

GREEN COUNTY PUBLIC LIBRARY DISTRICT
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
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JUNE 30, 2024**

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SUMMERS, MCCRARY & SPARKS, P.S.C.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Green County Public Library District
Liberty, KY

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of Green County Public Library District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Green County Public Library District'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 and the general fund of Green County Public Library District, as of June 30, 2024, and the respective changes in financial position 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 Statement section of our report. We are required to be independent of Green County Public Library District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Green County Public Library District'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Green County Public Library District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Green County Public Library District'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, amount other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2025, on our consideration of the Green County Public Library District'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 Green County Public Library District's internal control over financial reporting and compliance.

Summers, McCrary & Sparks, PSC

Lexington, KY
February 19, 2025

**Green County Public Library
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

Green County Public Library's (GCPL) discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the GCPL's financial activities, (c) identify changes in the GCPL's financial position (its ability to address the next and subsequent year's challenges), (d) identify any material deviations from the financial plan (the approved budget), if any, and (e) identify individual fund issues or concerns.

We encourage readers to read this information in conjunction with the financial statements and notes to gain a more complete picture of the information presented.

Financial Highlights

- The assets of the GCPL exceeded its liabilities at June 30, 2024 by \$554,805 (net position), an increase of \$52,856 compared to June 30, 2023. Of this amount, \$485,908 (unrestricted net position) may be used to meet GCPL's ongoing obligations to patrons.
- At the end of fiscal year 2024, GCPL's governmental fund had a fund balance of \$503,211, an increase of \$72,875 from the prior fiscal year. The entire fund balance is available for spending at the GCPL's discretion.

Overview of the Financial Statements

GCPL's basic financial statements are comprised of government-wide financial statements, fund financial statements and notes to the financial statements.

Government-Wide Financial Statements

The Statement of Net Position combines and consolidates all of GCPL's current financial resources (short-term spendable resources) with capital assets using the accrual basis of accounting. The end result is net position that is segregated into two components: invested in capital assets and unrestricted net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of GCPL is improving or deteriorating.

The Statement of Activities presents information showing how GCPL's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

**Green County Public Library
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

Fund Financial Statements

A fund is a self-balancing set of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. GCPL uses fund accounting to demonstrate legal compliance and to aid in financial management. GCPL uses only the governmental fund category.

Governmental funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental fund with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

GCPL maintained one individual governmental fund in the 2023-24 fiscal year, the General Fund.

GCPL adopts an annual appropriated budget for its governmental fund. A budgetary comparison has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes to the financial statements compliment the financial statements by describing qualifying factors and changes throughout the fiscal year. The notes can be found on pages 18-25 of this report.

**Green County Public Library
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

Government-Wide Financial Analysis

GCPL's Net Position

	<u>Governmental Activities</u>
Assets:	
Current assets	\$ 509,431
Capital assets	<u>68,897</u>
Total Assets	\$ <u><u>578,328</u></u>
Liabilities:	
Current liabilities	\$ 1,343
Compensated Absences	<u>22,180</u>
Total liabilities	<u>23,523</u>
Net Position:	
Invested in capital assets	68,897
Unrestricted	<u>485,908</u>
Total net position	<u>554,805</u>
Total liabilities and net position	\$ <u><u>578,328</u></u>

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. For GCPL, net position was \$554,805 at the end of FY2024, an increase of \$52,856 (10.5%) from FY2023's net position of \$501,949.

At the end of FY2024, total net position was made up of investment in capital assets (12%) and unrestricted net assets (88%) that may be used to meet GCPL's ongoing obligations to patrons. GCPL is able to report positive balances in both categories of net position.

**Green County Public Library
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

GCPL's Statement of Activities

	<u>Governmental Activities</u>
Revenues:	
Program Revenues	
Charges for services	\$ 4,343
General Revenues	
Special district/property tax	331,093
Franchise tax	76,016
Motor vehicle tax	17,628
Delinquent tax	10,184
Telecommunications tax	3,494
State aid	8,500
Interest income	2,170
Grant Income	2,777
Donations	8,475
Total revenues	<u>464,680</u>
Expenses:	
Program Expenses	<u>411,824</u>
Total expenses	<u>411,824</u>
Change in net position	52,856
Net Position, beginning of year	501,949
Net Position, end of year	<u>\$ 554,805</u>

GCPL's net position increased \$52,856 during FY2024. Special district/property tax makes up 72% of total revenues, franchise tax makes up 17% of total revenues, state aid makes up 2% of total revenues, motor vehicle tax makes up 4% of total revenues, charges for services makes up 1% of total revenues, delinquent tax makes up 2% of total revenues, and the remaining telecommunications tax, interest income and donations, combined, make up 2% of total revenues.

**Green County Public Library
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

Fund Financial Analysis

Governmental Funds Balance Sheet

	General Fund
Assets:	
Cash and cash equivalents	\$ 508,753
Prepaid expenses	678
Total Assets	<u>\$ 509,431</u>
Liabilities:	
Payroll liabilities	\$ 1,343
Compensated absences	4,877
Total Liabilities	<u>6,220</u>
Fund Balances:	
Unassigned	503,211
Total Fund balances	<u>503,211</u>
Total Liabilities and Fund Balance	<u>\$ 509,431</u>

As of the end of FY2024, GCPL's governmental fund reported combined ending fund balance of \$503,211, an increase of \$72,875 (16.9%) from FY2023's fund balance of \$430,336. Of the FY2024 ending fund balance, \$503,211 or 100%, constitutes unassigned fund balance and is available for spending at GCPL's discretion.

Statements of Revenues, Expenditures and Changes in Fund Balance

	General Fund
Revenues:	
Taxes	\$ 434,921
Intergovernmental	11,994
Miscellaneous	17,765
Total revenues	<u>464,680</u>
Expenses:	
Program expenses	343,301
Administration expenses	48,504
Total expenses	<u>391,805</u>
Net change in fund balance	72,875
Fund balance, beginning of year	430,336
Fund balance, end of year	<u>\$ 503,211</u>

The net change in fund balance for FY2024 was an increase of \$72,875.

**Green County Public Library
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

General Fund Budgetary Highlights

The original FY2024 budget was approved May 16, 2023. State regulations require budget controls to be exercised at the function level.

In relation to the budget, taxes collected were \$434,921, which was a negative variance of \$13,079. Intergovernmental revenues of \$11,994 ended \$7,494 over budget and miscellaneous revenues of \$17,765 ended \$4,495 over budget.

Actual expenditures were \$391,805 or \$73,965 less than the budget.

Capital Assets

At June 30, 2024, GCPL had \$68,897 invested in capital assets (net of accumulated depreciation). This investment in capital assets includes vehicles, furniture and fixtures, and machinery and equipment. This amount represents a net decrease of \$17,975 from last year. The following table reflects capital assets of GCPL at June 30, 2024.

**GCPL's Capital Assets
(net of depreciation)**

Vehicle	\$ 61,439
Furniture and Fixtures	1,950
Machinery and Equipment	<u>5,508</u>
Total capital assets, net of depreciation	<u>\$ 68,897</u>

Major capital asset events during the current fiscal year include the following:

- Current year depreciation expense was \$19,275.

**Green County Public Library
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

Economic Factors and Next Year's Budget

- Our community is gaining a new grocery store in the upcoming months that will potentially boost local economic activity, increasing tax dollars coming into the library.
- With real estate assessments having risen, we were able to lower our tax rate while still receiving comparable tax income, removing some of the burden on our taxpayers and patrons.
- We are actively seeking additional grants to support ongoing and future community projects.
- With the cost of living having risen in recent years, this has resulted in higher wages for staff to ensure competitive compensation and retention.
- We will continue to increase collaboration with community partners to fund programs, foster support, and share resources – resulting in collective growth for us and the community.
- Our hardware budget will increase in the upcoming fiscal year to replace aging desktops and laptops.
- Our programs and technology assistance for all ages have grown and become an integral part of library service. More of the budget may be funneled into these areas to meet this need.
- Funds continue to be set aside for building repairs from rain damage; new drywalling, paint, etc.

Requests for Information

This financial report is designed to provide its users with a general overview of GCPL's finances and to show GCPL's accountability for the money it receives. Any questions, comments, or requests for additional financial information should be addressed to:

Green County Public Library
Rebecca Pruitt, Director
112 West Court Street
Greensburg, Kentucky 42743

GREEN COUNTY PUBLIC LIBRARY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Governmental Activities</u>
ASSETS:	
CURRENT ASSETS:	
Cash and Cash Equivalents	\$ 508,753
Prepaid Expenses	<u>678</u>
Total Current Assets	<u>509,431</u>
NONCURRENT ASSETS:	
Capital Assets:	
Property and Equipment, Net of Accumulated Depreciation	<u>68,897</u>
Total Noncurrent Assets	<u>68,897</u>
TOTAL ASSETS	<u><u>\$ 578,328</u></u>
CURRENT LIABILITIES:	
Payroll Liabilities	<u>1,343</u>
Total Current Liabilities	<u>1,343</u>
NONCURRENT LIABILITIES:	
Compensated Absences	<u>22,180</u>
Total Noncurrent Liabilities	<u>22,180</u>
TOTAL LIABILITIES	<u>23,523</u>
NET POSITION:	
Invested in Capital Assets, Net of Related Debt	68,897
Unrestricted	<u>485,908</u>
TOTAL NET POSITION	<u>554,805</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 578,328</u></u>

See Accompanying Notes to the Basic Financial Statements

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

		Program Revenues		Net (Expense) Revenue and Change in Net Assets
		Expenses	Charges for Services	Governmental Activities
FUNCTIONS/PROGRAMS				
Governmental Activities:				
General Government Program Expenses	\$	411,824	\$ 4,343	\$ (407,481)
Total Governmental Activities	\$	<u>411,824</u>	\$ <u>4,343</u>	\$ <u>(407,481)</u>
General revenues:				
Special District/Property Tax	\$			331,093
Franchise Tax				76,016
Motor Vehicle Tax				17,628
Deliquent Tax				10,184
Telecommunications Tax				3,494
State Aid				8,500
Interest Income				2,170
Grant Income				2,777
Donations				8,475
Total General Revenues				<u>460,337</u>
CHANGE IN NET POSITION				52,856
NET POSITION, BEGINNING OF YEAR				<u>501,949</u>
NET POSITION, END OF YEAR	\$			<u><u>554,805</u></u>

See Accompanying Notes to the Basic Financial Statements

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2024**

	<u>GENERAL FUND</u>
ASSETS	
Cash and Cash Equivalents	\$ 508,753
Prepaid Expenses	<u>678</u>
TOTAL ASSETS	\$ <u>509,431</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Payroll Liabilities	1,343
Compensated Absences	<u>4,877</u>
Total Liabilities	<u>6,220</u>
Fund Balance:	
Unassigned	<u>503,211</u>
Total Fund Balance	<u>503,211</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>509,431</u>

See Accompanying Notes to the Basic Financial Statements

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Fund Balance - Governmental Fund	\$ 503,211
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.

Governmental Capital Assets	\$ 173,313	
Less: Accumulated Depreciation	<u>(104,416)</u>	
		68,897

Certain liabilities (such as accrued vacation) are not reported in the fund financial statement because they are not due and payable, but are presented in the statement of net position.

Accrued vacation	<u>(17,303)</u>
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Net Position - Governmental Activities	\$ <u>554,805</u>
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See Accompanying Notes to the Basic Financial Statements

GREEN COUNTY PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>
REVENUES:	
Taxes:	
Special District/Property Tax	\$ 331,093
Franchise Tax	76,016
Motor Vehicle Tax	17,628
Delinquent Tax	10,184
Intergovernmental:	
Telecommunications Tax	3,494
State Aid	8,500
Miscellaneous:	
Copies/Desk Receipts	3,235
Interest Income	2,170
Donations	8,475
Grant Income	2,777
Other Income	1,108
Total Revenues	<u>464,680</u>
EXPENDITURES:	
Program Expenses:	
Salaries	220,393
Health Insurance	54,625
Payroll Taxes	17,054
Retirement	6,082
Library Books	14,189
Library Materials	10,513
Adult Program	2,162
Bookmobile	3,532
Childrens Program	5,002
Genealogy	148
Outreach	1,255
Young Adult Program	839
Miscellaneous Programs	7,507
	<u>343,301</u>
Administration Expenses:	
Continuing Education	1,160
Computer Expense	9,434
Office Supplies	2,359
Postage	100
Professional Fees	1,200
Insurance	2,090
Utilities	10,843
Telephone	3,585
Repairs and Maintenance	6,263
Miscellaneous	7,514
Furnishings/Equipment	3,956
	<u>48,504</u>
Total Expenditures	<u>391,805</u>
NET CHANGE IN FUND BALANCE	72,875
FUND BALANCE, BEGINNING OF YEAR	<u>430,336</u>
FUND BALANCE, END OF YEAR	<u>\$ 503,211</u>

See Accompanying Notes to the Basic Financial Statements

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balance - Govermental Fund	\$	72,875
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures and the proceeds from the sale of assets as other financing sources. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold.

Expenditures for Capital Assets	\$	925	
Less: Current Year Depreciation		<u>(19,275)</u>	(18,350)

Generally, expenditures recognized in the 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.

Accrued Vacation		<u>(1,669)</u>	
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Change in Net Position - Governmental Activities	\$	<u><u>52,856</u></u>
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GREEN COUNTY PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes:			
Special District/Property Tax	\$ 320,000	\$ 331,093	\$ 11,093
Franchise Tax	103,000	76,016	(26,984)
Motor Vehicle Tax	19,000	17,628	(1,372)
Deliquent Tax	6,000	10,184	4,184
Intergovernmental:			
Telecommunications Tax	3,000	3,494	494
State Aid	1,500	8,500	7,000
Miscellaneous:			
Copies/Desk Receipts	2,500	3,235	735
Interest Income	120	2,170	2,050
Donations	7,000	8,475	1,475
Grant Income	2,500	2,777	277
Other Income	1,150	1,108	(42)
Total Revenues	<u>465,770</u>	<u>464,680</u>	<u>(1,090)</u>
EXPENDITURES:			
Program Expenses:			
Salaries	233,000	220,393	12,607
Health Insurance	58,000	54,625	3,375
Payroll Taxes	19,000	17,054	1,946
Retirement	6,100	6,082	18
Library Books	25,100	14,189	10,911
Library Materials	12,700	10,513	2,187
Adult Program	2,300	2,162	138
Bookmobile	6,600	3,532	3,068
Childrens Program	4,900	5,002	(102)
Geneaology	400	148	252
Outreach	1,300	1,255	45
Young Adult Program	1,200	839	361
Miscellaneous Programs	7,720	7,507	213
	<u>378,320</u>	<u>343,301</u>	<u>35,019</u>
Administration Expenses:			
Continuing Education	1,700	1,160	540
Computer Expense	10,900	9,434	1,466
Office Supplies	9,000	2,359	6,641
Postage	400	100	300
Professional Fees	5,250	1,200	4,050
Insurance	2,200	2,090	110
Utilities	18,000	10,843	7,157
Telephone	7,000	3,585	3,415
Repairs and Maintenance	9,000	6,263	2,737
Miscellaneous	14,500	7,514	6,986
Furnishings/Equipment	9,500	3,956	5,544
	<u>87,450</u>	<u>48,504</u>	<u>38,946</u>
Total Expenditures	<u>465,770</u>	<u>391,805</u>	<u>73,965</u>
NET CHANGE IN FUND BALANCE	-	72,875	72,875
FUND BALANCE, BEGINNING OF YEAR	<u>414,702</u>	<u>430,336</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 414,702</u>	<u>\$ 503,211</u>	<u>\$ 88,509</u>

See Accompany Notes to the Basic Financial Statements

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Green County Public Library District (Library) was established and operates as an independent governmental unit and organized under KRS 65.182 as a public library district. The Library is governed by the Green County Public Library District Board of Trustees. The Board is made up of five members appointed by the County Judge Executive from a pool selected by the State Librarian. They are appointed for a four-year period and may be re-appointed for an additional four years. The members of the Board and their terms are as follows:

Zachary Leftwich	February 14, 2025
Deborah Atwell	February 15, 2028
Renee Kessler	February 14, 2027
Kim Blakeman	February 14, 2027
Christina Smith	February 15, 2028

The Library is the level of government which has oversight responsibilities over all activities related to the public library within its jurisdiction. The Library receives funding from local and state government sources and must comply with the commitment requirements of these funding source entities. However, the Library is not included in any other governmental reporting entity as defined in Section 2100, codification of Governmental Accounting and Financial Reporting Standards, as it has decision making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

The financial statements of the Library include those of separately administered organizations that are controlled by or dependent on the Library. Control of dependence is determined on the basis of budget adoption, funding, and appointment of the respective governing board.

Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements.

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

Government-wide financial statements consist of the statement of net position and the statement of activities. All economic resources and obligations of the Library are reported in the financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function. Program revenues include 1) fees, fines, and charges paid by recipients of goods or services offered by a given program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements consist of the balance sheet, the statement of revenues, expenditures and changes in fund balances, and the statement of revenues, expenditures and changes in fund balances – budget and actual of the Library's governmental funds. The emphasis of fund financial statements is on the major governmental funds, which are each displayed in a separate column. All remaining governmental funds, if any, are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using *the economic resources measurement focus* and *the accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements are imposed by the provider have been met.

Government fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *measurable* when the amount of the transaction can be determined and *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when the related liabilities are incurred, as under accrual accounting. However, expenditures related to compensated absences, are recorded only when payment is due (or when payment is made).

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(continued)

Property taxes, telecommunications taxes, interest associated with the current fiscal period, and federal, state and local grants are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Charges for services, fines and contributions are not susceptible to accrual because generally they are not measurable until received in cash.

Property tax revenue is recognized in the fiscal year in which the taxes become due to the extent they are collected during the fiscal year or soon enough thereafter that they can be used to finance current period expenditures (no later than 60 days after year-end).

The Library reports deferred/unearned revenue in the fund financial statements and the government-wide financial statements. Governmental funds report deferred revenue in connection with resources that have been received, but not yet earned. Unearned revenue at the government-wide level arises only when the Library receives resources before it has a legal claim to them.

The Library reports one major governmental fund. The General Fund is the Library's primary operating fund. It accounts for all financial resources and costs associated with the general government, except those that are required to be accounted for in other funds.

Assets, Liabilities, and Equity

a) Cash and Cash Equivalents

The Library maintains two checking accounts. Cash and cash equivalents include currency on hand, demand deposits with banks and certificates of deposit all of which are considered cash or cash equivalents.

b) Property Taxes

The Library receives most of its revenue from real and tangible property taxes, motor vehicles taxes and franchise taxes collected by the Sheriff and County Clerk. Property taxes for fiscal year 2023-2024 were assessed on property located in Green County as of the preceding January 1. The assessments are determined by the County Property Valuation Administrator in accordance with Kentucky Revised Statutes. Taxes are levied in mid-September each year and a 2% discount can be received beginning November 1 through November 30. Taxes are due at the face amount beginning December 1 through December 31. A 5% penalty will be assessed January 1 through January 31 to unpaid taxes. Taxes unpaid beginning February 1 are assessed a penalty of 21% thereafter.

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (continued)

c) Capital Assets

Capital assets are defined as those assets with an initial cost of \$500 or more and an estimated useful life of more than one year. All purchased or constructed capital assets are reported at cost or estimated historical cost. Donated assets are recorded at their estimated fair value at the date of donation. Depreciation is calculated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Vehicles	5 years
Technology Equipment	3 years
Furniture and Fixtures	7 years

d) Compensated Absences

The Library employees are granted a specific number of paid vacation and sick leave days. After six months of employment, permanent full-time employees receive 144 paid time off hours per fiscal year. Their hours can be rolled over at the end of the year and are paid out upon retirement or termination. As of June 30, 2024, the Library's compensated absence liability was \$22,180.

e) Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

1. Invested in Capital Assets, Net of Related Debt – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, net of unspent financial proceeds, if any.
2. Restricted Net Position – consists of net position with constraints placed on them by either an external party (such as grantors and contributors) or imposed by law through a constitutional provision or enabling legislation.
3. Unrestricted Net Position – consists of net position that does not meet the definition of "invested in capital assets, net of related debt" or restricted net position.

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (continued)

f) Equity Classifications (Continued)

In the fund financial statements, governmental fund equity is classified into a hierarchy that is based primarily on the extent to which the Library is bound to honor constraints on specific purposes for which amount in the respective governmental funds can be spent. The classifications used in fund financial statements are as follows:

1. Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This classification includes inventories and prepaid items.
2. Restricted Fund Balances – includes constraints placed on the use of these resources that are either externally imposed by creditors (such as debt covenants), grantors, contributors or other governments; or are imposed by laws (through constitutional provisions or enabling legislation).
3. Committed Fund Balance – includes amounts that can be used only for a specific purpose because of a formal action (resolution) by the Board of Trustees, which is the Library's highest level of decision-making authority. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.
4. Assigned Fund Balance – includes amounts that are constrained by the Library's intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. The Board of Trustees delegates authority to assign fund balances to the Library's Executive Director. Constraints imposed on the use of assigned amounts can be removed without formal action by the Board of Trustees.
5. Unassigned Fund Balance – this is the residual classification of fund balance in the General Fund, which has not been reported in any other classification.

The Library would typically use Restricted Fund Balances first, followed by Committed Fund Balances, and then Assigned Fund Balances, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned Fund Balances first to defer the use of these other classified amounts.

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

In June 2023, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, that will be effective for these types of changes in fiscal years beginning after June 15, 2023. The Library has adopted the standard and determined it does not have a material effect on the financial statements.

In June 2023, the GASB issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023 (The Library's 2025 fiscal year). This standard revises some definitions for compensated absences and consolidates guidance for all types of leave to a single accounting recognition. The Library is evaluating the effects and implementation of this standard.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024 (The Library's 2025 fiscal year). This standard is focused on additional disclosures about concentrations and constraints that may have a substantial impact on The Library's financial statements. The Library will apply this guidance if and when these types of risks occur.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025 (The Library's 2026 fiscal year). This guidance clarifies management's responsibility for explaining key variances in management's discussion and analysis. The budget discussion will be deleted from the MD&A and governments will only report the budgetary comparison schedule in required supplementary information. Additional changes include classification of unusual or infrequent items, the reporting format for proprietary statements, and reporting major component units. This standard will have no impact on the Library's financial net position, but will require a few edits in the MD&A narrative and the financial statement formats.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The annual budget is submitted to the Board of Trustees for their approval. The approved budget is required to be submitted to the County Clerk and is available for public inspection. No moneys are to be expended from any funds, or any sources, except in accordance with the budget. Once approved, the Board may amend the legally adopted budget when unexpected significant modifications are required in estimated revenues and expenditures. The budget is prepared on the modified accrual basis of accounting.

Compliance with Kentucky Revised Statutes

The Library conformed to all significant statutory constraints on its financial administration during this fiscal year.

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 3 – 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.

Custodial Credit Risk is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. It is the policy of the Library for all deposits to be fully covered by FDIC insurance or collateralized by the financial institutions trust department or agent and be held in the Library's name. As of June 30, 2024, all of the Library's cash and cash equivalents, recorded and bank balances, were fully covered by FDIC insurance and pledged securities.

NOTE 4 – CAPITAL ASSET

The following schedule summarizes the changes in capital assets for the year ended June 30, 2024:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
Capital Assets, depreciable				
Furniture and Fixtures	\$ 55,024	\$ 0	\$ 0	\$ 55,024
Vehicles	83,780	0	0	83,780
Machinery and Equipment	33,209	1,300	0	34,509
Total Capital Assets, depreciable	<u>172,013</u>	<u>1,300</u>	<u>0</u>	<u>173,313</u>
Less Accumulated Depreciation:				
Furniture and Fixtures	(52,624)	(450)	0	(53,074)
Vehicles	(5,585)	(16,756)	0	(22,341)
Machinery and Equipment	(26,932)	(2,069)	0	(29,001)
Total Accumulated Depreciation	<u>(85,141)</u>	<u>(19,275)</u>	<u>0</u>	<u>(104,416)</u>
Total Capital Assets, depreciable, Net	<u>\$ 86,872</u>	<u>\$ (17,975)</u>	<u>\$ 0</u>	<u>\$ 68,897</u>

Depreciation expense of \$19,275 was charged to Program Activities during the year.

NOTE 5 – LEASES

On May 6, 2021, the Library entered into an operating lease for a copier for \$103 a month, for 60 months. Rent expense for the year ending June 30, 2024 was 1,236. Future minimum required lease payments as of June 30, 2024 are as follows:

<u>Year</u>	<u>Amount</u>
6/30/25	\$ 1,235
6/30/26	1,082
Total	<u>\$ 2,317</u>

**GREEN COUNTY PUBLIC LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 6 – RISK MANAGEMENT

The Library is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions. The Library carries insurance policies for liability, fire, theft, auto, inland marine, workers compensation, Directors and Officers coverage and health insurance coverage for its full-time employees. Any settle claims resulting from these risks have not exceeded commercial insurance coverage in any of the past several years.

NOTE 7 – RETIREMENT PLAN

The Library offers a SIMPLE IRA to all its' full-time employees. The employees can contribute up to \$16,000 during calendar year 2024 and \$15,500 during calendar year 2023. The Library must match dollar for dollar up to 3% of the employee's wages. During the year ended June 30, 2024 the Library contributed \$6,080 and the employees contributed \$7,790.

SUMMERS, MCCRARY & SPARKS, P.S.C.
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS:

AMERICAN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS

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SUSAN A. LACY, CPA

LAURENCE T. SUMMERS
1961-1992
STUART K. MCCRARY, JR., CPA
1982-2022

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

To the Board of Trustees
Green County Public Library District
Liberty, KY

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 and the general fund of Green County Public Library District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Green County Public Library District's basic financial statements, and have issued our report thereon dated February 19, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Green County Public Library District'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 Green County Public Library District's internal control. Accordingly, we do not express an opinion on the effectiveness of Green County Public Library District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Green County Public Library District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

We noted certain matters that we reported to management of the Library in a separate letter dated February 19, 2025.

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.

Summers, McCrary & Sparks, PSC

Lexington, KY
February 19, 2025