Millinocket Memorial Library and Affiliate

Consolidated Financial Statements and Supplementary Information

Year Ended December 31, 2025

MILLINOCKET MEMORIAL LIBRARY

WIPFLI

WIPFLI

Independent Accountant's Compilation Report

Board of Directors
Millinocket Memorial Library
Millinocket, Maine

Management is responsible for the accompanying consolidated financial statements of Millinocket Memorial Library (a non-profit organization) and its affiliate, which comprise the consolidated statement of financial position as of December 31, 2025 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements in accordance with accounting principles generally accepted in the United States. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these consolidated financial statements.

The supplementary information contained in the consolidating schedules of financial position, activities and cash flows are included on pages 13 through 15 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Wipfli LLP

Wipfli LLP
South Portland, Maine

July 31, 2026

Millinocket Memorial Library

Consolidated Statement of Financial Position

December 31,		2025
ASSETS		
Cash and cash equivalents	$	543,066
Beneficial interest in assets held by others		47,807
Property and equipment		1,690,807
Restricted cash		32,777
Note receivable		1,085,005
Total assets	$	3,399,462
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$	13,272
Refundable advances on grants		27,955
Notes payable		1,834,009
Total liabilities		1,875,236
Net Assets		
Without donor restrictions		1,369,702
With donor restrictions		154,524
Total net assets		1,524,226
Total liabilities and net assets	$	3,399,462

See accompanying notes and independent accountant's compilation report.

Millinocket Memorial Library

Consolidated Statement of Activities

Year Ended December 31, 2025	Without Donor Restrictions	With Donor Restrictions	Totals
Operating Revenue			
Contributions	$ 21,309	$ 225,502	$ 246,811
Municipal support	187,500	-	187,500
Federal grants	75,310	-	75,310
Interest income	23,782	-	23,782
Other revenue	36,045	-	36,045
Net assets released from restrictions	220,848	(220,848)	-
Total operating revenue	564,794	4,654	569,448
Expenses			
Program services	399,488	-	399,488
Management and general	102,176	-	102,176
Fundraising	43,385	-	43,385
Total expenses	545,049	-	545,049
Change in net assets	19,745	4,654	24,399
Net assets, beginning of year	1,349,957	149,870	1,499,827
Net assets, end of year	$ 1,369,702	$ 154,524	$ 1,524,226

See accompanying notes and independent accountant's compilation report.

Millinocket Memorial Library

Consolidated Statement of Functional Expenses

Year Ended December 31, 2025	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 149,919	$ 57,011	$ 35,632	$ 242,562
Payroll taxes	15,689	5,344	3,340	24,373
Occupancy	25,499	-	-	25,499
Collections and materials	14,971	-	-	14,971
Grants to individuals	8,145	-	-	8,145
Technology and equipment	5,878	-	113	5,991
Office and supplies expenses	17,038	4,262	4,300	25,600
Repairs and maintenance	28,961	1,430	-	30,391
Professional fees	16,170	31,181	-	47,351
Insurance	9,919	2,932	-	12,851
Interest expense	29,912	-	-	29,912
Depreciation	77,313	-	-	77,313
Miscellaneous	74	16	-	90
Total expenses	$ 399,488	$ 102,176	$ 43,385	$ 545,049

See accompanying notes and independent accountant's compilation report.

Millinocket Memorial Library
Consolidated Statement of Cash Flows

Year Ended December 31,		2025
Change in cash and cash equivalents		
Cash flows from operating activities:		
Change in net assets	$	24,399
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation expense		77,313
Deferred loan fee amortization		7,000
Change in value of beneficial interest		(5,495)
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses		8,532
Refundable advances on grants		(42,463)
Net cash flows from operating activities		69,286
Cash flows from investing activities:		
Purchase of property and equipment		(132,688)
Purchase of beneficial interest in funds held by others		(12,747)
Net cash from investing activities		(145,435)
Net change in cash and cash equivalents		(76,149)
Cash and cash equivalents, beginning of year		651,992
Cash and cash equivalents, end of year	$	575,843
Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest	$	29,912
Cash and cash equivalents consist of:		
Cash and cash equivalents	$	543,066
Restricted cash		32,777
Total	$	575,843

See accompanying notes and independent accountant's compilation report.

Millinocket Memorial Library
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Millinocket Memorial Library (the "Library") is a not-for-profit corporation. The Library was created for literary purposes and to preserve the memory of all young men and women of Millinocket who gave their services during the war under the colors of the United States of America and her Allies in this a solemn perpetual memorial. The Library's primary sources of economic support are allocations from the Town of Millinocket, as well as other public and private donations.

Millinocket Library Support Corporation (the "Corporation") was formed as a public benefit corporation on July 1, 2019, under the laws of the State of Maine. The Corporation was organized to operate exclusively for charitable, religious, educational and scientific purposes by conducting and supporting activities which promote the advancement and further the aims of the Library. The Corporation shall carry out its purposes by operating as a supporting organization as described in Section 509(a)(3) of the Internal Revenue Code.

Consolidated Financial Statements

The consolidated financial statements include the accounts of the Library and the Corporation which have been consolidated due to common control. All material inter-company accounts and transactions have been eliminated in the consolidation.

Basis of Accounting and Presentation

The consolidated financial statements of the Library have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). As a result, revenues and gains are reported when earned and expenses and losses are recorded when incurred.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets of the Library 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 (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Library considers all depository accounts with financial institutions, including certificates of deposit with original maturities of less than three months, to be cash and cash equivalents.

Beneficial Interest in Assets Held by Community Foundation

During 2025, the Library placed funds with Maine Community Foundation (MCF) for the benefit of the Library. The Library granted variance power to the MCF, which allows the MCF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the MCF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the MCF for our benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities. The Library utilized the net asset value (NAV) reported by MCF as a practical expedient for determining the fair value of the investment. These investments are redeemable at NAV under the agreement’s terms.

Property and Equipment

All acquisitions and improvements of property and equipment of $500 or more are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets.

Contributions Receivable

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the promises become unconditional.

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Note 1: Summary of Significant Accounting Policies (Continued)

Grant Revenue (Continued)

Grant Awards That Are Contributions - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant Awards That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.

- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized as revenue when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions, or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions.

Income Taxes

The Library is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined not to be a private foundation within the meaning of Section 509(a) of the code.

Management has evaluated the Library's tax position and concluded that the Library has taken no uncertain tax position that required adjustment to the consolidated financial statements. The Library is generally subject to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities for three years following the filing of the return.

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Management allocates these costs based on factors, such as square footage associated with or hours employees worked on the respective program and supporting services. Management reviews the basis for this allocation annually.

Concentration of Credit Risk

The Library maintains its cash balances at one financial institution. As of December 31, 2025, deposits were insured by FDIC up to a maximum amount of $250,000.

Impairment of Long-Lived Assets

The Library reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Library has not recognized any impairment of long lived assets during 2025.

Subsequent Events

The Librarys have evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through July 31, 2026, which is the date the financial statements were available to be issued.

Note 2: Liquidity and Availability of Financial Resources

The Library strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The following table reflects the Library's financial assets as of December 31, 2025, reduced by amounts that are not available to meet general expenditures within one year of the consolidated statement of financial position date because of donor restrictions or internal board designations. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following at December 31:

		2025
Cash and cash equivalents	$	543,066
Less: donor restricted amounts		(154,524)
Total	$	388,542

Note 3: Restricted Cash

Restricted cash consists of the following at December 31:

		2025
Interest reserve	$	5,978
Fee and expense reserve		26,799
Total	$	32,777

Note 4: Property and Equipment

A summary of property and equipment is as follows at December 31:

		2025
Building improvements	$	1,975,633
Furniture and office equipment		115,092
		2,090,725
Less: accumulated depreciation		(399,918)
Total	$	1,690,807

Note 5: Notes Receivable

Notes receivable consisted of the following:

MML State Investment Fund LLC: Interest is due monthly at 1% for eight years, then amortizing payments of $47,784 annually beginning January 2028. The note matures in March 2051. The note is secured by substantially all the assets of the investment LLC. The outstanding principal balance was $990,189 as of December 31, 2025.

MML Federal Investment Fund LLC: Interest is due monthly at 1% for eight years, then amortizing payments of $4,254 annually beginning January 2028. The note matures in March 2051. The note is secured by substantially all the assets of the investment LLC. The outstanding principal balance was $94,816 as of December 31, 2025.

Note 6: Notes Payable

Notes payable consists of the following at December 31:

		2025
Notes payable	$	1,960,000
Less: deferred loan fees		(125,991)
Total	$	1,834,009

Note 6: Notes Payable (Continued)

New Market Tax Credit (NMTC) Financing:

Note payable with MHIC NE CDE II Subsidiary 56 LLC ("MHIC") in the amount of $1,273,384 (“MHIC Loan A”). The note bears interest at 1.169%. Commencing in August 2019, monthly payments of interest only are due through December 2027. Commencing in January 2028, monthly payments of principal and interest in an amount sufficient to amortize the outstanding balance will become due through maturity in January 2053. The outstanding principal balance was $1,273,384 as of December 31, 2025.

Note payable with MHIC NE CDE II Subsidiary 56 LLC ("MHIC") in the amount of $94,816 (“MHIC Loan B”). The note bears interest at 1.169%. Commencing in August 2019, monthly payments of interest only are due through December 2027. Commencing in January 2028, monthly payments of principal and interest in an amount sufficient to amortize the outstanding balance will become due through maturity in January 2053. The outstanding principal balance was $94,816 as of December 31, 2025.

Note payable with MHIC NE CDE II Subsidiary 56 LLC ("MHIC") in the amount of $591,800 (“MHIC Loan C”). The note bears interest at 1.169%. Commencing in August 2019, monthly payments of interest only are due through December 2025. Commencing in January 2026, monthly payments of principal and interest in an amount to reduce the outstanding principal balance by $20,000 are due through December 2026. Commencing in January 2027, monthly payments of interest only are due through December 2027. Commencing in January 2028, monthly payments of principal and interest in an amount sufficient to amortize the outstanding balance will become due through maturity in January 2053. The outstanding principal balance was $591,800 as of December 31, 2025.

Debt issuance costs totaled $125,991 as of December 31, 2025 and is related to the MHIC loans. These costs will be amortized using an imputed rate of 1.169% upon the commencement dates of principal repayment of the MHIC notes.

The following is a summary of principal maturities of long-term debt:

Years Ending	MHIC Loan A	MHIC Loan B	MHIC Loan C	Total
2026	$ -	$ -	$ 20,000	$ 20,000
2027	-	-	-	-
2028	42,165	3,140	18,934	64,239
2029	42,660	3,176	19,156	64,992
2030	43,161	3,214	19,381	65,756
Thereafter	1,145,398	85,286	514,329	1,745,013
Total	$ 1,273,384	$ 94,816	$ 591,800	$ 1,960,000

Note 7: Net Assets with Donor Restrictions

Net assets with donor restrictions is comprised of the following at December 31:

		2025
Subject to expenditure for specified purpose:		
Mobilize Katahdin	$	67,734
Repairs and capital Improvements		51,841
Various programs		34,949
Total	$	154,524

Net assets were release from restrictions as follows:

Year Ended December 31, 2025		2025
Mobilize Katahdin	$	24,080
Other program services		87,290
Capital purposes		109,478
Total	$	220,848

Note 8: Municipal Support Agreement

The Library has an agreement with the Town of Millinocket to provide library services to the Town of Millinocket. The Town of Millinocket contributed $187,500 in 2025 to assist the Library in paying for utilities, maintenance, insurance, and other operating costs.

Note 9: Contingency

The NMTC financing received by the Library requires the Library to comply with applicable sections of Section 45D of the Internal Revenue Code and applicable sections of 36 Me. Rev. Stat. Ann. Subsection 5219-HH. Failure to maintain compliance with those statutes may result in the recapture of tax credits claimed by Bangor Savings Bank. The Library has entered into indemnification agreements pursuant to which the Library is obligated to indemnify Bangor Savings Bank for any tax credits recaptured due to the acts or omissions of the Library.

Millinocket Memorial Library

Consolidating Schedule of Financial Position

December 31, 2025	Library	Service Corporation	Elimination	Total
ASSETS				
Cash and cash equivalents	$ 492,423	$ 50,643	$ -	$ 543,066
Other assets	47,807	-	-	47,807
Property and equipment	203,646	1,487,161	-	1,690,807
Restricted cash	-	32,777	-	32,777
Notes receivable	1,085,005	-	-	1,085,005
Total assets	$ 1,828,881	$ 1,570,581	$ -	$ 3,399,462
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	$ 11,272	$ 2,000	$ -	$ 13,272
Refundable advances on grants	27,955	-	-	27,955
Notes payable	-	1,834,009	-	1,834,009
Total liabilities	39,227	1,836,009	-	1,875,236
Net Assets				
Without donor restrictions	1,635,130	(265,428)	-	1,369,702
With donor restrictions	154,524	-	-	154,524
Total net assets	1,789,654	(265,428)	-	1,524,226
Total liabilities and net assets	$ 1,828,881	$ 1,570,581	$ -	$ 3,399,462

See independent accountant's compilation report.

Millinocket Memorial Library
Consolidating Schedule of Activities

Year Ended December 31, 2025	Library	Service Corporation	Elimination	Total
Revenue				
Contributions	$ 246,811	$ -	$ -	$ 246,811
Municipal support	187,500	-	-	187,500
Federal grants	75,310	-	-	75,310
Interest income	23,082	700	-	23,782
Rental income	-	32,000	(32,000)	-
Other revenue	36,045	-	-	36,045
Total operating revenue	568,748	32,700	(32,000)	569,448
Expenses				
Salaries and wages	242,562	-	-	242,562
Payroll taxes	24,373	-	-	24,373
Occupancy	57,499	-	(32,000)	25,499
Collections and materials	14,971	-	-	14,971
Grants to individuals	8,145	-	-	8,145
Technology and equipment	5,991	-	-	5,991
Office expense	25,600	-	-	25,600
Repairs and maintenance	30,391	-	-	30,391
Professional fees	31,181	16,170	-	47,351
Insurance	12,851	-	-	12,851
Interest expense	-	29,912	-	29,912
Depreciation expense	17,226	60,087	-	77,313
Miscellaneous expense	90	-	-	90
Total expenses	470,880	106,169	(32,000)	545,049
Change in net assets	97,868	(73,469)	-	24,399
Net assets, beginning of year	1,691,786	(191,959)	-	1,499,827
Net assets, end of year	$ 1,789,654	$ (265,428)	$ -	$ 1,524,226

See independent accountant's compilation report.

Millinocket Memorial Library
Consolidating Schedule of Cash Flows

Year Ended December 31, 2025	Library	Service Corporation	Elimination	Total
Change in cash and cash equivalents				
Cash flows from operating activities				
Change in net assets	$ 97,868	$ (73,469)	$ -	$ 24,399
Adjustments to reconcile change in net assets to net cash flows from operating activities				
Depreciation	17,226	60,087	-	77,313
Deferred loan fee amortization	-	7,000	-	7,000
Change in value of beneficial interest	(5,495)	-	-	(5,495)
Change in operating assets				
Change in operating liabilities				
Accounts payable and accrued expenses	6,532	2,000	-	8,532
Refundable advances on grants	(42,463)	-	-	(42,463)
Net cash flows from operating activities	73,668	(4,382)	-	69,286
Cash flows from investing activities				
Purchase of property and equipment	(132,688)	-	-	(132,688)
Purchase of beneficial interest in funds held by others	(12,747)	-	-	(12,747)
Net cash flows from investing activities	(145,435)	-	-	(145,435)
Net change in cash and cash equivalents	(71,767)	(4,382)	-	(76,149)
Cash and cash equivalents, beginning of year	564,190	87,802	-	651,992
Cash and cash equivalents, end of year	$ 492,423	$ 83,420	$ -	$ 575,843

See independent accountant's compilation report.