

**Kennebunk  
Free Library**



**KENNEBUNK FREE LIBRARY ASSOCIATION**

**REVIEW OF FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2024**

**KENNEBUNK FREE LIBRARY ASSOCIATION**  
**REVIEW OF FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

	<b><u>PAGE</u></b>
 <b><u>FINANCIAL STATEMENTS</u></b>	
Independent Accountants' Review Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 12

# INDEPENDENT ACCOUNTANTS' REVIEW REPORT

January 31, 2025

To the Board of Trustees  
Kennebunk Free Library Association  
Kennebunk, Maine

We have reviewed the accompanying financial statements of Kennebunk Free Library Association (a nonprofit organization), 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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.

We are required to be independent of Kennebunk Free Library Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

## 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.

## Report on Summarized Comparative Information

The amounts shown for the year ended June 30, 2023 in the financial statements are included to provide a basis for comparison with 2024 and present summarized totals only. Accordingly, 2023 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2023 and our report dated January 9, 2024 from which the summarized information was derived.



**Certified Public Accountants**  
**Kennebunk, Maine**



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KENNEBUNK FREE LIBRARY ASSOCIATION

STATEMENT OF FINANCIAL POSITION

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

JUNE 30, 2024

WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

	Net Assets without Restrictions	Net Assets with Restrictions	June 30, 2024 Total	June 30, 2023 Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 160,877	\$ 23,189	\$ 184,066	\$ 124,351
Grants receivable	-	15,000	15,000	30,000
Investments	1,281,478	24,887	1,306,365	1,685,220
Prepaid expenses	241	-	241	3,193
Property and equipment, net	956,078	-	956,078	462,786
Total Assets	<u>\$ 2,398,674</u>	<u>\$ 63,076</u>	<u>\$ 2,461,750</u>	<u>\$ 2,305,550</u>
<b>LIABILITIES</b>				
Accrued expenses	\$ 25,418	\$ -	\$ 25,418	\$ 24,274
Deferred income	50,172	-	50,172	43,273
Total Liabilities	<u>75,590</u>	<u>-</u>	<u>75,590</u>	<u>67,547</u>
<b>NET ASSETS</b>				
Net assets without restrictions	2,323,084	-	2,323,084	2,169,608
Net assets with restrictions	-	63,076	63,076	68,395
Total Net Assets	<u>2,323,084</u>	<u>63,076</u>	<u>2,386,160</u>	<u>2,238,003</u>
Total Liabilities and Net Assets	<u>\$ 2,398,674</u>	<u>\$ 63,076</u>	<u>\$ 2,461,750</u>	<u>\$ 2,305,550</u>

See Notes to Financial Statements

# KENNEBUNK FREE LIBRARY ASSOCIATION

## STATEMENT OF ACTIVITIES

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023

	Net Assets without Restrictions	Net Assets with Restrictions	June 30, 2024 Total	June 30, 2023 Total
<b>SUPPORT AND REVENUE</b>				
Town of Kennebunk contribution	\$ 686,261	\$ -	\$ 686,261	\$ 623,690
Town of Arundel contribution	17,000	-	17,000	14,000
Annual appeal	62,608	-	62,608	74,145
Other contributions and bequests	61,617	103,287	164,904	130,875
Fines and fees	5,289	-	5,289	5,516
Fundraising and special events	69,225	-	69,225	66,266
Investment income, net	118,397	-	118,397	125,239
Inkind donations	221,000	-	221,000	-
Net assets released from restrictions	108,606	(108,606)	-	-
<b>Total Support and Revenue</b>	<b>1,350,003</b>	<b>(5,319)</b>	<b>1,344,684</b>	<b>1,039,731</b>
<b>EXPENSES</b>				
Program services	967,641	-	967,641	858,325
Management and general	141,739	-	141,739	132,052
Fundraising and special events	111,678	-	111,678	110,572
<b>Total Expenses</b>	<b>1,221,058</b>	<b>-</b>	<b>1,221,058</b>	<b>1,100,949</b>
<b>OTHER INCOME</b>				
Rental income	37,941	-	37,941	-
Rental expenses	(13,894)	-	(13,894)	-
Other income	484	-	484	2,837
<b>Total Other Income</b>	<b>24,531</b>	<b>-</b>	<b>24,531</b>	<b>2,837</b>
<b>CHANGE IN NET ASSETS</b>	<b>153,476</b>	<b>(5,319)</b>	<b>148,157</b>	<b>(58,381)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,169,608</b>	<b>68,395</b>	<b>2,238,003</b>	<b>2,296,384</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 2,323,084</b>	<b>\$ 63,076</b>	<b>\$ 2,386,160</b>	<b>\$ 2,238,003</b>

See Notes to Financial Statements

# KENNEBUNK FREE LIBRARY ASSOCIATION

## STATEMENT OF FUNCTIONAL EXPENSES

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2024  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023

	Program Services	Management and General	Fundraising and Special Events	June 30, 2024 Total	June 30, 2023 Total
Adult programming	\$ 3,321	\$ -	\$ -	\$ 3,321	\$ 1,523
Annual appeal	-	-	3,951	3,951	5,664
Bank service charges	-	1,604	-	1,604	1,559
Building repairs and maintenance	31,038	804	322	32,164	10,242
Collection (books, etc.)	125,333	-	-	125,333	64,219
Depreciation	94,973	2,460	984	98,417	88,624
Equipment repairs	1,509	39	16	1,564	1,104
Insurance	7,172	2,171	94	9,437	8,130
Juvenile programming	4,329	-	-	4,329	3,000
Library technology (computers)	8,861	1,899	1,899	12,659	17,591
Maintenance contracts	11,143	289	115	11,547	14,343
Medical insurance	76,014	13,002	11,002	100,018	94,496
Meetings and conferences	518	518	-	1,036	1,388
Miscellaneous	-	2,437	-	2,437	2,057
Payroll processing	2,189	374	317	2,880	2,434
Payroll taxes	38,458	6,578	5,566	50,602	47,525
Postage	4,629	2,311	-	6,940	6,760
Professional dues	899	630	-	1,529	3,814
Professional fees	2,057	14,296	298	16,651	12,011
Promotion	-	1,464	-	1,464	2,297
Retirement benefit	6,850	1,172	991	9,013	8,363
Road race	-	-	6,304	6,304	5,031
Salaries and wages	504,915	86,367	73,080	664,362	637,861
Snow removal	4,735	123	49	4,907	3,990
Special events	-	-	6,208	6,208	7,957
Supplies - maintenance	797	122	-	919	568
Supplies - custodial	1,281	33	13	1,327	1,874
Supplies - library and office	5,841	896	-	6,737	5,040
Supplies - photocopying	1,033	159	-	1,192	2,712
Telephone	2,531	1,085	-	3,616	2,729
Utilities	25,828	669	268	26,765	33,802
Workers compensation insurance	1,387	237	201	1,825	2,241
Total Expenses	\$ 967,641	\$ 141,739	\$ 111,678	\$ 1,221,058	\$ 1,100,949

See Notes to Financial Statements

# KENNEBUNK FREE LIBRARY ASSOCIATION

## STATEMENT OF CASH FLOWS

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2024  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2024 Total	June 30, 2023 Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 148,157	\$ (58,381)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	98,417	88,624
Inkind donation of property	(221,000)	-
(Gains) losses on investments	(86,987)	(91,248)
Changes in operating assets and liabilities:		
Grants receivable	15,000	(30,000)
Prepaid expenses	2,952	1,227
Accrued expenses	1,144	9,221
Deferred income	6,899	10,651
Net cash provided by (used in) operating activities	(35,418)	(69,906)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	465,842	893,027
Payments for purchase of property and equipment	(370,709)	(2,412)
Purchases of investments	-	(860,828)
Net cash provided by (used in) investing activities	95,133	29,787
NET INCREASE (DECREASE) IN CASH	59,715	(40,119)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	124,351	164,470
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 184,066	\$ 124,351
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -

### SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTIONS:

There were no noncash investing and financing activities during the years ended June 30, 2024 and 2023.

*See Notes to Financial Statements*

KENNEBUNK FREE LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2024

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

**Nature of Activities** - The Kennebunk Free Library Association (the "Association") is a not-for-profit Maine corporation organized April 24, 1882. The Association strives to meet the educational and recreational needs of the Town of Kennebunk and its surrounding communities. The Association embraces its responsibility to develop and to promote the use of resources that contribute to literacy and life-long learning. The Association's principal sources of revenue are contributions from the Town of Kennebunk and an annual appeal, fines and fees, special events and investment income.

**Basis of Accounting** - The financial statements of the Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

**Basis of Presentation** - The Association follows the provisions of FASB Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements for Not-for-Profit Entities. In accordance with these provisions, the Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions, accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that 1) may or will be met either by actions of the Association and/or the passage of time or 2) they be maintained permanently by the Association.

**Cash and Cash Equivalents** - For purposes of the Statement of Cash Flows, the Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Donated Assets** - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. See Note 8.

**Donated Services** - Donated services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. See Note 8.

**Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**Grants Receivable** - Grants receivable represents multi-year grants that have been awarded to the Association. The discount on grants due in more than one year is considered immaterial to these financial statements and has not been recorded.

**Expense Allocation** - The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that have been allocated include salaries and wages, payroll taxes, payroll processing and retirement fees which have been allocated based on an estimation of time and effort and depreciation, building repairs and maintenance, maintenance contracts, snow removal and supplies - custodial which have been allocated based on square footage.

KENNEBUNK FREE LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2024

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Income Tax Status** - The Association is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Association qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The federal tax return of the Association is subject to examination, generally for three years after it was filed.

**Investments** - The Association carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

**Promises to Give** - Unconditional promises to give are recorded as received. Unconditional promises to give due in subsequent years are recorded at their present value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**Concentrations of Credit Risk** - The Association maintains bank balances at two banks and a brokerage house, and deposits are insured by the FDIC and SIPC, respectively. At times, the cash balances may exceed insured limits.

**Other Concentrations** - The Association's principal source of revenue consists of appropriations from the Town of Kennebunk which represented 56% of the Association's total noninvestment related revenue for the year ended June 30, 2024.

**Property and Equipment** - Purchased land, buildings, furnishings and equipment are carried at cost. Contributed assets are carried at their fair market value at the time of the gift. Major additions are included in the property accounts while maintenance and repairs which do not improve or extend the life of the assets are expensed currently. Depreciation is computed using the straight-line method of depreciation over the assets' estimated service lives. The Association books and other resource materials are not reported as an asset, but are reported as an expense when acquired.

**Recognition of Donor-Restricted Contributions** - Support that is restricted by the donor is reported as an increase in net assets with restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the Statement of Activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as net assets without restrictions.

# KENNEBUNK FREE LIBRARY ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2024

### Note 2 - Cash

Cash is available for the following purposes as of June 30, 2024:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Unrestricted:			
Board designated memorial fund	\$ 100	\$ -	\$ 100
Undesignated	160,777	-	160,777
Net assets with restrictions	<u>-</u>	<u>23,189</u>	<u>23,189</u>
Total	\$ <u>160,877</u>	\$ <u>23,189</u>	\$ <u>184,066</u>

### Note 3 - Fair Values of Assets

Effective January 1, 2008, the Association adopted Statement of Financial Accounting Standards, *Fair Value Measurements*, which provides a framework for measuring fair value under GAAP. This standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This standard requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. This standard also established a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

There are three general valuation techniques that may be used to measure fair value, as described below:

- 1) Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other resources;
- 2) Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- 3) Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

<u>Description</u>	<u>Fair Values</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
ETFs	\$ <u>1,306,365</u>	\$ <u>1,306,365</u>	\$ <u>-</u>	\$ <u>-</u>
Total	\$ <u>1,306,365</u>	\$ <u>1,306,365</u>	\$ <u>-</u>	\$ <u>-</u>

Fair value for investments is determined by reference to quoted market prices and other relevant information generated by market transactions.



# KENNEBUNK FREE LIBRARY ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2024

### Note 6 - Restrictions and Limitations of Net Asset Balances (continued)

The sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors were as follows for the year ended June 30, 2024:

Programs and books	\$ 92,824
Grants receivable	15,000
VHS	749
Other	<u>32</u>
Total restrictions released	\$ <u>108,606</u>

Net assets without donor restrictions consisted of the following at June 30, 2024:

Board Designated:	
Memorial Fund	\$ 100
Endowment	<u>1,287,885</u>
Total Board Designated	1,287,985
Property and Equipment	956,078
Undesignated	<u>154,611</u>
Total net assets without donor restrictions	\$ <u>2,398,674</u>

### Note 7 - Endowment Funds

In January 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* ("the Staff Position"). The Staff Position provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The Staff Position also requires additional disclosures about an organization's endowment fund (both donor restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of Maine enacted UPMIFA in 2009, the provisions of which apply to endowment funds existing on or established after that date. The Association adopted the Staff Position on February 28, 2012. The purpose of the Association's Endowment Fund is to lessen the burden on the taxpayers and fund the Association's operating and capital expenditures. The Fund is managed with a total return orientation that focuses on the production of income as well as maintaining and growing the real value of the endowment and subsequent distributions. The target asset allocation of the endowment is 60% equity securities, 35% fixed-income securities and 5% cash and cash equivalents. The spending policy of the Endowment Fund is to allocate no less than 3% and no more than 5% of the Fund's three year rolling average to the following year's budgeted revenue to support operating and capital expenditures.

As of June 30, 2024, the Association had endowment funds totaling \$1,312,772 consisting of both donor-restricted funds and funds designated by the Board of Trustees to function as endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

# KENNEBUNK FREE LIBRARY ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2024

### Note 7 - Endowment Funds (continued)

The Board of Trustees of the Association has interpreted the Maine Prudent Management of Institutional Funds Act (MPMIFA) 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 Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

As of June 30, 2024, the Board of Trustees of the Association had designated \$1,287,885 of unrestricted net assets as a general endowment fund to support the mission of the Association. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

Endowment net asset composition by fund as of June 30, 2024 is as follows:

	Net Assets Without Restrictions	Net Assets With Restrictions	Total Net Endowment Assets
Donor-designated endowment funds	\$ -	\$ 24,887	\$ 24,887
Board-designated endowment funds	<u>1,287,885</u>	<u>-</u>	<u>1,287,885</u>
Total	\$ <u>1,287,885</u>	\$ <u>24,887</u>	\$ <u>1,312,772</u>

Changes in endowment net assets as of June 30, 2024 are as follows:

	Net Assets Without Restrictions	Net Assets With Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ 1,672,788	\$ 24,887	\$ 1,697,675
Investment income net of fees	31,325	-	31,325
Distributions	( 503,215 )	-	( 503,215 )
Investment gains on endowment	<u>86,987</u>	<u>-</u>	<u>86,987</u>
Total	\$ <u>1,287,885</u>	\$ <u>24,887</u>	\$ <u>1,312,772</u>

### Note 8 - Donated Materials and Services

A substantial number of volunteers have donated significant amounts of their time in the Association's operations, program services and fundraising activities. This time is not recognized in the financial statements because it does not meet the criteria described in Note 1. During 2024 the Association purchased a piece of property at a bargain price. The price paid below appraised value was \$221,000 and this portion was donated to the Association by a donor.

**KENNEBUNK FREE LIBRARY ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

**YEAR ENDED JUNE 30, 2024**

**Note 9 - Retirement Plan**

The Association has established a voluntary contributory 401(k) plan for its employees. All employees who work 20 hours or more per week are eligible to participate in the plan immediately. The Association matches 2% of individual participants' contributions to the plan after 12 months and 1,000 hours of service. Total expense for the year ended June 30, 2024 was \$9,013.

**Note 10 - Leases**

In August 2023 the Association acquired a property for potential future expansion and in the process inherited a business tenant. The existing tenant had a lease that ran from May 2020 through May 2024 and called for annual rent of \$45,408 in monthly installments of \$3,784. This lease was renewed in April 2024 through May 2026 with two year extension options at the end of each lease period. The lease calls for monthly rent of \$2,485 to be adjusted to fair market value at the time of any extensions.

In May 2024 the Association entered into a lease with a residential tenant. The lease is year to year with either part able to cancel at the end of any lease year with written notice. The lease calls for annual rent of \$9,600.

Total income received under these leases was \$37,941 for the year ended June 30, 2024.

The carrying value of leased property includes \$150,000 of land and \$419,872 of building net of accumulated depreciation of \$264 at June 30, 2024.

**Note 11 - Liquidity and Availability of Resources**

The Association has the following financial assets available within one year of the balance sheet date to meet cash needs for general expenditure:

Cash and cash equivalents	\$ <u>154,370</u>
Total	\$ <u>154,370</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**Note 12 - Subsequent Events**

Subsequent events have been evaluated by management through January 31, 2025, which is the date the financial statements were available to be issued. There were no material subsequent events at January 31, 2025 that require disclosure in the financial statements.