

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILIATE

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September 30, 2025 and 2024

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Independent Auditor's Report

To the Board of Trustees of
Proprietors of the Boston Athenæum and Affiliate:

Opinion

We have audited the consolidated financial statements of Proprietors of the Boston Athenæum (the Proprietors) and Boston Library Society (BLS) (Massachusetts nonprofit corporations) (collectively, the Athenæum), which comprise the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Proprietors of the Boston Athenæum and Boston Library Society as of September 30, 2025, 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 audit 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 Athenæum, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The consolidated financial statements of the Athenæum as of and for the year ended September 30, 2024, were audited by another auditor whose report dated February 11, 2025, expressed an unmodified opinion on those consolidated financial statements.

Responsibilities of Management for the 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, which raise substantial doubt about the Athenæum's ability to continue as a going concern within one year after the date that the consolidated 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 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 Athenæum'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 Athenæum'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information shown on pages 26 through 36 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information shown on pages 26 through 36 is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

AAFCPA, Inc.

Boston, Massachusetts
February 27, 2026

PROPRIETORS OF THE BOSTON ATHENÆUM

Consolidated Statements of Financial Position
September 30, 2025 and 2024

Assets	2025	2024
Cash and cash equivalents	\$ 1,007,958	\$ 590,456
Pledges receivable, net	1,096,253	432,911
Other assets	250,521	235,568
Investments	88,260,816	85,601,814
Right-of-Use Asset - operating	13,780,374	14,433,608
Property, plant and equipment, net	34,593,406	36,298,028
Beneficial interest in perpetual trust	837,545	779,622
Total assets	<u>\$ 139,826,873</u>	<u>\$ 138,372,007</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 248,892	\$ 302,005
Accrued and other liabilities	522,431	429,782
Unearned membership dues	1,105,221	937,225
Operating lease liability	16,167,664	16,834,881
Total liabilities	<u>18,044,208</u>	<u>18,503,893</u>
Net Assets:		
Without donor restrictions	69,978,708	71,022,788
With donor restrictions	51,803,957	48,845,326
Total net assets	<u>121,782,665</u>	<u>119,868,114</u>
Total liabilities and net assets	<u>\$ 139,826,873</u>	<u>\$ 138,372,007</u>

PROPRIETORS OF THE BOSTON ATHENÆUM

Consolidated Statement of Activities and Changes in Net Assets
 For the Year Ended September 30, 2025
 (With Comparative Totals for the Year Ended September 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating revenues, gains and other support:				
Contributions, gifts and grants	\$ 1,813,501	\$ 642,857	\$ 2,456,358	\$ 2,187,992
Membership dues revenue	1,875,781	-	1,875,781	1,617,576
Events, space rental and other	862,698	-	862,698	583,931
Investment return designated for current operations	5,138,547	-	5,138,547	5,138,547
Special endowment appropriation	329,992	-	329,992	928,183
Appropriations from board-designated funds	2,917	-	2,917	100,000
Net assets released from restrictions	785,091	(785,091)	-	-
Total operating revenues, gains and other support	10,808,527	(142,234)	10,666,293	10,556,229
Operating expenses, excluding depreciation:				
Program services	8,910,642	-	8,910,642	8,831,008
Supporting services:				
General and administrative	1,125,247	-	1,125,247	1,037,339
Fundraising and membership	1,183,490	-	1,183,490	1,129,347
Total operating expenses, excluding depreciation	11,219,379	-	11,219,379	10,997,694
Changes in net assets from operations before depreciation	(410,852)	(142,234)	(553,086)	(441,465)
Depreciation	1,708,736	-	1,708,736	1,704,407
Changes in net assets from operating activities	(2,119,588)	(142,234)	(2,261,822)	(2,145,872)
Non-operating revenue (expense):				
Investment return	3,543,179	4,640,939	8,184,118	17,174,993
Contributions, gifts and grants	439,275	1,239,003	1,678,278	754,845
Appropriations from board-designated funds	(2,917)	-	(2,917)	(100,000)
Strategic marketing	(104,795)	-	(104,795)	(224,494)
Facilities projects	(109,772)	-	(109,772)	(97,500)
Amounts designated for current operations	(2,689,462)	(2,779,077)	(5,468,539)	(6,066,730)
Total non-operating revenue (expense)	1,075,508	3,100,865	4,176,373	11,441,114
Changes in net assets	(1,044,080)	2,958,631	1,914,551	9,295,242
Net assets, beginning of year	71,022,788	48,845,326	119,868,114	110,572,872
Net assets, end of year	\$ 69,978,708	\$ 51,803,957	\$ 121,782,665	\$ 119,868,114

PROPRIETORS OF THE BOSTON ATHENÆUM

Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenues, gains and other support:			
Contributions, gifts and grants	\$ 1,745,359	\$ 442,633	\$ 2,187,992
Membership dues revenue	1,617,576	-	1,617,576
Events, space rental and other	583,931	-	583,931
Investment return designated for current operations	5,138,547	-	5,138,547
Special endowment appropriation	928,183	-	928,183
Appropriations from board-designated funds	100,000	-	100,000
Net assets released from restrictions	441,347	(441,347)	-
	<u>10,554,943</u>	<u>1,286</u>	<u>10,556,229</u>
Operating expenses, excluding depreciation:			
Program services	8,831,008	-	8,831,008
Supporting services:			
General and administrative	1,037,339	-	1,037,339
Fundraising and membership	1,129,347	-	1,129,347
	<u>10,997,694</u>	<u>-</u>	<u>10,997,694</u>
Changes in net assets from operations before depreciation	(442,751)	1,286	(441,465)
	<u>1,704,407</u>	<u>-</u>	<u>1,704,407</u>
Depreciation			
	<u>(2,147,158)</u>	<u>1,286</u>	<u>(2,145,872)</u>
Non-operating revenue (expense):			
Investment return	7,624,473	9,550,520	17,174,993
Contributions, gifts and grants	90,000	664,845	754,845
Appropriations from board-designated funds	(100,000)	-	(100,000)
Strategic marketing	(224,494)	-	(224,494)
Facilities projects	(97,500)	-	(97,500)
Amounts designated for current operations	(3,356,920)	(2,709,810)	(6,066,730)
Net assets released from restrictions	629,961	(629,961)	-
	<u>4,565,520</u>	<u>6,875,594</u>	<u>11,441,114</u>
Changes in net assets	2,418,362	6,876,880	9,295,242
	<u>68,604,426</u>	<u>41,968,446</u>	<u>110,572,872</u>
Net assets, beginning of year			
	<u>\$ 71,022,788</u>	<u>\$ 48,845,326</u>	<u>\$ 119,868,114</u>
Net assets, end of year			

The accompanying notes are an integral part of these consolidated statements.

PROPRIETORS OF THE BOSTON ATHENÆUM

Consolidated Statement of Functional Expenses

For the Year Ended September 30, 2025

(With Comparative Totals for the Year Ended September 30, 2024)

	2025			2024	
	Program Services	General and Administrative	Fundraising and Membership	Total	Total
Operating Expenses:					
Salary and related expenses	\$ 4,318,524	\$ 844,320	\$ 866,167	\$ 6,029,011	\$ 5,663,860
Occupancy	2,764,880	88,486	22,335	2,875,701	2,800,578
Office, technology and other	526,838	192,441	244,975	964,254	928,373
Purchase of collection items	714,437	-	-	714,437	896,735
Events	199,460	-	50,013	249,473	356,857
Exhibitions	218,550	-	-	218,550	182,873
Cataloging and collections management	155,953	-	-	155,953	153,668
Grants	12,000	-	-	12,000	14,750
Total operating expenses	8,910,642	1,125,247	1,183,490	11,219,379	10,997,694
Allocation of depreciation	1,672,853	22,213	13,670	1,708,736	1,704,407
Facilities projects	107,463	1,429	880	109,772	97,500
Development & marketing consulting	-	64,666	40,129	104,795	224,494
Total functional expenses	\$ 10,690,958	\$ 1,213,555	\$ 1,238,169	\$ 13,142,682	\$ 13,024,095

PROPRIETORS OF THE BOSTON ATHENÆUM

Consolidated Statement of Functional Expenses
For the Year Ended September 2024

	<u>Program Services</u>	<u>General and Admin- istrative</u>	<u>Fundraising and Membership</u>	<u>Total</u>
Operating Expenses:				
Salary and related expenses	\$ 4,019,799	\$ 759,703	\$ 884,358	\$ 5,663,860
Occupancy	2,694,426	84,377	21,775	2,800,578
Office, technology and other	576,938	189,062	162,373	928,373
Purchase of collection items	896,735	-	-	896,735
Events	291,819	4,197	60,841	356,857
Exhibitions	182,873	-	-	182,873
Cataloging and collections management	153,668	-	-	153,668
Grants	14,750	-	-	14,750
	<u>8,831,008</u>	<u>1,037,339</u>	<u>1,129,347</u>	<u>10,997,694</u>
Total operating expenses				
Allocation of depreciation	1,668,615	22,157	13,635	1,704,407
Facilities projects	95,452	1,268	780	97,500
Development & marketing consulting	-	163,883	60,611	224,494
	<u>-</u>	<u>163,883</u>	<u>60,611</u>	<u>224,494</u>
Total functional expenses	<u>\$ 10,595,075</u>	<u>\$ 1,224,647</u>	<u>\$ 1,204,373</u>	<u>\$ 13,024,095</u>

PROPRIETORS OF THE BOSTON ATHENÆUM

Consolidated Statements of Cash Flows
For the Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 1,914,551	\$ 9,295,242
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	1,708,736	1,704,407
Non-cash lease expense	1,302,681	1,302,681
Change in discount on pledges receivable	(56,750)	(2,674)
Bad debt	19,240	5,500
Net investment gains	(6,221,720)	(15,238,332)
Change in beneficial interest in perpetual trust	(84,304)	(153,514)
Contributions and investment income restricted for long-term investment	(670,033)	(713,405)
Changes in operating asset and liabilities:		
Pledges receivable	(770,832)	59,517
Other assets	(14,953)	291,546
Accounts payable	(53,113)	72,189
Accrued and other liabilities	92,649	(166,422)
Unearned membership dues	167,996	171,349
Operating lease liability	(1,316,664)	(1,297,651)
Net cash used in operating activities	<u>(3,982,516)</u>	<u>(4,669,567)</u>
Cash Flows from Investing Activities:		
Expenditures for property, plant and equipment	(4,114)	(334,393)
Change in value of beneficial interests in trust	26,381	30,890
Proceeds from sales and maturities of investments	41,171,847	31,803,114
Payments for purchases of investments	<u>(37,609,129)</u>	<u>(28,048,577)</u>
Net cash provided by investing activities	<u>3,584,985</u>	<u>3,451,034</u>
Cash Flows from Financing Activities:		
Contributions and investment income restricted for long-term investment	<u>815,033</u>	<u>713,405</u>
Net Change in Cash	417,502	(505,128)
Cash and Cash Equivalents:		
Beginning of year	<u>590,456</u>	<u>1,095,584</u>
End of year	<u>\$ 1,007,958</u>	<u>\$ 590,456</u>

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

1. OPERATIONS AND NONPROFIT STATUS

The consolidated financial statements include the accounts of the Proprietors of the Boston Athenæum (the Proprietors) and the Boston Library Society (BLS) (collectively, the Athenæum). The Athenæum is a membership and research library founded in 1807. Its collection comprises more than a half million volumes, as well as a distinguished fine arts collection. The Athenæum is supported by proprietors who own shares in the library and by other members who pay annual dues. BLS was founded as a membership library in 1792. BLS's book collection and other resources were merged with that of the Athenæum in 1939. All trustees and officers of BLS are also trustees and officers of the Proprietors.

Nonprofit Status

The Athenæum is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). Athenæum is also generally exempt from state income taxes. Donors may deduct contributions made to Athenæum within the IRC's regulations.

2. SIGNIFICANT ACCOUNTING POLICIES

The Athenæum prepares its consolidated financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Principles of Consolidation

The consolidated financial statements have been prepared on the accrual basis in accordance with the provisions of accounting principles generally accepted in the United States of America.

Basis of Consolidated Financial Statement Presentation

The accompanying consolidated financial statements have been prepared to focus on the Athenæum as a whole. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net Assets

Net assets without donor restrictions are net assets available for general use and not subject to donor-imposed restrictions. The Board has designated from net assets without donor restrictions net assets for endowment. Net assets without donor restrictions also include the investment in property, plant and equipment, net of accumulated depreciation and amortization.

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the passage of time or by events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Generally, donors of net assets with perpetual restrictions permit the Athenæum to use all or part of the income earned, as well as realized and unrealized gains, if any, on the related investments for general or specific purposes.

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of the consolidated financial statements in accordance with U.S. GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Athenæum considers highly liquid debt securities with maturities of three months or less at the date of purchase to be cash equivalents. Such accounts are carried at cost plus earned interest. Cash held by investment managers are considered part of investments given the expectation of near-term reinvestment.

Pledges Receivable and Allowance for Doubtful Accounts

Pledges receivable represent contributions verifiably committed by donors that are scheduled for payment in the future (see Note 4). Pledges are recorded at their net present value when unconditionally committed. An allowance for doubtful accounts is provided based upon management's estimates, including factors of historical experience and a specific review of collection trends that differ from the plan on individual accounts. The allowance for doubtful accounts at September 30, 2025 and 2024 was \$20,990 and \$4,000, respectively.

Investments and Investment Return

Investments are carried at fair value. Fair value is determined as per the fair value policies described elsewhere in this section.

Net investment return is reported in the consolidated statements of activities and changes in net assets and consist of interest and dividend income, realized and unrealized gains and losses less investment expenses.

The investment objective of the Athenæum is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund its Board approved spending policy and to increase investment values after inflation. Major investment decisions are authorized by the Investment Subcommittee of the Board of Trustees that oversees the Athenæum's investments mindful of diversification among asset classes.

The investments of the Athenæum are pooled and unitized for accounting purposes. Each fund subscribes to, or disposes of, units on the basis of the fair value per unit at the end of the calendar quarter within which the transactions take place. Investment return is allocated quarterly based on the number of units held by each fund at the beginning of the quarter. Realized and unrealized gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. To the extent investment return is authorized by the Board and gifts are permitted by the donor to fund operations, they are reflected as allocation of investment return designated for current operations in the accompanying consolidated statements of activities and changes in net assets.

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Athenæum follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Athenæum would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Athenæum uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Athenæum. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting organization. Unobservable inputs are inputs that reflect the Athenæum's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Cash and Cash Equivalents

All cash and cash equivalents are considered Level 1 in the fair value hierarchy.

Investments

The Athenæum records investments at fair value (see Note 5) using Level 1 inputs. If an investment is directly held by the Athenæum and an active market with quoted prices exists, the market price of an identical security is used to report fair value. The Athenæum's interests in the investments with Adage Capital Partners are reported at the net asset value (NAV) reported by the fund, which is used as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of September 30, 2025 and 2024, the Athenæum had no plans to sell investments at amounts different from NAV. A summary of inputs used in valuing the Athenæum's investments as of September 30, 2025 and 2024, is included in Note 5.

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

Beneficial Interest in Perpetual Trust

Beneficial interest in perpetual trusts are reported at the fair value of the underlying investments held by the trust for the benefit of the Athenæum. Distributions are included within the spending policy amounts with any changes in fair value of the trust accounted for as a non-operating item with donor restrictions within investment return. In the event that the Athenæum no longer exists as an entity, such amounts could be allocable to other uses at the discretion of the Trustees of the assets. These inputs to the fair value estimate are considered Level 3 in the fair value hierarchy.

Leases

The Athenæum determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be a lease or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Athenæum determines such assets are leased because the Athenæum has the right to obtain substantially all of the economic benefits from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because the Athenæum determines it does not have the right to control and direct the use of the identified asset. The Athenæum's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Athenæum has established a capitalization threshold of \$5,000 for the amount in which the right-of-use (ROU) asset, at lease commencement, must exceed.

In evaluating its contracts, the Athenæum separately identifies lease and non-lease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its buildings, equipment, and parking spaces. The Athenæum has elected the practical expedient to not separate lease and non-lease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the non-lease component.

Leases result in the recognition of ROU assets and lease liabilities in the consolidated statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Athenæum determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Athenæum uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Athenæum uses a risk-free rate based on the information available at the commencement date to determine the present value of lease payments.

The lease term may include options to extend or to terminate the lease that the Athenæum is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Athenæum has elected not to record leases with an initial term of twelve months or less on the consolidated statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

Building improvements, furniture and equipment, computers and software, and the automated library system are recorded at cost when such amounts exceed a management established capitalization threshold and have a useful life of one year or more. Expenditures for major renewals and improvements are capitalized while expenditures for maintenance and repairs are expensed as incurred. The land and building at 10½ Beacon Street, a registered historic landmark, are carried at cost and are not depreciated.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Furniture and equipment	10 years
Computers and software	4 - 10 years
Automated library system	5 years
Building and leasehold improvements	Lesser of the life of the lease plus granted extensions or useful life of the asset

Land is not depreciated.

Collections

The collections which were acquired through purchases and contributions since the Athenæum's inception are not recognized as assets on the consolidated statements of financial position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired and as releases of restricted net assets if the assets used to purchase the items were used to fund the purchase. Contributed collection items are not reflected as revenue in the consolidated financial statements. Proceeds from de-accessions or insurance recoveries are reflected as increases in net assets.

The Athenæum's collections are made up of books, artifacts of historical significance and art objects that are held for educational, research, scientific and curatorial purposes. Each of the items is cataloged, preserved and cared for, and activities verifying their existence and accessing their condition are performed continuously.

Unearned Membership Dues

Unearned membership dues principally represents the ratable portion of amounts received for annual memberships that expire after the close of the fiscal year. In addition, unearned membership dues represent deposits for future event rentals and the unspent balance of gift cards.

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenues include earned support and contributed support. Such revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions as follows:

Earned Support

The Athenæum derives earned support revenues primarily through membership dues, rental events, and special events, all of which are under arrangements which are generally one year or less in length.

Under accounting standards, earned revenue is driven via a principles-based process that requires that entities: 1) identify the contract with the customer; 2) identify the performance obligations in the contract; 3) determine the transaction price to the performance obligations; 4) allocate the transaction price to the performance obligations; and 5) recognize revenue when (or as) performance obligations are satisfied.

Membership dues are recorded as earned over a one-year period from the date of receipt.

Revenue from space rental is recorded at the point in time when the event occurs which is when the performance obligation is satisfied.

Revenue from special events is recorded at the point in time when the special event occurs which is when the performance obligation is satisfied. Special events tend to occur on a single date, and therefore, revenue is recognized at that point in time.

Contributed Support

Contributed support includes contributions, gifts and grants. Such revenues are recorded as either without or with donor restrictions in the period verifiably committed by the donor in the case of unconditional gifts. Gifts and grants of assets other than cash are recorded at their estimated fair value and per the fair value policies described elsewhere in this section. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows using a risk adjusted discount rate depending on the time period involved. Amortization of the discount is included in gift and grant revenue in accordance with the donor-imposed restrictions, if any, on the gifts or grants. Gifts or grants with donor-imposed restrictions that can be met through the passage of time or upon the incurring of expenses consistent with the purposes are recorded as net assets with donor restrictions and reclassified to net assets without donor restrictions when such time or purposes restriction has been satisfied.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers.

Collection items donated are not recognized as revenue. Other gifts in-kind for tangible items are recorded as revenue when the gift is committed at its estimated fair market value following the fair value policies elsewhere in this section.

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

Expenses are reported as decreases in net assets without donor restrictions.

The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Expenses related directly to the Athenæum's programs are charged to program services while other expenses that are common to several functions are allocated based on management's estimates, among major classes of program services and supporting activities.

Operating and Non-operating Classification

Operating revenues consist of those items attributable to the Athenæum's membership dues, events, rentals, net assets released from restriction, contributions (including gifts and grants all related to annual fund support and support of the Athenæum's operations), investment return designated for operations, and appropriations from Board-designated funds.

Non-operating activities include contributions (including gifts and grants not related to annual fund support and support of the Athenæum's operations), development and marketing consulting, facilities projects, investment returns less amounts designated for operations, and appropriations from Board-designated funds to operations. The expenses included in non-operating activities are costs covered by Board restricted funds.

Income Taxes

The Athenæum accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the consolidated financial statements regarding a tax position taken or expected to be taken in a tax return. The Athenæum has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the consolidated financial statements at September 30, 2025 and 2024.

Subsequent Events

Subsequent events have been evaluated through February 27, 2026, which is the date the consolidated financial statements were available to be issued. There were no events that met the criteria for disclosure or recognition in the accompanying consolidated financial statements.

3. LIQUIDITY AND AVAILABILITY

The Athenæum regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Athenæum has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities.

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Athenæum considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

3. LIQUIDITY AND AVAILABILITY (Continued)

In addition to the financial assets available to meet general expenditures over the next twelve months, the Athenæum seeks to cover its cash flow requirements from its various revenue and investment return appropriations within the period.

Although not expected to be needed, the spendable yet restricted portion of the Athenæum's net assets could be used to meet cash needs if necessary. Prudent investment management, however, must be considered to ensure the preservation of the funds for future use.

The following table shows the total financial assets held by the Athenæum and the amounts of those financial assets available within one year of the consolidated statements of financial position date to meet general expenditures:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,007,958	\$ 590,456
Pledges receivable, net	1,096,253	432,911
Other receivables (included in other assets)	103,445	62,155
Endowment spending rate distribution and appropriations	<u>5,138,547</u>	<u>5,138,547</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,346,203</u>	<u>\$ 6,224,069</u>

The Athenæum could also access its Board-designated endowment upon vote of the Board with such funds amounting to approximately \$38 million and \$37 million at September 30, 2025 and 2024, respectively.

4. PLEDGES RECEIVABLE

Pledges receivable consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Due in less than one year	\$ 410,620	\$ 396,627
Due in more than one year	<u>766,047</u>	<u>42,958</u>
Total pledges receivable	1,176,667	439,585
Less - discount	(59,424)	(2,674)
Less - allowance for doubtful accounts	<u>(20,990)</u>	<u>(4,000)</u>
Pledges receivable, net	<u>\$ 1,096,253</u>	<u>\$ 432,911</u>

Pledges receivable have been discounted using the three and five-year Treasury rates at the time of the original pledges.

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

5. INVESTMENTS (Continued)

The Athenæum has no intentions or plans to liquidate any NAV practical expedient investments at other than NAV per share. There were no unfunded commitments under various investment vehicles at September 30, 2025 or 2024.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Land and building	\$ 199,303	\$ 199,303
Building and leasehold improvements	55,154,641	55,150,527
Furniture and equipment	3,091,165	3,091,165
Computers and software	<u>92,948</u>	<u>92,948</u>
	58,538,057	58,533,943
Less - accumulated depreciation and amortization	<u>23,944,651</u>	<u>22,235,915</u>
Property, plant and equipment, net	<u>\$ 34,593,406</u>	<u>\$ 36,298,028</u>

7. ENDOWMENTS

Endowment

The Athenæum's endowment consists of over 500 endowment funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed or legal restrictions.

Interpretation of Relevant Law and Spending Policy

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as enacted in Massachusetts as requiring the tracking of the original gift amounts of donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Athenæum tracks 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) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift and instrument at the time the accumulation is added to the fund, as applicable.

In accordance with UPMIFA, the Athenæum considers the following factors in making a determination to appropriate resources from endowment funds:

- 1) The duration and preservation of the fund;
- 2) The purposes of the Athenæum and the donor-restricted endowment fund;
- 3) General economic conditions;
- 4) The possible effect of inflation and deflation;
- 5) The expected total return from income and the appreciation of investments;
- 6) Other resources of the Athenæum; and
- 7) The investment policies of the Athenæum.

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

7. ENDOWMENTS (Continued)

Endowment Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the original gift amount (underwater endowments). The Athenæum has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

There were no funds with deficiencies reported in net assets with donor restrictions at September 30, 2025. Funds with deficiencies were reported in net assets with donor restrictions as follows at September 30, 2024:

Fair value of underwater endowments funds	\$ 9,986
Original endowment gift amount	<u>(10,000)</u>
Deficiencies of underwater endowment funds	\$ <u>(14)</u>

Return Objectives and Risk Parameters

The prudent management of endowment funds should provide a net return over the long-term (dividends and interest plus capital appreciation less investment fees) that is necessary to preserve or enhance (in real dollar terms) the overall value of endowment funds, and at the same time to provide a consistent source of income for the Athenæum's current and future operations and needs in accordance with donor intent.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Athenæum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Athenæum targets an asset allocation strategy wherein assets are diversified among several asset classes. The pursuit of maximizing total return is tempered by the need to minimize the volatility of returns and preserve capital. As such, the Athenæum seeks broad diversification among assets having different characteristics with the intent to endure lower relative performance in strong markets in exchange for greater downside protection in weak markets.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives

The Board of the Athenæum determines the method to be used to distribute endowment funds for expenditure. The Athenæum's spending policy is to appropriate for expenditure an amount of up to the published CPI-U rate for Boston-Cambridge-Newton, averaged over the twelve months, ending in July of the year proceeding the year in which the distribution is planned, plus 1%. Amounts allocated but not spent during the current fiscal year are carried forward as Board-designated funds to be used to supplement years in which the allocation is insufficient to cover the Athenæum's expenditures. Book funds, non-reformed funds, and certain donor-restricted funds are excused from the spending policy above such that spending from these funds is adjusted to conform to actual book purchases or other restrictions as defined by the fund. Over the long term, the Athenæum expects the current investment policy to exceed the spending policy, thus preserving the purchasing power of the endowment. For the fiscal years ended September 30, 2025 and 2024, the Board elected to forego the spending increase allowed by the spending policy and freeze the spending rate to the fiscal year 2023 amount of \$5,138,547. Board approved additional special appropriations for the fiscal years ended September 30, 2025 and 2024, required for operations, were appropriated exclusively from funds not subject to donor restrictions. The Board approved spending in fiscal year 2026 of \$5,138,547.

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

7. ENDOWMENTS (Continued)

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives (Continued)

Endowment assets include donor-restricted and Board-designated investments as well as beneficial interests in perpetual trusts. Changes in endowment assets are as follows for the years ended September 30:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment and funds functioning as endowment, September 30, 2023	\$ 31,857,276	\$ 40,564,118	\$ 72,421,394
Investment return:			
Interest and dividend income	758,730	954,615	1,713,345
Net realized and unrealized gains	6,789,588	8,675,732	15,465,320
Investment management fees	<u>(54,257)</u>	<u>(79,827)</u>	<u>(134,084)</u>
Total investment return	7,494,061	9,550,520	17,044,581
Additions	-	119,930	119,930
Funds returned to endowment	593,476	-	593,476
Appropriation for expenditure:			
Current operations	(2,428,737)	(2,709,810)	(5,138,547)
Special endowment appropriation	<u>(928,183)</u>	<u>-</u>	<u>(928,183)</u>
Total appropriation	(3,356,920)	(2,709,810)	(6,066,730)
Endowment and funds functioning as endowment, September 30, 2024	36,587,893	47,524,758	84,112,651
Investment return:			
Interest and dividend income	725,246	940,356	1,665,602
Net realized and unrealized gains	2,846,295	3,783,064	6,629,359
Investment management fees	<u>(52,424)</u>	<u>(82,481)</u>	<u>(134,905)</u>
Total investment return	3,519,117	4,640,939	8,160,056
Additions	275,000	395,033	670,033
Funds returned to endowment	145,000	-	145,000
Transfers**	(107,553)	(390,188)	(497,741)
Appropriation for expenditure:			
Current operations	(2,359,470)	(2,779,077)	(5,138,547)
Special endowment appropriation	<u>(329,992)</u>	<u>-</u>	<u>(329,992)</u>
Total appropriation	<u>(2,689,462)</u>	<u>(2,779,077)</u>	<u>(5,468,539)</u>
Endowment and funds functioning as endowment, September 30, 2025	<u>\$ 37,729,995</u>	<u>\$ 49,391,465</u>	<u>\$ 87,121,460</u>

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

7. ENDOWMENTS (Continued)

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives

(Continued)

** Transfers out of the endowment represent amounts that are donor or board-restricted for the purchase of books and artwork. The amounts transferred of \$497,741 are held in funds separate from the endowment. They can be seen in the summary of the board designated without donor restriction net asset activity summary as an addition to Art Acquisition Funds of \$166,803 and in note 8 as funds held with donor restriction for the purpose of Collections acquisition of \$330.938.

8. NET ASSETS

The following is a summary of Board-designated without donor restriction net asset activity for the years ended September 30:

	2025					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Draw Down (for Capital Expenditures</u>	<u>Draw Down (for Non-capital Expenditures</u>	<u>Investment Return (Net of Fees)</u>	<u>Ending Balance</u>
Board-designated unspent appropriation	\$ 570,628	\$ -	\$ -	\$ (104,616)	\$ 37,529	\$ 503,541
Board-designated proceeds from tax credit	759,985	-	-	-	-	759,985
10 1/2 Beacon Street Fund	181,394	49,275	-	(109,951)	1,576	122,294
Board-restricted donations	125,000	240,000	(125,000)	-	-	240,000
Art deaccession funds	27,025	-	-	(2,917)	-	24,108
Art acquisition funds	<u>14,959</u>	<u>-</u>	<u>166,803</u>	<u>-</u>	<u>-</u>	<u>181,762</u>
Total	<u>\$ 1,678,991</u>	<u>\$ 289,275</u>	<u>\$ 41,803</u>	<u>\$ (217,484)</u>	<u>\$ 39,105</u>	<u>\$ 1,831,690</u>

PROPRIETORS OF THE BOSTON ATHENÆUM AND AFFILAITE

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

8. NET ASSETS (Continued)

	2024					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Draw Down (for Capital Expenditures)</u>	<u>Draw Down (for Non-capital Expenditures)</u>	<u>Investment Return (Net of Fees)</u>	<u>Ending Balance</u>
Board-designated unspent appropriation	\$ 548,795	\$ -	\$ -	\$ (64,762)	\$ 86,595	\$ 570,628
Board-designated proceeds from tax credit	759,985	-	-	-	-	759,985
10 1/2 Beacon Street Fund	395,908	40,000	(173,208)	(97,500)	16,194	181,394
Board-restricted donations	334,733	50,000	-	(259,733)	-	125,000
Art deaccession funds	27,025	-	-	-	-	27,025
Art acquisition funds	<u>12,052</u>	<u>2,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,959</u>
Total	<u>\$ 2,078,498</u>	<u>\$ 92,907</u>	<u>\$ (173,208)</u>	<u>\$ (421,995)</u>	<u>\$ 102,789</u>	<u>\$ 1,678,991</u>

PROPRIETORS OF THE BOSTON ATHENÆUM

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

8. NET ASSETS (Continued)

<u>Detail of Net Assets</u>	2025		<u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
Operating funds:			
Net investment in plant	\$ 34,593,406	\$ -	\$ 34,593,409
Net assets related to operations	(4,176,383)	249,324	(3,927,059)
Board-designated funds	<u>1,831,690</u>	<u>-</u>	<u>1,831,690</u>
Total operating funds	<u>32,248,713</u>	<u>249,324</u>	<u>32,498,037</u>
Endowment corpus:			
Book fund endowment	-	13,973,067	13,973,067
Other special purpose endowment	-	13,732,442	13,732,442
General endowment	-	2,931,986	2,931,986
Beneficial interest in trust	<u>-</u>	<u>837,545</u>	<u>837,545</u>
Total endowment corpus	<u>-</u>	<u>31,475,040</u>	<u>31,475,040</u>
Unexpended gain on donor-restricted endowment:			
Book acquisitions	-	8,834,398	8,834,398
Special purpose available for program activities	-	5,795,276	5,795,276
General endowment funds available for appropriation	<u>-</u>	<u>3,286,751</u>	<u>3,286,751</u>
Total unexpended gain on donor-restricted endowment	<u>-</u>	<u>17,916,425</u>	<u>17,916,425</u>
Total endowment	<u>-</u>	<u>49,391,465</u>	<u>49,391,465</u>
Board-restricted quasi-endowment	<u>37,729,995</u>	<u>-</u>	<u>37,729,995</u>
Purpose restricted funds:			
Time restriction	-	860,857	860,857
Collection acquisition	-	330,938	330,938
Program activities	<u>-</u>	<u>971,373</u>	<u>971,373</u>
Total purpose restricted funds	<u>-</u>	<u>2,163,168</u>	<u>2,163,168</u>
Total net assets	<u>\$ 69,978,708</u>	<u>\$ 51,803,957</u>	<u>\$ 121,782,665</u>

PROPRIETORS OF THE BOSTON ATHENÆUM

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

8. NET ASSETS (Continued)

<u>Detail of Net Assets</u>	2024		<u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
Operating funds:			
Net investment in plant	\$ 36,298,028	\$ 199,569	\$ 36,497,597
Net assets related to operations	(3,601,375)	-	(3,601,375)
Board-designated funds	<u>1,678,991</u>	<u>-</u>	<u>1,678,991</u>
Total operating funds	<u>34,375,644</u>	<u>199,569</u>	<u>34,575,213</u>
Endowment corpus:			
Book fund endowment	-	13,547,280	13,547,280
Other special purpose endowment	-	13,643,856	13,643,856
General endowment	-	3,037,784	3,037,784
Beneficial interest in trust	<u>-</u>	<u>713,633</u>	<u>713,633</u>
Total endowment corpus	<u>-</u>	<u>30,942,553</u>	<u>30,942,553</u>
Unexpended gain on donor-restricted endowment:			
Book acquisitions	-	8,056,173	8,056,173
Special purpose available for program activities	-	5,470,209	5,470,209
General endowment funds available for appropriation	<u>-</u>	<u>2,996,572</u>	<u>2,996,572</u>
Total unexpended gain on donor-restricted endowment	<u>-</u>	<u>16,522,954</u>	<u>16,522,954</u>
Total endowment	<u>-</u>	<u>47,465,507</u>	<u>47,465,507</u>
Board-restricted quasi-endowment	<u>36,647,144</u>	<u>-</u>	<u>36,647,144</u>
Purpose restricted funds:			
Time restriction	-	16,887	16,887
Program activities	<u>-</u>	<u>1,163,363</u>	<u>1,163,363</u>
Total purpose restricted funds	<u>-</u>	<u>1,180,250</u>	<u>1,180,250</u>
Total net assets	<u>\$ 71,022,788</u>	<u>\$ 48,845,326</u>	<u>\$ 119,868,114</u>

Net assets released from donor restrictions primarily through the spending policy by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors or by the passage of time were as follows for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Expenditures of program activities	\$ 785,091	\$ 441,347
Releases for charitable gift annuities	-	36,820
Building expenditures	<u>-</u>	<u>593,141</u>
Total	<u>\$ 785,091</u>	<u>\$ 1,071,308</u>

PROPRIETORS OF THE BOSTON ATHENÆUM

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

9. LEASES

The Athenæum leases certain space under an operating lease arrangement through 2040. The lease allows for two ten-year extensions. Lease expense is recognized on a straight-line basis over the lease term. The lease is discounted at rate of 4%. The remaining lease term was 14.67 years and 15.67 years as of September 30, 2025 and 2024, respectively.

The following summarizes operating lease costs included in occupancy on the consolidated statements of functional expenses for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 1,302,681	\$ 1,302,681
Variable lease cost	<u>-</u>	<u>2,454</u>
Total lease costs	<u>\$ 1,302,681</u>	<u>\$ 1,305,135</u>

Cash paid for amounts included in measurements of lease liabilities was \$1,316,664 and \$1,297,651 as of September 30, 2025 and 2024, respectively.

Future minimum lease payments for the operating lease for the years ending September 30, are as follows:

2026	\$ 1,335,676
2027	1,354,688
2028	1,373,701
2029	1,392,713
2030	1,411,726
Thereafter	<u>14,624,767</u>
Total future minimum lease payments	21,493,271
Less - present value discount	<u>5,325,607</u>
Total	<u>\$ 16,167,664</u>

10. EMPLOYEES' RETIREMENT PLAN

The Athenæum provides for a qualified defined contribution retirement plan for employees under Section 403(b) of the IRC. The plan provides for a contribution of 5% plus an additional match of up to 3% (maximum possible contribution of 8%) for the years ended September 30, 2025 and 2024. The Athenæum's expense under the plan was \$246,873 and \$269,936 for 2025 and 2024, respectively, which is included in salary and related expenses in the accompanying consolidated statements of functional expenses.

The Athenæum also has a supplemental deferred annuity plan which is available to employees to make additional voluntary deferrals into the plan up to the maximum amount allowed by the IRC. The Athenæum does not contribute to this plan.

PROPRIETORS OF THE BOSTON ATHENÆUM

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

11. CONCENTRATION

Credit Risk

The Athenæum maintains its operating cash balances in one bank, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to certain amounts. At certain times during the fiscal year, cash balances exceed the insured amount. The Athenæum has not experienced any losses in such accounts.

Funding

Contributions from one donor amounted to approximately 23% and 46% of total contributed support for the years ended September 30, 2025 and 2024, respectively.

Approximately 87% and 74% of gross pledges receivable at September 30, 2025 and 2024, respectively, were due from two and three donors, respectively.

PROPRIETORS OF THE BOSTON ATHENÆUM

Consolidating Statement of Financial Position
September 30, 2025

<u>Assets</u>	Proprietors of the Boston Athenæum	The Boston Library Society	Total
Cash and cash equivalents	\$ 1,007,958	\$ -	\$ 1,007,958
Pledges receivable, net	1,096,253	-	1,096,253
Other assets	250,521	-	250,521
Investments	86,955,746	1,305,070	88,260,816
Right-of-Use Assets - operating	13,780,374	-	13,780,374
Property, plant and equipment, net	34,593,406	-	34,593,406
Beneficial interest in perpetual trust	837,545	-	837,545
Total assets	<u>\$ 138,521,803</u>	<u>\$ 1,305,070</u>	<u>\$ 139,826,873</u>
Liabilities and Net Assets			
Liabilities:			
Accounts payable	\$ 248,892	\$ -	248,892
Accrued and other liabilities	522,431	-	522,431
Unearned membership dues	1,105,221	-	1,105,221
Operating Lease liability	16,167,664	-	16,167,664
Total liabilities	<u>18,044,208</u>	<u>-</u>	<u>18,044,208</u>
Net Assets:			
Without donor restrictions	69,101,691	877,017	69,978,708
With donor restrictions	51,375,904	428,053	51,803,957
Total net assets	<u>120,477,595</u>	<u>1,305,070</u>	<u>121,782,665</u>
Total liabilities and net assets	<u>\$ 138,521,803</u>	<u>\$ 1,305,070</u>	<u>\$ 139,826,873</u>

PROPRIETORS OF THE BOSTON ATHENÆUM

Book Endowment Funds
September 30, 2025

Adams, Thomas H.	\$	20,018
Akins, Cary W., M.D.		5,211
Aldrich, C. Duane		186,967
Aldrich, Virginia		110,077
Alexander, Jean Sears		7,237
Allen, Adele Waterman		51,158
Altschuller, Alex & Trish		4,669
Ames, Sarah Russell		442,588
Anderson, Catherine S.		21,909
Anderson, Rae & Christina		11,743
Appleton, Helen Kortright		57,172
Appleton, Samuel		165,375
Armstrong, Katharine Cortesi		10,786
Armstrong, Rodney		500,332
Atkins, Robert E.		21,227
Atkinson, Susan Ashley		16,614
Ayer, Dr. & Mrs. James Bourne		1,067,362
Baker, Morton H.		12,146
Banks, Gail & Edward C. Pinkus		62,433
Bardwell, T. C.		7,386
Barrett, Joan & Dorothea Bowditch Jones		11,314
Batchelder, Katharine A.		24,082
Beacon Hill Reading Group		20,775
Beck, Emily Morison		6,382
Belknap, Judith Levitt		12,598
Bemis, George F. - reading room and purchase of books		360,273
Bennett, Susan		25,450
Bentinck-Smith, William		83,051
Berman, Ann E. & Samuel S. Spektor Jr.		102,912
Beston, Henry		8,531
Biewend, Cameron		49,312
Billings, Robert Charles		25,906
Bird, Anna Child		306,100
Bird, Charles Sumner		59,836
Bishop, John, IV		9,074
Bledsoe, Robin		5,708
Bloom, Arnold		7,442
Bok, Derek & Sissela		13,625
Bok, Joan Toland		160,558
Boston Library Society book funds		127,806
Bowditch, Nathaniel Ingersoll		12,949
Bradford, Edward H. & Edith Fiske		23,957
Brandt, John H.		28,169
Bromfield, John		7,386,170
Brown, Annella		11,685

PROPRIETORS OF THE BOSTON ATHENÆUM

Book Endowment Funds
September 30, 2025

Brush, Ruth Seaman	71,484
Bryant, William J.	17,034
Buchanan, Helen E.	4,674
Buchanan, Paul G.	6,132
Bush, James & Reginald Taylor	5,641
Cahill, Dorothy G.	63,085
Carey, Margaret	26,292
Carlhian, Jean Paul	6,630
Cheimets, Sheila	15,573
Child, Susan Furlow	45,959
Clark, Edward	7,701
Clark, George H.	13,442
Clark, Grenville, Jr.	31,121
Cohen, Winifred	11,195
Cohn, Haskell	118,642
Collier, David & Thomas	19,411
Confederate Imprints Fund	136,639
Cooke, Pauline M.	7,493
Coolidge, Georgina L. & Lucy R.	6,358
Cortesi, Roger	24,426
Coughlin, William G.	122,654
Council of Associate Members	25,844
Cox, Archibald	35,122
Crowell, Thomas Irving	19,780
Cunningham, Henry W.	21,591
Cushing, William T. & Jean G.	28,239
Cuthrell, Hiram J., Jr.	6,511
Cutler, Anna W.	15,818
Danielson, Barbara Deering	52,112
Davis, George Bancroft	27,859
de Neufville, Richard & Virginia	6,418
Demarest, William	8,725
Dickinson, Charles C., III	51,888
Dodge, Rear Admiral F. Riley	11,258
Donaldson, Denny Emanuel	4,873
Drogue, Walter G.	91,804
Duke, Peter Beauregard	102,009
Dumbaugh, Frank Richard & Alice Josephine Cantwell	299,985
Eliot, Theresa Ann	61,405
Elliot, John Morse	54,364
Emerson, Dr. & Mrs. L. Eugene	18,813
Falco, K. Mathea	13,103
Fine, Norma & Phil	20,705
Flahive, Gertrude O.	10,315
Flood, Dorothy J.	10,927

PROPRIETORS OF THE BOSTON ATHENÆUM

Book Endowment Funds
September 30, 2025

Flower, Nicholas William	6,509
Friedman, Lee M.	239,264
Galvin, John T. & Ruth M.	87,355
Gannon, Joseph J.	23,255
Gowing, Charles D.	9,697
Gowing, Elizabeth Stuart	63,188
Gray, Russell	25,906
Greene, Charlotte Nichols	25,901
Greene, Stephen	69,959
Grinold, Jack	65,270
Halfyard, Robert L.	403,768
Harder, Hollie Markland, Dr.	16,200
Harder, Torrence C.	27,939
Harrison, John P.	12,815
Hart, Francis B.	40,419
Hartmann, Edward G.	6,676
Healy, Henry S.	96,682
Helman, Edith F.	16,413
Hemenway, Alfred	25,906
Herrick, George Gardner	18,252
Hersey, Heloise	19,425
Higgins, Eileen	6,920
Hilton, Nancy T.	324,204
Hofer, Philip	93,965
Hollingsworth, Amor	9,849
Hornblower, Henry	247,484
Houghton, Priscilla Dewey	5,913
Huff, Ann & J. Craig	3,349
Hulse, James Henry	9,456
Hurd, Christopher W.	11,502
Hurd, Joy Dickerman	16,984
Hyland, Christopher S.	15,575
Ingalls, Jerome M.	6,137
Ingram, David B.	13,665
Jackson, Charles	217,742
Janericco, Terence	19,781
Johnson, Elsie Livingston	188,965
Johnson, Harriet	5,757
Johnson, Marrian G.	19,334
Jolliffe, Ruth Oliver	37,269
Justley, Kathryn B.	5,147
Kates, Sumner Roy	75,265
Kehoe, William F.	144,578
Kelsey, Robert Louis	119,317
King, Stanley & Margaret P.	32,867
Klinck, Mary Elizabeth deFreest	20,385

PROPRIETORS OF THE BOSTON ATHENÆUM

Book Endowment Funds

September 30, 2025

Klinck, Mason Joseph O'Neil, Sr.	25,172
Koelsch, Alvin C. & Alice B.	14,885
Kosta, Mary	6,900
Krasauskas, John	32,093
Kunian, Stephen T.	43,817
Lacy, Clive W.	37,118
Lally, Francis J.	10,274
Lamb, Rosamond	18,549
Lamont, John H., M.D. & Lorna J.	63,179
Lang, Howard W.	115,765
Larus, Joel	18,066
Laughlin, Henry A.	7,848
Leef, Andrew Newton	10,138
Leef, Charles N.	5,699
Lewis, Bettilu Porterfield	26,234
Life Members Book Fund	54,660
Lincoln, Robin	16,433
Logan, Sheridan Ashton	57,570
Lord, Arthur	73,032
Loring, Augustus P.	68,953
Loring, Caleb, Jr. - Confederate Imprints	204,612
Loring, Stanton D.	23,123
Lyman, Cynthia & John L.	56,791
MacFadden, Priscilla S.	109,741
Malt, Ronald A.	54,745
Maltsberger, Ruth Rogers	69,201
Manning, Hiram Peter	13,770
Marcantonio, Joseph	32,437
Marshall, Jane & Jeffrey	74,862
Matthews, Albert	35,033
Maycock, Susan E.	16,238
Mazzulli, Luigi & Mary	19,182
McElaney, Elizabeth	8,708
McGrath, Linda Byers	6,358
McKibbin, David M. K.	76,891
Members book funds	29,774
Merrill, Mary	65,606
Metcalf, Arthur G. B.	103,599
Mill, Wm. Malcolm & Mildred Foye	10,562
Milton, Constance R.	12,716
Mitchell, Jerrold I. W.	25,130
Moore, Roger Allan	10,620
Morison, Patricia G.	6,584
Morse, Samuel T.	37,129
Moulton, Arthur Wheelock	45,439

PROPRIETORS OF THE BOSTON ATHENÆUM

Book Endowment Funds
September 30, 2025

Mountz, James T.	6,162
Mullins, Corinne M.	21,588
Mulroy, Richard & Anne	8,121
Murray, Henry A.	20,793
Nathan, E. Geoffrey & Ruth Gordon	7,203
Nelson, Alan A.	3,436
Neustadt, Maurice	5,867
Newman, Oliver Adams	65,639
Nichols, Frederick	102,329
Nichols, Guy	7,092
Nichols, J. Howard	10,787
Nichols, Lyman	58,880
Nordell, Roderick	23,288
Nylander, Robert Harrington	12,148
O'Brian, Patrick	7,812
Oliver, Andrew	100,846
Oliver, Peter	48,584
O'Meara, Michael J. & Ellen Esther	50,116
Osborne, Marjorie B. & Gordon	55,667
Osgood, Esther E.	10,898
Osgood, Nancy & William	14,809
Paine, Susan W.	24,242
Paine, Victoria L. M.	11,477
Parkman, George F.	359,251
Parsons, Susan	25,906
Paterson, Stanley & Carl Seaburg	46,428
Pellegrino, Joseph	17,126
Perera, Guido R.	17,780
Peretz, Anne L.	18,476
Perry, Arthur & Emily	11,062
Phillips, Bradley S.	15,385
Pickman, Hester C.	9,665
Potts, Barbara B.	6,246
Pragnell, Walter L. & Ruth J.	10,904
Proprietor's Book Fund	725,272
Prouty, Roger W.	67,872
Reinhard Family	28,935
Richmond, Carlton	19,488
Richter, James V.	19,403
Robertson, Hannah Doane Carter	590,980
Rosen, Fred S., M.D.	10,175
Roy, Adelard A. & Valeda Lee	117,155
Ruzicka, Tatiana	11,520
Sammarco, Anthony Mitchell	25,549
Sargent, Daniel	27,050

PROPRIETORS OF THE BOSTON ATHENÆUM

Book Endowment Funds
September 30, 2025

Satterthwaite, James Sheafe & Margaret Howard Speer	35,591
Sears, Evelyn G.	25,727
Segre, Emilio	6,383
Serantes, Carmen & Alfonso	14,367
Severne, Homer A.	95,526
Shapiro, Robert N.	33,730
Shawmut Bank	10,552
Shenton, Robert & Elizabeth	22,139
Sherwood, Robert S. & Arlene R.	13,670
Shibata, Masahiko	8,285
Shields, Lawrence Thornton	14,165
Shields, Robert	7,469
Shurcliff, Katherine B.	32,411
Slater, Alan	23,384
Smith, Charles E.	14,559
Smith, Stanley Webster	17,870
Snyder, Arthur F. F.	8,531
Stacey, Roger Foy	70,377
Stearn, Samuel, Mildred & Marvin	14,363
Stephenson, Robert B.	9,160
Stewart, Reba	10,808
Stone, Mary Lovell	28,851
Sullivan, Thomas Russell	6,472
Swan, Marshall W. S.	10,580
Taft, Edward A.	53,360
Taylor, Thomas Heyward	21,279
Terry, George F.	6,472
Thayer, Ethel Randolph	36,144
Thoma, Henry F.	148,496
Thompson, Zane Albion	220,480
Thomson, William Orville	12,407
Thoron, Gray	30,354
Trubek, Elizabeth Throckmorton	13,547
Trumbull, Frank S.	7,062
Tucker, Norman	7,633
Tucker, Ruth	90,661
Vaillant, Marion W.	29,679
Vershow, Arthur & Charlotte	298,661
Vickery, Robert G.	34,656
Vogel, Stanley M.	25,748
Wakefield, Mary May Binney	156,799
Ward, Thomas Wren	25,906
Webber, Vila B.	14,887
Wellington, Martha Underwood	154,097
Wentworth, Michael Justin	21,498

PROPRIETORS OF THE BOSTON ATHENÆUM

Book Endowment Funds
September 30, 2025

Whitehill, Walter Muir	34,450
Wick, Kathleen L. & Peter A.	26,123
Wiggin, John H.	11,702
Wiggin, Kathleen I.	11,462
Williams, Alexander	511,254
Windsor, Elizabeth Foster	65,118
Winslow, Ola Elizabeth	25,945
Wirth, Jacob & Dorothy	43,198
Woolsey, John M.	25,787
Wootton, Major John Graham	22,293
Wootton, Mary Louissetta B.	17,630
Yntema, Douwe B.	313,525
Young Presidents Organization	<u>13,597</u>
 Total book endowment funds	 <u>\$ 24,160,866</u>
 Funds classified as follows:	
Without donor restrictions	\$ 1,353,401
With donor restrictions	<u>22,807,465</u>
 Total book endowment funds	 <u>\$ 24,160,866</u>

PROPRIETORS OF THE BOSTON ATHENÆUM

Special Endowment Funds
September 30, 2025

Adams, Mitchell & Kevin Smith	Art acquisitions Bicentennial Fund	\$ 11,190
Anonymous	Chief Conservator	1,969,135
Anonymous	Children's Librarian	1,179,844
Anonymous	Facilities	3,491,578
Anonymous	Materials related to Canada	629,488
Bain, Caroline D.	Archivist	779,248
Baylor, Ruth M.	Events	35,142
Virginia L. Beatty Proprietor Shares	Proprietor Shares	80,914
Beck, Emily	Conservation Funds	10,347
Berman, Ann E. & Samuel S. Spektor Jr.	Conservation Funds	37,530
Berry, Joseph Breed	Minor amenities	6,369
Billings, Robert Charles	Printing of books	55,267
Bromer, Anne C. & David J.	Curator of rare books & manuscripts	870,074
Cabot Family Charitable Trust	Director's position	336,628
Calderwood, Norma Jean	Exhibition Gallery	743,786
Calderwood, Stanford	Director's position	3,337,620
Chamberlain, Elsie	Building	972,365
Choate, Elizabeth C.	Print acquisitions	10,964
Cummings, Charles A.	Books & photographs on architecture & allied arts	52,011
Dana, Charles S.	Flowers for Athenaeum desks & staff salaries	168,442
Daye, Stephen	Purchase & binding of early newspapers	284,354
Donaldson, Oliver S. & Jennie R.	Conservation & binding of books	98,147
Dumbaugh, Karin	Materials on Boston Common, Public Garden & Comm. Ave.	29,102
Eaton, John Hubbard Sturgis	Lectures	282,968
Emmet, Alan	Book conservation	56,974
Galvin, Ruth	Publications	84,255
Gardiner, Tudor	Book conservation	31,822
Good Samaritan	Internships	281,619
Gray, Russell	Pension	27,917
Grinold, Jack	Events	68,948
Hale, Martin & Deborah	Conservation	131,100
Halfyard, Robert	Lecture	96,339
Hall, Ariel W.	Concerts	114,146
Harder, Torrence C.	Lectures & events	135,044
Harris, Henry	Use of Fine Arts Committee	118,478
Hayes, Bartlett Jr.	Poster acquisitions	20,112
Henry, Bayard	Art conservation	14,464
Henry, Bayard	Performing arts	188,468
Hilles, Susan Morse	Art acquisitions	134,248
Hilles, Susan Morse	Curator of paintings & sculpture	1,330,398
Hilles, Susan Morse	Fine arts acquisitions	856,746
Hilles, Susan Morse	Lectures & events	53,356
Howe, Frances Hovey	Print acquisitions	466,833
Hunnewell, James	Conservation	82,676
Hunt, William Morris, II	Photography acquisitions	83,978
Jewell, Harvey	Staff pension	1,044,227
Kelley, Donald C.	Exhibition & events	94,237
Kimball Staff Fund	Assistance to Athenaeum employees	12,034
Klinck, Mary Elizabeth Knickerbocker deFreest	Lectures	49,267
Klinck, Mason J. O., Sr.	Conservation lectures	49,267
Lacy, Clive Q.	Conservation	79,159
Lamb, Rosamond, established in memory of Horatio A. Lamb	Conservation	241,940
Lane, Arthur	Materials related to maritime history	165,470
Loring, Caleb	Fellowships	56,030
Loring, Caleb	Internships	32,713
Lothrop, Eleanor & Francis B.	Book conservation	20,218
Lovelace, Richard S.	Conservation	42,749
Mason, Charles E., Jr.	Operation of Print Room, including purchases	127,030

PROPRIETORS OF THE BOSTON ATHENÆUM

Special Endowment Funds
September 30, 2025

Mead, Agneta	Conservation	17,147
Mooney, Mary C. E.	Fellowships	99,898
Morse, Elizabeth	Paper conservation	8,555
Mudge, Mr. & Mrs. L. Taylor	Fellowships	126,592
National Endowment for the Humanities	Head of technical services & automation	2,174,584
Newman, Robert B.	Conservation	10,917
Nielsen, Gertrude B.	Art conservation	14,411
Nordell, Joan	Education & community affairs	72,813
Oliver, Andrew	Events	160,219
Others	Art acquisitions	39,640
Others	Art conservation	6,380
Others	Art gallery	103,690
Others	At the discretion of the director	69,107
Others	Book conservation - 21 C	25,800
Others	Children's Library outreach	12,770
Others	Conservation	91,461
Others	Fellowships	24,643
Others	Lectures & events	121,179
Others	Print room 21 C	1,361
Others	Publications	53,583
Others	Staff pension	351,506
Pearmain, Barbara Pierce	Programs & events	67,231
Peterson, Marilyn L. R.	Conservation	15,510
Sammarco, Anthony M.	Print acquisitions	29,504
Sears, Dr. Bernard R. & Edna M.	Book conservation	31,564
Severy, Alexander K.	Book conservation	4,803
Severy, Robert P.	Art conservation	8,434
Starr, Donald C.	Internships	130,867
State Street Bank	Print acquisitions	11,443
Steiner, W. H. C.	Print acquisitions	41,035
Strong Family	Cataloging & conservation	327,863
Thomson, William Orville	Lectures	64,316
Wallace, Linda Clark	At the discretion of the director	6,356
Washington Library	George Washington Library collection	336,324
Weems, Katherine Lane	Print acquisitions	334,204
West, Emily	Art conservation	27,557
Wick, Kathleen	Conservation	135,947
Wiles, Eleanor	Conservation	55,216
Wyman, Ellen Mann	Print acquisitions	8,378
		<u>\$ 27,087,583</u>
Total special endowment funds		
Funds classified as follows:		
Without donor restrictions		\$ 7,559,865
With donor restrictions		19,527,718
		<u>27,087,583</u>
Total special endowment funds		

PROPRIETORS OF THE BOSTON ATHENÆUM

General Endowment Funds
 September 30, 2025

Atkins, Robert E.	\$	206,702
Baldwin, George W.		4,331
Bell, Helen Choate		4,331
Boston Library Society Funds		1,177,264
Broderick, Dr. and Mrs. Francis P.		159,384
Bullard, M. R.		478,657
Burd, Edward		308,055
Burdon-Muller, Roland		3,450
Cabot, George		97,757
Channing, Katherine M.		4,331
Cruft, Francis Cordis		19,181
Curtiss, Frederic		19,181
Diggins, Deborah Coleman and Timothy W.		326,897
Dustin, Florence		404,994
Emmons, Elizabeth		4,331
Everett, Edward Memorial		3,095
Fanning, Marshall		12,369
Friedman, Lee M.		89,401
Gannet, William W.		23,189
General endowment		2,373,319
Gibbs, Jeannette P.		198,218
Greer, Ina May		245,913
Hacker, Barbara Lang & Howard W. Lang		2,762,889
Hilles, Susan Morse		1,935,923
Howes, William Burley		316,017
Jewell, Harvey Centennial Fund		1,381,830
Lincoln, George		291,412
Loomis, Robert		18,113
Loring, Caleb		631,084
Loring, Stanton		112,423
Maltsberger, John T.		121,064
McIntyre, Helen Horner		1,220,429
Mead, Charles		196,411
Metcalf, Elinor Gregory		89,957
Mooney, Mary C. E.		229,962
Paine, Richard C.		271,138
Peterson, Marilyn R.		767,907
Sargent, Daniel		97,757
Sibley, Henry Clark		39,537
Smith, Eleanor Frothingham		53,844
Sullivan, Thomas Russell		4,311
Stange, Alida		266,099
Thacher, Josephine		152,480
Thomas, Augusta		837,545
Twenty-First Century Club		2,495,825
Washington Paintings Fund		8,137,700
Weems, Katharine Lane		492,994
Other Board-designated endowment funds		<u>6,784,010</u>
	\$	<u>35,873,011</u>
Funds classified as follows:		
Without donor restrictions	\$	28,816,729
With donor restrictions		<u>7,056,282</u>
Total general endowment funds	\$	<u>35,873,011</u>