	<u>-0-</u>	<u>-0-</u>	<u>2,628,072</u>
	<u>\$ 8,882,268</u>	<u>\$ 3,450,215</u>	<u>\$ -0-</u>	<u>12,332,483</u>
Cash				<u>50,604</u>
				<u>\$ 12,383,087</u>
Beneficial interest in assets held by others	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 12,378,473</u>	<u>\$ 12,378,473</u>
	2024			
	Level 1	Level 2	Level 3	Total
Investments				
Money market mutual funds	\$ -0-	\$ 226,403	\$ -0-	\$ 226,403
Bonds	-0-	2,367,338	-0-	2,367,338
Exchange traded funds	91,291	-0-	-0-	91,291
Mutual funds				
Asset allocation	1,583,133	-0-	-0-	1,583,133
Emerging markets	529,947	-0-	-0-	529,947
International equity	1,033,355	-0-	-0-	1,033,355
Large cap	2,445,592	-0-	-0-	2,445,592
Mid cap	526,237	-0-	-0-	526,237
Common stocks				
Large cap	<u>2,559,611</u>	<u>-0-</u>	<u>-0-</u>	<u>2,559,611</u>
	<u>\$ 8,769,166</u>	<u>\$ 2,593,741</u>	<u>\$ -0-</u>	<u>11,362,907</u>
Cash				<u>19,954</u>
				<u>\$ 11,382,861</u>
Beneficial interest in assets held by others	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 11,401,978</u>	<u>\$ 11,401,978</u>

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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:

	2025	2024
Beginning balance	\$ 11,401,978	\$ 10,633,703
Deposits	34,539	77,791
Dividends and interest, net of investment management fees	179,758	132,242
Realized gains	499,242	744,760
Unrealized gains	923,378	462,359
Operating support fees	(79,017)	(72,809)
Distributions	(581,405)	(576,068)
Ending balance	\$ 12,378,473	\$ 11,401,978

10. 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, 2025 and 2024 was \$69,156 and \$53,816, respectively.

11. 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 and one Board member of IndyPL serve on the Board of Directors of the Foundation. The Foundation's financial information is included in the group financial statements of IndyPL as a discretely presented component unit of IndyPL due to the relationship with and support provided to IndyPL.

The Foundation's activities support IndyPL related functions, including but not limited to IndyPL programs and projects. The Foundation expended \$2,265,983 and \$2,051,799 in support of IndyPL programs and projects during the years ended December 31, 2025 and 2024, respectively.

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

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

The Foundation has amounts due from IndyPL of \$5,949 and \$20,053 at December 31, 2025 and 2024, respectively, which represent unspent funds advanced to IndyPL.

12. CONCENTRATIONS

The Foundation maintains its cash 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.

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, 2025, three custodians held 100% of the Foundation's investments, with individual percentages of 64%, 22%, and 14%. At December 31, 2024, three custodians held 100% of the Foundation's investments, with individual percentages of 62%, 24%, and 15%. The primary custodian includes four fund managers at December 31, 2025 and 2024. At December 31, 2025, one mutual fund represent 10% of total investments. At December 31, 2024, two mutual funds represent 22% of total investments, with individual percentages of 11% each. The Foundation's beneficial interest in assets held by others represents assets held by CICF (Note 5).

At December 31, 2025, contributions from one community foundation and one donor each represent 28% of total contributions. At December 31, 2024, contributions from the same community foundation and one charitable foundation represent 39% and 13% of total contributions, respectively.

At December 31, 2025, pledges from two donors represent approximately 42% of pledges receivable, net, with individual percentages of 27% and 15%. At December 31, 2024, pledges from four donors represent approximately 51% of pledges receivable, net, with individual percentages ranging from 10% to 16%.