

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

FINANCIAL STATEMENTS

Year Ended June 30, 2024

WITH

Independent Auditors' Report

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

FINANCIAL STATEMENTS

Year Ended June 30, 2024

WITH

Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

**To the Board of Trustees
Campbell County Public Library District Board of Trustees, Inc.
Cold Spring, Kentucky**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Campbell County Public Library District Board of Trustees, Inc. as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Campbell County Public Library District Board of Trustees, Inc. as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Campbell County Public Library District Board of Trustees, Inc. 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 these 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 Campbell County Public Library District Board of Trustees, Inc.'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.

Auditors' 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 auditors' report that includes our

opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Campbell County Public Library District Board of Trustees, Inc.'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 Campbell County Public Library District Board of Trustees, Inc.'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, budgetary comparison information, and the schedules for pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Administrative Expense Detail is presented on page 44 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 Administrative Expense Detail has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024, on our consideration of Campbell County Public Library District Board of Trustees, Inc.'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 Campbell County Public Library District Board of Trustees, Inc.'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 Campbell County Public Library District Board of Trustees, Inc.'s internal control over financial reporting and compliance.

Bramel & Ackley, P.S.C.

November 20, 2024

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

A. Overview of Campbell County Economy

The Northern Kentucky region and Campbell County continues to thrive with county revenue projections at 2% higher than budgeted. As a result, the District’s financial health, dependent on property tax revenue, is also in good shape. Tax revenues exceeded forecasts again for this past fiscal year.

We continue to see construction and growth along the Highway 27 corridor with the Cold Spring Pointe development (expected completion in Q3 2025) that will include a new Publix grocery with adjoining fashion and soft goods commercial spaces just south of the AA/Highway 9 crossroads. In addition, the new Grants Lick Elementary school building broke ground on February 3, 2024, with an expected completion date in June 2025. The new school will serve students from pre-school through 5th grade and will have parking and drop-off areas for buses and cars; a building very much needed to better serve those learners and their families in Southern Campbell.

In Newport, MegaCorp Pavilion continues to draw both national artists and tourists to the region. North America Properties (recently acquired by the global real estate firm Jamestown), which also owns Newport on the Levee, announced the proposed Margaritaville Hotel to be built on the river in Newport that is expected to generate 282 new jobs – 187 full-time jobs and 95 part-time jobs – for Campbell County, with construction estimated to be completed by fall 2026. Not to be left behind, Dayton and Fort Thomas have both been making improvements in their cities with the Riverfront Commons River’s Edge Trail project (Dayton) and the renovated playground in Tower Park. The \$3.6 million upgrades to the playground include all new equipment, ADA-compliant walkways, a decorative stone wall for the entranceway, and new signage. Likewise, much of the county is seeing similar investments in infrastructure.

Lack of affordable housing and troubling workforce development trends continue to plague Northern Kentucky. To aid in connecting potential workers to employers with job openings in our area, the Cold Spring Branch of the Campbell County Public Library District became an Access Point of the Kentucky Career Center (KCC) in May of 2024. This partnership increases our direct access to the services provided by KCC and officially recognizes the District’s place in workforce development.

Regarding affordable housing, the Northern Kentucky Area Development District along with other groups, like the Northern Kentucky Community Action Commission, continue to work to solve issues which impact affordable housing. The District participates in these efforts by connecting patrons to agencies that are addressing this issue and by also participating in idea gathering sessions with those organizations directly working on solutions.

The Northern Kentucky region is supported by so many talented and passionate agencies, educational institutions and businesses that, despite these challenges, the potential growth in the county and of its tax base continues to position the county and the District well for the future financially.

B. Overview of the Library’s Finances

Overview of the Financial Statements

This management discussion and analysis serves as an introduction to the District’s basic financial statements. The District’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

Government-wide financial statements. The government-wide financial statements are designed to report information about the overall finances of the District in a manner similar to a private sector business. They are designed to show a longer-term view of the District's finances.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate fiscal accountability. The District uses two funds – general operating fund and capital projects fund – to provide more detailed information about the District's most significant funds rather than the District as a whole.

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.

Budget Approval

The District is required by state statutes to create a balanced budget each fiscal year. The District's budget for FY2023-24 was approved by the Board of Trustees on May 17, 2023. The District's fiscal year began on July 1, 2023 and ended on June 30, 2024.

Budgeted Income

The District's budgeted income for FY2023-24 was \$5,845,000. The bulk of this anticipated income generates from locally assessed taxes (\$5,620,000, or 96.15%). Other components of the District's income included:

- Donations (\$35,000, 0.60%);
- Grants and State Aid (\$51,000, 0.87%);
- Other income (\$101,000, 1.73%);
- Service charges (\$38,000, 0.65%).

“Other income” includes interest earned on accounts.

Tax Rates

On July 19, 2023, the Board of Trustees adopted the following tax rates:

- 6.6 cents per \$100 for Real Estate;
- 6.78 cents per \$100 for Personal Property (actually business inventory);
- 2.6 cents per \$100 for motor vehicles and watercraft.

The District's tax rates decreased in FY2023-24 while still producing an approximate 4% increase in revenue due to the increased valuation of property in the county.

Budgeted Expenditures

Budgeted expenditure for FY2023-24 was \$5,845,000. Budgeted expenditures were broken down into:

- Capital Expenditures (\$237,325, 4.06%);
- Collection Expenditures [books, audiovisuals and other circulating materials] (\$680,000, 11.63%);
- Operating Expenditures (\$1,203,775, 20.60%);
- Personnel Expenditures (\$3,723,900, 63.71%).

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

Actual Income/Expenditures

Actual income for the District was \$6,114,292, well over the budgeted amount. Increased property valuations accounted for the increase in revenue. (Note that "transferred reserves" contained in the approved budget are not reflected as actual income. Reserve funds are not transferred if income from regular sources is sufficient to meet the District's needs.) Actual expenditures were \$5,806,274 which is very close to what was budgeted.

District Indebtedness

The District began FY2023-24 with one outstanding loan which has a seven year term. The first payment was made in December 2019. The average annual payment is \$188,172 with an effective interest rate of 1.76%. The last payment will be made in January 2026.

Financial Analysis of the District as a Whole

The District's net position increased between this fiscal year and the previous year by \$1,005,937 or 21.17%. Approximately 62% of the District's assets are invested in capital assets. The vast majority (98%) of revenue supporting all governmental activities is general revenue. The most significant portion of the general revenue is local property tax. The remaining amount of revenue received was in the form of program revenues, which equaled \$143,079 or 2% of total revenue. Table 1 shows the net position and Table 2 shows the change in net position for this fiscal year and the previous year.

**Table 1
Net Position**

	FY 2024	FY 2023
Current and other assets	\$ 4,508,818	\$ 4,186,542
Capital Assets	7,427,474	7,531,845
Total Assets	11,936,292	11,718,387
Deferred Outflows of Resources	985,774	1,102,450
Total Assets and Deferred Outflows	12,922,066	12,820,837
Long-term liabilities	4,805,694	6,944,584
Other liabilities	212,066	213,466
Total Liabilities	5,017,760	7,158,050
Deferred Inflows of Resources	2,146,766	911,184
Total Liabilities and Deferred Inflows	7,164,526	8,069,234
Net investment in capital assets	7,063,939	7,000,791
Restricted	14,759	14,247
Unrestricted	(1,321,158)	(2,263,435)
Total Net Position	\$ 5,757,540	\$ 4,751,603

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

**Table 2
Change in Net Position**

	FY 2024	FY 2023
REVENUES		
Program Revenues		
Charges for services	\$ 46,801	\$ 12,294
Operating grants and contributions	90,633	132,173
Capital grants and contributions	5,645	250
General Revenues		
Taxes- real estate, property, and motor vehicle	5,736,957	5,728,306
Investment earnings	223,592	150,422
Miscellaneous	10,664	70,563
Total Revenues	6,114,292	6,094,008
 PROGRAM EXPENSES		
Personnel	3,024,509	3,393,713
Depreciation	888,834	905,487
Administrative	447,339	459,374
Maintenance and repair	187,702	164,928
Programming and PR Expense	259,933	235,835
Interest	12,576	18,016
Periodicals and online databases	251,733	244,776
Small Equipment Purchases	35,485	66,318
Loss on disposal of capital assets	244	2,491
Total Expenses	5,108,355	5,490,938
 INCREASE IN NET POSITION	\$ 1,005,937	\$ 603,070

C. Financial Outlook

The District maintains a “reserve” which would, if necessary, allow it to weather a small crisis or short delay in tax receipts. (The carryover funds from one fiscal year to the next are not “reserves” as they must sustain District operations from July through December, when the first substantial property tax payment is received. The bulk of the District’s entire budgeted income for each fiscal year is received between December and February. The “reserve” is based on liquid funds that remain just before the December property tax payments are received by the District.) The District had liquid reserves of approximately \$1,315,209 on November 30, 2023.

On November 30, 2023, the District also had a Wish List Fund balance of approximately \$17,633. These funds derive from donations to the District and are used, with the Board’s approval, for special projects that are suggested by the District’s staff. In addition to this fund, as of June 30, 2024, the District also has an Emergency Fund of \$213,685 held in Treasury Bills and a money market account with Ameriprise Financial and a Capital Reserve Fund of \$109,064 held in Treasury Bills and a money market account with Ameriprise Financial. All of these are restricted funds.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

D. The Current State of the District

For FY2023-24, the District's circulation increased by 3.9% over the previous year with digital format usage contributing to the bulk of that increase. (Campbell County Public Library had the highest number of checkouts in the 100-member Kentucky Libraries Unbound Consortium; with 21% more checkouts than Warren County, the next highest on the list.) Programming attendance numbers decreased in FY2023-24 by 12.1% because the District re-evaluated programming requirements after witnessing signs of burnout from the District's programmers. This burnout was witnessed after reaching the District's highest attendance numbers ever in FY2022-23. Even with the adjustments in the number of required programs, the District still offered nearly 3,000 programs and almost 70,000 attendees. The District believes the burnout partially comes from the pressure to regain the ground the District lost when the pandemic brought programming to a halt in 2020.

The District's Outreach Department grew its' presence in the District county with an increase of 14.4% more events offered and an impressive 19.2% increase in attendance. The Book Bus, purchased in November 2021, distributed nearly 3,000 "forever books" to those people who boarded it in FY2023-24. The second annual Book Bus Tour, which occurs during Summer Reading, took the Book Bus into new areas (Bellevue, Silver Grove and Southgate), extending the District's efforts to get books in the hands of families across the county to encourage reading and improve literacy.

Through grants from the Public Library Association, the District was able to grow the digital learning classes and to offer them outside the walls of the District branches and in local community spaces like the Senior Center, the YMCA and at the Southern Campbell Fire District. In all, the District taught 41 classes across Campbell County and had 310 attendees. According to a survey distributed about the District's digital learning services, 100 percent said they intended to apply what they learned and 88 percent felt more confident when using digital resources.

The District continues to have regular turnover and to be fully staffed only for brief amounts of time. In general, the most frequent turnover is in the District's part-time positions. However, in November 2023, the District's director of 20 years retired. In addition, four other long-term employees retired in the fall of 2023, with longevity ranging from 10 to 45 years. (All positions were filled.) The assistant director, who also handled human resources, was hired into the director's position requiring the District to re-establish the human resource position. (This position was filled.) The District added back one shelving position at each of the three big branches in May 2024, right before Summer Reading, due to the struggle of keeping up with re-shelving items during Summer Reading 2023.

With JC Morgan, CCPL's former director, becoming the first State Director of the Kentucky Imagination Library in November 2023, the state was able to reach full coverage with an Imagination Library in every county by August 2024. The Kentucky General Assembly continues to fund 50% of the local operational costs for the Dolly Parton Imagination Library, then the District covers half of the other 50% with six public school districts in our county dividing the cost of the rest based on their usage. The Campbell County Imagination Library remains one of the largest in the state with over 3,500 children participating.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

At the end of FY2023-24, the District worked with architect Joe Hayes, from Robert Ehmet Hayes and Associates, to bid out the renovation work for the public restrooms at the Cold Spring and Newport locations. That work began in mid-August 2024 after some delivery delays. The District also signed a contract with Otis to modernize the elevator at the Newport Branch. This elevator has been in service for 20 years without significant issues. However, it is starting to show its age and needs a significant upgrade to its motor and operating computer. The installation of a chilling unit to the elevator closet was completed at the end of FY2023-24 with the modernization work delayed until mid-September due to equipment delivery delays. Equipment delays have caused quite a few delays to repairs and installation projects, including the new staff workroom at Alexandria and replacing an AC unit and repairing a leaking backflow valve in the water main at Fort Thomas.

In addition to the facilities upgrades mentioned above, the District also worked with Duke's Small Business Energy Savings Program to upgrade the District's lighting at the Carrico/Fort Thomas Branch to LED in May 2024. The overall cost of this project was determined to be \$13,829. Duke provided a project incentive of \$8,162, leaving the balance of \$5,665 as the District's cost for this upgrade. Duke also agreed to cover any needed repairs for a year. Upgrading the District's lighting through this program will provide savings of \$5,400 after the first year and up to \$26,000 after 5 years.

As the District works to maintain facilities to the standard that their patrons deserve, they also remain dedicated to providing the people of Campbell County the most beneficial services and resources the District is able to provide.

E. Requests for Information

The financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Director, Campbell County Public Library, 3920 Alexandria Pike, Cold Spring, KY 41076 or by calling 859-781-6166. The District follows the procedures outlined in KRS 61.870 in satisfying open record requests.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES INC.**

STATEMENT OF NET POSITION

June 30, 2024

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,935,381
Investments	334,508
Accounts receivable	22,220
Taxes receivable	54,040
Prepaid expenses	159,669
Security deposit	3,000
Capital assets, net	7,427,474
Total assets	11,936,292
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows related to pension and other postemployment benefits (OPEB)	985,774
Total assets and deferred outflow of resources	12,922,066
LIABILITIES	
Accounts payable	42,038
Salaries and benefits payable	161,493
Accrued interest payable	8,535
Long term liabilities due within one year	225,983
Long term liabilities due in more than one year	367,125
Net pension and OPEB liability	4,212,586
Total liabilities	5,017,760
DEFERRED INFLOW OF RESOURCES	
Deferred inflows related to pension and other postemployment benefits (OPEB)	2,123,764
Unamortized lease premium	23,002
Total deferred inflows of resources	2,146,766
Total liabilities and deferred inflow of resources	7,164,526
NET POSITION	
Net investment in capital assets	7,063,939
Restricted for South Branch	14,759
Unrestricted	(1,321,158)
Total net position	\$ 5,757,540

The accompanying notes are an integral part of this statement.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

Functions	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities					
Personnel	\$ 3,024,509	\$ -	\$ -	\$ -	\$ (3,024,509)
Depreciation	888,834	-	-	-	(888,834)
Administrative expenses	447,339	-	-	-	(447,339)
Maintenance and repair	187,702	-	-	-	(187,702)
Programming and PR expense	259,933	-	-	-	(259,933)
Interest expense	12,576	-	-	-	(12,576)
Books, periodicals and online databases	251,733	-	-	-	(251,733)
Small equipment purchases	35,485	-	-	-	(35,485)
Loss on disposal of capital assets	244	-	-	-	(244)
Revenue	-	46,801	90,633	5,645	143,079
Total governmental activities	<u>5,108,355</u>	<u>46,801</u>	<u>90,633</u>	<u>5,645</u>	<u>(4,965,276)</u>
GENERAL REVENUES:					
Taxes:					
					5,736,957
					223,592
					10,664
					<u>5,971,213</u>
					1,005,937
					<u>4,751,603</u>
					<u>\$ 5,757,540</u>

The accompanying notes are an integral part of this statement.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2024

	General	Capital Projects	Total Governmental Funds
- ASSETS -			
Cash and cash equivalents	\$ 3,714,878	\$ 220,503	\$ 3,935,381
Investments	-	334,508	334,508
Accounts receivable	22,220	-	22,220
Taxes receivable	54,040	-	54,040
Prepaid expenditures	159,669	-	159,669
Security deposit	3,000	-	3,000
	Total assets	\$ 555,011	\$ 4,508,818
	\$ 3,953,807	\$ 555,011	\$ 4,508,818
- LIABILITIES AND FUND BALANCES -			
LIABILITIES:			
Accounts payable	\$ 42,038	\$ -	\$ 42,038
Salaries and benefits payable	161,493	-	161,493
	Total liabilities	-	203,531
	203,531	-	203,531
FUND BALANCES:			
Nonspendable	162,669	-	162,669
Committed	-	512,508	512,508
Assigned	-	42,503	42,503
Unassigned	3,587,607	-	3,587,607
	Total fund balances	555,011	4,305,287
	3,750,276	555,011	4,305,287
Total liabilities and fund balances	\$ 3,953,807	\$ 555,011	\$ 4,508,818

The accompanying notes are an integral part of this statement.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2024

Total Governmental Fund Balances	\$	4,305,287
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
Cost of capital assets	\$ 16,362,538	
Accumulated depreciation	<u>(8,935,064)</u>	7,427,474
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		
Due within one year	225,983	
Due in more than one year	277,640	
Net pension and OPEB liability	<u>4,212,586</u>	(4,716,209)
Deferred outflows and inflows of resources related to leases, pensions and OPEB are applicable to future periods and therefore are not reportable in the governmental funds		
Deferred outflow of resources	985,774	
Deferred inflow of resources	<u>(2,146,766)</u>	(1,160,992)
Accrued interest payable not due in the current year is recorded as long-term debt.		
		(8,535)
Accrued compensation not due in the current year is recorded as long-term debt.		
		<u>(89,485)</u>
<i>Net Position of Governmental Activities</i>	\$	<u>5,757,540</u>

The accompanying notes are an integral part of this statement.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

GOVERNMENTAL FUNDS

Year Ended June 30, 2024

	General	Capital Projects	Total Governmental Funds
REVENUES:			
Property taxes	\$ 5,736,957	\$ -	\$ 5,736,957
Interest income	223,592	-	223,592
Grants	55,978	-	55,978
Library fines and fees	46,801	-	46,801
Donations	40,300	-	40,300
Miscellaneous income	10,664	-	10,664
Total revenues	6,114,292	-	6,114,292
EXPENDITURES:			
Salaries and benefits	3,120,686	-	3,120,686
Books and library materials	662,000	-	662,000
Retirement	482,066	-	482,066
Programming and PR expense	268,187	-	268,187
Debt Service	191,107	-	191,107
Utilities	134,786	-	134,786
Maintenance and repairs	121,812	-	121,812
Contracted computer services	97,131	-	97,131
Insurance	69,425	-	69,425
Lease expense	45,516	-	45,516
Legal and professional services	33,931	-	33,931
Staff development and training	32,827	-	32,827
Telephone	31,548	-	31,548
Imagination library expense	24,143	-	24,143
Office supplies	21,761	-	21,761
Miscellaneous	20,161	-	20,161
Postage	16,416	-	16,416
Travel	16,261	-	16,261
Delivery van	8,102	-	8,102
Association dues	6,357	-	6,357
Board activities	3,914	-	3,914
Capital outlay	13,139	384,998	398,137
Total expenditures	5,421,276	384,998	5,806,274
Excess revenues (expenditures)	693,016	(384,998)	308,018
OTHER FINANCING SOURCES (USES):			
Transfers in	-	620,078	620,078
Transfers out	(620,078)	-	(620,078)
SBITA financing	13,139	-	13,139
Net other financing sources (uses)	(606,939)	620,078	13,139
Net change in fund balances	86,077	235,080	321,157
FUND BALANCES, BEGINNING	3,664,199	319,931	3,984,130
FUND BALANCES, ENDING	\$ 3,750,276	\$ 555,011	\$ 4,305,287

The accompanying notes are an integral part of this statement.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

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

Year Ended June 30, 2024

Net Change in Fund Balances -Total Governmental Funds	\$	321,157
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation in the period exceeds capital outlays.		
Capital outlay for capital assets	\$ 771,568	
Depreciation expense	(888,834)	
Loss on disposal of capital assets	<u>(244)</u>	(117,510)
Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employers contributions is reported as pension expense. This is the amount by which employer contributions exceeded cost of benefits earned.		
Employer contributions	482,066	
Cost of benefits earned	<u>(119,353)</u>	362,713
Governmental funds report employer OPEB contributions as expenditures. However, in the Statement of Activities, the cost of OPEB benefits earned net of employer contributions is reported as OPEB expense. This is the amount by which cost of benefits earned exceeded employer contributions.		
Employer contributions	-	
Cost of benefits earned	<u>218,330</u>	218,330
Repayment of long-term debt and leases are expenditures in the governmental funds, but their repayment reduces long-term liabilities in the Statement of Net Position.		
Principal portion of current year debt service	165,000	
Principal portion of building and copiers lease liabilities	<u>45,516</u>	210,516
Unamortized lease premium is reported for governmental activities as a deferred inflow and amortized over the life of the lease as a component of interest expense, but is not reported in the governmental funds. This is amount of the amortized lease premium.		
		11,010
Net difference in accrual for interest payable on long-term debt		2,520
Net difference in accrual for accrued compensation (long term)		<u>(2,799)</u>
<i>Change in Net Position of Governmental Activities</i>		<u>\$ 1,005,937</u>

The accompanying notes are an integral part of this statement.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Campbell County Public Library District Board of Trustees, Inc. (the District) was organized under Kentucky Revised Statute 173.710 to offer library services and related programs and to promote literacy within the Campbell County, Kentucky area. The District provides services through four branches and is a political subdivision of the Commonwealth of Kentucky with the power to levy taxes. It is also a 501(c) (3) organization under the Internal Revenue Code.

The District's financial statements are prepared 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 through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

Basis of Presentation and Basis of Accounting

District-Wide Financial Statements – The statement of net position and the statement of activities provide information about the District as a whole. These statements include the financial activities of the District (the primary government). The statements distinguish between those activities of the District that are governmental and those that are considered general capital asset activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues for the District's activities. Direct expenses are those that are specifically associated with a program or a function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

District-Wide financial statements measure and report all assets (both financial and capital), liabilities, revenues and expenses 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements – Fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

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 District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following governmental funds:

General Fund – This fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund.

Capital Projects Fund – This fund accounts for the financial resources and expenditures for capital projects.

Basis of accounting refers to when revenues and expenditures or 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.

Fund Balances

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

Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.

Committed – includes amounts that can be used for specific purposes pursuant to constraints imposed by the Board of Trustees.

Assigned – includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – includes amounts that are available for any purpose and has not been restricted, committed or assigned to specific purposes.

Cash and Cash Equivalents

For purposes of these financial statements, cash equivalents include time deposits, certificates of deposit, and highly liquid debt instruments with original maturities of three months or less.

Investments

Kentucky Revised Statute 66.480 authorizes the District to invest in U.S. Treasury obligations, U.S. Agency obligations, certain Federal instruments, repurchase agreements, commercial banks' certificates of deposit, savings and loan deposits, certain mutual funds, Commonwealth of Kentucky investment pool and the Kentucky League of Cities investment pool.

Capital Assets

All capital assets are stated at historical costs or estimated cost if actual historical cost is not available. Donated assets are valued at their estimated fair market value on the date donated.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When capital assets are purchased, they are capitalized and depreciated in the District-Wide statements. The District capitalizes individual assets with a cost of \$2,500 or greater and a useful life of at least three years. Additionally, groups of items are capitalized if their individual unit cost is greater than \$150 and the total cost for all units exceeds \$3,000. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Collection	4-6 years
Furniture, Fixtures and Equipment	4-15 years
Buildings	39 years
Building improvements	7-15 years

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

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 Kentucky Public Pensions Authority (KPPA), 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.

Other Postemployment Benefits Plan (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the KPPA's Retirement System Insurance Fund and additions to/deductions from KPPA's fiduciary net position have been determined on the same basis as they are reported by KPPA. 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.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

The District 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 net position. Deferred outflows of resources reported in this year's financial statements relate to the District's pension plan and OPEB plan and include (1) differences between the expected and actual experience, (2) changes in assumptions, (3) changes in the proportionate share of the District's contributions and (4) contributions made between the measurement date of the net pension and OPEB liabilities and the end of the District's fiscal year. The deferred amount related to the differences between expected and actual experience, changes of assumptions, and changes in the proportionate share of the District's contributions will be recognized over a closed period equal to the average of the expected remaining service lives of all employees participating in the plan. Deferred outflows for pension and OPEB contributions will be recognized in the subsequent fiscal year. No deferred outflows of resources affect the governmental funds financial statements in the current year.

Deferred Inflows of Resources

The District'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). Deferred inflows of resources reported in this year's financial statements relate to the District's pension plan and OPEB plan include (1) differences between expected and actual experience, (2) changes in assumptions, (3) difference between projected and actual earnings on plan investments, and (4) changes in the proportionate share of the District's contributions. The deferred amount related to the changes in the differences between expected and actual experience, changes in assumptions, and changes in the proportionate share of the District's contributions 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 net difference between projected and actual earnings will be recognized over five years.

Deferred inflows of resources reported in this year's financial statements related to unamortized lease premium includes the remaining premium from the refinance of a long-term loan. The deferred amount will be recognized over the life of the loan.

No deferred inflows of resources affect the governmental funds financial statements in the current year.

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District'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 using unassigned fund balances.

Interfund Transactions and Transfers

During the course of normal operations, the District has various transactions among its funds, most of which are in the form of transfers used to move unrestricted revenues collected in the general fund to finance various projects accounted for in the capital projects fund in accordance with budgetary authorizations. The accompanying financial statements generally reflect such transactions as transfers. These transfers are eliminated in the statement of activities.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements ("GASB 96"). GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. The Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. GASB 96 is effective for the District beginning with its year ending June 30, 2023. The adoption of this standard did not have a material effect on the District's financial statements.

NOTE 2 – BUDGETS

Each fiscal year a budget of estimated revenues and expenditures is prepared. The District prepares its budgets using the cash basis of accounting. The annual budget is submitted to State authorities, included as a part of the District's monthly financial reports, and revised as necessary. A comparison of budget and actual revenues collected and expenditures/expenses paid for the year ended June 30, 2024 is presented as supplementary information to the financial statements.

NOTE 3 – COMPENSATED ABSENCES

Employees are granted vacation benefits and receive sick leave benefits up to specified maximums. Generally, employees are entitled to their unused vacation leave upon termination of employment. The estimated current portion of the liability for the vested benefits has been recorded as an expenditure and accrued expense in the general fund. The long-term portion of the liability is recorded as long-term debt.

NOTE 4 – CONCENTRATION OF CREDIT RISK

The District's deposits at June 30, 2024, consist of cash and cash equivalents. The District's deposits were partially secured by Federal Depository Insurance. Deposits in excess of the Federal Depository Insurance limit are to be collateralized with securities held by the bank, its trust department or by its agent, but not in the District's name. The carrying amount of the District's deposits with financial institutions at June 30, 2024 was \$3,935,495 and the bank balance was \$4,066,792. The bank balances were covered with specific pledged collateral.

Investments consist of U.S. Treasury notes at June 30, 2024. The notes have remaining maturities of less than one year and are reported at the fair value. The investment balance of \$331,490 at June 30, 2024 is unsecured.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 5 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance July 1, 2023	Additions	Adjustments Increases/ (Decreases)	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 1,970,244	\$ -	\$ -	\$ 1,970,244
Construction in progress	199,728	128,944	-	328,672
Subtotal	<u>2,169,972</u>	<u>128,944</u>	<u>-</u>	<u>2,298,916</u>
Capital assets being depreciated:				
Buildings	5,629,955	-	-	5,629,955
Buildings and land improvements	2,612,689	55,631	-	2,668,320
Furniture, fixtures and equipment	2,168,649	176,726	(113,418)	2,231,957
Intangible Right of Use Lease - Building	233,410	-	-	233,410
Intangible Right of Use Lease - Copiers	37,406	-	-	37,406
Intangible Right of Use SBITA - Software	-	13,139	-	13,139
Library Collections:				
Books, audio, and visual materials	3,306,868	410,267	(467,700)	3,249,435
Subtotal	<u>13,988,977</u>	<u>655,763</u>	<u>(581,118)</u>	<u>14,063,622</u>
Total cost	<u>16,158,949</u>	<u>784,707</u>	<u>(581,118)</u>	<u>16,362,538</u>
Accumulated Depreciation:				
Buildings	(3,391,786)	(144,357)	-	(3,536,143)
Buildings and land improvements	(1,220,938)	(124,771)	-	(1,345,709)
Furniture, fixtures, and equipment	(1,581,586)	(160,840)	113,174	(1,629,252)
Intangible Right of Use Lease - Buildings	(77,804)	(38,902)	-	(116,706)
Intangible Right of Use Lease - Copiers	(13,715)	(7,481)	-	(21,196)
Intangible Right of Use SBITA - Software	-	(876)	-	(876)
Library Collections:				
Books, audio and visual materials	(2,341,275)	(411,607)	467,700	(2,285,182)
Subtotal	<u>(8,627,104)</u>	<u>(888,834)</u>	<u>580,874</u>	<u>(8,935,064)</u>
Total Capital Assets, Net	<u>\$ 7,531,845</u>	<u>\$ (104,127)</u>	<u>\$ (244)</u>	<u>\$ 7,427,474</u>

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 6 – LOAN AGREEMENT

In 2006 and 2007, the District entered into three lease/loan agreements with two financial institutions to consolidate two Carrico Branch loans, refinance the construction loan for the Newport Branch and finance the renovation of the Cold Spring Branch. On July 22, 2011, the District refinanced these three loans into a \$2.6 million lease (loan) agreement with Fifth Third Bank. The loan required interest at 2.74% and annual payments of \$296,959 are due each February 1. On June 22, 2018, Fifth Third Bank exercised their right under the lease agreement to require a supplemental payment in 2018 and subsequent years to preserve the same tax equivalent yield on the agreement due to the enactment of the Tax Cuts and Jobs Act of 2017. The modification resulted in the issuance of Reissued Obligations in exchange for the 2011 Obligations. On the reissuance date there were no cash proceeds of the Reissued Obligations and the deemed sale proceeds of the Reissued Obligations are deemed to be applied to the redemption of the 2011 Obligations. The interest yield increased to 3.33%. The loan is a tax supported lease. On September 19, 2019, the District refinanced this loan into a \$1.2 million lease (loan) agreement with Kentucky Association of Counties Finance Corporation. The loan required interest at 4.007% and varying annual payments due each January 15. At issuance, the District received a premium of \$75,000 on the loan creating a true interest cost of 1.763% to the District. The balance of the loan on June 30, 2024 is \$355,000.

Principal payments for the next three years are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 175,000	\$ 13,667	\$ 188,667
2026	<u>180,000</u>	<u>5,084</u>	<u>185,084</u>
	<u>\$ 355,000</u>	<u>\$ 18,751</u>	<u>\$ 373,751</u>

NOTE 7 – LEASES AND SUBSCRIPTION – BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

On August 15, 2017, the District entered into a lease agreement for space for the South Branch in Alexandria, KY. The original lease term was five years but was extended on April 1, 2022 for an additional five-year period. The extended lease agreement began on January 15, 2023 and ends on January 14, 2028. Annual lease payments are due January 15 of each year the lease is in effect. The total lease liability at implementation was \$233,410 using a discount rate of 2%.

On July 28, 2022, the District entered into an operating lease agreement for four copiers located throughout the District. The lease term is five years and will expire in August 2026. Lease payments are made on a monthly basis. The initial lease liability was \$37,406 using a discount rate of 2%.

At June 30, 2024, the lease liability balance is as follows:

Building	\$ 118,816
Copiers	<u>16,668</u>
	<u>\$ 135,484</u>

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 7 – LEASES AND SUBSCRIPTION – BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS) (CONTINUED)

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2024, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 46,427	\$ 2,640	\$ 49,067
2026	47,357	1,711	49,068
2027	41,700	810	42,510
	<u>\$ 135,484</u>	<u>\$ 5,161</u>	<u>\$ 140,645</u>

On February 14, 2024, the District entered into a SBITA for a security system. The arrangement term is five years and will expire in February 2029. Payments are made on an annual basis. The initial arrangement was for \$13,139 using a discount rate of 2%.

The future minimum SBITA payments and net present value of these minimum payments as of June 30, 2024, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 4,293	\$ 263	\$ 4,556
2026	4,379	177	4,556
2027	4,467	88	4,555
	<u>\$ 13,139</u>	<u>\$ 528</u>	<u>\$ 13,667</u>

See Note 5 for right of use lease and SBITA asset information.

NOTE 8 – LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2024.

	Balance June 30, 2023	Increased	Decreased	Balance June 30, 2024
Accrued interest	\$ 11,055	\$ -	\$ (2,520)	\$ 8,535
Loan agreement	520,000	-	(165,000)	355,000
Accrued compensation	86,686	2,799	-	89,485
Lease liability - building	156,878	-	(38,062)	118,816
Lease liability - copiers	24,121	-	(7,453)	16,668
SBITA	-	13,139	-	13,139
Net pension and OPEB liability	6,156,898	-	(1,944,312)	4,212,586
Total	<u>\$ 6,955,638</u>	<u>\$ 15,938</u>	<u>\$(2,157,347)</u>	<u>\$ 4,814,229</u>

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 9 – EMPLOYEE’S PENSION 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 78.782 and 61.645, the Kentucky Public Pensions Authority (KPPA) oversees the administration and operation of the personnel and accounting systems for the CERS. KPPA 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.

For retirement purposes, non-hazardous duty employees are grouped into three tiers, based on their hire date:

Tier 1	Participation date	Before September 1, 2008
	Unreduced Retirement	27 years service or 65 years old
	Reduced Retirement	At least 5 years service and 55 years old, or At least 25 years service and any age
Tier 2	Participation date	September 1, 2008 – December 31, 2013
	Unreduced Retirement	At least 5 years service and 65 years old, or Age 57+ and sum of service years plus age equal 87
	Reduced Retirement	At least 10 years service and 60 years old
Tier 3	Participation date	On or after January 1, 2014
	Unreduced Retirement	At least 5 years service and 65 years old, or Age 57+ and sum of service years plus age equal 87
	Reduced Retirement	Not available

Employees are vested in the plan after five years of service. Cost of living adjustments are provided at the discretion of the Kentucky General Assembly. 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 CERS Board of Trustees (the Board). Tier 1 employees are required to contribute 5% of their annual creditable compensation. Tier 2 and 3 employees are required to contribute 5% of their annual creditable compensation plus an additional 1% of creditable compensation which is credited to the Insurance Fund. Employers contribute at the rate determined by the Board. The actuarially determined rate set by the Board for the year ended June 30, 2024 was 23.34%, of which 23.34% was for the pension fund and 0% was for the insurance fund. Contributions to the pension plan from the District were \$482,066 for the year ended June 30, 2024.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 9 – EMPLOYEE’S PENSION PLAN (CONTINUED)

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

At June 30, 2024, the District reported a liability of \$4,305,220 for its proportionate share of the net pension liability. The net pension liability was based on an actuarial valuation performed on June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan’s fiscal year end, June 30, 2023, using generally accepted actuarial principles. The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023 and include a change in the investment return assumption from 6.25% to 6.50%. The District’s proportionate share of the net pension liability was determined using the Districts’ actual contributions for the fiscal year ending June 30, 2023. This method was expected to be reflective of the Districts’ long-term contribution effort. At June 30, 2023, the District’s proportion was 0.067096%, which was an increase of 0.000189% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$119,353. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 222,873	\$ 11,699
Changes of assumptions	-	394,576
Net difference between projected and actual earnings on plan investments	-	58,725
Changes in proportion and differences between District contributions and proportionate share of contributions	683	120,244
District contributions subsequent to the measurement date	482,066	-
	\$ 705,622	\$ 585,244

The \$482,066 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, 2025. 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:	
2025	\$ (255,105)
2026	(161,015)
2027	96,110
2028	(41,678)
	\$ (361,688)

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 9 – EMPLOYEE’S PENSION PLAN (CONTINUED)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.30% to 10.30%, varies by service
Payroll growth rate	2.00%
Investment rate of return	6.50%

The mortality table used for active members was a Pub-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of June 30, 2022.

Changes of assumptions. The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023. These assumptions are documented in the report titled “2022 Actuarial Experience Study for the Period Ending June 30, 2022.”

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018). The discount rate determination does not use a municipal bond rate.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 9 – EMPLOYEE’S PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return. The long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Core Fixed Income	10.00%	2.45%
Specialty Credit	10.00%	3.65%
Cash	0.00%	1.39%
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
Expected Real Return	<u>100%</u>	<u>5.75%</u>
Long Term Inflation Assumption		<u>2.50%</u>
Expected Nominal Return for Portfolio		8.25%

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 6.50%, 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 (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District’s proportionate share of the net pension liability	\$ 5,435,601	\$ 4,305,220	\$ 3,365,832

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued KPPA 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, 2024, there was no payable to the pension plan.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 10 – POSTEMPLOYMENT BENEFITS

Plan description. Employees of the District are provided with health care benefits through the Kentucky Public Pensions Authority Insurance Fund (Insurance Fund)—a cost-sharing multiple-employer health insurance plan. The Insurance Fund is part of CERS. Per Kentucky Revised Statute Section 61.701, the CERS Board (the Board) of the Kentucky Public Pensions Authority (KPPA) administers the health insurance benefit. KPPA issues a publicly available financial report that can be obtained at <https://kyret.ky.gov>.

Benefits provided. The Insurance Fund provides hospital and medical insurance for eligible members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. The eligible Medicare retirees receive benefits through a Medicare Advantage Plan. The amount of plan premium (contribution) paid by the Insurance Fund is based on years of service and participation date. For members participating prior to July 1, 2003, members completing 20 or more years of service received 100% contribution. Members completing 15 – 19 years, 10-14 years, and 4-9 years received 75%, 50%, and 25% respectively. Members completing less than 4 years of service receive no insurance benefit. As a result of House Bill 290, medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003. Once members reach a minimum vesting period of 10 years, non-hazardous employees whose participation began on or after July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually, which is currently 1.5%, based upon Kentucky Revised Statutes. The monthly dollar contribution for 2023 is \$14.20 for CERS Non-hazardous employees. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth of Kentucky so demands.

Contributions. Kentucky Revised Statute Section 78.545(33) grants the authority to establish and amend the benefit terms to the Board of KRS. Tier 1 employees are not required to contribute to the insurance fund. Tier 2 and 3 employees are required to contribute 1% of their creditable compensation to the insurance fund. Employers contribute at the rate determined by the Board. As stated in Note 9 Employee’s Pension Plan, the actuarially determined rate set by the Board for the year ended June 30, 2024 was 23.34%, all of which was for the pension fund. The District was not required to make contributions during the current fiscal year.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the District reported a liability (asset) of \$(92,634) for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was based on an actuarial valuation performed on June 30, 2022. The total OPEB liability (asset) was rolled-forward from the valuation date to the plan’s fiscal year end, June 30, 2023, using generally accepted actuarial principles. The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023 and the single discount rate used to calculate the total OPEB within each plan changed since the prior year. The District’s proportionate share of the net OPEB liability was determined using the Districts’ actual contributions for the fiscal year ending June 30, 2023. This method is expected to be reflective of the Districts’ long-term contribution effort. At June 30, 2023, the District’s proportion was 0.067094%, which was an increase of 0.000199% from its proportion measured as of June 30, 2022.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 10 – POSTEMPLOYMENT BENEFITS (CONTINUED)

For the year ended June 30, 2024, the District recognized OPEB expense of \$(218,330). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 64,580	\$ 1,315,317
Changes of assumptions	182,298	127,044
Net difference between projected and actual earnings on plan investments	-	21,499
Changes in proportion and differences between District contributions and proportionate share of contributions	3,017	74,660
District contributions subsequent to the measurement date	30,257	-
	\$ 280,152	\$ 1,538,520

The \$30,257 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	\$ (325,768)
2026	(400,301)
2027	(308,972)
2028	(253,584)
	\$ (1,288,625)

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

Inflation	2.50%
Payroll growth rate	2.00%
Salary increases	3.30% to 10.30%, varies by service
Investment rate of return	6.50%

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 10 – POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions (continued).

Healthcare trend rates	Pre – 65: Initial trend starting at 6.80% at January 1, 2025, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years Post – 65: Initial trend starting at 8.50% in 2025, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
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The mortality table used for active members is PUB-2010 General Mortality table, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010. For non-disabled retired members and beneficiaries, the mortality table used is the system-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. For disabled retired members, the mortality table used is the PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period ending June 30, 2022.

Discount rate. The single discount rate used to measure the total OPEB liability was 5.93%. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50%, and a municipal bond rate of 3.86%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2023. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected and were sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plans actuarially determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plan trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

The projection of cash flows used to determine the single discount rate assumed that each participating employer contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy.

The long-term expected rate of return on plan assets is the same as disclosed in Note 9 Employee's Pension Plan. Additionally, the target allocation and best estimates of arithmetic nominal rates of return for each major asset class are the same as disclosed in Note 9.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 10 - POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net OPEB liability (asset), calculated using the discount rate of 5.93%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.93%) or 1-percentage-point higher (6.93%) than the current rate:

	1% Decrease (4.93%)	Current Discount Rate (5.93%)	1% Increase (6.93%)
District's proportionate share of the net OPEB liability (asset)	\$ 173,839	\$ (92,634)	\$ (315,774)

Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the healthcare trend rate. The following presents the District's proportionate share of the net OPEB liability (asset), calculated using the healthcare trend rate of noted above, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
District's proportionate share of the net OPEB liability (asset)	\$ (296,910)	\$ (92,634)	\$ 158,298

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued KPPA financial report.

Payables to the OPEB plan

The District makes legally required contributions to the OPEB plan on a monthly basis. The monthly payment is due by the 10th of the following month. See Note 9 Employee's Pension Plan for payable as of June 30, 2024.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 11 – PROPERTY TAX

The District participates as a special taxing district in Campbell County and levies property taxes as a primary means to support its operations. The categories for which taxes are received and collected and the corresponding tax rates per \$100 of assessed value for 2023 are as follows:

	Tax Rates <u>2023</u>
Category:	
Real property	\$ 6.6 mills
Tangible personal property other than motor vehicles & watercraft	\$ 6.78 mills
Motor vehicles	\$ 2.6 mills
Watercraft	\$ 2.6 mills

The real property portion of the tax is levied each January 1 on the assessed value of the property as determined by the County. The due dates for payment of these taxes are November 1 through December 31 of each year. Assessed values are established by state law at full current market value, and reappraisal of all property is required every four years.

The County's personal property tax allocation is determined by the State Revenue Cabinet in Frankfort, based upon reported values and the tax rates established by the District. The property is assessed for tax purpose at values defined in the state statutes.

Total tax revenues received in fiscal year 2023-2024 amounted to \$5,736,957.

NOTE 12 – TAX ABATEMENTS

In January 2013, the District entered into a Tax Increment Financing (TIF) district tax abatement agreement to assist with the funding of the Manhattan Harbour Development in Dayton, Kentucky; a city within the District's taxing area. Under the agreement, localities and taxing districts may grant property tax abatements of 50 percent of the incremental real estate tax growth for properties within the defined financing district. These TIF districts must be approved by the localities and taxing districts upon which they draw the abatements. For the fiscal year ended June 30, 2024, the District refunded property taxes totaling \$9,716 under this program.

NOTE 13 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 20, 2024, the date which the financial statements were available to be issued. No events have occurred which would have a material effect on the financial statements of the District as of that date.

REQUIRED SUPPLEMENTARY INFORMATION

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2024

	Original and Final Budget	Actual Budgetary Basis
REVENUES:		
Property taxes	\$ 5,620,000	\$ 5,885,229
Library fines and fees	38,000	46,801
Donations	35,000	40,300
Grants	51,000	125,770
Interest income	100,000	223,592
Miscellaneous	1,000	10,663
Total revenues	5,845,000	6,332,355
EXPENDITURES:		
Salaries and benefits	3,223,900	3,100,752
Books and library materials	680,000	680,954
Retirement	500,000	482,066
Programming and PR expense	283,000	271,608
Debt Service	228,800	191,107
Utilities	133,000	127,349
Maintenance and repairs	169,800	120,186
Contracted computer services	96,420	99,856
Insurance	61,000	69,425
Lease expense	-	45,516
Staff development and training	40,550	32,827
Legal and professional services	34,400	33,931
Miscellaneous	20,780	24,370
Telephone	28,000	31,526
Office supplies	27,300	21,531
Imagination library expense	25,000	24,143
Postage	15,000	16,416
Travel	18,500	16,261
Association dues	7,500	6,357
Delivery van	9,500	8,102
Board activities	5,225	3,914
Capital outlay	237,325	5,611
	5,845,000	5,413,808
Excess revenues over expenditures	-	918,547

The accompanying notes are an integral part of this statement.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

**BUDGETARY COMPARISON SCHEDULE
(CONTINUED)
GENERAL FUND**

Year Ended June 30, 2024

	Original and Final Budget	Actual Budgetary Basis
Excess revenues over expenditures - forward	\$ -	\$ 918,547
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Transfers out	-	(620,078)
SBITA financing	-	13,139
Net other financing sources (uses)	-	(606,939)
Net change in fund balance	\$ -	\$ 311,608

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)	\$ 6,332,355
Differences - budget to GAAP:	
The District budgets for property taxes and other revenues only to the extent expected to be received, rather than on the modified accrual basis	(218,063)
Total revenues as reported on the governmental funds statement of revenues, expenditures, and changes in fund balances	\$ 6,114,292
Uses/expenditures:	
Actual amounts (budgetary basis)	\$ 5,413,808
Differences - budget to GAAP:	
The District budgets for expenditures only to the extent expected to be paid, rather than on the modified accrual basis	7,468
Total expenditures as reported on the governmental funds statement of revenues, expenditures, and changes in fund balances	\$ 5,421,276

The accompanying notes are an integral part of this statement.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO BUDGETARY COMPARISON SCHEDULE

June 30, 2024

NOTE 1 – EXPLANATION OF DIFFERENCES

As commonly practiced in governmental entities, the District's budgetary process accounts for certain transactions on a basis other than the generally accepted accounting principles (GAAP) basis. The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures are recorded when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting on the governmental fund statements and the full accrual basis on the government-wide statements.

CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT BOARD OF TRUSTEES, INC.

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

County Employees Retirement System

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.067096%	0.066907%	0.072553%	0.072852%	0.072311%	0.071386%	0.072158%	0.073319%	0.071216%	0.063872%
District's proportionate share of the net pension liability (asset)	\$ 4,305,220	\$ 4,836,716	\$ 4,625,823	\$ 5,587,688	\$ 5,085,665	\$ 4,347,625	\$ 4,223,630	\$ 3,609,966	\$ 3,061,940	\$ 2,072,262
District's covered-employee payroll	\$ 1,950,673	\$ 1,850,118	\$ 1,853,196	\$ 1,866,106	\$ 1,823,228	\$ 1,772,087	\$ 1,758,167	\$ 1,745,147	\$ 1,677,736	\$ 1,443,552
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	220.70%	261.43%	249.61%	299.43%	278.94%	245.34%	240.23%	206.86%	182.50%	143.55%
Plan fiduciary net position as a percentage of the total pension liability	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	53.32%	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.

The accompanying notes are an integral part of this statement.

CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT BOARD OF TRUSTEES, INC.

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS

County Employees Retirement System

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 482,066	\$ 456,538	\$ 392,369	\$ 357,311	\$ 359,996	\$ 295,135	\$ 257,867	\$ 245,223	\$ 216,747	\$ 213,911
Contributions in relation to the contractually required contribution	<u>\$ (482,066)</u>	<u>\$ (456,538)</u>	<u>\$ (392,369)</u>	<u>\$ (357,311)</u>	<u>\$ (359,996)</u>	<u>\$ (295,135)</u>	<u>\$ (257,867)</u>	<u>\$ (245,223)</u>	<u>\$ (216,747)</u>	<u>\$ (213,911)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,066,146	\$ 1,950,673	\$ 1,850,118	\$ 1,853,196	\$ 1,866,106	\$ 1,823,228	\$ 1,772,087	\$ 1,758,167	\$ 1,745,147	\$ 1,677,736
Contributions as a percentage of covered-employee payroll	23.33%	23.40%	21.21%	19.28%	19.29%	16.19%	14.55%	13.95%	12.40%	12.75%

The accompanying notes are an integral part of this statement.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO REQUIRED PENSION SUPPLEMENTARY INFORMATION

June 30, 2024

Changes of 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. Difference 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.

2017

- The assumed investment rate of return was decreased from 7.50% to 6.25%.
- The assumed rate of inflation was reduced from 3.25% to 2.30%.
- The assumed payroll growth was reduced from 4.00% to 2.00%.
- The assumed salary increase was reduced from 4.00% to 3.05%.

2019

- The assumed salary increase was adjusted from 3.05% to between 3.30% and 10.30%, depending on service.
- For active members, the mortality table used is a Pub-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For healthy retired members, the mortality table used is a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. For disabled members, the mortality table used is a PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT BOARD OF TRUSTEES, INC.

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

County Employees Retirement System

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net OPEB liability (asset)	0.067094%	0.066895%	0.072536%	0.072831%	0.072297%	0.071383%	0.072158%			
District's proportionate share of the net OPEB liability (asset)	\$ (92,634)	\$ 1,320,182	\$ 1,388,665	\$ 1,758,647	\$ 1,216,003	\$ 1,267,391	\$ 1,450,623			
District's covered-employee payroll	\$ 1,950,673	\$ 1,850,118	\$ 1,853,196	\$ 1,866,106	\$ 1,823,228	\$ 1,772,087	\$ 1,758,167			
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-4.75%	71.36%	74.93%	94.24%	66.70%	71.52%	82.51%			
Plan fiduciary net position as a percentage of the total pension liability	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.39%			

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

CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT BOARD OF TRUSTEES, INC.

SCHEDULE OF DISTRICT OPEB FUND CONTRIBUTIONS

County Employees Retirement System

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ -	\$ 66,140	\$ 107,128	\$ 88,124	\$ 88,787	\$ 95,710	\$ 83,700	\$ 83,147		
Contributions in relation to the contractually required contribution	\$ -	\$ (66,140)	\$ (107,128)	\$ (88,124)	\$ (88,787)	\$ (95,710)	\$ (83,700)	\$ (83,147)		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
District's covered-employee payroll	\$ 2,066,146	\$ 1,950,673	\$ 1,850,118	\$ 1,853,196	\$ 1,866,106	\$ 1,823,228	\$ 1,772,087	\$ 1,758,167		
Contributions as a percentage of covered-employee payroll	0.00%	3.39%	5.79%	4.76%	4.76%	5.25%	4.72%	4.71%		

The accompanying notes are an integral part of this statement.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO REQUIRED OPEB SUPPLEMENTARY INFORMATION

June 30, 2024

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

2003: Medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003.

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

2017

- The assumed investment rate of return was decreased from 7.50% to 6.25%.
- The assumed rate of inflation was reduced from 3.25% to 2.30%.
- The assumed payroll growth was reduced from 4.00% to 2.00%.
- The assumed salary increase was reduced from 4.00% to 3.05%.
- The assumed healthcare trend rates for pre – 65 members reduced from an initial trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 5 years to an initial trend starting at 7.25% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
- The assumed healthcare trend rates for post – 65 members reduced from an initial trend starting at 5.5% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 2 years to an initial trend starting at 5.10% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years.

2018

- The assumed healthcare trend rates for pre – 65 members reduced from an initial trend starting at 7.25% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years to an initial trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.
- The assumed healthcare trend rates for post – 65 members reduced from an initial trend starting at 5.10% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years to an initial trend starting at 5.00% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.

2019

- The assumed salary increase was adjusted from 3.05% to between 3.30% and 10.30%, depending on service.
- For active members, the mortality table used is PUB-2010 General Mortality table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For non-disabled retired members, the mortality table used is the system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. For disabled members, the mortality table used is a PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

NOTES TO REQUIRED OPEB SUPPLEMENTARY INFORMATION

June 30, 2024

2020

- The assumed healthcare trend rates for pre – 65 members reduced from an initial trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years to an initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.
- The assumed healthcare trend rates for post – 65 members reduced from an initial trend starting at 5.00% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years to an initial trend starting at 2.90%, and increasing to 6.30% in 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.

2021

- The assumed healthcare trend rates for pre – 65 members reduced from an initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years to an initial trend starting at 6.25% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
- The assumed healthcare trend rates for post – 65 members increased from an initial trend starting at 2.90% and increasing to a 6.30% in 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years to an initial trend starting at 5.50%, and gradually decreasing to an ultimate rate of 4.05% over a period of 14 years.

2022

- The assumed healthcare trend rates for pre – 65 members increased from an initial trend starting 6.25% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years to an initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.
- The assumed healthcare trend rates for post – 65 members increased from an initial trend starting 5.50% and gradually decreasing to an ultimate rate of 4.05% over a period of 14 years to an initial trend starting at 6.30% and gradually decreasing to an ultimate rate of 4.05% over a period of 13 years.

2023

- The assumed healthcare trend rates for pre – 65 members decreased from an initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years to an initial trend starting at 6.30% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.

**CAMPBELL COUNTY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES, INC.**

ADMINISTRATIVE EXPENSE DETAIL

June 30, 2024

Utilities and telephone	\$ 166,334
Professional services	33,931
Contracted computer service	97,131
Office supplies	21,761
Staff development	32,827
Postage	16,416
Travel	16,261
Association dues	6,357
Delivery van	8,102
Board activities	3,914
Imagination Library	24,143
Miscellaneous	<u>20,162</u>
 Total Administrative Expenses	 <u><u>\$ 447,339</u></u>



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**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***

**To the Board of Trustees
Campbell County Public Library District Board of Trustees, Inc.
Cold Spring, Kentucky**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Campbell County Public Library District Board of Trustees, Inc. as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Campbell County Public Library District Board of Trustees, Inc.'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.

Bramel & Ackley, P.S.C.

November 20, 2024