

CARY MEMORIAL LIBRARY FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022

CARY MEMORIAL LIBRARY FOUNDATION, INC.
TABLE OF CONTENTS
JUNE 30, 2022

	<u>Page No.</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3-4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-13



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

THE BOARD OF DIRECTORS
CARY MEMORIAL LIBRARY FOUNDATION, INC.
LEXINGTON, MASSACHUSETTS

We have reviewed the accompanying financial statements of Cary Memorial Library Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022, and 2021 the related statements of activities, functional expenses and cash flows for the years 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.

Accountant's 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 Cary Memorial Library Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's 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.

DECEMBER 15, 2022
LEXINGTON MASSACHUSETTS

CARY MEMORIAL LIBRARY FOUNDATION, INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2022

ASSETS

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 116,475	\$ 73,129
Accounts receivable	-	1,150
Prepaid insurance and expenses	1,319	1,714
 TOTAL ASSETS	 \$ 117,794	 \$ 75,993

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 1,672	\$ 3,222
 NET ASSETS		
Without donor restrictions	116,122	72,771
 TOTAL NET ASSETS	 116,122	 72,771
 TOTAL LIABILITIES AND NET ASSETS	 \$ 117,794	 \$ 75,993

See accompanying independent accountants' review report and notes to the financial statements.

CARY MEMORIAL LIBRARY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	2022
REVENUE AND SUPPORT			
Private gifts, grants and contributions	\$ 276,922	\$ -	\$ 276,922
Other income	39	-	39
	<u>276,961</u>	<u>-</u>	<u>276,961</u>
TOTAL REVENUE AND SUPPORT			
EXPENSES			
Program	218,199	-	218,199
General and administrative	12,745	-	12,745
Fundraising	2,666	-	2,666
	<u>233,610</u>	<u>-</u>	<u>233,610</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS	43,351	-	43,351
NET ASSETS, BEGINNING OF YEAR	<u>72,771</u>	<u>-</u>	<u>72,771</u>
NET ASSETS, END OF YEAR	<u>\$ 116,122</u>	<u>\$ -</u>	<u>\$ 116,122</u>

See accompanying independent accountants' review report and notes to the financial statements.

CARY MEMORIAL LIBRARY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	2021
REVENUE AND SUPPORT			
Private gifts, grants and contributions	\$ 339,144	\$ -	\$ 339,144
Investment return, net	(223)	-	(223)
Other income	185	-	185
Net assets released from restrictions	5,000	(5,000)	-
TOTAL REVENUE AND SUPPORT	344,106	(5,000)	339,106
EXPENSES			
Program	324,504	-	324,504
General and administrative	12,579	-	12,579
Fundraising	6,137	-	6,137
TOTAL EXPENSES	343,220	-	343,220
CHANGE IN NET ASSETS	886	(5,000)	(4,114)
NET ASSETS, BEGINNING OF YEAR	71,885	5,000	76,885
NET ASSETS, END OF YEAR	\$ 72,771	\$ -	\$ 72,771

See accompanying independent accountants' review report and notes to the financial statements.

CARY MEMORIAL LIBRARY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Expenses</u>
Grants to Cary Memorial Library Trustees	\$ 178,667	\$ -	\$ -	\$ 178,667
Payroll expense	31,006	-	-	31,006
Stewardship and cultivation expenses	8,526	-	-	8,526
Office expenses	-	6,336	-	6,336
Professional fees	-	2,750	-	2,750
Postage and delivery	-	-	2,381	2,381
Bank and other fees	-	2,027	-	2,027
Insurance	-	1,632	-	1,632
Printing and copying	-	-	285	285
TOTAL EXPENSES	<u>\$ 218,199</u>	<u>\$ 12,745</u>	<u>\$ 2,666</u>	<u>\$ 233,610</u>

See accompanying independent accountants' review report and notes to the financial statements.

CARY MEMORIAL LIBRARY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Expenses</u>
Grants to Cary Memorial Library Trustees	\$ 286,349	\$ -	\$ -	\$ 286,349
Payroll expense	29,114	-	-	29,114
Stewardship and cultivation expenses	9,041	-	-	9,041
Office expenses	-	6,834	-	6,834
Printing and copying	-	-	3,709	3,709
Professional fees	-	2,600	-	2,600
Postage and delivery	-	-	2,428	2,428
Insurance	-	1,622	-	1,622
Bank and credit card fees	-	1,523	-	1,523
TOTAL EXPENSES	<u><u>\$ 324,504</u></u>	<u><u>\$ 12,579</u></u>	<u><u>\$ 6,137</u></u>	<u><u>\$ 343,220</u></u>

See accompanying independent accountants' review report and notes to the financial statements.

CARY MEMORIAL LIBRARY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 43,351	\$ (4,114)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Noncash contribution of securities	(1,006)	(12,480)
Realized and unrealized loss on investments	-	273
Contributions restricted for long-term purposes	-	(5,000)
Change in operating assets and liabilities:		
Accounts receivable	-	1,139
Contributions receivable	1,150	5,000
Prepaid insurance and expenses	395	(314)
Accounts payable and accrued expenses	(1,550)	1,927
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>42,340</u>	<u>(13,569)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Contributions restricted for long-term purchases	-	5,000
Proceeds from sale of donated securities	1,006	12,207
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,006</u>	<u>17,207</u>
CHANGE IN CASH AND CASH EQUIVALENTS	43,346	3,638
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>73,129</u>	<u>69,491</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 116,475</u>	<u>\$ 73,129</u>
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	<u>\$ -</u>	<u>\$ 42</u>

See accompanying independent accountants' review report and notes to the financial statements.

CARY MEMORIAL LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1. NATURE OF ORGANIZATION

Cary Memorial Library Foundation, Inc. ("the Foundation") was incorporated on April 12, 1999. The Foundation was established to collect funds for the expansion of Cary Memorial Library ("the Library") in Lexington, Massachusetts. The Foundation was to provide approximately one third of the capital for the expansion project. Starting in fiscal year ended June 30, 2004, the Foundation incorporated a second mandate of collecting and holding funds for the annual fund drive of the Library. The Foundation is supported primarily through contributions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

For purposes of financial reporting, the Foundation classifies resources into two net assets categories pursuant to any donor-imposed restrictions and applicable law. Accordingly, the net assets of the Foundation and any changes therein are classified in the accompanying financial statements as follows:

Without Donor Restriction

Net assets that are not subject to donor-imposed restrictions or for which restrictions have expired.

With Donor Restrictions

Net assets that represent contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or may be fulfilled and removed by actions of the Foundation pursuant to those stipulations. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

CARY MEMORIAL LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are recognized as revenue when they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk and duration involved.

Amortization of the discount is recorded as additional contribution revenue in accordance with the donor imposed restrictions, if any. An allowance for uncollectable contributions receivable is provided based on management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution and nature of fund raising activity.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value as determined by major securities markets. Mutual fund investments are valued using the value per unit provided by managers of the funds. Specific investments held by mutual funds are valued using quoted market prices. Investment income from unrestricted investments is reported as unrestricted revenue. Unrestricted and restricted investment income and gains (losses) on investments of donor restricted net assets are reported as increases (decreases) in unrestricted net assets unless restricted by the donor, in which case they are recorded as increases (decreases) in donor restricted net assets. Net gains of donor restricted net assets are classified as donor restricted net assets until the criteria for satisfying the restrictions have been met. Investment income and gains (losses) on investments of donor restricted net assets are reported as increases (decreases) in donor restricted net assets.

Fair Value Measurements

The Foundation reports financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value.

CARY MEMORIAL LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

In addition, the Foundation reports certain investments using the net asset value per share as determined by investment managers under the so called "practical expedient". The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

Fair value standards also require the Foundation to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique, or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices available in active markets for identical assets and liabilities traded in active exchange markets.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Level 2 also includes investments carried at per share NAV with redemption periods of 90 days or less.

Level 3 - Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value requires significant management judgment or estimation.

The Foundation held no investments at June 30, 2022 and 2021.

Management has assessed that fair value approximates carrying value for cash and cash equivalents, prepaid insurance, deposits and accounts payable and accrued expenses which approximate fair value given the short-term nature of these financial instruments.

Property and equipment

Property and equipment are recorded at cost if purchased and fair market value if contributed. Additions to property and equipment including major repairs and improvements greater than \$1,000 are capitalized, while ordinary repairs and maintenance are charged to expense as incurred. Depreciation is provided using the straight-line method and methods that approximate straight-line over the estimated useful lives of the assets.

CARY MEMORIAL LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Website	\$ 11,280	\$ 11,280
Less: accumulated depreciation	<u>(11,280)</u>	<u>(11,280)</u>
Total property and equipment, net	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was \$-0- for the years ended June 30, 2022 and 2021, respectively

Use of 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 the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 present the natural classification detail of expenses by function.

Income Taxes

The Foundation is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Foundation does not record a provision for income taxes. The Foundation has also been classified as an entity that is not a private foundation; therefore contributions made to the Foundation are deductible by donors as provided in Section 170 of the Internal Revenue Code.

CARY MEMORIAL LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertain Tax Positions

The Foundation accounts for the effect of any uncertain tax positions based on application of a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. Interest and penalties assessed, if any, are accrued as income tax expense.

The Foundation has identified its tax status as a tax-exempt entity as a tax position; however, the Foundation has determined that such tax position does not result in an uncertainty requiring recognition. The Foundation is not currently under examination by any taxing jurisdiction. The Foundation’s tax returns are subject to examination by the IRS, generally for three years after the returns are filed.

Contributed Services

During the years ended June 30, 2022 and 2021, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Many individuals volunteer their time and perform a variety of tasks that assist the Foundation.

Accounting Standards Update

In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance changes the basis for determining when revenue is recognized over time or at a point in time, provides new and more detailed guidance on specific topics, and expands and improves disclosures about revenue. In addition, it provides guidance on costs related to obtaining a contract with a customer and costs incurred in fulfilling a contract with a customer that are not in the scope of another ASC Topic. The guidance is effective for non-public entities for annual reporting periods beginning after December 15, 2019. Certain non-profit organizations could be affected by the ASU. Management does not believe the impact of the ASU on the Foundation’s future financial reporting and disclosures will be significant.

Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

CARY MEMORIAL LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

NOTE 3. LIQUIDITY AND AVAILABILITY

Financial assets available within one year of the balance sheet date for general expenditure are comprised of the following:

Cash and cash equivalents	\$ 116,475
Accounts receivable	<u>-</u>
Total financial assets available to meet cash needs for general expenses within one year	<u>\$ 116,475</u>

NOTE 4. INVESTMENTS

Investments were comprised of the following at June 30:

	<u>Market Value</u>	<u>Carrying Value</u>	<u>Realized Gains (Losses)</u>	<u>Unrealized Gains (Losses)</u>	<u>Interest and Dividends</u>
Publicly traded equity securities	\$ -	\$ -	\$ -	\$ -	\$ -
<u>2021</u>					
	<u>Market Value</u>	<u>Carrying Value</u>	<u>Realized Gains (Losses)</u>	<u>Unrealized Gains (Losses)</u>	<u>Interest and Dividends</u>
Publicly traded equity securities	\$ -	\$ -	\$ (273)	\$ -	\$ -

During the years ended June 30, 2022 and 2021 the Foundation earned \$39 and \$163 of interest income from other cash and cash equivalent accounts, respectively. During the year ended June 30, 2021 the Foundation incurred realized losses on contributed securities that were sold.

NOTE 5. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 15, 2022 which is the date that the financial statements were available to be issued.