

Cedar Rapids Public Library Foundation

Financial Statements

June 30, 2022 and 2021



Cedar Rapids Public Library Foundation
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Independent Auditor's Report

Board of Directors
Cedar Rapids Public Library Foundation

Opinion

We have audited the financial statements of Cedar Rapids Public Library Foundation, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cedar Rapids Public Library Foundation as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cedar Rapids Public Library Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cedar Rapids Public Library Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cedar Rapids Public Library 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.

Bergankdv, LTD.

Waterloo, Iowa
November 8, 2022

Cedar Rapids Public Library Foundation
Statements of Financial Position
As of June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 241,948	\$ 168,392
Promises to give	38,500	91,992
Prepaid expenses	11,432	11,656
Total current assets	<u>291,880</u>	<u>272,040</u>
Investments	9,085,477	10,347,695
Promises to give	6,634	21,819
Beneficial interest in assets held by Foundation	<u>13,737</u>	<u>15,351</u>
Total assets	<u><u>\$ 9,397,728</u></u>	<u><u>\$ 10,656,905</u></u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 19,574	\$ 14,143
Accrued expenses	13,484	11,311
Total current liabilities	<u>33,058</u>	<u>25,454</u>
Net assets		
Without donor restrictions	5,076,991	5,981,565
With donor restrictions	<u>4,287,679</u>	<u>4,649,886</u>
Total net assets	<u>9,364,670</u>	<u>10,631,451</u>
Total liabilities and net assets	<u><u>\$ 9,397,728</u></u>	<u><u>\$ 10,656,905</u></u>

Cedar Rapids Public Library Foundation
Statement of Activities
Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains and public support			
Contributions and grants	\$ 162,301	\$ 153,614	\$ 315,915
Bequests	38,874	11,538	50,412
Investment return, net	(835,232)	(296,428)	(1,131,660)
Change in beneficial interest	(1,011)	-	(1,011)
Net assets released from restriction	230,931	(230,931)	-
Total revenues, gains and public support	<u>(404,137)</u>	<u>(362,207)</u>	<u>(766,344)</u>
Expenses			
Program services	308,495	-	308,495
Management and general	98,437	-	98,437
Fundraising	93,505	-	93,505
Total expenses	<u>500,437</u>	<u>-</u>	<u>500,437</u>
Change in net assets	(904,574)	(362,207)	(1,266,781)
Net assets, beginning of year	<u>5,981,565</u>	<u>4,649,886</u>	<u>10,631,451</u>
Net assets, end of year	<u><u>\$ 5,076,991</u></u>	<u><u>\$ 4,287,679</u></u>	<u><u>\$ 9,364,670</u></u>

Cedar Rapids Public Library Foundation
Statement of Activities
Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains and public support			
Contributions and grants	\$ 132,654	\$ 213,957	\$ 346,611
Bequests	1,815,443	10,309	1,825,752
Investment return, net	1,389,020	623,439	2,012,459
Change in beneficial interest	2,969	-	2,969
Net assets released from restriction	249,618	(249,618)	-
Total revenues, gains and public support	<u>3,589,704</u>	<u>598,087</u>	<u>4,187,791</u>
Expenses			
Program services	312,709	-	312,709
Management and general	88,943	-	88,943
Fundraising	56,161	-	56,161
Total expenses	<u>457,813</u>	<u>-</u>	<u>457,813</u>
Change in net assets	3,131,891	598,087	3,729,978
Net assets, beginning of year	<u>2,849,674</u>	<u>4,051,799</u>	<u>6,901,473</u>
Net assets, end of year	<u><u>\$ 5,981,565</u></u>	<u><u>\$ 4,649,886</u></u>	<u><u>\$ 10,631,451</u></u>

Cedar Rapids Public Library Foundation
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services					Support Services		
	Books and Materials	Children's Services	Library Programs	Unrestricted Library	Total Program Services	Management and General	Fundraising	Total Expenses
Grants and assistance	\$ 53,183	\$ 146,042	\$ 36,625	\$ 6,000	\$ 241,850	\$ -	\$ -	\$ 241,850
Salaries and wages	9,861	27,077	6,791	1,901	45,630	32,204	36,504	114,338
Benefits	3,622	9,945	2,494	698	16,759	3,352	13,408	33,519
Professional fees	-	-	-	-	-	45,229	28,613	73,842
Office expenses	-	-	-	-	-	3,964	8,247	12,211
Information and technology	-	-	-	-	-	-	3,098	3,098
Occupancy	-	-	-	-	-	6,998	-	6,998
Conference and meetings	-	-	-	-	-	5,702	-	5,702
Other	-	-	-	4,256	4,256	988	3,635	8,879
Total expenses	<u>\$ 66,666</u>	<u>\$ 183,064</u>	<u>\$ 45,910</u>	<u>\$ 12,855</u>	<u>\$ 308,495</u>	<u>\$ 98,437</u>	<u>\$ 93,505</u>	<u>\$ 500,437</u>

See notes to financial statements.

Cedar Rapids Public Library Foundation
Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services					Support Services		
	Books and Materials	Children's Services	Library Programs	Unrestricted Library	Total Program Services	Management and General	Fundraising	Total Expenses
Grants and assistance	\$ 84,729	\$ 139,651	\$ 20,000	\$ 5,993	\$ 250,373	\$ -	\$ -	\$ 250,373
Salaries and wages	14,470	23,850	3,416	1,591	43,327	31,728	34,662	109,717
Benefits	5,237	8,632	1,236	576	15,681	3,136	12,545	31,362
Professional fees	-	-	-	-	-	39,850	-	39,850
Office expenses	-	-	-	-	-	3,710	6,306	10,016
Information and technology	-	-	-	-	-	-	2,648	2,648
Occupancy	-	-	-	-	-	6,998	-	6,998
Conference and meetings	-	-	-	-	-	530	-	530
Other	-	-	-	3,328	3,328	2,991	-	6,319
Total expenses	<u>\$ 104,436</u>	<u>\$ 172,133</u>	<u>\$ 24,652</u>	<u>\$ 11,488</u>	<u>\$ 312,709</u>	<u>\$ 88,943</u>	<u>\$ 56,161</u>	<u>\$ 457,813</u>

Cedar Rapids Public Library Foundation
Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows - Operating Activities		
Change in net assets	\$ (1,266,781)	\$ 3,729,978
Adjustments to reconcile change in net assets to net cash flows - operating activities		
Interest and dividends reinvested	(275,775)	(189,093)
Net realized and unrealized (gain) loss on investments	1,419,085	(1,866,040)
Change in value of beneficial interest	1,011	(2,969)
Changes in operating assets and liabilities		
Promises to give	68,677	(60,016)
Prepaid expenses	224	(437)
Accounts payable and accrued expenses	7,604	1,321
Deferred revenue	-	(2,500)
Net cash flows - operating activities	<u>(45,955)</u>	<u>1,610,244</u>
Cash Flows - Investing Activities		
Purchases of investments	(9,835,569)	(5,392,894)
Proceeds from sale of investments	9,954,477	3,774,866
Transfer from Community Foundation	603	613
Net cash flows - investing activities	<u>119,511</u>	<u>(1,617,415)</u>
Net change in cash and cash equivalents	73,556	(7,171)
Cash and Cash Equivalents		
Beginning of year	<u>168,392</u>	<u>175,563</u>
End of year	<u><u>\$ 241,948</u></u>	<u><u>\$ 168,392</u></u>

Cedar Rapids Public Library Foundation
Notes to Financial Statements

NOTE 1 – FOUNDATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Cedar Rapids Public Library Foundation (the Foundation) was established to enhance the quality of the Cedar Rapids Public Library (the Library) services to the community by securing resources to support the library programs and projects not normally met by public funding.

The Foundation supports the following programs:

Books and Materials – Supports Library collections.

Children's Services – Supports children's Library collections and programs.

Library Programs – Support for the Library's programs.

Unrestricted Library – Support areas of greatest need.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

Cash equivalents include highly liquid investments, with original maturities of three months or less, that are recorded at cost plus accrued interest, which approximates market.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Amounts due in more than one year are recorded at net realizable discounted cash flow using an appropriate discount rate commensurate with risks involved.

Investments

The Foundation carries its investments at fair value with unrealized and realized gains and losses on investments reported as an increase or decrease in net assets with and without donor restrictions. Investment return is also reported in the statement of activities as a change in net assets with and without donor restrictions based on the intention stipulated by the donor. Net investment return is reported on the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Cedar Rapids Public Library Foundation
Notes to Financial Statements

NOTE 1 – FOUNDATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and other support are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets 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 or grantor restrictions. The governing board has designated funds from net assets without donor restrictions for certain purposes. Board designated funds include: a quasi-endowment for children's services; an operating reserve fund based on the subsequent fiscal-year budget; a strategic initiatives fund that will facilitate growth opportunities of the Organization; and a general use quasi-endowment. All board designated funds are voluntary and may be amended by the board at any time.

Net Assets With Donor Restrictions – Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes pursuant to Section 501(a) of the Code.

Revenue Recognition

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Bequests are recognized as a contribution once the amount has been determined with certainty and the probate court has declared the will is valid, provided the bequest is unconditional. Conditional promises to give, that is those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The financial statements report certain categories of expense that are attributed to a program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages and employee benefits which are allocated on the basis of estimates of time and effort.

Cedar Rapids Public Library Foundation
Notes to Financial Statements

NOTE 1 – FOUNDATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through November 8, 2022, the date which the financial statements were available for issue. On August 10, 2022, the Foundation entered into a contract to purchase land to be used for a permanent westside library facility. Upon signing the contract, which has a total purchase price of \$3,500,000, the Foundation made a down payment of \$400,000. The purchase price is financed by the seller over approximately five years with no interest payable until the third anniversary at an interest rate of 4%.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2022 and 2021:

	2022	2021
Cash and cash equivalents	\$ 241,948	\$ 168,392
Promises to give	38,500	91,992
Investments	9,085,477	10,347,695
Total financial assets available	9,365,925	10,608,079
Less: board designations	2,910,798	2,712,683
Less: donor-imposed restrictions	4,281,045	4,628,067
Financial assets available within one year	<u>\$ 2,174,082</u>	<u>\$ 3,267,329</u>

The Foundation frequently receives contributions with donor restrictions to be used in accordance with the associated purpose of those restrictions. It occasionally receives gifts to establish endowments that will exist in perpetuity; a portion of the income generated from such endowments is distributed in accordance with the Foundation Investment Policy and in accordance with any donor restrictions. In addition, the Foundation receives contributions without donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board designated endowments, contributions without donor restrictions, and contributions with donor restrictions for use in current programs to be available to meet cash needs for operational expenditures while in compliance with donor restrictions, if any. Operational expenditures include administrative and general expenses, fundraising expenses, and funding commitments to the Library expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

Cedar Rapids Public Library Foundation
Notes to Financial Statements

NOTE 2 – LIQUIDITY AND AVAILABILITY (CONTINUED)

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term Library funding commitments and obligations under endowments with donor restrictions and quasi-endowments will continue to be met, ensuring the sustainability of the Foundation and Foundation-funded Library programs and services.

The Foundation's finance committee meets as needed throughout the fiscal year to review financial records, proposed budget, fundraising plan, and Library support requests for the subsequent year. The Foundation strives to maintain financial assets available to meet necessary expenditures at a level that represents 100% of annual expenses for operational needs plus an amount that represents commitments for Library programs and services as approved by the board of directors.

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give due in more than one year are recognized at fair value, using present value techniques and a discount rate of 3% and consist of the following as of June 30, 2022 and 2021:

	2022	2021
Restricted for Children's Services	\$ 4,000	\$ 23,992
Restricted for Books and Materials	21,000	40,000
Restricted for Library Programs	12,500	7,500
Restricted for Capital Fund	8,000	-
Unrestricted	-	43,000
Gross unconditional promises to give	45,500	114,492
Less: discount for present value	(366)	(681)
Net unconditional promises to give	<u>\$ 45,134</u>	<u>\$ 113,811</u>
Amounts due in:		
Less than one year	\$ 38,500	\$ 91,992
One to five years	7,000	22,500
Less: discount for present value	(366)	(681)
Total	<u>\$ 45,134</u>	<u>\$ 113,811</u>

There was no allowance for doubtful accounts as of June 30, 2022 and 2021.

Cedar Rapids Public Library Foundation
Notes to Financial Statements

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.
- Level 3: Inputs are unobservable inputs based on the Foundation's own assumptions used to measure assets and liabilities at fair value.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following tables set forth by level within the fair value hierarchy of the Foundation's financial assets measured at fair value on a recurring basis is as of June 30, 2022 and 2021, and indicates the fair value hierarchy of the valuation techniques utilized by the Foundation to determine such fair value.

	Fair Value Measurements at Reporting Date Using:			
<u>June 30, 2022</u>	Level 1	Level 2	Level 3	Total
Money market funds	\$ 365,371	\$ -	\$ -	\$ 365,371
Mutual funds - fixed income	1,905,497	-	-	1,905,497
Mutual funds - equities	846,129	-	-	846,129
Equity securities	4,591,296	-	-	4,591,296
US Treasury	297,484	-	-	297,484
Corporate bonds	-	1,079,700	-	1,079,700
Total investments	<u>\$ 8,005,777</u>	<u>\$ 1,079,700</u>	<u>\$ -</u>	<u>\$ 9,085,477</u>
<u>June 30, 2021</u>				
Money market funds	\$ 549,294	\$ -	\$ -	\$ 549,294
Mutual funds - fixed income	1,085,305	-	-	1,085,305
Equity securities	6,871,724	-	-	6,871,724
Real estate funds	485,208	-	-	485,208
Corporate bonds	-	1,356,164	-	1,356,164
Total investments	<u>\$ 8,991,531</u>	<u>\$ 1,356,164</u>	<u>\$ -</u>	<u>\$ 10,347,695</u>

Money market and mutual funds are valued at the net asset value, based on quote market prices in active markets, of shares held by the Foundation at year end. Equity securities, which includes equity-based mutual funds and stocks, and real estate funds are valued at the closing price reported in the active markets in which they are traded. Corporate bonds are valued based on quoted prices for similar assets and liabilities in active markets and quoted prices for identical or similar assets and liabilities in markets that are not active.

Cedar Rapids Public Library Foundation
Notes to Financial Statements

NOTE 5 – BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Foundation has funds held by The Greater Cedar Rapids Community Foundation (Community Foundation). The fund is administered by the Community Foundation for the benefit of the Foundation. Control over the investment or reinvestment of these funds is exercised exclusively by the Community Foundation. A portion of the fund's earnings is made available for distribution to the Foundation periodically. Distributions from these funds totaled \$603 and \$613 during the years ended June 30, 2022 and 2021, respectively.

NOTE 6 – ENDOWMENTS

The Foundation's endowments consist of various funds established to provide income to meet the Foundation's annual operating needs and to provide funds for ongoing support to the Library in the areas of books and materials, children's services and general needs above what the public funding is able to provide. Its endowments consist of donor-restricted and board-designated endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The Foundation has interpreted the Iowa Uniform Prudent Management Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity and classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, and (b) the original value of subsequent gifts to the perpetual endowment. The remaining portion of the donor-restricted endowment fund that is not classified in perpetuity is classified as net asset with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by UPMIFA.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the Foundation 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 or depreciation of investments, (6) other resources of the Foundation, and (7) the investment policies of the Foundation.

The designation as a quasi-endowment is voluntary and may be reversed at any time by the board. Therefore, the Foundation has interpreted IPMIFA to not apply to its quasi-endowment.

Return Objectives and Risk Parameters - The primary objective is to provide growth of principal and income in the fund's assets relative to the consumer price index. The objective should be pursued as the long-term designed to maximize total return without undue risk. The Foundation's risk tolerance is described as moderate. The need to preserve and enhance the value of the assets for future needs of the library supports purchases allowed in mutual funds, equities, corporate bonds, and money market funds.

Cedar Rapids Public Library Foundation
Notes to Financial Statements

NOTE 6 – ENDOWMENTS (CONTINUED)

Spending Policy - The annual distribution made to the Library from the Foundation is currently 3% of the average fair market value of the permanent endowment fund for the prior three fiscal years using the values of the funds at the end of each fiscal year. Total return in excess of the 3% spending guidelines should be reinvested to grow the fund. Distributions from the board designated endowment funds are at the discretion of the Foundation's board of directors.

Strategies Employed for Achieving Objective - The objective of the fund manager should be long-term appreciation of the fund's assets and consistency of total portfolio performance. The performance of the portfolio is reviewed at least annually. The primary focus will be on a market cycle which covers a period of three to five years. The fund should earn a total rate of return (interest, dividends, and net realized and unrealized gains/losses) of at least the board approved distribution rate, plus the Consumer Price Index, plus 1%.

Donor restricted endowment net assets consist of the following as of June 30, 2022 and 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>June 30, 2022</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 2,288,602	\$ 2,288,602
Board-Designated Endowment Funds	1,912,173	-	1,912,173
Endowment Funds in Investments	1,912,173	2,288,602	4,200,775
Board-Designated Endowment Funds at Community Foundation	13,737	-	13,737
Total Endowment Funds	<u>\$ 1,925,910</u>	<u>\$ 2,288,602</u>	<u>\$ 4,214,512</u>
<u>June 30, 2021</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 2,649,934	\$ 2,649,934
Board-Designated Endowment Funds	1,912,173	-	1,912,173
Endowment Funds in Investments	1,912,173	2,649,934	4,562,107
Board-Designated Endowment Funds at Community Foundation	15,351	-	15,351
Total Endowment Funds	<u>\$ 1,927,524</u>	<u>\$ 2,649,934</u>	<u>\$ 4,577,458</u>

Cedar Rapids Public Library Foundation
Notes to Financial Statements

NOTE 6 – ENDOWMENTS (CONTINUED)

Changes in donor restricted endowment net assets for the years ended June 30, 2022 and 2021, follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2020	\$ 1,927,168	\$ 2,086,851	\$ 4,014,019
Contributions	-	2,864	2,864
Distributions	(613)	-	(613)
Investment return, net	-	44,172	44,172
Net appreciation	-	579,267	579,267
Change in beneficial interest	2,969	-	2,969
Amounts appropriated for expenditure	(2,000)	(63,220)	(65,220)
Endowment net assets, June 30, 2021	1,927,524	2,649,934	4,577,458
Contributions	-	2,931	2,931
Distributions	(603)	-	(603)
Investment return, net	-	73,267	73,267
Net depreciation	-	(369,695)	(369,695)
Change in beneficial interest	(1,011)	-	(1,011)
Amounts appropriated for expenditure	-	(67,835)	(67,835)
Endowment net assets, June 30, 2022	<u>\$ 1,925,910</u>	<u>\$ 2,288,602</u>	<u>\$ 4,214,512</u>

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2022 and 2021, are restricted for the following purposes or periods:

	2022	2021
Books and materials		
Original gifts	\$ 250,457	\$ 275,219
Endowment earnings	238,891	339,150
Children's services		
Original gifts	381,755	400,001
Endowment earnings	35,964	52,667
Library programs	20,000	7,530
Downtown library - capital improvements	1,317,202	1,317,202
Endowment earnings	407,464	654,764
Perpetuity	1,606,283	1,603,353
Capital fund	9,663	-
Staff expansion	20,000	-
Total net assets with donor restrictions	<u>\$ 4,287,679</u>	<u>\$ 4,649,886</u>

Cedar Rapids Public Library Foundation
Notes to Financial Statements

NOTE 8 – NET ASSET RECONCILIATION

The following is a reconciliation of net assets as of June 30, 2022 and 2021:

	Without Donor Restrictions			With Donor Restrictions		
		Board		Purpose or	Restricted	
<u>June 30, 2022</u>	<u>Undesignated</u>	<u>Designated</u>	<u>Total</u>	<u>Time</u>	<u>in Perpetuity</u>	<u>Total</u>
Books and Materials	\$ -	\$ -	\$ -	\$ 489,348	\$ 391,344	\$ 880,692
Children's Services	-	1,319,839	1,319,839	417,719	68,761	1,806,319
Library Programs	-	-	-	20,000	-	20,000
Downtown Library						
Capital Improvements	-	-	-	1,317,202	-	1,317,202
Capital Fund	-	-	-	9,663	-	9,663
Endowment Earnings	-	-	-	407,464	-	407,464
Operating Reserve	-	779,887	779,887	-	-	779,887
Strategic Initiatives	-	205,000	205,000	-	-	205,000
Staff Expansion	-	-	-	20,000	-	20,000
General Endowment	-	606,071	606,071	-	1,146,178	1,752,249
Undesignated	2,166,194	-	2,166,194	-	-	2,166,194
Total	\$ 2,166,194	\$ 2,910,797	\$ 5,076,991	\$ 2,681,396	\$ 1,606,283	\$ 9,364,670
<u>June 30, 2021</u>						
Books and Materials	\$ -	\$ -	\$ -	\$ 614,369	\$ 388,414	\$ 1,002,783
Children's Services	-	1,494,267	1,494,267	452,668	68,761	2,015,696
Library Programs	-	-	-	7,530	-	7,530
Downtown Library						
Capital Improvements	-	-	-	1,317,202	-	1,317,202
Endowment Earnings	-	-	-	654,764	-	654,764
Operating Reserve	-	560,159	560,159	-	-	560,159
Strategic Initiatives	-	225,000	225,000	-	-	225,000
General Endowment	-	433,257	433,257	-	1,146,178	1,579,435
Undesignated	3,268,882	-	3,268,882	-	-	3,268,882
Total	\$ 3,268,882	\$ 2,712,683	\$ 5,981,565	\$ 3,046,533	\$ 1,603,353	\$ 10,631,451

NOTE 9 – RELATED ORGANIZATION

During the years ended June 30, 2022 and 2021, \$241,850 and \$250,373, respectively, was paid to or on behalf of the Library for books and materials, children's services, Library programs, and unrestricted Library support.

Cedar Rapids Public Library Foundation
Notes to Financial Statements

NOTE 10 – SUPPORT CONCENTRATION

The Foundation receives contributions, bequests, and grants from certain major funding sources, defined as greater than 10% of total support and revenue. During the year ended June 30, 2022, there were no funding sources greater than this threshold. During the year ended June 30, 2021, the Foundation received approximately \$1,809,816 from one bequest, of which \$40,000 is included in unconditional promises to give as of June 30, 2021.