



**LIBRARY BOARD'S AGENDA – FEBRUARY 28, 2022**

Monday – 3:00 pm

**HYBRID MEETING**

**NORTHSIDE LIBRARY (705 West Rio Rd. Charlottesville, VA 22901) or**

**[VIRTUAL via ZOOM](#) or**

**PHONE NUMBER 888 788 0099 (Toll Free)**

**(Webinar ID: 894 9833 1964**

**Passcode: 092390)**

**[The Library Board's Policy Committee will meet at 2:00 PM]**

**3:00 p.m. Call to Order, Confirmation of Resolution Adopting Procedures for Public Meetings, & Disposition of the Minutes of the Previous Meeting**

**3:05 Announcements & Public Comments.**

**\*Please consider leaving public comment in advance by emailing remarks to [director@jmrl.org](mailto:director@jmrl.org) to be read into the public record. Otherwise the comment period will be open via the above link and phone number, or physically in person.**

**3:10 Trustee Continuing Education**

1. JMRL's Same Page Community Read (Catherine Fae, JMRL Reference and Adult Services Manager)

**3:20 Committee Appointments and Reports**

1. Policy Committee Report

**3:30 New Business**

1. JMRL's FY21 Audit (Michael E. Lupton, Robinson, Farmer, Cox Associates)

**3:50 Old Business**

1. FY23 Budget Update
2. Second Reading and Potential Vote on Policy 4.32 Interlibrary Loan
3. Update on Director's Annual Goals

**4:15 Library Director's Report**

**4:25 Other Matters**

**4:30 Future Agenda Items**

**4:35 Proposed Adjournment**



# Jefferson-Madison Regional Library

201 East Market Street | Charlottesville, Virginia 22902 | (434) 979-7151 | FAX (434) 971-7035

## DRAFT

### MINUTES OF THE JANUARY 24, 2022 MEETING OF THE LIBRARY'S BOARD OF TRUSTEES

#### TRUSTEES PRESENT

<u>President</u> Thomas Unsworth (Albemarle) (virtual)	Michael Powers (Albemarle) (in person)
Meredith Cole (Charlottesville) (in person)	Lisa Woolfork (Charlottesville) (virtual)
<u>Vice President</u> Wendy Wheaton Craig (Louisa) (virtual)	Tony Townsend (Albemarle) (virtual)
Aleta Childs (Nelson) (in person)	

#### TRUSTEES ABSENT

Kathy Johnson Harris (Charlottesville)	James West (Greene)
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#### OTHERS PRESENT

David Plunkett, Library Director (in person)	Krista Farrell, Assistant Library Director (virtual)
Ginny Reese, Staff Reporter & Greene Manager (virtual)	Sierra Hammons, Collections Specialist (virtual)
Kayla Payne, Collections & Technology Manager	Tim Carrier, Young Adult Services Manager (virtual)

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#### CALL TO ORDER & DISPOSITION OF THE MINUTES OF THE PREVIOUS MEETING

The regular monthly meeting of the Jefferson Madison Regional Library's (JMRL) Board of Trustees was convened **AS A HYBRID MEETING WITH SOME TRUSTEES PRESENT VIRTUALLY AND SOME PHYSICALLY CONGREGATED** on Monday, January 24, 2022 at 3:00 PM using videoconferencing software, at the Northside Library (705 West Rio Road, Charlottesville, VA 22901). (A recording of the meeting is available at: [https://www.youtube.com/watch?v=XB15b\\_Pqc6Y](https://www.youtube.com/watch?v=XB15b_Pqc6Y).) Trustee Woolfork moved to accept the minutes as corrected for the December 13, 2021 Board Meeting. The motion passed unanimously.

#### ANNOUNCEMENTS AND PUBLIC COMMENTS

President Powers announced that he would be moving on from his position as the Town Clerk of Scottsville, and will be joining the Albemarle County Finance Staff at the end of January 2022. No public comments.

#### TRUSTEE CONTINUING EDUCATION

Tim Carrier, JMRL's Young Adult Services Manager, introduced JMRL's new reading challenge service Beanstack to the Board. Beanstack is a free web service ([jmrl.beanstack.org](http://jmrl.beanstack.org)) and mobile app tool, where patrons can log reading time and participate in reading challenges. Beanstack was made available to JMRL through funding from the Library of Virginia. JMRL's Winter Reading challenge soft-launched on January 3, 2022. Readers can earn badges upon completion of reading activities on Beanstack and can also be entered into prize drawings. JMRL staff may also participate in reading challenges. Tim Carrier stated the hope is to incorporate JMRL's 1,000 Books Before Kindergarten program and Summer Reading Challenge into Beanstack this year. Tim Carrier announced there are currently 150 active readers using Beanstack.

#### COMMITTEE APPOINTMENTS AND REPORTS

NA

#### NEW BUSINESS

1. *First Reading of Policy 4.32 (Interlibrary Loan)*

Director Plunkett stated the Policy Committee met and reviewed Policy 4.32 (Interlibrary Loan) last month. Policy 4.32 will be presented to the Board next month for a potential vote.

2. *Potential Vote on Acceptance of #PlantWildflowers Grants for Scottsville, Central, and Nelson Libraries*

Director Plunkett reported he reached out to the City of Charlottesville regarding grant approval procedure, and stated the City continues to require that the Board approve all incoming grants to JMRL. The #PlantWildflowers Grant is up to \$1000, which includes materials, to help support local pollinator gardens. Scottsville, Central, and Nelson Libraries have all applied for the grant individually. Director Plunkett stated that JMRL staff are asking for a blanket motion to accept the grants for any JMRL branch so that the grant(s) would be accepted if received. Trustee Townsend motioned to accept the #PlantWildflowers Grant for any branch of JMRL should any be fortunate enough to receive awards. Motion passed unanimously.

*3. Realigning Director's Contract Term with Director's Evaluation Cycle*

President Unsworth proposed extending Director Plunkett's contract temporarily, until June 2022, moving the expiration date closer to the Director's evaluation period. Director Plunkett's salary would remain the same during this time. Trustee Powers moved to extend the current Director's contract until June 30, 2022. Motion passed unanimously.

## **OLD BUSINESS**

*1. FY23 Budget Update*

Director Plunkett informed the Board that he and Trustees met with each jurisdiction to discuss JMRL's Proposed Budget for FY23 using the Board's priorities: 1. \$15 minimum wage adjustment, 2. 2% cost of living increase for staff, and 3. additional operational changes passed by the Personnel Committee last Fall. Jurisdictions appeared receptive to JMRL's proposed budget and understood the importance of the Library's compensation work in light of the current job market. Director Plunkett reported that jurisdictions will begin sending proposed Budgets to elected officials in the next few months.

## **LIBRARY DIRECTOR'S REPORT**

Director Plunkett announced that JMRL moved into Tier 2 of the COVID response plan, requiring masks at all locations and placing in-person programming on hold. JMRL will move back into Tier 1 when three of the five jurisdictions are back under 10% positivity for two weeks. JMRL's biggest COVID concern is keeping staff healthy and safe, in order to prevent library closure due to staffing shortage. The City of Charlottesville has made COVID testing available for staff. The VDH is currently seeking a new source for antigen tests to distribute to program participants. Director Plunkett reported that JMRL will soon resume the Library's free ILL program with UVA. JMRL is also reviving the joint scholarship program with the NAACP of Charlottesville and Albemarle (\$2000 scholarship and 200 hour work stipend), with the goal to increase diversity in professional librarianship by encouraging students to get work experience at public libraries. JMRL received positive publicity for the new Community Journals, created by Central Reference Librarian Abby Davis, which are composition journals for patrons to share thoughts and ideas. The VLA has adopted their legislative program for the current session, with three priorities: 1. Affirming the "Freedom to Read" statement, 2. Increasing state aid by \$2.5million statewide in both 2023 and 2024, 3. Continuing support for the Library of Virginia. JMRL received the draft FY21 audit last Friday, with the hope to send out a final copy in the next few weeks. JMRL and the Festival of the Book announced Tracy Chee's book "We Are Not Free" as this year's Same Page community read.

## **OTHER MATTERS**

Trustee Craig announced that the Friends of the Library will be hosting a Virtual "Literary Love" Trivia event on Zoom, February 10, at 7pm. This year's Friends of the Library Spring book sale will be held at Albemarle Square Shopping Center April 2-10. Trustee Powers recommended a series of trainings sponsored by the Library of Virginia regarding the use of social media by employers, employees, and trustees.

## **FUTURE AGENDA ITEMS**

Possible future agenda items include a continuing education with financial auditors, a potential vote on Policy 4.32 (Interlibrary Loans), an update from Director Plunkett on Director Goals, and a report from the Policy Committee.

## **ADJOURNMENT**

The meeting adjourned at 4:08pm.

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**JEFFERSON-MADISON REGIONAL LIBRARY**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2021**

**JEFFERSON-MADISON REGIONAL LIBRARY**  
**FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2021**

JEFFERSON-MADISON REGIONAL LIBRARY

YEAR ENDED JUNE 30, 2021

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# **INTRODUCTORY SECTION**

**JEFFERSON-MADISON REGIONAL LIBRARY**

**DIRECTORY OF PRINCIPAL OFFICIALS  
June 30, 2021**

**TRUSTEES**

Marchia McDuffie - President  
Wendy Wheaton Craig - Vice President  
Kathy Johnson  
Harris James West  
Carla Mullen  
Jane B. Kulow  
Thomas Unsworth  
Lisa Woolfork  
Erica Younglove

**OFFICIALS**

Dr. Tarron J. Richardson	City Manager
John C. Blair, II	City Attorney
Chris Cullinan	City Director of Finance

**INDEPENDENT AUDITORS**

Robinson, Farmer, Cox Associates, P.L.L.C.



# FINANCIAL SECTION

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**Independent Auditors' Report**

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**To the Honorable Members of the Board of Trustees  
Jefferson-Madison Regional Library  
Charlottesville, Virginia**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Jefferson-Madison Regional Library (the "Library"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

***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.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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 *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Library, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Restatement of Beginning Balances***

As described in Note 12 to the financial statements, in 2021, the Library restated beginning balances to correct reported Library book assets and amounts due from other governments. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***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 on pages 3-6 and 27-29 be presented to supplement the basic financial statements. Such information, 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.

Management has omitted the defined benefit pension plan schedules required by GASB 68 and the OPEB schedules required by GASB 75 that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not modified with respect to this matter.

#### ***Other Information***

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The introductory section is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2022, on our consideration of the 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 the 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 the Library's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
February 1, 2022

## Management Discussion and Analysis

This section of the Jefferson-Madison Regional Library's (the "Library") annual financial report presents a discussion and analysis of the Library's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with your review of the Library's basic financial statements.

### Financial Highlights for Fiscal Year 2021

**Government-wide Financial Statements:** At the close of the fiscal year, the revenues of the Library exceeded its expenses by \$724,848. This is primarily due to actuarial changes in pension and other post-employment benefits calculations that lowered the liabilities, as well as deferred inflows and outflows for each.

**Fund Financial Statements:** As of the close of the current fiscal year, the Library's governmental funds reported a combined ending fund balance of \$954,655, a decrease of \$124,069. At the end of the current fiscal year, the assigned fund balance was \$108,614.

In accordance with Governor Ralph Northam's declaration of a State of Emergency in March 2020 as a result of the COVID-19 pandemic, the Library closed all branches at that time. Between March 2020 and June 2021, the Library expanded on-line services, instituted curbside pickup of materials, and continued to adjust operating protocols in accordance with additional Governor's directives. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, the full magnitude the pandemic will have on the Library's financial condition, liquidity, and future results of operations is uncertain. Management is actively monitoring the impact of the global situation on its financial condition.

### Overview of the Financial Statements

The following is a narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2021. This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The financial statements' focus is on both the Library as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government), and enhance the Library's accountability.

**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. Government-wide financial reporting consists of two statements: the Statement of Net Position and the Statement of Activities.

## Overview of the Financial Statements: (Continued)

### Government-Wide Financial Statements: (Continued)

The Statement of Net Position - The statement of net position presents information on all the Library's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as the net position. The Library's net position is reported in two classifications: net investment in capital assets and unrestricted.

Over time, the increases or decreases in the Library's net position can be an indicator as to whether the financial position of the Library is improving or deteriorating. To accurately use the change in net position as an indicator of the Library's overall financial condition, the underlying factors contributing to the increase or decrease must be analyzed.

The Statement of Activities - The statement of activities presents information showing how the net position changed during the year. All changes in the net position are recognized as the underlying event occurs, regardless of the timing of the related cash flow. As a result, revenues and expenses are reported in this statement for some items that will not impact cash flows until future fiscal periods.

Since intergovernmental revenues principally support all of the Library's functions, they are reported as general revenues in the government-wide financial statements.

The government-wide financial statements can be found on pages 7 and 8 of this report.

**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. As is the case with other state and local governments, the Library ensures and demonstrates compliance with legal requirements through its use of fund accounting.

The governmental funds report essentially the same functions as the governmental activities in the government-wide financial statements. However, the governmental fund financial statements focus on the near-term cash inflows and outflows and the amount of spendable resources available at the end of the fiscal year. This information is useful when evaluating the Library's near-term financing needs. Because the focus of the fund statements is narrower than that of the government-wide statements, it is useful to compare the information presented in both the fund and the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 9 and 10 of this report.

**Notes to the Financial Statements:** The notes to the financial statements provide additional disclosure information that is essential for a full understanding of the information provided in the government-wide and fund financial statements.

**Required Supplementary Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information detailing a comparison of the Library's budget as compared to actual results for the fiscal year ended June 30, 2021. Required supplementary information can be found on pages 31 and 32 of this report.

## Government-Wide Financial Analysis

In accordance with the GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Library presents the following financial analysis:

### Statement of Net Position As of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Current assets	\$ 1,533,715	\$ 1,442,756	4.98%
Long-term assets			
Capital assets	679,470	755,802	-20.51%
Total assets	<u>2,213,185</u>	<u>2,198,558</u>	-5.07%
Deferred Outflows of resources			
Deferred charges - pensions	698,613	523,273	-28.83%
Deferred charges - OPEB	244,574	205,977	-11.36%
Total deferred outflows	<u>943,187</u>	<u>729,250</u>	-24.64%
Current liabilities	611,559	451,848	24.47%
Long-term liabilities	4,031,972	4,353,477	-15.53%
	<u>4,643,531</u>	<u>4,805,325</u>	-12.89%
Deferred inflows of resources			
Deferred charges - pension	92,630	145,162	-27.43%
Deferred charges - OPEB	27,606	358,333	199.30%
Total deferred inflows	<u>120,236</u>	<u>503,495</u>	57.46%
Net position			
Net investment in capital assets	679,470	755,802	-20.51%
Unrestricted	(2,286,865)	(3,025,314)	-10.23%
Total net position	<u>\$ (1,607,395)</u>	<u>\$ (2,269,512)</u>	-6.70%

Net position may serve over time as useful indicator of the Library's financial position. In the case of the Library, liabilities and deferred inflows exceeded assets and deferred outflows by \$1,607,395 at the close of the most recent fiscal year. Of this amount, \$679,470 of the Library's net position reflects its investment in capital assets, net of related debt. Details on capital assets may be found in note 7. The Library has long-term obligations for pension, other post-employment benefits (OPEB), and compensated absences. Details on these obligations may be found in note 8. Details of pension and OPEB plans may be found in notes 10 and 11.

## Government-Wide Financial Analysis: (Continued)

### Statement of Activities For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Revenues:			
Intergovernmental revenue	\$ 8,540,933	\$ 8,494,285	0.55%
Charges for services	45,347	178,955	-294.63%
Other	10,760	23,646	-119.76%
Total revenues	<u>8,597,040</u>	<u>8,696,886</u>	-1.16%
Expenses:			
Administration	1,939,967	2,062,644	-6.32%
Services	5,932,225	6,304,035	-6.27%
Total expenses	<u>7,872,192</u>	<u>8,366,679</u>	-6.28%
Change in net assets	724,848	330,207	54.44%
Net position July 1, 2020	<u>(2,332,243)</u>	<u>(2,599,719)</u>	-11.47%
Net position June 30, 2021	<u>\$ (1,607,395)</u>	<u>\$ (2,269,512)</u>	-41.19%

Revenues decreased 1.16% in 2021 due to a decrease in charges for services. Overall, library long-term expenses decreased 6.28% in 2021 due to decrease in all expenses.

## Fund Financial Analysis

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financial requirements. In particular, fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Library's governmental funds reported combined ending fund balances of \$954,655, a decrease of \$124,069.

## Economic Factors and Next Year's Budget

Participating localities along with the Commonwealth of Virginia are the main source of revenue for the Library. Operating costs are allocated to the participating localities on the basis of library materials circulation.

## Contacting the Library's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Jerry Carchedi, Business Manager, at 201 East Market Street, Charlottesville, Virginia 22902.

# BASIC FINANCIAL STATEMENTS

## Government-wide Financial Statements

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**JEFFERSON-MADISON REGIONAL LIBRARY**

Statement of Net Position (Deficit)  
June 30, 2021

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,533,715
Capital assets, net of accumulated depreciation (Note 7)	679,470
Total Assets	\$ 2,213,185
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions (Note 10)	\$ 698,613
Deferred outflows related to other postemployment benefits (Note 11)	244,574
Total Deferred Outflows of Resources	\$ 943,187
<b>Liabilities</b>	
Accounts payable	\$ 248,634
Accrued liabilities	330,426
Compensated absences due within one year (Note 8)	32,499
Compensated absences due in more than one year (Note 8)	238,329
Net pension liability (Notes 8 and 10)	2,583,631
Net other postemployment benefit liability (Notes 8 and 11)	1,210,012
Total Liabilities	\$ 4,643,531
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to pensions (Note 10)	\$ 92,630
Deferred inflows related to other postemployment benefits (Note 11)	27,606
Total Deferred Inflows of Resources	\$ 120,236
<b>Net Position (Deficit)</b>	
Investment in capital assets	\$ 679,470
Unrestricted	(2,286,865)
Total Net Position (Deficit)	\$ (1,607,395)

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

**JEFFERSON-MADISON REGIONAL LIBRARY**

Statement of Activities  
For the Year Ended June 30, 2021

<u>Function/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for Services</u>	<u>Net (Expense) Revenue and Change in Net Assets</u>
<b>Governmental Activities:</b>			
Administration	\$ 1,939,967	\$ -	\$ (1,939,967)
Library services	<u>5,932,225</u>	<u>83,730</u>	<u>(5,848,495)</u>
Total Governmental Activities	\$ <u>7,872,192</u>	\$ <u>83,730</u>	\$ <u>(7,788,462)</u>
<b>General Revenues:</b>			
Intergovernmental revenue			\$ 8,502,550
Interest income			<u>10,760</u>
Total General Revenues			\$ <u>8,513,310</u>
Net change in assets			\$ <u>724,848</u>
Net position (deficit) - July 1, 2020 - as restated			\$ <u>(2,332,243)</u>
Net position (deficit) - June 30, 2021			\$ <u><u>(1,607,395)</u></u>

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

# BASIC FINANCIAL STATEMENTS

## Fund Financial Statements

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**JEFFERSON-MADISON REGIONAL LIBRARY**

Balance Sheet  
Governmental Funds  
June 30, 2021

	<u>General Fund</u>	<u>Equipment Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and short-term investments	\$ 1,055,004	\$ 478,711	\$ 1,533,715
Total assets	\$ 1,055,004	\$ 478,711	\$ 1,533,715
<b>Liabilities</b>			
Accounts payable	\$ 248,634	\$ -	\$ 248,634
Accrued liabilities	330,426	-	330,426
Total liabilities	\$ 579,060	\$ -	\$ 579,060
<b>Fund Balance</b>			
Committed	\$ -	\$ 370,097	\$ 370,097
Assigned	28,283	108,614	136,897
Unassigned	447,661	-	447,661
Total fund balance	\$ 475,944	\$ 478,711	\$ 954,655
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,055,004</u>	<u>\$ 478,711</u>	<u>\$ 1,533,715</u>

**Reconciliation of the Balance Sheet to the Statement of Net Position (Deficit):**

Total fund balance per Balance Sheet for governmental funds	\$ 954,655
Amounts reported for governmental activities are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds	679,470
Financial statement elements related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in funds.	
Deferred outflows of resources related to:	
Pensions	698,613
Other post employment benefits	244,574
Deferred inflows of resources related to:	
Pensions	(92,630)
Other post employment benefits	(27,606)
Net pension liability	(2,583,631)
Net other postemployment benefit liability	(1,210,012)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds.	
Compensated absences	<u>(270,828)</u>
Net position (deficit) of governmental activities	<u>\$ (1,607,395)</u>

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

**JEFFERSON-MADISON REGIONAL LIBRARY**

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Equipment Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Intergovernmental revenues:			
Revenue from the Commonwealth of Virginia	\$ 745,469	\$ -	\$ 745,469
Local government contributions:			
City of Charlottesville	2,015,037	-	2,015,037
County of Albemarle	4,650,287	-	4,650,287
County of Greene	407,327	-	407,327
County of Louisa	382,682	-	382,682
County of Nelson	301,748	-	301,748
Charges for services	-	72,203	72,203
Other revenues	21,489	-	21,489
Total revenues	<u>\$ 8,524,039</u>	<u>\$ 72,203</u>	<u>\$ 8,596,242</u>
<b>Expenditures:</b>			
Salaries and employee related benefits	\$ 6,014,616	\$ -	\$ 6,014,616
Supplies and materials	692,590	169,324	861,914
Contractual services	1,414,952	33,132	1,448,084
Repairs and maintenance	54,448	6,160	60,608
Capital outlay	372,018	100,000	472,018
Less open encumbrances	<u>(28,314)</u>	<u>(108,614)</u>	<u>(136,928)</u>
Total expenditures	<u>\$ 8,520,310</u>	<u>\$ 200,002</u>	<u>\$ 8,720,312</u>
Total change in fund balances	\$ 3,729	\$ (127,799)	\$ (124,070)
<b>Fund Balance - July 1, 2020 - as restated</b>	<u>472,215</u>	<u>606,510</u>	<u>1,078,725</u>
<b>Fund Balance - June 30, 2021</b>	<u>\$ 475,944</u>	<u>\$ 478,711</u>	<u>\$ 954,655</u>
<b>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities</b>			
Net change in fund balance - governmental funds			\$ (124,070)
Amounts reported for governmental activities in the statement of activities are different because:			
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 depreciation exceeded capital outlay in the current period.			
Depreciation			(440,650)
Capital outlay			364,318
Financial statement elements related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in funds.			
Deferred outflows of resources related to:			
Pensions			175,340
Other post employment benefits			38,597
Deferred inflows of resources related to:			
Pensions			52,532
Other post employment benefits			330,727
Net pension liability			54,852
Net other postemployment benefit liability			218,632
Some expenses recorded in the Statement of Activities do not require use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Compensated absences			<u>54,570</u>
Change in Net position (deficit) of Government-wide Activities			<u>\$ 724,848</u>

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

# JEFFERSON-MADISON REGIONAL LIBRARY

## Notes to Financial Statements June 30, 2021

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### Note 1 - Summary of Significant Accounting Policies

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#### Financial Reporting Entity

The Jefferson-Madison Regional Library (the "Library") is a joint venture operated in accordance with a regional library agreement among the City of Charlottesville, Virginia (the "City") and the Virginia counties of Albemarle, Greene, Louisa, and Nelson (the "Counties"). These participating localities along with the Commonwealth of Virginia are the main source of revenue for the Library. Operating costs are allocated to the participating localities on the basis of library materials circulation. The City is the fiscal agent and is responsible for maintaining certain financial records for the Library.

A separate Board of Trustees governs the Library. Designation of management and accountability for fiscal matters rests with the Library's Board of Trustees. The Library formulates and approves its own budget. There are no direct or indirect liabilities borne by the Counties or the City for the operation of the Library.

The Library is a jointly governed organization. All activities over which the Library is financially accountable have been incorporated in the Library's reporting entity.

#### Basis of presentation

##### *Government-wide and Fund Financial Statements*

The basic financial statements include both government-wide (based on the Library as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental in nature. In the government-wide statement of net position, the governmental activities column (i) is presented on an aggregated basis, and (ii) is reflected on a full accrual basis, using the economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. This presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

The government-wide statement of activities reflects both the gross and net cost per functional category (library services, etc.) that are otherwise being supported by general government revenues (certain intergovernmental revenues, interest, etc.). The statement of activities reduces gross expenses (including depreciation) by directly related program revenues and contributions.

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and contributions that are restricted to meeting the operation or capital requirement of a particular function or segment. Items not specifically restricted to the various programs are reported as general revenues. The Library does not allocate indirect expenses.

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. The fund financial statements focus on individual major funds. GAAP sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

## JEFFERSON-MADISON REGIONAL LIBRARY

### Notes to Financial Statements June 30, 2021 (Continued)

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#### Note 1 - Summary of Significant Accounting Policies: (Continued)

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##### Basis of presentation: (Continued)

##### *Government-wide and Fund Financial Statements: (Continued)*

All of the Library's funds are considered major for financial reporting purposes. The fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements' governmental activities column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the government-wide financial statements.

The operations of the Library are recorded in the following major governmental funds:

The *General Fund* is the general operating fund of the Library and is used to account for all of the Library's expendable non-capital financial resources and related liabilities.

The *Equipment Fund* is a special revenue fund that generates revenues from fees and fines collected from the use of library materials and equipment. The revenue is used to support the orderly operation, maintenance, and replacement of library equipment.

##### Basis of accounting

The governmental funds financial statements are reported on the flow of current financial resources measurement focus and the modified accrual basis of accounting wherein the focus is on the determination and changes in, financial position and only current assets and current liabilities are included on the balance sheet. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Revenues are generally considered available if received within two months after the fiscal year-end. Intergovernmental revenues are recorded when all eligibility requirements are met and funds are considered available. Expenditures are recorded when the related liability is incurred, except for certain long-term obligations when the liability and expenditure are recorded when amounts are due to be payable.

The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) are reported and accounted for on the economic resources measurement focus and the accrual basis of accounting, which include all assets and liabilities associated with the Library. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenues from non-exchange transactions, in which the Library receives value without directly giving equal value in exchange, such as donations, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Non-monetary donations, such as program supplies, are not recorded.

##### Capital assets

Capital assets include substantially all furniture, equipment, and vehicles having a minimum useful life of three years and having a cost of more than \$5,000. Library book purchases for each year are capitalized as one individual addition. Capital assets, which are used for general governmental purposes, are accounted for and reported in the government-wide financial statements. The buildings associated with the various Library branches are owned by the participating localities, and therefore are not recorded as Library capital assets.

**Note 1 - Summary of Significant Accounting Policies: (Continued)**

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Capital assets: (Continued)

Capital assets are stated at historical cost, estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. Donated fixed assets are stated at their acquisition value as of the date of the donation. Accumulated depreciation is reported over the estimated useful lives (books, 4 years; computers, 3 years; furniture and equipment, 10 years; and vehicles, 5 years) using the straight-line method annually.

Compensated absences

Under GAAP, a liability is recorded in governmental funds for unpaid vacation balances meeting certain criteria when the amount is due and payable. All compensated absences liabilities are accrued when earned in the government-wide financial statements.

A liability for sick leave is not recorded by the Library since accumulated sick leave not taken by year-end is not paid to the employee in terms of compensation. It is accumulated and tracked by employee so that upon retirement, the employee may roll over accumulated sick leave, which is counted towards credited service, for one-half of the accumulated amount up to a maximum of two thousand hours, in the City's retirement plan.

Internal and intra-entity activity

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds have been eliminated or reclassified. Eliminations are made in the Statement of Net Position to minimize the "grossing-up" effect on assets and liabilities within the governmental activities' column. Amounts reported in the funds as interfund receivables and payables are eliminated in the governmental activities' column of the government-wide financial statements. Payments from a fund receiving revenue to a fund through which the revenue is to be expended are reported as operating transfers.

Use of Estimates

Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and reported revenues, expenditures and expenses. Actual results could differ from those estimates.

Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred outflows are recognized for pension and other postemployment benefits.

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows are recognized for pension and other postemployment benefits.



**Note 1 - Summary of Significant Accounting Policies: (Continued)**

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Pension and Other Postemployment Benefits

Employees of the Library participate in the City of Charlottesville's defined benefit and defined contribution retirement plans and Other Postemployment Benefits ("OPEB") plan. Net pension liability, other postemployment benefits liability, deferred outflows of resources, and deferred inflows of resources are measured using actuarial methods. Pension expense for the defined benefit plan is equal to the changes in net pension liability, deferred outflows and deferred inflows of resources related to pension obligations. Similarly, OPEB expense is equal to the change in net OPEB liability, deferred outflows, and deferred inflows of resources related to OPEB obligations. Details of the Library's retirement plans are included in Note 10. Details of the Library's other postemployment benefits plan are included in Note 11.

**Note 2 - Net Position/Fund Balance**

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Net position in government-wide financial statements is classified as the net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

In the governmental funds' financial statements, fund balance is composed of five potential classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balances as follows:

*Nonspendable Fund Balance* - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Library does not have any nonspendable fund balances at June 30, 2021.

*Restricted Fund Balance* - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law. The Library does not have any restricted fund balances at June 30, 2021.

*Committed Fund Balance* - Amounts constrained to specific purposes by formal action (adoption of an ordinance) by the government's highest level of decision-making authority (Board of Trustees). Committed amounts do not lapse nor can they be used for any other purpose unless the government takes the same level of action (adoption of another ordinance) to remove or change the constraint. The Library has \$370,097 committed in the equipment fund at June 30, 2021 to be used for future equipment needs.

*Assigned Fund Balance* - Assigned items represent the Library's intent to use certain resources for assigned purposes. Fund balances are assigned by resolution of the Board of Trustees. Fund balances in the equipment fund are automatically assigned if they are not committed, restricted, or non-spendable. At June 30, 2021, the Library had a total of \$136,897 assigned to cover encumbrances at year end.

*Unassigned Fund Balance* - The portion of the General Fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. At June 30, 2021, the Library had a total of \$447,661 in the general fund unassigned.

## JEFFERSON-MADISON REGIONAL LIBRARY

### Notes to Financial Statements June 30, 2021 (Continued)

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#### Note 2 - Net Position/Fund Balance: (Continued)

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The Library has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Library will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-Library funds, Library funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The finance director has the authority to deviate from this policy if it is the best interest of the Library.

#### Note 3 - Cash and Cash Equivalents

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The Library's cash and cash equivalents are commingled with the City's for investment purposes and, as such, the Library follows the City's deposit policy. The City is authorized to hold cash and cash equivalents, including cash on hand, checking and savings accounts, certificates of deposit, repurchase agreements, and banker's acceptances. Because the Library's funds are commingled with the City's, specific information relating to the Library's balances by types and custodial credit risk classifications is not available. Refer to the City's 2021 Comprehensive Annual Financial Report for further information on cash and cash equivalents managed by the City.

#### Note 4 - Related-party Transactions

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The Library has entered into lease agreements with the City of Charlottesville and Albemarle County for its regional offices. Rent is paid annually and totaled \$21,400 for the year ended June 30, 2021. Minimum future rental payments are included in Note 9.

#### Note 5 - Reversion to Participating Localities

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The regional library agreement limits the amount of year-end unrestricted fund balance that can be retained in the General Fund by the Library to 5% of the total operating budget. Funds accumulated in excess of the 5% limit must be returned to each of the participating localities on the same basis their contributions were determined. There were no accumulated funds in excess of the 5% limit as of June 30, 2021 and \$48,769 as of June 30, 2020.

#### Note 6 - Termination of the Regional Library Agreement

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In the event any participating locality determines to dissolve the regional library agreement as provided by the *Code of Virginia*, Section 42.1-42, as amended, the distribution or allocation of buildings, books, furnishings, and equipment shall be negotiated by a joint committee appointed by all the participating localities. However, any library books or other media permanently assigned to any particular local collection at the time negotiation for dissolution begins, shall remain in the locality responsible for that local collection for its use or disposal.

JEFFERSON-MADISON REGIONAL LIBRARY

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 7 - Capital Assets**

A summary of changes in property and equipment follows:

	<b>Balance June 30, 2020, as restated</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2021</b>
Capital assets being depreciated:				
Furniture and equipment	\$ 177,537	\$ -	\$ -	\$ 177,537
Computers	91,564	-	-	91,564
Books	6,539,610	301,588	(486,750)	6,354,448
Vehicles	288,030	62,730	(22,416)	328,344
Total capital assets being depreciated	<u>\$ 7,096,741</u>	<u>\$ 364,318</u>	<u>\$ (509,166)</u>	<u>\$ 6,951,893</u>
Less accumulated depreciation for:				
Furniture and equipment	\$ 147,480	\$ 5,127	\$ -	\$ 152,607
Computers	86,250	1,417	-	87,667
Books	5,939,860 *	391,447	(486,750)	5,844,557
Vehicles	167,349	42,659	(22,416)	187,592
Total accumulated depreciation	<u>\$ 6,340,939</u>	<u>\$ 440,650</u>	<u>\$ (509,166)</u>	<u>\$ 6,272,423</u>
Total capital assets, net	<u>\$ 755,802</u>	<u>\$ (76,332)</u>	<u>\$ -</u>	<u>\$ 679,470</u>

Depreciation expense of \$440,650 is included in Library Services in the Statement of Activities.

**Note 8 - Long-term Obligations**

A summary of changes in pension and compensated absences follows:

	<b>Balance June 30, 2020</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance June 30, 2021</b>	<b>Due Within One Year</b>
Pension liability	\$ 2,638,483	\$ -	\$ 54,852	\$ 2,583,631	\$ -
OPEB liability	1,428,644	-	218,632	1,210,012	-
Compensated absences	325,398	54,569	109,139	270,828	32,499
	<u>\$ 4,392,525</u>	<u>\$ 54,569</u>	<u>\$ 382,623</u>	<u>\$ 4,064,471</u>	<u>\$ 32,499</u>

Compensated absences are liquidated by the General Fund.

JEFFERSON-MADISON REGIONAL LIBRARY

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 9 - Commitments and Contingencies**

The Library is a lessee under a non-cancelable operating lease related to the Northside Branch Library. Rental expense for this lease is adjusted annually for CPI as stated in the lease agreement for five years expired on June 30, 2020. The lease will be renewed automatically for subsequent one-year terms until a new lease is executed or the agreement is terminated. As of the report date, the Library has not executed a new agreement. Rent expense for the lease agreement for the 2021 fiscal year was approximately \$60,097 per month and will be approximately \$63,085 per month for 2022 fiscal year.

Additionally, per the amended Jefferson-Madison Regional Library agreement, the Library makes annual payments to the City of Charlottesville and Albemarle County for office space in the Central branch used primarily for regional activities. Rental expense under this agreement was \$21,400 for the year ended June 30, 2021.

Future minimum lease payments under non-cancelable operating leases are \$778,420 through June 30, 2022.

**Note 10 - Retirement Plan**

**City of Charlottesville Supplemental Retirement or Pension Plan**

*Plan description* - The Library is included in the City’s Pension Plan. The City administers the Pension Plan, a single-employer defined benefit plan for general and public safety employees of the primary government and two other jointly governed entities, including the Library. The Pension Plan provides retirement and disability benefits to eligible plan members and their beneficiaries. The plan is governed by City Council, as provided in Article II, IV, and V of Chapter 19 of the City Code, 1990, as amended, of the City of Charlottesville and is an irrevocable trust fund. City Council may amend benefits and other plan provisions and is responsible for the management of plan assets. The Plan does not provide automatic annual increases (Cost-of-Living Adjustment) in benefits. The Pension Plan is considered a part of the City’s Reporting Entity and is included in the City’s financial statements as the Pension Trust Fund. There is no separately issued City Supplementary Retirement or Pension Plan report.

The Pension Plan covers all regular employees that work at least half time for at least 36 weeks per year. Employer contribution is determined annually based on actuarial valuation data. Plan members are entitled to an annual retirement benefit, payable monthly for life. Employees hired before July 1, 2012, and employees hired on or after July 1, 2012, and employees hired on or after July 1, 2017 have different pension provisions and employee contribution rates as follows:

General Employees’ Pension Plan - Normal Retirement Benefit			
	Before July 1, 2012	On or after July 1, 2012	On or after July 1, 2017
<b>Normal Retirement Age</b>	Age 65 with 5 years of service	Age 65 with 5 years of service	Age 65 with 5 years of service
<b>Early Retirement Age (1/2% reduction for each month the actual retirement date is less than 30 years)</b>	Age 55 with 5 years of service Age 50 with 30 years of service	Age 60 with 5 years of service Age 60 with 30 years of service	Age 60 with 5 years of service Age 60 with 30 years of service
<b>Vesting</b>	5 years of service	5 years of service	5 years of service
<b>Employee Contribution for Pension and OPEB Plans</b>	1% of base salary	3% of base salary	5% of base salary
<b>Pension Benefit Formula</b>	Average Final Compensation ("AFC") x 1.6%x years of creditable service	AFC x 1.6% x years of creditable service	AFC x 1.6% x years of creditable service
<b>Years to Calculate AFC</b>	3 years	5 years	5 years

JEFFERSON-MADISON REGIONAL LIBRARY

Notes to Financial Statements  
June 30, 2021 (Continued)

Note 10 - Retirement Plan: (Continued)

City of Charlottesville Supplemental Retirement or Pension Plan: (Continued)

The Library's participation in the Pension Plan consists of the following at June 30, 2021, the date of the most recent actuarial valuation:

Retirees and beneficiaries currently receiving benefits	51
Vested terminated employees	11
Current employees:	
Vested	17
Non-vested	-
	79
Total	79

*Contributions* - The contribution requirements for plan members, including Library employees, are established and may be amended by Charlottesville City Council. Plan members hired before July 1, 2012 are required to contribute 1% of base pay, plan members hired on or after July 1, 2012 must contribute 3% of base pay, and plan members hired on or after July 1, 2017 must contribute 5% of base pay (annual covered salary) for pension plans. The City's contribution rates are actuarially determined and consist of current costs plus amortization of prior service costs. The contribution rates for 2021 are based on the July 1, 2019 actuarial report. The contribution rate for 2021 was 19.46%.

*Net Pension Liability* - The Library's net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net position liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

*Actuarial methods and assumptions* - The actuarial determined contribution (ADC) for the plan was determined as part of the July 1, 2021 actuarial valuation using the following methods and assumptions:

Method	Assumption
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Amortization period remaining	20 years
Asset valuation method	4-year smoothed market
Investment return, including inflation	7.50%
Projected salary increases	Range 2.0%-4.0%
Assumed inflation rate	2.0% per annum, compounded annually
Cost of living adjustment, ad hoc	1.0% per year

*Mortality rates* - Healthy lives - RP-2000 table, fully generational, projected with scale AA; Disabled lives - RP-2000 table, fully generational, projected with scale AA, set forward 5 years for males and females.

Notes to Financial Statements  
June 30, 2021 (Continued)

Note 10 - Retirement Plan: (Continued)

City of Charlottesville Supplemental Retirement or Pension Plan: (Continued)

*Long-term Expected Rate of Return* - The investment return of the trust fund (i.e. total return including both realized and unrealized gains and losses) based on the market value of assets for the fiscal year ended June 30, 2021 was 28.70%. The investment return on the smoothed value of assets (actuarial value of assets) was 7.50%. The expected rate of return was 7.50%. The actuarial value of net assets, which is used to determine the City's contribution rate for the following fiscal year, is determined using a method that is designed to smooth the impact of market fluctuations. Unlike the market value, which immediately reflects all investment gains and losses during the year, the smoothed fair value recognizes annual appreciation and depreciation over a four-year period.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity:		
Large Cap	30.00%	7.60%
Mid Cap	12.50%	9.70%
Small Cap	7.50%	8.90%
International Equity	10.00%	5.60%
Emerging Equity	5.00%	10.10%
Real Estate	10.00%	6.10%
Farmland	5.00%	10.20%
Fixed Income	20.00%	2.40%
Total	<u>100.00%</u>	<u>6.80%</u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*—The table below presents the net pension liability for the City calculated using the discount rate of 7.5%, as well as what it would be at a discount rate 1% lower and 1% higher.

	<u>1% Lower 6.5%</u>	<u>Current Discount Rate 7.5%</u>	<u>1% Higher 8.5%</u>
Net Pension Liability	\$ <u>3,262,029</u>	\$ <u>2,583,631</u>	\$ <u>2,015,973</u>

*Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* - Pension plan changes for measurement date June 30, 2020 are presented on the fiscal year 2021 Statement of Net Position. The net pension liability was measured at June 30, 2020 and the total pension liability used to calculate the net pension liability was determined using an actuarial valuation performed as of June 30, 2019, using actuarial assumptions applied to all periods included in the measurement and rolled forward to the measurement date.

JEFFERSON-MADISON REGIONAL LIBRARY

Notes to Financial Statements  
June 30, 2021 (Continued)

Note 10 - Retirement Plan: (Continued)

City of Charlottesville Supplemental Retirement or Pension Plan: (Continued)

The Library reported deferred outflows and deferred inflows of resources related to pensions from the following sources at June 30, 2021:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Prior years difference between expected and actual experience	\$ 286,794	\$ (1,108,407)
Prior years changes in proportion and difference between contributions	(754,787)	2,873
Prior years impact of change in proportion on beginning NPL	902,564	1,507,430
Prior years difference between expected and actual investment earnings	354,818	180,657
Prior years change in assumptions	479,164	-
Prior years amortization	(1,068,168)	(437,391)
Current year amortization	(102,364)	(58,499)
Differences between expected and actual experience	-	16,048
Impact of change in proportion on beginning NPL	-	258,948
Differences between expected and actual investment earnings	129,789	-
Change in assumptions	155,829	-
Changes in proportion and difference between employer contribution and proportionate share of contribution	(37,651)	(269,029)
Employer contributions subsequent to measurement	352,625	-
Total	<u>\$ 698,613</u>	<u>\$ 92,630</u>

Deferred inflow and outflow of resources of \$352,625 of pension plan contributions for the period of July 1, 2020 to June 30, 2021, are subsequent to the measurement date. These contributions will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over a four-year period as pension expense of follows:

<u>Year Ending June 30:</u>	
2022	\$ (63,340)
2023	(63,340)
2024	(63,340)
2025	(63,338)
Total	<u>\$ (253,358)</u>

Notes to Financial Statements  
June 30, 2021 (Continued)

Note 10 - Retirement Plan: (Continued)

City of Charlottesville Supplemental Retirement or Pension Plan: (Continued)

The net pension liability at the measurement date of June 30, 2020:

	<u>Net Pension Liability</u>
Balances at June 30, 2019	\$ 2,638,483
Employer contributions	(322,888)
Change in expense	69,901
Change in deferred outflows of resources	145,603
Change in deferred inflows of resources	<u>52,532</u>
Balance at June 30, 2020	<u><u>2,583,631</u></u>

Note 11 - Other Postemployment Benefits (OPEB) Obligations

*Plan description* - The City provides medical, dental and life insurance coverage for eligible Pension Plan members that elect to participate. Vested employees who separate service with the City before pension benefits are received are not eligible for OPEB benefits. The City administers the plan as part of the City's benefit program. City Council may amend benefits for current and future retirees and are responsible for the management of the assets. Vested employees who separate service with the City before pension benefits are received are not eligible for OPEB benefits. The City administers the plan as part of the City's benefit program. City Council may amend benefits for current and future retirees and are responsible for the management of the assets. The OPEB Trust is considered a part of the City's Reporting Entity and is included in the City's financial statements as the Pension Trust Fund. There is no separately issued City other postemployment benefits report.

OPEB Plan Benefits		
	Before July 1, 2012	On or after July 1, 2012
<b>Medical and Dental coverage</b>	<p>Must have 5 years of creditable service.</p> <p>Under Age 65: Can continue to participate in Health Care Program.</p> <p>Over Age 65: Participates in program that provides Medicare Supplementary Insurance and certain wellness benefits.</p>	<p>Must have 10 years of creditable service.</p> <p>Under Age 65: Can continue to participate in Health Care Program.</p> <p>Health and dental coverage end at Medicare eligibility age.</p>
<b>Life Insurance</b>	<p>Must have 5 years of creditable service.</p> <p>Two times annual salary reduced 2% per month until benefit reaches the final annual salary.</p>	<p>Must have 10 years of creditable service.</p> <p>Two times annual salary reduced 25% per year unit benefit reaches 50% of final annual salary.</p>



Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 11 - Other Postemployment Benefits (OPEB) Obligations: (Continued)**

Members in the City’s OPEB Plan consists of the following at June 30, 2020, the date of the most recent actuarial valuation:

	<u>Members</u>
Inactive plan members or beneficiaries currently receiving benefit payments	48
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	101
Total	<u>149</u>

*Funding Policy* - The contribution requirements for current and future Pension Plan members are established and may be amended by City Council. The city contribution is determined annually by City Council. Pension Plan members hired before December 3, 2002, received 100% of the city contribution towards the cost of medical and dental insurance. For Pension Plan Members hired on or after December 3, 2002, the city contribution toward the cost of medical and dental insurance is pro-rated based on vesting requirements and years of creditable service. Pension Plan members must pay for family members at their own expense. Surviving spouses of Pension Plan members may elect to continue health care benefits at their own expense. Life insurance is provided at no direct cost to the plan members. Defined Contribution Plan senior management is eligible for the same OPEB benefits as Pension Plan members. The contribution rates for 2021 are based on the July 1, 2019, actuarial report. The general employee contribution rate is 6.42%.

*Actuarial methods and assumptions* - The annual required contribution (ARC) for the plan was determined as part of the July 1, 2020 actuarial valuation using the following methods and assumptions:

Method	Assumption
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Amortization period	20 years, closed
Asset valuation method	4 year smoothed market
Investment return including inflation	7.5%
Projected salary increases	Range 2.0% - 5.0%
Assumed inflation rate	2.0%
Cost of living adjustment	None
Healthcare cost trend rate	Medical trend 4.5-7.5% Dental trend 4.0%

*Mortality rates* - Healthy lives - RP-2000 table, fully generational, projected with scale AA; Disabled lives-RP-2000 table, fully generational, projected with scale AA, set forward 5 years for males and females.

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 11 - Other Postemployment Benefits (OPEB) Obligations: (Continued)**

*Long-term Expected Rate of Return* - The investment return of the trust fund (i.e. total return including both realized and unrealized gains and losses) based on the market value of assets for the fiscal year ended June 30, 2021 was 3.08%. The investment return on the smoothed value of assets (actuarial value of assets) was 8.64%. The expected rate of return was 7.50%. The actuarial value of net assets, which is used to determine the City's contribution rate for the following fiscal year, is determined using a method that is designed to smooth the impact of market fluctuations. Unlike the market value, which immediately reflects all investment gains and losses during the year, the smoothed fair value recognizes annual appreciation and depreciation over a four-year period.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity:		
Large Cap	30.00%	7.60%
Mid Cap	12.50%	9.70%
Small Cap	7.50%	8.90%
International Equity	10.00%	5.60%
Emerging Equity	5.00%	10.10%
Real Estate	10.00%	6.10%
Farmland	5.00%	10.20%
Fixed Income	20.00%	2.40%
Total	<u>100.00%</u>	<u>6.80%</u>

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate* - The table below presents the net OPEB liability for the City calculated using the discount rate of 7.5%, as well as what it would be at a discount rate 1% lower and 1% higher.

	<u>1% Lower 6.5%</u>	<u>Current Discount Rate 7.5%</u>	<u>1% Higher 8.5%</u>
Net OPEB Liability	\$ 865,721	\$ 1,210,012	\$ 1,627,450

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates* - The table below presents the net OPEB liability for the City calculated using the discount rate of 7.5%, as well as what it would be at a discount rate 1% lower and 1% higher.

	<u>1% Lower 6.5%</u>	<u>Current Discount Rate 7.5%</u>	<u>1% Higher 8.5%</u>
Net OPEB Liability	\$ 900,887	\$ 1,210,012	\$ 1,582,761

JEFFERSON-MADISON REGIONAL LIBRARY

Notes to Financial Statements  
June 30, 2021 (Continued)

Note 11 - Other Postemployment Benefits (OPEB) Obligations: (Continued)

The Library reported deferred outflows and deferred inflows of resources related to OPEB from the following sources at June 30, 2020:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Prior years difference between expected and actual experience	\$ 7,585	\$ 304,534
Prior years changes in proportion and difference between contributions	421,331	(953,419)
Prior years impact of change in proportion on beginning NPL	(1,722)	916,524
Prior years difference between expected and actual investment earnings	-	143,101
Prior years change in assumptions	(420,733)	-
Prior years amortization	(2,468)	(52,407)
Current year amortization	(1,055)	(90,159)
Differences between expected and actual experience	-	149,611
Impact of change in proportion on beginning NPL	80,673	-
Differences between expected and actual investment earnings	69,706	-
Change in assumptions	-	78,454
Changes in proportion and difference between employer contribution and proportionate share of contribution	(84,342)	(468,633)
Employer contributions subsequent to measurement	175,599	-
Total	<u>\$ 244,574</u>	<u>\$ 27,606</u>

Deferred inflows and outflows of resources of \$175,599 result from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30:</u>	
2022	\$ (10,343)
2023	(10,342)
2024	(10,342)
2025	(10,342)
Total	<u>\$ (41,369)</u>

JEFFERSON-MADISON REGIONAL LIBRARY

Notes to Financial Statements  
June 30, 2021 (Continued)

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**Note 12 - Fund Balance/Net Position (Deficit) at July 1, 2020 Restated:**

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The Fund Balance and Net Deficit was restated due to prior year adjustments needed as shown:

	<u>Government- wide</u>
Net Deficit as previously reported at June 30, 2020:	\$ (2,425,592)
Adjustment in Library Books assets for prior period	44,580
Adjustment in Due from Other Governments for prior period	48,769
Net Deficit as restated at July 1, 2020:	<u>\$ (2,332,243)</u>

  

	<u>Governmental Funds</u>
Fund Balance as previously reported at June 30, 2020:	\$ 1,029,956
Adjustment in Due from Other Governments for prior period	48,769
Fund Balance as restated at July 1, 2020:	<u>\$ 1,078,725</u>

**Note 13 - COVID-19 Impact**

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On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The outbreak will have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude the pandemic will have on the Library’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Library is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity, for future fiscal years.

**Note 14 - New Accounting Standards**

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The Governmental Accounting Standards Board (GASB) has issued the following statements which are not yet effective. The effective dates below are updated based on Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* due to COVID-19 pandemic.

In June 2017, The GASB issued **Statement No. 87, Leases**. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

Notes to Financial Statements  
June 30, 2021 (Continued)

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**Note 14 - New Accounting Standards: (Continued)**

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In May 2019, the GASB issued **Statement No. 91, *Conduit Debt Obligations***. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued **Statement No. 92, *Omnibus***. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements of this Statement are effective immediately and others for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued **Statement No. 93, *Replacement of Interbank Offered Rates***. This Statement addresses accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued **Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***. This Statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, the GASB issued **Statement No. 96, *Subscription-Based Information Technology Arrangements***. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In June 2020, the GASB issued **Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32***. This Statement provides a more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. Certain requirements of this Statement are effective immediately and others for reporting periods beginning after June 15, 2021.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

# REQUIRED SUPPLEMENTARY INFORMATION

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**JEFFERSON-MADISON REGIONAL LIBRARY**

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget versus Actual  
 General Fund  
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance favorable (unfavorable)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues:				
Revenue from the Commonwealth of Virginia	\$ 745,469	\$ 745,469	\$ 745,469	\$ -
Local government contributions:				
City of Charlottesville	2,015,037	2,015,037	2,015,037	-
County of Albemarle	4,657,607	4,657,607	4,650,287	(7,320)
County of Greene	407,327	407,327	407,327	-
County of Louisa	382,982	382,982	382,682	(300)
County of Nelson	301,808	301,808	301,748	(60)
Other revenues	-	9,184	21,489	12,305
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	\$ 8,510,230	\$ 8,519,414	\$ 8,524,039	\$ 4,625
<b>Expenditures:</b>				
Salaries and employee related benefits	\$ 5,994,306	\$ 5,994,306	\$ 6,014,616	\$ (20,310)
Supplies and materials	755,316	858,153	692,590	165,563
Contractual services	1,632,415	1,674,388	1,414,952	259,436
Repairs and maintenance	26,118	26,118	54,448	(28,330)
Capital outlay	-	-	372,018	(372,018)
Other operating expenses	8,000	8,000	-	8,000
Less open encumbrances	-	-	(28,314)	28,314
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	\$ 8,416,155	\$ 8,560,965	\$ 8,520,310	\$ 40,655
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total change in fund balances	\$ 94,075	\$ (41,551)	\$ 3,729	\$ 45,280

**JEFFERSON-MADISON REGIONAL LIBRARY**

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget versus Actual  
 Equipment Fund  
 For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>favorable</u> <u>(unfavorable)</u>
<b>Revenues:</b>				
Charges for services	\$ 300,000	\$ 300,000	\$ 72,203	\$ (227,797)
Total revenues	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 72,203</u>	<u>\$ (227,797)</u>
<b>Expenditures:</b>				
Supplies and materials	\$ 155,403	\$ 155,403	\$ 169,324	\$ (13,921)
Contractual services	183,847	183,847	33,132	150,715
Repairs and maintenance	-	50,000	6,160	43,840
Capital outlay	100,000	100,000	100,000	-
Less open encumbrances	<u>-</u>	<u>-</u>	<u>(108,614)</u>	<u>108,614</u>
Total expenditures	<u>\$ 439,250</u>	<u>\$ 489,250</u>	<u>\$ 200,002</u>	<u>\$ 289,248</u>
 Total change in fund balances	 <u>\$ (139,250)</u>	 <u>\$ (189,250)</u>	 <u>\$ (127,799)</u>	 <u>\$ 61,451</u>



## JEFFERSON-MADISON REGIONAL LIBRARY

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2021

#### Note 1. Budgetary Process

The Library follows these procedures in developing its annual budget for all funds for the following year:

- In November, the Business Manager and Director prepare a preliminary budget for the Library's funds that is submitted to the Board of Trustees (the "Board") for approval before submission to the jurisdictions.
- In December, a proposed budget is prepared and submitted to the Board for approval and sent to the jurisdictions for funding.
- In April, revisions are presented to the Board.
- In June, the Board formally adopts the final budget for the ensuing fiscal year.

#### Note 2. Appropriations

Amounts shown in the budgetary comparison schedules as "final budget" represent original appropriations authorized by the Board and any additional and supplemental appropriations authorized during the year. The budgetary information is adopted and presented on a modified accrual basis of accounting. All appropriations not encumbered lapse at year end for all funds. The legal level of budgetary control for all funds is at the fund level; however, management control is exercised over fund budgets at the budgetary line item level.

# COMPLIANCE SECTION

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**Independent Auditor’s 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***

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To the Honorable Members of the Board of Trustees  
Jefferson-Madison Regional Library  
Charlottesville, Virginia

We have audited, 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, the financial statements of the governmental activities and each major fund of the Jefferson-Madison Regional Library (the “Library”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Library’s basic financial statements, and have issued our report thereon dated February 1, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 Library’s internal control. Accordingly, we do not express an opinion on the effectiveness of 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 may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 Library'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 Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
February 1, 2022

JEFFERSON-MADISON REGIONAL LIBRARY

Summary of Compliance Matters  
June 30, 2021

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As more fully described in the “Independent Auditor’s 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*” we performed tests of the Library’s compliance with certain provisions of the laws, regulations, contracts and grant agreements, and other matters shown below.

**STATE COMPLIANCE MATTERS**

Code of Virginia:

Cash and Investment Laws

Conflicts of Interest Act

Procurement Laws

Unclaimed Property

Budget and Appropriation Laws

Local Retirement Systems

## INTERLIBRARY LOAN

Interlibrary loan (ILL) requests to other libraries are made for Jefferson-Madison Regional Library cardholders. Likewise, the Library lends materials to other libraries upon request, except for those items restricted to local use. Restricted items include reference works, audiovisual materials, and current best sellers. The policies and procedures established for interlibrary loan through the Jefferson-Madison Regional Library follow **all relevant State of Virginia codes and guidelines** ~~the Virginia Interlibrary Loan Code of 1989 and Guidelines~~. When resources within the state have been exhausted, loan requests from out-of-state libraries will then conform to the American Library Association's **"National Interlibrary Loan Code for the United States , 2004."**

The Library will offer interlibrary loan services for a **per item** fee ~~of \$3.00 per item~~ to offset ~~postage~~ costs, payable when picking up requested item. **Fees are set annually by the Library Board in Circulation Fees and Fines**. Individual patrons may request up to three items at any given time. No requests will be sent to libraries which charge lending fees for interlibrary loan transactions unless materials cannot be obtained from any other source. In the case of requests which can be filled only by libraries that charge, however, the patron is required to approve and pay the lending fee up to a maximum cost specified, prior to the sending of the request.

If any interlibrary loan material is damaged or lost while being used by a Library patron, the patron will pay whatever damage or replacement costs are specified by the lending library. **Because JMRL relies on good relationships with its lending partners, a patron's repeated failure to follow JMRL's ILL procedures may result in the loss of ILL borrowing privileges. Examples include patrons not returning items in good condition and on time, and not picking up requested items on time.**

~~When materials are lost or are returned late, the borrowing privileges of both the patron and JMRL are jeopardized. Patrons who abuse interlibrary loan borrowing privileges (e.g. lose or damage items, keep items overdue, do not pick up requested items) will find their interlibrary loan borrowing privileges suspended after a warning.~~

Adopted 5/24/10  
(Revised 10/24/11)



# JEFFERSON-MADISON REGIONAL LIBRARY

201 E. Market Street | Charlottesville, VA  
434.979.7151 | FAX 434.971.7035 | [jmrl.org](http://jmrl.org)

## **JMRL Prioritized Director Objectives for FY22:**

1. Steer JMRL through the Library's COVID response plan, and begin to implement "lessons learned" about staffing, safety, and services for the long-term future of the organization.
2. In FY22, secure Library Board approval for JMRL's Minimum Wage Adjustment Plan, and begin to work to implement this with JMRL's jurisdictions.
3. Present JMRL's Diversity Plan (Strategic Plan Goal #3, Objective #8) to the Library Board for review.
4. Forward action on Strategic Plan Goal #6 Objective #2, Central Library renovation working group.

**grow. learn. connect.**

