




Linda Hall Library Foundation

Independent Auditor's Report and Financial Statements

December 31, 2024 and 2023



Linda Hall Library Foundation
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December 31, 2024 and 2023

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Independent Auditor's Report

Board of Trustees
Linda Hall Library Foundation
Kansas City, Missouri

Opinion

We have audited the financial statements of Linda Hall Library Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024 and 2023, 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 (GAAS). 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 these financial statements are available to be issued.

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 GAAS 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 GAAS, 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 Linda Hall Library Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Forvis Mazars, LLP

**Kansas City, Missouri
June 23, 2025**

Linda Hall Library Foundation
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
ASSETS		
Cash	\$ 1,027,992	\$ 462,873
Contributions receivable, net	146,470	223,100
Grants receivable	72,658	32,066
Due from related party	4,878	133,740
Prepaid expenses and other assets	50,281	19,765
	<u>1,302,279</u>	<u>871,544</u>
Total assets	<u>\$ 1,302,279</u>	<u>\$ 871,544</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 18,282	\$ 10,597
Due to related party	7,858	148,960
	<u>26,140</u>	<u>159,557</u>
Total liabilities	<u>26,140</u>	<u>159,557</u>
Net Assets		
Without donor restrictions	1,089,197	455,552
With donor restrictions	186,942	256,435
	<u>1,276,139</u>	<u>711,987</u>
Total net assets	<u>1,276,139</u>	<u>711,987</u>
Total liabilities and net assets	<u>\$ 1,302,279</u>	<u>\$ 871,544</u>

Linda Hall Library Foundation
Statement of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions of cash and other financial assets	\$ 734,243	\$ 208,076	\$ 942,319
Contributions of nonfinancial assets	291,860	-	291,860
Grant revenue	-	72,658	72,658
Net assets released from restrictions - satisfaction of donor restrictions	350,227	(350,227)	-
Total revenues, gains and other support	1,376,330	(69,493)	1,306,837
Expenses			
Program services	1,231,140	-	1,231,140
Management and general	205,175	-	205,175
Fundraising	306,370	-	306,370
Total expenses	1,742,685	-	1,742,685
Change in Net Assets Before Transfer from Affiliate	(366,355)	(69,493)	(435,848)
Transfer from Affiliate	1,000,000	-	1,000,000
Change in Net Assets	633,645	(69,493)	564,152
Net Assets, Beginning of Year	455,552	256,435	711,987
Net Assets, End of Year	\$ 1,089,197	\$ 186,942	\$ 1,276,139

Linda Hall Library Foundation
Statement of Activities
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions of cash and other financial assets	\$ 433,495	\$ 185,791	\$ 619,286
Contributions of nonfinancial assets	476,117	-	476,117
Grant revenue	-	32,066	32,066
Other income	1,105	-	1,105
Net assets released from restrictions - satisfaction of donor restrictions	448,754	(448,754)	-
Total revenues, gains and other support	1,359,471	(230,897)	1,128,574
Expenses			
Program services	1,205,387	-	1,205,387
Management and general	331,515	-	331,515
Fundraising	428,274	-	428,274
Total expenses	1,965,176	-	1,965,176
Change in Net Assets	(605,705)	(230,897)	(836,602)
Net Assets, Beginning of Year	1,061,257	487,332	1,548,589
Net Assets, End of Year	\$ 455,552	\$ 256,435	\$ 711,987

Linda Hall Library Foundation
Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 348,347	\$ 113,900	\$ 152,518	\$ 614,765
Employee benefits	76,159	18,804	29,429	124,392
Advertising and marketing	137,788	45,828	48,450	232,066
Insurance	539	62	3	604
Maintenance	682	80	2	764
Meals and entertainment	46,645	121	9,248	56,014
Membership	1,757	1,794	5,086	8,637
Miscellaneous	2,722	1,684	3,802	8,208
Postage and freight	6	463	390	859
Printing and publications	6,320	-	1,062	7,382
Professional fees	96,229	22,048	8,043	126,320
Program and grant	465,292	-	-	465,292
Service contracts	-	-	43,186	43,186
Supplies	17,566	-	1,835	19,401
Travel and training	29,708	230	3,310	33,248
Utilities	1,380	161	6	1,547
	<u>\$ 1,231,140</u>	<u>\$ 205,175</u>	<u>\$ 306,370</u>	<u>\$ 1,742,685</u>

Linda Hall Library Foundation
Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 460,863	\$ 176,139	\$ 231,423	\$ 868,425
Employee benefits	99,201	28,329	41,956	169,486
Advertising and marketing	110,673	33,126	45,447	189,246
Insurance	547	64	3	614
Maintenance	597	70	3	670
Meals and entertainment	10,017	371	43,318	53,706
Membership	2,040	216	1,393	3,649
Miscellaneous	3,508	2,044	2,679	8,231
Postage and freight	56	-	531	587
Professional fees	56,948	85,509	16,432	158,889
Program and grant	415,534	-	2,500	418,034
Service contracts	190	22	38,126	38,338
Supplies	4,437	-	2,068	6,505
Travel and training	39,290	5,452	2,388	47,130
Utilities	1,486	173	7	1,666
	<u>\$ 1,205,387</u>	<u>\$ 331,515</u>	<u>\$ 428,274</u>	<u>\$ 1,965,176</u>

Linda Hall Library Foundation
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Change in net assets	\$ (435,848)	\$ (836,602)
Items not providing operating activities cash flows		
Change in contribution receivable allowance	(2,370)	408
Changes in		
Contributions and grants receivable	38,408	(52,066)
Prepaid expenses and other	(30,516)	9,244
Accounts payable	7,685	(55,322)
Due to/from related party	(12,240)	(52,247)
	<u>(434,881)</u>	<u>(986,585)</u>
Net cash used in operating activities		
Financing Activities		
Transfers from Linda Hall Trust	<u>1,000,000</u>	<u>-</u>
Net cash provided by financing activities	<u>1,000,000</u>	<u>-</u>
Increase (Decrease) in Cash	565,119	(986,585)
Cash, Beginning of Year	<u>462,873</u>	<u>1,449,458</u>
Cash, End of Year	<u><u>\$ 1,027,992</u></u>	<u><u>\$ 462,873</u></u>

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Linda Hall Library Foundation (the Foundation), a controlled affiliate of Linda Hall Library Trusts, is a not-for-profit organization, formed on December 19, 2013 as a public charity. The Foundation was organized to promote public understanding of science, and further education and scholarship in science, engineering, technology, and their histories. The Foundation commenced operations in 2014.

The Foundation's primary source of revenue is from fundraising. The Foundation partners with Linda Hall Library Trusts (the Trusts) to sponsor lectures, symposia, colloquia, seminars, exhibitions, and programs to preserve and maintain important educational resources in the science, engineering and technology areas. The Foundation and Trusts are related by virtue of having the same board of trustees.

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 at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

Cash consists of deposit accounts held at banks. Deposits restricted internally by the board are considered to be cash. At December 31, 2024, the Foundation's cash exceeded federally insured limits by approximately \$612,000.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Net assets without donor restrictions represent resources over which the board of trustees has discretionary control and are used to carry out the operations of the Foundation in accordance with its bylaws. The governing board has designated, from net assets without donor restrictions, net assets for certain purposes.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Resources of these funds originate from gifts and grants.

The Foundation reports gifts of cash and other assets as donor-restricted support if they are received with donor stipulations that limit the use of the donated assets. 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.

Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor 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. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Government Grants

Support funded by grants is recognized as the Foundation meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Linda Hall Library Foundation
Notes to Financial Statements
December 31, 2024 and 2023

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income.

The Foundation files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on time expended, usage and other methods.

Advertising Costs

The Foundation expenses advertising costs as they occur. Advertising expense was \$232,066 and \$189,246 for the years ended December 31, 2024 and 2023, respectively.

Note 2. Contributions Receivable

Contributions receivable consisted of the following:

2024			
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 150,000	\$ 1,000	\$ 151,000
Less			
Allowance	(4,230)	(300)	(4,530)
	<u>\$ 145,770</u>	<u>\$ 700</u>	<u>\$ 146,470</u>
2023			
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 5,000	\$ 225,000	\$ 230,000
Less			
Allowance	(150)	(6,750)	(6,900)
	<u>\$ 4,850</u>	<u>\$ 218,250</u>	<u>\$ 223,100</u>

As of December 31, 2024 and 2023, one donor represented 99% and three donors represented 65% of the total contributions receivable, respectively.

Note 3. Conditional Grants and Contributions

The Foundation receives grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. At December 31, 2024 and 2023, the Foundation had funding available of \$171,501 and \$124,159, respectively, conditional upon incurring qualifying expenses subject to the terms of the grantor. Subsequent to December 31, 2024, the conditional grants were terminated by the Federal Government, resulting in the loss of \$102,469 that otherwise would have been available conditionally upon incurring qualifying expenses.

Note 4. Net Assets

Net Assets With Donor Restrictions

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

	2024	2023
Subject to expenditure for specified purpose		
Programming	\$ 7,053	\$ 106,509
Fellowship	61,350	57,100
Preservation	9,400	4,350
Venture Fund	-	74,787
Subject to expenditure for specified time and purpose		
Kansas City Invention Convention	9,139	13,689
Subject to the passage of time		
General operations	100,000	-
	<u>\$ 186,942</u>	<u>\$ 256,435</u>

Net Assets Without Donor Restrictions

Net assets without donor restrictions at December 31 have been designated for the following purposes:

	2024	2023
Undesignated	\$ 894,103	\$ 104,258
Designated by the Board for Venture Fund	11	11
Designated by the Board for Fellowship Fund	195,083	351,283
	<u>\$ 1,089,197</u>	<u>\$ 455,552</u>

Linda Hall Library Foundation
Notes to Financial Statements
December 31, 2024 and 2023

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.

	2024	2023
Satisfaction of purpose restrictions		
Programming	\$ 178,821	\$ 73,978
Fellowship	47,443	48,421
Venture Fund	74,789	11,290
Kauffman Foundation	-	229,940
Satisfaction of time and purpose restrictions		
Kansas City Invention Convention	49,174	85,125
	<u>\$ 350,227</u>	<u>\$ 448,754</u>

Note 5. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024 and 2023, comprise the following:

	2024	2023
Cash	\$ 1,027,992	\$ 462,873
Grant receivable	72,658	32,066
Contributions receivable	146,470	223,100
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,247,120</u>	<u>\$ 718,039</u>

The Foundation receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended December 31, 2024 and 2023, restricted contributions of \$186,942 and \$256,435, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Foundation and Trusts share in the cost of supporting fellowships and providing various programs throughout the year that are made available to the general public. The Foundation fundraising is focused on the support of these programs. The Trusts also subsidizes the Foundation in the event of a cash shortfall.

Note 6. Related Party Transactions

The Foundation and Trusts are related parties that are financially interrelated organizations. The two entities have a written agreement for services whereby each entity is responsible for compensating the other for services rendered. The amounts paid for services and facilities are to cover the cost of the service. Pension and retirement benefits represent amounts allocated to the Foundation in connection with a 403(b) plan sponsored by the Trusts. Expenses allocated to the Foundation by the Trusts totaled \$743,100 and \$1,021,700 for the years ended December 31, 2024 and 2023, respectively. Amounts payable for expenses provided or allocated by the Trusts aggregated \$7,858 and \$148,960 as of December 31, 2024 and 2023, respectively. Amounts receivable for expenses provided or allocated by the Foundation to the Trust aggregated \$4,878 and \$133,740 as of December 31, 2024 and 2023, respectively. During February 2024, the Board of Trustees approved and accepted a one-time capital contribution from the Linda Hall Library Trusts of \$1,000,000 to the Foundation for general support; the cash transfer was executed on March 8, 2024.

Note 7. Contributed Nonfinancial Assets

For the years ended December 31, 2024 and 2023, contributed nonfinancial assets of \$291,860 and \$476,117, respectively, were recognized within revenue. The contributed non-financial assets were contributions of services rendered from the Trusts (see *Note 6*). Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

Note 8. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosures of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

During 2024, four of the Foundation's donors represented 59% of the total contribution revenue. During 2023, one of the Foundation's donors represented 26% of the total contribution revenue.

Note 9. Subsequent Events

Subsequent events have been evaluated through June 23, 2025, which is the date the financial statements were available to be issued.