BOSTON PUBLIC LIBRARY FUND, INC.

(A Component Unit of the Trustees of the Public Library of the City of Boston for Financial Reporting Purposes Only)

FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

AND

REPORT ON INTERNAL CONTROL AND COMPLIANCE
YEAR ENDED JUNE 30, 2026

BOSTON PUBLIC LIBRARY FUND, INC.
(A Component Unit of the Trustees of the Public Library of the City of Boston for Financial Reporting Purposes Only)
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

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INDEPENDENT AUDITOR'S REPORT

To the Executive Committee
Boston Public Library Fund, Inc.
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of Boston Public Library Fund, Inc. (a component unit of the Trustees of the Public Library of the City of Boston for Financial Reporting Purposes Only), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Boston Public Library Fund, Inc. as of June 30, 2026 and 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Boston Public Library Fund, Inc. 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 these 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 Boston Public Library Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 and *Government 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 and *Government 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 Boston Public Library Fund, Inc.'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 Boston Public Library Fund, Inc.'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.

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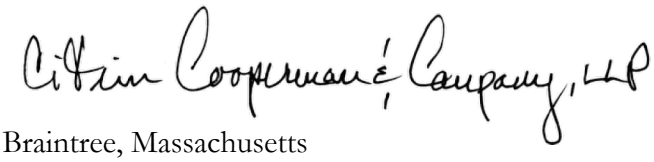
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2026, on our consideration of the Boston Public Library Fund, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Boston Public Library Fund, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Boston Public Library Fund, Inc.'s internal control over financial reporting and compliance.



Braintree, Massachusetts
September 25, 2026

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BOSTON PUBLIC LIBRARY FUND, INC.
(A Component unit of the Trustees of the Public Library of the City of Boston for Financial Reporting Purposes Only)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025

ASSETS

	2026	2025
Current assets:		
Cash	$ 1,712,819	$ 1,061,682
Contributions receivable, net	675,966	1,596,022
Prepaid expenses and other current assets	3,897	744
Total current assets	2,392,682	2,658,448
Property and equipment, net	2,680	6,045
Other assets:		
Investments	13,947,471	10,948,214
Contributions receivable, net of current portion and discount	243,776	423,822
Total other assets	14,191,247	11,372,036
TOTAL ASSETS	$ 16,586,609	$ 14,036,529

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	$ 161,118	$ 141,635
Net assets:		
Without donor restrictions	10,710,191	8,239,433
With donor restrictions	5,715,300	5,655,461
Total net assets	16,425,491	13,894,894
TOTAL LIABILITIES AND NET ASSETS	$ 16,586,609	$ 14,036,529

See accompanying notes to financial statements.

BOSTON PUBLIC LIBRARY FUND, INC.
(A Component unit of the Trustees of the Public Library of the City of Boston for Financial Reporting Purposes Only)
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities:						
Revenue and support:						
Contributions	$ 3,055,524	$ 3,532,755	$ 6,588,279	$ 2,060,563	$ 4,886,551	$ 6,947,114
In-kind contributions	69,477	-	69,477	136,248	-	136,248
Gain on investments, net	1,303,780	460,823	1,764,603	856,253	302,955	1,159,208
Bank interest and other income	4,502	-	4,502	31,076	-	31,076
Net assets released from donor restrictions	3,933,739	(3,933,739)	-	2,962,987	(2,962,987)	-
Total revenue and support	8,367,022	59,839	8,426,861	6,047,127	2,226,519	8,273,646
Expenses:						
Program	3,393,007	-	3,393,007	3,646,334	-	3,646,334
Management and general	1,129,087	-	1,129,087	1,088,272	-	1,088,272
Fundraising	1,374,170	-	1,374,170	1,202,036	-	1,202,036
Total expenses	5,896,264	-	5,896,264	5,936,642	-	5,936,642
Changes in net assets	2,470,758	59,839	2,530,597	110,485	2,226,519	2,337,004
Net assets - beginning of year	8,239,433	5,655,461	13,894,894	8,128,948	3,428,942	11,557,890
NET ASSETS - END OF YEAR	$ 10,710,191	$ 5,715,300	$ 16,425,491	$ 8,239,433	$ 5,655,461	$ 13,894,894

See accompanying notes to financial statements.

BOSTON PUBLIC LIBRARY FUND, INC.
(A Component Unit of the Trustees of the Public Library of the City of Boston for Financial Reporting Purposes Only)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	2026			
	Program	Management and general	Fundraising	Total
Grants	$ 3,393,007	$ -	$ -	$ 3,393,007
Salaries and related	-	656,959	782,952	1,439,911
Consulting and professional services	-	167,309	242,345	409,654
Cultivation	-	69,227	203,561	272,788
Equipment rental and maintenance	-	65,815	50,000	115,815
Office and other expenses	-	98,900	9,089	107,989
Printing and postage	-	9,568	77,509	87,077
Rent	-	49,409	-	49,409
Training	-	11,900	-	11,900
Insurance	-	-	5,349	5,349
Depreciation	-	-	3,365	3,365
TOTAL FUNCTIONAL EXPENSES	$ 3,393,007	$ 1,129,087	$ 1,374,170	$ 5,896,264

	2025			
	Program	Management and general	Fundraising	Total
Grants	$ 3,646,334	$ -	$ -	$ 3,646,334
Salaries and related	-	746,687	710,279	1,456,966
Consulting and professional services	-	154,570	250,636	405,206
Cultivation	-	14,521	152,927	167,448
Printing and postage	-	10,197	69,108	79,305
Office and other expenses	-	65,556	10,620	76,176
Rent	-	49,409	-	49,409
Equipment rental and maintenance	-	37,338	-	37,338
Training	-	9,994	-	9,994
Insurance	-	-	5,102	5,102
Depreciation	-	-	3,364	3,364
TOTAL FUNCTIONAL EXPENSES	$ 3,646,334	$ 1,088,272	$ 1,202,036	$ 5,936,642

See accompanying notes to financial statements.

BOSTON PUBLIC LIBRARY FUND, INC.
(A Component Unit of the Trustees of the Public Library of the City of Boston for Financial Reporting Purposes Only)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
Operating activities:		
Changes in net assets	$ 2,530,597	$ 2,337,004
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gains on investments	(1,764,603)	(1,159,208)
Depreciation	3,365	3,364
Changes in operating assets and liabilities:		
Contributions receivable	1,100,102	(1,172,387)
Prepaid expenses	(3,153)	1,644
Accounts payable and accrued expenses	19,483	68,613
Due to Trustees of the Public Library of the City of Boston	-	(815,801)
Net cash provided by (used in) operating activities	1,885,791	(736,771)
Investing activities:		
Purchase of investments	(5,098,396)	(6,136,964)
Proceeds from sale of investments	3,863,742	6,179,556
Net cash provided by (used in) investing activities	(1,234,654)	42,592
Net increase (decrease) in cash	651,137	(694,179)
Cash - beginning	1,061,682	1,755,861
CASH - ENDING	$ 1,712,819	$ 1,061,682

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION

Boston Public Library Fund, Inc. (the "Fund") was formed on March 2, 1992 as a nonprofit organization to support the physical restoration and the enhancement of the public visibility of the Trustees of the Public Library of the City of Boston (the "Library").

The mission for the Fund is to provide financial support to the Library, ensuring that it remains viable, engaging, accessible, and free to all. The four cornerstones of the Library's mission are programming and services that bring energy and excitement to all of the Library's inspirational spaces, innovative investment in technology and digital offerings to ensure the Library's continued position as a national and international leader, print and electronic collections development, and preservation, renovation and restoration of its historic building and collections.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Fund have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The Fund follows the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Subtopic *Presentation of Financial Statements of Not-for-Profit Entities*. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Fund. These net assets may be used at the discretion of the Fund's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Fund or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the assets be maintained in perpetuity.

Use of 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, as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

Cash includes cash on hand and demand deposits. The Fund maintains its cash in bank deposit accounts with highly-rated financial institutions, which, at times, may exceed the Federal Deposit Insurance Corporation insurance limits. At June 30, 2026 and 2025, cash balances in excess of federally insured limits totaled $1,460,656 and $806,830, respectively. The Fund has not experienced any losses in such accounts.

Investments

The Fund invests in marketable securities consisting primarily of cash, common stock, equity funds and fixed income funds. Investments in marketable securities with readily determinable fair values are reported at fair value in the accompanying statements of financial position. Investment income, including realized and unrealized investment gains and losses, are reported as increases or decreases in net assets without donor restrictions or net assets with donor restrictions, if restricted by the donor.

Endowment

The Fund's endowment consists of investments with donor restrictions, some of which are perpetual in nature. Net assets associated with endowment funds are classified based on the existence or absence of donor-imposed restrictions. The Fund's investment policies are as follows:

Interpretation of relevant law - The Fund manages its endowment consistent with the Massachusetts Act, the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Fund's policy is to preserve the value of the original gifts as of the gift date and classify the gifts as net assets with donor restrictions that are perpetual in nature. The remaining portion of the endowment is regarded as net appreciation and is classified as net assets without donor restrictions, which may be appropriated for expenditure consistent with donor restrictions and the Fund's Total Return Spending Policy.

Return objectives and risk parameters - The primary objective of the endowment fund is to preserve capital to the extent possible and provide a reasonably predictable stream of revenue to provide appropriate funding to the programs supported by the endowment.

Strategies employed for achieving objectives - To satisfy its investment objectives, the board of directors develops an overall investment strategy and invests in funds in accordance with the investment policy and guidelines.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Endowment (continued)

Spending policy and how the investment objectives relate to spending policy - UPMIFA, subject to the donor's intent as expressed in a gift agreement or similar document, the Fund can spend the amount it deems prudent—even from an underwater fund (market value below historical gift value)—after considering the following factors:

- duration and preservation of the endowment fund;
- purposes of the institution and the endowment fund;
- general economic conditions;
- possible effects of inflation or deflation;
- expected total return from income and the appreciation of investments;
- other resources of the institution; and
- investment policy of the institution.

The base spending rate for endowments is 5% except for any endowments that are underwater at the end of the trailing 12-quarter measurement period. Endowment spending will be computed as the trailing 12-quarter average market value as of December 31st of the current year multiplied by the spending rate. The base endowment spending computation is calculated for each endowment fund.

The finance and investment committee of the Fund and board of directors will review the endowment spending policy periodically. Special situations may necessitate an amendment to the endowment spending policy as deemed appropriate by the board of directors.

Fair Value Measurements

The Fund follows the provisions of the FASB ASC Topic *Fair Value Measurements*. This Topic clarifies that fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. This Topic establishes 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 and the lowest priority to unobservable inputs. Determining where an asset or liability falls within that hierarchy depends on the lowest level input that is significant to the fair value measurement as a whole. The three levels of the fair value hierarchy are described below.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued)

Level 1 - Quoted market prices that are available in active markets for identical assets or liabilities. The types of financial instruments included in Level 1 are marketable securities that are traded in an active exchange market.

Level 2 - Pricing inputs other than quoted prices in active markets, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The value of investments included in this category is determined using pricing models with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 includes assets and liabilities whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following is a description of the valuation methodologies used for investments measured at fair value, as well as their general classification pursuant to the valuation hierarchy. There have been no changes in the methodologies used in June 30, 2026 and 2025.

- Money market funds, common stock, mutual funds, exchange-traded funds and fixed-income funds - Investments whose values are based on quoted market prices in active markets are classified as Level 1. These investments include publicly traded money market funds, mutual funds, exchange-traded funds and index funds. The fair values of the money market funds and mutual funds are determined using Net Asset Value ("NAV"). Such funds are registered under the Investment Company Act of 1940 and regularly transact purchases and redemptions at the NAV. These funds are required to publish their daily net asset value and to transact at that price. The funds held by the Fund are deemed to be actively traded.

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 Fund 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 a different fair value measurement at the reporting date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost or fair value, if received by donation. The Fund capitalizes expenditures for property and equipment in excess of $2,500. Expenditures for major improvements are capitalized, while expenditures for routine maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful lives of the assets, which are as follows:

Asset	Years
Software	3 - 7
Office furniture and equipment	3 - 7

Impairment of Long-Lived Assets

The Fund accounts for the valuation of long-lived assets in accordance with the guidance of FASB ASC Topic *Property, Plant and Equipment*. The FASB ASC Topic *Property, Plant and Equipment* requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. At June 30, 2026 and 2025, management has determined that no long-lived assets are impaired.

Revenue Recognition

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from donor restrictions.

Fundraising Events

Revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Under ASC Topic 606, the Fund recognizes revenue when it satisfies performance obligations by transferring control over a product or service to a customer. Fundraising events are comprised of event sponsorships, which are accounted for under ASC Topic 958, and ticket sales which are recognized under ASC Topic 606. Ticket sales revenue for events held by the Fund is recognized when the event takes place. The Fund determines the transaction price based on the selling price of the tickets, adjusted for variable consideration, if any.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met.

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of probable uncollectible amounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contributions receivable. Management believes all outstanding contributions are collectible during the years June 30, 2026 and 2025; therefore, no allowance has been recorded.

Contributions of assets other than cash are reported at their estimated fair value. Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues without donor restrictions. Contributions of cash or other assets to be used to acquire property and equipment with donor stipulations are reported as revenues with donor restrictions and the restrictions are considered to be released at the time the asset is placed in service.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among supporting services benefited on a reasonable basis that is consistently applied. Expenses allocated on the basis of time and effort or actual usage include salaries and related, consulting and professional services, cultivation, office and other expenses, printing and postage, and equipment rental and maintenance.

Advertising

Advertising costs are charged to expense as incurred. The Fund incurred advertising expenses of $9,469 during the year ended June 30, 2026, which are included in consulting and professional services expense in the accompanying statements of functional expenses. No advertising expenses were incurred during the year ended June 30, 2025.

Income Taxes

The Fund is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and accordingly, no provision for income taxes has been recorded in the accompanying financial statements. The Fund is subject to federal and state income taxes on unrelated business income, if any. The Fund files informational tax returns as required by the IRC.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

The Fund accounts for uncertain tax positions in accordance with FASB ASC Topic *Income Taxes*. The Topic prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. This Topic also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At June 30, 2026 and 2025, management believes that the Fund has no material uncertain tax positions. The Fund is no longer subject to tax examination for years prior to 2023.

Reclassifications

Certain amounts in the 2025 financial statements have been reclassified to conform to 2026 classifications. These reclassifications did not have an impact on changes in net assets or net assets.

Subsequent Events

The Fund has evaluated all events subsequent to the statements of financial position date of June 30, 2026, through the date which the financial statements were available to be issued, September 25, 2026, and has determined that there are no subsequent events that require disclosure under FASB ASC Topic *Subsequent Events*.

NOTE 3. AVAILABILITY AND LIQUIDITY

The following represents the Fund's financial assets that are expected to be available as of June 30.

	2026	2025
Cash	$ 1,712,819	$ 1,061,682
Contributions receivable, net	919,742	2,019,844
Investments	13,947,471	10,948,214
Total financial assets available	16,580,032	14,029,740
Less: financial assets with donor restrictions	(5,715,300)	(5,655,461)
Financial assets available in one year to meet cash needs for general expenditures	$ 10,864,732	$ 8,374,279

The Fund's goal is generally to maintain readily available financial assets sufficient to cover approximately six months of operating expenses.

NOTE 4. CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional gifts to be received in future periods and are discounted to their present value based on anticipated payment streams. The discount rate ranges from 3.85% to 5.12% for the years ended June 30, 2026 and 2025. Unconditional contributions receivable at June 30, 2026 and 2025, are summarized as follows:

	2026	2025
Gross contributions receivable	$ 941,616	$ 2,056,022
Unamortized discount	(21,874)	(36,178)
Net contributions receivable	$ 919,742	$ 2,019,844
Gross contributions receivable:		
Receivable in less than one year	$ 675,966	$ 1,596,022
Receivable in one to four years	265,650	460,000
	$ 941,616	$ 2,056,022

NOTE 5. FAIR VALUE MEASUREMENTS

The following fair value hierarchy table presents information about investments measured at fair value on a recurring basis as of June 30, 2026:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 85,257	$ -	$ -	$ 85,257
Mutual funds:				
Index fund	3,932,421	-	-	3,932,421
Exchange-traded funds:				
Foreign large blend	2,024,187	-	-	2,024,187
World large - stock value	1,560,182	-	-	1,560,182
World large - stock growth	1,468,086	-	-	1,468,086
Diversified emerging markets	792,778	-	-	792,778
Small blend	667,500	-	-	667,500
Fixed-income funds:				
Intermediate core bonds	1,830,621	-	-	1,830,621
Multisector bond	893,091	-	-	893,091
U.S. fund inflation - protected bond	693,348	-	-	693,348
	$ 13,947,471	$ -	$ -	$ 13,947,471

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

The following fair value hierarchy table presents information about investments measured at fair value on a recurring basis as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 179,703	$ -	$ -	$ 179,703
Mutual funds:				
Index fund	3,010,744	-	-	3,010,744
Exchange-traded funds:				
Foreign large blend	1,378,128	-	-	1,378,128
World large - stock growth	1,252,467	-	-	1,252,467
World large - stock blend	1,220,865	-	-	1,220,865
Diversified emerging markets	640,753	-	-	640,753
Small blend	489,614	-	-	489,614
Fixed-income funds:				
Intermediate core bonds	1,676,971	-	-	1,676,971
Multisector bond	1,098,969	-	-	1,098,969
	$ 10,948,214	$ -	$ -	$ 10,948,214

NOTE 6. ENDOWMENT

Changes in endowment for the year ended June 30, 2026, are summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment, beginning of year	$ -	$ 2,861,304	$ 2,861,304
Investment gains	-	465,361	465,361
Investment fees	-	(4,538)	(4,538)
Contributions	-	1,149,406	1,149,406
Appropriations	(118,546)	-	(118,546)
Releases from donor restrictions	118,546	(118,546)	-
Endowment, end of year	$ -	$ 4,352,987	$ 4,352,987

NOTE 6. ENDOWMENT (CONTINUED)

Changes in endowment for the year ended June 30, 2025, are summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment, beginning of year	$ -	$ 2,591,760	$ 2,591,760
Investment gain	-	308,299	308,299
Investment fees	-	(5,344)	(5,344)
Contributions	-	61,106	61,106
Appropriations	(94,517)	-	(94,517)
Releases from donor restrictions	94,517	(94,517)	-
Endowment, end of year	$ -	$ 2,861,304	$ 2,861,304

NOTE 7. PROPERTY AND EQUIPMENT

The Fund's property and equipment consist of the following as of June 30:

	2026	2025
Software	$ 13,319	$ 13,319
Office furniture and equipment	23,551	23,551
	36,870	36,870
Less: accumulated depreciation	(34,190)	(30,825)
Net property and equipment	$ 2,680	$ 6,045

NOTE 8. IN-KIND CONTRIBUTIONS

For the years ended June 30, 2026 and 2025, in-kind contributions recognized in the accompanying statements of activities and changes in net assets included:

	2026	2025
Rent	$ 49,409	$ 49,409
Equipment and supplies	20,068	86,839
Total in-kind contributions	$ 69,477	$ 136,248

Donated rent is valued based on the square footage of the space utilized and the fair market value of the price per square foot for comparable spaces available in the local market. Donations of equipment and supplies are valued at the estimated wholesale prices of similar products using pricing data under "like-kind" methodology considering the goods' condition and utility for use at the time of the contribution. Donated rent was utilized to support management and general activities of the Fund. Donated equipment and supplies were used in management and general and fundraising activities. The Fund did not monetize or sell these contributed nonfinancial assets during the years ended June 30, 2026 and 2025.

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of June 30:

	2026	2025
Perpetual restrictions	$ 3,333,234	$ 2,276,796
Purpose restrictions:		
Programming	1,226,232	883,255
Youth engagement	478,714	1,381,907
Acquisitions	18,735	10
Workforce development	312,695	580,835
Capital	140,500	117,000
Community learning	8,311	93,992
Total purpose restricted	2,185,187	3,056,999
Time restrictions	196,879	321,666
Total net assets with donor restrictions	$ 5,715,300	$ 5,655,461

The Fund's net assets with donor restrictions that are held in perpetuity are included in the Fund's endowment funds, which are restricted to generate income to be used to support teen programs, parochial school partnerships, children's music programs and the Martel Fund for children's programs.

Net assets are released from donor restrictions by incurring expenses or costs satisfying the restricted purpose or by occurrence of events specified by the donors. Net assets released from donor restrictions are as follows at June 30:

	2026	2025
Youth engagement	$ 1,143,781	$ 209,063
Programming	1,074,695	371,369
Time-restricted pledges	770,557	56,555
Workforce development	592,210	181,798
Community learning	224,281	237,456
Capital	120,539	1,897,416
Acquisitions	7,676	9,330
	$ 3,933,739	$ 2,962,987

NOTE 10. CONCENTRATION OF REVENUE

During the year ended June 30, 2026, the Fund had no donor that accounted for a significant concentration of the Fund's contribution revenue. During the year ended June 30, 2025, 42% of the Fund's contribution revenue was from two donors, of which $1 million from one of these donors was included in contributions receivable at June 30, 2025.

NOTE 11. RELATED-PARTY TRANSACTION

During the years ended June 30, 2026 and 2025, the Fund provided grants to the Library in the amounts of $3,393,007 and $3,646,334, respectively. There were no amounts outstanding that were owed to the Library at June 30, 2026 and 2025.

NOTE 12. CONDITIONAL GRANT

During the year ended June 30, 2025, the Fund received a conditional grant of $5,500,000 to support the McKim Renovation Readiness Initiative.

During the year ended June 30, 2025, the Organization met certain conditions and recognized $2,000,000 of revenue related to this grant. The remaining installments totaling $3,500,000 will be recognized if further conditions outlined in the grant are met at various milestones through 2029, which related to securing additional funding by specified dates outlined within the agreement.

No additional conditions were met, and no revenue was recognized related to this grant during the year ended June 30, 2026. As of June 30, 2026, conditional grant funding of $3,500,000 remained unrecognized.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Executive Committee
Boston Public Library Fund, Inc.
Boston, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Boston Public Library Fund, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boston Public Library Fund, Inc.'s internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boston Public Library Fund, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Boston Public Library Fund, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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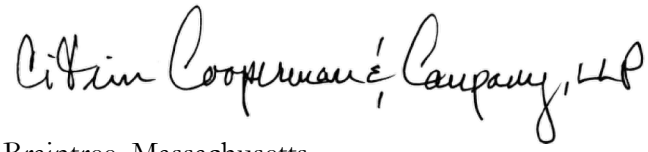
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boston Public Library Fund, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Boston Public Library Fund, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Braintree, Massachusetts
September 25, 2026

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