



Patten Free Library

Financial Statements

Year Ended June 30, 2025

**Patten Free Library
Financial Statements
June 30, 2025**

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Independent Accountants' Review Report

To the Board of Directors of
Patten Free Library
Bath, Maine

We have reviewed the accompanying financial statements of Patten Free Library (a nonprofit organization), which comprise the statement of financial position - modified cash basis as of June 30, 2025, the related statements of support, revenues, and expenses - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis 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 the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements 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 the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Patten Free Library 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 the modified cash basis of accounting.

Basis of Accounting

We draw attention to the first note of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

One River CPAs

Bath, Maine
April 7, 2026

PATTEN FREE LIBRARY
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis
Year Ended June 30, 2025

ASSETS

Current assets:

| | | |
|---------------------------|----|---------|
| Cash and cash equivalents | \$ | 545,439 |
| Total current assets | | 545,439 |

Property and equipment:

| | | |
|--------------------------------|--|-------------|
| Building and improvements | | 3,301,176 |
| Furniture and equipment | | 369,493 |
| Computers and automation | | 135,765 |
| Construction in progress | | 1,213,371 |
| Total property and equipment | | 5,019,805 |
| Less: accumulated depreciation | | (2,199,377) |
| Net property and equipment | | 2,820,428 |

Other assets:

| | | |
|--------------------|--|-----------|
| Investments | | 8,948,957 |
| Total other assets | | 8,948,957 |

| | | |
|---------------------|-----------|-------------------|
| Total assets | \$ | 12,314,824 |
|---------------------|-----------|-------------------|

LIABILITIES AND NET ASSETS

Noncurrent liabilities:

| | | |
|------------------------------|----|---------|
| Note payable | \$ | 718,263 |
| Total noncurrent liabilities | | 718,263 |

| | | |
|-------------------|--|---------|
| Total liabilities | | 718,263 |
|-------------------|--|---------|

Net assets:

| | | |
|----------------------------|--|------------|
| Without donor restrictions | | 3,610,982 |
| With donor restrictions | | 7,985,579 |
| Total net assets | | 11,596,561 |

| | | |
|---|-----------|-------------------|
| Total liabilities and net assets | \$ | 12,314,824 |
|---|-----------|-------------------|

See independent accountants' review report.

PATTEN FREE LIBRARY
Statement of Support, Revenues, and Expenses - Modified Cash Basis
Year Ended June 30, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|-------------------|
| Operating activities: | | | |
| Support and revenues: | | | |
| Municipal appropriations | \$ 330,637 | - | 330,637 |
| Contributions of cash and other financial assets | 302,200 | 326,097 | 628,297 |
| Fines and fees | 21,387 | - | 21,387 |
| Library bookstore | 65,133 | - | 65,133 |
| Interest income | 7,820 | - | 7,820 |
| Other | 883 | - | 883 |
| Loss on disposal of property and equipment | (38) | - | (38) |
| Transfer from endowment funds | 33,318 | 395,505 | 428,823 |
| Net assets released from restriction | 1,257,910 | (1,257,910) | - |
| Total support and revenues | 2,019,250 | (536,308) | 1,482,942 |
| Expenses: | | | |
| Program services | 882,665 | - | 882,665 |
| Supporting services: | | | |
| General and administrative | 166,905 | - | 166,905 |
| Library bookstore | 17,846 | - | 17,846 |
| Fundraising | 238,413 | - | 238,413 |
| Total supporting services | 423,164 | - | 423,164 |
| Total expenses | 1,305,829 | - | 1,305,829 |
| Change in net assets from operations | 713,421 | (536,308) | 177,113 |
| Non-operating activities: | | | |
| Investment income, net of endowment withdrawals | 70,229 | 370,293 | 440,522 |
| Total non-operating activities | 70,229 | 370,293 | 440,522 |
| Changes in net assets | 783,650 | (166,015) | 617,635 |
| Net assets, beginning of year | 2,827,332 | 8,151,594 | 10,978,926 |
| Net assets, end of year | 3,610,982 | 7,985,579 | 11,596,561 |

See independent accountants' review report.

PATTEN FREE LIBRARY
Statement of Functional Expenses - Modified Cash Basis
Year Ended June 30, 2025

| | Program Services | Supporting Services | | | Total Supporting Services | Totals |
|--------------------------|-------------------|----------------------------|-------------------|----------------|---------------------------|------------------|
| | | General and Administrative | Library Bookstore | Fundraising | | |
| Salaries | \$ 368,370 | 96,622 | - | 138,894 | 235,516 | 603,886 |
| Collections | 61,293 | - | - | - | - | 61,293 |
| Copy machine lease | 4,905 | 1,752 | - | 350 | 2,102 | 7,007 |
| Depreciation | 90,210 | - | - | - | - | 90,210 |
| Employee benefits | 52,508 | 16,156 | - | 12,118 | 28,274 | 80,782 |
| Insurance | 21,806 | - | - | - | - | 21,806 |
| Miscellaneous | 3,541 | - | 750 | - | 750 | 4,291 |
| Payroll taxes | 31,874 | 8,360 | - | 12,019 | 20,379 | 52,253 |
| Periodicals | 7,392 | - | - | - | - | 7,392 |
| Office | 8,686 | 2,184 | 50 | 10,919 | 13,153 | 21,839 |
| Professional fees | 48,907 | 10,496 | - | 50,005 | 60,501 | 109,408 |
| Exhibits | 11,779 | - | - | - | - | 11,779 |
| Repairs and maintenance | 78,154 | - | 275 | - | 275 | 78,429 |
| Retirement contributions | 17,726 | 6,136 | - | 10,226 | 16,362 | 34,088 |
| Supplies | 11,646 | 3,882 | 1,194 | 3,882 | 8,958 | 20,604 |
| Technology | 21,318 | 21,317 | - | - | 21,317 | 42,635 |
| Occupancy | 42,550 | - | 15,577 | - | 15,577 | 58,127 |
| Total expenses | \$ 882,665 | 166,905 | 17,846 | 238,413 | 423,164 | 1,305,829 |

See independent accountants' review report.

PATTEN FREE LIBRARY
Statement of Cash Flows - Modified Cash Basis
Year Ended June 30, 2025

| | |
|---|-------------------|
| Cash flows from operating activities: | |
| Change in net assets | \$ 617,635 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 90,210 |
| Contributions restricted for capital improvements | (321,952) |
| Loss on disposal of property and equipment | 38 |
| Realized and unrealized gains | (672,045) |
| Changes in operating assets/liabilities | - |
| Net cash used in operating activities | (286,114) |
| Cash flows from investing activities: | |
| Purchase of property and equipment | (507,660) |
| Purchase of investments | (228,627) |
| Proceeds from sales of investments | 454,142 |
| Net cash used in investing activities | (282,145) |
| Cash flows from financing activities: | |
| Contributions restricted for capital improvements | 321,952 |
| Net cash provided by financing activities | 321,952 |
| Decrease in cash and cash equivalents | (246,307) |
| Cash and cash equivalents, beginning of year | 791,746 |
| Cash and cash equivalents, end of year | \$ 545,439 |
| Supplemental cash flow disclosures: | |
| Noncash investing and financing activities: | |
| Property and equipment acquired with note payable | \$ 718,263 |

See independent accountants' review report.

PATTEN FREE LIBRARY
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Purpose -The Patten Free Library (“the Organization”) is organized as a nonprofit corporation under the laws of the State of Maine. The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and is classified as other than a private foundation.

The Organization provides public library services to the residents of Arrowsic, Bath, Georgetown, West Bath, and Woolwich.

Basis of Accounting - The financial statements of the Organization have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis, revenue is recognized when collected rather than earned, except for fees and sponsorships received in advance of the services provided or major promotional activities yet to occur. Expenditures are generally recognized when paid rather than when incurred except for the capitalization and depreciation of property and equipment. These statements do not intend to show the financial position and results of operations or changes in net assets in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation - The Organization reports information regarding its financial position and activities according to the following net assets classification:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations – The statement of support, revenues, and expenses - modified cash basis report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization’s ongoing program and member services, endowment fund withdrawals, and interest income on cash and cash equivalents. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Revenue and Revenue Recognition – The Organization recognizes revenue from program services at the time of receipt unless it is received in advance for a subsequent years’ activity, in which case it is recorded as deferred revenue. Municipal appropriations are recognized as revenue at the time of collection. Contributions received are recorded as support without donor restrictions or support with donor restrictions when received, depending on the existence and/or nature of any donor restrictions.

PATTEN FREE LIBRARY
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenue and Revenue Recognition, Continued - Support that is unrestricted by the donor is reported as an increase in net assets without donor restrictions. All donor-restricted support is reported as an increase in donor-restricted net assets, 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 donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenues, and expenses - modified cash basis as net assets released from restrictions.

Cash and Cash Equivalents - The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. At year-end, cash balances represent petty cash accounts, checking, money market accounts, and short-term certificates of deposit.

Property and Equipment - The cost, or in the case of donated property, the fair market value on the date of receipt, of depreciable property and equipment is being depreciated over the estimated useful lives. Property and equipment costing less than \$2,500 or with one year or less of useful life is expensed in the year acquired. All depreciation is calculated using the straight-line method.

| | <u>Years</u> |
|------------------------------------|--------------|
| Building and improvements | 20-50 |
| Furniture, fixtures, and equipment | 5-15 |

Investments - Investments in marketable securities are reported at their fair market value at the end of the year. Unrealized gains and losses are included in the change in net assets in the statement of support, revenues, and expenses - modified cash basis.

Investment income and gains restricted by a donor are reported as increases in restricted net assets in which the income and gains are recognized, and reclassified to without donor restrictions in the year appropriated for expenditure.

Gifts of Nonfinancial Assets - The Organization receives various forms of gifts of nonfinancial assets including media, food, and non-food items such as books and household goods, services, and such gifts are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Gifts of nonfinancial assets are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Gifts of nonfinancial assets are not sold and goods are only distributed for program use.

Functional Expenses - The costs of providing program and other activities have been summarized on a functional basis in the statement of support, revenues, and expenses - modified cash basis and the statement of functional expenses - modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes - The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three years after they were filed.

See independent accountants' review report.

PATTEN FREE LIBRARY
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates - The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk - The Organization currently maintains cash deposits in financial institutions located in Maine. The balances are insured by the U.S. Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2025, approximately \$297,000 of the Organization's cash balances were uninsured.

Concentration of Revenue - The Organization currently receives municipal appropriations from five nearby towns that account for all municipal appropriations during the year ended June 30, 2025. For the year ended June 30, 2025 municipal appropriations from one municipality accounted for approximately 13% of the Organization's total support and revenues.

Leases - The Organization expenses all lease payments as they are due, in accordance with the modified cash basis of accounting.

Library Materials - The cost of library books and similar materials are expensed upon acquisition as they do not meet the Organization's capitalization policy.

Use of Estimates - The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prior Period Adjustments - The beginning of year net assets were restated from the previously issued FY2024 financial statements amount of \$11,987,579. Beginning of year net assets were increased \$20,000 for incorrectly deferring revenue, decreased \$1,036,108 for incorrectly including value of beneficial interest in a trust, and increased \$7,455 for incorrectly expensing equipment, for a total decrease of \$1,008,653. Net assets with donor restrictions was also increased by \$4,218,300 and net assets without donor restrictions was decreased by \$4,218,300 for using an incorrect balance of endowment funds.

Subsequent Events - Management has evaluated subsequent events through the date of this report, the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

See independent accountants' review report.

PATTEN FREE LIBRARY
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 2 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30:

| | | |
|--|----|-------------------|
| Cash and cash equivalents | \$ | 545,439 |
| Investments | | 8,948,957 |
| Total financial assets | | 9,494,396 |
| Less amounts not available to be used within one year: | | |
| Net assets with restrictions - capital campaign | | 7,985,579 |
| Net assets with board designations - endowment | | 1,093,500 |
| Net assets with board designations - capital reserve | | 97,734 |
| Less: estimated endowment withdrawals available for operations | | (350,000) |
| | | 8,826,813 |
| Financial assets available to meet general expenditures over the next 12 months | | \$ 667,583 |

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$322,000).

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair Value Measurements

The Organization reports under the Fair Value Measurements, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

See independent accountants' review report.

PATTEN FREE LIBRARY
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs at the closing price reported on the active market on which the individual securities are traded.

Following is a description of the valuation methodologies used for assets measured at fair value.

Money market mutual funds: Valued at the daily closing price as reported by the funds. These funds are required to publish their daily net asset value (NAV) and transact at that price.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Realized and unrealized gains are reflected in the statements of support, revenues, and expenses - modified cash basis.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2025 are as follows:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---------------------------|---------------------|----------------|----------------|------------------|
| Money market mutual funds | \$ 290 | - | - | 290 |
| Mutual funds | 8,948,667 | - | - | 8,948,667 |
| Total | \$ 8,948,957 | - | - | 8,948,957 |

NOTE 4 - NOTE PAYABLE

The Organization obtained a construction loan in November 2024 with a line of credit availability of \$1,000,000, interest due monthly at 7.46% and an initial term of one year. At June 30, 2025, the Organization intended to and had plans to refinance the note to a longer term. In November 2025, the Organization was able to secure the long-term financing, extending the term with monthly interest only payments at 5.88% and the remaining principal balance due in full on June 30, 2028. Thus, the entire note payable balance is considered a noncurrent liability at June 30, 2025. \$1,485,762 of the investments balance at June 30, 2025 is being held in a separate account as collateral for this note payable.

See independent accountants' review report.

PATTEN FREE LIBRARY
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 5 - ENDOWMENT FUNDS

The Organization has implemented the provisions of the Uniform Prudent Management of Institutional Funds Act (13 MRSA Chapter 99) for the purposes of determining restrictions of endowment funds. Generally, under the Act, the governing board may spend realized and unrealized appreciation (i.e. capital gains) unless the gift instrument specifically states to the contrary. The Organization may appropriate for expenditure, or accumulate so much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the Organization.

In making a determination to appropriate or accumulate, the Organization shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors: the duration of the preservation of the endowment fund; the purpose of the institution and the endowment fund; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and appreciation of investments; other resources of the institution; and the investment policy of the institution.

Patten Free Library interprets the Maine Uniform Prudent Management of Institutional Funds Act 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 instructions to the contrary.

Endowment fund balances consisted of the following at June 30, 2025:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|----------------------------------|----------------------------|------------------|
| Board-designated endowment funds | \$ 1,093,500 | - | 1,093,500 |
| Donor restricted endowment funds: | | | |
| Amounts required to be maintained in perpetuity | - | 1,909,940 | 1,909,940 |
| Accumulated investment gains | - | 5,945,517 | 5,945,517 |
| Total endowment funds | \$ 1,093,500 | 7,855,457 | 8,948,957 |

Changes in endowment fund net assets were the following during the year ended June 30, 2025:

| | | | |
|--|---------------------|------------------|------------------|
| Endowment net assets, beginning of year | \$ 1,009,703 | 7,467,406 | 8,477,109 |
| Contributions | 31,327 | - | 31,327 |
| Investment income, net | 103,547 | 765,797 | 869,344 |
| Amount withdrawn to operations | (51,077) | (377,746) | (428,823) |
| Endowment net assets, end of year | \$ 1,093,500 | 7,855,457 | 8,948,957 |

See independent accountants' review report.

PATTEN FREE LIBRARY
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 5 - ENDOWMENT FUNDS, CONTINUED

The endowment funds are primarily invested in one mutual fund that is a balanced fund of stocks, bonds, and short-term investments. It is “fund of funds” which invests in a diversified group of other Vanguard mutual funds. 60% to 70% of its assets are invested in common stocks; 20% to 30% are invested in bonds and 10% to 20% in short-term investments. The fund seeks to provide long-term capital appreciation and income.

The Organization’s policy is to spend up to 5% of the average value of the endowment funds each year for operations.

NOTE 6 - NET ASSETS

Net assets with donor restrictions consisted of the following at June 30, 2025:

| | |
|---|---------------------|
| Specific purpose: | |
| Solovich/Davis history room | \$ 25,000 |
| History room | 9,606 |
| Donovan history room | 5,000 |
| Children’s materials | 450 |
| Bath matters CR FD | 5,616 |
| Babysitting fund | 500 |
| AED ARPA | 968 |
| ARPA | 49,350 |
| Board training grant | 342 |
| Biological and environmental materials | 28,454 |
| Art brochure | 1,500 |
| Sargent garden fund | 1,656 |
| Everham Fund | 1,180 |
| HR special donations others | 374 |
| Staff development scholarship fund | 125 |
| | 130,121 |
| Endowment funds subject to spending policy and appropriation: | |
| General operating | 6,511,020 |
| Capital improvements | 599,366 |
| Books | 146,141 |
| Biological and environmental materials | 598,931 |
| | 7,855,458 |
| Total net assets with donor restrictions | \$ 7,985,579 |

See independent accountants’ review report.

PATTEN FREE LIBRARY
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 6 - NET ASSETS, CONTINUED

Net assets released from restrictions during the year ended June 30, 2025 are as follows:

| | | |
|--|-----------|------------------|
| Specific purpose: | | |
| Bath matters CR FD | \$ | 1,473 |
| Books | | 6,943 |
| Capital campaign | | 934,650 |
| Free coffee Fridays | | 95 |
| Staff development scholarship fund | | 875 |
| | | <hr/> 944,036 |
| Appropriated from general operating endowment fund | | <hr/> 313,874 |
| Total released from restrictions | \$ | 1,257,910 |

The board of directors has designated net assets of \$1,093,500 as a quasi-endowment and \$97,734 as a capital reserve as of June 30, 2025.

NOTE 7 - EMPLOYEE BENEFIT PLAN

The Organization maintains a tax deferred annuity Section 403(b) plan for the benefit of full-time employees. Under the plan the Organization contributes 4% of each eligible employee's compensation and matches up to an additional 4% contributed by the employee. Contributions are credited to the individual's separate accounts and are fully vested when made. The total retirement expense for the year ended June 30, 2025 was \$34,088.

NOTE 8 - INTEREST COSTS

The Organization paid \$15,484 of interest during the year ended June 30, 2025, of which all \$15,484 was capitalized towards construction in progress.

See independent accountants' review report.