CAMBRIDGE PUBLIC LIBRARY FOUNDATION

REVIEWED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

LMHS, P.C.
Certified Public Accountants and Advisors

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REVIEWED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To The Board of Directors
Cambridge Public Library Foundation
Cambridge, Massachusetts

We have reviewed the accompanying financial statements of Cambridge Public Library Foundation (a not-for-profit 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Cambridge Public Library Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

LMHS, P.C.

LMHS, P.C.
Norwell, Massachusetts

October 8, 2025

CAMBRIDGE PUBLIC LIBRARY FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

CURRENT ASSETS:		
Cash and Cash Equivalents	$	389,286
Investments		3,055,353
Pledges Receivable		80,000
Prepaid Expenses and Other		8,001
	$	3,532,640

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	$	31,807
NET ASSETS:		
Without Donor Restrictions - Undesignated		1,494,947
Without Donor Restrictions - Board Designated		117,928
With Donor Restrictions		1,887,958
		3,500,833
	$	3,532,640

See Independent Accountants' Review Report and Notes to Financial Statements

CAMBRIDGE PUBLIC LIBRARY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT:			
Contributions	$ 248,556	$ 378,353	$ 626,909
Investment Return, Net	226,890	-	226,890
Other Interest Income	1,121	-	1,121
Net Assets Released From Restrictions	144,525	(144,525)	-
TOTAL REVENUE AND OTHER SUPPORT	621,092	233,828	854,920
EXPENSES:			
Program Expense	172,211	-	172,211
Fundraising Expense	89,804	-	89,804
Management and General	109,797	-	109,797
	371,812	-	371,812
CHANGE IN NET ASSETS	249,280	233,828	483,108
NET ASSETS AT BEGINNING OF YEAR	1,363,595	1,654,130	3,017,725
NET ASSETS AT END OF YEAR	$ 1,612,875	$ 1,887,958	$ 3,500,833

See Independent Accountants' Review Report and Notes to Financial Statements

CAMBRIDGE PUBLIC LIBRARY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Expense	Fundraising Expense	Management and General	Total
PERSONNEL EXPENSES:				
Salaries and Wages	$ 31,455	$ 54,184	$ 49,405	$ 135,044
Payroll Taxes	2,700	3,888	4,212	10,800
Employee Benefits	89	60	149	298
TOTAL PERSONNEL EXPENSES	34,244	58,132	53,766	146,142
Advertising and Outreach	-	686	178	864
Bank Fees	-	3,307	378	3,685
Board Expenses	-	-	2,972	2,972
Consulting and Contract Services	-	2,630	10,819	13,449
Donor Solicitation	-	6,188	-	6,188
Library Events	32,673	-	-	32,673
Insurance	-	-	3,591	3,591
Library Books, Supplies and Other	22,615	-	-	22,615
Office Supplies and Miscellaneous	-	754	1,854	2,608
Postage and Mailing	-	4,418	43	4,461
Printing	-	8,578	133	8,711
Professional Fees	-	-	31,566	31,566
Library Programming	82,679	-	-	82,679
Software Subscriptions	-	5,111	4,497	9,608
TOTAL FUNCTIONAL EXPENSES	$ 172,211	$ 89,804	$ 109,797	$ 371,812

See Independent Accountants' Review Report and Notes to Financial Statements

CAMBRIDGE PUBLIC LIBRARY FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$	483,108
Adjustments to Reconcile Changes in Net Assets to Net		
Cash Provided by Operating Activities:		
Unrealized Gain from Investments		(30,497)
Change in Operating Assets and Liabilities:		
(Increase) Decrease In:		
Pledges Receivable		90,000
Prepaid Expenses and Other		(444)
Increase (Decrease) In:		
Accounts Payable and Accrued Expenses		7,556
		549,723
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments		(390,536)
NET INCREASE IN CASH AND CASH EQUIVALENTS		159,187
CASH AND CASH EQUIVALENTS - BEGINNING		230,099
CASH AND CASH EQUIVALENTS - ENDING	$	389,286

See Independent Accountants' Review Report and Notes to Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Organization - The Cambridge Public Library Foundation (the Organization) is a non-profit corporation that was incorporated under the laws of the Commonwealth of Massachusetts and commenced operations in 2015.

2. Operations - The Organization is a non-profit that formed to support the purpose, mission, operations, infrastructure, and other aspects of the public libraries of the City of Cambridge, Massachusetts. The Organization is dependent on contribution income and is governed by a Board of Directors.

3. Method of Accounting - The Organization's policy is to prepare its financial statements on the accrual method of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. This method of accounting conforms to generally accepted accounting principles.

4. Financial Statement Presentation - The Organization's financial statements are presented in accordance with FASB ASC Update 2016-14. As such, net assets are classified based upon the existence or absence of donor imposed restrictions, as follows: without donor restrictions, with donor restrictions. A description of the two net asset categories is as follows:

   Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

   With Donor Restrictions - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time, or that must remain intact, in perpetuity.

   Under FASB ASC 958-210-45, expenses are generally reported as decreases in net assets without donor restrictions.

5. Concentration of Credit Risk - The Organization occasionally maintains deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related accounts.

6. Cash and Cash Equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

7. Investments - The Organization accounts for investments in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities.

8. Allowance for Uncollectible Pledges Receivable - The Organization allows for estimated losses on pledges receivable based on prior bad debt experience and a review of existing pledges. Write-offs, should they occur, will be recorded as expenses in the year they are deemed to be uncollectible.

9. Property and Equipment - Property and equipment are recorded at cost. Maintenance and repairs are charged to expense as incurred whereas major betterments are capitalized. Depreciation is provided for using the straight-line method over the estimated useful lives. As of June 30, 2025, the Organization did not hold assets that were classified as property and equipment.

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

10. Fair Value Measurement - Financial Accounting Standards Board, ASC 820, establishes a framework for measuring fair value. That framework 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 measurement), a middle priority to quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that can be corroborated by observable market data (level 2 measurements), and the lowest priority to unobservable inputs and rely on management's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities (level 3 measurements).

    The asset or liability's fair value measurement 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. Marketable securities (mutual funds, corporate bonds, and corporate stocks) are valued at the quoted market prices for those securities.

11. Fair Value of Financial Instruments - The Organization’s financial instruments include cash and cash equivalents, pledges receivable, prepaid expenses, accounts payable and accrued expenses. The recorded values of cash and cash equivalents, pledges receivable, prepaid expenses, accounts payable and accrued expenses approximate their fair values based on their short-term nature.

12. Revenue Recognition - The Organization follows the guidance of ASC Topic 958, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The accounting standard clarifies and improves the guidance for (1) evaluating whether transactions should be accounted for as contributions within the scope of ASC Topic 958-605 or as exchange transactions subject to ASC Topic 606 and (2) determining whether a contribution is conditional.

    Additionally, the Organization follows ASC Topic 606, Revenue from Contracts with Customers, with respect to its revenue recognition policy. The core principle of the accounting guidance is that an entity should recognize revenue when it satisfies a performance obligation by transferring promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

    Contributions are recognized in full when received or unconditionally promised, in accordance with professional standards. 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.

    Special events revenue is recognized when the event takes place. The value of an event ticket is an exchange transaction, in accordance with ASC Topic 606. The excess of the ticket price over the value of the benefit received is recognized as a contribution.

    Donated materials and services are recorded as in-kind donations and recognized at their estimated fair value as of the date of donation or service.

    Contributions of marketable securities are recorded in the financial statements at their quoted market price at the date of donation.

13. Contributions - Contributions are recorded in net assets without donor restrictions or net assets with donor restrictions class of net assets depending on the existence and/or nature of any donor-imposed restriction. When a 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 are reported as net assets released from restriction in the statement of activities.

14. Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

15. Uncertainty In Income Taxes - The Organization adopted the standards for *Accounting for Uncertainty in Income Taxes* (income, sales, use and payroll), which required the Organization to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of June 30, 2025, the Organization determined that it had no tax positions that did not meet the "more likely than not" threshold of being sustained by the applicable tax authority. The Organization files tax and information returns in the United States Federal and applicable state jurisdictions. These returns are generally subject to examination by tax authorities for the last three years.

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

17. Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

    The following expenses were allocated using time and effort basis:
    - Salaries and Wages
    - Payroll Taxes
    - Employee Benefits

18. Lease Accounting - The Organization follows Accounting Standards Update (ASU) 2016-02, Leases (ASC Topic 842) and subsequent amendments. Under ASU 2016-02, an entity recognizes right-of-use assets and lease obligations on its statement of financial position for all leases with a lease term of more than 12 months. Short-term rentals under year-to-year leases or remaining lease terms of 12 months or less are exempt from being capitalized. As of June 30, 2025, the Organization did not hold any leases that required capitalization. See Note G for lease arrangements.

B. INVESTMENTS:

Investments consist of the following at June 30, 2025:

Individual Taxable Bonds	$ 1,077,888
Equities	1,977,465
Total Investments	$ 3,055,353

Investment income for the year ended June 30, 2025 consisted of the following:

Interest and Dividends	$ 67,599
Net Realized and Unrealized Gains	185,740
Fee Expense	(26,449)
Total Investment Income	$ 226,890

The Organization holds investments, all of which represent level 1 inputs. Level 1 inputs are defined by unadjusted quoted prices for identical assets and liabilities in active markets to which the reporting entity would have access.

C. PLEDGES RECEIVABLE:

Unconditional promises to give in future periods are recorded in the financial statements as Pledges Receivable, net of an allowance for uncollectible gifts. As of June 30, 2025, unconditional promises to give amounted to $80,000, of which $20,000 is unrestricted for general support and $60,000 represents gifts with donor restrictions. As of June 30, 2025, there was no allowance for uncollectible pledges.

D. ENDOWMENT NET ASSETS:

The Organization's endowment consists of two individual funds established for a variety of purposes. Its endowment may include both donor restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, therefore, 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 are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The endowment fund assets are invested in accordance with the investment policy of the Organization.

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, June 30, 2024	$ 117,928	$ 725,049	$ 842,977
Donations	-	258,959	258,959
Endowment Net Assets, June 30, 2025	$ 117,928	$ 984,008	$ 1,101,936

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. These deficiencies may result from unfavorable market fluctuations. There were no such deficiencies as of June 30, 2025.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets 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. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity of for a donor-specified period(s) as well as board-designated funds. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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 Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution approximately 5% to 10% of each contribution for administration of the endowment funds. In establishing its policy, the Organization considered the long-term return on its endowment.

E. LIQUIDITY AND AVAILABILITY:

The following reflects the Organization's financial assets at June 30, 2025, reduced by amounts that are not available for general use because of donor-imposed restrictions, within one year of the statement of financial position date. As part of its liquidity management plan, the Organization operates its programs within a balanced budget and relies on grants and contributions to fund its operations and program activities:

Cash and Cash Equivalents	$ 389,286
Investments	3,055,353
Pledges Receivable	80,000
Total Financial Assets	3,524,639
Contributions with Donor Restrictions	(1,887,958)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 1,636,681

F. NET ASSETS WITH DONOR RESTRICTIONS:

Purpose Restricted:	
Programming and Initiatives for Children	$ 333,486
Education and Literacy	212,304
Author Events	130,015
Designated Books and Branches	39,663
STEAM Programming	38,000
Seniors	31,657
Other Programs	118,825
Endowments	984,008
Total Net Assets with Donor Restrictions	$ 1,887,958

G. LEASES:

The Organization uses space in the Cambridge Public Library building at 449 Broadway, in Cambridge, Massachusetts, at no cost including utilities. If the Organization did not receive the office space and utilities free of charge, the operating expenses would have increased, resulting in less net income and net assets.

H. ADVERTISING:

The Organization follows the policy of charging the costs of advertising and outreach to expense as incurred. For the year ended June 30, 2025, advertising costs amounted to $864.

I. SUBSEQUENT EVENTS:

Management has evaluated events occurring after the statement of financial position date through October 8, 2025, the date in which the financial statements were available to be issued. No material events have been identified which would require disclosure.