

BULLITT COUNTY PUBLIC LIBRARY

FINANCIAL STATEMENTS

Year Ended June 30, 2017

With

Independent Auditor's Report

BULLITT COUNTY PUBLIC LIBRARY

FINANCIAL STATEMENTS

Year Ended June 30, 2017

With

Independent Auditor's Report

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DePRIE & ADKISSON, PSC
Certified Public Accountants

12730 Townepark Way, Suite 103
Louisville, Kentucky 40243

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bullitt County Public Library
Shepherdsville, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Bullitt County Public Library, as of and for the year ended June 30, 2017, 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 an opinion on the general purpose 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 general purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 statement, 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 appropriated 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Bullitt County Public Library as of June 30, 2017, and the respective changes in financial position thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors
Bullitt County Public Library
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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 4; the budgetary comparison schedule on page 20; the schedule of the Library's proportionate share of the net pension liability on page 21; and the schedule of the Library's pension fund contributions on page 22, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 Audit Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2017, on our consideration of the Bullitt County Public 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 of financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bullitt County Public Library's internal control over financial reporting and compliance.

DePrie & Adkisson, PSC

Certified Public Accountants

November 17, 2017

BULLITT COUNTY PUBLIC LIBRARY

Explore. Learn. Enjoy.

**Ridgway Memorial Library
Main Library and Administrative Office**
127 N. Walnut, P.O. Box 99
Shepherdsville, KY 40165
(502) 543-7675
(502) 543-5487 fax
Mon.-Thurs. 9 a.m.-8 p.m.
Fri. & Sat. 9 a.m.-5 p.m.
Sun. 1 p.m.-5 p.m.

**Dorothea Stottman Annex
Technical Services and Programming**
1251 Hillview Blvd.
Louisville, KY 40229
(502) 543-7675
(502) 957-0455 fax
Mon.-Fri. 9 a.m.-5 p.m.
Closed Saturday and Sunday

**Hillview Library
Branch Library**
155 Terry Blvd.
Hillview, KY 40229
(502) 957-5759
(502) 957-0448 fax
Mon.-Thurs. 9 a.m.-8 p.m.
Fri. & Sat. 9 a.m.-5 p.m.
Closed Sunday

**Mt. Washington Library
Branch Library**
311 Snapp St.
Mt Washington, KY 40047
(502) 538-7560
(502) 538-2696 fax
Mon.-Thurs. 9 a.m.-8 p.m.
Fri. & Sat. 9 a.m.-5 p.m.
Closed Sunday

**Lebanon Junction Library
Branch Library**
11382 S. Preston Hwy.
Lebanon Jct., KY 40150
(502) 833-4648
(502) 833-9877 fax
Mon.-Thurs. 9 a.m.-8 p.m.
Fri. & Sat. 9 a.m.-5 p.m.
Closed Sunday

Bullitt County Public Library Management's Discussion and Analysis Fiscal Year 2016-2017

The Bullitt County Public Library District is a special purpose governmental entity that operates under KRS Chapter 173. The Library Board sets and approves the budget based on the annual fiscal year starting July 1st and ending June 30th. The Governing Board is a five member board with fixed terms as specified by law. The Library Board of Trustees meets once a month. Over the course of the year, the Board monitors the budget and policies of the library. In addition to having annual audits performed, the Library system completes an Annual report that contains financial and other statistical information. Other information about the library system is available at the library's web site (www.bcplib.org). Questions should be directed to the administrative offices located at the Ridgway Memorial Library in Shepherdsville.

The 2010 census shows the county population at **74,319**. The most current population estimate is for 2015 and it estimates the population at 78,702. Bullitt County is still the 10th largest county by population in the state of Kentucky. The county population grew 21.4% in the last decade. The tax base has been stable thanks to the growth in county population and in available jobs, primarily in the order-fulfillment industry. The demands on library services are ever increasing thanks to the continuing growth in county population and the changing needs of the public. During tight economic times library usage tends to increase because most of the services we provide are free to the public. Instead of purchasing a book people tend to borrow or download materials from the library. Instead of paying for internet access at home, they use it for free at the library.

Bullitt County Library District tax rate is **6.9** cents per \$100 assessed value for real property and **6.9** cents per \$100 assessed value for personal property and **2.12** per \$100 for Motor Vehicle assessed value. This reflects the same rates from the previous year. During the fiscal year 2016 – 2017, Bullitt County Public Libraries received **\$5,415,752** in total revenues, a decrease from \$6,367,752 in 2015 – 2016 total revenues. Of that amount, **\$5,204,681** was from local property taxes. **96%** of the library's total revenue comes from tax revenue. As of June 30, 2017, the Library District had a total fund balance of **\$14,258,018**, and a total liabilities and net asset of **\$29,495,665**. The library's long term liabilities were **\$2,941,885**. The long term liabilities include a construction loan funded by a grant from the State of Kentucky that pays \$20,000 annually, funds to cover compensated absences, and County Employee Retirement System pensions.

The library receives its tax income in uneven amounts. About half of the tax income is received when the real estate property taxes are collected and distributed in the final quarter of the year. The rest of the income comes in unequal and usually diminishing amounts throughout the remainder of the year.

BULLITT COUNTY PUBLIC LIBRARY

The library needs to maintain enough cash on hand to meet expenses not only to the end of the current fiscal year, but also until the next property tax collections are made the following November or December.

The Bullitt County Public Library is completing the construction of a new building for our Mt. Washington location. An additional branch in the west end of the county that will provide coverage to an area that has no local branch is in the planning stages and should be completed in 2018-19. Additionally, a new main branch building and future renovations for all branches are outlined in our Master Facilities Plan. We plan to also add to our number of publicly available computers, improve furnishings and spaces in our existing buildings, cater our branch offerings to local community needs, and increase our outreach offerings outside of our buildings.

There are a few events outside of our county that may have a future impact on our library operations. The upcoming Kentucky general assembly is likely to take up legislation that may affect public libraries governing authority in the selection of Board members along with other matters. Changes in the Louisville Metro economy, the national economy, and the opening of a tolling bridge system in Interstate 65 may have economic impact within Bullitt County.

**BULLITT COUNTY PUBLIC LIBRARY
GOVERNMENTAL FUNDS BALANCE SHEET
AND NET POSITION**

June 30, 2017

	General Fund	Total	Adjustments (Note B)	Statement of Net Position
ASSETS				
Cash	\$ 14,610,802	\$ 14,610,802	\$ -	\$ 14,610,802
Property taxes receivable	12,210	12,210	-	12,210
Prepaid expenses	3,054	3,054	-	3,054
Capital assets, net of accumulated depreciation	-	-	14,034,583	14,034,583
TOTAL ASSETS	14,626,066	14,626,066	14,034,583	28,660,649
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension plans	-	-	835,016	835,016
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	14,626,066	14,626,066	14,869,599	29,495,665
LIABILITIES				
Accounts payable	263,899	263,899	-	263,899
Other current liabilities	104,149	104,149	-	104,149
Accrued compensated absences	-	-	67,825	67,825
Net pension liability	-	-	2,604,060	2,604,060
Bonds payable	-	-	-	-
Due within one year	-	-	28,000	28,000
Due after one year	-	-	242,000	242,000
TOTAL LIABILITIES	368,048	368,048	2,941,885	3,309,933
FUND BALANCES/NET POSITION				
Fund balances	-	-	-	-
Restricted	-	-	-	-
Unrestricted	14,258,018	14,258,018	(14,258,018)	-
TOTAL FUND BALANCES	14,258,018	14,258,018	(14,258,018)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,626,066	\$ 14,626,066	\$ -	\$ 3,309,933
NET POSITION				
Invested in capital assets, net of related debt	-	-	13,764,583	13,764,583
Restricted	-	-	-	-
Unrestricted	-	-	12,421,149	12,421,149
TOTAL NET POSITION	-	-	26,185,732	26,185,732
TOTAL LIABILITIES AND NET POSITION	-	-	\$ 14,869,599	\$ 29,495,665

The accompanying notes are an integral part of this statement

**BULLITT COUNTY PUBLIC LIBRARY
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

For The Year Ended June 30, 2017

Fund balances - total governmental funds		\$ 14,258,018
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 funds.		14,034,583
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	(67,825)	
Bonds payable	(270,000)	
Net pension liability	<u>(2,604,060)</u>	(2,941,885)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reportable in funds		
Deferred outflows of resources	835,016	
Deferred inflows of resources	<u>-</u>	835,016
Total Net Position		<u><u>\$ 26,185,732</u></u>

The accompanying notes are an integral part of this statement

BULLITT COUNTY PUBLIC LIBRARY

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2017

	General Fund	Total	Adjustments (Note B)	Statement of Activities
REVENUES				
Property taxes	\$ 5,204,681	\$ 5,204,681	\$ -	\$ 5,204,681
Governmental grants	50,859	50,859	-	50,859
Gifts and contributions	6,183	6,183	-	6,183
Book rentals and fines	21,782	21,782	-	21,782
Copier and fax income	39,272	39,272	-	39,272
Investment income	76,283	76,283	-	76,283
Rent income	11,276	11,276	-	11,276
Miscellaneous income	5,416	5,416	-	5,416
TOTAL REVENUES	5,415,752	5,415,752	-	5,415,752
EXPENDITURES/EXPENSES				
Personnel	2,618,264	2,618,264	292,882	2,911,146
Library materials	430,300	430,300	(424,049)	6,251
Operating expenditures	703,637	703,637	-	703,637
Depreciation	-	-	821,631	821,631
Capital outlay	4,581,559	4,581,559	(4,581,559)	-
Debt service	40,069	40,069	(40,069)	-
Debt service - interest	-	-	12,069	12,069
TOTAL EXPENDITURES/EXPENSES	8,373,829	8,373,829	(3,919,095)	4,454,734
CHANGE IN FUND BALANCES/ NET POSITION	(2,958,077)	(2,958,077)	3,919,095	961,018
FUND BALANCE/NET POSITION, BEGINNING	17,216,095	17,216,095	8,008,619	25,224,714
FUND BALANCE/NET POSITION, ENDING	\$ 14,258,018	\$ 14,258,018	\$ 11,927,714	\$ 26,185,732

See Accompanying Notes to Financial Statements

BULLITT COUNTY PUBLIC LIBRARY

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2017

Net change in fund balances - total governmental funds \$ (2,958,077)

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

Government funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$5,005,608) exceeded depreciation expense (\$821,631) in the current period. 4,183,977

Repayment of bond principal (\$28,000) is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position. 28,000

Some expenditures reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported in the governmental funds. Those items at year end consist of:

Compensated absences (11,271)

Governmental funds report Library pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions, is reported as pension expense.

Amortization of deferred inflow of resources

District pension contributions 260,603
Costs of benefits earned (542,214)
(281,611)

Change in net position \$ 961,018

The accompanying notes are an integral part of this statement

**BULLITT COUNTY PUBLIC LIBRARY
SCHEDULE OF EXPENDITURES**

For The Year Ended June 30, 2017

Personnel	
Librarian and library staff	\$ 1,900,759
Payroll taxes	145,919
Pension expense	259,902
Insurance/other	<u>311,684</u>
Total Personnel	<u>2,618,264</u>
Library materials	
Books	304,141
Periodicals	4,145
Audio/visual aids/software	115,763
Library supplies	<u>6,251</u>
Total Library Materials	<u>430,300</u>
Operating expenses	
Utilities	87,920
Telephone	89,144
Maintenance	104,822
Software support	162,237
Insurance	40,099
Office supplies	41,123
Travel expense	915
Professional fees	22,426
Advertising and promotion	23,523
Program supplies	61,032
Janitorial services and supplies	10,588
Staff training	37,204
Dues	3,476
Postage	2,837
Equipment/furniture/building	12,330
Miscellaneous expense	<u>3,961</u>
Total Operating Expenses	<u>703,637</u>
Capital Outlay	
Construction/capital outlay	4,497,546
Debt service	40,069
Other	<u>84,013</u>
Total Capital Outlay	<u>4,621,628</u>
Total Expenses	<u><u>\$ 8,373,829</u></u>

The accompanying notes are an integral part of this statement

BULLITT COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE A - DESCRIPTION OF ORGANIZATION

The Bullitt County Public Library was established in the early 1950's under the provisions of the Commonwealth of Kentucky to provide library and related services to the citizens of Bullitt County, Kentucky.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Library's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements, including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis*, and Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, which mandate the new reporting model implemented by the Library. The more significant of the Library's accounting policies are described below.

- (1) **Reporting Entity** – The Library is the basic level of government that has oversight responsibility and control over all activities related to the public library in Bullitt County, Kentucky. The Library receives funding from local and state government sources and must comply with the requirements of these funding source entities. However, the Library is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Library board members have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.
- (2) **Government-Wide and Fund Financial Statements** – The financial statement presentation for the Library includes separate columns reporting a statement of net assets and a statement of activities. These statements present a government-wide presentation of all activities of the Library.
- (3) **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** – The government-wide 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 a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Both long-term and current assets and liabilities are included in the statement of net assets.

Governmental 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Only current assets and current liabilities generally are included on the balance sheet. Property tax revenues and revenues from the Commonwealth of Kentucky are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

BULLITT COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (4) **Fund Accounting** – The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library uses governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Library reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the Library except those required to be accounted for in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the laws of the Kentucky and the bylaws of the Library.

Fund Balances

GASB Statement 54 provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Library's fund balances more transparent. In the fund financial statements, governmental fund balances can be presented in five possible categories:

Non-spendable – resources which cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors or governmental laws or regulations or imposed by law through constitutional provisions or enabling legislation.

Committed – resources which are subject to limitations the Library imposed on itself at its highest level of decision making and that remain binding unless removed in the same manner.

Assigned – resources neither restricted nor committed for which a government has a stated intended use as established by the governing body or by an official to which the governing body delegates authority.

Unassigned – amounts that are available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount.

BULLITT COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (5) **Budget** – The Library adopts an annual budget for the general fund. The budget is prepared on the cash basis, a comprehensive basis of accounting other than GAAP. The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized and recorded when received in cash and when paid, respectively. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting on the governmental fund statements and on the full accrual basis on the government-wide statements. A reconciliation of the cash basis actual amounts in the budgetary comparison to the GAAP basis actual amounts in the fund and government-wide statements is shown at the bottom of the budgetary comparison schedule. The amended budget amounts presented in the accompanying financial statements have been adjusted for authorized amendments of the annual budget adopted by the Library Board of Trustees. All appropriations lapse at year end.
- (6) **Cash and Cash Equivalents** – For the purpose of these financial statements, cash equivalents include time deposits, certificate of deposit, and all highly liquid debt instruments with original maturities of three months or less.
- (7) **Net Position** – Net position presents the difference between assets and liabilities in the statement of net position. Net Position invested in capital assets is reduced by the outstanding balances of any borrowing, if any, used for the acquisition, construction or improvement of those assets. Net position is reported as restricted if and when there are legal limitations imposed on their use by Library legislation or external restrictions by creditors, grantors, laws or regulations of other governments.
- (8) **Capital Assets** – Land, buildings, collection, and other capital assets with useful lives of more than one year resulting from expenditures in the governmental funds are recorded at cost (or estimated historical cost) net of accumulated depreciation in the government-wide statement of net assets but are reported as expenditures in governmental fund financial statements. The Library maintains a capitalization threshold of \$500. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. The Library does not possess any infrastructure. The Library depreciates capital assets using the straight-line method of depreciation over the estimated useful life of the asset.
- (9) **Allowance for Uncollectible Accounts** – At June 30, 2017, management deems all accounts receivable collectible. Therefore, no allowance for uncollectible accounts is included in the financial statements.
- (10) **Long-term Obligations** – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.
- (11) **Deferred Outflows of Resources** – The Library reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of position. Deferred outflows of resources reported in this year's financial statements relate to the Library's pension plan and include (1) contributions made to the Library's pension plan between the measurement date of the net pension liability and the end of the Library's fiscal year, (2) differences between the expected and actual experience, (3) changes in assumptions, (4) changes in the

BULLITT COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

proportionate share of the Library's contributions to the pension fund, and (5) difference between projected and actual earnings on plan investments. The deferred amount related to the differences between expected and actual experience, changes of assumptions in the pension fund, and changes in the proportionate share of the Library's contributions to the pension fund will be recognized over a closed period equal to the average of the expected remaining service lives of all employees participating in the plan. The deferred amount related to the difference between projected and actual earnings on plan investments will be recognized over a closed five-year period beginning in the current reporting period. Deferred outflows for pension contributions will be recognized in the subsequent year. No deferred outflows of resources affect the governmental funds financial statements in the current year.

- (12) **Deferred Inflows of Resources** – The Library's statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period(s). There were no deferred inflows resources related to the pension plan recognized in the current year.
- (13) **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 of the County Employees Retirement System (CERS) and additions to/deductions from CERS's fiduciary net position have been determined on the same basis as they are reported by CERS. 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.
- (14) **Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.
- (15) **Use of Restricted Resources** – When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Library's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Library's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before unassigned fund balances.

NOTE C - CASH AND INVESTMENTS

At June 30, 2017, the carrying amount of the Library's deposits (cash and cash equivalents) was \$14,610,802. Of the bank balance, \$250,227 is covered by federal depository insurance (FDIC) and the remaining is secured by pledged securities held by the pledging financial institution's agent in the Library's name as collateral for bank balances in excess of the FDIC insured amount. Cash deposited in bank accounts that is restricted for specific expenditures as specified by grant or other funding agreements is reported as restricted cash. The Library's deposits consisted of demand deposits and certificates of deposit.

Kentucky Revised Statutes authorize districts to invest in obligations of the United States and its agencies, obligations of the Commonwealth of Kentucky and its agencies, shares in savings and loan associations insured by federal agencies, deposits in national or state charter banks insured by federal agencies, repurchase agreements, and larger amounts in such institutions providing such banks pledge as security obligations of the United States government or its agencies.

**BULLITT COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Land	\$ 951,882	\$ 1,955,412	\$ -	\$ 2,907,294
Land Improvements	37,176	-	-	37,176
Buildings	8,235,006	-	-	8,235,006
Construction in Progress	1,114,790	2,542,134	-	3,656,924
Vehicles	22,558	-	-	22,558
Collection	3,029,929	424,049	(291,544)	3,162,434
Equipment and Furniture	<u>1,356,333</u>	<u>84,013</u>	<u>-</u>	<u>1,440,346</u>
 Total Cost	 14,747,674	 5,005,608	 (291,544)	 19,461,738
Less:				
Accumulated Depreciation	<u>(4,897,068)</u>	<u>(821,631)</u>	<u>291,544</u>	<u>(5,427,155)</u>
 Net Book Value	 <u>\$ 9,850,606</u>	 <u>\$ 4,183,977</u>	 <u>\$ -</u>	 <u>\$ 14,034,583</u>

NOTE E – LIABILITY FOR COMPENSATED ABSENCES

Employees are allowed to accrue sick days. However, sick leave does not vest under the Library's policies and accordingly, employees can only utilize sick leave when sick. Since the employees' accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses and such amounts cannot be reasonably estimated, a liability for unused sick leave is not recorded in the financial statements.

Employees are also allowed to accrue vacations hours, which are vested. Accordingly, the employee can be paid for unused vacation days upon termination.

A liability for accumulated vacation hours is accrued when incurred in the government-wide financial statements. The amount accrued in the government-wide financial statements is \$67,825 at June 30, 2017.

**BULLITT COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

NOTE F - EMPLOYEES' RETIREMENT PLAN

General Information about the Pension Plan

Plan description. Employees of the District are provided with pensions through the County Employees Retirement System (CERS)—a cost-sharing multiple-employer defined benefit pension plan. Per Kentucky Revised Statute Section 61.645, the Board of Trustees (the Board) of Kentucky Retirement Systems (KRS) administers the CERS. KRS issues a publicly available financial report that can be obtained at <https://kyret.ky.gov>

Benefits provided. CERS provides retirement, disability, and death benefits. Retirement benefits are calculated based on a formula (final compensation times a benefit factor times years of service) and may be extended to beneficiaries of plan members under certain circumstances. Disability benefits are determined in a similar manner as retirement benefits, but vary based upon hire date, age and years of service. Death benefits vary based upon whether the employee was retired or working at the date of death and whether or not it was a duty-related death.

Prior to July 1, 2009, cost-of-living adjustments (COLA) were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. Effective July 1, 2009, and on July 1 of each year thereafter, the COLA is limited to 1.5% provided the recipient has been receiving a benefit for at least 12 months prior to the effective date of the COLA. If the recipient has been receiving a benefit for less than 12 months prior to the effective date of the COLA, the increase shall be reduced on a pro-rata basis for each month the recipient has not been receiving benefits in the 12 months preceding the effective date of the COLA. The Kentucky General Assembly reserves the right to suspend or reduce the COLA if, in its judgment, the welfare of the Commonwealth so demands. No COLA has been granted since July 1, 2011.

Contributions. Kentucky Revised Statute Section 78.545(33) grants the authority to establish and amend the benefit terms to the Board of KRS. Employees are required to contribute 5% or 6% of their annual creditable compensation based upon the date they begin participating in the plan. The actuarially determined rates set by the Board for the year ended June 30, 2017 was 18.68%, of which 13.95% was for the pension fund and 4.73% was for the insurance fund. Contributions to the pension plan from the District were \$40,046 for the year ended June 30, 2017, of which \$29,906 was for the pension fund and \$10,140 was for the insurance fund.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the District reported a liability of \$2,604,060 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District's proportion was 0.052889%, which was an increase of 0.007115% from its proportion measured as of June 30, 2015.

**BULLITT COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

NOTE F - EMPLOYEES' RETIREMENT PLAN (continued)

For the year ended June 30, 2017, the District recognized pension expense of \$470,740. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,369	\$ -
Changes of assumptions	137,949	-
Net difference between projected and actual earnings on plan investments	244,808	-
Changes in proportion and differences between District contributions and proportionate share of contributions	246,275	-
District contributions subsequent to the measurement date	194,615	-
	<u>\$ 835,016</u>	<u>\$ -</u>

The \$194,615 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 262,338
2019	195,840
2020	127,836
2021	54,387
2022	-
	<u>\$ 640,401</u>

**BULLITT COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

NOTE F - EMPLOYEES' RETIREMENT PLAN (continued)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008–June 30, 2013.

Changes of assumptions. Since the prior measurement date, there were no changes in assumptions.

Discount rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 27 year amortization period of the unfunded actuarial accrued liability. The actuarial determined contribution rate is adjusted to reflect the phase in of anticipated gains on actuarial value of assets over the first four years of the projection period.

The long-term expected rate of return on plan assets is reviewed as part of the regular experience studies prepared every five years for KRS. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated December 3, 2015. Several factors are considered in evaluating the long-term rate of return assumption including long term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

**BULLITT COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

NOTE F - EMPLOYEES' RETIREMENT PLAN (continued)

The discount rate determination does not use a municipal bond rate. Projected future benefit payments for all current plan members were projected through 2117. The target allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Combined Equity	44%	5.40%
Combined Fixed Income	19%	1.50%
Real Return (Diversified Inflation Strategies)	10%	3.50%
Real Estate	5%	4.50%
Absolute Return (Diversified Hedge Funds)	10%	4.25%
Private Equity	10%	8.50%
Cash Equivalent	2%	-0.25%
Total	<u>100%</u>	

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 3,245,080	\$ 2,604,060	\$ 2,054,578

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued KRS financial report.

Payables to the pension plan

The District makes legally required contributions to the pension plan on a monthly basis. The monthly payment is due by the 10th of the following month. As of June 30, 2017, \$22,605 was payable to the pension plan, of which \$16,881 was for the pension fund and \$5,724 was for the insurance fund.

NOTE G – PROPERTY TAXES

The Library's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real, personal and motor vehicle property located in Bullitt County. Property taxes are collected by the Bullitt County Sheriff, the Bullitt County Clerk, and the Commonwealth of Kentucky and remitted to the Library. Taxes are due on November 1 and become delinquent by January 1 following the October 1 levy date.

**BULLITT COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

NOTE H - BONDS PAYABLE

Bonds Payable at June 30, 2017 consists of a general obligation note issue bearing interest at 4.05%. Interest is paid semi-annually. The Bond was used to conduct a major renovation of the main library in Shepherdsville, Kentucky.

Principal is paid annually with the maturities as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 30,000	\$ 11,624
2019	31,000	10,448
2020	32,000	9,173
2021	34,000	7,840
2022	35,000	6,448
After 2022	<u>108,000</u>	<u>10,075</u>
Total obligations	<u>\$ 270,000</u>	<u>\$ 55,608</u>

NOTE I - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2017:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Accrued compensated absences	\$ 56,554	\$ 11,271	\$ -	\$ 67,825
Net pension liability	1,968,053	636,007	-	2,604,060
Bonds payable	<u>298,000</u>	<u>-</u>	<u>28,000</u>	<u>270,000</u>
Total long-term obligations	<u>\$ 2,322,607</u>	<u>\$ 647,278</u>	<u>\$ 28,000</u>	<u>\$ 2,941,885</u>

NOTE J – RISK MANAGEMENT

The Library is exposed to various forms of losses associated with the risk of fire; personal liability; vehicular accidents; errors and omissions; torts; theft of, damage to, and destruction of assets; injuries to employee; and natural disasters. Each of these risk areas is covered through the purchase of commercial insurance. The Library has purchased certain policies that are retrospectively rated, which include worker's compensation insurance. There have been not significant reductions in coverage from the prior year and settlements have not exceeded coverage in that past three years.

NOTE K – MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

The Library has evaluated subsequent events through December 29, 2017, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**BULLITT COUNTY PUBLIC LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP CASH BASIS) AND ACTUAL - GENERAL FUND**

For The Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Property taxes	\$ 4,750,000	\$ 4,750,000	\$ 6,086,728	\$ 1,336,728
Governmental grants	50,000	50,000	53,910	3,910
Gifts and contributions	12,000	12,000	6,805	(5,195)
Book rentals and fines	22,000	22,000	21,835	
Copier and fax income	18,000	18,000	37,644	19,644
Investment income	85,000	85,000	146,291	61,291
Rent income	-	-	11,843	11,843
Miscellaneous income	30,000	30,000	2,275	(27,725)
TOTAL REVENUES	4,967,000	4,967,000	6,367,331	1,400,496
EXPENDITURES				
Personnel	2,600,000	2,600,000	2,249,745	350,255
Library materials	457,500	528,000	417,189	110,811
Operating expenses	713,700	712,000	657,575	54,425
Capital outlay	5,900,000	2,100,000	638,839	
Debt service	40,300	40,300	40,163	137
TOTAL EXPENDITURES	9,711,500	5,980,300	4,003,511	515,628
CHANGE IN FUND BALANCES	\$ (4,744,500)	\$ (1,013,300)	\$ 2,363,820	\$ 884,868

BUDGET TO GAAP RECONCILIATION:

A reconciliation of the cash basis actual amounts to the GAAP basis actual amounts in the fund statements follows:

	General Fund
Sources/revenues	
Actual amounts (budgetary basis)	\$ 6,367,331
Differences - budget to GAAP:	
The Library budgets for property taxes and other revenues only to the extent expected to be received, rather than on the modified accrual basis.	421
Total revenues as reported on the governmental fund statement of revenues, expenditures, and changes in fund balances.	<u>\$ 6,367,752</u>
Uses/expenditures:	
Actual amounts (budgetary basis)	\$ 4,003,511
Differences - budget to GAAP:	
The Library budgets for expenditures only to the extent expected to be paid, rather than on the modified accrual basis.	395,135
Total expenditures as reported on the governmental fund statement of revenues, expenditures, and changes in fund balance.	<u>\$ 4,398,646</u>

The accompanying notes are an integral part of this statement

BULLITT COUNTY PUBLIC LIBRARY DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	County Employees Retirement System									
	Last 10 Fiscal Years*									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset)	0.052889%	0.045774%	0.042190%							
District's proportionate share of the net pension liability (asset)	\$ 2,604,060	\$ 1,968,052	\$ 1,368,808							
District's covered-employee payroll	\$ 1,253,993	\$ 1,052,406	\$ 967,910							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	207.66%	187.01%	141.42%							
Plan fiduciary net position as a percentage of the total pension liability	55.50%	59.97%	66.80%							

* The amounts presented for each fiscal year were determined as of one-year prior to the fiscal year end.

BULLITT COUNTY PUBLIC LIBRARY DISTRICT
SCHEDULE OF DISTRICT PENSION FUND CONTRIBUTIONS

County Employees Retirement System

	Last 10 Fiscal Years									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 194,615	\$ 155,746	\$ 134,182	\$ 132,991						
Contributions in relation to the contractually required contribution	\$ (194,615)	\$ (155,746)	\$ (134,182)	\$ (132,991)						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -						
District's covered-employee payroll	\$ 1,366,451	\$ 1,253,993	\$ 1,052,406	\$ 967,910						
Contributions as a percentage of covered-employee payroll	14.22%	12.40%	12.75%	13.74%						

BULLITT COUNTY PUBLIC LIBRARY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

Changes to benefit terms: The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30 listed below:

2009: A new benefit tier for members who first participate on or after September 1, 2008 was introduced which included the following changes:

1. Tiered structure for benefit accrual rates
2. New retirement eligibility requirements
3. Different rules for the computation of final average compensation

2014: A cash balance plan was introduced for members whose participation date is on or after January 1, 2014.

Changes of assumptions: The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30 listed below:

2015

- The assumed investment rate of return was decreased from 7.75% to 7.50%.
- The assumed rate of inflation was reduced from 3.50% to 3.25%.
- The assumed rate of wage inflation was reduced from 1.00% to 0.75%.
- Payroll growth assumption was reduced from 4.50% to 4.00%.
- 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. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.
- The assumed rates of retirement, withdrawal and disability were updated to more accurately reflect experience.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates are determined on a biennial basis beginning with fiscal years ended 2016 and 2017, determined as of June 30, 2015. The amortization period of the unfunded liability has been reset as of July 1, 2013 to a closed 30-year period. The following actuarial method and assumptions were used to determine contribution rates reported in that schedule:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Asset valuation method	5-year smoothed market
Inflation	3.25%
Salary increase	4.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

GOVERNMENTAL AUDITING STANDARDS

**INDEPENDENT AUDITORS' 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***

DePRIE & ADKISSON, PSC
Certified Public Accountants

12730 Townepark Way, Suite 103
Louisville, Kentucky 40243

**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 Directors
Bullitt County Public Library
Shepherdsville, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit 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 Bullitt County Public Library as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Bullitt County Public Library, Kentucky's basic financial statements and have issued our report thereon dated November 17, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bullitt County Public Library's internal control over financial reporting (internal control) to determine the 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 Bullitt County Public Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bullitt County Public Library's internal control.

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

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

To the Board of Directors
Bullitt County Public Library
Page 2

Compliance and Other Matters

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

This 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 communications is not suitable for any other purpose.

DePrie & Adkisson, PSC

Certified Public Accountants

November 17, 2017