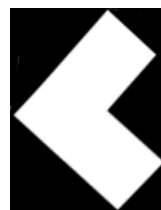


*Central Virginia Regional Library*  
*Report on Audit of Financial Statements*  
*Years Ended June 30, 2025 and 2024*



*Creedle, Jones  
& Associates, P.C.*  
*Certified Public Accountants*

# Central Virginia Regional Library

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Years Ended June 30, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Central Virginia Regional Library

### Opinion

We have audited the accompanying financial statements of Central Virginia Regional Library (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Virginia Regional Library as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Central Virginia Regional Library and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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 Central Virginia Regional Library's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's 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 auditor's report that includes our opinion. 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 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, 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 Central Virginia 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 Central Virginia 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.

*Creedle, Jones & Associates, P.C.*

Creedle, Jones & Associates, P.C.  
Certified Public Accountants

South Hill, Virginia  
January 15, 2026

## Central Virginia Regional Library

## Statements of Financial Position

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 103,827	\$ 142,720
Total Current Assets	<u>103,827</u>	142,720
<b>Equipment, Net</b>	<u>112,082</u>	80,930
Total Assets	<u>\$ 215,909</u>	<u>\$ 223,650</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
<i>Current Liabilities</i>		
Accounts payable and payroll taxes payable	\$ 8,462	\$ 9,878
Credit card payable	2,708	3,006
Compensated absences, current	<u>4,903</u>	<u>3,288</u>
Total Current Liabilities	<u>16,073</u>	16,172
<i>Long-Term Liabilities</i>		
Compensated absences, net of current	<u>44,131</u>	<u>29,588</u>
Total Long-Term Liabilities	<u>44,131</u>	29,588
Total Liabilities	<u>60,204</u>	45,760
<b>Net Assets</b>		
Without donor restrictions	<u>155,705</u>	<u>177,890</u>
Total Net Assets	<u>155,705</u>	<u>177,890</u>
Total Liabilities and Net Assets	<u>\$ 215,909</u>	<u>\$ 223,650</u>

See independent auditor's report and accompanying notes to the financial statements.

Central Virginia Regional Library

Statement of Activities

Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, Gains, and Other Support</b>			
Contributions	\$ 11,952	\$ -	\$ 11,952
County of Buckingham	322,495	-	322,495
County of Prince Edward	316,118	-	316,118
County of Cumberland	178,463	-	178,463
Town of Farmville	270,429	-	270,429
Commonwealth of Virginia	423,428	-	423,428
Miscellaneous	40,839	-	40,839
E-Rate	26,430	-	26,430
Interest, dividends, capital gains	2	-	2
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<b>1,590,156</b>	<b>-</b>	<b>1,590,156</b>
<b>Expenses</b>			
Program services - library activities	1,324,438	-	1,324,438
Management and general	<u>287,903</u>	<u>-</u>	<u>287,903</u>
Total Operating Expenses	<u>1,612,341</u>	<u>-</u>	<u>1,612,341</u>
Change in Net Assets	(22,185)	-	(22,185)
Net Assets - Beginning of Year	<u>177,890</u>	<u>-</u>	<u>177,890</u>
Net Assets - End of Year	<u>\$ 155,705</u>	<u>\$ -</u>	<u>\$ 155,705</u>

See independent auditor's report and accompanying notes to the financial statements.

Central Virginia Regional Library

Statement of Activities

Year Ended June 30, 2024

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>Revenues, Gains, and Other Support</b>			
Contributions	\$ 26,455	\$ -	\$ 26,455
County of Buckingham	301,049	-	301,049
County of Prince Edward	294,672	-	294,672
County of Cumberland	67,542	-	67,542
Town of Farmville	257,130	-	257,130
Commonwealth of Virginia	342,012	-	342,012
Cumberland Consolidation	44,095	-	44,095
Miscellaneous	10,879	-	10,879
E-Rate	14,040	-	14,040
Interest, dividends, capital gains	1	-	1
Contribution from Foundation	11,623	-	11,623
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	1,369,498	-	1,369,498
<b>Expenses</b>			
Program services - library activities	1,117,946	-	1,117,946
Management and general	<u>251,756</u>	<u>-</u>	<u>251,756</u>
Total Operating Expenses	<u>1,369,702</u>	<u>-</u>	<u>1,369,702</u>
Change in Net Assets	(204)	-	(204)
Net Assets - Beginning of Year	<u>178,094</u>	<u>-</u>	<u>178,094</u>
Net Assets - End of Year	<u>\$ 177,890</u>	<u>\$ -</u>	<u>\$ 177,890</u>

See independent auditor's report and accompanying notes to the financial statements.

## Central Virginia Regional Library

## Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (22,185)	\$ (204)
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities</i>		
Depreciation	22,826	18,836
Increase (Decrease) in compensated absences	16,158	3,776
Increase (Decrease) in payables	<u>(1,714)</u>	<u>(2,554)</u>
Net Cash Provided by Operating Activities	15,085	19,854
<b>Cash Flows from Investing Activities</b>		
Equipment purchases	<u>(53,978)</u>	<u>(18,890)</u>
Net Cash Used in Investing Activities	<u>(53,978)</u>	<u>(18,890)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(38,893)	964
Cash and Cash Equivalents - Beginning of Year	<u>142,720</u>	<u>141,756</u>
Cash and Cash Equivalents - End of Year	<u>\$ 103,827</u>	<u>\$ 142,720</u>

See independent auditor's report and accompanying notes to the financial statements.

## Central Virginia Regional Library

Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

### 1 Nature of Activities and Significant Accounting Policies

#### ***Nature of Activities***

The Central Virginia Regional Library was formed by resolutions adopted by the Boards of Supervisors for the Counties of Buckingham, Cumberland, and Prince Edward and the Town Council of the Town of Farmville, Virginia effective July 1, 1993. The primary purpose of the Library is to establish, maintain, and operate a free public library for the use and benefit of the citizens of Buckingham County, Virginia, Prince Edward County, Virginia, and the Town of Farmville, Virginia. The Library is a joint venture of the two counties since its continued existence is dependent upon their operating contributions.

#### ***Basis of Accounting***

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

#### ***Financial Statement Presentation***

The Library is required to report information regarding its financial position and activities according to the following two classes of net assets:

##### *Without Donor Restrictions*

Net assets that are not subject to donor-imposed restrictions.

##### *With Donor Restrictions*

Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

#### ***Income Tax Status***

The Library is a not-for-profit organization taxed for Federal and State purposes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. All contributions and related income are exempt from taxation under this section. The Library is taxed on its unrelated business income, less expenses, directly associated with the production, if applicable, of such income, which the Library had none for the fiscal year.

#### ***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. Significant estimates include the valuation of investments at fair value and functional allocation of expenses. Accordingly, actual results could differ from those estimates.

### **Contributions**

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

### **Equipment**

Equipment is stated at cost. The Library provides for depreciation on the straight-line method over an estimated useful life of 5 to 10 years.

### **Contributed Services**

A substantial number of unpaid volunteers have made significant contributions of their time to assist the Library. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

### **Cash and Cash Equivalents**

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

### **Cost Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, which is allocated on a specific asset use basis, as well as salaries and related fringe benefits, which are allocated on the basis of estimates of time and effort. Rent and utilities are allocated based on space used for services.

### **Recently Adopted Accounting Pronouncements from Financial Accounting Standards Board (FASB)**

In March 2023, the FASB issued Accounting Standards Update No. 2023-01, Leases (Topic 842): Common Control Arrangements, simplifies lease accounting for entities under common control by allowing private companies to use written terms for lease identification and classification and requiring all entities to amortize common control leasehold improvements over the asset's useful life to the common control group, rather than the shorter of the lease term or useful life. The Library adopted this guidance effective July 1, 2024, using the modified retrospective approach.

In March 2022, the FASB issued Accounting Standards Update No. 2022-01, Derivatives and Hedging (Topic 815): Fair Value Hedging-Portfolio Layer Method, expands the "last-of-layer" method of hedge accounting to allow multiple hedged layers within a single closed portfolio, renaming it the "portfolio layer method." It also expands this method to include nonprepayable financial assets and clarifies how to account for fair value hedge basis adjustments at the portfolio level, rather than allocating them to individual assets. The Library adopted this guidance effective July 1, 2024, using the modified retrospective approach.

In October 2021, the FASB issued Accounting Standards Update No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which allows the acquirer to measure these items as if they had originated the contracts themselves, applying ASC 606 principles, rather than at fair value. This promotes greater consistency, comparability, and transparency in financial reporting by aligning acquired revenue contracts with existing ones. The Library adopted this guidance effective July 1, 2024, using the modified retrospective approach.

## **Recently Issued Accounting Pronouncements from Financial Accounting Standards Board (FASB)**

**ASU 2025-02, Liabilities (405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122**, which amends the guidance in ASC 450-10-S99-1 to remove the text of SAB Topic 5.FF, “Accounting for Obligations to Safeguard Crypto-Assets an Entity Holds for Its Platform Users.” The Library is currently evaluating the adoption of this guidance.

**ASU 2023-08, Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets**, to improve the accounting for and disclosure of crypto assets. The Library is currently evaluating the adoption of this guidance.

**ASU 2023-02, Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method**, permits reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. The Library is currently evaluating the adoption of this guidance.

**ASU 2022-05, Financial Services—Insurance (Topic 944): Transition for Sold Contracts**, amends transition guidance in ASU No. 2018-12, Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts (LDTI), for contracts that have been derecognized because of a sale or disposal of individual or a group of contracts or legal entities before the LDTI effective date. The Library is currently evaluating the adoption of this guidance.

**ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions**, clarifies how to determine the fair value of equity securities subject to contractual sale restrictions. The Library is currently evaluating the adoption of this guidance.

## **2 Concentration of Credit Risk**

The Library maintains accounts at several banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2025, there were no uninsured balances.

## **3 Equipment**

Equipment consist of the following:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 460,218	\$ 406,240
Less: Accumulated depreciation	<u>(348,136)</u>	<u>(325,310)</u>
Total	<u>\$ 112,082</u>	<u>\$ 80,930</u>

## **4 SEP-IRA Retirement Plan**

The Library adopted a SEP-IRA plan in November 1993 effective for calendar year 1994. The plan is through BB&T. The Library currently contributes five percent (5%) of a full-time employee’s salary on an annual basis. This year, the contributions amounted to \$21,360.

## 5 Compensated Absences

The Library's annual leave policies vary based on an employee's years of service subject to maximum carryover amounts as follows:

<u>Years of Service</u>	<u>Vacation Leave Accrual</u>
1-5 years	6.5 hours/month, maximum carryover 80 hours
6-10 years	10 hours/month, maximum carryover 120 hours
11 years or more	14 hours/month, maximum carryover 160 hours

Sick leave is accrued at one day per month up to a maximum of 130 days. Any employee who leaves the employment of the Library in good standing after five (5) years of continuous employment will be paid 25% of accrued sick leave, up to a maximum of \$2,500. If an employee is terminated for cause, he/she is not eligible for the sick leave reimbursement. Compensated absences at June 30, 2025 totaled \$49,034.

## 6 Related Parties

The Library rents its facilities from the Town of Farmville which is a contributing local government of the Library. The rent is \$180,000 per year. To assist in paying this, the Town increased its contribution to compensate for the rent, thus having no cash affect on the Library. The debt and rental agreements stipulate that rent must be paid.

## 7 Long-Term Debt

Long-term debt consists of the following at June 30, 2025:

	<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 32,876	\$ 16,158	\$ -	\$ 49,034	\$ 4,903
Total Long-term Debt	<u>\$ 32,876</u>	<u>\$ 16,158</u>	<u>\$ -</u>	<u>\$ 49,034</u>	<u>\$ 4,903</u>

## 8 Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2025</u>	<u>2024</u>
Financial assets at year end	\$ 103,827	\$ 142,720
Less those unavailable for general expenditures within one year	-	-
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 103,827</u>	<u>\$ 142,720</u>

## 9 Functional Expenses

Functional expenses for 2025 and 2024 are as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Program Services</u>	<u>Supporting Services</u>	<u>Program Services</u>	<u>Supporting Services</u>
	<u>Library Activities</u>	<u>Management and General</u>	<u>Library Activities</u>	<u>Management and General</u>
				<u>Total</u>
Salaries and wages	\$ 681,630	\$ 94,699	\$ 509,982	\$ 70,852
Payroll taxes	51,771	6,629	39,320	5,035
Retirement	16,707	4,653	13,070	3,640
Utilities	38,267	13,515	37,836	13,363
Books, periodicals, and audio	192,063	-	218,702	-
Supplies	50,849	-	41,887	-
Contract services	65,333	63,038	56,889	54,890
Travel and education	-	8,418	-	8,098
Insurance, includes health insurance	57,467	13,567	50,142	11,838
Professional fees	-	16,462	-	13,934
Telephone	11,712	-	9,726	-
Rent	126,000	54,000	126,000	54,000
Miscellaneous	-	6,074	-	10,455
Repairs and maintenance	16,661	-	1,207	-
Depreciation	15,978	6,848	13,185	5,651
Total Expenses	\$ 1,324,438	\$ 287,903	\$ 1,117,946	\$ 251,756
				\$ 1,369,702

## **10** Revenue Recognition

We have analyzed the provisions of the FASB's ASC TOPIC 606, *Revenue from Contracts with Customers*, and have concluded that no changes are necessary to conform with the new standard. The Library recognizes contributions when cash is received.

## **11** Evaluation of Subsequent Events

The Library has evaluated subsequent events through January 15, 2026, the date which the financial statements were available to be issued.