Stokes Brown Public Library
(Joint Venture Between the City of Springfield, Tennessee and Robertson County, Tennessee)

Annual Financial Report
For the Year Ended June 30, 2024

Stokes Brown Public Library (Joint Venture)
Annual Financial Report
For the Year Ended June 30, 2024

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BLANKENSHIP

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Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, and the major fund of Stokes Brown Public Library (the Library) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, and the major fund of the Library, as of June 30, 2024, and the respective changes in financial position and the budgetary comparison for the general fund 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7, the schedule of changes in net pension liability (asset) and related ratios based on participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), schedule of contributions based on participation in the Public Employee Pension Plan of the TCRS, and schedule of changes in total OPEB liability and related ratios on pages 31-33, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The schedule of expenditures of federal awards, as required by the state of Tennessee on page 34 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards on page 34 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Mt. Juliet, Tennessee
December 19, 2024

Description of the Financial Statements
Our discussion and analysis of the Stokes Brown Public Library's (the "Library") financial performance provides an overview of the Library's financial activities for the fiscal year ended June 30, 2024. This should be read in conjunction with the Library's financial statements.

Financial Highlights
- Library support from both Robertson County and the City of Springfield totaled $908 thousand for fiscal year ending June 30, 2024 and $908 thousand for June 30, 2023.
- The Library's net position decreased by $76 thousand for the year compared to a decrease of $119 thousand last year.
- The expenses for the year were about $1.155 million as compared to $1.158 million in the prior year.

Using this Report
This report consists of the following financial statements: the statement of net position, statement of activities and the fund financial statements. The statement of net position and statement of activities provide information about the Library's finances as a whole, whereas the fund financial statements provide more detail information about the Library's operations.

Government-wide Financial Statements
The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the Library's assets, deferred outflows, liabilities and deferred inflows, with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the overall financial position of the Library. The Statement of Activities presents information showing how the Library's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

Also included in the government-wide statements are two component units. The Stokes Brown Library Public Library Foundation ("the Foundation") and the Friends of Gorham-MacBane Public Library (the Friends of the Library) are both separate, tax-exempt entities that support the Library.

Fund Financial Statements
The Library has one fund which is its General Fund. This fund focuses on cash and other assets that can be easily converted to cash. The fund statements include a reconciliation of the difference between the fund statements and the government-wide statements.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the basic financial statements in this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's progress in funding its obligation to provide pension benefits to its employees.

Condensed Comparative Data

TABLE A-1
Condensed Statements of Net Position Excluding Component Units
(In thousands of dollars)

	June 30, 2024	June 30, 2023	Dollar Change	Percent Change
Current and other assets	$ 413	$ 382	$ 31	8.1%
Capital assets	3,838	3,912	(74)	(1.9)%
Total assets	4,251	4,294	(43)	(1.0)%
Deferred outflows of resources	118	139	(21)	(15.1)%
Total assets and deferred outflows	$ 4,369	$ 4,433	$ (64)	(1.4)%
Long-term liabilities	$ 48	$ 41	$ 7	17.1%
Other liabilities	41	32	9	28.1%
Total liabilities	89	73	16	21.9%
Deferred inflows of resources	46	50	(4)	(8.0)%
Net position:				
Net investment in capital assets	3,838	3,912	(74)	(1.9)%
Restricted	47	36	11	31.0%
Unrestricted	349	362	(13)	(3.6)%
Total net position	$ 4,234	$ 4,310	$ (76)	(1.8)%

TABLE A-2
Condensed Statements of Activities Excluding Component Units
(In thousands of dollars)

	Year Ended June 30, 2024	Year Ended June 30, 2023	Dollar Change	Percent Change
General revenues	$ 1,050	$ 927	$ 123	13.3%
Program revenues	29	112	(83)	(74.1)%
Total revenues	1,079	1,039	40	3.8%
Salaries and benefits	665	654	11	1.7%
Depreciation expense	257	236	21	8.8%
Other costs	233	268	(35)	(13.1)%
Total expenses	1,155	1,158	(3)	(0.3)%
Change in net position	(76)	(119)	43	(36.3)%
Beginning net position	4,310	4,429	(119)	(2.7)%
Ending net position	$ 4,234	$ 4,310	$ (76)	(1.8)%

Overall Analysis
The Library's overall net position in Fiscal Year 2024 decreased by 1.8%. Overall revenues increased by 3.8% from the prior year. The Library's expenses decreased by 0.3%.

Budget Variances in the General Fund
The general fund revenues were below budgeted revenues by approximately $58 thousand or about 5%. Total general fund expenditures were approximately $68 thousand under budget. These things combined resulted in a positive net change in the fund balance of approximately $10 thousand with an ending balance at June 30, 2024 of approximately $345 thousand.

Capital Asset Activity

At the end of the fiscal year, the Library had $3.8 million net investment in capital assets. Capital asset reductions in the current year were approximately $74 thousand.

Schedules of Changes in Capital Assets

TABLE A-3
Capital Assets
(In thousands of dollars)

	June 30, 2024	June 30, 2023	Dollar Change	Percent Change
Land	$ 60	$ 60	$ -	0.0%
Building and improvements	4,328	4,328	-	0.0%
Books and audio visual	1,305	1,330	(25)	(1.9)%
Furniture and equipment	832	712	120	16.9%
Subtotal	6,525	6,430	95	1.5%
Less accumulated depreciation	(2,687)	(2,518)	(169)	6.7%
Net capital assets	$ 3,838	$ 3,912	$ (74)	(1.9)%

Debt Administration

The Library does not have any long-term debt at June 30, 2024.

Requests for Information

This financial report is designed to provide interested parties with a general overview of the Library's finances and to demonstrate the Library's accountability for the funds it receives. If you have questions about this report or require additional or clarifying information, contact the Library Director at Stokes Brown Public Library, 405 White Street, Springfield, TN 37172.

Stokes Brown Public Library (Joint Venture)

Governmental Fund Balance Sheet/Statement of Net Position

June 30, 2024

	General fund	Adjustments	Statement of net position	Component units
Assets				
Cash	$ 365,915	$ -	$ 365,915	$ 251,381
Restricted cash	20,000	-	20,000	-
Due from foundation	140	-	140	-
Investments	-	-	-	19,290
Net pension asset	-	26,938	26,938	-
Capital assets				
Land	-	60,000	60,000	-
Other capital assets, net of accumulated depreciation	-	3,778,219	3,778,219	-
Total assets	386,055	3,865,157	4,251,212	270,671
Deferred Outflows of Resources				
Deferred outflows, pension	-	114,876	114,876	-
Deferred outflows, OPEB	-	2,869	2,869	-
Total deferred outflows of resources	-	117,745	117,745	-
Total assets and deferred outflows of resources	**$ 386,055**			
Liabilities				
Accounts payable	$ 20,521	-	20,521	-
Accrued payroll	20,848	-	20,848	-
Compensated absences	-	40,177	40,177	-
OPEB liability	-	8,081	8,081	-
Total liabilities	41,369	48,258	89,627	-
Deferred Inflows of Resources				
Deferred inflows, pension	-	42,466	42,466	-
Deferred inflows, OPEB	-	3,117	3,117	-
Total deferred inflows of resources	-	45,583	45,583	-
Fund Balance				
Nonspendable	20,000	(20,000)	-	-
Unassigned	324,686	(324,686)	-	-
Total fund balance	344,686	(344,686)	-	-
Total liabilities, deferred inflows of resources, and fund balance	**$ 386,055**			
Net Position				
Investment in capital assets		3,838,219	3,838,219	-
Restricted, nonexpendable		20,000	20,000	-
Restricted for pension		26,938	26,938	-
Unrestricted		348,590	348,590	270,671
Total net position		**$ 4,233,747**	**$ 4,233,747**	**$ 270,671**

Stokes Brown Public Library (Joint Venture)

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities

For the Fiscal Year Ended June 30, 2024

	General fund	Adjustments	Statement of activities	Component units
Expenditures/Expenses				
Salaries and benefits	$ 653,714	$ 12,413	$ 666,127	$ -
Utilities	38,071	-	38,071	-
Telecommunications	14,813	-	14,813	-
Maintenance and repair	59,813	-	59,813	-
Supplies	38,180	-	38,180	90,600
Insurance	18,556	-	18,556	-
Other expenses	27,832	-	27,832	72,132
Information technology	35,609	-	35,609	-
Capital outlay				
Books	40,834	(40,834)	-	-
Audio visual materials	5,401	(5,401)	-	-
Equipment	120,004	(120,004)	-	-
Depreciation	-	256,827	256,827	-
Total expenditures/expenses	1,052,827	103,001	1,155,828	162,732
Program Revenues				
Fines	8,958	-	8,958	-
Grants and contributions	3,184	16,744	19,928	-
Memorials	520	-	520	-
Fundraising	-	-	-	58,749
Total program revenues	12,662	16,744	29,406	58,749
Net program expense	1,040,165	86,257	1,126,422	103,983
General Revenues				
Robertson County	453,940	-	453,940	-
City of Springfield	453,850	-	453,850	-
Other income	142,628	-	142,628	21,875
Investment income, net	-	-	-	489
Total general revenues	1,050,418	-	1,050,418	22,364
Net change in fund balance/ net position	10,253	(86,257)	(76,004)	(81,619)
Fund balance/net position, beginning of year	334,433	3,975,318	4,309,751	352,290
Fund balance/net position, end of year	**$ 344,686**	**$ 3,889,061**	**$ 4,233,747**	**$ 270,671**

Stokes Brown Public Library (Joint Venture)

Statement of Governmental Fund Revenues, Expenditures, and Changes in
Fund Balance, Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted amounts			Variance with final budget (+/-)
	Original	Final	Actual	
Revenues				
Robertson County	$ 453,940	$ 453,940	$ 453,940	$ -
City of Springfield	453,940	453,940	453,850	(90)
Fines	11,800	12,300	8,958	(3,342)
Grants and contributions	60,410	20,200	3,184	(17,016)
Memorials	2,000	2,400	520	(1,880)
Other income	15,000	177,910	142,621	(35,289)
Interest income	10	10	7	(3)
Total revenues	997,100	1,120,700	1,063,080	(57,620)
Expenditures				
Operating expenditures				
Salaries and benefits	697,000	701,280	653,714	47,566
Utilities	48,000	49,570	38,071	11,499
Telecommunications	17,960	18,760	14,813	3,947
Maintenance and repair	52,000	60,000	59,813	187
Supplies	35,050	38,200	38,180	20
Insurance	10,500	19,500	18,556	944
Other expenses	27,600	29,300	27,832	1,468
Information technology	16,330	36,330	35,609	721
Capital outlay				
Books	44,100	41,100	40,834	266
Audio visual materials	9,200	5,800	5,401	399
Equipment	39,360	120,860	120,004	856
Total expenditures	997,100	1,120,700	1,052,827	67,873
Net change in fund balance	-	-	10,253	**$ 10,253**
Fund balance, beginning of the year	334,433	334,433	334,433	
Fund balance, end of year	**$ 334,433**	**$ 334,433**	**$ 344,686**	

Note 1. **Summary of Significant Accounting Policies**

Organization

Stokes Brown Public Library (the Library), formerly known as Gorham-MacBane Public Library, was created in February 1969 by the City of Springfield (the City) and Robertson County, Tennessee (the County). The City and the County each provide half of the operating funds needed to supplement other revenues of the Library. The purpose of the Library is to furnish information to the citizens of Springfield and Robertson County, Tennessee.

Basis of Presentation

The Library's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

Reporting Entities

The Library is accounted for as a joint venture between Robertson County and the City of Springfield. The City and County agreed to split the operational costs of the Library equally. Board members are appointed by the City and County. Capital assets used by the Library would revert to the City and County if the Library were ever disbanded.

In 2017, the City and County entered into an Interlocal Agreement to jointly fund the operations of the Library. The agreement automatically renews itself from year to year thereafter upon adoption by each party of a fiscal year budget that includes a 50% allocation of funding from each party for the Library's operations.

The Friends of Gorham-MacBane Public Library (the Friends of the Library) is a legally separate, tax-exempt component unit of the Library. The Friends of the Library acts primarily as a fund-raising organization to supplement the resources that are available to the Library in support of its programs. Although the Library does not control the timing or amount of funds available from the Friends of the Library, all funds held by the Friends are for the ultimate benefit of the Library; therefore, the Friends of the Library is considered a component unit and is discretely presented in the Library's financial statements. Financial statements for the Friends of the Library can be obtained from the Treasurer of the Friends of the Library at 405 White Street, Springfield, Tennessee 37172.

The Stokes Brown Public Library Foundation (the Foundation) is a legally separate, tax-exempt component unit of the Library. The Foundation exists to support the Library's Board of Trustees and staff in their efforts to fulfill the Library's mission and goals. The Foundation's purpose is to raise monies for special programs, materials, and other capital improvements outside of the Library's publicly funded operating budget. Although the Library does not control the timing or amount of funds available from the Foundation, all funds held by the Foundation are for the ultimate benefit of the Library, and therefore, the Foundation is considered a component unit and is discretely presented in the Library's financial statements. Financial statements for the Foundation can be obtained from the Treasurer of the Foundation at 405 White Street, Springfield, Tennessee 37172.

Included in the financial statements of the component units are the activities of both the Friends of the Library and the Foundation.

Note 1. **Summary of Significant Accounting Policies**

Combined Government-wide and Fund Financial Statements

Combined government-wide and fund financial statements are presented for the Library. The first column of the combined statements presents the fund financial statements of the Library. The third column represents the government-wide financial statements. The adjustments column represents the adjustments necessary to reconcile the fund financial statements to the government-wide statements. The explanations of the reconciling items are presented in notes 11 and 12.

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Library's services are classified as governmental activities. The Library has no business-type activities.

Government-wide Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of the governmental activities of the Library.

This government-wide focus is primarily on the sustainability of the Library as an entity and the change in the Library's net position resulting from the current year's activities.

Measurement focus refers to what is being measured; basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., 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 Library considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Fund financial statements report detailed information about the Library. The focus of fund financial statements is on major funds rather than fund type. The financial statements of governmental funds include a balance sheet and a statement of revenues, expenditures, and changes in fund balance.

The financial transactions of the Library are reported in individual funds in the fund financial statements. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

Note 1. **Summary of Significant Accounting Policies**

Fund Financial Statements
The Library reports the following major fund:

General Fund – The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund. All of the essential governmental services are reported in the General Fund.

Fund Balance
The Library reports fund balances in the governmental fund financial statements which are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the Library's charter, state or federal laws, or externally-imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by the formal action of a resolution made by the Library's highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the Library takes the same highest level of action, a Board resolution, to remove or change the constraint.

Assigned – Amounts the Library intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.

Unassigned – Amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Library considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Library considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees or the finance committee has provided otherwise in its commitment or assignment actions.

Note 1. **Summary of Significant Accounting Policies**

Net Position

Government-wide fund net position is divided into three components:

Investment in capital assets – Consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position – Consists of assets that are restricted by the Library's creditors (e.g., through debt covenants), by state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted – All other net position is reported in this category.

Financial Statement Accounts

Cash

Cash consists of cash on hand, demand deposits, and highly liquid investments (including restricted cash) with maturities of three months or less from the date of acquisition.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of net position. Realized and unrealized gain and loss are reflected in the statement of activities as non-operating transactions. Net long-term investment income includes interest and dividend income, realized gain and loss, and unrealized gain and loss. Interest and dividend income and realized and unrealized gains and losses are recognized as increases or decreases in net assets without donor restriction unless a donor or the law restricts their use.

Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost, if historical cost is not available. Contributed assets are reported at estimated fair value as of the date received. Costs incurred for repairs and maintenance are expensed as incurred.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized as follows:

Buildings and land	Acquisitions with a useful life greater than 1 year
Land improvements	Projects over $10,000
Building renovations and improvements	Projects over $100,000 extending the useful life
Equipment	Equipment costing over $3,000 with a useful life greater than 1 year
Library books and audio visual materials	Acquisitions with a useful life greater than 1 year

Note 1. **Summary of Significant Accounting Policies**

Financial Statement Accounts

Capital Assets

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	7 – 50 years
Land improvements	20 years
Books and audio visual	10 years
Furniture and equipment	5 – 10 years

Revenues

General revenues consist almost entirely of allocations provided by the City of Springfield and Robertson County. These revenues are recognized when they become available.

Program revenues include fines, donations and gifts, and in-kind allocations from the Red River Regional Library. These revenues have no receivable component and are recognized when collected or provided.

Budgets

The Library Board appoints a committee, consisting of board members along with the librarian, which formulates the original budget. The budget is prepared on a modified accrual basis of accounting. The budget is then submitted to the full Library Board for approval. After Board approval, it is then submitted to the City of Springfield Aldermen for approval. After the City Aldermen have approved the budget, it is then submitted to the budget committee of the Robertson County Commission. Upon passing review of that budget committee, it is then submitted to the full County Commission, which has the final approval. The operating budget includes proposed expenditures and the means of financing them. Budget amendments require approval by the Board of Trustees. The legal level of budgetary control is the line-item level. When unexpected or excess financing becomes available during the year, the Library Board has given the librarian authority to use her discretion as to how the funds are to be used, unless stipulated by the donor or grantor. Since funding is an unknown variable for the Library, expenditures are difficult to budget throughout the year. As funding becomes available, the board often authorizes additional expenditures. The budgetary basis is consistent with GAAP.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Jointly Governed Organizations

The Stokes Brown Public Library Board comprises the governing Board for Robertson County of the Regional Library system, which is a component of the State Library System. The Library does not provide and is not liable for any financial support of the system.

Restricted Resources

The Library applies expenses against restricted resources first when both restricted and unrestricted resources are available.

Note 1. **Summary of Significant Accounting Policies**

Pensions

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

Other Postemployment Benefit (OPEB) Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined on the same basis as they are reported by the Library. For this purpose, the Library recognizes benefit payments when due and payable in accordance with benefit terms. The Library's OPEB plan is not administered through a trust.

Note 2. **Cash**

Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions, less the amount protected by Federal Deposit Insurance Corporation insurance (FDIC). Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

The Library is authorized by law to invest idle funds in obligations of the US government and nonconvertible debt securities of the Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation, and other obligations guaranteed by the US government or any of its agencies. The Library is also authorized to invest in secured certificates of deposit and other evidences of deposit at state and federal chartered banks and savings and loan associations. The Library also may invest in obligations of the US government or its agencies under a repurchase agreement, if the state director of local finance approves repurchase agreements as an authorized investment. Finally, the Library may invest in the local government investment pool created by Title 9, Chapter 4, Part 7, *Tennessee Code Annotated*.

The Library has not adopted formal policies to restrict credit risk, interest rate risk, or custodial risk beyond requirements of state statutes. In addition, the Library has not adopted a formal policy to limit the amount the Library may invest in any one issuer.

At June 30, 2024, the carrying value of the Library's deposits (including those of the component units) totaled $637,296 and the bank balances totaled $637,107 of the bank balances, $501,380 was insured by the FDIC, and $139,867 was collateralized by the State of Tennessee Collateral Pool.

Note 3. **Nonspendable Fund Balance/Nonexpendable Net Position**

Nonspendable fund balance/nonexpendable net position consists of a $20,000 endowment that has been restricted by a donor. The Library is allowed to use the earnings only, not the corpus, for general budget purposes. This amount is also reported as restricted cash on the balance sheet.

Note 4. **Fair Value Measurements**

The Library and its component units is authorized to invest funds in, among other things, financial institutions, and direct obligations of the Federal Government. During 2023, the Library and its component units invested in certificates of deposit and government sponsored agency securities. The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

GASB Statement No. 72, *Fair Value Measurements and Disclosures*, (GASB 72) defines fair value and expanded disclosures about fair value measurements. GASB 72 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GASB 72 also established a fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

The Library and its component units have implemented the accounting standards topic regarding fair value measurements. The standards define fair value, establish a framework for measuring fair value in accordance with US GAAP and expand disclosures about fair value measurements. These standards use the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

Level 2: Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.

Level 3: Unobservable inputs which reflect the reporting entity’s assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level l, primarily include certain common stock and preferred stock equities. These investments are traded daily in public markets in the United States and other foreign countries. The fair value of these investments is based on the last reported sales price on the last day of the plan year.

Note 4. **Fair Value Measurements**

Investments that trade in markets that are not considered to be actively traded on a daily basis, but are valued based on quoted market prices, dealer and broker quotations, bid prices, or alternative pricing sources using observable inputs, are classified within Level 2. These include certain US Government and foreign obligations, investment grade corporate bonds and bank loans, certain mortgage and asset backed securities, less liquid listed securities, certain government agency securities, and foreign currency exchange purchase and sales contracts. Common and collective trust funds, investment entities and short- term investment funds, whose underlying assets are primarily invested in securities that are actively traded, are fair valued based upon the redemption value of each unit on the last business day of the plan year.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 investments include private equity funds, real estate investment, limited partnerships, certain mortgage and asset backed and common and collective trust funds that are primarily invested in real estate. The fair value of these investments is determined by estimated provided by independent pricing sources in asset classes, non-binding bid prices from industry vendors and managers, and the net asset value on the last day of plan year.

	Level 1	Level 2	Level 3	Total
Investments in fair value hierarchy				
U.S. Treasury Securities	$ 19,290	$ -	$ -	$ 19,290

All federal securities, guaranteed by or linked to the U.S. government, are rated Aaa by Moody's and AA+ by Standard & Poor's. (Treasury securities and Federal Home Loan Mortgage Company also have a AAA rating from Fitch). As of June 30, 2024, the investments that constituted a concentration risk due to the investments exceeding 5% of the portfolio balance were the U.S. Treasury Securities, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Farm Credit Bank.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policies place no specific limit on the weighted average maturity of the Library and its component unit's investment portfolios. However, the average maturity of the portfolios is monitored and managed so that the changing interest rates will cause only minimal deviations in the net asset value. The Cash Investment policy states no maturity greater than 5 years or provided by State Statute. As of June 30, 2024, the investments of the Library and its component units had average weighted maturities as noted on the preceding table.

Note 4. **Fair Value Measurements**

Credit Risk: Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the Library and its component units will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Library and its component units does not have a policy with regard to custodial credit risk of investments. As of June 30, 2024, all investments were insured or registered, or the securities were held by the Library and its component units or its agent in the Library and its component unit's name.

As of June 30, 2024, the Library and its component units had the following investments measured at fair value per GASB Statement No. 72:

		Fair Value Measurements Using		
	June 30, 2024	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable (Level 3)**
Investments by fair value level				
Debt securities				
U.S. Treasury securities	$ 19,290	$ 19,290	$ -	$ -
Total investments by fair value level	**$ 19,290**	**$ 19,290**	**$ -**	**$ -**
Investments measured at the net asset value (NAV)	$ -			**$ -**
Total investments measured at fair value	**$ 19,290**			

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Note 5. **Capital Assets**

Changes in capital assets for the year are as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Capital assets, not being depreciated				
Land	$ 60,000	$ -	$ -	$ 60,000
Capital assets, being depreciated				
Building and improvements	4,328,248	-	-	4,328,248
Books and audio visual	1,329,888	62,979	(88,312)	1,304,555
Furniture and equipment	711,871	120,184	-	832,055
	6,370,007	183,163	(88,312)	6,464,858
Less: accumulated depreciation				
Building and improvements	1,000,018	104,099	-	1,104,117
Books and audio visual	996,307	67,647	(88,312)	975,642
Furniture and equipment	521,799	85,081	-	606,880
	2,518,124	256,827	(88,312)	2,686,639
Capital assets, net	**$ 3,911,883**	**$ (73,664)**	**$ -**	**$ 3,838,219**

Depreciation expense of $256,827 was charged to the library services governmental activity.

Note 6. **Pension Plan**

Plan Description

Employees of the Library are provided a defined benefit pension plan (the Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Note 6. **Pension Plan**

Benefits Provided

Tennessee Code Annotated (TCA), Title 8, Chapters 34-37, establishes the benefit terms of the Plan and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service-related and non-service-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost-of-living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than 0.5%. A 1% COLA is granted if the CPI change is between 0.5% and 1%. A member who leaves employment may withdraw his/her employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	6
Active employees	10
	22

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. The Library makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, the employer contributions for the Library were $18,037, based on a rate of 4.26% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the Library's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the costs of administration, and an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The Library's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Note 6. **Pension Plan**

Actuarial Assumptions

The total pension liability as of June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, and averaging 4.00%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.125%

Mortality rates were based on actual experience, including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are 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 by adding expected inflation of 2.25%. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Actuarial Assumptions

Asset class	**Long-term expected real rate of return**	**Target allocation**
US equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
US fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		100%

Note 6. **Pension Plan**

Actuarial Assumptions

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75%, based on a blending of the factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Library will be made at the ADC rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments to current active and inactive members. Therefore, the long-term expected rate of return on pension plan assets was applied to all periods of projected benefit payments to determine the total pension liability.

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a-b)
Balance, June 30, 2022	$ 756,004	$ 771,608	$ (15,604)
Service cost	37,468	-	37,468
Interest	52,517	-	52,517
Differences between expected and actual experience	(23,347)	-	(23,347)
Contributions, employer	-	9,128	(9,128)
Contributions, employees	-	18,112	(18,112)
Net investment income	-	51,712	(51,712)
Benefit payments, including refunds of employee contributions	(30,875)	(30,875)	-
Administrative expenses	-	(980)	980
Net change	35,763	47,097	(11,334)
Balance, June 30, 2023	**$ 791,767**	**$ 818,705**	**$ (26,938)**

Note 6. **Pension Plan**

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Library calculated using the discount rate of 6.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current discount rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	$ 97,863	$ (26,938)	$ (126,763)

Pension Expense (Negative Pension Expense) and Deferred Outflows/Inflows of Resources Related to Pensions

Pension Expense

For the year ended June 30, 2024, the Library recognized pension expense of $26,292.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 72,618	$ 42,466
Net difference between projected and actual earnings on pension plan investments	8,768	-
Changes in assumptions	15,453	-
Contributions subsequent to the measurement date of June 30, 2023	18,037	-
	$ 114,876	**$ 42,466**

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2023," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2025	$ 2,183
2026	22,765
2027	37,171
2028	(3,848)
2029	(3,898)
Thereafter	-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Note 7. **Other Postemployment Benefits for Retiree Health Insurance**

Plan Description

Employees of the Library are provided with pre-age 65 retiree health insurance benefits through the Local Government OPEB Plan (LGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-age 65 retired employees and disability participants of local governments who choose coverage participate in the LGOP.

Benefits Provided

The Library offers the LGOP to provide health insurance coverage to eligible pre-age 65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGOP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan for healthcare benefits. Retired plan members of the LGOP receive the same plan benefits as active employees, at a blended premium rate that considers the cost to all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policies related to direct subsidies provided for the retiree premiums. The Library does not directly subsidize the premiums and is only subject to the implicit subsidy for retirees. The LGOP is funded on a pay-as-you-go basis, with no assets accumulating in trust that meet the criteria of paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms

At July 1, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	9
	9

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2024, the Library did not pay anything to the LGOP for OPEB benefits as they came due.

Note 7. **Other Postemployment Benefits for Retiree Health Insurance**

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44% to 8.72%, based on age, including inflation, and averaging 4.00%
Healthcare cost trend rates	10.31% for pre-age 65 in 2023, decreasing annually over a 11-year period to an ultimate rate of 4.50%. 12.44% for post-65 in 2023, decreasing annually over an 11-year period to an ultimate rate of 4.50%.
Retirees' share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation, a weighted average has been used, with weights derived from the current distribution of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2023 valuations were the same as those employed in the July 1, 2022 Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables are headcount-weighted below median healthy annuitant and adjusted with a 6% load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender-distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This rate reflects the interest rate derived from yields on 20-year tax-exempt general obligation municipal bonds prevailing on the measurement date, with an average rating of AA/Aa, as shown on the Bond Buyer 20-Year Municipal GO AA index.

Note 7. **Other Postemployment Benefits for Retiree Health Insurance**

Changes in the Total OPEB Liability

		Total OPEB liability
Balance, June 30, 2023	$	4,863
Service cost		657
Interest		195
Differences between expected and actual experience		196
Changes in assumptions		2,170
Benefit payments		-
Net changes		3,218
Balance, June 30, 2024	**$**	**8,081**

Changes in Assumptions

The discount rate was changed from 3.54% as of the beginning of the measurement period to 3.65% as of June 30, 2023. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	1% Decrease (2.65%)	Current discount rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$ 8,709	$ 8,081	$ 7,485

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate:

	1% Decrease (9.31%/11.44% decreasing to 3.50%)	Healthcare cost trend rates assumption (10.31%/12.44% decreasing to 4.50%)	1% Increase (11.31%/13.44% decreasing to 5.50%)
Total OPEB liability	$ 7,189	$ 8,081	$ 9,094

OPEB Expense

For the fiscal year ended June 30, 2024, the Library recognized OPEB expense of $686.

Note 7. **Other Postemployment Benefits for Retiree Health Insurance**

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the LGOP from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	$ 396	$ 1,055
Changes in assumptions and other inputs	2,473	2,062
Total	**$ 2,869**	**$ 3,117**

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ending June 30,	
2025	$ (166)
2026	(166)
2027	(166)
2028	(166)
2029	(91)
Thereafter	507

In the table above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Note 8. **State Appropriation**

The Library receives support annually from the Red River Regional Library Center (the Center), based on the funding the Center receives from the State of Tennessee and the service area population of Robertson County in relation to other counties serviced by the Center. For the fiscal year ended June 30, 2024, the Library received funding of $16,744 from the Center to purchase books and audiovisual materials.

Note 9. **Risk Management**

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation claims for which the Library carries commercial insurance. Settlements have not exceeded insurance coverage for any claims in the prior three fiscal years.

Note 10. **Concentration/Related Party Transactions**

Stokes Brown Public Library has received over 90% of its operational funding from Robertson County and the City of Springfield.

Note 11. **Reconciliation of Governmental Fund Balance Sheet to Statement of Net Position**

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

Total fund balance, governmental fund	$	344,686
Amounts reported for governmental activities in the statement of net position are different because of:		
Assets and deferred outflows that are not current financial resources in governmental funds but are instead reported in the statement of net position		
Capital assets, net of related accumulated depreciation		3,838,219
Deferred outflows related to pension costs and other postemployment benefits		117,745
Net pension asset		26,938
Liabilities and deferred inflows reported in the statement of net position, which are not recorded on the governmental funds as they are not due in the current period		
Compensated absences		(40,177)
OPEB liability		(8,081)
Deferred inflows related to pensions and other postemployment benefits		(45,583)
Total net position	**$**	**4,233,747**

Note 12. **Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities**

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

Change in fund balance, governmental funds	$	10,253
Governmental funds reflect pension expense as paid; however, in the statement of activities, pension expense net of employee contributions, is reported as earned.		(12,413)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		16,744
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded expense in the current period.		(90,588)
Change in net position	**$**	**($76,004)**

Required Supplementary Information

Stokes Brown Public Library (Joint Venture)
Schedules of Changes in Net Pension Liability (Asset) and Related Ratios
Based on Participation in the Public Employee Pension Plan of the TCRS
Last Fiscal Year Ending June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	$ 37,468	$ 27,067	$ 19,623	$ 21,785	$ 16,934	$ 9,120	$ 7,972	$ 6,963	$ 5,607	$ 2,858
Interest	52,517	43,730	40,690	46,365	39,848	36,441	34,035	31,633	29,282	22,679
Differences between expected and actual experience	(23,347)	79,408	17,720	(115,042)	56,403	20,226	19,687	17,601	20,037	82,073
Changes in assumptions		-	30,909	-	-	-	11,566	-	-	-
Benefit payments, including refunds of employee contributions	(30,875)	(29,975)	(29,562)	(28,897)	(27,388)	(25,838)	(25,307)	(25,056)	(24,808)	(19,841)
Net change in total pension liability	35,763	120,230	79,380	(75,789)	85,797	39,949	47,953	31,141	30,118	87,769
Total pension liability, beginning	756,004	635,774	556,394	632,183	546,386	506,437	458,484	427,343	397,225	309,456
Total pension liability, ending (a)	791,767	756,004	635,774	556,394	632,183	546,386	506,437	458,484	427,343	397,225
Plan Fiduciary Net Position										
Contributions, employer	9,218	7,201	108,016	23,212	38,783	25,697	22,542	18,006	16,103	12,368
Contributions, employee	18,112	18,002	14,955	13,244	17,392	11,523	10,109	8,075	7,221	6,165
Net investment income	51,712	(30,807)	156,224	26,270	35,503	35,067	42,109	9,503	10,721	49,711
Benefit payments, including refunds of employee contributions	(30,875)	(29,975)	(29,562)	(28,897)	(27,388)	(25,838)	(25,307)	(25,056)	(24,808)	(19,841)
Administrative expenses	(980)	(925)	(805)	(774)	(940)	(707)	(424)	(378)	(254)	(171)
Net change in plan fiduciary net position	47,187	(36,504)	248,828	33,055	63,350	45,742	49,029	10,150	8,983	48,232
Plan fiduciary net position, beginning of year	771,608	808,112	559,284	526,229	462,879	417,137	368,108	357,958	348,975	300,743
Plan fiduciary net position, end of year (b)	818,795	771,608	808,112	559,284	526,229	462,879	417,137	368,108	357,958	348,975
Net pension liability (asset), end of year (a) - (b)	**$ (27,028)**	**$ (15,604)**	**$ (172,338)**	**$ (2,890)**	**$ 105,954**	**$ 83,507**	**$ 89,300**	**$ 90,376**	**$ 69,385**	**$ 48,250**
Plan fiduciary net position as a percentage of total pension liability	103.41%	102.06%	127.11%	100.52%	83.24%	84.72%	82.37%	80.29%	83.76%	87.85%
Covered-employee payroll	$ 362,222	$ 360,033	$ 299,104	$ 283,109	$ 347,832	$ 230,463	$ 202,174	$ 161,492	$ 144,417	$ 123,307
Net pension liability (asset) as a percentage of covered-employee payroll	-7.46%	-4.33%	-57.62%	-1.02%	30.46%	36.23%	44.17%	55.96%	48.04%	39.13%

Notes to Schedule

GASB 68 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 68* . The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Changes in Assumptions

In 2021, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth, and mortality improvements.

Stokes Brown Public Library (Joint Venture)
Schedule of Contributions
Based on Participation in the Public Employee Pension Plan of the TCRS
Last Fiscal Year Ending June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-determined contribution	$ 18,037	$ 9,128	$ 7,201	$ 18,016	$ 23,212	$ 38,783	$ 25,697	$ 22,542	$ 18,006	$ 16,103	$ 12,368
Contributions in relation to the actuarially-determined contribution	18,037	9,128	7,201	108,016	23,212	38,783	25,697	22,542	18,006	16,103	12,368
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ (90,000)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Covered-employee payroll	$ 423,404	$ 362,232	$ 360,033	$ 299,104	$ 283,109	$ 347,832	$ 230,463	$ 202,174	$ 161,492	$ 144,417	$ 123,307
Contributions as a percentage of covered-employee payroll	4.26%	2.52%	2.00%	36.11%	8.20%	11.15%	11.15%	11.15%	11.15%	11.15%	10.03%

Notes to Schedules

GASB 68 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 68* . The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Actuarially-determined contribution rates for fiscal year 2024 were calculated based on the results of the June 30, 2023 actuarial valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20.0% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience, including adjustment for some anticipated improvement
Cost-of-living adjustment	2.125%

Changes in Assumptions

In 2021, the following assumptions were changed: decrease inflation rate from 2.50% to 2.25%; decreased the investment rate of return from 7.25% to 6.75%; decreased the cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions.

In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

Stokes Brown Public Library (Joint Venture)
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Fiscal Year Ending June 30,

	2024	2023	2022	2021	2020	2019
Total OPEB Liability						
Service cost	$ 657	$ 658	$ 872	$ 1,051	$ 641	$ 4,115
Interest	195	146	146	201	198	146
Differences between actual and expected experience	196	160	(86)	(754)	(1,262)	273
Changes in assumptions and other inputs	2,170	(2,216)	(545)	552	267	300
Net change in total OPEB liability	3,218	(1,252)	387	1,050	(156)	4,834
Total OPEB liability, beginning of year	4,863	6,115	5,728	4,678	4,834	-
Total OPEB liability, end of year	**$ 8,081**	**$ 4,863**	**$ 6,115**	**$ 5,728**	**$ 4,678**	**$ 4,834**
Covered-employee payroll	$ 423,404	$ 362,232	$ 360,033	$ 299,104	$ 283,109	$ 347,832
Total OPEB liability as a percentage of covered-employee payroll	1.91%	1.34%	1.70%	1.92%	1.65%	1.39%

Notes to Schedule

There are no assets accumulating in a trust that meet the criteria in paragraph 4 of GASB 75 related to this OPEB plan.

The amounts reported for each fiscal year were determined as of the prior fiscal year end.

GASB 75 requires this data to be presented as part of a 10-year schedule, but it is not required to be presented retroactively prior to the implementation date of GASB 75. Years will be added to this schedule in future years until 10 years of information is available.

Changes in Assumptions

The discount rate was changed from 3.54% as of the beginning of the measurement period, to 3.65% as of June 30, 2023. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and slight changes to the near term health trend trend rates.

Supplementary Information

Stokes Brown Public Library (Joint Venture)
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-through grantor	Program/Cluster name	Assistance listing number	Contract number	Expenditures	
Federal Awards					
Pass-through funding through the Tennessee State Library and Archives					
Institute of Museum and Library Services	Grants to States Program	45.310	LS-253654-OLS-23	$	1,268
Total federal awards				**$**	**1,268**

Notes to Schedule

Note 1. **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance summarizes the expenditures of the Library under programs of the federal and state governments for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Library, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Library. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the uniform Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2. **Indirect Cost Rate**

The Library has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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*

Board of Trustees
Stokes Brown Public Library

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, and the major fund of Stokes Brown Public Library (the Library) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 19, 2024.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

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

Our consideration of internal control was for the limited purpose described in 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Mt. Juliet, Tennessee
December 19, 2024

Stokes Brown Public Library (Joint Venture)
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2024

Financial Statement Findings

Finding Number	**Finding Title**	**Status**
N/A	There were no prior findings reported.	N/A