

WILLIAMSBURG REGIONAL LIBRARY

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

WILLIAMSBURG REGIONAL LIBRARY
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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FINANCIAL SECTION



Independent Auditors' Report

**To the Board of Trustees
Williamsburg Regional Library
Williamsburg, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of Williamsburg Regional Library as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Williamsburg Regional Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component unit, and each major fund of Williamsburg Regional Library, as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Williamsburg Regional Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Williamsburg Regional Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Governmental Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Governmental Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Williamsburg Regional Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Williamsburg Regional Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Williamsburg Regional Library's basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information if fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of Williamsburg Regional Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Williamsburg Regional Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Williamsburg Regional Library's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia
September 30, 2024

The Management's Discussion and Analysis (MD&A) offers readers of the library's financial statements a narrative overview and analysis of the library's financial activities for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented here, in conjunction with additional information furnished in our financial statements and notes to the financial statements (which immediately follow this discussion). The library implemented the financial reporting requirements of GASB Statement No. 34 (*Basic Financial Statements—and Management's Discussion and Analysis - for State and Local Governments*). Sections include this Management's Discussion and Analysis, the Government-wide Statement of Net Position, the Government-wide Statement of Activities, the concept of major fund reporting, and the reporting of infrastructure capital assets and long-term debt liabilities in the governmental activities. These concepts are explained throughout this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The Williamsburg Regional Library reported revenues exceeded expenditures by \$663,954 for the year ended June 30, 2024.
- The library recorded \$32,287 from in-kind contributions from the following sources:
 - \$13,095 in donations for programs including summer reading.
 - \$19,195 in materials added to the collection.
- The library used a portion of the carryover funds for the following projects:
 - \$ 3,474 to fund a nationwide Library Director search.
 - \$ 4,225 to purchase additional Makerspace equipment.
 - \$ 4,990 to purchase additional Idea Studio sensory equipment.
 - \$47,481 to cover ongoing maintenance and support agreements for the library's data center operations.
- As of June 30, 2024, the Williamsburg Regional Library had a net position of \$3,068,562.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis report is intended to serve as an introduction to the Williamsburg Regional Library's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and budgetary comparison, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the library's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the library is improving or deteriorating. However, this is just one indicator of the financial health of the library. Other indicators include the condition of the library's systems and general economic conditions within the local and state governments.

The statement of activities presents information showing how the library's net position changed during the most recent fiscal year. All changes in net position are reported using the accrual basis of accounting, similar to the method used by most private-sector companies. The accrual basis of accounting requires that revenues be reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of the cash flow. Items such as uncollected fees, unpaid vendor invoices for items received by June 30, 2024, and earned but unused vacation leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed until after June 30, 2024.

The library has a separately identified component unit shown in the government-wide financial statements, the Friends of Williamsburg Regional Library Foundation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Williamsburg Regional Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The library maintains budgetary controls over its operating funds. The objective of budgetary controls is to ensure compliance with provisions embodied in the annual appropriated budget. Budgets for governmental funds are established in accordance with state law and are adopted on a fund level. Personnel services are budgeted by positions. Capital outlays are approved by the locality on an item-by-item basis or project basis. A budgetary comparison statement is provided for the General Fund to demonstrate compliance with the budget. Major fund budgetary variance statements are included with the basic financial statements. Non-major fund information follows the notes to the financial statements. Budgetary variances for the General Fund are discussed in some detail later in this section.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS**Statement of Net Position**

As noted earlier, net position may serve over time as a useful indicator of a library's financial position. The library's net position totaled \$3,068,562 as of June 30, 2024. The following discussion reflects the condensed Government-Wide Statement of Net Position:

The Williamsburg Regional Library's total assets were \$3,868,599 as of June 30, 2024. Of this amount, \$548,741 is accounted for by capital assets, which includes furniture & equipment and vehicles. GASB Statement No. 34 requires that all capital assets be reported. The library's facilities are individually owned by the City of Williamsburg and James City County and recorded on each jurisdiction's financial statements.

Additionally, the Library must elect to either 1) depreciate these assets over their estimated useful life or 2) develop a system of asset management designed to maintain their condition perpetually and to report on their condition within the financial statements. The library has elected for the first method and will use the depreciation method on systems reporting.

Of the remaining Library assets, approximately \$3,146,136 is accounted for in cash and investments.

As of June 30, 2024, the Library had outstanding liabilities of \$800,037. Refer to the notes in the financial statements for a more in-depth discussion of compensated absences.

Included in liabilities are \$73,814 in accounts payable, \$40,199 in accrued liabilities, and approximately \$9,020 in meeting room deposits payable to library users.

A portion of the library's net position reflects its investment in capital. The library's capital assets are used to provide services to citizens. Consequently, investments in capital are not available for future spending.

As of June 30, 2024, the Library had positive balances in all categories of net position, for the library as a whole.

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As noted earlier, the Williamsburg Regional Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following is the financial analysis of the library's governmental fund.

Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances.

The Governmental Fund is the chief operating fund of the library. The focus of the library's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The following table represents revenues compared to the prior year amounts.

	2024	2023
Local participating governments	7,736,255	7,173,558
State grant	474,794	402,646
Federal grant	-	-
Other grants	235,277	209,202
Contributions	89,193	117,024
Fines	11,232	11,792
Fees - Facility & Equipment	74,286	60,540
Programs	6,826	8,336
Interest	73,618	50,092
Miscellaneous	7,430	13,160
Total revenues	<u>8,708,911</u>	<u>8,046,350</u>

The following provides an explanation of revenues by source.

- Local participating governments – Contributions from local governments. By formal contract, the City of Williamsburg, James City County, and York County agree to contribute local funds toward the mutual costs of operating the library on the basis of circulation by residency.
- State grant – Funds received from Library of Virginia state aid allocation.
- Federal grant – revenue from federal sources.
- Other grants – Funds received from Friends of WRL Foundation.
- Contributions – Support from solicitations and in-kind giving.
- Fines – Revenues from daily fines on overdue or lost materials. In September 2024, the Board approved a policy change to not charge overdue fines on most items.
- Fees – Revenues from meeting room use and printing from computer and copy machines.
- Programs – Revenues from programs and concert tickets.
- Interest – Revenues from bank and investments in Local Government Investment Pool.
- Other – Revenues from miscellaneous revenue and donations.

The following table represents expenditures compared to prior year amounts.

	2024	2023
Personnel	5,863,437	5,820,358
Materials	679,886	666,507
Operations	1,384,715	1,415,809
Debt Service	116,919	112,256
Total revenues	<u>8,044,957</u>	<u>8,014,930</u>

The following provides an explanation of expenditures by category:

- Personnel – This includes all paid employees' salaries, wages, and benefits including FICA and health insurance.
- Materials – This includes all costs and in-kind donations associated with purchasing and maintaining collection materials, including purchases of books, reference materials, periodicals, realia, ebooks, and audiobooks as well as bindery repairs.
- Operations – This includes all the costs and in-kind donations associated with maintaining the library's systems, including building maintenance, utilities, communications, library catalog and website services, insurance, contractual services, supplies, postage, printing, programs, vehicle maintenance, and financial, human resources, and legal services fees.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Williamsburg Regional Library's total investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$548,741 (net of accumulated depreciation). This investment in capital assets includes furniture & equipment and vehicles.

Long-Term Debt

As of June 30, 2024, Williamsburg Regional Library has no long-term debt.

Requests for Information

This financial report is designed to provide a general overview of Williamsburg Regional Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Assistant Library Director (General Services), Williamsburg Regional Library, 7770 Croaker Road, Williamsburg, VA 23188.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Williamsburg Regional Library
Statement of Net Position
June 30, 2024

	Governmental Activities	Component Unit Friends of Williamsburg Regional Library Foundation
ASSETS		
Cash and cash equivalents	\$ 1,762,004	\$ 343,567
Investments	1,384,132	3,411,071
Receivables (net of allowance for uncollectibles):		
Accounts receivable	-	3,248
Due from other governmental units	39,466	-
Prepaid items	134,256	-
Capital assets (net of accumulated depreciation)	548,741	-
Total assets	<u>\$ 3,868,599</u>	<u>\$ 3,757,886</u>
LIABILITIES		
Accounts payable	\$ 73,814	\$ -
Accrued liabilities	40,199	-
Advance user fees	9,020	-
Long-term liabilities:		
Due within one year	159,070	-
Due in more than one year	517,934	-
Total liabilities	<u>\$ 800,037</u>	<u>\$ -</u>
NET POSITION		
Net investment in capital assets	\$ 344,032	\$ -
Restricted:		
Friends of Williamsburg Regional Library Foundation	-	757,942
Unrestricted	2,724,530	2,999,944
Total net position	<u>\$ 3,068,562</u>	<u>\$ 3,757,886</u>
 Total Liabilities and Net Position	 <u>\$ 3,868,599</u>	 <u>\$ 3,757,886</u>

The notes to the financial statements are an integral part of this statement.

Williamsburg Regional Library
Statement of Activities
For the Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Revenue and Net (Expense) Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Primary Component Unit Friends of Williamsburg Regional Library Foundation</u>
LIBRARY OPERATIONS:					
Governmental Activities:					
Personnel	\$ 5,875,954	\$ -	\$ 5,917,016	\$ 41,062	\$ -
Materials	679,886	-	474,794	(205,092)	-
Operations	1,600,936	92,344	1,819,239	310,647	-
Interest on long-term obligations	10,131	-	-	(10,131)	-
Total governmental activities	<u>\$ 8,166,907</u>	<u>\$ 92,344</u>	<u>\$ 8,211,049</u>	<u>\$ 136,486</u>	<u>\$ -</u>
COMPONENT UNIT:					
Friends of Williamsburg Regional Library Foundation	\$ 340,613	\$ 220,834	\$ 101,272	\$ -	\$ (18,507)
Total component unit	<u>\$ 340,613</u>	<u>\$ 220,834</u>	<u>\$ 101,272</u>	<u>\$ -</u>	<u>\$ (18,507)</u>
General revenues:					
Other grants				\$ 235,277	\$ -
Contributions				89,193	-
Interest				73,618	305,203
Miscellaneous				7,430	-
Total general revenues				<u>\$ 405,518</u>	<u>\$ 305,203</u>
Change in net position				\$ 542,004	\$ 286,696
Net position - beginning				2,526,558	3,471,190
Net position - ending				<u>\$ 3,068,562</u>	<u>\$ 3,757,886</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Williamsburg Regional Library
Balance Sheet
Governmental Fund
June 30, 2024

ASSETS

Cash and cash equivalents	1,762,004
Investments	1,384,132
Due from other governmental units	39,466
Prepaid items	134,256
Total assets	\$ 3,319,858

LIABILITIES

Accounts payable	73,814
Accrued liabilities	40,199
Advance users fees	9,020
Total liabilities	\$ 123,033

FUND BALANCES

Nonspendable	\$ 134,256
Restricted	176,731
Assigned	1,335,000
Committed	1,000,820
Unassigned	550,018
Total fund balances	\$ 3,196,825
Total liabilities and fund balances	\$ 3,319,858

The notes to the financial statements are an integral part of this statement.

Williamsburg Regional Library
 Reconciliation of the Balance Sheet of Governmental Fund
 To the Statement of Net Position
 June 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 3,196,825
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	548,741
Long-term obligations, including compensated absences, leases, and subscription assets, are not due and payable in the current period and, therefore, are not reported in the funds.	(677,004)
Net position of governmental activities	\$ 3,068,562

The notes to the financial statements are an integral part of this statement.

Williamsburg Regional Library
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund
For the Year Ended June 30, 2024

REVENUES

Local participating governments	\$ 7,736,255
Grants from the Commonwealth of Virginia	474,794
Other grants	235,277
Contributions	89,193
Fines	11,232
Fees-facility and equipment	74,286
Programs	6,826
Interest	73,618
Miscellaneous	7,430
Total revenues	<u>\$ 8,708,911</u>

EXPENDITURES

Personnel	\$ 5,863,437
Materials	679,886
Operations	1,384,715
Debt service:	
Principal retirement	106,788
Interest and other fiscal charges	10,131
Total expenditures	<u>\$ 8,044,957</u>

Excess (deficiency) of revenues over (under) expenditures	<u>\$ 663,954</u>
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Net change in fund balances	\$ 663,954
Fund balances - beginning	<u>2,532,871</u>
Fund balances - ending	<u><u>\$ 3,196,825</u></u>

The notes to the financial statements are an integral part of this statement.

Williamsburg Regional Library
Reconciliation of Schedule of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Fund
To the Statement of Activities
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds		\$ 663,954
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlay exceeded depreciation in the current period.

Capital outlay	\$ 97,099		
Depreciation expense	<u>(313,320)</u>		(216,221)

The issuance of long-term debt (e.g. subscription assets, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. A summary of items supporting this adjustment is as follows:

Principal retired on lease liabilities	\$ 18,602		
Principal retired on subscription liabilities	<u>88,186</u>		106,788

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:

(Increase) decrease in compensated absences		(12,517)
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Change in net position of governmental activities		<u>\$ 542,004</u>
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The notes to the financial statements are an integral part of this statement.

WILLIAMSBURG REGIONAL LIBRARY

Notes to Financial Statements
As of June 30, 2024

Note 1—Summary of Significant Accounting Policies:

The Williamsburg Regional Library (the Library) was organized under a 1977 agreement (the Agreement) between the City of Williamsburg (the City) and the County of James City (the County). The agreement was last revisited in September 2013 to include the County of York (York) in the circulation-based funding formula. York card holders receive reduced card privileges as York's funding is calculated at a reduced amount. The Library also receives funding from the Commonwealth of Virginia and private sources. The County provides payroll and human resources administration, and the City is the fiscal agent and is responsible for maintaining certain financial records of the Library.

Financial Statement Presentation

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the Library's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Library and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported mainly by intergovernmental activities.

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the Library. The Library will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of the Library will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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WILLIAMSBURG REGIONAL LIBRARY

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the Library's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. State aid and other items not properly included among program revenues are reported instead as general revenues.

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a governmental unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the Williamsburg Regional Library and its component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations, and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

B. Individual Component Unit

As required by Generally Accepted Accounting Principles (GAAP), these statements present the funds, activities and functions of the Library (the primary government) as well as its component unit. The component unit discussed below is reported separately from the Library's reporting entity.

Discretely Presented Component Unit

Friends of Williamsburg Regional Library Foundation

Friends of Williamsburg Regional Library Foundation (FWRLF) is a non-stock, not-for-profit Virginia corporation organized to promote interest in and attract financial support for the Library through book sales and membership dues. Friends of Williamsburg Regional Library Foundation's fiscal year of January 1 to December 31 differs from the Library's fiscal year of July 1 to June 30. Friends of Williamsburg Regional Library Foundation is included as part of the governmental activities and reported as a discretely presented component unit because it is organized solely to support the Library. A copy of the separately issued financial statements for FWRLF may be obtained by writing to FWRLF, 7770 Croaker Road, Williamsburg, Virginia 23188 or by calling (757) 741-3300.

WILLIAMSBURG REGIONAL LIBRARY

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Library. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Intergovernmental revenues, consisting primarily of state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the Library.

In the fund financial statements, financial transactions and accounts of the Library are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The Library reports only one fund as a major governmental fund - the General Fund.

The General Fund is the primary operating fund of the Library. This fund is used to account for and report all financial transactions and resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from state, local distributions, charges for services, and interest income.

D. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Library.

WILLIAMSBURG REGIONAL LIBRARY

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

E. Investments

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs)) and external investment pools are measured at amortized cost. All other investments are reported at fair value. Investments in custody of others include unspent bond proceeds and accumulated interest.

F. Capital Assets

Capital assets, are tangible and intangible assets, which include personal property and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Library as personal property and equipment with an initial individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The Library initially measures the lease liability at the present value of payments expected to be made during the lease term. A lease liability and an intangible right-to-use lease asset is recognized in the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, equipment and intangibles of the Library are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Bookmobile	5
Furniture, Equipment, and Vehicles	3-5
Lease equipment	5
Subscription asset	3-4

G. Compensated Absences

Regular full-time and regular part-time employees are granted vacation, sick leave, paid time off, and compensation time benefits in varying amounts to specified maximums depending on tenure with the Library. All pay for compensated absences is accrued when incurred in the government-wide financial statements.

H. Collections and Books

Because the values of the existing inexhaustible collections, including research books, are not readily determinable, the Library has not capitalized them. Collections that are exhaustible and books used in the circulating library have not been capitalized due to their individually insignificant amounts.

WILLIAMSBURG REGIONAL LIBRARY

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

I. Retirement Plan

Regular full-time employees of the Library participate in the Virginia Retirement System (VRS) through James City County. Therefore, employees are not a separate cost pool of VRS and no separate actuarial information is available with regard to the Library's participation in VRS. Detailed disclosures regarding James City County's participation in VRS and related actuarial information can be found in the County's annual financial statements.

James City County is the employer for all employees of the Library. The Library does not report any pension expense or a net pension liability, as those are reported in James City County's financial statements.

J. Use of 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 those estimates.

K. Net Position

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

L. Net Position Flow Assumption

Sometimes the Library will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Library does not have any deferred outflows of resources as of June 30, 2024.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Library does not have any deferred inflows of resources as of June 30, 2024.

Note 1—Summary of Significant Accounting Policies: (Continued)

N. Leases and Subscription-Based IT Arrangements

The Library has various lease assets and subscription-based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Lessee

The Library recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of \$1,000, individually or in the aggregate, in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Subscriptions

The Library recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$1,000, in individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

Key Estimates and Judgments

Lease and subscription-based IT arrangement accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease and subscription payments to present value, (2) lease and subscription term, and (3) lease and subscription payments.

- The Library uses the interest rate stated in lease or subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the Library uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.

WILLIAMSBURG REGIONAL LIBRARY

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

N. Leases and Subscription-Based IT Arrangements (Continued)

- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

The Library monitors changes in circumstances that would require a remeasurement or modification of its leases and subscriptions. The Library will remeasure the lease receivable and deferred inflows of resources (lessor), the lease asset and liability (lessee) or the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease receivable, lease liability or subscription liability.

O. Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance”. The Library’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the Library’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Trustees through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

WILLIAMSBURG REGIONAL LIBRARY

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

O. Fund Balance (Continued)

The details of governmental fund balances, as presented on Exhibit 3, are as follows:

	<u>Balance Sheet - Governmental Fund</u>
	<u>Fund Balance Section</u>
	<u>General Fund</u>
Fund Balances:	
Nonspendable:	
Prepaid items	\$ 134,256
Restricted:	
Collections/Programs	\$ 176,731
Assigned:	
Data center replacement	\$ 500,000
Cargo van replacement	85,000
Emerging technology programs and equipment	50,000
JCCL adult services project	50,000
Catalog and website improvements	150,000
New Buildings collections	500,000
Total Assigned Fund Balance	<u>\$ 1,335,000</u>
Committed:	
Board reserve	\$ 500,000
State aid reserve	300,000
Catalog upgrade	75,000
Library system improvements	120,408
Library facility improvements	5,412
Total Committed Fund Balance	<u>\$ 1,000,820</u>
Unassigned	\$ 550,018
Total Fund Balances	<u>\$ 3,196,825</u>

Note 2—Stewardship, Compliance, and Accounting:

The Library follows these procedures in developing its annual budget for the upcoming fiscal year:

In December, the Board of Trustees' Finance Committee, the Library's Assistant Director and the Library's Director prepare a preliminary budget for the general fund that is submitted to the Board of Trustees for review and approval before submission to the jurisdictions. In June, the Board of Trustees formally adopts the final budget for the upcoming fiscal year.

Amounts shown in the accompanying financial statements represent original appropriations authorized by the Board of Trustees; any additional and supplemental appropriations authorized during the year are shown in the final budget. Certain grants, contributions, in-kind support, capital projects, program revenues, and related expenditures, are not budgeted items.

WILLIAMSBURG REGIONAL LIBRARY

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 3—Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investment

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Banks, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

The Library has been authorized by the City and County to invest temporarily idle cash in the State Treasurer’s Local Government Investment Pool. Statutes applicable to both the City and County authorize this investment.

Interest Rate Risk

The library does not have a policy related to interest rate risk.

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 1,384,132	\$ 1,384,132
Total	\$ 1,384,132	\$ 1,384,132

Credit Risk of Debt Securities

The Library’s rated debt investments as of June 30, 2024 were rated by Standard & Poor’s and the ratings are presented below using Standard and Poor’s rating scale.

Rated Debt Investments' Value	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 1,384,132
Total	\$ 1,384,132

WILLIAMSBURG REGIONAL LIBRARY

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 3—Deposits and Investments: (Continued)

The fair value of the positions in the Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As this pool is not Securities and Exchange Library (SEC) registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

Note 4—Due from Other Governments:

At June 30, 2024, the Library has amounts due from other governments as follows:

Other Local Governments:	
County of James City	\$ <u>39,466</u>
 Total due from other governmental units	 \$ <u><u>39,466</u></u>

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2024:

	Balance <u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2024</u>
Capital assets subject to depreciation:				
Piano	\$ 25,000	\$ -	\$ -	\$ 25,000
Furniture and fixtures	1,957,361	78,483	4,505	2,031,339
Computers	846,787	18,616	-	865,403
Audio visual	121,766	-	-	121,766
Theatrical	88,104	-	-	88,104
Vehicles	429,081	-	-	429,081
Subscription assets	353,160	-	-	353,160
Lease equipment	<u>73,518</u>	<u>-</u>	<u>-</u>	<u>73,518</u>
Total capital assets subject to depreciation	\$ <u>3,894,777</u>	\$ <u>97,099</u>	\$ <u>4,505</u>	\$ <u>3,987,371</u>
Accumulated depreciation:				
Piano	\$ 25,000	\$ -	\$ -	\$ 25,000
Furniture and fixtures	1,798,712	78,465	4,505	1,872,672
Computers	655,501	87,429	-	742,930
Audio visual	90,402	7,293	-	97,695
Theatrical	88,104	-	-	88,104
Vehicles	349,744	32,892	-	382,636
Subscription assets	92,130	92,130	-	184,260
Lease equipment	<u>30,222</u>	<u>15,111</u>	<u>-</u>	<u>45,333</u>
Total accumulated depreciation	\$ <u>3,129,815</u>	\$ <u>313,320</u>	\$ <u>4,505</u>	\$ <u>3,438,630</u>
Total capital assets, net	\$ <u><u>764,962</u></u>	\$ <u><u>(216,221)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>548,741</u></u>

WILLIAMSBURG REGIONAL LIBRARY

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 6—Long-Term Obligations:

The following is a summary of long-term obligation transactions of the Library for the year ended June 30, 2024:

	<u>Balance at July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2024</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 459,778	\$ 58,315	\$ 45,798	\$ 472,295	\$ 47,230
Subscription liabilities	272,305	-	88,186	184,119	92,678
Leases liabilities	39,192	-	18,602	20,590	19,162
Total Long-Term Obligations	<u>\$ 771,275</u>	<u>\$ 58,315</u>	<u>\$ 152,586</u>	<u>\$ 677,004</u>	<u>\$ 159,070</u>

Details of long-term obligations as of June 30, 2024 are as follows:

	<u>Amount Outstanding</u>
Compensated absences	\$ 472,295
Subscription Liabilities:	
Subscription based IT arrangement for EPLUS with annual payments of \$5,906 beginning November 2022 through November 2024, interest at 3.25%	\$ 5,718
Subscription based IT arrangement for Sirsi with varying annual payments ranging from \$78,615 to \$86,473, beginning July 2022 through July 2025, interest at 3.25%	163,190
Subscription based IT arrangement for Comprise with annual payments of \$7,984 beginning April 2023 through April 2026, interest at 3.25%	15,211
Total subscription liabilities	<u>\$ 184,119</u>
Lease Liabilities:	
Lease liability for copiers with annual payments of \$9,766 beginning November 2021 through November 2024, interest at 3%.	\$ 9,481
Lease liability for copiers with annual payments of \$7,818 beginning August 2021 through August 2024, interest at 3%.	7,591
Lease liability for postage meter with monthly payments of \$181 beginning March 2022 through February 2026, interest at 3%.	3,518
Total lease liabilities	<u>\$ 20,590</u>
Total long-term obligations	<u>\$ 677,004</u>

WILLIAMSBURG REGIONAL LIBRARY

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 6—Long-Term Obligations: (Continued)

Future principal and interest payments as of June 30, 2024 are as follows:

Year Ending June 30,	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2025	\$ 19,162	\$ 589	\$ 92,678	\$ 6,074
2026	1,428	16	91,441	3,017
Total	\$ 20,590	\$ 605	\$ 184,119	\$ 9,091

Note 7—Pension Plan:

All full-time, salaried, regular employees of James City County, which includes Library employees, must participate in the Virginia Retirement System (VRS). Employees are vested after 5 years of credited service. VRS is administered by the Commonwealth of Virginia, which bills the County for the employer's share of contributions. The contributions are actuarially determined every two years by VRS actuaries using the entry age normal cost method. VRS is obligated to pay a monthly benefit to participants upon retirement with the amount of the benefit dependent upon length of service and earnings. Because James City County is the employer for all employees of the Library, pension data is not included in these financial statements.

Note 8—Upcoming Pronouncements:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

Williamsburg Regional Library
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive <u>(Negative)</u>
REVENUES				
Local participating governments	\$ 7,736,255	\$ 7,736,255	7,736,255	\$ -
Grants from the Commonwealth of Virginia	400,656	474,670	474,794	124
Other grants	-	-	235,277	235,277
Contributions	-	-	89,193	89,193
Fines	8,000	8,000	11,232	3,232
Fees-facility and equipment	40,000	40,000	74,286	34,286
Programs	-	-	6,826	6,826
Interest	10,000	10,000	73,618	63,618
Miscellaneous	20,000	20,000	7,430	(12,570)
Total revenues	<u>\$ 8,214,911</u>	<u>\$ 8,288,925</u>	<u>\$ 8,708,911</u>	<u>\$ 419,986</u>
EXPENDITURES				
Personnel	\$ 6,397,520	\$ 6,377,520	\$ 5,863,437	\$ 514,083
Materials	600,000	674,014	679,886	(5,872)
Operations	1,217,391	1,237,391	1,384,715	(147,324)
Debt service:				
Principal retirement	-	-	106,788	(106,788)
Interest and other fiscal charges	-	-	10,131	(10,131)
Total expenditures	<u>\$ 8,214,911</u>	<u>\$ 8,288,925</u>	<u>\$ 8,044,957</u>	<u>\$ 243,968</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 663,954</u>	<u>\$ 663,954</u>
Net change in fund balances	\$ -	\$ -	\$ 663,954	\$ 663,954
Fund balances - beginning	-	-	2,532,871	2,532,871
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,196,825</u>	<u>\$ 3,196,825</u>

OTHER SUPPLEMENTARY INFORMATION

Williamsburg Regional Library
Schedule of Expenditures - Governmental Fund
For the Year Ended June 30, 2024

PERSONNEL	
Salaries	3,569,208
Wages	761,867
Benefits	1,532,362
Total personnel	<u>\$ 5,863,437</u>
MATERIALS	
Collection	679,886
Total materials	<u>\$ 679,886</u>
OPERATIONS	
Advertising	7,108
Building maintenance and supplies	61,551
Communications	34,569
Computer catalog services	75,715
Contractual services	193,510
Equipment acquisitions	14,573
Equipment services	17,509
Financial services	36,330
Human resources	89,370
Insurance	37,359
IT network projects	41,575
Leases	12,434
Makerspaces	4,225
Memberships	8,004
Miscellaneous	8,584
Postage	15,775
Printing	2,780
Programs	319,248
Renovations	20,205
Software maintenance	10,064
Supplies	135,342
Travel and training	24,141
Utilities	214,744
Total operations	<u>\$ 1,384,715</u>
DEBT SERVICE	
Principal retirement	\$ 106,788
Interest and other fiscal charges	10,131
Total debt service	<u>\$ 116,919</u>
Total expenditures	<u>\$ 8,044,957</u>

COMPLIANCE SECTION



**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

**To the Board of Trustees
Williamsburg Regional Library
Williamsburg, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component unit, and each major fund of Williamsburg Regional Library as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Williamsburg Regional Library's basic financial statements, and have issued our report thereon dated September 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Williamsburg Regional Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Williamsburg Regional Library's internal control. Accordingly, we do not express an opinion on the effectiveness of Williamsburg Regional Library's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamsburg Regional Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Richmond, Virginia
September 30, 2024