CARNEGIE LIBRARY OF PITTSBURGH

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDING DECEMBER 31, 2024 AND 2023

CARNEGIE LIBRARY OF PITTSBURGH
DECEMBER 31, 2024 AND 2023

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Zelenkofske Axelrod LLC
CERTIFIED PUBLIC ACCOUNTANTS
EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Independent Auditor's Report

To the Board of Trustees
Carnegie Library of Pittsburgh
Pittsburgh, Pennsylvania

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statement of Carnegie Library of Pittsburgh (the "Library") and affiliate, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statement.

In our opinion, the accompanying consolidated financial statement present fairly, in all material respects, the consolidated financial position of the Library and affiliate, as of December 31, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Library, 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.

Other Matter

The consolidated financial statements of the Library and affiliate for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on May 17, 2024.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Library'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library'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.

Zelenkofske Axelrod LLC

Zelenkofske Axelrod LLC

Pittsburgh, Pennsylvania
May 27, 2025

CARNEGIE LIBRARY OF PITTSBURGH
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
Assets		
Current Assets:		
Cash and cash equivalents - operating (Note 2)	$ 14,431,070	$ 21,231,478
Cash and cash equivalents - capital (Note 2)	4,288,508	4,332,153
Cash and cash equivalents - endowment (Note 2)	53,524	84,059
Other receivables (Note 2)	2,080,786	2,105,619
Pledge receivables, current (Note 3)	277,297	387,058
Prepaid expenses	1,662,444	1,370,902
Other current assets	251,323	256,849
Total current assets	23,044,952	29,768,118
Non-current assets:		
Bellefield Boiler Plant reserve	14,174	14,174
Pledge receivables, non-current, net of discount (Note 3)	9,106	77,845
Right-of-use asset - financing lease (Note 12)	82,424	144,314
Right-of-use asset - operating lease (Note 12)	4,582,930	4,991,220
Total non-current assets	4,688,634	5,227,553
Long-term investments:		
Investments - operating reserve (Note 5 & 6)	20,462,482	12,961,564
Investments - capital (Note 5 & 6)	2,705,513	2,406,170
Investments - endowment (Note 5,6, & 7)	26,630,626	24,015,214
Investments - stock (Note 5 & 6)	10,474,609	10,404,619
Value of share in split-interest agreements (Notes 5 & 6)	1,741,336	1,656,837
Total long-term investments	62,014,566	51,444,404
Other assets:		
Investments restricted to collection items not capitalized (Note 10)	7,030,489	6,627,149
Land, buildings, and eqiupment, net (Note 4)	55,550,982	56,302,057
Total other assets	62,581,471	62,929,206
Total Assets	$ 152,329,623	$ 149,369,281
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,718,168	$ 3,354,379
Accrued salaries, wages, and related payroll taxes	1,393,328	1,128,285
Bonds payable, current (Note 14)	895,000	860,000
Current portion of lease liability - financing lease (Note 12)	16,933	144,794
Current portion of lease liability - operating lease (Note 12)	409,883	408,289
Total current liabilities	4,433,312	5,895,747
Long-term liabilties:		
Bond payable, non-current, net (Note 14)	2,256,869	3,218,111
Non-current portion of lease liability - financing lease (Note 12)	66,112	-
Non-current portion of lease liability - operating lease (Note 12)	4,173,047	4,582,931
Total long-term liabilities	6,496,028	7,801,042
Total Liabilities	10,929,340	13,696,789
Net Assets:		
Without donor restrictions	99,359,844	97,832,307
With donor restrictions (Note 8)	42,040,439	37,840,185
Total Net Assets	141,400,283	135,672,492
Total Liabilities and Net Assets	$ 152,329,623	$ 149,369,281

See accompanying notes to the consolidated financial statements.

CARNEGIE LIBRARY OF PITTSBURGH
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Operating Public Support, Revenues, and Gains	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Allegheny County Regional Asset District	$ 25,751,032	$ -	$ 25,751,032
Allegheny County	-	854,348	854,348
City of Pittsburgh	68,471	-	68,471
Library Tax	4,309,966	-	4,309,966
Commonwealth of Pennsylvania	5,317,529	2,665,939	7,983,468
Fundraising - private	1,293,026	2,460,163	3,753,189
Other income	263,859	-	263,859
Insurance proceeds (Note 4)	747,547	-	747,547
Investment return designated for current operations	1,286,530	964,947	2,251,477
	39,037,960	6,945,397	45,983,357
Net assets released from restrictions (Note 9)	6,060,170	(6,060,170)	-
Total operating public support, revenues, and gains	45,098,130	885,227	45,983,357
Operating Expenses			
Program services	38,756,992	-	38,756,992
Management and general	5,621,267	-	5,621,267
Fundraising	1,083,330	-	1,083,330
Total operating expenses	45,461,589	-	45,461,589
Excess (deficiency) of operating public support, revenues, and gains over operating expenses	(363,459)	885,227	521,768
Nonoperating Support, Revenues, and Gains			
Change in fair value of split-interest agreements	-	84,499	84,499
Investment return, net	1,862,506	2,578,458	4,440,964
Net assets released from restrictions for capital expenses (Note 9)	28,490	(28,490)	-
Total nonoperating support, revenues, and gains	1,890,996	2,634,467	4,525,463
Change in Net Assets Related to Collection Items Not Capitalized			
Investment return on insurance proceeds	-	680,560	680,560
Total change in net assets related to collection items not capitalized	-	680,560	680,560
Change in Net Assets	1,527,537	4,200,254	5,727,791
Net Assets			
Beginning of year	97,832,307	37,840,185	135,672,492
End of year	$ 99,359,844	$ 42,040,439	$ 141,400,283

See accompanying notes to the consolidated financial statements.

CARNEGIE LIBRARY OF PITTSBURGH
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Operating Public Support, Revenues, and Gains	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Allegheny County Regional Asset District	$ 25,049,069	$ -	$ 25,049,069
Allegheny County	-	511,772	511,772
City of Pittsburgh	62,420	-	62,420
Library Tax	4,836,235	-	4,836,235
Commonwealth of Pennsylvania	5,424,894	619,598	6,044,492
Other government sources	323	-	323
Fundraising - private	1,263,804	4,499,529	5,763,333
Other income	193,386	-	193,386
Insurance proceeds (Note 4)	2,550,686	-	2,550,686
Investment return designated for current operations	1,107,407	805,762	1,913,169
	40,488,224	6,436,661	46,924,885
Net assets released from restrictions (Note 9)	5,119,506	(5,119,506)	-
Total operating public support, revenues, and gains	45,607,730	1,317,155	46,924,885
Operating Expenses			
Program services	37,539,512	-	37,539,512
Management and general	5,126,190	-	5,126,190
Fundraising	1,084,411	-	1,084,411
Total operating expenses	43,750,113	-	43,750,113
Excess (deficiency) of operating public support, revenues, and gains over operating expenses	1,857,617	1,317,155	3,174,772
Nonoperating Support, Revenues, and Gains			
Change in fair value of split-interest agreements	-	124,633	124,633
Investment return, net	1,633,141	3,300,172	4,933,313
Net assets released from restrictions for capital expenses (Note 9)	387,387	(387,387)	-
Total nonoperating support, revenues, and gains	2,020,528	3,037,418	5,057,946
Change in Net Assets Related to Collection Items Not Capitalized			
Investment return on insurance proceeds	-	894,745	894,745
Total change in net assets related to collection items not capitalized	-	894,745	894,745
Change in Net Assets	3,878,145	5,249,318	9,127,463
Net Assets			
Beginning of year	93,954,162	32,590,867	126,545,029
End of year	$ 97,832,307	$ 37,840,185	$ 135,672,492

See accompanying notes to the consolidated financial statements.

CARNEGIE LIBRARY OF PITTSBURGH
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Fundraising	Total
Salaries	$ 17,192,936	$ 2,861,347	$ 700,454	$ 20,754,737
Collections	5,987,525	-	-	5,987,525
Benefits and payroll taxes	4,639,548	783,490	165,202	5,588,240
Occupancy	4,269,724	4,440	154	4,274,318
Depreciation and amortization	3,198,660	151,807	-	3,350,467
Professional services	1,132,772	659,771	104,377	1,896,920
Supplies and expenses	1,458,183	179,088	88,985	1,726,256
Information technology	439,540	279,585	-	719,125
Advertising and promotion	158,878	312,718	18,958	490,554
Interest	45,340	1,488	-	46,828
Insurance	26,475	313,242	-	339,717
Conferences, conventions, and meetings	136,050	63,598	2,521	202,169
Travel	13,017	10,693	2,679	26,389
Vehicle expense	58,344	-	-	58,344
Total Expenses	$ 38,756,992	$ 5,621,267	$ 1,083,330	$ 45,461,589

See accompanying notes to the consolidated financial statements.

CARNEGIE LIBRARY OF PITTSBURGH
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Management and General	Fundraising	Total
Salaries	$ 15,661,247	$ 2,496,433	$ 687,422	$ 18,845,102
Collections	5,601,733	732	-	5,602,465
Benefits and payroll taxes	4,409,429	686,386	157,102	5,252,917
Occupancy	5,643,511	62,295	-	5,705,806
Depreciation and amortization	3,201,575	308,639	-	3,510,214
Professional services	1,041,709	584,482	93,337	1,719,528
Supplies and expenses	1,139,605	178,002	81,346	1,398,953
Information technology	473,559	280,589	1,597	755,745
Advertising and promotion	69,490	221,083	59,485	350,058
Interest	107,319	930	-	108,249
Insurance	25,320	249,975	-	275,295
Conferences, conventions, and meetings	94,633	44,865	1,056	140,554
Travel	7,845	11,779	3,066	22,690
Vehicle expense	62,537	-	-	62,537
Total Expenses	$ 37,539,512	$ 5,126,190	$ 1,084,411	$ 43,750,113

CARNEGIE LIBRARY OF PITTSBURGH
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activites:		
Change in net assets	$ 5,727,791	$ 9,127,463
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	3,350,467	3,510,214
Net (appreciation) depreciation on investments	(3,990,504)	(5,176,101)
Contributions restricted for long-term purposes	(1,033,401)	(1,842,931)
Earnings on insurance proceeds restricted to collection items not capitalized	(680,100)	(894,745)
Loss on disposal of fixed assets	15,470	-
Change in assets and liabilities		
Receivables	203,333	5,120,415
Prepaid expenses	(291,542)	103,120
Other current assets	5,526	5,371
Accounts payable and accrued expenses	(2,013,321)	826,165
Accrued salaries, wages, and related payroll taxes	265,043	107,944
Net cash provided by (used in) operating activities	1,558,762	10,886,915
Cash Flows from Investing Activites:		
Purchase of land, building and equipment	(2,062,693)	(3,444,527)
Proceeds from sale of investments	41,343,796	796,579
Purchase of investments	(47,838,956)	(3,444,281)
(Increase) decrease in split-interest agreements	(84,499)	(185,299)
Net cash provided by (used in) investing activities	(8,642,352)	(6,277,528)
Cash Flows From Financing Activites		
Payment on bonds	(949,493)	(885,931)
Draw on insurance proceeds for direct care expenses	276,761	312,930
Payments on finance lease liabilities	(151,667)	(310,247)
Receipts of contributions restricted for long-term purposes	1,033,401	1,842,931
Net cash provided by (used in) financing activities	209,002	959,683
Net Increase (Decrease) in Cash and Cash Equivalents	(6,874,588)	5,569,070
Cash and Cash Equivalents (including operating, capital and endowment):		
Beginning of year	25,647,690	20,078,620
End of year	$ 18,773,102	$ 25,647,690
Supplemental Data:		
Interest paid	$ 45,340	$ 107,319
Interest paid - financing leases	1,488	930
Total interest paid	$ 46,828	$ 108,249
Schedule of Noncash Investing and Financing Activities:		
Addition of right-of-use asset for operating leases	$ -	$ 319,383
Addition of right-of-use asset for financing leases	$ 89,917	$ -
Capital additions included in accounts payable	$ 377,110	$ 452,309

See accompanying notes to the consolidated financial statements.

1. Organization

The Carnegie Library of Pittsburgh (Library) is a public trust established in 1895 for the benefit of the citizens of Western Pennsylvania. As a free public library, the Library provides collections, programs, and services through a network of twenty-one (21) locations, including the Main Library, Library of Accessible Media for Pennsylvanians (LAMP), and Allegheny County Law Library (ACLL), all of which are public service outlets, and the Library Support Center in the West End, which is not a public service outlet. In July 2023, the Library entered into a management agreement with Allegheny County to oversee the operations of the ACLL.

The Library is an organization described under Section 501(c)(3) of the Internal Revenue Code (IRC) and is, therefore, exempt from taxation under Section 501(a) of the IRC. Additionally, the Library is classified as an organization which is not a private foundation according to the Internal Revenue Code. As a not-for-profit public trust, the Library is required to file federal information returns annually with the Internal Revenue Service.

A significant portion of the Library's funds are received from governmental agencies that annually appropriate funds designated for the Library.

The Library has a cooperation and support agreement with Allegheny Regional Asset District (District) for the purposes of supporting and financing the activities of the Library and providing for oversight of efficient operation of the Library. Provided the Library complies with the requirements of the agreement, the District covenants to provide funds of at least $15,752,000 to the Library annually through the year 2029. The District renews agreements with its contractual assets every five years. In 2002, this agreement was amended in connection with the issuance of bonds. Under this amendment, the District has committed to allocate $1,000,000 of the annual grant to the Library for payment of debt service on the bonds through 2027. This agreement was reaffirmed in 2010 and again in 2021 with the issuance of the new bonds. The District may also provide support to the Library for special projects.

The Library also has support agreements with the Commonwealth of Pennsylvania for annual library operations and for capital renovation and construction reimbursement. Other Commonwealth revenue sources include table games revenue as authorized by Senate Bill 711 of 2009.

The Library receives a 0.25 mill property tax levy from the residents of the City of Pittsburgh. The proceeds are to be used exclusively for the operation and maintenance of the Library. Tax revenue recognized for 2024 and 2023 amounted to approximately $4.31 million and $4.84 million, respectively.

The Centers for Disease Control (CDC) declared COVID-19 a pandemic on March 11, 2020. That declaration ended on May 11, 2023. During that time, the Library followed the CDC's and the local health department's guidelines for closure and re-opening. During 2023, the Library was able to restore the service hours it offered prior to the pandemic. The Library received funds in 2020 from pandemic stimulus programs including the Paycheck Protection Program and the CARES Act. In 2021 and 2022, the Library filed for reimbursement with the IRS under the Employee Retention Credit Program for calendar years 2020 and 2021. The filings totaled approximately $5.6 million, of which $124,300 was received for the year ending December 31, 2022. Due to the high likelihood of receiving the remaining funds in 2023, a receivable for $5.5 million was recorded as of December 31, 2022. That payment was received in 2023, and then invested in the Library’s Operating Reserve account for long term investment in 2024.

2. Summary of Significant Accounting Policies

A summary of significant accounting policies consistently followed by management in the preparation of the accompanying financial statements follows:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Revenues are recognized as they are earned, and expenses are recorded when liabilities are incurred.

Reporting Entity

The financial statements include the accounts of the Library and the Jack G. Buncher Charitable Fund for the Carnegie Library of Pittsburgh (Fund). The Fund is a supporting organization of the Library and had total assets of $11,022,284 and $10,975,730, and total revenue and unrealized gains/(losses) of $1,346,554 and $803,979 as of December 31, 2024 and 2023, respectively. All interrelated transactions and accounts are eliminated.

Basis of Presentation

The Library reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are composed of expendable resources used to support the Library's core activities and all other resources not included in the below categories. Donor-restricted contributions that are received on a reimbursement basis and, therefore, by their nature must have their restrictions met in the same reporting period, are classified as support without donor restrictions. Restricted contributions that are received and spent within the reporting year are treated as net assets without restrictions. Donor-restricted resources intended for capital projects are released and reclassified as support without donor restrictions when the related assets are capitalized. All expenses are recorded as a reduction to net assets without donor restrictions. Certain net assets without restrictions have been designated for funding of future capital maintenance and Library programs. A substantial portion of the net assets without restrictions are not readily available for general organization purposes. Included in the net asset figure without restrictions is the net asset that represents buildings and equipment, net of related debt.
Net assets with restrictions carry restrictions that expire upon the passage of a prescribed period of time or upon the occurrence of a stated event as specified by the donor. Included in this category are gifts held by the Library pending their use in accordance with donor stipulations, unexpended donor gifts for capital projects, pledges, certain split-interest agreements, and term endowments.

Some net assets with restrictions are to be held in perpetuity by the Library, including certain gifts of endowment and split-interest agreements. Investment earnings on the related assets are classified based on donor restrictions or Pennsylvania Law.

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 amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Investments and Investment Return

Investments are carried at fair value as outlined in Note 6. Gains and losses from the sale of investments are determined by the average cost method.

Investment fees amounted to $100,914 and $89,238 for the years ended December 31, 2024 and 2023, respectively. Investment returns not designated for operations are included in the statements of activities as non-operating gains (losses). For its endowment, the Library follows a spending policy as outlined in Note 7. The Library also complies with PA State Act 141 of 1998, which requires a minimum endowment draw of 2% and a maximum draw of 7%. Library policy authorizes a draw of up to 5%.

Split-Interest Agreements

The Library is the beneficiary of the income from certain irrevocable trust funds held by bank trustees. The fair value of the Library's share of the trusts is included in the statements of financial position as an asset and as net assets with donor restrictions based upon the nature of the trust. The income from the trusts is recorded upon receipt as either net assets with donor restrictions or without donor restrictions based on the designation by the donor. Income from such trust funds was $94,247 and $75,183 as of December 31, 2024 and 2023, respectively.

Cash and Cash Equivalents

The Library generally classifies all investments with maturities of three months or less, when purchased, to be cash equivalents other than any such investments included in the long-term investment or held for transfer to long-term investments. The Library maintains, at a financial institution, cash and cash equivalents that may exceed federally insured amounts at times. As of the December 31, 2024 and 2023, the balance that exceeded the FDIC limit was $2,319,056 and $2,124,317, respectively.

Liquidity and Availability of Financial Assets

The following reflects the Library's financial assets as of the statement of financial position date (December 31, 2024 and 2023), reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Board-approved draw from the endowment for the following year, as well as amounts that are available for general expenditure in the following year. The Library is partially supported by restricted contributions, and because a donor's restriction requires resources to be used in a particular manner or in a future period, the Library must maintain sufficient resources to meet those responsibilities to its donors. Therefore, financial assets may not be available for general expenditure within one year.

The Library invests cash in excess of daily requirements in various short-term investments, including certificate of deposit and short-term Treasury instruments. To help manage unanticipated liquidity needs, the Library has a committed line of credit (Note 13) in the amount of $5 million which it could draw upon in such an event. Additionally, the Library has a quasi-endowment and operating reserve. Although the Library does not intend to spend from its quasi-endowment other than draw amounts for general expenditure based on the Board approval, amounts could be made available if necessary.

	December 31, 2024	December 31, 2023
Cash and cash equivalents - operating	$ 14,431,070	$ 21,231,478
Accounts and interest receivable	699,796	536,076
Appropriation of investments for current use	725,588	228,571
Less: Donor restrictions for specific purposes or cash restricted for specific uses	(9,166,558)	(8,991,118)
Less: Board-designated operating reserves	-	(373,000)
Financial assets available to meet cash needs for general expenditure within one year	$ 6,689,896	$ 12,632,007

Other Receivables

Pledge and Other Receivable include receivables from government grants, support agreements, and other items. For the year ending December 31, 2024, other receivables of $2.08 million is comprised of $1.13 million from the Office of Commonwealth Libraries (OCL), $307,000 in outstanding amounts due for special library tax, and $646,000 for various ongoing operational receivables and one-time grants. For the year ending December 31, 2023, other receivables of $2.10 million is comprised of $1 million from the OCL, $530,000 in outstanding amounts due for special library tax, and $575,000 for various ongoing operational receivables and one-time grants.

The allowance estimate is derived from review of the Library’s historical losses based on the aging of receivables. This estimate is adjusted for management’s assessment of current economic conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Library. Management believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Library’s composition of receivable has remained constant since the

Library's inception. The Library had $41,488 and $75,802 of allowance for credit losses as of December 31, 2024 and 2023, respectively.

Management writes off receivables when there is information that indicated the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery in accordance with the Library's accounting policy election. There were no write-offs for the year ended December 31, 2024. There were $150 of write-offs for the year ended December 31, 2023.

Pledges Receivable

Pledges receivable are recorded as revenue when an unconditional promise to give is received or the condition has been fulfilled for a conditional promise to give. Pledges receivable are recorded at the present value of expected net proceeds ultimately payable to the Library. Pledges receivable are adjusted annually and are reflected in the statements of activities as Fundraising - private.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or 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 substantially met.

Buildings and Equipment

Buildings and equipment are stated at cost when purchased or at fair value when donated. Major improvements and betterments greater than $2,500 are capitalized. Items under the $2,500 capitalization threshold as well as costs of maintenance and repairs that do not extend the estimated useful lives of the applicable assets are charged to expense as incurred. When buildings and equipment are retired, or otherwise disposed of, the asset and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in operations.

Depreciation of property and equipment is calculated over the estimated useful lives of the assets of three to thirty-five years and is computed on the straight-line method.

Collections

Circulating Collections – The circulating collections (materials including books, periodicals, audio visual, etc.) are not recognized as assets in the statements of financial position. Purchases of collection items are expensed and recorded as a decrease in net assets without donor restrictions in the year in which the items are acquired (of which approximately $6.0 million in 2024 and $5.6 million in 2023). Guidance followed for the treatment of expensing collections when purchased is subtopic 958.360 of the Accounting Standards Codification. Proceeds from the sale of circulating collection items would be used to acquire other collection items.

Special Collections – The Library's special collections were primarily acquired through contributions since the Library's inception. Special collections is defined as any current or future special/permanent/historical collection item, including but not limited to rare books, manuscripts, archival holdings, and photographs housed in the Oliver Room or other secure spaces. Special collection items are not recognized as an asset on the statements of financial position. Purchases of new special collection items (none in 2024 and 2023) would be recorded as a decrease in net assets without donor restrictions in the year the items were acquired, or as a decrease to net assets with donor restrictions if the assets used to purchase collections were restricted by donors.

All special collections are subject to appropriate stewardship measures (catalogued, preserved, secured, and cared for as appropriate, finding aids created, and activities verifying their existence and assessing their condition).

The Library's policy is that proceeds from the sale of special collection items, or insurance recoveries on the loss of special collection items would be used to purchase suitable new special collection items or used for direct care of the special collection. Direct care for the Library's special collections is defined as expenses to enhance the life, usefulness and quality of the item, that are based on an institutional plan for the special collection. The policy is based upon the Financial Accounting Standards Board's (FASB) Accounting Standards Updates (ASU) 2019-03, the American Alliance of Museum (AAM's) ethics, guidelines, and recommendation for direct care as well as legal guidance.

Proceeds from the sale of collections or insurance recoveries (of which there was $0 in 2024 and 2023) would be reflected as revenue resulting in an increase in net assets with donor restrictions.

Expense Allocation

The costs of providing the activities of the Library are presented on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited. Allocations among the classifications are performed using a variety of techniques, such as management's identification of indirect costs and budgeted time and effort.

Contributed Nonfinancial Assets

No amounts have been reflected in the financial statements for donated services. The Library pays for all significant services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Library with various programs. In 2024, over 163 volunteers contributed 10,297 hours of service. In 2023, over 167 volunteers contributed 11,240 hours of service.

Operating Activities

For purposes of the statements of activities, the Library distinguishes between operating revenue, support, gains, and expenses and nonoperating revenue, support, gains, and expenses. The Library treats as operating revenue and support and operating expenses all revenues and expenses that are an integral part of its programs and supporting activities, including investment return designated for current operations. All other activity is nonoperating support, revenues, and gains.

Pending Accounting Standards Updates

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of the following updates on the financial statements:

ASU 2022-03, "*Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*," is effective for fiscal years beginning after December 15, 2024. The amendments in this update clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

Reclassifications

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

3. Pledges Receivable

Pledges are recorded in the accompanying financial statements at net present value using discount factors ranging from 4.25% and 4.27% and are expected to be received as follows:

Years ending December 31	Amount
2025	$ 277,297
Current portion	277,297
2026	7,500
2027	2,500
Non-current portion	10,000
Less - amount representing discount	(894)
	$ 286,403

The Library's estimate of an allowance for uncollectible pledges is based on historical collection experience and a review of the current status of the pledges. The Library's estimated allowance resulted in an insignificant amount recorded to the financial statements. Decisions to charge off uncollectible pledges are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. It is reasonably possible that the Library's estimate of an allowance for uncollectible pledges will change.

At the beginning of 2024, the Library held $210,000 in a conditional promise to give. The Library met $30,000 in the conditions and received and recognized payment as revenue on the statement of activities in 2024. No new conditional promises to give were made to the

Library in 2024. The outstanding balance of the conditional promise to give was $180,000 at December 31, 2024. Of that total, $30,000 is expected to be fulfilled in 2025.

At the beginning of 2023, the Library held $240,000 in conditional promises to give. The Library met $30,000 in condition in 2023 and received and recognized payment as revenue on the statement of activities during 2023. No new conditional promises to give were made to the Library in 2023. The outstanding balance of the conditional promise to give was $210,000 at December 31, 2023.

4. Land, Buildings and Equipment

Land, buildings, and equipment at December 31, 2024 and 2023 consist of the following:

	2024	2023
Capital assets:		
Not being depreciated:		
Land	$ 891,298	$ 891,298
Construction in progress	164,202	1,101,053
Total not being depreciated	1,055,500	1,992,351
Being depreciated:		
Building and building improvements	86,906,272	84,755,649
Leasehold improvements	5,010,594	5,010,594
Equipment	7,752,652	7,678,216
Vehicles	648,754	555,659
Total being depreciated	100,318,272	98,000,118
Less: accumulated depreciation	(45,822,790)	(43,690,412)
Net being depreciated	54,495,482	54,309,706
Total capital assets, net of depreciation	$ 55,550,982	$ 56,302,057

Beginning in 2002 and continuing beyond December 31, 2024, the Library is undergoing a series of renovations of certain buildings. The Library also performs ongoing capital maintenance at all locations. As of December 31, 2024 and 2023, $18,412 and $639,315, respectively, remain committed under contracts related to these activities. No net interest costs were capitalized for 2024 and 2023.

Included in building and building improvements are properties received in 2003 through a donation from the City of Pittsburgh (City) for six locations. The fair value of these buildings as of December 31, 2024 and 2023 was $1,740,000, and was offset by an original contribution. Any change in use, termination of use, or sale of these properties is subject to approval by City Council.

In September 2023, a fire occurred in the basement of the Main Library which destroyed data fiber, HVAC, fire alarm and security camera panels and damaged ductwork. Destroyed and damaged building systems were replaced with insurance proceeds. Most of the work to complete the repair occurred in 2023, but certain data line work continued into 2024. The value of any fire-damaged assets and their accumulated depreciation have been removed from the Library's financial statements.

5. Investments

Long-term investments consist of an operating reserve fund, capital replacement fund, endowment fund, private company stock, and split interest agreements at December 31, 2024 and 2023.

The total returns on long-term investments, cash equivalents, and the insurance proceeds restricted to collection items not capitalized for the year ended December 31, 2024, are summarized as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest on cash and cash equivalents	$ 990,009	$ 34,165	$ 1,024,174
Interest and dividend income	610,767	1,318,226	1,928,993
Investment fees	(50,465)	(50,449)	(100,914)
Net realized gain (loss)	335,907	400,756	736,663
Unrealized gain (loss)	1,262,818	2,521,267	3,784,085
Return on investments, net	3,149,036	4,223,965	7,373,001
Investment return designated for current operations	(1,286,530)	(964,947)	(2,251,477)
Investment gain (loss) related to proceeds from special collection insurance recovery (Note 10)	-	(680,560)	(680,560)
Investment gain (loss) recognized	$ 1,862,506	$ 2,578,458	$ 4,440,964

The total returns on long-term investments, cash equivalents, and the insurance proceeds restricted to collection items not capitalized for the year ended December 31, 2023, are summarized as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest on cash and cash equivalents	$ 883,007	$ 38,639	$ 921,646
Interest and dividend income	62,300	835,105	897,405
Investment fees	(46,692)	(42,546)	(89,238)
Net realized gain (loss)	157,336	332,266	489,602
Unrealized gain (loss)	1,684,597	3,837,215	5,521,812
Return on investments, net	2,740,548	5,000,679	7,741,227
Investment return designated for current operations	(1,107,407)	(805,762)	(1,913,169)
Investment gain (loss) related to proceeds from special collection insurance recovery (Note 10)	-	(894,745)	(894,745)
Investment gain (loss) recognized	$ 1,633,141	$ 3,300,172	$ 4,933,313

The Library's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, due to the level of risk associated with these instruments, it is reasonably possible that changes in the values of these instruments will occur in the near-term, and that such changes could materially affect the amounts reported in the financial statements.

6. Fair Value Measurement

The Library determines fair value of investments and other assets using a three-tier hierarchy of valuation inputs, breaking them down into Level 1, Level 2, and Level 3. These assets include an operating reserve fund, a capital replacement fund, and endowment fund (all of which were invested in a multi-strategy fund in 2023), private company stock, and split-interest agreements. The total fair value of the assets as of December 31, 2024 and 2023, respectively, is $62,014,566 and $51,444,404.

CARNEGIE LIBRARY OF PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

Fair values of assets measured on a recurring basis as of December 31, 2024:

		Fair Value Measurements at Reporting Date Using		
Description	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating Reserve:				
Cash and Cash Equivalents	$ 177,204	$ 177,204	$ -	$ -
Equities	13,293,510	13,293,510	-	-
Fixed Income	6,991,768	6,991,768	-	-
Total Operating Reserve	20,462,482	20,462,482	-	-
Capital Replacement Fund:				
Cash and Cash Equivalents	43,892	43,892	-	-
Equities	1,766,142	1,766,142	-	-
Fixed Income	895,479	895,479	-	-
Total Capital Replacement Fund	2,705,513	2,705,513	-	-
Endowment:				
Cash and Cash Equivalents	376,574	376,574	-	-
Equities	17,319,559	17,319,559	-	-
Fixed Income	8,934,493	8,934,493	-	-
Total Endowment	26,630,626	26,630,626	-	-
Private Company Stock	10,474,609	-	-	10,474,609
Split-Interest Agreements	1,741,336	-	-	1,741,336
Investments at fair value	$ 62,014,566	$ 49,798,621	$ -	$ 12,215,945

Fair values of assets measured on a recurring basis as of December 31, 2023:

		Fair Value Measurements at Reporting Date Using		
Description	December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Private Company Stock	$ 10,404,619	$ -	$ -	$ 10,404,619
Split-Interest Agreements	1,656,837	-	-	1,656,837
Total assets in fair value hierarchy	12,061,456	$ -	$ -	$ 12,061,456
Investments measured at net asset value				
Multi-Strategy Funds	39,382,948			
Investments at fair value	$ 51,444,404			

Fair values for Level 1 financial instruments are determined by quoted prices in the active market for identical financial instruments. Fair values for Level 2 financial instruments are determined by other significant observable inputs (quoted prices for similar financial instruments, interest rates, prepayment speeds, credit risk, etc.). Fair values for Level 3 financial instruments are determined by significant unobservable inputs, including the Library's own assumptions in determining the fair value of financial instruments. Since the split-interest agreements and private company stock have no significant observable inputs, they are classified at Level 3. The input used by the Library to measure the value of the split interest agreements is the market value from the bank trust statements. The input used by the Library to measure the value of the private company stock is a third-party FMV appraisal report conducted under valuation services section 100 of the AICPA, net of a discount of 25% for lack of marketability and 5% for lack of control assessed by a third-party consultant. A discount for lack of marketability is applied to take into account the lack of a readily available market to liquidate the shares held. A discount for lack of control is applied to acknowledge the inability to control management or decision making of the private company.

The Multi-Strategy Funds (Commonfund's Multi-Strategy Equity Fund and Multi-Strategy Bond Fund, or MSFs) were reported at market value as of December 31, 2023. The net asset value was calculated as assets of the fund less the fund's liabilities. The share reported by the Library was proportionate to the Library's relative capital contribution and redeemable on a monthly basis. The Library's operating reserve fund, capital replacement fund, and endowment were all invested in the MSFs. The Library liquidated the investments in the MSFs in May 2024 due to a change in investment managers. The funds were directly reinvested in the market and are classified at Level 1. The funds are redeemable on a daily basis.

The Library's operating reserve fund, capital replacement fund, and endowment investments seek to achieve a total return (price appreciation plus dividends and interest income) that exceeds inflation plus 5% per annum through a globally diversified portfolio. Such diversification is designed to provide some downside protection and to potentially enhance long-term total return.

The asset mix is designed not to outperform the best-performing asset class in any given year but rather to produce satisfactory real returns over time periods appropriate to perpetual life charities. Tactical rebalancing may periodically occur to take advantage of perceived market opportunities and/or to return the portfolio towards policy weights.

The following summarizes the changes in fair values associated with Level 3 investments, which include the private company stock and split-interest agreements:

	2024	2023
Balance as of January 1	$ 12,061,456	$ 12,368,944
Contributions (Operating Support)	-	60,666
Change in fair value (Nonoperating Gains/(Losses)) - stock	69,990	(492,787)
Change in fair value (Nonoperating Gains/(Losses)) - split interest agreements	84,499	124,633
Balance as of December 31	$ 12,215,945	$ 12,061,456

7. Endowment Disclosures

The Library's endowment was established for a variety of purposes, including for the purchase of library materials, programming, or operating purposes without donor restrictions. The endowment includes both donor-restricted endowment funds and funds without donor restrictions designated by the Board to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Library has interpreted Pennsylvania State Act 141 of 1998 (Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Library classifies as net assets with donor restrictions held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund and investment income in excess of amounts designated for current operations and losses up to the extent of accumulated gains. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions held in perpetuity is classified as net assets with donor restrictions held for a certain time/purpose until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the Act.

Endowment net asset composition by type of fund as of December 31, 2024:

Board-Designated Without Donor Restrictions	With Donor Restrictions	Total
$ 2,834,260	$ 23,796,366	$ 26,630,626

Endowment net asset composition by type of fund as of December 31, 2023:

Board-Designated Without Donor Restrictions	With Donor Restrictions	Total
$ 2,477,574	$ 21,537,640	$ 24,015,214

Changes in endowment net assets for the fiscal year ended December 31, 2024:

	Board-Designated Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	$ 2,477,574	$ 21,537,640	$ 24,015,214
Investment return, net:			
Fees	(14,869)	(39,330)	(54,199)
Net gain (loss), realized and unrealized	470,412	2,558,491	3,028,903
Total investment return, net	455,543	2,519,161	2,974,704
Contributions	136,440	360,564	497,004
Other changes:			
Withdrawals	(235,297)	(620,999)	(856,296)
Miscellaneous income (expense)	-	-	-
Endowment Net Assets, End of Year	$ 2,834,260	$ 23,796,366	$ 26,630,626

Changes in endowment net assets for the fiscal year ended December 31, 2023:

	Board-Designated Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	$ 1,995,480	$ 17,718,534	$ 19,714,014
Investment return, net:			
Fees	(14,118)	(38,152)	(52,270)
Net gain (loss), realized and unrealized	467,325	3,006,408	3,473,733
Total investment return, net	453,207	2,968,256	3,421,463
Contributions	190,987	1,292,161	1,483,148
Other changes:			
Withdrawals	(162,100)	(441,311)	(603,411)
Miscellaneous income (expense)	-	-	-
Endowment Net Assets, End of Year	$ 2,477,574	$ 21,537,640	$ 24,015,214

Not included in the figures above, but restricted for transfer from cash to the endowment, are $53,524 and $84,059 in 2024 and 2023, respectively.

From time to time, net assets with donor restrictions to be held in perpetuity may have fair value less than the amount required to be maintained by donors or by law (underwater endowments). At December 31, 2024, funds with an original gift value of $12,500, fair value of $12,118, and a deficiency of $382 were reported in net assets with donor restrictions. At December 31, 2023, funds with an original gift value of $312,050, fair value of $301,053, and a deficiency of $10,997 were reported in net assets with donor restrictions.

Return Objectives and Risk Parameters

Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. The Library has adopted policies and guidelines for endowment and restricted funds.

To satisfy its long-term rate-of-return objectives, the Library relies on returns in excess of the rate of inflation. The Library 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.

The Library has a policy of appropriating, for distribution each year, between 2% and 5% of the average market value of the endowment fund balance at the end of the 12 calendar quarters that precede the calendar year being budgeted. The presumption is that, over the course of multiple years, the average investment returns will equal or exceed 5% per annum and that the endowment will meet the objective of providing ongoing financial support to the Library.

8. Net Assets

With Donor Restrictions

Total net assets with donor restrictions are $42,040,439 and $37,840,185 at December 31, 2024 and 2023, respectively.

Net assets with purpose or time restrictions at December 31, 2024 and 2023 of $16,717,989 and $14,817,657, respectively, are available for use by the Main Library and branches for capital improvements, the purchase and care of special collections (approximately $7.0 million and $6.6 million at December 31, 2024 and 2023, respectively) and a variety of other donor-imposed purposes and time periods.

Net assets of $25,322,450 and $23,022,528 were held in perpetuity at December 31, 2024 and 2023, respectively. The following composition of the net asset class indicates how the income is to be expended:

	2024	2023
Collection development/programming	$ 19,437,459	$ 17,689,072
Any library purpose	5,884,991	5,333,456
	$ 25,322,450	$ 23,022,528

Without Donor Restrictions:

The board-designated net assets without donor restrictions are designated for operating reserves, endowment, and other initiatives. Net assets without donor restriction are comprised of the following at December 31:

	2024	2023
Board-designated	$ 26,077,025	$ 18,814,440
Undesignated	73,282,819	79,017,867
Total	$ 99,359,844	$ 97,832,307

9. Net Assets Released from Restrictions

Net assets totaling $6,088,660 and $5,506,893 were released from donor restrictions for the years ended December 31, 2024 and 2023, respectively, by incurring expenses that satisfy the restricted purposes or by occurrence of events specified by the donors.

Net assets of $6,060,170 and $5,119,506 were released from restrictions on operating activity for the years ended December 31, 2024 and 2023, respectively.

Net assets of $28,490 and $387,387 were released from restrictions on capital activity for the years ended December 31, 2024 and 2023, respectively.

10. Insurance Proceeds Restricted to Collection Items not Capitalized

Other assets of $7,030,489 and $6,627,149 on the statements of financial position for the years ended December 31, 2024 and 2023, respectively, consist of insurance proceeds related to a theft of some of the Library's special collections which was discovered in 2017. These funds are also comprised of interest earnings and realized/unrealized gains/losses thereon. These funds are invested in an external investment pool. The Library's investment that utilized a S&P 500 equal weighted index fund, a S&P 500 market weighted index fund, a high-quality bond fund, and a U.S. money market government fund in the year ended December 31, 2023 was liquidated due to a change in investment managers. The funds were directly reinvested in the market, with an asset mix of equities and fixed income within the portfolio, following policy weights as permitted by the investment policy. The funds are redeemable on a daily basis. Funds in the amount of $276,761 and $312,930 for the years ended December 31, 2024 and 2023, respectively, have been drawn from this investment for allowable expenses pursuant to the Library's direct care policy. The investment gain/(loss) on insurance proceeds restricted to collection items not capitalized was $680,101 and $894,745 for the years ended December 31, 2024 and 2023, respectively.

11. Retirement Plan

The Library sponsors a defined contribution retirement plan, which is offered through a third-party financial services organization. The plan is a 403(b) tax sheltered annuity plan covering all eligible employees. The 403(b) plan is open to all employees and offers an employer matching contribution to eligible employees. Eligible employees for the employer matching include those who have attained age 21, have completed 12 consecutive months of service and have worked at least 1,000 hours during the plan year. Since 2010, the employer matching contribution is 120% of employee contributions up to 5% of the employee's compensation. Employer contributions of approximately $850,000 and $793,000 were made to the plan for the years ended December 31, 2024 and 2023, respectively.

12. Leases

The Library has historically entered into a number of lease arrangements under which they are the lessee. FASB ASU 2016-02 requires lessees to report a right-of-use (ROU) asset and a liability for financing and operating leases. The Library is party to three contracts that require this accounting treatment as of December 31, 2024 and four contracts as of December 31, 2023.

One contract is treated as a finance lease which is for copiers for the year ending December 31, 2024, and two contracts were treated as finance leases which were for computers and servers for the year ending December 31, 2023. The short-term lease practical expedient has been elected related to certain other similar contracts.

Two other contracts are considered operating leases. Specifically, of the Library's 20 public service locations, only two were subject to operating leases in 2024 and 2023. Both of the Library's space rental leases includes multiple optional renewal periods. For these leases, the Library does not consider any additional renewal periods to be reasonably certain of being exercised, as comparable locations could generally be identified within the same trade areas for comparable lease rates.

All of the Library's leases include fixed rental payments.

The Library recognized rent expense associated with its leases as of December 31:

	2024	2023
Operating lease cost:		
Fixed rent expense	$ 424,494	$ 422,350
Finance lease cost:		
Amortization of right-of-use asset	151,807	308,640
Interest expense	1,488	930
Short term lease expense	448,024	441,908
Net lease cost	$ 1,025,813	$ 1,173,828

During the years ended December 31, 2024 and 2023, the Library had the following cash and non-cash activities associated with its leases:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 424,494	$ 422,350
Operating cash flows for financing leases	-	-
Financing cash flows for financing leases (principal and interest)	153,157	311,177
Total cash paid	$ 577,651	$ 733,527

The noncash investing and financing activities resulting from additions to ROU assets for operating leases was $0 and $319,383 as of December 31, 2024 and 2023, respectively. The noncash investing and financing activities resulting from additions to ROU assets for financing leases was $89,917 and $0, as of December 31, 2024 and 2023, respectively.

The future payments due under operating and financing leases as of December 31, 2024 are as follows:

Years Ending December 31	Operating	Financing
2025	$ 426,967	$ 19,740
2026	446,805	19,740
2027	452,937	19,740
2028	455,724	19,740
2029	413,980	11,515
Thereafter	2,467,407	-
	4,663,820	90,475
Less effects of discounting	(80,890)	(7,430)
Lease liabilities recognized	$ 4,582,930	$ 83,045
Current	$ 409,883	$ 16,933
Long-term	$ 4,173,047	$ 66,112

As of December 31, 2024 and 2023, the weighted-average remaining lease term for all operating leases is 10.74 years and 11.29 years, respectively, while the weighted-average remaining lease term for all finance leases is 4.58 years and 0.5 years, respectively.

Because the Library does not have access to the rate implicit in the lease, it utilizes the US Treasury rate as the incremental borrowing rate. The weighted average discount rate associated with operating leases as of December 31, 2024 and 2023 is 0.53% and 0.55%, respectively, while the weighted-average discount rate associated with finance leases is 3.72% and 0.19%, respectively.

13. Line of Credit

The Library has a $5,000,000 revolving line of credit for working capital purposes that is secured by existing and future revenues which expires on October 31, 2025. Amounts outstanding under the line of credit bear interest at a rate per annum which is equal to the sum of the Daily SOFR Rate plus 100 basis points. The Library did not draw from the line during 2024 or 2023 and had no outstanding balance on the line at December 31, 2024 and 2023.

14. Debt

Bonds Payable

On November 26, 2002, the Library issued $14,510,000 in fixed-rate bonds at rates ranging from 2.5% to 5.0% pursuant to a loan agreement with the Allegheny County Industrial Development Authority. The bond proceeds, net of bond issuance costs, were deposited into a project fund to be used for construction and renovation projects at various Library branches, as well as the Main Library.

On August 10, 2010, the Library issued $12,515,000 of Allegheny County Industrial Development Authority Regional Asset District Sales Tax Revenue Bonds, Series of 2010 with fixed-rates ranging from 0.8% to 4.375%. The amount was sufficient to refund the 2002 Revenue Bonds, pay the expenses of the bond issue, and provide proceeds of approximately $500,000 for an existing capital project.

On July 22, 2021, the Library issued $5,610,000 of Allegheny County Industrial Development Authority Regional Asset District Sales Tax Revenue Bonds, Series of 2021 at an aggregate purchase price of $6,196,632, representing the aggregate principal amount of the bonds, plus original issuance premium of $609,072 and less discount of $22,400. The amount was sufficient to refund the 2010 Revenue Bonds, pay the expenses of the bond issue, and provide proceeds of approximately $573,000 for an existing capital project. Debt service for the 2021 bonds remains essentially the same as under the 2010 bonds. The fixed-rate bonds are at rates ranging from 3.0% to 4.0%

Annual bond principal and interest payments of $1,000,000 will be made with dedicated funds received from the District. The Allegheny Regional Asset District Cooperation and Support Agreement for the Carnegie Library of Pittsburgh between the Library, the District, the City, and the County of Allegheny provides for direct payment of these bond payments to the bond trustee and provides security for the Library's obligations under the loan agreement through 2027.

The Library has $69,751 and $93,002 of unamortized bond issuance costs, for the years ended December 31, 2024 and 2023, respectively. The Library has $426,620 and $516,113 of unamortized bond issuance premium for the year ended December 31, 2024 and 2023, respectively. The bonds payable are shown net of unamortized bond issuance cost and unamortized bond issuance premium.

A summary of future payment requirements on the bonds is as follows:

Years Ending December 31	Interest Rate	Amount
2025	4.000%	$ 895,000
2026	4.000%	930,000
2027	4.000%	970,000
		2,795,000
Less: unamortized bond issuance costs		(69,751)
Add: unamortized bond issuance premium		426,620
	Total bonds payable	3,151,869
	Less: bonds payable, current	895,000
	Bonds payable, non-current	$ 2,256,869

15. Related Party Transactions

The Electronic Information Network (d/b/a eiNetwork) maintains and manages the electronic information computer network that holds a shared online catalog and reference materials. The eiNetwork manages the network for all public libraries in Allegheny County, including Carnegie Library of Pittsburgh, and hosts and administers Internet services, the library circulation system, the library staff email system, and other public access computer systems. The eiNetwork also manages the leasing and replacement of personal computers to organizations within the network.

The eiNetwork is a non-profit, member corporation with two members that are both contractual assets of RAD. The corporation members are the Allegheny County Library Association (ACLA) and Carnegie Library of Pittsburgh. The Library makes payments to eiNetwork for computers and other equipment, which were $266,157 and $336,473 for the years ended December 31, 2024 and 2023, respectively. The eiNetwork also reimbursed the Library for expenses totaling $35,884 and $34,358 for the years ended December 31, 2024 and 2023, respectively.