

Cupertino Library Foundation
Notes to the Financial Statements
For the Year Ended December 31, 2008

NOTE B - ENDOWMENTS

The Foundation is a beneficiary of a testamentary endowment. At December 31, 2008 the Foundation has received a total distribution from the endowment of \$1,403,272. The endowment stipulates the Foundation maintain the principal in perpetuity and any income earned may be used for unrestricted purposes. The endowment principal is reported permanently restricted in the statement of financial position. The endowment earnings are reported unrestricted in the statement of activities.

Endowment assets are invested in common stocks and money funds, held at UBS Financial Services. At December 31, 2008 the fair market value of endowment assets held is \$1,130,932. The endowment fund is underwater by \$272,340, as the permanently restricted endowment fund exceeds the fair market value of the endowment assets invested. After the fair value of the endowment assets invested equal the required permanently restricted level, such excess will again be available for expenditure.

For the year ended December 31, 2008 investment income consists of the following:

Unrealized losses	(\$536,870)
Realized gains	5,726
Investment fees	(15,326)
Interest / dividends	65,087
Subtotal	(\$481,383)
Interest on cash account	4,986
Total	(\$476,397)

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NOTE C – TEMPORARILY RESTRICTED DONATIONS

For the year ended December 31, 2008, the Foundation's temporarily restricted net asset activity consist of the following:

	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Silicon Valley Reads	\$0	\$2,550	(\$2,550)	\$0

NOTE D – IN-KIND DONATIONS

For the year ended December 31, 2008 the Foundation recognized the following in-kind donations: Food supplies for the Silicon Valley Reads Community Event, \$157.