GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

The Library Foundation

Financial Statements and Other Information
as of and for the Year Ended June 30, 2024
and Report of Independent Accountants

THE LIBRARY FOUNDATION

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Treasurer's Report

The financial statements and other information contained in this report have been prepared by management, which is responsible for the information's integrity and objectivity. The financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and are deemed to fairly present the financial position of The Library Foundation and the changes in its net assets and cash flows. Where necessary, management has made informed judgments and estimates of the outcome of events and transactions, with due consideration given to materiality.

As a means of fulfilling its responsibility for the integrity of financial information included in this report, management relies on a system of internal controls established to ensure, within reasonable limits, that assets are safeguarded against loss or unauthorized use, that transactions are properly recorded and executed in accordance with management's authorization, and that the accounting records can be relied upon to be able to prepare financial statements in accordance with generally accepted accounting principles. This system is augmented by careful selection and training of qualified personnel and the dissemination of written policies and procedures.

The financial statements have been examined by the Foundation's independent accountants, GARY MCGEE & CO. LLP, whose report follows. Their examinations were made in accordance with generally accepted auditing standards. The Board of Trustees meets periodically with management and the independent accountants to review accounting, auditing, internal accounting controls, and financial reporting matters, and to ensure that all responsibilities are fulfilled with regard to the objectivity and integrity of the Foundation's financial statements. The Board of Trustees also reviews the scope and results of the Foundation's audit, and current and emerging accounting and financial requirements and practices affecting The Library Foundation.

Peter Galen, *Treasurer*
Board of Trustees
The Library Foundation

GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Trustees
The Library Foundation:

Opinion

We have audited the accompanying financial statements of The Library Foundation, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Library Foundation as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of The Library Foundation 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Library Foundation to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Summarized Comparative Information

We have previously audited The Library Foundation's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gary Gan & Co. LLP

September 18, 2024

THE LIBRARY FOUNDATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

(WITH COMPARATIVE AMOUNTS FOR 2023)

		2024	2023
Assets:			
Cash and cash equivalents	$	792,214	1,271,994
Contributions and grants receivable *(note 4)*		921,574	1,022,386
Prepaid expenses and other assets		58,491	33,196
Assets held in charitable trusts *(note 5)*		728,403	553,322
Investments, at fair value *(notes 6 and 20)*		24,971,875	23,263,851
Property and equipment *(note 7)*		7,421	9,158
Right-of-use asset – operating lease *(note 9)*		207,306	255,405
Total assets	$	27,687,284	26,409,312
Liabilities:			
Accounts payable and accrued expenses		57,223	63,755
Grants payable to Multnomah County Library *(note 17)*		671,424	253,833
Deferred compensation liability *(note 8)*		348,565	270,836
Charitable gift annuity payable *(note 5)*		2,830	3,207
Lease obligation – operating lease *(note 9)*		226,363	274,928
Total liabilities		1,306,405	866,559
Net assets:			
Without donor restrictions *(note 10)*		13,712,729	12,498,451
With donor restrictions *(note 11)*		12,668,150	13,044,302
Total net assets		26,380,879	25,542,753
Commitments and contingencies *(notes 8, 17, 19 and 20)*			
Total liabilities and net assets	$	27,687,284	26,409,312

See accompanying notes to financial statements.

THE LIBRARY FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

		2024			
		Without donor restrictions	With donor restrictions	Total	2023
Revenues, gains and other support:					
Contributions and grants *(note 14)*	$	745,223	1,589,997	2,335,220	3,987,204
In-kind contributions *(note 15)*		125	355,506	355,631	341,946
Operating investment return *(note 6)*		317,096	103,936	421,032	117,960
Other revenues		154	–	154	176
Revenues, gains and other support		1,062,598	2,049,439	3,112,037	4,447,286
Net assets released from restrictions and other transfers *(note 13)*		2,992,018	(2,992,018)	–	–
Appropriation of endowment assets for expenditure *(note 12)*		715,000	277,696	992,696	713,534
Total revenues and gains		4,769,616	(664,883)	4,104,733	5,160,820
Grants and expenses *(note 16)*:					
Program services:					
Direct support of Multnomah County Library *(note 17)*:					
Early literacy		437,554	–	437,554	364,120
School-age literacy		635,504	–	635,504	752,626
Learning for life		127,868	–	127,868	158,125
Building projects		1,601,208	–	1,601,208	360,000
Books and materials		57,431	–	57,431	84,325
Other		5,401	–	5,401	4,721
Total direct support of Multnomah County Library		2,864,966	–	2,864,966	1,723,917
Other program services in support of Multnomah County Library		614,782	–	614,782	576,037
Total program expenses		3,479,748	–	3,479,748	2,299,954
Supporting services:					
Management and general		477,034	–	477,034	308,659
Fundraising		129,312	–	129,312	144,110
Total grants and expenses		4,086,094	–	4,086,094	2,752,723
Net operating results	$	683,522	(664,883)	18,639	2,408,097

Continued

STATEMENT OF ACTIVITIES, CONTINUED

YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

	2024			
	Without donor restrictions	With donor restrictions	Total	2023
Non-operating activities:				
Endowment gifts *(notes 12 and 14)*	$ –	12,710	12,710	98,710
Contributions designated by the Board of Trustees for long-term investment *(note 14)*	797	–	797	320,351
Endowment return *(note 6)*	1,244,959	506,712	1,751,671	1,433,866
Appropriation of endowment assets for expenditure *(note 12)*	(715,000)	(277,696)	(992,696)	(713,534)
Net change in the actuarial value of split-interest agreements	–	47,005	47,005	21,428
Total non-operating activities	530,756	288,731	819,487	1,160,821
Increase (decrease) in net assets	1,214,278	(376,152)	838,126	3,568,918
Net assets at beginning of year	12,498,451	13,044,302	25,542,753	21,992,261
Cumulative effect of adopting FASB ASU 2016-02, *Leases*	–	–	–	(18,426)
Net assets at end of year	$ 13,712,729	12,668,150	26,380,879	25,542,753

See accompanying notes to financial statements.

THE LIBRARY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	2024				
	Program services	Management and general	Fundraising	Total	2023
Direct support of Multnomah County Library	$ 2,864,966	–	–	2,864,966	1,723,917
Salaries and related expenses	437,671	279,134	88,906	805,711	697,819
Professional fees	38,149	115,891	13,049	167,089	114,857
Facilities and technology	54,502	47,446	10,862	112,810	99,199
Office expenses	74,512	12,302	14,569	101,383	83,504
Depreciation	839	731	167	1,737	3,508
Other operating expenses	9,109	21,530	1,759	32,398	29,919
Total expenses	$ 3,479,748	477,034	129,312	4,086,094	2,752,723

See accompanying notes to financial statements.

THE LIBRARY FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

		2024	2023
Cash flows from operating activities:			
Cash received from donors, grantors, and other sources	$	2,309,245	3,323,716
Cash received from investment income for operations		566,774	333,437
Cash paid to Multnomah County Library		(2,091,744)	(1,537,272)
Cash paid to employees and vendors		(1,241,727)	(997,187)
Cash paid for amounts included in the measurement of operating lease obligations		(48,201)	(52,058)
Net cash provided by (used in) operating activities		(505,653)	1,070,636
Cash flows from investing activities:			
Reinvestment of dividend and interest income		(566,769)	(333,433)
Proceeds from the sale and maturity of investments		3,489,023	6,895,539
Purchases of investments		(2,909,091)	(7,323,937)
Net cash provided by (used in) investing activities		13,163	(761,831)
Cash flows from financing activities:			
Proceeds from contributions restricted for long-term investment		12,710	98,710
Net cash provided by financing activities		12,710	98,710
Net change in cash and cash equivalents		(479,780)	407,515
Cash and cash equivalents at beginning of year		1,271,994	864,479
Cash and cash equivalents at end of year	$	792,214	1,271,994

Supplemental disclosure of cash flow information:			
Right-of-use asset recorded upon the implementation of FASB ASU 2016-02, *Leases*	$	–	302,559

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Organization

The Library Foundation was established in 1995 as The Library Foundation, Inc. – Serving the People of Multnomah County, an Oregon public benefit corporation, to encourage private support for the benefit of Multnomah County Library (the "Library").

Our library system is one of our region's most important cultural and educational resources, playing a vital role in all of our community's endeavors — from a healthy economy to the arts, from education to public affairs, and from science to cultural engagement. With the fourth highest circulation of any public library in the nation, our library reaches more county residents than any other public or private cultural and educational institution.

The Library Foundation (the "Foundation") strengthens our community and creates a bright future for children by supporting, expanding and advocating for the library's innovative and groundbreaking work. Gifts from thousands of individuals, foundations and businesses make this work possible. Since 1995, Foundation supporters have helped our library breathe new life into aging buildings, buy books that capture hearts and minds, and foster a love for reading with tens of thousands of children and families.

During the year ended June 30, 2024, more than 200,000 people were reached with library programs and books made possible by gifts, large and small, to The Library Foundation. Our supporters helped the library expand 15 programs and initiatives and made more than 90,000 books and materials available. The Foundation and the Library work together, in a strong partnership, to determine where private funds can have the greatest impact, particularly for children and families facing the risk factors for low literacy. Our work shows just how much a small nonprofit can accomplish, working in partnership with a great public library.

2. Program Services

During the year ended June 30, 2024, the Foundation incurred program service expenses that supported the Library's work in four major categories:

Early Literacy – The first years of life define a child's future. From birth to age five, reading with a trusted adult in a warm and loving environment can transform a child's ability to learn to read and succeed in school. Gifts to the Foundation supported far-reaching programs that motivated families to read with their young children. These programs reached more than 85,000 young children, parents and caregivers this year.

School-Age Literacy – Nearly half of students in our community are not meeting third-grade reading benchmarks. Gifts to the Foundation supported books and programs that engaged more than 100,000 students and young learners all year long, creating transformation in reading and learning. Librarians partnered with teachers to help students learn to read, and to love learning, and worked intensively to engage children and their families in all the library has to offer.

Learning For Life – The Library helps each person in our community explore worlds and cultures beyond their front door. This year, gifts to the Foundation reached 25,000 teens, adults, and seniors through programs, workshops, and events that brought people of all ages together to learn, discuss, and reflect on topics that affect our world.

Libraries For Our Future – In 2020, the Library launched a six-year building plan to meet the 21st century needs of our community by building or expanding 8 libraries, increasing our system's space by nearly 60%. The Library Foundation completed year 2 of a campaign to support the design and build-out of cutting-edge learning environments and spaces for children and teens in each of these libraries.

3. Summary of Significant Accounting Policies

The significant accounting policies followed by the Foundation are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – Net assets, revenues, gains and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor-imposed stipulations. From time to time, the Foundation's Board of Trustees may designate a portion of these net assets for particular purposes and objectives.

- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. These balances represent the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities as directed by the donor. The balances also include net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation (e.g., endowment funds). Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

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

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure 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 could differ from those estimates. In the opinion of management, such differences, if any, would not be significant.

Cash Equivalents – For purposes of the financial statements, the Foundation considers all liquid investments having initial maturities of three months or less to be cash equivalents. Cash and cash equivalents held as part of the Foundation's investment portfolio, and where management's intention is to use the cash to acquire investments to be held long-term, are classified as investments.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair value in the statement of financial position. Whenever available, quotations from organized securities exchanges are used as the basis for fair value.

For investments not traded on organized exchanges, fair value estimates are provided by investment managers. For applicable investments, manager-reported net asset value ("NAV") is used as a practical expedient to estimate fair value. Valuations provided by fund managers consider variables such as the financial performance and sales of underlying investments and other pertinent information. The Foundation reviews valuations and assumptions provided by fund managers for reasonableness and believes that the carrying amounts of these financial instruments are reasonable estimates of fair value.

Net investment return, which includes both current yield (interest and dividend income) and net appreciation (decline) in the fair value of investments (both the realized gains or losses and the unrealized appreciation (decline) of the market value of those investments), is reported in the statement of activities, net of investment expenses. Interest income is accrued as earned. All security transactions are recorded on a trade date basis.

The Foundation has some exposure to investment risks, including interest rate, market and credit risks, for marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the accompanying financial statements.

Beneficial Interest in Charitable Trusts – The Foundation receives contributions of assets in which the donor or a donor-designated beneficiary may retain a life interest. The assets are invested and administered by either a trustee or the Foundation, and distributions are made to the beneficiaries during the term of the agreement. These funds are generally invested in equity and fixed income mutual funds, and the Foundation records its interest in these trusts at fair value based on estimated future cash receipts. Initial recognition is recorded as contribution revenue and subsequent adjustments to the assets' carrying value are reported as a change in the actuarial value of split-interest agreements.

Capital Assets and Depreciation – Property and equipment are carried at cost, and at fair value when acquired by gift. Depreciation is generally provided on a straight-line basis over the estimated useful lives of the respective assets, which is 3 to 7 years for furniture and equipment.

Leases – The Foundation accounts for leases in accordance with FASB ASC Topic 842, *Leases*. The Foundation leases office space, which is classified as an operating lease under ASC 842. The Foundation has elected the practical expedient under ASC 842 to allow the lease and nonlease components not to be separated. Management considers various factors such as market conditions and the terms of any renewal options that may exist to determine whether to renew or replace a lease. For leases in place as of June 30, 2024, renewals are not considered within the lease term and minimum lease payments unless renewals are reasonably certain to be exercised.

The Foundation includes fixed rent, predetermined rent escalations, rent-free periods, and deferred rent as lease components. Lease expense is recognized on a straight-line basis over the term of the lease.

The office space lease requires variable payments for operating expenses which are expensed as incurred. The Foundation's lease liability is initially and subsequently measured at the present value of the remaining lease payments. The right-of-use (ROU) asset is initially recognized at the amount of the lease liability recognized less lease incentives received, plus initial direct costs and prepaid lease payments, if any. When the implicit rate is not readily determinable, The Foundation uses a risk-free rate to determine the present value of the lease payments. The Foundation does not report ROU assets and lease liabilities for short-term leases (leases with a term of 12 months or less).

Obligations Under Split-Interest Agreements – Obligations under split-interest agreements, including charitable remainder trusts and charitable gift annuities, are recorded when incurred at the present value of the distributions to be made to the donor-designated beneficiaries. Distributions are paid over the lives of the beneficiaries or other specified period. Present values are determined using discount rates established by the Internal Revenue Service and actuarially-determined expected lives. Obligations under split-interest agreements are revalued annually at June 30 to reflect actual experience. The net revaluations, together with any remaining recorded obligations after all trust or gift obligations under terminated agreements have been satisfied, are recorded as change in the actuarial value of split-interest agreements.

Revenue Recognition – With regard to revenues from grants and contracts, the Foundation evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the Foundation recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.

- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the Foundation evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds, and (2) either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

- *Governmental Support* – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or proprietary benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as nonreciprocal (i.e., a contribution).

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the donor's commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

Unconditional promises to give with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows using credit adjusted discount rates which articulate to the collection period of the respective pledge. Such discount rates are not subsequently revised. Amortization of the discount is recorded as additional contribution revenue in subsequent years in the appropriate net asset class.

Contributions and grants receivable are reported net of an allowance for estimated uncollectible promises.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets to be used to acquire capital assets with such donor stipulations are reported as net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets, consistent with donor intent.

In-Kind Contributions – A number of unpaid volunteers have made significant contributions of their time to develop and implement the Foundation's policy-making, program and support functions. Under generally accepted accounting principles, significant services received which create or enhance a non-financial asset or require specialized skills that the Foundation would have purchased if not donated are recognized in the statement of activities.

In-kind contributions of property, equipment, and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of the Foundation's activities.

See note 15 for additional information about inkind gifts to the Foundation.

Outstanding Legacies – The Foundation is the beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. The Foundation's share of such bequests is recorded when the probate courts declare the testamentary instrument valid and the proceeds are measurable.

Grant Awards – Committed grant expenditures are considered incurred at the time of the Board's approval and notification to the grantee, provided the grant has no specified conditions to be met in a future period. For conditional grants, the grant expenditure and liability are recognized and recorded in the accounting period when the Foundation determines that the specified conditions have been met.

Measure of Operations – The Foundation includes in its definition of operations all revenues and expenses that are integral to its programs and supporting activities as operating activities. Amounts other than operating revenues and expenses are recognized as nonoperating activities (i.e., below the line), including new endowment gifts, bequests without operating restrictions, funds designated by the Foundation's Board of Trustees for long-term investment, endowment appropriations, appropriations of unrestricted Board-designated endowment, investment return net of amounts appropriated for spending pursuant to the Foundation's spending policies, contributed capital assets for the Foundation's use, and other nonrecurring items.

Related Party Transactions – Members of the Foundation's Board of Trustees and senior management may, from time to time, be associated either directly or indirectly, with companies doing business with the Foundation. The Foundation has a written ethics and conflicts policy that requires, among other things, annual disclosure of interests or affiliations that could be construed as creating a conflict or the appearance of a conflict with the interests of the Foundation. The Foundation's ethics and conflicts policy requires that no member of the board of Trustees or senior management can participate in any decision in which he or she (or an immediate family member) has a material financial interest.

Each Trustee and member of senior management is required to certify compliance with the ethics and conflicts policy on an annual basis and indicate whether the Foundation does business with an entity in which he or she has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the Foundation, and in accordance with applicable conflict of interest laws. No such associations are considered to be significant as of and for the year ended June 30, 2024.

Concentrations of Credit Risk – The Foundation's financial instruments consist primarily of cash equivalents, investments, and similar interests, which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). In addition, the market value of securities is dependent on the ability of the issuer to honor its contractual commitments, and all investments are subject to changes in market values. All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to $250,000 for each depositor, for each insured bank, for each account ownership category. At June 30, 2024, the Foundation held $588,675 in excess of FDIC limits.

Moreover, the market value of securities is dependent on the ability of the issuer to honor its contractual commitments, and the investments are subject to changes in market values. Management believes that risk with respect to these balances is minimal, due to the high credit quality of the institutions used.

Certain receivables may also subject the Foundation to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, the Foundation's management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

Advertising and Promotional Expenses – Advertising and promotional costs are charged to expense as they are incurred.

Income Taxes – The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and comparable state law. In addition, the Foundation derives its public charity status under IRC Sections 170(b)(1)(A)(vi) and 509(a)(1).

Summarized Financial Information for 2023 – The accompanying financial information as of and for the year ended June 30, 2023 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Subsequent Events – Subsequent events have been evaluated by management through September 18, 2024 which is the date the financial statements were available to be issued.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

4. Contributions and Grants Receivable

Contributions and grants receivable are summarized as follows at June 30, 2024:

Unconditional receivables expected to be collected in:		
Less than one year	$	837,798
One year to five years		125,000
		962,798
Less unamortized discount [1]		(41,224)
	$	921,574

[1] Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 5.99%. Also see note 14.

Gross contributions and grant receivables held at June 30, 2024 carry the following donor purpose or use restrictions:

Building projects	$	331,517
Books		64,219
GED services		23,248
General operations		543,814
	$	962,798

Conditional Contributions and Grants Receivable

As of June 30, 2024, the Foundation had also been awarded additional contributions and grants totaling $108,803, the receipt of which are conditioned upon fulfilling certain challenge match requirements or upon incurrence of allowable costs. These awards have not yet been included in the accompanying financial statements because the associated conditions had not been satisfied as of June 30, 2024.

5. Assets Held in Charitable Trusts

The following table summarizes the Foundation beneficial interest in various split-interest gifts received over the years and held at June 30, 2024:

Charitable remainder unitrust held by the Foundation [1]	$ 217,153
Charitable remainder unitrust held by others [2]	127,738
Assets associated with charitable gift annuity [3]	1,303
Beneficial interest in a perpetual trust [4]	382,209
	$ 728,403

[1] The Foundation is the sole remainderman of a charitable remainder unitrust. A charitable remainder unitrust provides for the payment of distributions to a designated beneficiary for the life of the beneficiary. At the end of the trust's terms, the trust's remaining assets are available and will be distributed to the Foundation for general operating purposes. The present value of the future benefits to be received by the Foundation is recorded in the statement of activities as a contribution with donor restrictions at the time the amount is measurable. The Foundation will receive all of the assets that remain in the trust after the death of the beneficiary. The beneficiary receives annual distributions of 8.0% of the fair value of the assets measured at the beginning of the trust's tax year and is paid quarterly. Utilizing a 5.12% discount rate and the beneficiary's projected remaining life span, the estimated fair value of the amount receivable under this agreement is reported as $217,153 at June 30, 2024.

[2] The Foundation is also one of the two remaindermen of an irrevocable charitable remainder unitrust which is held by a third party Trustee. Upon the deaths of the income beneficiaries, the Foundation will receive ½ of the remaining assets of the charitable remainder unitrust for general operating purposes. The present value of the future benefits to be received by the Foundation is recorded in the statement of activities as a contribution with donor restrictions at the time the amount is measurable. The beneficiaries receive annual distributions of 5.0% of the fair value of the assets measured at the beginning of the trust's tax year and is paid quarterly. Utilizing a 2.91% discount rate and the beneficiaries' projected remaining life span, the estimated fair value of the amount receivable under this agreement is reported as $127,738 at June 30, 2024.

[3] The Foundation has entered into a charitable gift annuity agreement in the amount of $10,000. Under the terms of the agreement, the donor receives quarterly payments of $143 over the donor's remaining life. Using a discount rate of 6.29%, the estimated present value of the Foundation's liability under the agreement is $2,830 at June 30, 2024. Related assets included in this arrangement totaled $1,303 at June 30, 2024.

[4] Finally, the Foundation has been named as a 1/8 charitable beneficiary of a perpetual trust. The asset is determined by multiplying the total fair value of the trust's assets by the Foundation's percentage share. Any change in the value is reported as a revaluation gain or loss in the statement of activities. The beneficial interest in the perpetual trust is classified as net assets with perpetual donor restrictions. The estimated value of the Foundation's interest in the perpetual trust is $382,209 at June 30, 2024. During the year ended June 30, 2024, the Foundation received distributions of $16,250 from the trust, which is available for general unrestricted purposes. The assets are managed by a third-party Trustee.

6. Investments, at Fair Value

The following is a summary of investments held at June 30, 2024:

Exchange-traded funds	$ 8,759,170
Equity securities	7,156,728
Fixed income securities	1,361,579
Alternative investments	6,270,108
	23,547,585
Investments held for purposes of deferred compensation:	
Equity funds	348,565
	23,896,150
Cash equivalents	1,075,725
	$ 24,971,875

Investments are held for the following purposes:

Donor-restricted endowment	$ 5,890,345
Board-designated endowment	12,151,414
Expendable funds	6,581,551
Deferred compensation *(note 8)*	348,565
	$ 24,971,875

Total investment return for the year ended June 30, 2024, net of fees, is summarized as follows:

Interest and dividend income, net	$	519,830
Net change in the fair value of investments		1,652,873
Total investment return	$	2,172,703

Total investment return is classified in the accompanying financial statements as follows:

Operating investment return	$	421,032
Non-operating endowment return		1,751,671
Total investment return	$	2,172,703

7. Property and Equipment

A summary of the Foundation's capital assets at June 30, 2024 is as follows:

Furniture and equipment	$	39,789
Less accumulated depreciation		(32,368)
	$	7,421

8. Retirement Plan and Deferred Compensation Arrangements

The Foundation provides all employees with a retirement plan (a tax-sheltered annuity plan) as described under Section 403(b) of the Internal Revenue Code. Under the plan, all permanent employees may make voluntary contributions to the plan on a pre-tax basis up to the limits allowed by law. The Foundation matches 50% of employee contributions (for employees with less than 5 years of service) up to 3% of the employee's gross salary; 75% of employee contributions (for employees with between 6 and 10 years of service) up to 4.5% of the employee's gross salary; and 100% of employee contributions (for employees with 11+ years of service) up to 6% of the employee's gross salary.

In addition, after one year of service, the Foundation contributes an annual contribution equal to 3% of the gross salary of all eligible employees, regardless of employee contributions to the plan. Contributions to the plan from both employees and the Foundation vest as accrued. During the year ended June 30, 2024, the Foundation contributed $41,117 to this plan.

The Foundation has entered into an unfunded deferred compensation agreement with one current and one former executive employees as described under 457(b) of the Internal Revenue Code. Under the agreement, all investments are held in domestic mutual funds. The plan permits the executive employees to make elective deferrals, and the Foundation to make employer contributions at the discretion of the Board of Trustees, up to the amounts permitted by law. During the year ended June 30, 2024, the Foundation made contributions and distributions under this agreement totaling $29,000 and $19,730, respectively. At June 30, 2024, the balance of investments and the associated deferred compensation liability totaled $348,565.

9. Operating Leases

The Foundation leases its principal office space under a noncancelable operating lease that expires in July of 2028. Right-of-use ("ROU") assets and the associated lease obligations have been recorded for this lease in accordance with the standards contained in FASB ASC Topic 842, *Leases*. At June 30, 2024, the Foundation's ROU asset and corresponding lease obligation totaled $207,306 and $226,363, respectively.

Lease expense related to this lease totaled $53,155 for the year ended June 30, 2024. In addition, the Foundation received property tax refunds of $5,420 from its landlord and paid variable lease payments for its share of operating expenses totaling $4,274 for the year ended June 30, 2024. The discount rate used on this lease is 2.0% and the remaining lease term is 4.1 years.

Future Lease Payments

Operating lease payments are expected to be paid for each of the following fiscal years:

Years ending June 30,		
2025	$	55,230
2026		56,887
2027		58,594
2028		60,352
2029		5,041
		236,104
Less present value discount		(9,741)
Total lease obligations	$	226,363

10. Net Assets without Donor Restrictions

At June 30, 2024, the Foundation held the following net assets without donor restrictions:

Board-designated funds *(note 12)*	$ 12,151,414
Net investment in capital assets	7,421
Unrestricted endowment takedown available for general operations	292,565
Available for general operations	1,261,329
	$ 13,712,729

11. Net Assets with Donor Restrictions

The following summarizes the Foundation's net assets with donor-imposed restrictions as of June 30, 2024:

With temporary restrictions:		
Expendable funds for the following:		
Building projects	$	762,304
Library branches		1,776,025
Children's literacy		953,618
Other purposes		1,102,016
General operating gifts but restricted as to time		527,191
Unappropriated endowment earnings with expiring donor restrictions		1,204,002
Appropriated endowment earnings with expiring donor restrictions		932,151
Beneficial interest in split-interest agreements with expiring donor restrictions		342,291
		7,599,598
With permanent restrictions:		
Beneficial interest in perpetual trust		382,209
Endowment gifts restricted for *(note 12)*:		
General operations		1,072,095
Specific purposes		3,614,248
		4,686,343
		5,068,552
	$	12,668,150

12. Endowment

The following summarizes the Foundation's donor-restricted and Board-designated endowment-related activities for the year ended June 30, 2024:

	Donor-restricted			Board-designated	
	Accumulated endowment return	Endowment principal	Total	Without donor restrictions	Total
Endowment net assets at beginning of year	$ 974,986	4,673,633	5,648,619	11,620,658	17,269,277
Contributions and bequests	–	12,710	12,710	–	12,710
Unrestricted gifts designated by the Board of Trustees for long-term investment	–	–	–	797	797
Endowment return	506,712	–	506,712	1,244,959	1,751,671
Appropriation of endowment assets for expenditure	(277,696)	–	(277,696)	(715,000)	(992,696)
Endowment net assets at end of year	$ 1,204,002	4,686,343	5,890,345	12,151,414	18,041,759

Interpretation of Relevant Law – The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") governs Oregon charitable institutions with respect to the management, investment and expenditure of donor-restricted endowment funds.

The Foundation's Board of Trustees has interpreted Oregon's adoption of UPMIFA as requiring the Foundation to adopt investment and spending policies that preserve the fair value of the original gift as of the date of gift, absent explicit donor stipulations to the contrary. Although the Foundation has a long-term fiduciary duty to the donor (and to others) for a fund of perpetual duration, the preservation of the endowment's purchasing power is only one of several factors that are considered in managing and investing these funds. Furthermore, in accordance with UPMIFA, a portion of the endowment's original gift may be appropriated for expenditure in support of the restricted purposes of the endowment if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

As a result of this interpretation, the Foundation classifies as endowment principal (1) the original value of gifts donated to the donor-restricted endowment, (2) subsequent gifts to the endowment, and (3) accumulations to the endowment made pursuant to the direction of the applicable donor gift instrument.

Net earnings (realized and unrealized) on the investment of endowment assets are classified as accumulated endowment return until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA and until expended in a manner consistent with the purpose or time restrictions, if any, imposed by the donor. Any investment return classified as endowment principal represents only those amounts required to be retained permanently as a result of explicit donor stipulations.

In the absence of donor stipulations or law to the contrary, losses or appropriations of a donor-restricted endowment reduce accumulated endowment return to the extent that donor-imposed restrictions on net appreciation of the fund have not been satisfied before the loss or appropriation occurs. Any remaining loss or appropriation reduces endowment principal.

Endowments with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In addition, the Foundation's Board of Trustees interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law, and the Foundation has a policy that permits spending from underwater endowment funds, depending on the degree to which the fund is underwater.

Investment and Spending Policies – In accordance with UPMIFA, the Foundation's Board of Trustees has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs and operations supported by its endowment, while also seeking to maintain the long-term purchasing power of the endowment assets. Therefore, the Board of Trustees considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Foundation and the fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Foundation; and
- The investment policies of the Foundation.

To meet its objective, the Foundation's policies limit the spending of investment income and appreciation to a maximum of 5.0% of the average fair value of such investments measured over a 12-quarter trailing average. 1.0% of this appropriation is transferred to the unrestricted general operating funds to represent the Foundation's fee for management of the endowment.

Actual endowment return earned in excess of distributions under this policy is reinvested as part of the Foundation's endowment management and is reported as a non-operating item in the accompanying statement of activities. For years when actual endowment return is less than distributions under the policy, the short-fall is covered by realized and unrealized returns from prior years. If cumulative endowment return is exhausted, any remaining loss or appropriation reduces endowment principal. In years when the overall endowment is underwater, the Board may permit continued spending from principal only in accordance with its policies for spending from underwater endowments. See *Endowments with Deficiencies*.

13. Net Assets Released from Restrictions and Other Transfers

During the year ended June 30, 2024, the Foundation incurred various expenses in satisfaction of the restricted purposes specified by donors, or satisfied the restriction by the occurrence of other events. Accordingly, during the year ended June 30, 2024, corresponding net asset reclassifications have been recorded in the accompanying statement of activities, together with other transfers, as described in the following table:

		Without donor restrictions	With donor restrictions
Satisfaction of donor restrictions for operating purposes	$	2,936,479	(2,936,479)
Transfer of administrative fees		55,539	(55,539)
	$	2,992,018	(2,992,018)

14. Contribution and Grant Revenues

Contributions and grants received by the Foundation during the year ended June 30, 2024 totaled $2,348,727 and were received from the following classes of donors and grantors:

Private foundations	$	645,950
Individuals and families		909,987
Bequests		637,973
Government		23,248
Businesses		47,709
		2,264,867
Discounts for long-term pledges		83,860
	$	2,348,727

The fund groups benefiting from these contributions and grants were as follows:

Unrestricted funds	$	745,223
Donor-restricted expendable funds		1,589,997
Endowment funds		12,710
Contributions designated by the Board of Trustees for long-term investment		797
	$	2,348,727

15. In-Kind Contributions

During the year ended June 30, 2024, the Foundation received $355,631 in various in-kind contributions summarized as follows:

Contributed prizes and supplies – primarily for the Summer Reading program	$	324,575
Contributed media sponsorships – Everybody Reads and Summer Reading		31,056
	$	355,631

The Foundation receives contributed prizes, supplies, passes and tickets restricted for the Multnomah County Library Summer Reading programs which are given to children in its literacy programs as prizes. Prizes consists mostly of tickets and vouchers donated by local charities and business with stated values. Such donated prizes are recorded at fair value based on the current cost to purchase such items. The Foundation also receives contributed media to promote library literacy programs which are recorded at their estimated fair value using current market rates for similar services.

16. Grants and Expenses

The costs of providing the Foundation's various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation, and therefore require allocation on a reasonable basis that is consistently applied. Those expenses include depreciation, and other facility-related costs, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, communications, and other expenses, which are allocated on the basis of estimates of time and effort.

Because the Foundation is able to successfully leverage the Library's vast reach, expertise and partnerships, supporters are able to see tremendous benefits from their own gifts. Librarians are, after all, highly skilled in creating and expanding programs for children and families that operate at a fraction of the costs of other stand-along organizations.

17. Direct Support of Multnomah County Library

During the year ended June 30, 2024, the Foundation awarded $2,864,966 in total direct support to Multnomah County Library. At June 30, 2024, the Foundation reported a grant payable of $671,424 for grants approved, to be paid within one year.

Conditional Grant Awards

In April of 2024, the Board of Trustees also approved additional direct support of Multnomah County Library in cash and in-kind gifts up to a total of $2,807,636 for the year ending June 30, 2025. This support is conditioned upon Multnomah County Library actually incurring qualifying costs and requesting reimbursement; accordingly, a grant payable for this conditional commitment has not yet been reflected in the accompanying financial statements.

18. Liquidity and Availability of Financial Assets

The Foundation manages its financial assets to provide sufficient liquidity for operations and to provide operating income through investments while safeguarding principal. The Foundation's investment policy details the composition, objectives and types of investments for liquidity. The liquidity policy requires that the Foundation structure its financial assets to be available to meet general expenditures and obligations as they come due.

Financial assets available for general expenditure within one year of the statement of financial position date comprise the following at June 30, 2024:

Total financial assets:	
Cash and cash equivalents	$ 792,214
Contributions and grants receivable	921,574
Assets held in charitable trusts	728,403
Investments	24,971,875
	27,414,066
Less financial assets not available for general expenditure within the year ending June 30, 2025:	
Financial assets restricted by donors for endowment	(5,890,345)
Board-designated endowment	(12,151,414)
Beneficial interest in charitable trusts to be realized long-term	(511,250)
Pledges to be collected in more than one year	(111,271)
Financial assets set aside for deferred compensation plan	(348,565)
	(19,012,845)
Plus other funds subject to appropriation for expenditure:	
Anticipated fiscal year 2025 endowment appropriations for operating purposes	887,000
	$ 9,288,221

Although the Foundation does not intend to spend from its net assets other than amounts appropriated for expenditure as part of its annual budget approval process, amounts from its unappropriated net assets could be made available if necessary. In addition, the Foundation invests cash in excess of daily requirements in short-term investments and fully insured money market funds.

19. Contingencies and Commitments

In the normal course of business, the Foundation enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Foundation's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Foundation that have not yet occurred. However, based on experience, the Foundation expects the risk of loss to be remote.

20. Fair Value Measurements

Included in the accompanying financial statements are certain financial instruments carried at fair value.

- Investments
- Assets held in charitable trusts

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale; similarly, the fair value of a liability is the amount at which the liability could be transferred in a current transaction between willing parties. Fair values are based on quoted market prices when available.

When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality.

All financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined under generally accepted accounting principles.

The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities and the lowest ranking to fair values determined using methodologies and models with unobservable inputs, as follows:

- *Level 1* – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

- *Level 2* – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Level 2 also includes units in funds which only invest in financial assets classified as Level 1, have no redemption gates or lock-up periods, and for which there have been recent transactions at the published monthly net asset value.

- *Level 3* – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Foundation's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

At June 30, 2024, the following financial assets are measured at fair value on a recurring basis:

	Level 1	Level 3	NAV [1]	Total
Investments *(note 6)*	$ 17,626,042	–	6,270,108	23,896,150
Charitable remainder unitrusts *(note 5)*	–	344,891	–	344,891
Beneficial interest in a perpetual trust *(note 5)*	–	382,209	–	382,209
	$ 17,626,042	727,100	6,270,108	24,623,250

[1] Investments valued utilizing net asset value ("NAV") as a practical expedient are excluded from the fair value hierarchy described above. Alternative investment funds are NAV investments in diversified strategies, real assets and private equities. For private equities, the Foundation generally commits to invest capital upon the demand of the general partner or investment manager. For investment funds other than private equities, the Foundation generally has restricted periodic redemption rights. The Foundation has significant transparency into the underlying positions of the private equities, although the Foundation cannot generally independently assess the value of these underlying positions through a public exchange or over-the-counter market.

The Foundation follows the concept of the "practical expedient" under GAAP. The practical expedient is an acceptable method under GAAP to determine the fair value of certain NAV investments that (a) do not have a readily determinable fair value predicated upon a public market, and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company as defined by GAAP. As such, NAV investments are presented in the accompanying financial statements at fair value, as determined by the Foundation. Such fair value generally represents the Foundation's proportionate share of the net assets of the NAV investment as reported by the underlying investment managers or general partners. Accordingly, the fair value NAV investments are generally increased by additional contributions, and the Foundation's share of net earnings from the NAV investments and are decreased by distributions and the Foundation's share of net losses from the NAV investments for the respective period.

The Foundation believes that the carrying amount of its NAV investments is a reasonable estimate of fair value as of June 30, 2024. Because these investments are not readily marketable, the estimated value is subject to uncertainty; therefore, results may differ from the value that would have been used had a ready market for these investments existed, and such differences could be material.

The changes in valuation of Level 3 assets using significant unobservable inputs are as follows:

	Charitable reminder unitrusts	Beneficial Interest in perpetual trust	Total
Fair value at beginning of year	$ 199,702	352,462	552,164
Contribution of beneficial interest in charitable remainder unitrusts	127,738	–	127,738
Net change in the actuarial value of split-interest agreements	17,451	29,747	47,198
Fair value at end of year	$ 344,891	382,209	727,100
	[A]	[B]	

[A] Measured at fair value based upon a discounted cash flow analysis of the expected income, taking the fair value of the assets held in trust and the life expectancy of the current beneficiaries into consideration.

[B] The asset is determined by multiplying the total fair value of the trust's assets by the Foundation's percentage share. Any change in the value is reported as a revaluation gain or loss in the statement of activities. The estimated value of the Foundation's interest in the perpetual trust is $382,209 at June 30, 2024. During the year ended June 30, 2024, the Foundation received distributions of $16,250 from the trust, which is available for general unrestricted purposes.

The following table illustrates the Foundation's remaining funding commitment to alternative investment funds as of June 30, 2024:

	Fair value at June 30, 2024	Unfunded commitments
Private equity limited partnerships held for donor-restricted endowments:		
Bay Hills Capital Partners IV, LP	$ 545,713	15,081
Bay Hills Capital Partners V, LP	132,777	42,975
Private equity limited partnerships held for Board-designated endowments:		
Bay Hills Capital Partners IV, LP	1,091,425	30,160
Bay Hills Capital Partners V, LP	265,553	85,950
	$ 2,035,468	174,166

21. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the increase in net assets (as reported on the statement of activities) to net cash used in operating activities (as reported on the statement of cash flows):

Increase in net assets	$	838,126
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation		1,737
Net change in the fair value of investments *(note 6)*		(1,652,873)
Amortization of right-of-use assets – operating lease		48,099
Increase in the market value of investments held for the deferred compensation liability		(68,459)
Proceeds from contributions restricted for long-term investment		(12,710)
Contributions of beneficial interest in charitable remainder trust held by others		(127,738)
Net changes in:		
Contributions and grants receivable		100,812
Prepaid expenses and other assets		(25,295)
Assets held in charitable trusts		(47,198)
Accounts payable and accrued expenses		(6,532)
Grants and other support payable to Multnomah County Library		417,591
Deferred compensation liability		77,729
Charitable gift annuity payable		(377)
Lease obligations – operating lease		(48,565)
Total adjustments		(1,343,779)
Net cash used in operating activities	$	(505,653)

22. Reclassification of 2023 Comparative Totals

Certain 2023 amounts presented herein have been reclassified to conform to the 2024 presentation.

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GOVERNING BOARD AND FOUNDATION STAFF

INQUIRIES AND OTHER INFORMATION

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