

GRANT COUNTY PUBLIC LIBRARY

BASIC FINANCIAL STATEMENTS  
SUPPLEMENTARY INFORMATION  
And  
INDEPENDENT AUDITOR'S REPORTS

Year Ended June 30, 2021

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GRANT COUNTY PUBLIC LIBRARY  
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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, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Grant County Public Library, as of June 30, 2021, 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.

**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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issue our report dated September 8, 2021 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, 2021

**GRANT COUNTY PUBLIC LIBRARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)  
YEAR ENDED JUNE 30, 2021**

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, 2021. 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 \$2,195,918.  
The ending cash balance for the Library was \$2,832,675.

At the beginning of the 2020/21 fiscal year, Grant County Public Library (GCPL) was open in a limited capacity to the public. This capacity included curbside delivery service of all physical library materials to patrons. Materials were checked out to the patron prior to pick-up, and brought out to the three designated parking areas to be delivered to the patron through his or her car window. All returned materials were initially quarantined for four (4) days before returning to circulation. Patrons were also able to access the internet via Wi-Fi coverage that extends to the library parking lot and spread-out, limited-capacity seating in plastic foldout tables with GCPL laptops. Limited patronage began during the late Fall of 2020, was temporarily paused again, and opened once more to limited patronage with mandatory facial masks in January 2021.

Programming from July 2020 to May 2021 consisted of pre-assembled activity bags filled with educational and entertainment materials for multiple age groups. The library passed out an average of 120 bags for children and 60 for adults per month. We held an online story time in August, with 39 views. We also held Storytime in the Garden programming in September (38 adults, 26 ages 3-5, and 27 ages 0-2) and October (42 adults, 38 ages 2-5, and 32 ages 0-2). Finally, we hosted a Halloween in the Part that had 302 children ages 0-10 in attendance. In-person programminw with registration requirements began again in May 2021. Story times were held outside twice a week. Registrations of 35 people maximum were full for every program.

Due to the quarantine happened so soon after the completion of the new construction, we have had to learn at intervals what parts of the facilities need to be completed, reconfigured, or added to. Seko Electric was contacted to clean up the floor wiring around computer areas, and are helping with planning in adding a light fixture to illuminate a portion of the Adult Non-Fiction section. Architectural Firm REH was contacted to inspect and install acoustic banners in portions between the new and old building. Replacement outdoor furniture was researched for purchase, and will be carried into the next fiscal year. The geothermal system had several issues throughout the year, including a break in the main water pump caused by a shift in the hill.

Susan Nimersheim retired as executive director after 13 years in December 2020.

Patrick Goodman was hired as the new executive director in April 2021.

## **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 statements, 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.

**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 \$3,683,241 as of June 30, 2021. 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, 2021 and June 30, 2020**

The Library is following GASB 34 the following is a comparison of assets, liabilities and net position. 2021 Government Wide compared to 2020 are as follows:

	<b>Net Position</b>	
	<u><b>2021</b></u>	<u><b>2020</b></u>
Total Assets	\$8,384,630	\$8,132,565
Deferred Outflows of Resources	\$434,693	\$372,857
<b>Total Liabilities</b>	<b>\$5,031,446</b>	<b>\$4,884,639</b>
Deferred Inflows of Resources	\$104,636	\$153,140
<b>Net Position</b>		
Investment in capital assets (net of related debt)	\$2,358,141	\$2,464,143
Restricted	20,285	93,454
Committed	1,101,730	1,041,404
Unrestricted	<u>203,085</u>	<u>(131,358)</u>
<b>Total Net Position</b>	<b>\$3,683,241</b>	<b>\$3,467,643</b>

**Changes in Net Position for the period ending June 30, 2021 and June 30, 2020**

The following presents a summary of revenue and expense comparing 2021 to 2020.

	<b>Changes in Net Position</b>	
	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>Revenues</b>		
Taxes	\$1,566,615	\$1,522,964
Intergovernmental	153,150	167,911
Earnings on Investments	3,761	8,965
Other Local Revenues	8,665	16,391
Donations	<u>95,488</u>	<u>430</u>
<b>Total Revenues</b>	<b>1,827,679</b>	<b>1,716,661</b>
<b>Expenses</b>		
Public Service	1,003,060	1,062,967
Plant Operations	365,051	210,450
Library Administration	120,181	121,470
Interest Expense	<u>123,789</u>	<u>128,971</u>
<b>Total Expenses</b>	<b>1,612,081</b>	<b>1,523,858</b>
<b>Change in Net Position</b>	<b>215,598</b>	<b>192,803</b>
<b>Beginning Net Position</b>	<u><b>3,467,643</b></u>	<u><b>3,274,840</b></u>
<b>Ending Net Position</b>	<b>\$3,683,241</b>	<b>\$3,467,643</b>

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 \$1,504,000 a revision was done between codes during the year, however the final budget was \$1,504,000

## 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	\$2,163,445	\$1,675,728	\$1,002,523	(\$75,817)	\$2,760,833
Construction Fund	\$73,413	\$30	\$16,060	(\$57,383)	\$0
Debt Service Fund	\$20,041	\$151,921	\$284,877	\$133,200	\$20,285

### Capital Assets

Governmental	Beginning	Additions	Deductions	Ending
Capital Assets	\$7,991,060	\$82,426	\$0	\$8,073,486
Accumulated Depreciation	\$2,150,133	\$380,212	\$0	\$2,530,345
Bonds Payable	\$3,346,088	\$0	\$161,088	\$3,185,000

## 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, 2021

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$2,832,675
Accounts receivable	8,814
Capital Assets - Note C	8,073,486
Less: accumulated depreciation	<u>(2,530,345)</u>
Total assets	\$8,384,630
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows from pension	\$243,978
Deferred outflows from OPEB	<u>190,715</u>
Total Deferred Outflows of Resources	\$434,693
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	\$42,590
Accrued payroll taxes payable	\$5,772
Accrued wages	12,009
Accrued interest expense	29,388
Long-term liabilities	
Due within 1 year	95,000
Due in more than 1 year	3,090,000
Pension liability	1,335,946
OPEB liability	<u>420,741</u>
Total liabilities	5,031,446
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows from pension	\$24,478
Deferred inflows from OPEB	<u>80,158</u>
Total Deferred Inflows of Resources	\$104,636
<b>NET POSITION</b>	
Net investment in capital assets	\$2,358,141
Restricted for:	
Debt service	20,285
Committed for:	
Depreciation	50,000
Capital Development	400,000
Contingency	651,730
Unrestricted	<u>203,085</u>
Total net position	\$3,683,241

See accompanying notes

GRANT COUNTY PUBLIC LIBRARY  
STATEMENT OF ACTIVITIES  
GOVERNMENT WIDE  
For the year ended June 30, 2021

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
<b>Governmental Activities</b>							
Public service	\$1,003,060	\$0	\$7,665	1,000	(\$994,395)	\$	(\$994,395)
Plant operation and maintenance	365,051				(365,051)		(365,051)
Library administration	120,181				(120,181)		(120,181)
Interest expense	<u>123,789</u>		<u>123,789</u>		<u>0</u>		<u>0</u>
Total governmental activities	1,612,081	<u>0</u>	<u>131,454</u>	<u>1,000</u>	(1,479,627)		(1,479,627)
			<b>General Revenues</b>				
			Taxes		\$1,566,615		\$1,566,615
			Intergovernmental		29,361		29,361
			Contributions		95,488		95,488
			Investment earnings		<u>3,761</u>		<u>3,761</u>
			Total general		1,695,225		1,695,225
			Change in net position		215,598		215,598
			Net position - beginning		<u>3,467,643</u>		<u>3,467,643</u>
			Net position - ending		\$3,683,241		\$3,683,241

See accompanying notes

GRANT COUNTY PUBLIC LIBRARY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of June 30, 2021

	General Fund	Construction Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$2,812,390	\$0	\$20,285	\$2,832,675
Other receivables	<u>8,814</u>	<u>          </u>	<u>          </u>	<u>8,814</u>
TOTAL ASSETS	\$2,821,204	\$0	\$20,285	\$2,841,489
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$42,590	\$0	\$0	\$42,590
Accrued payroll taxes payable	5,772			5,772
Accrued wages	<u>12,009</u>	<u>          </u>	<u>          </u>	<u>12,009</u>
Total liabilities	60,371	0	0	60,371
<b>Fund Balances</b>				
<b>Restricted</b>				
Debt Service			20,285	20,285
<b>Committed</b>				
Depreciation	50,000			50,000
Capital Development	400,000			400,000
Contingency	651,730			651,730
Unassigned	<u>1,659,103</u>	<u>          </u>	<u>          </u>	<u>1,659,103</u>
Total fund balances	2,760,833	0	20,285	2,781,118
Total Liabilities and Fund Balance	\$2,821,204	\$0	\$20,285	\$2,841,489

See accompanying notes

GRANT COUNTY PUBLIC LIBRARY  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO  
THE STATEMENT OF NET POSITION  
June 30, 2021

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

<b>Total Fund Balance - Governmental Funds</b>		\$2,781,118
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		5,543,141
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		434,693
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		(104,636)
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	(3,185,000)
	Pension Liability	(1,335,946)
	OPEB Liability	(420,741)
	Accrued Interest on Bonds	<u>(29,388)</u>
<b>Total Net Position - Governmental Activities</b>		<b>\$3,683,241</b>

See accompanying notes

GRANT COUNTY PUBLIC LIBRARY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the year ended June 30, 2021

	General Fund	Construction Fund	Debt Service Fund	Total Governmental Funds
Revenues				
From local sources				
Taxes	1,566,615			1,566,615
Earnings on investments	3,710	30	21	3,761
Contributions	95,488			95,488
Other local revenues	7,665			7,665
Save the Children Grant	1,000			1,000
Intergovernmental-Federal	1,250			1,250
Intergovernmental-State	<u>0</u>		<u>151,900</u>	<u>151,900</u>
Total revenues	1,675,728	<u>30</u>	<u>151,921</u>	1,827,679
Expenditures				
Public service	753,119			753,119
Plant operation and maintenance	129,223			129,223
Library administration	120,181			120,181
Facilities		16,060		16,060
Debt service			<u>284,877</u>	<u>284,877</u>
Total expenditures	<u>1,002,523</u>	<u>16,060</u>	<u>284,877</u>	1,303,460
Excess(deficit)of revenues over expenditures	673,205	(16,030)	(132,956)	524,219
Other Financing Sources (Uses)				
Operating Transfers In	57,383		133,200	190,583
Operating Transfers Out	<u>(133,200)</u>	<u>(57,383)</u>		<u>(190,583)</u>
Total Other Financing Sources (Uses)	(75,817)	(57,383)	<u>133,200</u>	0
Change in Fund Balance on Statement of Revenues, Expenditures, and Changes in Fund Balances Government Funds	597,388	(73,413)	244	524,219
Fund balance, July 1, 2020	<u>2,163,445</u>	<u>73,413</u>	<u>20,041</u>	<u>2,256,899</u>
Fund balance, June 30, 2021	\$2,760,833	\$0	\$20,285	\$2,781,118

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, 2021

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

**Total net change in fund balances - governmental funds** \$524,219

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	(380,212)	
Capital Outlays	<u>82,426</u>	(297,786)

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		161,088
Deferred Outflows		61,836
Deferred Inflows		48,504

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	(147,080)
Change in OPEB Liability	(136,491)
Change in Accrued Interest	<u>1,308</u>

**Total Change in Net Position - Governmental Activities** \$215,598

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, 2021

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, 2021

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  
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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, 2021, to finance the General Fund operations were \$.101 per \$100 valuation for real property, \$.1532 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, 2021

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, 2021 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, 2021, which represents the date of our report.

GRANT COUNTY PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2021

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, 2021

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 2021 were levied on the assessed valuation of property located in the County as of January 1, 2020 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, 2021

**NOTE C - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Governmental Activities				
Land and improvements	\$104,651		\$0	\$104,651
Buildings and improvements	5,725,665		\$0	5,725,665
Technology equipment	153,171			153,171
Vehicle	25,150			25,150
Furniture, fixtures, books	<u>1,982,423</u>	<u>82,426</u>		<u>2,064,849</u>
Totals at historical cost	7,991,060	82,426	0	8,073,486
Less: accumulated depreciation				
Buildings and improvements	815,143	235,828		1,050,971
Technology equipment	106,105	13,749		119,854
Vehicle	24,312	838		25,150
Furniture, fixtures, books	<u>1,204,573</u>	<u>129,797</u>		<u>1,334,370</u>
Total accumulated depreciation	2,150,133	380,212	0	2,530,345
Governmental Activities - Capital Assets - Net	\$5,840,927	(\$297,786)	\$0	\$5,543,141

**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, 2021

**NOTE F - CASH AND CASH EQUIVALENTS**

At year end, the carrying amounts of the Library's cash and cash equivalents was \$2,832,675. The bank balance was \$2,840,886. 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, 2021 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
2021-22	95,000	116,300	211,300	81,900
2022-23	100,000	112,500	212,500	81,900
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>	
	\$3,185,000	\$1,630,725	\$4,815,725	\$1,310,400

	Beginning	Additions	Deductions	Ending
Bonds	\$3,346,088	\$0	\$161,088	\$3,185,000

**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.

**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, 2021 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, 2021, participating employer's contributed 24.06% 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 24.06% 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, 2021

**NOTE I - RETIREMENT PLAN (continued)**

At June 30, 2021, the Library reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 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, 2020. At June 30, 2020 the Library's proportion was 0.017400%.

For the year ended June 30, 2021, the Library recognized pension expense of \$215,297. At June 30, 2021, the Library reported deferred outflows of resources for Library contributions subsequent to the measurement date of \$73,768 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 \$170,210. The Library had deferred inflows of \$24,478.

Library contributions subsequent to the measurement date of \$73,768 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, 2021. 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>	Outflows
2021	\$67,262
2022	47,282
2023	17,761
2024	13,426
2025	0
thereafter	<u>0</u>
Total	\$145,731

Actuarial Methods and Assumptions: The total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2020. The financial reporting actuarial valuation as of June 30, 2020, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement.

Valuation Date	June 30, 2018
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Remaining Amortization Period	25 years, closed
Payroll Growth Rate	2.00%
Inflation	2.30%
Salary Increase	3.30% to 11.55% 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.

**NOTE I - RETIREMENT PLAN (continued)**

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set-back four years for males ) is used for the period after disability retirement.

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>
U.S. Equity	18.75%	4.50%
Non U.S. Equity	18.75%	5.25%
Specialty Credit High Yield	15.00%	3.90%
Core Bonds	13.50%	-0.25%
Real Estate	5.00%	5.30%
Opportunistic	3.00%	2.25%
Private Equity	10.00%	6.65%
Real Return	15.00%	3.95%
Cash	<u>1.00%</u>	-0.75%
	100.00%	

Discount Rate: The projection of cash flows used to determine the discount rate of 6.25% for the CERS Non-hazardous assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24 years (closed) amortization period of the unfunded actuarial accrued liability.

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, 2020, is based on the June 30, 2019 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.

**NOTE I - RETIREMENT PLAN (continued)**

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	\$1,647,512	\$1,335,946	\$1,077,957

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, 2021 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, 2019. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2020, using generally accepted actuarial principles.

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.

GRANT COUNTY PUBLIC LIBRARY  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2021

**NOTE I - RETIREMENT PLAN (continued)**

Discount Rate - Single discount rates of 5.34% were used to measure the total OPEB liability as of June 30, 2020. 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 2.45%, as reported in Fidelity Index's "20-Year Municipal Go AA Index" as of June 30, 2020. 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 CAFR.

The projection of cash flows used to determine the single discount rate must include an assumption regarding future employer contributions made each year. The future contributions are projected in accordance with the current funding policy, as most recently revised by Senate Bill 249, passed during the 2020 legislative session.

The Library's proportionate share of the Net OPEB Liability as of June 30, 2019 is \$284,250. The Library's proportionate share is 0.016900%. The Library's proportionate share of the OPEB expense is \$31,020. The total Deferred Outflows of Resources is \$86,442 and the total Inflows of Resources is \$101,912. Total employer contributions were \$22,429, implicit subsidy was \$4,943 for a total contributions of \$27,372.

**OPEB**

	Discount Rate Sensitivity		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	4.68%	5.68%	6.68%
Net OPEB Liability	\$380,778	\$284,250	\$204,717

	Healthcare Cost Trend Rate Sensitivity		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	\$211,398	\$284,250	\$372,591
Net OPEB Liability	\$211,398	\$284,250	\$372,591

GRANT COUNTY PUBLIC LIBRARY  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2021

**NOTE I - RETIREMENT PLAN (continued)**

The following actuarial methods and assumptions, for actuarially determined contributions effective for fiscal year ending June 30, 2020:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	20% of the difference between the market value of assets and expected actuarial value of assets is recognized
Amortization Method	Level Percent of Pay
Remaining Amortization Period	25 Years, Closed
Payroll Growth Rate	2.00%
Investment Return	6.25%
Inflation	2.30%
Salary Increases	3.30% to 11.55%, varies by service
Healthcare Trend Rates (Pre-65)	Initial trend starting at 7.00%, at January 1, 2020 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.
Healthcare Trend Rates (Post-65)	Initial trend starting at 5.00% at January 1, 2020 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.
Phase-in provision	Board certified rate is phased into the actuarially determine rate in accordance with HB 362 enacted in 2018.
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)

GRANT COUNTY PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2021

**NOTE I - RETIREMENT PLAN (continued)**

**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	Deferred Outflows/ (Inflows) of Resources
Year	MIF
2021	24,476
2022	28,612
2023	20,686
2024	19,639
2025	(1,048)
thereafter	<u>0</u>
Total	92,365

**SUPPLEMENTAL INFORMATION**

GRANT COUNTY PUBLIC LIBRARY  
 BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND  
 Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$1,485,000	\$1,485,000	\$1,566,615	\$81,615
Earnings on investments	6,000	6,000	3,710	(2,290)
Contributions	0	0	95,488	95,488
Other local revenues	13,000	13,000	7,665	(5,335)
Save the Children Grant	0	0	1,000	1,000
Intergovernmental - Federal	<u>0</u>	<u>0</u>	<u>1,250</u>	<u>1,250</u>
<b>TOTAL REVENUES</b>	<b>1,504,000</b>	<b>1,504,000</b>	<b>1,675,728</b>	<b>171,728</b>
<b>EXPENDITURES</b>				
Public service	1,013,829	1,009,829	753,119	256,710
Plant operation and maintenance	151,000	155,000	129,223	25,777
Library administration	<u>120,181</u>	<u>120,181</u>	<u>120,181</u>	<u>0</u>
<b>TOTAL EXPENDITURES</b>	<b>1,285,010</b>	<b>1,285,010</b>	<b>1,002,523</b>	<b>282,487</b>
Excess (Deficit) of Revenues Over Expenditures	218,990	218,990	673,205	454,215
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	0	0	57,383	57,383
Operating Transfers Out	<u>(129,394)</u>	<u>(129,394)</u>	<u>(133,200)</u>	<u>(3,806)</u>
<b>Total Other Financing Sources (Uses)</b>	<b>(129,394)</b>	<b>(129,394)</b>	<b>(75,817)</b>	<b>53,577</b>
Change in Fund Balance	89,596	89,596	597,388	507,792
Fund Balance, July 1, 2020	<u>0</u>	<u>0</u>	<u>2,163,445</u>	<u>2,163,445</u>
Fund Balance, June 30, 2021	\$89,596	\$89,596	\$2,760,833	\$2,671,237



GRANT COUNTY PUBLIC LIBRARY  
 SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 For The Year Ended June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Library's proportion of the net pension liability (asset) CERS	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	0.017400%	0.016900%	0.016875%	0.016752%	0.017483%	0.01454%	0.015196%
Library's covered employee payroll CERS	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	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	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, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions CERS	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	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
Library's covered employee payroll CERS	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	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, 2021

	2021	2020	2019	2018
Library's proportion of the net OPEB liability (asset)	420,741	\$284,250	\$299,595	\$336,773
Library's proportionate share of the net OPEB liability (asset)	0.017400%	0.016900%	0.016874%	0.016752%
Library's covered employee payroll CERS	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	94.31%	66.66%	70.26%	80.52%
Plan fiduciary net position as a percentage of the total OPEB liability CERS	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, 2021

	2021	2020	2019	2018
Contractually required contributions	\$ 21,237	\$22,429	\$19,657	\$19,292
Contributions in relation to the contractually required contribution	\$ 31,556	\$22,429	\$19,657	\$19,292
Contribution deficiency (excess)	0	\$0	\$0	\$0
Library's covered employee payroll	\$446,136	\$426,397	\$426,398	\$418,234
Contributions as a percentage of covered employee payroll	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, 2021

**PENSIONS**

**Changes of benefit terms**

CERS -none

**Changes of assumptions**

CERS

There have been no changes in actuarial assumptions since June 30, 2019.

**OPEB**

**Changes of benefit terms**

CERS

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active member who die in the line of duty. The system now pay 100% of the insurance for spouses and children of all active members who die in the line of duty.

**Changes of assumptions**

CERS

The discount rate used to calculate the total OPEB liability decreased from 5.68% to 5.34%. The assumed increase in future health care costs, or trend assumptions, was reviewed during the June 30, 2019 valuation process and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs.

Also, the June 30, 2020 GASB No. 75 actuarial information reflects the anticipated savings from the repeal of the "Cadillac Tax" and "Health Insurer Fee", which occurred in December of 2019.

The assumed load on pre-Medicare premiums to reflect the cost of the Cadillac Tax was removed and the Medicare premiums were reduced by 11% to reflect the repeal of the Health Insurer Fee.

DENISE M. KEENE  
CERTIFIED PUBLIC ACCOUNTANT  
P.O. BOX 1444  
GEORGETOWN, KENTUCKY 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**

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, 2021 and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated September 8, 2021.

**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 have not been 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, 2021