

GRANT COUNTY PUBLIC LIBRARY
BASIC FINANCIAL STATEMENTS
SUPPLEMENTARY INFORMATION
And
INDEPENDENT AUDITOR'S REPORTS
Year Ended June 30, 2023

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GRANT COUNTY PUBLIC LIBRARY
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**DENISE M. KEENE
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INDEPENDENT AUDITOR'S REPORT

Board Members
Grant County Public Library
Williamstown, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Grant County Public Library, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Grant County Public Library, as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Resonsibilities 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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:

- o Exercise professional judgment and maintain professional skepticism throughout the audit.
- o 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.
- o 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 the Library's internal control. Accordingly, no such opinion is expressed.
- o 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.
- o Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 6, and the Budgetary Comparison on page 29, Schedule of the Proportionate Share of the Net Pension Liability, on page 30, Schedule of the Pension Contributions on page 31, Schedule of the Library's Proportionate Share of the Net OPEB Liability on page 32, and the Schedule of the Library OPEB Contributions on page 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 consists 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.

Emphasis of Matter

As described in Note J to the financial statements, the Board adopted new accounting guidance, GASB Statement No 96, Subscription*Based information Technology Arrangement (SBITA). The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITA's. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issue our report dated September 8, 2023 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 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 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.

Denise M. Keene

Denise M. Keene, CPA
Georgetown, Kentucky
September 8, 2023

**GRANT COUNTY PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)
YEAR ENDED JUNE 30, 2023**

As management of the Grant County Public Library (Library), we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

The beginning cash balance for the Library was \$3,464,799.

The ending cash balance for the Library was \$4,188,773.

Collections

Grant County Public Library (Library) staff worked on several collections management projects throughout the 2022/2023 fiscal year. Staff completed two inventory projects of the entire GCPL collection. This information will be used during the next fiscal year to update our online catalog, which will also be updated by OCLC for WorldCat/ILL use.

We added a number of display shelving to create more faceout space for new Adult Fiction and Nonfiction materials. This was done in recognition of the new materials shelving unit being frequently over-shelved and staff observation that patrons are more likely to check out materials from the shelves that are better displayed.

Shortly before the end of the fiscal year, we updated our lease program through Baker & Taylor to increase leased of popular authors to 2 copies per title. This was done because these are our most frequently circulated authors, and there was an observable lag between the time that we received the standing order copy and the lease copy.

Youth Services weeded a large amount of older, well-used, and outdated nonfiction books. The space created will allow for easier browsing capabilities for patrons, more face-outs of materials, updates to popular subjects, and a worksheet project that is intended to bolster area Homeschool and out-of-school use of the library.

Facilities

Additional acoustic panels added to the AV/Teen area, which has significantly reduced excess noise created by the high ceilings.

New display shelving was added throughout the Adult section.

New study carrels were added to the Adult section. The fabric carrels were moved to the Circle Room to create a more comfortable feel. This space has seen the highest increase of patron use since the redecoration.

A theater curtain was added to the entryway of the Childrens Dept. This has both created a whimsical aesthetic for parents and children entering the area, as well as helps catch some of the noise in an area of the library where noise levels are understood to be a little higher.

Training

We moved to a quarterly training model. Each quarter.

Fall 2022:

- Universal Class: Basic Research Skills (9hr course)
- OLC:Communicating with Patrons (1hr course)
- Databases: Britannica suite; Learning Express - Build Resumes
- St. Elizabeth's Presentation: Time Management

Winter 2022:

- Universal Class: Conflict Resolution 101 (8hr course)
- OLC:Communicating with Patrons (1hr course, repeat for new staff)
- Databases: NoveList
- St. Elizabeth's Presentation: Conflict Resolution

Spring 2023:

- Universal Class: Decision Making skills (11hr course)
- Gateway CTC: Information Literacy Introduction

Marketing

We entered into a contract with Grant County News to receive substantial discounts on all library marketing posts. This was created in part with our fridge calendar project, where GCN prints a scaled-down half-page copy of the library's monthly calendar of events. GCPL still receives free article, job list, and board application posts.

We began an email newsletter that now goes out three times a month to over 100 patrons and growing:

- Before new month: Monthly Calendar of Events highlights and printable calendar
- Beginning of the month: Collection highlights
- Middle of the month: New materials highlights

We created a new library write-up for the Grant County guide.

We purchased new software through Bibliotheca, Ebsco, and Polaris to start multiple new catalog and online marketing avenues in the new fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements comprise three components: 1) government-wide financial statement, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Library's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating. The statement of activities presents information showing how the Library's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The government-wide financial statements outline functions of the Library that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the Library include public service, operation and maintenance of plant, and administration. Fixed assets and related debt is also supported by taxes and intergovernmental revenues.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Library can be divided into three categories: governmental, proprietary funds and fiduciary funds. The Library does not currently have any proprietary or fiduciary funds. All other activities of the Library are included in the governmental funds. The basic governmental fund financial statements can be found on pages 9 through 12 of this report report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 28 of this report. Net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities by \$4,864,068 as of June 30, 2023. The largest portion of the Library's net assets reflects its investment in capital assets. The Library's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Position for the period ending June 30, 2022 and June 30, 2023

The Library is following GASB 34 the following is a comparison of assets, liabilities and net position. 2022 Government Wide compared to 2023 are as follows:

	Net Position	
	<u>2023</u>	<u>2022</u>
Total Assets	\$9,193,209	\$8,727,230
Deferred Outflows of Resources	\$320,944	\$304,405
Total Liabilities	\$4,158,355	\$4,385,567
Deferred Inflows of Resources	\$491,730	\$470,989
Net Position		
Investment in capital assets (net of related debt)	\$2,006,655	\$2,162,839
Restricted	102,738	20,275
Committed	1,081,684	1,033,527
Unrestricted	<u>1,672,991</u>	<u>958,438</u>
Total Net Position	\$4,864,068	\$4,175,079

Changes in Net Position for the period ending June 30, 2023 and June 30, 2022

The following presents a summary of revenue and expense comparing 2023 to 2022.

Revenues	Changes in Net Position	
	<u>2023</u>	<u>2022</u>
Taxes	\$1,764,687	\$1,735,533
Intergovernmental	92,082	81,900
Earnings on Investments	110,865	2,535
Other Local Revenues	13,313	12,860
Donations	<u>650</u>	<u>834</u>
Total Revenues	1,981,597	1,833,662
Expenses		
Public Service	746,628	825,251
Plant Operations	364,755	342,325
Library Administration	69,690	58,854
Interest Expense	<u>111,535</u>	<u>115,394</u>
Total Expenses	1,292,608	1,341,824
Change in Net Position	688,989	491,838
Beginning Net Position	<u>4,175,079</u>	<u>3,683,241</u>
Ending Net Position	\$4,864,068	\$4,175,079

The government's overall financial position and results of operations improved as a result of the year's operations as reflected in the increase in net position for the year.

Budget Comments

The Library's fiscal year is July 1 to June 30. The original budget was for \$1,773,100 a revision was not done between codes during the year, however the final budget was \$1,773,100

INFRASTRUCTURE

The Library has not reported any infrastructure in the current financial statements.

Analysis of Balances and Transactions of Individual Funds

Fund	Beginning	Revenues	Expenses	Transfers	Ending
General Fund	\$3,427,450	\$1,899,134	\$1,050,823	(\$212,545)	\$4,063,216
Debt Service Fund	\$20,275	\$82,463	\$212,545	\$212,545	\$102,738

Capital Assets

Governmental	Beginning	Additions	Deductions	Ending
Capital Assets	\$8,158,596	\$118,752	\$0	\$8,277,348
Accumulated Depreciation	\$2,905,757	\$374,936	\$0	\$3,280,693
Bonds Payable	\$3,090,000	\$0	\$100,000	\$2,990,000

CURRENT ISSUES

No comments

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Patrick Goodman 859-824-2080, or by mail at 201 Barnes Road, Williamstown, KY 41097.

GRANT COUNTY PUBLIC LIBRARY
STATEMENT OF NET POSITION
GOVERNMENT WIDE
As of June 30, 2023

	Governmental Activities
ASSETS	
Cash and equivalents	\$4,188,773
Accounts receivable	7,781
Capital Assets - Note C	8,277,348
Less: accumulated depreciation	<u>(3,280,693)</u>
Total assets	\$9,193,209
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows from pension	\$200,323
Deferred outflows from OPEB	<u>120,621</u>
Total Deferred Outflows of Resources	\$320,944
LIABILITIES	
Current Liabilities	
Accounts payable	\$13,413
Accrued wages	17,187
Accrued interest expense	27,417
Long-term liabilities	
Due within 1 year	105,000
Due in more than 1 year	2,885,000
Pension liability	872,253
OPEB liability	<u>238,085</u>
Total liabilities	4,158,355
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows from pension	\$296,300
Deferred inflows from OPEB	<u>195,430</u>
Total Deferred Inflows of Resources	\$491,730
NET POSITION	
Net investment in capital assets	\$2,006,655
Restricted for:	
Debt service	102,738
Committed for:	
Depreciation	50,000
Capital Development	400,000
Contingency	631,684
Unrestricted	<u>1,672,991</u>
Total net position	\$4,864,068

See accompanying notes

GRANT COUNTY PUBLIC LIBRARY
STATEMENT OF ACTIVITIES
GOVERNMENT WIDE
For the year ended June 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Program Revenues		Governmental Activities	Net (Expense) Revenue and Changes in Net Position	
			Operating Grants and Contributions	Capital Grants and Contributions		Business-type Activities	Total
Governmental Activities							
Public service	\$746,628	\$0	\$13,313	\$10,182	(\$723,133)	\$	(\$723,133)
Plant operation and maintenance	364,755				(364,755)		(364,755)
Library administration	69,690				(69,690)		(69,690)
Interest expense	<u>111,535</u>			<u>81,900</u>	<u>(29,635)</u>		<u>(29,635)</u>
Total governmental activities	1,292,608	<u>0</u>	<u>13,313</u>	<u>92,082</u>	(1,187,213)		(1,187,213)
			General Revenues				
			Taxes		\$1,764,687		\$1,764,687
			Contributions		650		650
			Investment earnings		<u>110,865</u>		<u>110,865</u>
			Total general		1,876,202		1,876,202
			Change in net position		688,989		688,989
			Net position - beginning		<u>4,175,079</u>		<u>4,175,079</u>
			Net position - ending		\$4,864,068		\$4,864,068

See accompanying notes

GRANT COUNTY PUBLIC LIBRARY
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2023

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$3,444,524	\$20,275	\$3,464,799
Other receivables	<u>9,592</u>		<u>9,592</u>
TOTAL ASSETS	\$3,454,116	\$20,275	\$3,474,391
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$11,250	\$0	\$11,250
Accrued wages	<u>15,416</u>		<u>15,416</u>
Total liabilities	26,666	0	26,666
Fund Balances			
Restricted			
Debt Service		20,275	20,275
Committed			
Depreciation	50,000		50,000
Capital Development	400,000		400,000
Contingency	583,527		583,527
Unassigned	<u>2,393,923</u>		<u>2,393,923</u>
Total fund balances	3,427,450	20,275	3,447,725
Total Liabilities and Fund Balance	\$3,454,116	\$20,275	\$3,474,391

See accompanying notes

GRANT COUNTY PUBLIC LIBRARY
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
 THE STATEMENT OF NET POSITION
 June 30, 2023

Amounts reported for governmental activities in the statement of net position
 are different because:

Total Fund Balance - Governmental Funds	\$4,165,954
Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net position	4,996,655
Deferred outflows of resources are not reported in the fund financial statement because they are not current financial resources, but they are reported in the statement of net position	320,944
Deferred inflows of resources are not reported in the fund financial statement because they are not current financial resources, but they are reported in the statement of net position	(491,730)
Certain liabilities are not reported in this fund financial statement because they are not due and payable, but they are presented in the statement of net position	
	Bonds Payable (2,990,000)
	Pension Liability (872,253)
	OPEB Liability (238,085)
	Accrued Interest on Bonds <u>(27,417)</u>
Total Net Position - Governmental Activities	\$4,864,068

See accompanying notes

GRANT COUNTY PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2023

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues			
From local sources			
Taxes	1,764,687		1,764,687
Earnings on investments	110,302	563	110,865
Contributions	650		650
Other local revenues	13,313		13,313
Intergovernmental-State	<u>10,182</u>	<u>81,900</u>	<u>92,082</u>
Total revenues	1,899,134	82,463	1,981,597
Expenditures			
Public service	806,163		806,163
Plant operation and maintenance	174,970		174,970
Library administration	69,690		69,690
Debt service		<u>212,545</u>	<u>212,545</u>
Total expenditures	<u>1,050,823</u>	212,545	1,263,368
Excess(deficit)of revenues over expenditures	848,311	(130,082)	718,229
Other Financing Sources (Uses)			
Operating Transfers In		212,545	212,545
Operating Transfers Out	<u>(212,545)</u>		<u>(212,545)</u>
Total Other Financing Sources (Uses)	<u>(212,545)</u>	212,545	0
Change in Fund Balance on Statement of Revenues, Expenditures, and Changes in Fund Balances Government Funds	635,766	82,463	718,229
Fund balance, July 1, 2022	<u>3,427,450</u>	<u>20,275</u>	<u>3,447,725</u>
Fund balance, June 30, 2023	\$4,063,216	\$102,738	\$4,165,954

See accompanying notes

GRANT COUNTY PUBLIC LIBRARY
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
 THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2023

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

Total net change in fund balances - governmental funds \$718,229

Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.

Depreciation Expense	(374,936)	
Capital Outlays	<u>118,752</u>	(256,184)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Repayment of Bond Principal		100,000
Deferred Outflows		16,539
Deferred Inflows		(20,741)

Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.

Change in Pension Liability	81,819
Change in OPEB Liability	48,317
Change in Accrued Interest	<u>1,010</u>

Total Change in Net Position - Governmental Activities \$688,989

See accompanying notes

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Grant County Public Library (Library) is a special taxing district created under Kentucky Revised Statutes 173.710. The Library was established on May 13, 1976.

Basis of Presentation

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Library that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities present a comparison between direct expenses and program revenues for each segment of the business-type activities of the Library and for each function or program of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Library, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Library.

Fund Balance Classification Policies and Procedures

The Board intends that accounting practices follow state and federal laws and regulations and generally accepted accounting policies.

Nonspendable Fund Balance

Amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact will be classified as Nonspendable Fund Balance.

GRANT COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

Restricted Fund Balance

Fund balance will be reported as restricted when constraints placed on the use of resources are either, (a) externally imposed by creditors, granters, contributors, or laws or regulations or other governments; (b) imposed by laws through constitutional provisions or enabling legislation. The Board will use restricted amounts before unrestricted amounts when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board will be reported as committed fund balance.

Assigned Fund Balance

Amounts that have been assigned for a specific purpose by formal resolution of the Board will be reported as assigned fund balance for a specific purpose.

Unassigned Fund Balance

Unassigned Fund Balance is the residual classification for the general fund.

When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used, the funds will first be spent from committed, then assigned, and then finally unassigned.

Fund Financial Statements - Fund financial statements report detailed information about the Library. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the changes in net total position. Proprietary funds and fiduciary funds are reported using the economic resources measurement focus. The statement of cash flows provides information about how the Library finances and meets the cash flow needs of its proprietary activities.

The Library has the following funds:

I. Governmental Fund Types

- (A) The General Fund is the primary operating fund of the Library. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use. This is a major fund of the Library.
- (B) Construction Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment.

GRANT COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

II. Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and for the payment of interest on general obligation notes payable, as required by Kentucky law.

III. Proprietary Funds (Enterprise Fund)

The Proprietary Fund is used to account for business-type activities. The Library does not currently have any proprietary funds.

IV. Fiduciary Fund Type (Agency and Private Purpose Trust Funds)

The Fiduciary Fund is used to account for agency and private purpose trust funds. The Library does not currently have any fiduciary funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues - Exchanges and Non-exchange Transactions - Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Library available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Library must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the Library on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before they can be recognized.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirement are met are recorded as deferred revenue.

GRANT COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Property Taxes

Property Tax Revenues - Property taxes are levied each September on the assessed value listed as of the prior January 1, for all real and personal property in the county. The billings are considered due upon receipt by the taxpayer; however, the actual date is based on a period ending 30 days after the tax bill mailing. Property taxes collected are recorded as revenues in the fiscal year for which they were levied.

The property tax rates assessed for the year ended June 30, 2023, to finance the General Fund operations were \$.103 per \$100 valuation for real property, \$.1286 per \$100 valuation for personal property, and \$.03 per \$100 valuation for motor vehicles.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the governmental-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Library maintains a capitalization threshold of one thousand dollars. The Library does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives for both general capital assets and proprietary fund assets:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	25 - 50 years
Technology Equipment	5 years
Furniture and Fixtures	20 years

GRANT COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statements of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Budgetary Process

Budgetary Basis of Accounting: The Library's budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major differences between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Cash and Cash Equivalents

The Library considers demand deposits, money market funds, and other investments with an original maturity of 90 days or less, to be cash equivalents.

Prepaid Assets

Payments made that will benefit periods beyond June 30, 2023 are recorded as prepaid items using the consumption method. Prepaid assets are only recorded if material to the financial statements.

Subsequent Events

Subsequent events were considered through September 8, 2023, which represents the date of our report.

GRANT COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources.

Fund Balance Reserves

The Library reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods.

Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Library or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Interfund Activity

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GRANT COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

Postemployment Benefits Other than Pensions (OPEB). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources, and expense, information about the fiduciary net position of the CERS and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by CERS. The plans recognizes benefit payments when due and payable in accordance with the benefit term.

Uses of Estimates

The process of preparing financial statements in conformity with general accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, designated fund balances, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Encumbrances

Encumbrances are not liabilities and therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are reappropriated in the next year. Accordingly, no differences exist between actual results and the applicable budgetary data presented in the accompanying combined financial statements.

NOTE B - PROPERTY TAX CALENDAR

Property taxes for fiscal year 2023 were levied on the assessed valuation of property located in the County as of January 1, 2022 lien date. The due date and collection periods for all taxes exclusive of vehicle taxes are as follows:

Description	per KRS 134.015
Due date for payment of taxes	Upon receipt
Face value amount payment date	December 31
Delinquent date, 5% penalty	January 1 -31
Delinquent date, 10% penalty	February 1

Vehicle taxes are collected by the County Clerk and are due and collected in the birth month of the vehicle's licensee.

GRANT COUNTY PUBLIC LIBRARY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2023

NOTE C - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Governmental Activities				
Land and improvements	\$104,651	\$0	\$0	\$104,651
Buildings and improvements	5,725,665	19,721		5,745,386
Technology equipment	153,171			153,171
Vehicle	25,150			25,150
Furniture, fixtures, books	<u>2,149,959</u>	<u>99,031</u>		<u>2,248,990</u>
Totals at historical cost	8,158,596	118,752	0	8,277,348
Less: accumulated depreciation				
Buildings and improvements	1,286,798	234,053		1,520,851
Technology equipment	130,991	7,508		138,499
Vehicle	25,150			25,150
Furniture, fixtures, books	<u>1,462,818</u>	<u>133,375</u>		<u>1,596,193</u>
Total accumulated depreciation	2,905,757	374,936	0	3,280,693
Governmental Activities - Capital Assets - Net	\$5,252,839	(\$256,184)	\$0	\$4,996,655

NOTE D - CONTINGENCIES

The District sometimes receives funding from federal, state and local government agencies. These funds are to be used for designated purposes only. For government agency grants, if the grantor's review indicates that the funds have not been used for the intended purpose, the grantor's may request a refund of monies advanced or refuse to reimburse the Library for its disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant.

NOTE E - INSURANCE AND RELATED ACTIVITIES

The Library is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, accidents, errors and omissions, fiduciary responsibilities, etc. Each of these risk areas are covered through the purchase of commercial insurance.

GRANT COUNTY PUBLIC LIBRARY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2023

NOTE F - CASH AND CASH EQUIVALENTS

At year end, the carrying amounts of the Library's cash and cash equivalents was \$4,188,773. The bank balance was \$4,202,160. The difference is the result of deposits in transit, outstanding checks and cash on hand. Of the total bank balance \$250,000 was covered by federal deposit insurance and the balance was covered by collateral held in the Library's name at Heritage Bank. Therefore, at June 30, 2023 all deposit bank balances were fully collateralized or insured.

NOTE G - BONDS PAYABLE

The amount shown in the accompanying financial statements as bonds payable represents the Library's future obligations to make lease payments relating to the bonds issued aggregating \$4,312,750

The following schedule is a summary of future payments.

Fiscal Year	Principal	Interest	Total	KDLA Grant
2023-24	105,000	108,500	213,500	81,900
2024-25	110,000	104,300	214,300	81,900
2025-26	115,000	99,900	214,900	81,900
2026-31	625,000	435,575	1,060,575	409,500
2031-36	725,000	326,250	1,051,250	409,500
2036-41	525,000	205,838	730,838	81,900
2041-46	545,000	108,062	653,062	
2046-48	<u>240,000</u>	<u>13,500</u>	<u>253,500</u>	
	\$2,990,000	\$1,401,925	\$4,391,925	\$1,146,600

	Beginning	Additions	Deductions	Ending
Bonds	\$3,090,000	\$0	\$100,000	\$2,990,000

NOTE H - COMMITTED FUNDS

On March 12, 2012 the Board of Directors passed a resolution to commit the following funds:
 A **Depreciation Fund** shall retain moneys necessary for renewing, restoring, replacing, or substituting Library property to maintain the Library's continuity of service. The initial balance shall be set at \$50,000 or such greater amount as may be determined by the Library Board.
 A **Capital Development Fund** shall retain moneys necessary to support future building, renovation, and land acquisition projects for expansion purposes.
 A **Contingency Fund** shall maintain a reserve of six months' operating expenses to be used for unforeseen emergencies such as late tax collection, property damage, and any other circumstances that would hinder the normal operation of the Library.

GRANT COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - RETIREMENT PLAN

Library employees who work at least 100 hours per month participate in the County Employees Retirement System (CERS). Under the provisions of Kentucky Revised Statute 61.645, the Board of Trustees of Kentucky Retirement Systems administers the CERS.

CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or by calling (502) 564-4646 or at <https://kyret.ky.gov>

CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each county and school board, and any additional eligible local agencies electing to participate in the System. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living (COLA) adjustments are provided at the discretion of the state legislature.

Non-hazardous Contribution - For the year ended June 30, 2023 plan members were required to contribute 5% of their annual compensation. Members with a participation date on or after September 1, 2008 must contribute an additional 1%. Participating employers were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute 61.565(3), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last preceding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of the biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. For the year ended June 30, 2023, participating employer's contributed 23.40% of each employee's creditable compensation. Administrative costs of Kentucky Retirement System are financed through employer contributions and investment earnings.

Benefits provided: Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents.

Contributions: Funding for CERS is provided by members who contribute 5% (6% for employees hired after September 1, 2008) of their salary through payroll deductions and by employers of members who contribute 23.40% of the member's salary. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

GRANT COUNTY PUBLIC LIBRARY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2023

NOTE I - RETIREMENT PLAN (continued)

At June 30, 2023, the Library reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The Library's proportion of the net pension liability was based on contributions to CERS during the fiscal year ended June 30, 2022. At June 30, 2022 the Library's proportion was 0.012066%.

For the year ended June 30, 2023, the Library recognized pension expense of \$43,481. At June 30, 2023, the Library reported deferred outflows of resources for Library contributions subsequent to the measurement date of \$79,116 and deferred outflows of resources related to pensions from the net difference between projected and actual earnings on pension plan investments in the amount of \$121,207. The Library had deferred inflows of \$296,300.

Library contributions subsequent to the measurement date of \$79,116 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to CERS will be recognized in pension expense as follows:

<u>Year:</u>	<u>Outflows</u>
2023	(125,320)
2024	(67,221)
2025	(7,330)
2026	24,778
2027	0
thereafter	<u>0</u>
Total	(\$175,093)

Actuarial Methods and Assumptions: The total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2022. The financial reporting actuarial valuation as of June 30, 2022, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement.

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Amortization Period	30 year closed period at June 30, 2019 <i>Gains/Loses incurred after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate	2.00%
Inflation	2.30%
Salary Increase	3.30% to 10.30% varies by service
Investment Rate of Return	6.25%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.

GRANT COUNTY PUBLIC LIBRARY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2023

NOTE I - RETIREMENT PLAN (continued)

Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
Phase-In provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018

The mortality table used for active members was a PUB-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The long-term expected return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighing the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below. The current long term inflation assumption is 2.30% per annum.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity		
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income		
Core Bonds	10.00%	0.28%
Specialty Credit/High-Yield	10.00%	2.28%
Cash	0.00%	-0.19%
Inflation Protected		
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
Expected Real Return	100.00%	4.28%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		6.58%

Discount Rate: The projection of cash flows used to determine the discount rate of 6.25% for the CERS Non-hazardous assumed that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as amended by House Bill 362 (passed in 2021) over the remaining 29 years (closed) amortization period of the unfunded actuarial accrued liability).

NOTE I - RETIREMENT PLAN (continued)

The Schedule of Deferred Inflows and Outflows, and Pension Expense include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions and differences between projected and actual earnings on plan investments. The Schedule does not include deferred outflows/inflows of resources for changes in the employer's proportionate share of contributions or employer contributions made subsequent to the measurement date. The net pension liability as of June 30, 2022, is based on the June 30, 2021 actuarial valuation rolled forward. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period.

Sensitivity of the Library's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Library's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate.

	1% Decrease 5.25%	Current Discount Rate 6.25	1% Increase 7.25
Library's proportionate share of the net pension liability	\$1,090,208	\$872,253	\$691,986

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CERS financial report which is publically available at <https://kyret.ky.gov>

Payables to the pension plan: At June 30, 2023 the Library had payables to CERS in the amount of \$0 for June's covered payroll with contributions required to be paid in July.

OPEB

CERS Non-hazardous Insurance Fund is a cost-sharing multiple-employer defined benefit Other Postemployment Benefits (OPEB) plan for members that cover all regular full-time members. The plan provides for health insurance benefits to plan members. OPEB may be extended to beneficiaries of plan members under certain circumstances.

The net OPEB liability is the total OPEB liability, less the amount of the plan's fiduciary net portion. The total OPEB liability, net OPEB liability, and sensitivity information shown in this report are based on an actuarial valuation performed as of June 30, 2021. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2022, using generally accepted actuarial principles.

GRANT COUNTY PUBLIC LIBRARY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2023

NOTE I - RETIREMENT PLAN (continued)

Discount Rate - Single discount rates of 5.70% were used to measure the total OPEB liability as of June 30, 2022. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.25%, and a municipal bond rate of 3.69%, as reported in Fidelity Index's "20-Year Municipal Go AA Index" as of June 30, 2022. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the retirement system. However, the cost associated with the implicit employer subsidy was not included in the calculation of the KRS' actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the KRA' trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

The projection of cash flows used to determine the single discount rate must include an assumption regarding future employer contributions made each year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding.

The Library's proportionate share of the Net OPEB Liability as of June 30, 2022 is \$238,085. The Library's proportionate share is 0.012064%. The Library's proportionate share of the OPEB expense is \$15,823. The total Deferred Outflows of Resources is \$109,159 and the total Inflows of Resources is \$195,430. Total employer contributions were \$13,913, implicit subsidy was \$8,584 for a total contributions of \$22,497.

OPEB

	Discount Rate Sensitivity		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	4.70%	5.70%	6.70%
Net OPEB Liability	\$318,281	\$238,085	\$171,789

	Healthcare Cost Trend Rate Sensitivity		
	1%	Current	1%
	Decrease	Discount Rate	Increase
Net OPEB Liability	\$177,011	\$238,085	\$311,423

GRANT COUNTY PUBLIC LIBRARY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2023

NOTE I - RETIREMENT PLAN (continued)

The following actuarial methods and assumptions, for actuarially determined contributions effective for fiscal year ending June 30, 2022:

Inflation	2.30%
Payroll Growth Rate	2.00%
Salary Increases	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%
Healthcare Trend Rates (Pre-65)	Initial trend starting at 6.20%, at January 1, 2024 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
(Post-65)	Initial trend starting at 9.00% at January 1, 2024 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Mortality Pre-retirement	PUB-2010 General Mortality table, for the System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010
Post-retirement (non-disabled)	System-specific mortality table based on mortality experience from 2013-18, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010

OPEB

The following is a summary of collective Deferred Outflows and Inflows of Resources arising from current and prior reporting periods.

Deferred Amounts to be recognized in Fiscal Years Ending	
Year	Deferred Outflows/ (Inflows) of Resources
	MIF
2023	(20,698)
2024	(21,463)
2025	(35,336)
2026	(8,774)
2027	0
thereafter	<u>0</u>
Total	(86,271)

GRANT COUNTY PUBLIC LIBRARY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2023

NOTE I - RETIREMENT PLAN (continued)

	Pension	OPEB
Deferred Outflows		
Liability Experience	\$933	\$23,965
Assumption Changes	0	37,655
Investment Experience	118,687	44,334
Change in Proportionate & Differences between Employer Contrib & Proportionate share Plan Contrib	<u>1,587</u>	<u>3,205</u>
Subtotal	121,207	109,159
Subsequent Contributions	<u>79,116</u>	<u>11,462</u>
TOTAL	\$200,323	\$120,621
 Liabilities	 \$872,253	 \$238,085
 Deferred Inflows		
Liability Experience	\$7,768	\$54,598
Assumption Changes	0	31,027
Investment Experience	96,326	34,671
Change in Proportionate & Differences between Employer Contrib & Proportionate share Plan Contrib	<u>192,206</u>	<u>75,134</u>
TOTAL	\$296,300	\$195,430

NOTE J - GASB 96

The Library has adopted GASB 96, Subscription-Based Information Technology Arrangement (SBITA). The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITA's. All of the Library's subscriptions are 12 months or less and not subject to the standard.

SUPPLEMENTAL INFORMATION

GRANT COUNTY PUBLIC LIBRARY
 BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$1,610,000	\$1,610,000	\$1,764,687	\$154,687
Intergovernmental - State	\$151,900	\$151,900	\$10,182	(141,718)
Earnings on investments	2,000	2,000	110,302	108,302
Contributions	0	0	650	650
Other local revenues	<u>9,200</u>	<u>9,200</u>	<u>13,313</u>	<u>4,113</u>
TOTAL REVENUES	1,773,100	1,773,100	1,899,134	126,034
EXPENDITURES				
Public service	1,185,360	1,185,360	806,163	379,197
Plant operation and maintenance	205,000	205,000	174,970	30,030
Library administration	<u>69,690</u>	<u>69,690</u>	<u>69,690</u>	<u>0</u>
TOTAL EXPENDITURES	1,460,050	1,460,050	1,050,823	409,227
Excess (Deficit) of Revenues Over Expenditures	313,050	313,050	848,311	535,261
Other Financing Sources (Uses)				
Operating Transfers Out	<u>(291,294)</u>	<u>(291,294)</u>	<u>(212,545)</u>	<u>78,749</u>
Total Other Financing Sources (Uses)	(291,294)	(291,294)	(212,545)	78,749
Change in Fund Balance	21,756	21,756	635,766	614,010
Fund Balance, July 1, 2022	<u>0</u>	<u>0</u>	<u>3,427,450</u>	<u>3,427,450</u>
Fund Balance, June 30, 2023	\$21,756	\$21,756	\$4,063,216	\$4,041,460

GRANT COUNTY PUBLIC LIBRARY
 SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 For The Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Library's proportion of the net pension liability (asset) CERS	\$872,253	\$954,072	1,335,946	\$1,188,866	\$1,027,739	\$980,546	\$860,803	\$625,191	\$493,000
Library's proportionate share of the net pension liability (asset) CERS	0.012066%	0.014964%	0.017400%	0.016900%	0.016875%	0.016752%	0.017483%	0.01454%	0.015196%
Library's covered employee payroll CERS	\$375,990	\$409,324	\$446,136	\$426,397	\$426,398	\$418,234	\$408,219	\$485,024	\$348,874
Library's proportionate share of the net pension liability (asset) as a percentage of its covered payroll CERS	231.99%	233.08%	299.45%	278.82%	241.03%	234.45%	210.87%	128.90%	141.31%
Plan fiduciary net position as a percentage of the total pension liability CERS	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.60%

Note: The schedule is intended to show information for the last 10 fiscal years.
 Additional years will be displayed as they become available.

GRANT COUNTY PUBLIC LIBRARY
 SCHEDULE OF THE LIBRARY PENSION CONTRIBUTIONS
 For The Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions										
CERS	\$76,004	\$73,767	\$86,110	\$69,162	\$60,560	\$61,965	\$77,304	\$77,225	\$65,902	\$64,155
Contributions in relation to the contractually required contribution										
CERS	\$76,004	\$73,767	\$86,110	\$69,162	\$60,650	\$61,965	\$77,304	\$77,225	\$65,902	\$64,155
Contribution deficiency (excess)										
CERS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Library's covered employee payroll										
CERS	\$375,990	\$409,324	446,136	\$426,397	\$426,398	\$418,234	\$408,219	\$485,024	\$348,874	\$317,686
Contributions as a percentage of covered employee payroll										
CERS	20.21%	18.02%	19.30%	16.22%	14.20%	14.82%	18.94%	15.92%	18.89%	20.19%

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

GRANT COUNTY PUBLIC LIBRARY
 SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 For The Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Library's proportion of the net OPEB liability (asset)	\$238,085	\$286,402	\$420,741	\$284,250	\$299,595	\$336,773
Library's proportionate share of the net OPEB liability (asset)	0.012064%	0.014960%	0.017400%	0.016900%	0.016874%	0.016752%
Library's covered employee payroll CERS	\$375,990	\$409,324	\$446,136	\$426,397	\$426,398	\$418,234
Library's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	63.32%	69.97%	94.31%	66.66%	70.26%	80.52%
Plan fiduciary net position as a percentage of the total OPEB liability CERS	60.95%	89.15%	51.67%	60.44%	57.62%	52.40%

Note: The schedule is intended to show information for the last 10 fiscal years.
 Additional years will be displayed as they become available.

GRANT COUNTY PUBLIC LIBRARY
 SCHEDULE OF THE LIBRARY OPEB CONTRIBUTIONS
 For The Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Contractually required contributions	\$13,913	\$18,193	\$21,237	\$22,429	\$19,657	\$19,292
Contributions in relation to the contractually required contribution	\$13,913	\$18,193	\$21,237	\$22,429	\$19,657	\$19,292
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0
Library's covered employee payroll	\$375,990	\$409,324	\$446,136	\$426,397	\$426,398	\$418,234
Contributions as a percentage of covered employee payroll	3.70%	4.44%	4.93%	5.26%	4.61%	4.61%

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

GRANT COUNTY PUBLIC LIBRARY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2023

PENSIONS

Changes of benefit terms

CERS

None

Changes of assumptions

CERS

There have been no changes in actuarial assumptions since June 30, 2021.

OPEB

Changes of benefit terms

CERS - None

Changes of assumptions

CERS

The discount rates used to calculate the total OPEB liability increased since the prior year. There were no other material assumption changes.

**DENISE M. KEENE
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 1444
GEORGETOWN, KY 40324
859-421-5062**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF THE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Grant County Public Library
Members of the Board of Directors
Williamstown, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Grant County Public Library, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon September 8, 2023.

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 the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free of 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Denise M. Keene

Denise M. Keene, CPA
Georgetown, Kentucky
September 8, 2023