

**OPEN LIBRARY FOUNDATION**

2020 Financial Statements

For The Six Months Ended June 30, 2020 and Year Ended December 31, 2019

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Gilliam Bell Moser<sup>LLP</sup>  
we hear you

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors  
Open Library Foundation  
Philadelphia, Pennsylvania

We have reviewed the accompanying financial statements of Open Library Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the six months and year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility 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 of America; this includes 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.

**Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Gilliam Bell Moser LLP*

Certified Public Accountants  
Burlington, North Carolina  
March 11, 2021



**OPEN LIBRARY FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**

(See Independent Accountants' Review Report)

The Six Months Ended June 30, 2020 and Year Ended December 31, 2019

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 728,692	\$ 319,932
Contributions receivable	187,500	249,001
Other receivables	<u>2,293</u>	<u>160,022</u>
 Total current assets	 <u>918,485</u>	 <u>728,955</u>
 Total assets	 <u><u>\$ 918,485</u></u>	 <u><u>\$ 728,955</u></u>
 <b>Liabilities</b>		
Current liabilities:		
Accounts payable	<u>\$ 133,577</u>	<u>\$ 40,256</u>
 Total current liabilities	 <u>133,577</u>	 <u>40,256</u>
 <b>Net assets</b>		
Without donor restrictions	<u>784,908</u>	<u>688,699</u>
 Total net assets	 <u>784,908</u>	 <u>688,699</u>
 Total liabilities and net assets	 <u><u>\$ 918,485</u></u>	 <u><u>\$ 728,955</u></u>

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

**OPEN LIBRARY FOUNDATION  
STATEMENTS OF ACTIVITIES**

(See Independent Accountants' Review Report)  
The Six Months Ended June 30, 2020 and Year Ended December 31, 2019

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
<b>Change in Net Assets Without Donor Restrictions:</b>		
Support and revenue:		
Contributions	\$ 573,441	\$ 1,031,345
Grants	15,000	326,500
Registration fees	77,279	13,602
Foreign exchange gain	-	884
Dividends and interest	<u>2,303</u>	<u>-</u>
 Total support and revenue	 668,023	 1,372,331
Expenses:		
Program services	556,661	1,262,833
Management and general	<u>15,153</u>	<u>54,777</u>
 Total expenses	 <u>571,814</u>	 <u>1,317,610</u>
 Increase in net assets without donor restrictions	 <u>\$ 96,209</u>	 <u>\$ 54,721</u>
 Net assets - beginning	 <u>688,699</u>	 <u>633,978</u>
 Net assets - ending	 <u>\$ 784,908</u>	 <u>\$ 688,699</u>

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

**OPEN LIBRARY FOUNDATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

(See Independent Accountants' Review Report)

The Six Months Ended June 30, 2020 and Year Ended December 31, 2019

	June 30, 2020			December 31, 2019		
	Program Support	Management and General	Total	Program Support	Management and General	Total
Agency payments	\$ 344,948	\$ -	\$ 344,948	\$ 872,500	\$ -	\$ 872,500
Conferences	79,384	8,821	88,205	76,730	8,525	85,255
Consulting	-	-	-	-	21,200	21,200
Contract expenses	94,405	-	94,405	84,574	-	84,574
Information technology	23,987	2,665	26,652	172,377	19,153	191,530
Interest	-	-	-	222	-	222
Office expense	-	372	372	-	258	258
Professional fees	9,886	3,295	13,181	16,921	5,641	22,562
Subscriptions	2,772	-	2,772	29,468	-	29,468
Travel	1,279	-	1,279	10,041	-	10,041
<b>Total expenses</b>	<b>\$ 556,661</b>	<b>\$ 15,153</b>	<b>\$ 571,814</b>	<b>\$ 1,262,833</b>	<b>\$ 54,777</b>	<b>\$ 1,317,610</b>

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

**OPEN LIBRARY FOUNDATION  
STATEMENTS OF CASH FLOWS**

(See Independent Accountants' Review Report)

The Six Months Ended June 30, 2020 and Year Ended December 31, 2019

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 96,209	\$ 54,721
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Contributions receivable	61,501	(81,491)
Accounts payable	93,321	7,237
Other receivables	<u>157,729</u>	<u>(160,152)</u>
Net cash provided by (used in) operating activities	<u>408,760</u>	<u>(179,685)</u>
Net increase (decrease) in cash	408,760	(179,685)
Cash - beginning	<u>319,932</u>	<u>499,617</u>
Cash - ending	<u>\$ 728,692</u>	<u>\$ 319,932</u>

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

**OPEN LIBRARY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

(See Independent Accountants' Review Report)  
June 30, 2020 and December 31, 2019

**Note 1: Summary of Significant Accounting Policies**

**Nature of organization** - Open Library Foundation ("the Organization") is a nonprofit organization that enables the development, accessibility and sustainability of open source and open access projects for and by libraries. The Foundation seeks to enable and support creative collaboration among librarians, technologists, designers, service providers and vendors to share expertise and resources and to create innovative new software and resources that support libraries.

**Use of accounting estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. Those estimates and assumptions affect reported amounts of assets and liabilities and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

**Cash** - Cash includes all cash balances held in financial institutions. Periodically during the year, the Organization may have credit risk exposure resulting from balances in excess of federally insured limits of \$250,000.

**Contributions receivable** - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

**Contributed services** - The Organization receives a substantial amount of services donated by individuals who assist with the Organization's program services. No amounts have been recorded in the financial statements for these services since they do not meet recognition criteria prescribed by generally accepted accounting principles.

**Functional allocation of expenses** - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Net assets** - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-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 restrictions.

Net assets with donor restrictions - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (i.e., when a stipulated time restriction ends or a purpose restriction is accomplished) in the year in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When the restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. There were no contributions with donor restriction to report.



**OPEN LIBRARY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(See Independent Accountants' Review Report)  
June 30, 2020 and December 31, 2019

**Note 2: Available Resources and Liquidity**

The Organization has available for its use cash and contributions receivable at year end. There are no board designations or donor-imposed restrictions. Additionally, the Organization routinely receives support from various donors that is more than sufficient to fund operating expenses.

**Note 3: Income Tax**

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

**Note 4: Functional Expenses**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on the estimates of time and effort.

**Note 5: Change in Fiscal Year**

During 2020, the Organization elected to change its fiscal year from December 31 to June 30. The purpose was to align with their intended revenue cycles. Consequently, the six-month accounting cycle ended June 30, 2020 affects the comparability of revenue and expenses for the periods presented.

**Note 6: Subsequent Events**

The Organization has evaluated events and transactions that occurred between June 30, 2020 and March 11, 2021, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.