REPORT OF THE AUDIT OF THE CAMPBELL COUNTY FISCAL COURT

For The Year Ended
June 30, 2022

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CONTENTS

Independent Auditor's Report 1

Campbell County Officials 5

Management's Discussion and Analysis (MD&A) 6

Financial Statements

- Statement of Net Position 17
- Statement of Activities 19
- Balance Sheet – Governmental Funds 20
- Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position 21
- Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 22
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities 23
- Statement of Net Position – Proprietary Funds 24
- Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds 26
- Statement of Cash Flows – Proprietary Funds 27
- Statement of Fiduciary Net Position 28
- Statement of Changes in Fiduciary Net Position 29
- Notes to the Financial Statements 31

Required Supplementary Information

- Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
  - General Fund 71
  - Jail Fund 72
  - Federal Grants Fund 73
  - Housing Choice Voucher Program 74
  - TANK Payroll Tax Fund 75
- Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual 76
- Schedule of the County's Proportionate Share of the Net Pension Liability 81
- Schedule of the County's Pension Contributions 82
- Schedule of the County's Proportionate Share of the Net OPEB Liability 84
- Schedule of the County's OPEB Contributions. 85

Supplementary Information

- Combining Balance Sheet – Nonmajor Governmental Funds 89
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 90

Required Regulatory Information

- Schedule of Expenditures of Federal Awards 93
- Notes to the Schedule of Expenditures of Federal Awards 95

Report on Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of The Financial Statement Performed In Accordance With Government Auditing Standards 99

Report on Compliance For Each Major Federal Program And Report On Internal Control Over Compliance In Accordance With The Uniform Guidance 103

Schedule Of Findings And Questioned Costs 109

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Steven Pendery, Campbell County Judge/Executive
Members of the Campbell County Fiscal Court

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Campbell County Fiscal Court, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Campbell County Fiscal Court's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Campbell County Fiscal Court, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Campbell County Fiscal Court, 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

Campbell County Fiscal Court's 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.

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To the People of Kentucky
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Responsibilities of Management for the Financial Statements (Continued)

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 Fiscal Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Housing Choice Voucher Program, which represent .96 percent, and 9.62 percent, respectively, of the assets and revenues of the governmental activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Campbell County Housing Choice Vouch Program, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Campbell County Fiscal Court'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 Campbell County Fiscal Court'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.

To the People of Kentucky
The Honorable Andy Beshear, Governor
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Finance and Administration Cabinet
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Members of the Campbell County Fiscal Court

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 13, the Budgetary Comparison Schedules on pages 71 through 76, the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions on page 81 through 83 and Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions on page 84 through 85 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 Campbell County Fiscal Court's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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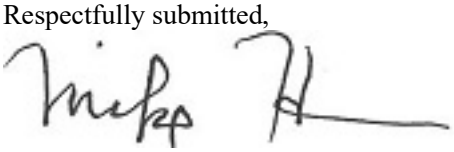
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023, on our consideration of the Campbell County Fiscal Court'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 Campbell County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Campbell County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts
Frankfort, Ky

December 7, 2023

CAMPBELL COUNTY OFFICIALS
For The Year Ended June 30, 2022

Fiscal Court Members:

Steve Pendery	County Judge/Executive
Geoff Besecker	Commissioner
Brian Painter	Commissioner
Tom Lampe	Commissioner

Other Elected Officials:

Steven J. Franzen	County Attorney
James A. Daley	Jailer
Jim Luersen	County Clerk
Taunya Nolan Jack	Circuit Court Clerk
Mike Jansen	Sheriff
Daniel Braun	Property Valuation Administrator
Mark Schweitzer	Coroner

Appointed Personnel:

Matthew Elberfeld	Deputy Judge/Executive/County Administrator
Marie M. Schenkel	Finance Director/Treasurer
Brett Burcham	Occupational Tax Collector
Laura Lewis	Finance Director/Treasurer - Effective July 1, 2022

Campbell County
Management's Discussion and Analysis
June 30, 2022
Unaudited

Management's discussion and analysis (MD&A) of the Campbell County Fiscal Court's (the County) financial performance provides a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the County's financial statements that begin on page 14.

Financial Highlights

- Campbell County's net position was $36,435,965 as of June 30, 2022, of which ($2,715,822) is unrestricted. In the business-type activities, cash and cash equivalents were $2,525,197, with total net position of $2,386,654. Total debt principal outstanding as of June 30, 2022 was $12,755,000 with $1,835,000 due within one year.
- The County's total net position increased by $6,538,964 during the current year. Revenues decreased overall by $1,074,060 or approximately 2%. While tax revenue and other general revenue increased by approximately 6%, program revenues including grants decreased by approximately 14%. In the fall of 2020, the County received approximately $4.3 million through the Coronavirus Relief Fund (CRF). These one-time funds accounted for the majority of the revenue increase in the prior fiscal year ended June 30, 2021. Expenses decreased 8% for fiscal year ended June 30, 2022 over the prior year.
- At the close of the current fiscal year, the County's balance sheet for governmental funds reported a fund balance of $40,568,216. Of this amount, $22,223,194 is available for spending at the government's discretion (unassigned fund balance).

Overview of the Financial Statements

The MD&A serves as an introduction to the County's basic financial statements, which consists of two government wide financial statements and various fund financial statements. The County's financial statements and components are listed and explained below:

Government-wide Financial Statements

The government wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. All amounts are reported on the accrual basis of accounting. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expense, and related assets and liabilities.

The statement of net position presents information on all of the County's (1) assets and deferred outflows of resources and (2) liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decrease in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the fiscal year.

The government wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The County's' governmental activities include the general government, protection to persons and property, general health and sanitation, social services, recreation and culture, roads, and bus services. The County has three business type activities: A.J. Jolly Park Fund (public properties corporation), A.J. Jolly Golf Course Fund, and Jail Commissary Fund.

The government wide financial statements include not only Campbell County Fiscal Court itself (known as the primary government), but also legally separate entities, which have a significant operation or financial relationship with the County. The County has one such entity: A.J. Jolly Park Fund (public properties corporation).

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 County, like other state and local governments, uses funding accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the County can be divided into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

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

  Because the focus of the governmental fund financial statements is narrower than that of the government wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

  The County maintains multiple individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Jail Fund, Federal Grants Fund, Housing Choice Voucher Program, and TANK Payroll Tax Fund, all of which are considered major funds by the County. The Road Fund, Mental Health Fund, Senior Citizens Fund, and Developers Escrow Fund are considered non-major funds and are represented in a combined form.

  The County adopts an annual appropriated budget for its major governmental funds. A budgetary comparison schedule has been provided for each of these funds to demonstrate compliance with their budgets.

- Proprietary funds provide the same type of information as the business-type activities column on the government wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the A.J. Jolly Park Fund, A.J. Jolly Golf Course Fund, and Jail Commissary Fund. The A.J. Jolly Park Fund and Jail Commissary are considered non-major funds.

- Fiduciary funds are used to account for held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County currently has three fiduciary funds: Occupational Tax Fund, Flexible Spending Account, and Jail Inmate Fund. These three funds are custodial funds.

Notes to the Financial Statements

The notes to the financial statements (pages 31–67) provide expanded explanation about the government wide and fund financial statements and are essential to the reader in obtaining a better understanding of the information provided within the financial statements.

Financial Analysis of the County as a Whole

The following sections provide condensed financial information derived from the two government wide financial statements along with a comparison of the prior year.

STATEMENTS OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	FY22	FY21	FY22	FY21	FY22	FY21
Current assets	$ 58,047,227	$ 45,907,182	$ 2,573,203	$ 2,101,402	$ 60,620,430	$ 48,008,584
Capital assets	47,520,038	46,534,911	1,263,170	990,716	48,783,208	47,525,627
Total assets	105,567,265	92,442,093	3,836,373	3,092,118	109,403,638	95,534,211
Deferred Outflows of Resources	9,917,347	14,055,280	235,060	316,950	10,152,407	14,372,230
Total Assets and Deferred Outflows of Resources	115,484,612	106,497,373	4,071,433	3,409,068	119,556,045	109,906,441
Current Liabilities	19,380,291	11,950,614	123,822	70,992	19,504,113	12,021,606
Noncurrent Liabilities	52,286,839	64,745,936	1,319,413	1,223,599	53,606,252	65,969,535
Total liabilities	71,667,130	76,696,550	1,443,235	1,294,591	73,110,365	77,991,141
Deferred Inflows of Resources	9,768,171	1,972,202	241,544	46,097	10,009,715	2,018,299
Total Liabilities and Deferred Inflows of Resources	81,435,301	78,668,752	1,684,779	1,340,688	83,120,080	80,009,440
Net Investment in Capital Assets	35,053,187	32,349,523	916,742	990,716	35,969,929	33,340,239
Restricted						
Social Services	533,395	462,565			533,395	462,565
Protection to Persons and Property	1,182,668	1,124,017			1,182,668	1,124,017
Roads	1,465,795	625,163			1,465,795	625,163
Unrestricted	(4,185,734)	(6,732,647)	1,469,912	1,077,664	(2,715,822)	(5,654,983)
Total net position	$ 34,049,311	$ 27,828,621	$ 2,386,654	$ 2,068,380	$ 36,435,965	$ 29,897,001

Campbell County
Management's Discussion and Analysis
June 30, 2022
Unaudited
(Continued)

STATEMENTS OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	FY22	FY21	FY22	FY21	FY22	FY21
Revenues						
Program Revenues:						
Charges for Services	$ 5,387,215	$ 6,476,294	$ 2,303,564	$ 2,388,345	$ 7,690,779	$ 8,864,639
Operating Grants and Contributions	10,142,588	11,800,778			10,142,588	11,800,778
Capital Grants and Contributions	6,972	164,089			6,972	164,089
Program Revenues Funded	15,536,775	18,441,161	2,303,564	2,388,345	17,840,339	20,829,506
General Revenues:						
Taxes	27,869,004	26,311,368			27,869,004	26,311,368
Rental Motor Vehicle License Fee	67,880	61,075			67,880	61,075
Insurance License Fee/Tax	2,641,318	2,510,769			2,641,318	2,510,769
Excess Fees	1,097,782	1,167,252			1,097,782	1,167,252
Unrestricted Investment Earnings	(56)	1,923		74	(56)	1,997
Miscellaneous Revenues	415,725	112,507			415,725	112,507
Loss on Disposal of Capital Assets	(11,578)	-			(11,578)	
Total General Revenue	32,080,075	30,164,894		74	32,080,075	30,164,968
Total Revenue	47,616,850	48,606,055	2,303,564	2,388,419	49,920,414	50,994,474
Expenses						
General Government	11,823,729	12,143,461			11,823,729	12,143,461
Protection to Persons and Property	11,805,162	14,975,966			11,805,162	14,975,966
General Health and Sanitation	1,861,925	1,682,183			1,861,925	1,682,183
Social Services	6,393,031	5,924,143			6,393,031	5,924,143
Recreation and Culture	702,933	611,322			702,933	611,322
Roads	4,006,003	4,511,957			4,006,003	4,511,957
Bus Service	4,276,040	4,655,866			4,276,040	4,655,866
Capital Improvements	122,824	20,966			122,824	20,966
Interest on Long-Term Debt	404,513	440,414			404,513	440,414
A.J. Jolly Park				7,788		7,788
A.J. Jolly Golf Course			1,272,324	1,187,556	1,272,324	1,187,556
Jail Commissary			712,966	922,498	712,966	922,498
Total Expenses	41,396,160	44,966,278	1,985,290	2,117,842	43,381,450	47,084,120
Changes in Net Position	6,220,690	3,639,777	318,274	270,577	6,538,964	3,910,354
Net Position - Beginning Year	27,828,621	24,188,844	2,068,380	1,797,803	29,897,001	25,986,647
Net Position - Ending Year	$ 34,049,311	$ 27,828,621	$ 2,386,654	$ 2,068,380	$ 36,435,965	$ 29,897,001

Changes in Net Position

Governmental Activities: The County's net position increased $6,220,690. Key elements of this increase are as follows:

- Net investment in capital assets increased $2,703,664. This was primarily due to payments made on the related debt, netted with capital asset additions.
- Revenues were $47,616,850 as reflected in the Statement of Activities which is a nominal decrease of $989,205 or 2% when compared to previous year. One-time funding received through the CARES Act of $4.3 million in the previous fiscal year is almost offset by increases in tax revenue, insurance license fee revenue, and miscellaneous revenue.
- Expenditures totaled $41,396,160 as reflected in the Statement of Activities which is a decrease from prior year.

Business-type Activities: The County's net position for these activities increased $318,274. This is primarily due to an increase in golf course revenue and profit on jail commissary sales.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance- related legal requirements.

Governmental Funds Overview: The focus of the County's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2022, the combined ending fund balance of the governmental funds was $40,568,216. Approximately 55% ($22,223,194) of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance ($18,345,022) is not available for new spending because it is restricted, committed, or assigned.

The County has five major governmental funds. These are: 1) General Fund; 2) Jail Fund; 3) Federal Grants Fund; 4) Housing Choice Voucher Program Fund and 5) TANK Payroll Tax Fund. There are four non-major funds. They are the Road Fund, Mental Health Fund, Senior Citizens Fund, and Developers Escrow Fund.

- The General Fund is the chief operating fund of the County. At the end of the June 30, 2022 fiscal year, the total fund balance of the General Fund was $22,472,483, $22,223,194 of which was unassigned. The County received $11,207,290 in real property tax revenues, which accounts for approximately 51% of the general fund revenue. $4,753,855 was received from personal property, motor vehicle and insurance taxes which is approximately 22% of the County's general fund revenues. Sheriff and clerk fees accounted for $1,097,782 or 5% of general fund revenues. Various other taxes, service fees and investment earnings make up the remaining 22% of revenues.
- The Jail Fund is used to account for the operation of the County's detention center. The Jail Fund had a fund balance at June 30, 2022 of $933,979 which is an increase of $130,929. The Jail Fund received approximately $2.8 million from the state and federal governments for services, primarily for housing prisoners. Intergovernmental receipts were down from fiscal year 2021 by approximately $1.3 million. No additional receipts from the CARES Act Fund in fiscal year 2022 and a decreased inmate population accounted for the change in revenue. Transfers totaling $6,250,000 from the general fund were used to fund jail expenses.

Financial Analysis of the County's Funds (Continued)

- The Federal Grants fund is used to account for Community Development Block Grants and other direct and pass-through grants that are non-recurring. The County received a second tranche of $9,088,798 from the American Rescue Plan Act in 2022, of which $15,689,058 is in unearned revenue as of year-end.
- The Housing Choice Voucher Program ended the 2022 fiscal year with a fund balance of $533,395. The previous year balance was $462,565. The Program derives nearly all of its revenue from the Department of Housing and Urban Development (HUD).
- The TANK Payroll Tax Fund is used in part to provide funds for the operation of the regional transit system. As of June 30, 2022, the balance in this fund was $13,413,945 which is an increase of $1,320,41.
- The total fund balance for the non-major funds as of June 30, 2022 was $3,215,014. Total expenditures for the non-major funds for the year were $5,701,748 including $1.9 million for road projects. Revenue sources for the non-major funds include state funding for road projects and payroll taxes designated for senior citizens and mental health programs in Campbell County.

Proprietary Funds Overview: The County's Proprietary Fund Statements provide the same type of information found in the *business-type activities* column of the Government-Wide Financial Statements, but in more detail.

The County has three enterprise funds, A.J. Jolly Park (Public Parks Corporation), A.J. Jolly Golf Course, and the Jail Commissary.

- A.J. Jolly Park net position at June 30, 2022 amounted to $497,462. The entirety of the Park's assets consists of capital assets such as land and land improvements for the golf and general recreation facility. Net capital assets for the park amounted to $497,462 at the fiscal year-end. On July 1, 2014, all of A.J. Jolly's current assets, liabilities, revenues and expenditures were assumed by the A.J. Jolly Golf Course Fund, a proprietary fund of the County, for management.
- A.J. Jolly Golf Course Fund's net position at June 30, 2022 was $(102,678). Revenues for the golf course amounted to $1,391,614 which was an increase from prior year of approximately $223,871 or 19%. Revenues were derived primarily from user fees and concession sales.
- The Jail Commissary Fund had a net position of $1,786,514 as of June 30, 2022 with a cash balance of $2,086,201. Most of the revenue for this fund is derived from sales to jail inmates and the expenses are purchases of items for resale and expenditures for the benefit of the inmates such as GED course fees.

General Fund Budgetary Highlights

Actual operating revenues were 4.6% greater than the budget. This increase was primarily due to insurance premiums, deed transfer taxes and insurance license fees revenues higher than anticipated in the budget.

Actual operating expenditures were less than the budget amended by the County. This was primarily due to the deferral of certain capital improvement projects and not using the contingency funding that was built into the budget.

Capital Assets and Debt Administration

Capital Assets

The County 's investments in capital assets for its governmental and business-type activities as of June 30, 2022, amounted to $48,437,227 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements to land other than buildings, machinery and equipment, vehicles, and infrastructure assets.

Major capital asset additions during the 2022 fiscal year included road and infrastructure improvements and the purchase of replacement vehicles for the police department.

SCHEDULES OF CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

	Governmental Activities		Business Activities		Total	
	FY22	FY21	FY22	FY21	FY22	FY21
Land	$ 4,231,925	$ 4,231,925	$ 497,462	$ 497,462	$ 4,729,387	$ 4,729,387
Land Improvements	590,947	629,468	11,309	15,829	602,256	645,297
Buildings	25,735,951	26,178,854	92,638	100,358	25,828,589	26,279,212
Other Equipment	2,589,157	1,317,398	205,123	249,948	2,794,280	1,567,346
Vehicles and Equipment	1,891,102	1,765,975	110,657	127,119	2,001,759	1,893,094
Infrastructure Assets	12,480,956	12,411,291			12,480,956	12,411,291
	$ 47,520,038	$ 46,534,911	$ 917,189	$ 990,716	$ 48,437,227	$ 47,525,627

A more detailed breakdown of the capital assets and depreciation can be found in the Capital Assets note to the financial statements on pages 40-42.

Long-Term Debt

At the end of the 2022 fiscal year, the County had total bonds payable of $12,755,000. The amount of this debt due within the next year is $1,835,000 and $12,243,500 is due in subsequent years. This debt is for the jail facilities and jail expansion project, County administration building, park facilities and equipment and emergency dispatch center equipment. This debt is described in the Long-Term Debt note to the financial statements on pages 43-46.

	Governmental Activities		Business Activities		Total	
	FY22	FY21	FY22	FY21	FY22	FY21
General Obligation Bonds	$ 12,755,000	$ 14,535,000	$	$	$ 12,755,000	$ 14,535,000
Unamortized Premium	159,518	191,998			159,518	191,998
Unamortized Discount	(36,339)	(46,539)			(36,339)	(46,539)
Lease Liability			346,428		346,428	
	$ 12,878,179	$ 14,680,459	$ 346,428	$ 0	$ 13,224,607	$ 14,680,459

Economic Factors and Next Year's Budget

The following factors were expected to have a significant effect on the County's financial position or results of operations and were considered in developing the 2023 fiscal year budget:

- The 2023 fiscal year budget was developed to assume continuing most services at current levels with the exception of programs for which federal or state funding is decreasing or for projects which have been completed or are nearing completion.
- The increasing cost of housing prisoners in the Campbell County Detention Center continues to be a significant factor in budgeting and accounts for approximately 30% of the overall County spending excluding spending in the Federal Grant Fund. One of the primary challenges continues to be recruiting and retaining employees. Several pay restructuring programs have been rolled out at the jail over the past several years. Contingencies were built into the 2023 fiscal year budget for additional increases in wages and overtime.
- The most significant factor that generally impacts the fiscal year budget is pension costs. After a freeze in rates in fiscal year 2020 due to the COVID health emergency for fiscal year 2021, the state increased hazardous rates by 4.75% and non-hazardous rates by 2.89% for fiscal year 2022. A 12% increase for both rates as anticipated were accounted for in the 2023 budget.
- Certain impacts of the COVID health emergency were estimated to continue throughout fiscal year 2023 and therefore, included in the fiscal year 2023 budget including the following:
    - Reduction in state road aid
    - Continued lower payments for housing state prisoners due to early releases at the beginning of the COVID health emergency
    - Inflation rates higher than historical norm
    - Supply chain disruptions

Requests for Information

This financial report is designed to provide a general overview of Campbell County's Financial Statements for all interested in the government's finances. Questions concerning any of the information provided in this or requests for additional financial information should be addressed to the Campbell County Finance Director/Treasurer, 1098 Monmouth St., Newport, KY 41071.

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CAMPBELL COUNTY
BASIC FINANCIAL STATEMENTS

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CAMPBELL COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash and Cash Equivalents	$ 51,388,272	$ 2,525,197	$ 53,913,469
Restricted	1,027,056		1,027,056
Accounts Receivable	5,631,897	48,006	5,679,903
Total Current Assets	58,047,225	2,573,203	60,620,428
Noncurrent Assets			
Right to Use Asset, Net		345,981	345,981
Capital Assets, Net of Accumulated Depreciation			
Land	4,231,925	497,462	4,729,387
Land Improvements	590,947	11,309	602,256
Buildings	25,735,951	92,638	25,828,589
Other Equipment	2,589,157	205,123	2,794,280
Vehicles and Equipment	1,891,102	110,657	2,001,759
Infrastructure Assets, Net of Accumulated Depreciation	12,480,956		12,480,956
Total Noncurrent Assets	47,520,038	917,189	48,437,227
Total Assets	105,567,263	3,836,373	109,403,636
Deferred Outflows of Resources			
Deferred Loss on Refundings, Net	411,328		411,328
Deferred Outflows Related to Pension	4,678,821	115,696	4,794,517
Deferred Outflows Related to OPEB	4,827,198	119,364	4,946,562
Total Deferred Outflows of Resource	9,917,347	235,060	10,152,407
Total Assets and Deferred Outflows of Resources	$115,484,610	$ 4,071,433	$119,556,043

The accompanying notes are an integral part of the financial statements.

CAMPBELL COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2022
(Continued)

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Current Liabilities			
Compensated Absences Payable	$ 54,502	$ 1,160	$ 55,662
Bonds Payable	1,857,280		1,857,280
Lease Liability		58,234	58,234
Accounts Payable	1,224,914	34,040	1,258,954
Accrued Payroll	554,537	29,380	583,917
Accrued Interest		1,008	1,008
Unearned Income	15,689,058		15,689,058
Total Current Liabilities	19,380,291	123,822	19,504,113
Noncurrent Liabilities			
Compensated Absences Payable	441,287	21,723	463,010
Bonds Payable	11,020,899		11,020,899
Lease Liability		288,194	288,194
Net Pension Liability	31,372,019	775,755	32,147,774
Net OPEB Liability	9,452,634	233,741	9,686,375
Total Noncurrent Liabilities	52,286,839	1,319,413	53,606,252
Total Liabilities	71,667,130	1,443,235	73,110,365
Deferred Inflows of Resources			
Deferred Inflows Related to Pension	5,414,975	133,900	5,548,875
Deferred Inflows Related to OPEB	4,353,196	107,644	4,460,840
Total Deferred Outflows of Resources	9,768,171	241,544	10,009,715
Total Liabilities and Deferred Inflows of Resources	81,435,301	1,684,779	83,120,080
Net Position			
Net Investment in Capital Assets	35,053,187	916,742	35,969,929
Restricted for			
Social Services	533,395		533,395
Protection of Persons and Property	1,182,668		1,182,668
Roads	1,465,793		1,465,793
Unrestricted	(4,185,734)	1,469,912	(2,715,822)
Total Net Position	$ 34,049,309	$ 2,386,654	$ 36,435,963

The accompanying notes are an integral part of the financial statements.

CAMPBELL COUNTY
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2022

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total
Governmental Activities							
General Government	$ 11,823,729	$ 1,179,050	$ 137,158	$	$ (10,507,521)	$	$(10,507,521)
Protection to Persons and Property	11,805,162	3,707,608	768,067		(7,329,487)		(7,329,487)
General Health and Sanitation	1,861,925	19,481	84,467		(1,757,977)		(1,757,977)
Social Services	6,393,031	8,125	7,576,056		1,191,150		1,191,150
Recreation and Culture	702,933	410,839			(292,094)		(292,094)
Roads	4,006,003	62,112	1,305,299	6,972	(2,631,620)		(2,631,620)
Bus Services	4,276,040		271,541		(4,004,499)		(4,004,499)
Capital Improvements	122,824				(122,824)		(122,824)
Pension Expense	404,513				(404,513)		(404,513)
Total Governmental Activities	41,396,160	5,387,215	10,142,588	6,972	(25,859,385)		(25,859,385)
Business-Type Activities							
A.J. Jolly Golf Course	1,272,324	1,391,614				119,290	119,290
Jail Commissary Fund	712,966	911,950				198,984	198,984
Total Business-Type Activities	1,985,290	2,303,564				318,274	318,274
Total Primary Government	$ 43,381,450	$ 7,690,779	$ 10,142,588	$ 6,972	$ (25,859,385)	$ 318,274	$(25,541,111)
		General Revenues					
		Taxes					
		Real Property Taxes			11,207,290		11,207,290
		Personal Property Taxes			907,358		907,358
		Motor Vehicle Property Taxes			1,205,179		1,205,179
		Occupational Taxes			12,643,033		12,643,033
		Other Taxes			1,906,144		1,906,144
		Rental Motor Vehicle License Fees			67,880		67,880
		Insurance License Fee/Tax			2,641,318		2,641,318
		Excess Fees			1,097,782		1,097,782
		Unrestricted Investment Earnings			(56)		(56)
		Miscellaneous Revenues			415,723		415,723
		Loss on Disposal of Capital Assets			(11,578)		(11,578)
		Total General Revenues and Transfers			32,080,073		32,080,073
		Change in Net Position			6,220,688	318,274	6,538,962
		Net Position July 1, 2021			27,828,621	2,068,380	29,897,001
		Net Position June 30, 2022			$ 34,049,309	$ 2,386,654	$ 36,435,963

The accompanying notes are an integral part of the financial statements.

CAMPBELL COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	Major Funds						
	General Fund	Jail Fund	Federal Grants Fund	Housing Choice Voucher Program	Tank Payroll Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	$ 21,646,711	$ 965,181	$ 16,137,285	$ 100	$ 10,359,497	$ 2,279,498	$ 51,388,272
Accounts Receivable							
Taxes	961,449				2,783,206	463,735	4,208,390
Excess Fees	218,977						218,977
Intergovernmental	64,594	231,535			271,541	354,512	922,182
Charges for Services	135,028	115,511					250,539
Miscellaneous	1,575	18,339		10,502		1,393	31,809
Restricted Cash	249,289			547,608		230,159	1,027,056
Total Assets	$ 23,277,623	$ 1,330,566	$ 16,137,285	$ 558,210	$ 13,414,244	$ 3,329,297	$ 58,047,225
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts Payable	$ 494,311	$ 219,315	$ 448,227	$ 1,435	$ 299	$ 61,327	$ 1,224,914
Accrued Payroll	310,829	177,872		12,878		52,958	554,537
Unearned Revenues			15,689,058				15,689,058
Total Liabilities	805,140	397,187	16,137,285	14,313	299	114,285	17,468,509
Deferred Inflows of Resources							
Unavailable Revenue - Intergovernmental				10,502			10,502
Fund Balances							
Restricted							
Social Services				533,395			533,395
Protection of Persons and Property	249,289	933,379					1,182,668
Roads						1,465,793	1,465,793
Committed							
Social Services						855,843	855,843
Health and Welfare						893,376	893,376
Bus Service					3,825,434		3,825,434
Transportation					9,588,511		9,588,511
Unassigned	22,223,194						22,223,194
Total Fund Balances	$ 22,472,483	$ 933,379	$	$ 533,395	$ 13,413,945	$ 3,215,012	$ 40,568,214
Total Liabilities and Fund Balances	$ 23,277,623	$ 1,330,566	$ 16,137,285	$ 558,210	$ 13,414,244	$ 3,329,297	$ 58,047,225

The accompanying notes are an integral part of the financial statements.

CAMPBELL COUNTY
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

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

Total Fund Balance - Governmental Funds		$ 40,568,214
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of Capital Assets	$ 109,270,941	
Accumulated Depreciation	61,750,903	
		47,520,038
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		10,502
Deferred loss on refunding, net is not a financial resource and therefore is not reported as an asset in governmental funds.		411,328
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds:		
Deferred Outflows of Resources Related to Pension	4,678,821	
Deferred Outflows of Resources Related to OPEB	4,827,198	
Deferred Inflows of Resources Related to Pension	(5,414,975)	
Deferred Inflows of Resources Related to OPEB	(4,353,196)	
		(262,152)
Long-term liabilities, including bonds payable, net pension liability, and net OPEB liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Compensated Absences Payable	495,789	
Premiums on Bonds, Net	123,179	
Bonds Principal Payments, Due within One Year	1,835,000	
Bonds Principal Payments, Due in More than One Year	10,920,000	
Net Pension Liability	31,372,019	
Net OPEB Liability	9,452,634	
		(54,198,621)
Total Net Position - Governmental Activities		$ 34,049,309

The accompanying notes are an integral part of the financial statement.

CAMPBELL COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

	Major Funds						
	General Fund	Jail Fund	Federal Grants Fund	Housing Choice Voucher Program	TANK Payroll Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	$17,869,781	$	$	$	$10,836,569	$ 1,806,464	$30,512,814
In Lieu Tax Payments	65,388						65,388
Excess Fees	1,097,782						1,097,782
Licenses and Permits	506,658					3,200	509,858
Intergovernmental	518,592	2,783,323	2,905,576	4,070,235	271,541	1,337,418	11,886,685
Charges for Services	412,171	287,119		463,539		6,900	1,169,729
Miscellaneous	1,344,306	855,108		46,349		135,277	2,381,040
Interest				87	(56)		31
Total Revenues	21,814,678	3,925,550	2,905,576	4,580,210	11,108,054	3,289,259	47,623,327
Expenditures							
General Government	4,965,327		384,139				5,349,466
Protection to Persons and Property	3,878,428	6,437,700					10,316,128
General Health and Sanitation	635,635	41,284	4,900			1,162,357	1,844,176
Social Services	36,720	186,811	417,041	4,398,972		413,783	5,453,327
Recreation and Culture	537,125		622,043				1,159,168
Roads						1,869,400	1,869,400
Bus Services					4,276,040		4,276,040
Capital Projects	566,599		1,327,710			1,442,918	3,337,227
Administration	3,977,105	2,137,478	149,743	110,408	11,573	741,841	7,128,148
Debt Service	809,653	1,241,948				71,449	2,123,050
Total Expenditures	15,406,592	10,045,221	2,905,576	4,509,380	4,287,613	5,701,748	42,856,130
Excess (Deficiency) of Revenues Over Expenditures	6,408,086	(6,119,671)		70,830	6,820,441	(2,412,489)	4,767,197
Other Financing (Uses) Sources							
Transfers to Other Funds	(6,250,000)				(5,500,000)		(11,750,000)
Transfers from Other Funds	2,000,000	6,250,000				3,500,000	11,750,000
Total Other Financing (Uses) Sources	(4,250,000)	6,250,000			(5,500,000)	3,500,000	
Net Change in Fund Balances	2,158,086	130,329		70,830	1,320,441	1,087,511	4,767,197
Fund Balances July 1, 2021	20,314,397	803,050		462,565	12,093,504	2,127,501	35,801,017
Fund Balances June 30, 2022	$22,472,483	$ 933,379	$ 0	$ 533,395	$13,413,945	$ 3,215,012	$40,568,214

The accompanying notes are an integral part of the financial statement.

CAMPBELL COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2022

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

Total Net Change in Fund Balances - Governmental Funds		$ 4,767,197
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 useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceed depreciation expense in the period.		
Depreciation Expense	$ (3,030,671)	
Capital Outlays	4,027,376	
The net effect of various transactions involving capital assets is to decrease net position as follows:		
Loss on Disposal of Capital Assets		(11,578)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		4,795
Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the statement of activities, compensated absences are recognized as an expense when incurred.		(139,656)
Repayment of bond and principal is an expenditure in the governmental funds but it reduces long-term liabilities in the statement of net position, and does not affect the statement of activities.		1,780,000
Governmental funds report County pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
County Pension Contributions - June 30, 2021	(2,379,450)	
County Pension Contributions - June 30, 2022	2,626,398	
Cost of Benefits Earned Net of Employee Contributions	(1,118,264)	(871,316)
Governmental funds report County other postemployment benefit contributions as expenditures. However, other postemployment benefit expense is reported in the statement of activities. This is the amount by which other postemployment benefit expense exceeded		
County Other Postemployment Benefit Contributions - June 30, 2021	(634,673)	
County Other Postemployment Benefit Contributions - June 30, 2022	746,154	
Change in Other Postemployment Benefit Liability	(355,477)	(243,996)
Amortization of premiums/discounts and deferred loss on refundings on bonds payable are reported int the statement of activities. However, they do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(61,463)
Total Change in Net Position - Governmental Activities		$ 6,220,688

The accompanying notes are an integral part of the financial statement.

CAMPBELL COUNTY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		
	A.J. Jolly Golf Course Fund	Nonmajor Proprietary Funds	Total
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and Cash Equivalents	$ 438,996	$ 2,086,201	$ 2,525,197
Accounts Receivable		48,006	48,006
Total Current Assets	438,996	2,134,207	2,573,203
Noncurrent Assets			
Right to Use Asset, Net	345,981		345,981
Capital Assets			
Land		497,462	497,462
Land Improvements	45,200	683,675	728,875
Buildings and Building Improvements	115,797	140,704	256,501
Clubhouse Furniture and Fixtures	106,097		106,097
Golf Equipment	707,763		707,763
Other Equipment	185,992	230,050	416,042
Vehicles	43,251	121,370	164,621
	1,204,100	1,673,261	2,877,361
Less Accumulated Depreciation	979,920	980,252	1,960,172
Total Capital Assets	224,180	693,009	917,189
Total Noncurrent Assets	570,161	693,009	1,263,170
Total Assets	1,009,157	2,827,216	3,836,373
Deferred Outflows of Resources			
Deferred Outflows Related to Pension	78,749	36,947	115,696
Deferred Outflows Related to OPEB	81,246	38,118	119,364
Total Deferred Outflows of Resources	159,995	75,065	235,060
Total Assets and Deferred Outflows of Resources	$ 1,169,152	$ 2,902,281	$ 4,071,433

The accompanying notes are an integral part of the financial statement.

CAMPBELL COUNTY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2022
(Continued)

Liabilities and Deferred Inflows of Resources			
Current Liabilities			
Compensated Absences Payable	$ 1,160	$	$ 1,160
Lease Liability	58,234		58,234
Accounts Payable	26,014	8,026	34,040
Accrued Interest	1,008		1,008
Accrued Payroll	23,966	5,414	29,380
Total Current Liabilities	110,382	13,440	123,822
Long-Term Liabilities (Net of Current Portion)			
Compensated Absences Payable	21,723		21,723
Lease Liability	288,194		288,194
Net Pension Liability	528,024	247,731	775,755
Net OPEB Liability	159,098	74,643	233,741
Total Noncurrent Liabilities	997,039	322,374	1,319,413
Total Liabilities	1,107,421	335,814	1,443,235
Deferred Inflows of Resources			
Deferred Inflows Related to Pension	91,140	42,760	133,900
Deferred Inflows Related to OPEB	73,269	34,375	107,644
Total Deferred Inflows of Resources	164,409	77,135	241,544
Total Liabilities and Deferred Inflows of Resources	1,271,830	412,949	1,684,779
Net Position			
Net Investment in Capital Assets	223,733	693,009	916,742
Unrestricted	(326,411)	1,796,323	1,469,912
Total Net Position	$ (102,678)	$ 2,489,332	$ 2,386,654

The accompanying notes are an integral part of the financial statement.

CAMPBELL COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		
	A.J. Jolley Golf Course Fund	Nonmajor Proprietary Fund	Total
Operating Revenues			
Green Fees	$ 629,619	$	$ 629,619
Rentals - Power Carts	384,080		384,080
Pro Shop Sales	83,985		83,985
Concession Sales	209,955		209,955
Commissary Sales		911,950	911,950
Miscellaneous	83,975		83,975
Total Operating Revenues	1,391,614	911,950	2,303,564
Operating Expenses			
Golf Course Operations	1,272,324		1,272,324
Protection to Persons and Property		623,608	623,608
General Health and Sanitation		41,282	41,282
Administration		48,076	48,076
Total Operating Expenses	1,272,324	712,966	1,985,290
Change in Net Position	119,290	198,984	318,274
Net Position July 1, 2021	(221,968)	2,290,348	2,068,380
Net Position June 30, 2022	$ (102,678)	$ 2,489,332	$ 2,386,654

The accompanying notes are an integral part of the financial statement.

CAMPBELL COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

	A.J. Jolly Golf Course Fund	Nonmajor Proprietary Funds	Totals
Cash Flows From Operating Activities			
Receipts from Green Fees	$ 629,619	$	$ 629,619
Receipts from Power Cart Rentals	384,080		384,080
Receipts from Pro Shop Sales	83,985		83,985
Receipts from Concession Sales	209,955		209,955
Receipts from Miscellaneous Income	83,975		83,975
Receipts from Commissary Sales		912,659	912,659
Payments for Suppliers	(536,406)	(518,619)	(1,055,025)
Payments to Employees	(568,952)	(166,533)	(735,485)
Net Cash Provided by Operating Activities	286,256	227,507	513,763
Cash Flows from Capital and Related Financing Activities			
Principal Paid on Lease Liabilities	(39,128)		(39,128)
Interest Paid on Lease Liabilities	(2,125)		(2,125)
Net Cash Used by Capital and Related Financing Activities	(41,253)		(41,253)
Net Change in Cash	245,003	227,507	472,510
Cash and Cash Equivalents July 1, 2021	193,993	1,858,694	2,052,687
Cash and Cash Equivalents June 30, 2022	$ 438,996	$ 2,086,201	$ 2,525,197
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	$ 119,290	$ 198,984	$ 318,274
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	35,345	38,182	73,527
Amortization	39,575		39,575
Interest Expense	2,125		2,125
Pension Expense	52,383	11,458	63,841
Other Postemployment Benefit Expense	14,654	3,208	17,862
Accounts Receivable		709	709
Accounts Payable	12,680	(25,394)	(12,714)
Accrued Interest	1,008		1,008
Accrued Payroll	5,819	388	6,207
Compensated Absences Payable	3,377	(28)	3,349
Net Cash Provided by Operating Activities	$ 286,256	$ 227,507	$ 513,763
Supplemental Schedule of Noncash Capital and Related Financing Activities			
Right to Use Assets Obtained Through Lease Liability	$ 361,721	$ 0	$ 361,721

The accompanying notes are an integral part of the financial statement.

CAMPBELL COUNTY
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	Total Custodial Funds
Assets	
Cash and Cash Equivalents	$ 119,597
Liabilities	
Accounts Payable	83,095
Net Position	
Employee Flexible Spending Accounts	21,195
Jail Inmate Accounts	15,307
	$ 36,502

The accompanying notes are an integral part of the financial statement.

CAMPBELL COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FISCAL YEAR ENDED JUNE 30, 2022

	Total Custodial Funds
Additions	
Employee Contributions	$ 16,435
Property Taxes Collected for Cities	11,135,597
Deposits from Inmates	1,275,208
Interest Income	56
Total Additions	12,427,296
Deductions	
Benefit Payments	10,693
Property Tax Collection Fees	222,712
Property Taxes Paid Collected for Cities	10,912,941
Inmate Payments	1,278,215
Total Deductions	12,424,561
Net Increase in Net Position	2,735
Net Position July 1, 2021	33,767
Net Position June 30, 2022	$ 36,502

The accompanying notes are an integral part of the financial statement.

INDEX FOR NOTES
TO THE FINANCIAL STATEMENT

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES....31
NOTE 2. DEPOSITS....40
NOTE 3. ACCOUNTS RECEIVABLE....40
NOTE 4. CAPITAL ASSETS....41
NOTE 5. ACCOUNTS PAYABLE....43
NOTE 6. LONG-TERM DEBT....44
NOTE 7. INTEREST ON LONG-TERM DEBT....48
NOTE 8. PENSION PLAN....48
NOTE 9. OPEB PLAN....56
NOTE 10. DEFERRED COMPENSATION....63
NOTE 11. LEASE LIABILITY....63
NOTE 12. INSURANCE....64
NOTE 13. INTERFUND TRANSFERS....64
NOTE 14. JOINT VENTURES....65
NOTE 15. CONCENTRATION OF BUSINESS RISK....65
NOTE 16. ESTIMATED INFRASTRUCTURE HISTORICAL COST....65
NOTE 17. TAX ABATEMENTS....65
NOTE 18. CONTINGENT LIABILITIES....67
NOTE 19. SUBSEQUENT EVENTS....67

CAMPBELL COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The financial statements of the Campbell County Fiscal Court (the County) include the funds, agencies, boards, component unit, and entities for which the fiscal court is financially accountable. The blended component unit, although a legally separate entity is, in substance, part of the County's operations.

Blended Component Units

The following legally separate organization provides its services exclusively to the primary government, and the County is able to impose its will on this organization. This organization's balances and transactions are reported as though they are part of the County's primary government using the blended method.

A.J. Jolly Park: The activities of A.J. Jolly Park (the park), an agency of the County, are accounted for as an enterprise fund. This method was adopted to account for the park's operations in a manner similar to private business enterprises. On July 1, 2014, all of the park's current assets, liabilities, revenues and expenditures were assumed by the A.J. Jolly Golf Course fund, a proprietary fund of the County, for management. Some of the park's fixed assets are still being held by the component unit until resolution of the legality of the transfer of its restricted assets. This component unit is blended within the financial statements of the County.

Campbell County Elected Officials

Kentucky law provides for election of the officials listed below from the geographic area constituting Campbell County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the County, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statements of the County.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

Basis of Accounting, Measurement Focus, and Presentation

Government Wide Statements

The government wide financial statements (i.e., the statement of net position and the statement of activities) display information about all of the non-fiduciary activities of the primary government and its component units. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The government wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government wide statements and the statements for governmental funds.

Note 1. Summary of Significant Accounting Policies (Continued)

The government wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County, and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows. For example, property tax revenue is recognized in the year of levy, and all other revenue is recognized when services have been rendered. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include taxes and unrestricted state funds.

Fund Financial Statements

The fund financial statements are designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. The County's fund types, a definition of each, and County funds included within each fund type are listed below.

All governmental funds are accounted for on the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due.

The primary revenue sources, which have been treated as susceptible to accrual by the County, are tax-payer-assessed tax revenues (such as property taxes and franchise taxes) and certain grant revenues.

Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Non-exchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis of accounting, revenue from property taxes is recognized in the fiscal year in which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Other revenues which may be accrued include other taxes, intergovernmental revenues, interest, and charges for services.

CAMPBELL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Again, grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the County may fund certain programs with a combination of cost-reimbursement grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenses. It is the County's policy to first apply restricted resources to such programs, followed by unrestricted resources if necessary.

The County reports the following major governmental funds:

General Fund

This is the primary operating fund of the County. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Jail Fund

The primary purpose of this fund is to account for operations of the Campbell County Detention Center. The primary sources of revenue for this fund are reimbursements from the state and federal governments, payments from other counties for housing prisoners, and transfers from the general fund. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the general fund.

Federal Grants Fund

The primary purpose of this fund is to account for activity related to funding from the Federal government whether it be directly from the Federal government or from pass-through entities.

Housing Choice Voucher Program

The Campbell County Housing Choice Voucher Program is operated by the County. It is engaged in providing rental assistance to persons of low income and who, for the most part, are residents of Campbell County, Kentucky. Funds to operate this program are obtained principally from the U.S. Department of Housing and Urban Development (HUD).

(TANK) Payroll Tax Fund

The purpose of this fund is to account for occupational tax collections, which were originally approved by the voters as Section 12 of Ordinance R-34-78 and amended with Ordinance O-26-99. All money derived under the provisions of this Ordinance is placed to the credit of:

A. To appropriate and pay over to the Transit Authority of Northern Kentucky capital and operating funds As provided in KRS Chapter 96A.
B. The general revenue fund of the County of Campbell and shall be used and expended in defraying the current general expenses of the County.
C. For traffic improvement and mass transportation related projects as authorized by the County.

CAMPBELL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Nonmajor Funds

The primary government also has the following non-major funds: Road Fund, Mental Health Fund, Senior Citizens Fund, and the Developers Escrow Fund.

Special Revenue Funds

The Road Fund, Jail Fund, Housing Choice Voucher Program Fund, (TANK) Payroll Tax Fund, Federal Grants Fund, Mental Health Fund, Senior Citizens Fund, and the Developers Escrow Fund are presented as special revenue funds. Special revenue funds are used to account for the proceeds of specific revenue sources and expenditures that are restricted or committed for specific purposes.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) and deferred outflows of resources and deferred inflows of resources are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the County's enterprise funds are charges to customers for sales in the Jail Commissary Fund and greens fees revenue in the A.J. Jolly Golf Course Fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets.

The primary government reports the following major proprietary fund:

A.J. Jolly Golf Course Fund

This fund accounts for the revenues and expenses of operating A.J. Jolly Golf Course.

Nonmajor Funds

The primary government also has the following non-major funds: Jail Commissary Fund and A.J. Jolly Park.

The Fiduciary funds are used to account for the resources held by the County in a custodial capacity or as an agent for individuals, private organizations, or other governments. Fiduciary fund financial statements include a Statement of Fiduciary Net Position. All fiduciary funds of the County are custodial funds.

The government reports the following fiduciary funds:

Occupational Tax Fund

This fund is used to collect and remit the occupational taxes including payroll and net profit taxes collected on behalf of the County and certain cities within the County.

Flexible Spending Account

This fund is used as a pass through of any Cafeteria 125 plan dollars for tax exempt purposes from employees' payroll checks.

CAMPBELL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Jail Inmate Fund

This fund accounts for assets held by the County in a purely custodial nature.

As a general rule, the effect of inter-fund activity has been eliminated from the government wide financial statements.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on November 1st and are due and payable declining discounts through December 31st. Taxes are delinquent as of January 1st following the assessment. After April 15th of each year and following proper procedures, a court order may be issued to seize and sell the property.

Legal Compliance - Budget

The County budget is adopted on a cash basis of accounting, and according to the laws of Kentucky, as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1st of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the County by July 1st.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the County may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

The schedule of revenues, expenditures and changes in fund balances budget and actual present a comparison of budgetary data in actual results. These funds utilize the same basis of accounting for both budgetary purposes and actual results. The reconciliation of the actual results to the fund statements are on page 66.

Cash

Cash includes amounts in bank accounts and cash on hand. The government's fund balance includes cash and cash equivalents and investments

KRS 66.480 authorizes the County to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery, or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

CAMPBELL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Accounts Receivables

In the government wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the government activities include payroll taxes.

In the governmental fund financial statements, material receivables include revenue accruals, such as occupational taxes, grants, and other similar revenues since they are usually both measurable and available. Non-exchange transactions, collectable but not available, are deferred in the governmental fund financial statements in accordance with the basis of accounting. Interest and investment earnings are recorded when earned only if paid within 60 days of the year end, since they would be considered both measurable and available.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The County also recognizes deferred outflows of resources related to pensions and other postemployment benefits.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and is therefore deferred until that time. The County recognizes deferred inflows of resources related to pensions and other postemployment benefits. In the governmental funds, certain revenue transactions have been reported as unavailable revenue. Revenue cannot be recognized until it has been earned and is available to finance expenditures of the current period. Revenue that is earned but not available is reported as a deferred inflow of resource until such time as the revenue becomes available.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government wide statement of net position and in the respective funds.

Capital assets, which include land, construction in progress, land improvements, buildings, building improvements, equipment, vehicles, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported in the applicable governmental or business-type activities of the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed. The County maintains a capitalization threshold of $20,000.

Note 1. Summary of Significant Accounting Policies (Continued)

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Land and construction in progress are not depreciated. Capital assets and infrastructure are depreciated using the straight-line method of depreciation over the estimated useful life of the asset.

Description	Estimated Useful Lives
Land Improvements	10-20 Years
Buildings	25-40 Years
Other Equipment	5-10 Years
Vehicles and Equipment	5-10 Years
Infrastructure	20-40 Years

Compensated Absences

County employees earn vacation in proportion to years of service. Vacation time accrues on a per pay period basis. Vacation time may accumulate from year to year up to a maximum of thirty days. Once the maximum is reached, employees must use or forfeit the time. Employees that give proper notice receive pay for unused vacation time that has not expired.

Short-term sick leave accrues on a per pay period basis at the rate of five days per year and may accumulate up to a maximum of twelve days. Employees do not get paid for their unused sick time upon termination.

County police and the road department have separate negotiated contracts, Fraternal Order of Police ((FOP) and American Federation of State, County, and Municipal Employees (AFSCME), respectively that covers provisions for sick leave. These employees earn 40 hours of sick leave per year. The entire 40 hours is given to them in January. If they are still employed by the County on December 31, they receive pay for their unused sick time the following January. If they are not employed on December 31, they do not get paid for their unused sick time.

The remaining County employees also receive 40 hours of sick leave in January; however, they do not get paid for their unused sick time.

Compensated absences are accrued when incurred in the government wide financial statements. A liability for these amounts is reported in governmental funds only if they matured.

Leases

The County recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future payments on the contract exceed $20,000 that meet the definition of another than short-term lease. The County uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the County's incremental borrowing rate at the start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred.

Note 1. Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and additions to/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.

Postemployment Benefits Other Than Pensions (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 County Employees Retirement System (CERS) and additions to/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.

Long Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable financial statements. The principal amount of bonds, notes, and financing obligations are reported.

In the fund financial statements, governmental fund types recognize bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as expenditures. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Debt proceeds are reported as other financing sources.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Equity

In the governmental fund financial statements, the difference between the assets and liabilities and deferred inflows of governmental funds is reported as fund balance. Fund balance is divided into nonspendable and spendable components, if applicable.

Non-spendable fund balances are those that cannot be spent on future obligations and must be maintained intact legally or contractually.

Note 1. Summary of Significant Accounting Policies (Continued)

Restricted fund balances arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Spendable include the following:

- Restricted-amounts constrained for a specific purpose by external parties, constitutional provisions, or enabling legislation.
- Committed-amounts constrained for a specific purpose by the County using its highest level of decision-making authority.
- Assigned-for all governmental funds, other than general fund, any remaining positive amounts not classified as non-spendable, restricted, or committed. For the general fund, amounts constrained by intent to be used for a specified purpose by the County or the delegated county committee or official given authority to assign amounts.
- Unassigned-for the general fund, amounts not classified as non-spendable, restricted, committed, or assigned. For all other governmental funds, amounts expended in excess of resources that are non-spendable, restricted, committed or assigned.

For resources considered committed, the County issues an ordinance or resolution that can only be changed with another corresponding ordinance or resolution.

For resources considered assigned, the county has designated the County Judge/Executive to carry out the intent of the fiscal court.

It is the policy of the County to spend restricted resources first, when both restricted and unrestricted resources are available to spend on the activity. Once restricted resources are exhausted, then committed, assigned, and unassigned resources will be spent in that order on the activity.

Encumbrances, although not reported on the balance sheet, are purchase orders that will be fulfilled in a subsequent fiscal period. Although the purchase order or contract creates a legal commitment, the County incurs no liability until performance has occurred on the part of the party with whom the County has entered into the arrangement. When a government intends to honor outstanding commitments in subsequent periods, such amounts are encumbered. Encumbrances can also include invoices for goods or services received at June 30, but not yet paid and not included as an accounts payable. Significant encumbrances at year end are reported by major funds and non-major funds in the aggregate and included with the commitments and contingencies note disclosure, if applicable.

“Committed to Bus Service” refers to the portion of the TANK payroll tax fund balance which the County has agreed to provide to TANK for transit services in Campbell County in the upcoming fiscal year.

Interfund Transactions

The County has the following type of interfund transactions:

Interfund Transfers - Transfers presented in the fund financial statements represent the flow of assets (such as goods or cash) without equivalent flow of assets in return or requirement of repayment. The composition of the interfund transfers is presented in Note 13. Note that at the entity-wide level, the majority of interfund transfers have been eliminated. Interfund transfers between governmental activities and business-type activities have not been eliminated.

CAMPBELL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements. Other estimates relate to assumptions about the ongoing operations and may impact future periods. Accordingly, upon settlement, actual results may differ from estimated amounts.

New Accounting Pronouncement

Adoption of New Accounting Pronouncement and Standards

The County implemented GASB Statement No. 87, *Leases (GASB 87)*, as of July 1, 2021. The County evaluated contracts that were formerly accounted for as operating leases to determine whether the meet the definition of a lease as defined in GASB 87. The contracts related to the lease of their golf course equipment meet the definition of a lease and the County calculated and recognized a right to use asset and offsetting lease liability of $23,835 as of July 1, 2021. The beginning net position was not restated for the adoption of GASB 87

Note 2. Deposits

The County maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the fiscal court and the depository institution, signed by both parties, that is (a) in writing, approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were not met with the jail inmate account, as the Campbell County Detention Center did not have a written agreement with the bank.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The County does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 66.480(1)(d) and KRS 41.240. On June 30, 2022, the County's deposits were either covered by the FDIC or collateralized with eligible securities.

Note 3. Accounts Receivable

Accounts receivable consists of the following at June 30, 2022:

	Governmental Activities	Business-Type Activities	Total
Taxes - Current	$ 4,208,390	$	$ 4,208,390
Excess Fees	218,977		218,977
Charges for Service	250,539		250,539
Intergovernmental	922,182		922,182
Commissary Sales		48,006	48,006
Miscellaneous	31,809		31,809
	$ 5,631,897	$ 48,006	$ 5,679,903

CAMPBELL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 4. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2022 was as follows:

Primary Government	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 4,231,925	$	$	$ 4,231,925
Total Capital Assets Not Being Depreciated	4,231,925			4,231,925
Depreciable Capital Assets				
Land Improvements	1,415,227	31,404		1,446,631
Buildings	41,812,326	553,890		42,366,216
Other Equipment	5,853,774	1,636,929	11,578	7,479,125
Vehicles and Equipment	5,712,409	567,492	117,545	6,162,356
Infrastructure	46,347,027	1,237,661		47,584,688
Total Depreciable Capital Assets	101,140,763	4,027,376	129,123	105,039,016
Total Capital Assets at Historical Cost	105,372,688	4,027,376	129,123	109,270,941
Less Accumulated Depreciation For				
Land Improvements	785,759	69,925		855,684
Buildings	15,633,472	996,793		16,630,265
Other Equipment	4,536,376	353,592		4,889,968
Vehicles and Equipment	3,946,434	442,365	117,545	4,271,254
Infrastructure	33,935,736	1,167,996		35,103,732
Total Accumulated Depreciation	58,837,777	3,030,671	117,545	61,750,903
Depreciated Capital Assets, Net	42,302,986	996,705	11,578	43,288,113
Governmental Activities Capital Assets, Net	$ 46,534,911	$ 996,705	$ 11,578	$ 47,520,038

CAMPBELL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 4. Capital Assets (Continued)

Business-Type Activities	**Balance July 1, 2021**	**Additions**	**Deductions**	**Balance June 30, 2022**
Capital Assets Not Being Depreciated				
Land	$ 497,462	$	$	$ 497,462
Total Capital Assets Not Being Depreciated	497,462			497,462
Depreciable Capital Assets				
Land Improvements	728,875			728,875
Buildings	256,501			256,501
Vehicles	164,621			164,621
Clubhouse Furniture and Fixtures	106,097			106,097
Golf Equipment	707,763			707,763
Other Equipment	416,042			416,042
Totals at Historical Cost	2,379,899			2,379,899
Total Capital Assets at Historical Cost	2,877,361			2,877,361
Less Accumulated Depreciation For				
Land Improvements	713,046	4,520		717,566
Buildings	156,143	7,720		163,863
Vehicles	37,502	16,462		53,964
Clubhouse Furniture and Fixtures	106,097			106,097
Golf Equipment	707,763			707,763
Other Equipment	166,094	44,825		210,919
Total Accumulated Depreciation	1,886,645	73,527		1,960,172
Depreciable Capital Assets, Net	493,254	(73,527)		419,727
Business-Type Activities Capital Assets, Net	$ 990,716	$ (73,527)	$ 0	$ 917,189

Note 4. Capital Assets (Continued)

Depreciation expense was charged to functions of the primary government as follows:

	Year Ended June 30, 2022
Governmental Activities:	
General Government	$ 464,973
Protection to Persons and Property	965,038
General Health and Sanitation	23,169
Social Services	51,437
Recreation and Culture	163,449
Roads, Including Depreciation of General Infrastructure Assets	1,362,605
Total Depreciation Expense - Governmental Activities	$ 3,030,671
Business-Type Activities	
Jail Commissary	$ 38,182
A.J. Jolly Golf Course	35,345
Total Depreciation Expense - Business-Type Activities	$ 73,527

Note 5. Accounts Payable

Accounts payable consists of the following at June 30, 2022:

	Governmental Activities	Business-Type Activities	Total
General Government	$ 38,361	$	$ 38,361
Protection to Persons and Property	239,871	8,026	247,897
General Health and Sanitation	24,206		24,206
Social Services	31,891		31,891
Recreation and Culture	24,693		24,693
Roads	32,439		32,439
Administration	392,895		392,895
Capital Improvements	440,558		440,558
Golf Course Operations		26,014	26,014
	$ 1,224,914	$ 34,040	$ 1,258,954

Note 6. Long-term Debt

General Obligation Refunding Bonds, Series 2012

The County issued, as of February 24, 2012, $1,645,000 General Obligation Refunding Bond, Series 2012, to refund Campbell County, Kentucky General Project Refunding Bond, Series 2001 and First Mortgage Refunding and Improvement Revenue Bonds, Series 1997. The bonds mature in varying amounts from $5,000 to $200,000 from June 1, 2012 through 2023. Interest is payable semi-annually on June 1 and December 1 at a rate of 2.00%. Bonds outstanding at June 30, 2022, were $90,000.

In case of default, bondholders may proceed to protect and enforce their rights by declaring all bonds due and payable, and if all default shall be made good, then, with the written consent of the owners of not less than fifty percent (50%) in principal amount of the outstanding bonds, by annulling such declaration and its consequents. In the event of default, each defaulted bond shall continue to bear interest after maturity at the interest rate applicable to such respective bonds until the necessary funds are made available for the payment thereof.

The debt service requirements for future fiscal years are as follows:

Year Ended June 30	Scheduled Principal	Scheduled Interest
2023	$ 90,000	$ 900

General Obligation Public Projects Bond, Series 2014A

On July 29, 2014, the County issued $2,500,000 General Obligation Public Projects Bonds, Series 2014A. These bonds mature in varying amounts from $105,000 to $325,000 on December 1 of each year through 2033. Proceeds of the bonds were principally used for construction of the Campbell County Detention Facility. Interest is payable semi-annually on December 1 and June 1 at rates ranging from 2.0% to 3.5% and principal payments are due annually on December 1 of each year. Bonds outstanding on June 30, 2022, were $1,660,000.

In case of default, bondholders may proceed to protect and enforce their rights by declaring all bonds due and payable, and if all default shall be made good, then, with the written consent of the owners of not less than fifty percent (50%) in principal amount of the outstanding bonds, by annulling such declaration and its consequents. In the event of default, each defaulted bond shall continue to bear interest after maturity at the interest rate applicable to such respective bonds until the necessary funds are made available for the payment thereof.

The debt service requirements for future fiscal years are as follows:

Year Ended June 30	Scheduled Principal	Scheduled Interest
2023	$ 115,000	$ 50,450
2024	120,000	46,925
2025	125,000	43,250
2026	125,000	39,500
2027	130,000	35,675
2028-2032	720,000	115,075
2033-2034	325,000	11,463
	$ 1,660,000	$ 342,338

Note 6. Long-term Debt (Continued)

General Obligation Refunding Bonds, Series 2014B

On July 29, 2014, the County issued $7,165,000 in General Obligation Public Projects Bonds, Series 2014B, with an average interest rate of 2.41%, to advance refund $6,735,000 of the fiscal court's General Obligation Public Project Bonds, Series 2006 with an average interest rate of 4.27%.

The bonds mature in varying amounts from $80,000 to $840,000 on December 1 of each year through 2025. Interest is payable semi-annually on December 1 and June 1 at rates ranging from 2.0% to 3.0% and principal payments are due annually on December 1 of each year. Bonds outstanding on June 30, 2022, were $3,240,000.

In case of default, bondholders may proceed to protect and enforce their rights by declaring all bonds due and payable, and if all default shall be made good, then, with the written consent of the owners of not less than fifty percent (50%) in principal amount of the outstanding bonds, by annulling such declaration and its consequents. In the event of default, each defaulted bond shall continue to bear interest after maturity at the interest rate applicable to such respective bonds until the necessary funds are made available for the payment thereof.

The debt service requirements for future fiscal years are as follows:

Year Ended June 30	Scheduled Principal	Scheduled Interest
2023	$ 780,000	$ 76,525
2024	800,000	57,750
2025	820,000	36,475
2026	840,000	12,600
	$ 3,240,000	$ 183,350

General Obligation Bonds, Series 2015

On November 4, 2015, the County issued $5,165,000 General Obligation Bonds, Series 2015. The proceeds of $5,203,508 were net of a premium of $93,048 and $54,540 in issuance costs. These bonds mature in varying amounts from $210,000 to $330,000 on November 1 of each year through 2035. Proceeds of the bonds were principally used for construction of the Campbell County Detention Facility. Interest is payable semi-annually on May 1 and November 1 at rates ranging from 2.0% to 3.5% and principal payments are due annually on November 1 of each year. Bonds outstanding on June 30, 2022, were $3,855,000.

In case of default, bondholders may proceed to protect and enforce their rights by declaring all bonds due and payable, and if all default shall be made good, then, with the written consent of the owners of not less than fifty percent (50%) in principal amount of the outstanding bonds, by annulling such declaration and its consequents. In the event of default, each defaulted bond shall continue to bear interest after maturity at the interest rate applicable to such respective bonds until the necessary funds are made available for the payment thereof.

Note 6. Long-term Debt (Continued)

General Obligation Bonds, Series 2015 (Continued)

The debt service requirements for future fiscal years are as follows:

Year Ended June 30	Scheduled Principal	Scheduled Interest
2023	$ 235,000	$ 101,450
2024	240,000	96,700
2025	245,000	91,850
2026	250,000	86,588
2027	255,000	80,906
2028-2032	1,370,000	301,894
2033-2036	1,260,000	84,875
	$ 3,855,000	$ 844,263

General Obligation Refunding Bonds, Series 2016

On January 20, 2016, the County issued $6,365,000 in General Obligation Refunding Bonds, Series 2016, with an average interest rate of 2.08%, to advance refund $5,990,000 of the County's General Obligation Bonds, Series 2008 with an average interest rate of 4.13%.

These bonds mature in varying amounts from $65,000 to $695,000 on January 1 of each year through 2028. Interest is payable semi-annually on January 1 and July 1 at rates ranging from 2.0% to 2.25% and principal payments are due annually on January 1 of each year. Bonds outstanding on June 30, 2022, were $3,910,000.

In case of default, bondholders may proceed to protect and enforce their rights by declaring all bonds due and payable, and if all default shall be made good, then, with the written consent of the owners of not less than fifty percent (50%) in principal amount of the outstanding bonds, by annulling such declaration and its consequents. In the event of default, each defaulted bond shall continue to bear interest after maturity at the interest rate applicable to such respective bonds until the necessary funds are made available for the payment thereof.

The debt service requirements for future fiscal years are as follows:

Year Ended June 30	Scheduled Principal	Scheduled Interest
2023	$ 615,000	$ 75,475
2024	625,000	63,075
2025	640,000	50,425
2026	660,000	37,425
2027	675,000	23,231
2028	695,000	7,819
	$ 3,910,000	$ 257,450

CAMPBELLCOUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 6. Long-term Debt (Continued)

Direct Borrowings and Direct Placements

The County does not have an outstanding balance from direct borrowings and direct placements related to governmental activities. The County has not pledged assets as collateral for any debt.

Aggregate Debt Schedules

The Amounts of required principal and interest payments on long-term obligations at June 30, 2022, were as follows:

Fiscal Year Ended June 30,	Scheduled Principal	Scheduled Interest
2023	$ 1,835,000	$ 304,800
2024	1,785,000	264,450
2025	1,830,000	222,000
2026	1,875,000	176,113
2027	1,060,000	139,813
2028-2032	2,785,000	424,788
2033-2036	1,585,000	96,338
Totals	$ 12,755,000	$ 1,628,302

Changes in Long-Term Liabilities

The following is a summary of the County's long-term liabilities for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities					
General Obligation Bonds	$ 14,535,000	$	$1,780,000	$12,755,000	$ 1,835,000
Unamortized Premium	191,998		32,480	159,518	32,480
Unamortized Discount	(46,539)		(10,200)	(36,339)	(10,200)
Compensated Absences	356,133	139,656		495,789	54,502
Governmental Activities Long-term Liabilities	15,036,592	139,656	1,802,280	13,373,968	1,911,782
Business-Type Activities					
Compensated Absences	19,534	3,349		22,883	1,160
Lease Liability		379,773	33,345	346,428	58,234
Business-Type Activities Long-Term Liabilities	19,534	383,122	33,345	369,311	59,394
Long-Term Liabilities	$ 15,056,126	$ 522,778	$ 1,835,625	$13,743,279	$ 1,971,176

Note 7. Interest On Long-term Debt

Debt service on the statement of activities includes $343,050 in interest on bonds.

Note 8. Pension Plan

General Information about the Pension Plan

Plan description: County Employees Retirement System (CERS) consists of two plans, Nonhazardous and Hazardous. Each plan is a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Public Pension Authority (KPPA) under the provision of Kentucky Revised Statute Section 78.782 and 61.645. The plan was formerly administered by the Kentucky Retirement System (KRS). However, during the 2020 Legislative Session, House Bill 484 was passed establishing a new governance structure for the agency that operates the system. Effective April 1, 2021, KRS as an agency of the Commonwealth became known as the KPPA. The plan covers all regular full-time members employed in non-hazardous and hazardous duty positions of each participating county, city, and any additional eligible local agencies electing to participate in CERS.

Benefits provided: These systems provide for retirement, disability, and death benefits to system members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances.

Non-hazardous Plan

Tier 1: Retirement Eligibility for Members Whose Participation Began Before 09/01/2008

Age	Years of Service	Allowance Reduction
65	1 month	None
Any	27	None
55	5	6.5% per year for first five years, and 4.5% for next five years before age 65 or 27 years of service.
Any	25	6.5% per year for first five years, and 4.5% for next five years before age 65 or 27 years of service.

Tier 2: Retirement Eligibility for Members Whose Participation Began On or After 9/01/2008 but Before 01/01/2014

Age	Years of Service	Allowance Reduction
65	5	None
57	Rule of 87	None
60	10	6.5% per year for first five years, and 4.5% for next five years before age 65 or Rule of 87 (age plus years of service)

Tier 3: Retirement Eligibility for Members Whose Participation Began On or After 1/01/2014

Age	Years of Service	Allowance Reduction
65	5	None
57	Rule of 87	None

CAMPBELLCOUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 8. Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Benefit Formula for Tiers 1 & 2

Final Compensation	X	Benefit Factor		X	Years of Service
Average of the five highest years of compensation if participation began before 09/01/2008.		2.20% if:	Member begins participating prior to 08/01/2004.		Includes earned service, purchased service, prior service, and sick leave (if the member's employer participates in an approved sick leave program)
		2.00% if:	Member begins participating prior to 08/01/2004 and before 09/01/2008		
Average of the last five years of compensation if participation began on or after 09/01/2008 but before 01/01/2014.		Increasing percent based on service at retirement* plus 2.00% for each year of service over 30 if:	Member begins participating on or after 08/01/2004 but before 01/01/2014.		

* **Service** (and Benefit Factor) : **10 years or less** (1.10%); **10-20 years** (1.30%); **20-26 years** (1.50%); **26-30 years** (1.75%)

Benefit Formula for Tier 3

(A-B) = C X 75% = D then B+D = Interest

A	B	C	D		
5 Year Geometric Average Return	Less Guarantee Rate	Upside Sharing Interest	Upside Sharing Interest X 75% = Upside Gain	Interest Rate Earned (4% + Upside)	Total Interest Credited to Members' Accounts
5.51%	4.00%	1.51%	1.13%	5.13%	$ 6,360,000

Hazardous Plan

Tier 1: Retirement Eligibility for Members Whose Participation Began Before 09/01/2008

Age	Years of Service	Allowance Reduction
55	1 month	None
Any	20	None
50	15	6.5% per year for first five years, and 4.5% for next five years before age 55 or 20 years of service.

CAMPBELL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 8. Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Tier 2: Retirement Eligibility for Members Whose Participation Began On or After 9/01/2008 but Before 01/01/2014

Age	Years of Service	Allowance Reduction
60	5	None
Any	25	None
50	15	6.5% per year for first five years, and 4.5% for next five years before age 60 or 25 years of service.

Tier 3: Retirement Eligibility for Members Whose Participation Began On or After 1/01/2014

Age	Years of Service	Allowance Reduction
60	5	None
Any	25	None

Benefit Formula for Tiers 1 & 2

Final Compensation	**X**	**Benefit Factor**	**X**	**Years of Service**
Average of the three highest years of compensation if participation began before 09/01/2008.		2.50% if: Member begins participating before 09/01/2008.		Includes earned service, purchsed service, prior service, and sick leave service (if the member's employer participates in an approved sick leave program).
Average of the three highest complete years of compensation if participation began on or after 09/01/2008.		Increasing percent based on service at retirement* if: Member begins participation on or after 09/01/2008 but before 01/01/2014.		

*** Service** (and Benefit Factor) : **10 years or less** (1.30%); **10-20 years** (1.50%); **20-25 years** (2.25%); **25 + years** (2.50%)

Non-hazardous and Hazardous Plans

Benefit Formula for Tier 3

Accumulate Account Balance / Actuarial Factor = Monthly Life Annuity

	Accumulate Account Balance				
	Member Contributions	Employer Contributions	Base Annual Interest	Upside Sharing Interest (FY 2021)	Actuarial Factor
Non-hazardous	5.00%	4.00%	4.00%	6.35%	Various*
Hazardous	8.00%	7.50%	4.00%	6.53%	Various*

*See www.kyret.gov for most recent actuarial factors.

Note 8. Pension Plan (Continued)

General Information about the Pension Plan (Continued)

For post-retirement death benefits, if the member is receiving a monthly benefit based on at least four years of creditable service, the retirement system will pay a $5,000 death benefit payment to the beneficiary named by the member specifically for this benefit.

For disability benefits, members participating before August 1, 2004 may retire on account of disability provided the member has at least 60 months of service credit and is not eligible for an unreduced benefit. Additional service credit may be added for computation of benefits under the benefit formula. Members participating on or after August 1, 2004 but before January 1, 2014 may retire on account of disability provided the member has at least 60 months of service credit. Benefits are computed as the higher of 20% for non-hazardous and 25% for hazardous of Final Rate of Pay or the amount calculated under the Benefit Formula based upon actual service. Members participating on or after January 1, 2014 may retire on account of disability provided the member has at least 60 months of service credit. The hypothetical account which includes member contributions, employer contributions and interest credits can be withdrawn from the system as a lump sum or an annuity equal to the larger of 20% for non-hazardous and 25% for hazardous of the member's monthly final rate of pay or the annuitized account into a single life annuity option. Members disabled as a result of a single duty-related injury or act of violence related to their job may be eligible for special benefits.

For pre-retirement death benefits, the beneficiary of a deceased active member will be eligible for a monthly benefit if the member was: (1) eligible for retirement at the time of death or, (2) under the age of 55 with at least 60 months of service credit and currently working for a participating agency at the time of death or (3) no longer working for a participating agency but at the time of death had at least 144 months of service credit. If the beneficiary of a deceased active member is not eligible for a monthly benefit, the beneficiary will receive a lump sum payment of the member's contributions and any accumulated interest.

The Kentucky General Assembly has the authority to increase, suspend, or reduce Cost of Living Adjustments (COLAs). Senate Bill 2 of 2013 eliminated all future COLAs unless the State Legislature so authorizes on a biennial basis and either (1) the system is over 100.00% funded or (2) the Legislature appropriates sufficient funds to pay the increased liability for the COLA.

Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for qualified members who become "totally and permanently disabled" as a result of a duty-related disability. The minimum disability benefit increased from 25% of the member's monthly final rate of pay to 75% of the member's monthly average pay. The insurance premium for the member, the member's spouse, and the member's dependent children shall also be paid in full by the System. For nonhazardous members to be eligible for this benefit, they must be working in a position that could be certified as a hazardous position. There were no material plan provision changes since the prior valuation.

Contributions: The employee contribution rate is set by state statute. Plan members who began participating prior to September 1, 2008 are required to contribute 5.00% (non-hazardous) or 8.00% (hazardous) of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30th on members' accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

Tier 2 plan members, who began participating on or after September 1, 2008, and before January 1, 2014 are required to contribute 6.00% (non-hazardous) or 9.00% (hazardous) of their annual creditable compensation. Further, 1.00% of these contributions are deposited to an account created for the payment of health insurance

Note 8. Pension Plan (Continued)

General Information about the Pension Plan (Continued)

benefits under 26 USC section 401(h) in the Insurance Fund. These members were classified in the Tier 2 structure of benefits. Interest is paid each June 30th on members' accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1.00% contribution to the 401(h) account is non-refundable and is forfeited.

Tier 3 plan members who began participating on or after January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members contribute 5.00% (non-hazardous) or 8.00% (hazardous) of their monthly creditable compensation which is deposited into their account, and an additional 1.00% which is deposited to an account created for payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund, which is not refundable. Tier 3 member accounts are also credited with an employer pay credit in the amount of 4.00% (non-hazardous) or 7.50% (hazardous) of the members monthly creditable compensation. The employer pay credit amount is deducted from the total employer contribution rate paid on the member's monthly creditable compensation.

Interest is paid into the Tier 3 member's account. The account currently earns 4.00% interest credit on the member's accumulated account balance as of June 30th of the previous year. The member's account may be credited with additional interest if the fund's five-year Geometric Average Net Investment Return (GANIR) exceeded 4.00%. If the member was actively employed and participating in the fiscal year, and if KPPA's GANIR for the previous five years exceeds 4.00%, then the member's account will be credited with 75.00% of the amount of returns over 4.00% on the account balance as of June 30th of the previous year (Upside Sharing Interest). It is possible that one fund in KPPA may get an Upside Sharing Interest, while another may not.

Local government participating employers are required to contribute an actuarially determined rate for CERS pension contributions, per the Kentucky Revised Statute Section 78.545(33). The CERS Board of Trustees establishes the employer contribution rate based on Kentucky Revised Statute section 78.454(33) each following the annual actuarial valuation as of July 1 and prior to July 1 of the succeeding fiscal year for local governments in Kentucky. House Bill 362 passed during the 2018 legislative session, which caps CERS employer contribute rate increases up to 12.00% per year over the prior fiscal year for a period of July 1, 2018 to June 30, 2028.

For the fiscal year ended June 30, 2022, participating employers contributed 26.95% (21.17% pension fund and 5.78% insurance fund) for the non-hazardous system and 44.33% (33.86% pension fund and 10.47% insurance fund) for the hazardous system of each employee's creditable compensation. The actuarially determined rates set by the Board for the fiscal years was a percentage of each employee's creditable compensation. Contributions to the pension fund from the County were $2,626,398 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported a liability of $32,147,774 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2021, using generally accepted actuarial principles. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2022, the County's proportion for the nonhazardous system was 0.345491% and for the hazardous system was 0.380143%. This was a decrease of 0.028708% and 0.001451%, respectively.

Note 8. Pension Plan (Continued)

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

For the year ended June 30, 2022, the County recognized pension expense of $3,568,565. At June 30, 2022, the County 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
Net difference between projected and actual earnings on pension plan investments:		
Hazardous	$	$ 1,086,404
Non-Hazardous		2,935,933
Difference between expected and actual experience		
Hazardous	279,076	
Non-Hazardous	252,946	213,794
Changes of assumptions		
Hazardous	126,397	
Non-Hazardous	295,639	
Changes in proportion and difference between employer contributions and proportionate share of contributions		
Hazardous	227,122	8,559
Non-Hazardous	986,939	1,304,185
Contributions after measurement date		
Hazardous	803,442	
Non-Hazardous	1,822,956	
Total	$ 4,794,517	$ 5,548,875

$2,626,398 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	
2022	$ (13,656)
2023	(1,264,318)
2024	(853,523)
2025	(1,249,167)
Total	$ (3,380,664)

CAMPBELL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 8. Pension Plan (Continued)

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

Actuarial assumptions: The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020
Experience Study	July 1, 2013 – June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay Amortization Method
Remaining Amortization Period	30 Years, Closed
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 10.30%, Varies by Service for Non-hazardous; 3.55% to 19.05%, Varies by Service for Hazardous
Investment Rate of Return	6.25% Net of Pension Plan Investment Expense, Including Inflation

There have been no actuarial assumption or method changes since June 30, 2020. Senate Bill 169 passed during the 2021 legislative session increased the disability benefits for certain qualifying members who become "totally and permanently disabled" in the line of duty or as a result of a duty-related disability. The total pension liability as of June 30, 2021, is determined suing these updated benefit provisions.

The mortality table used for active members was a PUB-2010 General Mortality table 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 2013-2018, project with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2020. The mortality table used for the disabled members was 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.

The long-term (10-year) expected return on plan assets was determined by using a building-block method in which best estimated ranges of expected future real returns were 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 rates of return for each major asset class are summarized in the following table:

Note 8. Pension Plan (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Nominal Return
Growth:	**68.50%**	
US Equity	21.75%	5.70%
Non-US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Specialty Credit/High Yield	15.00%	2.80%
Liquidity:	**11.50%**	
Core Bonds	10.00%	0.00%
Cash	1.50%	-0.60%
Diversifying Strategies:	**20.00%**	
Real Estate	10.00%	5.40%
Opportunistic	0.00%	N/A
Real Return	10.00%	4.55%
Expected Real Return	**100.00%**	**5.00%**
Long Term Inflation Assumption		**2.30%**
Expected Nominal Return for Portfolio		**7.30%**

Discount rate: The single discount rate used to measure the total pension liability was 6.25%. The single discount rate was based on the expected rate of return on pension plan investments for the system. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan member. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability for the system.

The projections of cash flows used to determine the single discount rate includes an assumption regarding actual employer contributions made each future year. Future contributions are projected assuming that each participating employer in CERS contributes the actuarially determined employer contribution rate each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8, passed during the 2021 Legislative Session. The assumed future employer contributions for CERS reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12.00% over the prior fiscal year through June 30, 2028.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate: The following present's the County's proportionate share of the net pension liability using the discount rate of 6.25%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

Note 8. Pension Plan (Continued)

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

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Non-hazardous	$ 28,251,649	$ 22,027,761	$ 16,877,640
Hazardous	12,899,360	10,120,012	7,854,855
Total	$ 41,151,009	$ 32,147,773	$ 24,732,495

Note 9. OPEB Plan

General Information About the OPEB Plan

Plan description: County Employees Retirement System consists of two plans, Non-hazardous and Hazardous. Each plan is a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Public Pension Authority (KPPA) under the provisions of Kentucky Revised Statute Section 78.782 and 61.645. The plan was formerly administered by the Kentucky Retirement System (KRS). However, during the 2020 Legislative Session, House Bill 484 was passed establishing a new governance structure for the agency that operates the system. Effective April 1, 2021, KRS as an agency of the Commonwealth became known as the KPPA. The plan covers all regular full-time members employed in non-hazardous and hazardous duty positions of each participating county, city, and any additional eligible local agencies electing to participate in CERS.

Benefits provided: The KRS' Insurance Fund was established to provide 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. KRS submits the premium payments to DEI. The Board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

The amount of contribution paid by the Insurance Fund is based on years of service. For members who began participating prior to July 1, 2003, a percentage of the contribution rate is paid based on years of service with 100% of the contribution rate being paid with 20 years of service. Since the passage of House Bill 290 (2004 Kentucky General Assembly), 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. Hazardous employees whose participation began on or after July 1, 2003 earn $15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon death of a hazardous employee, the employee's spouse receives $10 per month for insurance benefits for each year of the deceased employee's earned hazardous service. This dollar amount is subject to adjustment annually, which is currently 1.5% based upon Kentucky Revised Statutes. House Bill 1 (2008 Kentucky General Assembly) changed the minimum vesting requirement for participation in the health insurance plan to 15 years for members whose participation began on or after September 1, 2008. This benefit is not protected under the inviolable contract provisions of Kentucky Revised Statutes 16.652, 61.692, and 78.852. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands. The Insurance Plan pays 100% of the contribution rate for hospital and medical insurance premiums for the spouse and dependents of retired hazardous members who dies as a direct result of an act in the line of duty or from a duty-related injury.

Note 9. OPEB Plan (Continued)

General Information About the OPEB Plan (Continued)

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Portion Paid by Insurance Fund	
Years of Service	**Paid by Insurance Fund (%)**
20 + Years	100%
15 - 19 Years	75%
10 - 14 Years	50%
4 - 9 Years	25%
Less Than 4 Years	0%

Contributions: The employee contribution rate is set by state statute. Plan members who began participating prior to September 1, 2008 are required to contribute 5.00% (non-hazardous) or 8.00% (hazardous) of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30th on members' accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

Tier 2 plan members, who began participating on or after September 1, 2008, and before January 1, 2014 are required to contribute 6.00% (non-hazardous) or 9.00% (hazardous) of their annual creditable compensation. Further, 1.00% of these contributions are deposited to an account created for the payment of health insurance benefits under 26 USC section 401(h) in the Insurance Fund. These members were classified in the Tier 2 structure of benefits. Interest is paid each June 30th on members' accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1.00% contribution to the 401(h) account is non-refundable and is forfeited.

Tier 3 plan members who began participating on or after January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members contribute 5.00% (non-hazardous) or 8.00% (hazardous) of their monthly creditable compensation which is deposited into their account, and an additional 1.00% which is deposited to an account created for payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund, which is not refundable. Tier 3 member accounts are also credited with an employer pay credit in the amount of 4.00% (non-hazardous) or 7.50% (hazardous) of the members monthly creditable compensation. The employer pay credit amount is deducted from the total employer contribution rate paid on the member's monthly creditable compensation.

Interest is paid into the Tier 3 member's account. The account currently earns 4.00% interest credit on the member's accumulated account balance as of June 30th of the previous year. The member's account may be credited with additional interest if the fund's five-year Geometric Average Net Investment Return (GANIR) exceeded 4.00%. If the member was actively employed and participating in the fiscal year, and if KPPA's GANIR for the previous five years exceeds 4.00%, then the member's account will be credited with 75.00% of the amount of returns over 4.00% on the account balance as of June 30th of the previous year (Upside Sharing Interest). It is possible that one fund in KPPA may get an Upside Sharing Interest, while another may not.

Note 9. OPEB Plan (Continued)

General Information About the OPEB Plan (Continued)

Local government participating employers are required to contribute an actuarially determined rate for CERS pension contributions, per the Kentucky Revised Statute Section 78.545(33). The CERS Board of Trustees establishes the employer contribution rate based on Kentucky Revised Statute section 78.454(33) each following the annual actuarial valuation as of July 1 and prior to July 1 of the succeeding fiscal year for local governments in Kentucky. House Bill 362 passed during the 2018 legislative session, which caps CERS employer contribute rate increases up to 12.00% per year over the prior fiscal year for a period of July 1, 2018 to June 30, 2028.

For the fiscal year ended June 30, 2022, participating employers contributed 26.95% (21.17% pension fund and 5.78% insurance fund) for the non-hazardous system and 44.33% (33.86% pension fund and 10.47% insurance fund) for the hazardous system of each employee's creditable compensation. The actuarially determined rates set by the Board for the fiscal years was a percentage of each employee's creditable compensation. Contributions to the insurance fund from the County were $746,153 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported a liability of $9,686,375 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2021, using generally accepted actuarial principles. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At June 30, 2022, the County's proportion for the non-hazardous system was 0.345410% and for the hazardous system was 0.380142%. This was a decrease of 0.028695% and 0.001331%, respectively.

For the year ended June 30, 2022, the County recognized OPEB expense of $1,009,793. At June 30, 2022, the County 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
Net difference between projected and actual earnings on pension plan investments:		
Hazardous	$	$ 578,535
Non-Hazardous		1,034,466
Difference between expected and actual experience		
Hazardous	96,047	330,677
Non-Hazardous	1,039,849	1,974,334
Changes of assumptions		
Hazardous	770,807	1,149
Non-Hazardous	1,753,153	6,149
Changes in proportion and difference between employer contributions and proportionate share of contributions		
Hazardous	69,157	23,531
Non-Hazardous	471,396	511,999
Contributions after measurement date		
Hazardous	248,436	
Non-Hazardous	497,717	
	$ 4,946,562	$ 4,460,840

Note 9. OPEB Plan (Continued)

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

$746,153 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended June 30,	
2022	$ 137,042
2023	53,900
2024	30,544
2025	(543,101)
2026	61,186
Total	$ (260,429)

Note 9. OPEB Plan (Continued)

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

Actuarial assumptions: The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020
Experience Study	July 1, 2013 – June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay Amortization Method
Amortization Period	30 Years, Closed
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Payroll Growth Rate	2.00%
Inflation	2.30%
Salary Increase	3.30% to 10.30%, Varies by Service for Non-hazardous; 3.55% to 19.05%, Varies by Service for Hazardous
Investment Rate of Return	6.25%
Healthcare Cost Trend Rates (Pre-65)	Initial trend starting at 6.25% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.
Healthcare Cost Trend Rates (Post-65)	Initial trend starting at 5.50% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.
Mortality	
Pre-retirement	PUB-2010 General Mortality Table, for the non-hazardous systems, and the PUB-2020 Public Safety Mortality table for the hazardous systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
Post-retirement (non-disabled)	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.
Post-retirement (disabled)	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.

Senate Bill 249 passed during the 2020 legislative session and changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of the total OPEB liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020.

Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for certain qualifying members who become “totally and permanently disabled” in the line of duty or as a result of duty-related disability. The total OPEB liability as of June 30, 2021, is determined using these updated benefit provisions.

Note 9. OPEB Plan (Continued)

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

The long-term expected return on plan assets was determined by using a building-block method in which best-estimate ranges of expected future real 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 rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Nominal Return
Growth:	**68.50%**	
US Equity	21.75%	5.70%
Non-US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Specialty Credit/High Yield	15.00%	2.80%
Liquidity:	**11.50%**	
Core Bonds	10.00%	0.00%
Cash	1.50%	(0.60)%
Diversifying Strategies:	**20.00%**	
Real Estate	10.00%	5.40%
Real Return	10.00%	4.55%
Expected Real Return	**100.00%**	**5.00%**
Long Term Inflation Assumption		**2.30%**
Expected Nominal Return for Portfolio		**7.30%**

Discount rate: The single discount rate used to measure the total OPEB liability was 5.20% for nonhazardous and 5.05% for hazardous. The single discount rate was based on the expected rate of return on the OPEB plan investments of 6.25% and a municipal bond rate of 1.92%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 28, 2021. Based on the stated assumptions and the projection of cash flows as of each fiscal year ended, the plan's insurance fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on Insurance Plan investments was applied to all period of the projected benefit payments paid from the retirement plan. However, the cost associated with the implicit subsidy is not currently being included in the calculation of the system's actuarial determined contributions, and it is understood that any cost associated with the implicit subsidy will not be paid out of the plan's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

Note 9. OPEB Plan (Continued)

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

The projection of cash flows used to determine the single discount rate include an assumption regarding actual employer contributions made each future year. The future contributions are projected assuming that each participating employer in system contributes the actuarially determined employer contribution rate each future year calculated in accordance with the current funding policy, as most recently reviewed by House Bill 8, passed during the 2021 legislative session. The assumed future employer contributions for CERS reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12.00% over the prior fiscal year through June 30, 2028.

Sensitivity of the County's proportionate share of the net OPEB liability to changes in the discount rate: The following present's the County's proportionate share of the net OPEB liability, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20% for non-hazardous and 4.05% for hazardous) or 1-percentage-point higher (6.20% for non-hazardous and 6.05% for hazardous) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Non-hazardous	$ 9,079,190	$ 6,612,702	$ 4,588,539
Hazardous	4,456,243	3,073,674	1,962,859
Total	$ 13,535,433	$ 9,686,376	$ 6,551,398

Sensitivity of the County's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The following present's the County's proportionate share of the net OPEB liability, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Non-hazardous	$ 4,760,359	$ 6,612,702	$ 8,848,508
Hazardous	2,014,038	3,073,674	4,371,474
Total	$ 6,774,397	$ 9,686,376	$ 13,219,982

Changes of assumptions: There were no changes in actuarial assumptions for the June 30, 2021 valuation date.

Pension plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Kentucky Retirement Systems Comprehensive Annual Financial Report on the KRS website at www.kyret.ky.gov.

Note 10. Deferred Compensation

The Campbell County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax-sheltered supplemental retirement plans for all state, public school and university employees, and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permit all full-time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing the Kentucky Public Employees' Deferred Compensation Authority at 501 High Street, 2nd floor, Frankfort, KY 40601, or by telephone at (502) 573-7925.

Note 11. Lease Liability

The County entered into a lease for golf carts and equipment for the golf course. These assets are recognized as right-to-use leased assets with a corresponding lease liability. The liability has been discounted at 3.49%, the stated interest rate on the lease contracts.

The total amount of lease assets and the related accumulated amortization are as follows:

	Business-Type Activities
Leased Asset	
Vehicle	$ 141,968
Equipment	219,753
	361,721
Accumulated Amortization	
Vehicle	8,873
Equipment	6,867
	15,740
Right to Use Asset, Net	$ 345,981

CAMPBELL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2022
(Continued)

Note 11. Lease Liability (Continued)

The following schedule details minimum lease payments to maturity for the County's leases payable at June 30, 2022:

Year Ended June 30,	Business-Type Activities		
	Principal	Interest	Total
2023	$ 58,234	$ 11,165	69,399
2024	60,299	9,100	69,399
2025	62,437	6,961	69,398
2026	55,132	4,774	59,906
2027	28,025	3,405	31,430
2028-2030	82,301	4,132	86,433
Total	$ 346,428	$ 39,537	$ 385,965

Note 12. Insurance

For the fiscal year ended June 30, 2022, the Campbell County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 13. Interfund Transfers

The following is a list of inter-fund transactions as of June 30, 2022:

	General Fund	Road Fund	Jail Fund	TANK Payroll Tax Fund	Total
	$ (6,250,000) [1]	$ 3,500,000 [1]	$ 6,250,000 [1]	$ (3,500,000) [1]	$
	2,000,000 [1]			(2,000,000) [1]	
Total Transfer To To Other Funds	$ (6,250,000)	$	$	$ (5,500,000)	$ (11,750,000)
Total Transfer From Other Funds	$ 2,000,000	$ 3,500,000	$ 6,250,000	$ 0	$ 11,750,000

[1] Purpose of all transfers is to move funds from either the general fund or the payroll tax fund to cover operating expenditures primarily for the jail and road funds. Some funds were transferred from the payroll tax fund to the general fund to cover general government expenditures.

Note 14. Joint Ventures

A legal entity or other organization that results from contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to join control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based on these criteria, the following is considered a joint venture of the County: Campbell County Consolidated Dispatch Board. This joint venture is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on the fiscal court in the future.

Note 15. Concentration of Business Risk

Housing Choice Voucher Program

The operations of the Housing Choice Voucher Program (the Program) are concentrated in the low-income rental market. In addition, the Program operates in a heavily regulated environment. The operation of the Program is subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with very little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. The majority of revenue is received from annual contributions from HUD. For the year ended June 30, 2022, contributions from HUD made up 99.0% of the total revenues received.

Note 16. Estimated Infrastructure Historical Cost

Historical cost of infrastructure placed in service prior to the fiscal year ended June 30, 2003 (the year of GASB 34 implementation) is an estimate. For those assets, the primary government estimated the year the infrastructure was built by determining when a major reconstruction was performed on infrastructure. This estimate was used to calculate the infrastructure historical cost by determining current year construction cost and deflating it back to the estimated year of construction or reconstruction. Estimated infrastructure historical cost includes infrastructure placed in service from fiscal year 1984 through June 30, 2002. All infrastructure assets placed in service during the year ended June 30, 2003 and thereafter are recorded at actual historical cost.

Note 17. Tax Abatements

Pursuant to GASB Statement No. 77, Tax Abatement Disclosures, the Campbell County Fiscal Court is required to disclose certain information about tax abatements as defined in the statement. GASB No. 77 defines a tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the County or its citizens. As of June 30, 2022, the Campbell County Fiscal Court provides tax abatements through several programs –Tax Increment Financing (“TIF”), Kentucky Business Investment Program (“KBI”), Jobs Development Program (“JDP”), and Property Assessment/Reassessment Moratorium (“PARM”).

Note 17. Tax Abatements (Continued)

- TIF enables the Campbell County Fiscal Court to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. TIF also allows for the abatement of up to 100% of incremental property taxes and occupational license taxes or fees for periods of up to 20 or 30 years depending on the type of development area. A TIF may be granted but may not be activated until sometime later in its grant period. Some agreements require the Campbell County Fiscal Court to make infrastructure change and/or make a best effort to facilitate the project's progress. There are currently 6 TIFs active. Payments are made by appropriation rather than a tax liability reduction. Authority for the program is contained in KRS 65.7041 et seq. and KRS 154.30.
- KBI provides a wage incentive of up to 1% of the gross wages of each employee for qualified businesses in Campbell County. An eligible company must be engaged in one of the following activities: manufacturing, agribusiness, regional or national headquarters operations, or certain nonretail service or technology activities. The minimum requirements for an eligible project are create a minimum of 10 new, full-time jobs for Kentucky residents, incur at least $100,000 in eligible costs, and meet a minimum level of wages and benefits. The tax incentives involved with the program are available for up to 10 years. The authority for this program is established in KRS 154.32.
- JDP provides up to a 40% reduction in employee withholding fees payable to the county by the approved company for a term not to exceed ten years. This program facilitates the creation of new jobs, new sources of revenue for the support of public services, and improvement in the quality of life for county citizens through the creation of sustainable jobs with higher salaries. Inducements for eligible companies encourage the location or expansion of manufacturing facilities, agribusiness operations, and nonretail professional, scientific, or technical service facilities. The minimum requirements for an eligible project are: create a minimum new fiscal year payroll of $250,000 that is subject to the county employee withholding fee within the first year after approval of an application by the county for the inducement. The authority for this program is established in Ordinance O-08-11 passed on June 1, 2011.
- Property Assessment/Reassessment Moratorium program allows the waiver of the local incremental tax value of real property tax for added improvements from the assessment of a structure for five years.

The Campbell County Fiscal Court has reported abatements amounts for all known program participants during the year. A summary of the taxes forgone on the County's abatement programs for the year ended June 30, 2022 are as follows:

Program	Taxes Abated	Amount Abated
Tax Increment Financing	Payroll Taxes and Occupational Taxes	$ 78,788
Kentucky Business Investment Program and Jobs Development Program	Payroll Taxes on New Jobs	89,707
	Total	$ 168,495

Note 18. Contingent Liabilities

The County is, from time to time, a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Note 19. Subsequent Events

The County has evaluated subsequent events through December 7, 2023 which is the date the financial statements were available to be issued.

On August 31, 2022, Moody's Investors Service withdrew the county's rating. The rating action impacts all of the issuer's outstanding general obligation debt.

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CAMPBELL COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Budgetary Basis

For The Year Ended June 30, 2022

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CAMPBELL COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Budgetary Basis
For The Year Ended June 30, 2022

	GENERAL FUND			
	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Taxes	$ 17,243,000	$ 17,243,000	$ 17,865,730	$ 622,730
In Lieu Tax Payments	50,000	50,000	65,388	15,388
Excess Fees	950,000	950,000	1,120,545	170,545
Licenses and Permits	360,000	360,000	506,658	146,658
Intergovernmental	988,492	988,492	769,763	(218,729)
Charges for Services	242,800	242,800	408,072	165,272
Miscellaneous	1,199,900	1,199,900	1,067,048	(132,852)
Interest	2,000	2,000		(2,000)
Total Revenues	21,036,192	21,036,192	21,803,204	767,012
Expenditures				
General Government	5,084,924	5,678,345	4,956,999	721,346
Protection to Persons and Property	4,096,546	4,251,705	3,847,670	404,035
General Health and Sanitation	733,546	768,677	634,915	133,762
Social Services	48,993	50,261	36,820	13,441
Recreation and Culture	575,110	595,247	531,722	63,525
Capital Projects	1,605,156	1,400,976	566,600	834,376
Administration	4,850,700	4,327,530	3,951,851	375,679
Debt Service	809,653	809,653	809,653	
Total Expenditures	17,804,628	17,882,394	15,336,230	2,546,164
Excess of Revenues Over Expenditures	3,231,564	3,153,798	6,466,974	3,313,176
Other Financing Sources (Uses)				
Payroll Revolving			377,990	377,990
Operating Transfers In	3,000,000	3,000,000	2,352,000	(648,000)
Operating Transfers Out	(8,666,108)	(8,666,108)	(6,602,000)	2,064,108
Total Other Financing Sources (Uses)	(5,666,108)	(5,666,108)	(3,872,010)	1,794,098
Net Change in Fund Balances	(2,434,544)	(2,512,310)	2,594,964	5,107,274
Fund Balances July 1, 2021	2,434,544	2,434,544	19,301,036	16,866,492
Fund Balances June 30, 2022	$ 0	$ (77,766)	$ 21,896,000	$ 21,973,766

CAMPBELL COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Budgetary Basis
For The Year Ended June 30, 2022
(Continued)

	JAIL FUND			
	Budgeted Amounts			Variance with Final Budget (Unfavorable)
	Original	Final	Actual	Favorable
Revenues				
Intergovernmental	$ 4,568,000	$ 4,568,000	$ 3,072,714	$ (1,495,286)
Charges for Services	337,500	337,500	294,072	(43,428)
Miscellaneous	660,880	660,880	453,627	(207,253)
Total Revenues	5,566,380	5,566,380	3,820,413	(1,745,967)
Expenditures				
Protection to Person & Property	9,204,270	9,305,781	6,294,111	3,011,670
General Health and Sanitation	39,400	41,003	41,002	1
Social Services	260,010	265,240	170,716	94,524
Administration	3,383,700	3,326,839	2,131,168	1,195,671
Debt Service	1,241,948	1,241,948	1,241,948	
Total Expenditures	14,129,328	14,180,811	9,878,945	4,301,866
Deficit of Revenues Over Expenditures	(8,562,948)	(8,614,431)	(6,058,532)	2,555,899
Other Financing Sources				
Operating Transfers In	8,562,948	8,562,948	6,250,000	(2,312,948)
Net Change in Fund Balances		(51,483)	191,468	242,951
Fund Balances July 1, 2021			773,713	773,713
Fund Balances June 30, 2022	$ 0	$ (51,483)	$ 965,181	$ 1,016,664

CAMPBELL COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Budgetary Basis
For The Year Ended June 30, 2022
(Continued)

	FEDERAL GRANTS FUND			
	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Intergovernmental	$ 969,500	$ 10,058,298	$ 9,505,836	$ (552,462)
Total Revenues	969,500	10,058,298	9,505,836	(552,462)
Expenditures				
General Government		830,000	384,139	445,861
General Health and Sanitation		569,800	4,900	564,900
Social Services	969,500	969,500	417,039	552,461
Recreation and Culture		1,287,600	613,648	673,952
Capital Projects		6,101,912	887,880	5,214,032
Administration		149,743	149,743	
Total Expenditures	969,500	9,908,555	2,457,349	7,451,206
Net Change in Fund Balances		149,743	7,048,487	6,898,744
Fund Balances July 1, 2021			9,088,798	9,088,798
Fund Balances June 30, 2022	$ 0	$ 149,743	$ 16,137,285	$ 15,987,542

CAMPBELL COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Budgetary Basis
For The Year Ended June 30, 2022
(Continued)

	HOUSING CHOICE VOUCHER PROGRAM			
	Budgeted Amounts			Variance with Final Budget (Unfavorable)
	Original	Final	Actual	Favorable
Revenues				
Intergovernmental	$ 4,227,109	$ 4,227,109	$ 4,070,235	$ (156,874)
Charges for Services	496,957	496,957	463,539	(33,418)
Miscellaneous	8,478	8,478	46,348	37,870
Interest	300	300	87	(213)
Total Revenues	4,732,844	4,732,844	4,580,209	(152,635)
Expenditures				
Social Services	4,566,880	4,596,495	4,395,770	200,725
Administration	165,964	136,349	109,809	26,540
Total Expenditures	4,732,844	4,732,844	4,505,579	227,265
Net Change in Fund Balances			74,630	74,630
Fund Balances July 1, 2021			473,078	473,078
Fund Balances June 30, 2022	$ 0	$ 0	$ 547,708	$ 547,708

CAMPBELL COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Budgetary Basis
For The Year Ended June 30, 2022
(Continued)

	TANK PAYROLL TAX FUND			
	Budgeted Amounts			Variance with Final Budget (Unfavorable)
	Original	Final	Actual	Favorable
Revenues				
Taxes	$ 9,396,000	$ 9,396,000	$ 10,555,339	$ 1,159,339
Intergovernmental	194,000	194,000	227,911	33,911
Interest			(57)	(57)
Total Revenues	9,590,000	9,590,000	10,783,193	1,193,193
Expenditures				
General Government	215,000	257,000	219,737	37,263
Bus Services	4,109,765	4,109,765	4,056,306	53,459
Administration	90,000	48,000	11,564	36,436
Total Expenditures	4,414,765	4,414,765	4,287,607	127,158
Excess of Revenues Over Expenditures	5,175,235	5,175,235	6,495,586	1,320,351
Other Financing Sources (Uses)				
Operating Transfers Out	(6,792,083)	(6,792,083)	(5,500,000)	1,292,083
Net Change in Fund Balances	(1,616,848)	(1,616,848)	995,586	2,612,434
Fund Balances July 1, 2021	1,616,848	1,616,848	9,363,911	7,747,063
Fund Balances June 30, 2022	$ 0	$ 0	$ 10,359,497	$ 10,359,497

CAMPBELL COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2022

The County budget is adopted on a cash basis of accounting according to the laws of Kentucky. The Fund statements are presented on a modified accrual basis of accounting, as required by generally accepted accounting principles. The following schedule reconciles the actual results of the two statements:

	General Fund	Jail Fund	Federal Grants Fund	Housing Choice Voucher Program	TANK Payroll Tax Fund
Revenues					
Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual	$ 21,803,204	$ 3,820,413	$ 9,505,836	$ 4,580,209	$ 10,783,193
Accounts Receivable June 30, 2021	(1,369,968)	(272,848)		(5,707)	(2,729,887)
Accounts Receivable June 30, 2022	1,381,623	365,385		10,502	3,054,747
Accounts Payable June 30, 2022	(181)				
Unearned Revenues June 30, 2021			9,088,798		
Unearned Revenues June 30, 2022			(15,689,058)		
Unavailable Revenue - Other June 30, 2021				5,707	
Unavailable Revenue - Other June 30, 2022				(10,502)	
Reclass of Home Incarceration Program Costs		12,599			
Rounding Adjustment		1		1	1
Schedule of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds	$ 21,814,678	$ 3,925,550	$ 2,905,576	$ 4,580,210	$ 11,108,054
Expenses					
Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual	$ 15,336,230	$ 9,878,945	$ 2,457,349	$ 4,505,579	$ 4,287,607
Accounts Payable June 30, 2021	(109,247)	(89,143)			(294)
Accounts Payable June 30, 2022	116,140	219,315	448,227	1,435	299
Accrued Payroll June 30, 2021	(247,360)	(154,368)		(10,513)	
Accrued Payroll June 30, 2022	310,829	177,872		12,878	
Reclass of Home Incarceration Program Costs		12,599		-	
Rounding Adjustment		1		1	1
Schedule of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds	$ 15,406,592	$ 10,045,221	$ 2,905,576	$ 4,509,380	$ 4,287,613

CAMPBELL COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2022
(Continued)

	General Fund	Jail Fund	Federal Grants Fund	Housing Choice Voucher Program	TANK Payroll Tax Fund
Other Financing (Uses) Sources					
Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual	$ (4,250,000)	$ 6,250,000	$	$	$ (5,500,000)
Schedule of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds	$ (4,250,000)	$ 6,250,000	$	$	$ (5,500,000)
Ending Balance					
Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual	$ 21,518,010	$ 965,181	$ 16,137,285	$ 547,708	$ 10,359,497
Accounts Receivable	1,381,623	365,385		10,502	3,054,747
Accounts Payable	(116,321)	(219,315)	(448,227)	(1,435)	(299)
Accrued Payroll	(310,829)	(177,872)		(12,878)	
Unearned Revenues			(15,689,058)		
Unavailable Revenue - Intergovernmental				(10,502)	
Schedule of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds	$ 22,472,483	$ 933,379	$ 0	$ 533,395	$ 13,413,945

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CAMPBELL COUNTY
CERS PENSION AND OPEB SCHEDULES
Required Supplementary Information
June 30, 2022

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CAMPBELL COUNTY
CERS PENSION - SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Required Supplementary Information
June 30, 2022

County Employees Retirement System
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability - Non-Hazardous	0.345491%	0.374199%	0.335061%	0.325408%	0.331522%	0.324548%	0.302733%	0.298371%
County's Proportion of the Net Pension Liability - Hazardous	0.380143%	0.381594%	0.366201%	0.362796%	0.368516%	0.353492%	0.318705%	0.340586%
County's Proportionate Share of the Net Pension Liability								
Non-Hazardous	$ 22,027,761	$ 28,700,753	$ 23,564,989	$ 19,818,339	$ 19,405,002	$ 15,979,482	$ 13,016,075	$ 9,680,000
Hazardous	10,120,013	11,505,167	10,115,554	8,774,065	8,244,729	6,065,713	4,892,457	4,093,000
Total County's Proportionate Share of the Net Pension Liability	$ 32,147,774	$ 40,205,920	$ 33,680,543	$ 28,592,404	$ 27,649,731	$ 22,045,195	$ 17,908,532	$ 13,773,000
County's Covered Payroll	$ 11,062,864	$ 11,787,626	$ 10,537,238	$ 10,086,168	$ 10,094,699	$ 9,158,898	$ 8,750,553	Unavailable
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	290.59%	341.09%	319.63%	283.48%	273.90%	240.70%	204.66%	Unavailable
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Non-Hazardous	57.33%	47.81%	50.45%	53.54%	53.32%	55.50%	59.97%	66.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Hazardous	52.26%	44.11%	46.63%	49.26%	49.78%	53.95%	57.52%	63.46%

** Only eight years of information available. Additional years' information will be displayed as it becomes available.*

CAMPBELL COUNTY
CERS PENSION - SCHEDULE OF CONTRIBUTIONS
Required Supplementary Information
June 30, 2022

County Employees Retirement System
Last 10 Fiscal Years*

Non-Hazardous	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$1,822,956	$1,696,907	$1,845,475	$1,370,860	$1,167,841	$1,126,010	$ 922,058	$ 903,856
Contributions in Relation to the Contractually Required Contribution	(1,822,956)	(1,696,907)	(1,845,475)	(1,370,860)	(1,167,841)	(1,126,010)	(922,058)	(903,856)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
County's Covered Payroll	$8,611,078	$8,792,263	$9,562,045	$8,451,665	$8,065,200	$8,071,756	$7,423,977	$7,089,067
Contributions as a Percentage of Covered Payroll	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%

Hazardous	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 803,442	$ 682,543	$ 669,010	$ 518,682	$ 448,655	$ 439,181	$ 351,495	$ 344,426
Contributions in Relation to the Contractually Required Contribution	(803,442)	(682,543)	(669,010)	(518,682)	(448,655)	(439,181)	(351,495)	(344,426)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
County's Covered Payroll	$2,372,835	$2,270,601	$2,225,581	$2,085,573	$2,020,968	$2,022,943	$1,734,921	$1,661,486
Contributions as a Percentage of Covered Payroll	33.86%	30.06%	30.06%	24.87%	22.20%	21.71%	20.26%	20.73%

** Only eight years of information available. Additional years' information will be displayed as it becomes available.*

CAMPBELL COUNTY
CERS PENSION - SCHEDULE OF CONTRIBUTIONS
Required Supplementary Information
June 30, 2022
(Continued)

Notes:

Valuation Date	Actuarially determined contribution rates for 2022 were calculated based on the June 30, 2019 actuarial valuation.
Actuarial Cost method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 Years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.
Inflation	2.30%
Salary Increase	3.30% to 10.30%, for non-hazardous, varies by service. 3.55% to 19.05% for hazardous, varies by service.
Investment Rate of Return	6.25%
Mortality	Systemic-specific mortality table based on mortality experience from 2013-2018, projected from the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
Phase-in Provision	Board certified rates are phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

CAMPBELL COUNTY
CERS OPEB - SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Required Supplementary Information
June 30, 2022

County Employees Retirement System
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018
County's Proportion of the Net OPEB Liability - Non-Hazardous	0.345410%	0.374105%	0.334974%	0.374627%	0.331522%
County's Proportion of the Net OPEB Liability - Hazardous	0.380142%	0.381473%	0.366129%	0.406650%	0.368516%
County's Proportionate Share of the Net OPEB Liability					
Non-Hazardous	$ 6,612,702	$ 9,033,497	$ 5,634,112	$ 5,777,324	$ 6,664,726
Hazardous	3,073,673	3,525,213	2,708,841	2,586,738	3,046,417
Total County's Proportionate Share of the Net OPEB Liability	$ 9,686,375	$12,558,710	$ 8,342,953	$ 8,364,062	$ 9,711,143
County's Covered Payroll	$11,062,864	$11,787,626	$10,537,238	$10,086,168	$10,094,699
County's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	87.56%	106.54%	79.18%	82.93%	96.20%
Plan Fiduciary Net OPEB as a Percentage of the Total OPEB Liability - Non-Hazardous	62.91%	51.67%	60.44%	57.62%	62.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability - Hazardous	66.81%	58.84%	64.44%	64.24%	58.99%

** Only five years of information available. Additional years' information will be displayed as it becom*

CAMPBELL COUNTY
CERS OPEB - SCHEDULE OF CONTRIBUTIONS
Required Supplementary Information
June 30, 2022

County Employees Retirement System
Last 10 Fiscal Years*

Non-Hazardous	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 497,718	$ 418,512	$ 455,153	$ 444,558	$ 379,064
Contributions in Relation to the Contractually Required Contribution	(497,718)	(418,512)	(455,153)	(444,558)	(379,064)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
County's Covered Payroll	$ 8,611,078	$ 8,792,263	$ 9,562,045	$ 8,451,665	$ 8,065,200
Contributions as a Percentage of Covered Payroll	5.78%	4.76%	4.76%	5.26%	4.70%

Hazardous	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 248,436	$ 216,161	$ 211,875	$ 218,359	$ 188,960
Contributions in Relation to the Contractually Required Contribution	(248,436)	(216,161)	(211,875)	(218,359)	(188,960)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
County's Covered Payroll	$ 2,372,835	$ 2,270,601	$ 2,225,581	$ 2,085,573	$ 2,020,968
Contributions as a Percentage of Covered Payroll	10.47%	9.52%	9.52%	10.47%	9.35%

** Only five years of information available. Additional years' information will be displayed as it becomes available.*

CAMPBELL COUNTY
CERS PENSION - SCHEDULE OF CONTRIBUTIONS
Required Supplementary Information
June 30, 2022
(Continued)

Notes:

Valuation Date	Actuarially determined contribution rates for 2022 were calculated based on the June 30, 2019 actuarial valuation.
Actuarial Cost method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 Years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.
Inflation	2.30%
Salary Increase	3.30% to 10.30%, for non-hazardous, varies by service. 3.55% to 19.05% for hazardous, varies by service
Investment Rate of Return	6.25%
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected witht the ulitmate rates from MP-2014 mortality improvement scale using a base year of 2019.
Healthcare Rate Trends	
Pre-65	Initial trend starting at 6.25% at January 1, 2021 and gradually decreasing to to an ultimate trend rate of 4.05% over 13 years. The 20120 premiums were known at the time of the valuation and were incorporated in the liability measurement.
Post-65	Initial trend starting at 5.50% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over 1 years. The 2020 premiums were known at the time of the valuation and were incorporated in the liability measurement.
Phase-In Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

SUPPLEMENTARY INFORMATION

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CAMPBELL COUNTY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Road Fund	Mental Health Fund	Senior Citizens Fund	Developers Escrow Fund	Total Nonmajor Governmental Funds
Assets					
Cash and Cash Equivalents	$ 971,218	$ 599,490	$ 708,790	$	$ 2,279,498
Accounts Receivable					
Taxes		309,157	154,578		463,735
Intergovernmental	345,657		8,855		354,512
Miscellaneous			1,393		1,393
Restricted Cash				230,159	230,159
Total Assets	$ 1,316,875	$ 908,647	$ 873,616	$ 230,159	$ 3,329,297
Liabilities and Fund Balances Liabilities					
Accounts Payable	$ 33,349	$ 15,271	$ 12,707		$ 61,327
Accrued Payroll	47,892		5,066		52,958
Total Liabilities	81,241	15,271	17,773	-	114,285
Fund Balances					
Restricted					
Roads	1,235,634			230,159	1,465,793
Committed					
Social Services			855,843		855,843
General Health and Sanitatio		893,376			893,376
Total Fund Balances	1,235,634	893,376	855,843	230,159	3,215,012
Total Liabilities and Fund Balances	$ 1,316,875	$ 908,647	$ 873,616	$ 230,159	$ 3,329,297

CAMPBELL COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Road Fund	Mental Health Fund	Senior Citizens Fund	Developers Escrow Fund	Total Nonmajor Governmental Funds
Revenues					
Taxes	$	$ 1,204,310	$ 602,154	$	$ 1,806,464
Licenses and Permits	3,200				3,200
Intergovernmental	1,266,380		71,038		1,337,418
Charges for Services	-		6,900		6,900
Miscellaneous	75,915		15,662	43,700	135,277
Total Revenues	1,345,495	1,204,310	695,754	43,700	3,289,259
Expenditures					
General Health and Sanitation		1,162,357			1,162,357
Social Services			413,783		413,783
Roads	1,869,400				1,869,400
Capital Projects	1,419,548		23,370		1,442,918
Administration	688,168		53,673		741,841
Debt Service	71,449				71,449
Total Expenditures	4,048,565	1,162,357	490,826		5,701,748
(Deficiency) Excess of Revenues Over Expenditures	(2,703,070)	41,953	204,928	43,700	(2,412,489)
Other Financing Sources (Uses)					
Transfers from Other Funds	3,500,000				3,500,000
Net Change in Fund Balances	796,930	41,953	204,928	43,700	1,087,511
Fund Balances July 1, 2021	438,704	851,423	650,915	186,459	2,127,501
Fund Balances June 30, 2022	$ 1,235,634	$ 893,376	$ 855,843	$ 230,159	$ 3,215,012

CAMPBELL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2022

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CAMPBELL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2022

Federal Grants/ Pass-Through Grantor/ Program Title	Federal ALN Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Housing and Urban Development				
Passed-Through Kentucky Department for Local Government				
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii-Campbell County Home Ownership Development Project	14.228	18-053	$	$ 396,039
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii-Campbell County CDBG-CV Utility Assistance	14.228	20C-039		21,000
Total Community Development Block Grants/ State's Program and Non-Entitlement Grants In Hawaii				417,039
Total U.S. Department of Housing and Urban Development				417,039
U.S. Department of Health and Human Services				
Passed-Through Northern Kentucky Area Development (NKADD)				
Special Programs for the Aging, Title III, Part B Grants for Supportive Services and Senior Citizens	93.044	Not Available		71,292
U.S. Department of Homeland Security				
Passed-Through Kentucky Department of Emergency Management				
Emergency Management Performance Grants	97.042	Not Available		44,777
U.S. Department of Justice				
Direct Program:				
Crime Victim Assistance/Discretionary Grants	16.582	N/A		16,097
Crime Victim Assistance/Discretionary Grants	16.582	N/A		26,727
Total Crime Victim Assistance/Discretionary Grants				42,824
Bulletproof Vest Partnership Program	16.607	N/A		5,459
Total U.S. Department of Justice				48,283

CAMPBELL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2022
(Continued)

Federal Grants/ Pass-Through Grantor/ Program Title	Federal ALN Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
Election-Assistance Commission				
Passed-Through Kentucky State Board of Elections				
Help America Vote Act				
Requirements Payments	90.401	2200002583	$	167,500
U.S. Department of Transportation				
Passed-Through Kentucky Transportation Cabinet (KYTC)				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	06-460-3002-334		14,451
Highway Safety Cluster				
State and Community Highway Safety	20.600	PT-2021-15		2,666
State and Community Highway Safety	20.600	PT-2022-16		13,427
Total Highway Safety Cluster				16,093
Total U.S. Department of Transportation				30,544
U.S. Department of Treasury				
Passed-Through Kentucky Department for Local Government				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available		2,488,537
Total Expenditures of Federal Awards			$ 0	$ 3,267,972

CAMPBELL COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2022

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the County under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The county has elected not to use the 10 percent de Minimis indirect cost rate allowed under the Uniform Guidance.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

The Honorable Steven Pendery, Campbell County Judge/Executive
Members of the Campbell County Fiscal Court

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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Campbell County Fiscal Court as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Campbell County Fiscal Court's basic financial statements, and have issued our report thereon dated December 7, 2023. Our report includes a reference to another auditor who audited the financial statements of the Housing Choice Voucher Program listed in our report on the Campbell County Fiscal Court's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Campbell County Fiscal Court'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Campbell County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Campbell County Fiscal Court'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*
(Continued)

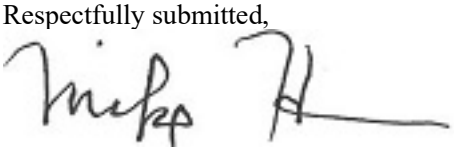
Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Campbell County Fiscal Court'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.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts
Frankfort, Ky

December 7, 2023

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With The Uniform Guidance

Independent Auditor's Report

The Honorable Steven Pendery, Campbell County Judge/Executive
Members of the Campbell County Fiscal Court

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Campbell County Fiscal Court's compliance with the types of compliance requirements identified as subject to audit in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Campbell County Fiscal Court's major federal programs for the year ended June 30, 2022. The Campbell County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Campbell County Fiscal Court complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Campbell County Fiscal Court and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Campbell County Fiscal Court's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Campbell County Fiscal Court's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Campbell County Fiscal Court's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Campbell County Fiscal Court's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Campbell County Fiscal Court's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Campbell County Fiscal Court's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Campbell County Fiscal Court's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With Uniform Guidance
(Continued)

Report on Internal Control over Compliance

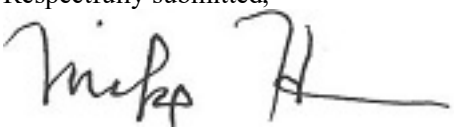
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts
Frankfort, Ky

December 7, 2023

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CAMPBELL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2022

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CAMPBELL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2022

Section I: Summary of Auditor's Results

Financial Statement

Type of report auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified on GAAP Basis

Internal control over financial reporting:

Are any material weaknesses identified?	☐ Yes	☒ No
Are any significant deficiencies identified?	☐ Yes	☒ None Reported
Are any noncompliances material to financial statements noted?	☐ Yes	☒ No

Federal Awards

Internal control over major programs:

Are any material weaknesses identified?	☐ Yes	☒ No
Are any significant deficiencies identified?	☐ Yes	☒ None Reported
Type of auditor's report issued on compliance for major federal programs: U*nmodified*:		
Are any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	☐ Yes	☒ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as a low-risk auditee?	☒ Yes	☐ No

CAMPBELL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2022
(Continued)

Section II: Financial Statement Findings

None noted.

Section III: Federal Award Findings And Questioned Costs

None noted.

Section IV: Summary Schedule of Prior Audit Findings

Finding Number	Prior Year Finding Title	Status	Corrective Action
2021-001	Collateral Security Agreement	Resolved	In July 2021, the Campbell County Detention Center signed a repurchase agreement with Heritage bank to sweep the Commissary Account funds over the FDIC limit of $250,000 in order to ensure that 100% of the funds held were insured.