

**BLUEGRASS AREA
DEVELOPMENT DISTRICT, INC.
Lexington, Kentucky**



**FINANCIAL STATEMENTS
June 30, 2021**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Bluegrass Area Development District, Inc.
Lexington, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bluegrass Area Development District, Inc. (the District) as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bluegrass Area Development District, Inc. as of June 30, 2021 and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison, the schedules of proportionate share of the net pension and OPEB liabilities and the schedules of contributions on pages 3-8 and 31-35 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Bluegrass Area Development District, Inc.'s basic financial statements. The supplementary statements of operations by program, schedule of indirect costs applied, schedule of awards from the Commonwealth of Kentucky and the cost allocation policy are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

The supplementary statements of operations by program, schedule of indirect costs applied, schedule of awards from the Commonwealth of Kentucky, the cost allocation policy and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 supplementary statements of operations by program, schedule of indirect costs applied, schedule of awards from the Commonwealth of Kentucky, the cost allocation policy and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021 on our consideration of Bluegrass Area Development District, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bluegrass Area Development District, Inc.'s internal control over financial reporting and compliance.

RFH

RFH, PLLC
Lexington, Kentucky
December 9, 2021

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis As of and for the year ended June 30, 2021

As management of the Bluegrass Area Development District, Inc. (BGADD), we present readers a narrative overview of the financial activities for the year ended June 30, 2021. This discussion and analysis is to assist the reader in their assessment of the financial condition of BGADD and should be read in conjunction with the basic financial statements.

Nature of Organization and Reporting Entity

BGADD was created in 1971, through articles of incorporation and Kentucky state law, for the purpose and promotion of economic development and the establishment of a framework for joint Federal, State, and Local efforts, directed to the social, economic, and physical development of a 17-county region in central Kentucky.

In evaluating BGADD as a reporting entity, management has addressed its relationship with the local governments and concluded that, in accordance with the criteria set forth in Sections 2100 and 2600 of the Governmental Accounting Standards Board Codification, BGADD is a separate reporting entity.

Overview of the Financial Statements

The financial statements for the fiscal year ended June 30, 2021, consist of three parts: A) Management's Discussion and Analysis, B) the Financial Statements and C) Required Supplementary, Compliance, Supplementary and Other Information. The financial statements also include notes that explain some of the information in the financial statements and provide additional details. Readers are encouraged to read the notes to better understand the financial statements.

Required Financial Statements

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances.

Statement of Net Position - The statement of net position includes the BGADD's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). The Statement of Net Position also provides the basis for assessing the liquidity and financial flexibility of the organization.

Statement of Activities - The statement of activities identifies the revenues generated and the expenses incurred during the fiscal year, classified by program.

Fund Financial Statements

Fund financial statements include a balance sheet and statement of revenues, expenditures and changes in fund balance. For governmental activities, these statements tell how the services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis
As of and for the year ended June 30, 2021

Budgetary Highlights

In fiscal year (FY) 2021, BGADD had a budget of approximately \$32.8 million designating approximately \$27.4 million as pass-through expenses.

Capital Assets and Debt Administration

BGADD's capital assets consist of the building, building improvements, furnishings, security cameras, computer equipment, software and two vehicles. Capital assets have a total purchase cost of approximately \$3,396,000 with accumulated depreciation of approximately \$1,126,000. Net capital assets are approximately \$2,270,000.

Pension Plan and Government Accounting Standards Board No. 68 (GASB No. 68) & Post-Employment Health Care Benefits and Government Accounting Standards Board No. 75 (GASB No. 75)

BGADD participates in a cost-sharing pension plan with numerous other governmental agencies that is administered by the Kentucky Retirement Systems. During FY 2015, BGADD was required to adopt GASB No. 68, a new governmental accounting standard related to the accounting for pension plans. In accordance with this new accounting standard, BGADD recorded a liability for its proportionate share of the underfunded pension liability of the cost-sharing plan. The net pension liability and BGADD's allocation were determined by the Kentucky Retirement Systems. The adoption of this new accounting standard resulted in a \$5,132,000 reduction in BGADD's beginning net position at July 1, 2014. BGADD's net pension liability at June 30, 2015 was \$4,975,000. BGADD's net pension liability at June 30, 2016 was \$6,787,500. BGADD's net pension liability at June 30, 2017 was \$8,467,800. BGADD's net pension liability at June 30, 2018 was approximately \$8,211,000. In FY 2019 BGADD recorded a decreased liability by \$843,000 for its proportionate share of the underfunded pension liability of the cost-sharing plan. BGADD's net pension liability at June 30, 2019 was approximately \$7,368,000. In FY 2020 BGADD recorded a decreased liability by \$72,917 for its proportionate share of the underfunded pension liability of the cost-sharing plan. BGADD's net pension liability at June 30, 2020 was approximately \$7,295,000. BGADD's net pension liability increased to approximately \$8,102,000 for FY 2021. Whereas BGADD has and continues to make required contributions to the CERS pension fund, management and its Board of Directors objects to GASB No. 68 mandated adjustments to the Statement of Net Position and to the Statement of Revenues, Expenses and Changes in Net Position.

During FY 2018, BGADD was required to adopt GASB No. 75, a new governmental accounting standard related to the accounting for post-employment health care benefits. In accordance with this new accounting standard, BGADD recorded a liability for its proportionate share of the underfunded benefit liability. The OPEB liability and BGADD's allocation were determined by the Kentucky Retirement Systems. The adoption of this new accounting standard resulted in a \$2,032,814 reduction in BGADD's beginning net position at July 1, 2017. BGADD's net benefit liability at June 30, 2018 was \$2,820,188. BGADD's net benefit liability at June 30, 2019 was \$2,148,100. In 2020 BGADD recorded a decreased liability by \$403,660 for its proportionate share of the underfunded benefit liability. BGADD's net benefit liability at June 30, 2020 was approximately \$1,744,400. BGADD's net benefit liability increased to approximately \$2,561,000 for FY 2021.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis
As of and for the year ended June 30, 2021

Financial Analysis

I. Statement of Net Position

Table 1: Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>
Assets			
Current assets	\$ 3,863,387	\$ 3,744,376	\$ 119,011
Capital and noncurrent assets	2,270,338	2,368,680	(98,342)
Total assets	<u>\$ 6,133,725</u>	<u>\$ 6,113,056</u>	<u>\$ 20,669</u>
Deferred Outflows of Resources			
Deferred pension and OPEB outflows	<u>\$ 2,567,786</u>	<u>\$ 2,131,852</u>	<u>\$ 435,934</u>
Liabilities			
Current liabilities	\$ 2,627,942	\$ 2,545,043	\$ 82,899
Long-term liabilities	11,036,773	9,350,537	1,686,236
Total liabilities	<u>\$ 13,664,715</u>	<u>\$ 11,895,580</u>	<u>\$ 1,769,135</u>
Deferred Inflows of Resources			
Deferred pension and OPEB inflows	<u>\$ 1,324,528</u>	<u>\$ 2,482,837</u>	<u>\$ (1,158,309)</u>
Net position			
Investment in capital assets, net of related debt:	\$ 2,270,338	\$ 2,368,680	\$ (98,342)
Restricted:			
Aging programs	40,646	38,644	2,002
Workforce investment act	11,174	6,245	4,929
Bluegrass Cat Project	64,488	30,468	34,020
Unrestricted	(8,674,378)	(8,577,546)	(96,832)
Total net position	<u>\$ (6,287,732)</u>	<u>\$ (6,133,509)</u>	<u>\$ (154,223)</u>

At June 30, 2021, the BGADD's Net position was approximately (\$6,287,700). The FY 2021 amount includes a non-cash pension expense adjustment required by GASB 68 of \$3,628. It also includes a non-cash other post-employment benefits expense required by GASB 75 of (\$32,251). The FY 2019 net position includes an accrued Workforce Development settlement cost of \$227,746 in addition to the FY 2017 accrual of \$87,254 for a total of \$315,000. The Workforce settlement was accepted in October 2020.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis
As of and for the year ended June 30, 2021

II. Statement of Activities

Table 2: Condensed Statement of Activities

	2021	2020	\$ Change
Revenues			
Operating grants and contributions	\$ 32,188,926	\$ 29,943,506	\$ 2,245,420
Charges for services	577,910	681,944	(104,034)
Interest	8,605	21,567	(12,962)
Rent	82,712	82,712	0
Total revenues	<u>32,858,153</u>	<u>30,729,729</u>	<u>2,128,424</u>
Expenses			
Participant Directed Services	18,503,385	18,614,967	(111,582)
Aging Programs	7,465,899	7,000,543	465,356
Workforce Development	5,438,048	3,669,393	1,768,655
Mapping/Geographic Information Systems	128,224	184,290	(56,066)
Regional Coordination, JFA	745,223	504,136	241,087
Community and Infrastructure Admin	19,700	16,831	2,869
Homeland Security	4,924	22,501	(17,577)
Economic Development Planning and Tech. Asst.	63,310	82,551	(19,241)
Transportation Planning	123,330	121,033	2,297
Water and Sewer Planning and Tech. Asst.	77,355	79,856	(2,501)
Non-grant	231,604	90,132	141,472
Bluegrass Cat Project	207,354	115,906	91,448
Management Services	23,148	55,455	(32,307)
Planning and Zoning Technical Assistance	9,496	43,077	(33,581)
Total expenses	<u>33,041,000</u>	<u>30,600,671</u>	<u>2,440,329</u>
Non-Operating Expense			
Pension Expense Adjustment	3,628	(96,088)	99,716
Insurance Expense Adjustment	(32,252)	(69,215)	36,964
Change in net position	\$ <u>(154,223)</u>	\$ <u>294,361</u>	\$ <u>(448,585)</u>

BGADD recognized revenues of approximately \$32.9 million and \$30.7 million in FY 2021 and FY 2020, respectively. Significant changes in revenues are as follows:

- Participant Directed Services - \$234,000 decrease, reflecting in a 1%, decrease from FY 2020. The decrease in pass through expenses is based on the needs of participants in their established plan of care.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis
As of and for the year ended June 30, 2021

- Workforce Development Program- \$1.8 million increase, a 48% increase from FY 2020. In FY20, the direct service provider, ResCare, had an increase in spending of \$4,257,014 and \$2,662,989 in FY 2021 and FY 2020, respectively. Career centers and businesses were closed to the public in March 2020. As the economy opened back up from the COVID19 pandemic, staff worked remotely to provide services to businesses, adults, dislocated workers and youth. They were able to enroll individuals in training, on the job training and internships as COVID-19 restrictions lessened.
- Aging Programs-\$465,356 increase, a 6% increase from FY 2020. This is additional funding for Title III B Support Services, Congregate Meals, Home Delivered Meals and National Family Caregiver Services from COVID-19, CARES Act Provider Relief, and CRRSSA funds due to the COVID19 pandemic. Senior Centers closed due to COVID-19 restrictions, however there was a strategic effort to continue providing meals and services, just in a different capacity.

Expenses for FY 2021 total \$33 million. FY 2020 expenses were \$30.6 million. This increase of \$2.4 million is attributed mainly from increases in spending from the COVID19 pandemic. Changes in expenses directly correlate with changes in revenues; with most of the funding designated for pass-through expenses.

Social programs represent 95.15% of all governmental activities, which slightly decreased from the prior year of 95.7%. Program expenses as a percentage of total expenses are as follows:

Table 3: Program Expenses

	<u>2021</u>	<u>2020</u>
Program Expenses % of Total Expenses		
Participant Directed Services	56.06%	60.83%
Aging Programs	22.62%	22.88%
Workforce Development	16.47%	11.99%
Regional Coordination, JFA	2.26%	1.65%
Bluegrass Cat Project Services	0.63%	0.38%
Non-grant	0.61%	0.29%
Mapping/Geographic Information Systems	0.39%	0.60%
Transportation Planning	0.37%	0.40%
Water and Sewer Planning and Tech. Asst.	0.23%	0.26%
Economic Dev. Planning and Tech. Asst.	0.19%	0.27%
Management Services	0.07%	0.18%
Community and Infrastructure Admin	0.06%	0.06%
Planning and Zoning Technical Assistance	0.03%	0.14%
Homeland Security	0.01%	0.07%
	<u>100.00%</u>	<u>100.00%</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis
As of and for the year ended June 30, 2021

Economic Factors and Year End Financial Position

BGADD's financial stability is attributable to state and federal social programs. Revenues related to local government services vary annually depending on the needs of our local communities and grant funds available to help meet those needs. This is apparent as we continue to meet the needs of the community during the COVID-19 pandemic.

Concerns for BGADD are rising health insurance costs along with increases in pension rates and its impact on employer burden as well as COVID-19 and its impact. Furthermore, as employee costs increase, the Participant Directed Option Program support broker and fiduciary rates haven't increased to cover additional staff burden. In FY 2021, BGADD maintained health insurance coverage with Anthem, increasing rates by 3.5% with less coverage comparable to FY 2020. To assist with health insurance premium increases in the future, BGADD maintains a wellness program to promote healthy lifestyles for a healthier workforce. The County Employees Retirement System (CERS), employer contribution rate had a rate hold in FY 2021. In FY 2020 and FY 2021, the rate was 24.06%. In FY 2022, the CERS non-hazardous rate will increase to 26.95%.

BGADD will be able to manage its programs even if the region faces budget cuts and/or shortfalls. The required pension and benefit liability adjustment positively impacted BGADD's financial statements in FY 2021, therefore its cash position remains stable. BGADD can fund programs thirty to sixty days while awaiting reimbursement from federal and state sources. We carefully and continuously monitor our budgets. We look for increased efficiencies throughout the organization and work diligently to use resources in the most cost-effective manner.



David Duttlinger, Executive Director



Jacqueline Vaught, Chief Financial Officer

Bluegrass Area Development District, Inc.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
STATEMENT OF NET POSITION
June 30, 2021

ASSETS

Current assets

Cash and cash equivalents	\$ 898,747
Certificates of deposit	322,834
Accounts receivable, net	
Federal and state	2,473,650
Local	82,424
Other	21,691
Prepaid expenses	<u>64,041</u>
Total current assets	<u>3,863,387</u>

Non-current assets

Property and equipment, net	<u>2,270,338</u>
Total assets	<u>6,133,725</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows - pension	1,380,365
Deferred outflows - OPEB	<u>1,187,421</u>
Total deferred outflows of resources	<u>2,567,786</u>
Total assets and deferred outflows of resources	<u>\$ 8,701,511</u>

LIABILITIES AND NET POSITION

Current liabilities

Accounts payable	\$ 382,503
Accrued expenses	1,988,116
Accrued annual leave	1,179
Unearned grant revenue	<u>256,144</u>
Total current liabilities	<u>2,627,942</u>

Long-term liabilities

Tenant deposits	5,762
Accrued annual leave	368,328
Net pension liability	8,101,657
Net OPEB liability	<u>2,561,026</u>
Total long-term liabilities	<u>11,036,773</u>
Total liabilities	<u>13,664,715</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows - pension	505,219
Deferred inflows - OPEB	<u>819,309</u>
Total deferred inflows of resources	<u>1,324,528</u>

Net position

Net investment in capital assets	2,270,338
Restricted for programs:	
Aging	40,646
Workforce	11,174
Bluegrass Cat Project	64,488
Unrestricted	<u>(8,674,378)</u>
Total net position	<u>(6,287,732)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 8,701,511</u>

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

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
STATEMENT OF ACTIVITIES
for the year ended June 30, 2021

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Change in Net Position
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:						
Community and Infrastructure						
Development Grants Administration	\$ 14,049	\$ 5,651	\$ 70,906	\$ -	\$ -	\$ 51,207
Mapping/Geographic Information Systems	92,943	35,281	64,769	74,800	-	11,345
Aging Programs	7,193,314	272,585	4,031	7,444,685	-	(17,183)
Participant Directed Service	17,952,526	550,859	1,896	18,497,354	-	(4,135)
Workforce Development	5,171,770	266,278	894	5,437,154	-	-
Planning and Zoning Technical Assistance	6,742	2,754	7,669	-	-	(1,827)
Water and Sewer Planning and						
Technical Assistance	55,952	21,403	8,238	75,000	-	5,883
Transportation Planning	88,420	34,910	-	104,724	-	(18,606)
Homeland Security	3,523	1,401	4,924	-	-	-
Economic Development Planning and						
Technical Assistance	46,338	16,972	40,200	-	-	(23,110)
Management Services	18,991	4,157	11,705	4,172	-	(7,271)
Bluegrass Cat Project	207,354	-	207,354	-	-	-
Non-Grant	196,893	6,088	-	-	-	(202,981)
Regional Coordination, JFA	<u>540,741</u>	<u>204,482</u>	<u>-</u>	<u>551,038</u>	<u>-</u>	<u>(194,185)</u>
Total governmental activities	<u>\$ 31,589,555</u>	<u>\$ 1,422,821</u>	<u>\$ 422,586</u>	<u>\$ 32,188,926</u>	<u>\$ -</u>	<u>(400,864)</u>
General revenues:						
Dues						155,324
Rent						82,712
Interest income						<u>8,605</u>
Total general revenues						<u>246,641</u>
Change in net position						(154,223)
Net position, beginning of year						<u>(6,133,509)</u>
Net position, end of year						<u>\$ (6,287,732)</u>

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

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 630,096	\$ 268,651	\$ 898,747
Certificates of deposit	322,834	-	322,834
Accounts receivable, net			
Federal and state	-	2,473,650	2,473,650
Local	-	82,424	82,424
Other	21,691	-	21,691
Prepaid expenses	-	64,041	64,041
Total current assets	<u>\$ 974,621</u>	<u>\$ 2,888,766</u>	<u>\$ 3,863,387</u>
LIABILITIES AND FUND BALANCE			
Current liabilities			
Accounts payable	\$ 161,591	\$ 220,920	\$ 382,511
Accrued expenses	-	1,988,116	1,988,116
Unearned grant revenue	-	256,144	256,144
Total liabilities	<u>161,591</u>	<u>2,465,180</u>	<u>2,626,771</u>
Fund balance			
Nonspendable	-	64,041	64,041
Restricted for programs	-	359,545	359,545
Unassigned	813,030	-	813,030
Total fund balance	<u>813,030</u>	<u>423,586</u>	<u>1,236,616</u>
Total liabilities and fund balance	<u>\$ 974,621</u>	<u>\$ 2,888,766</u>	<u>\$ 3,863,387</u>
Total government fund balance			\$ 1,236,616
Amount reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds, net of accumulated depreciation			2,270,338
Long-term liabilities and related pension and OPEB deferred inflows/outflows, are not due and payable in the current period and therefore are not reported in the funds			<u>(9,794,686)</u>
Net position of governmental activities			<u>\$ (6,287,732)</u>

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

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
for the year ended June 30, 2021

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
Federal and Commonwealth of Kentucky grants	\$ -	\$ 32,140,316	\$ 32,140,316
Local service fees	-	471,196	471,196
Local annual contributions	155,324	-	155,324
Rental income	82,712	-	82,712
Interest and other income	8,605	-	8,605
Total revenues	246,641	32,611,512	32,858,153
Expenditures			
Current			
Community and Infrastructure Development Grants Administr	-	19,700	19,700
Mapping/Geographic Information Systems	-	128,224	128,224
Aging Programs	-	7,465,899	7,465,899
Participant Directed Service	-	18,503,385	18,503,385
Workforce Development	-	5,438,048	5,438,048
Planning and Zoning Technical Assistance	-	9,496	9,496
Water and Sewer Planning and Technical Assistance	-	77,355	77,355
Transportation Planning	-	123,330	123,330
Homeland Security	-	4,924	4,924
Economic Development Planning and Technical Assistance	-	63,310	63,310
Management Services	-	23,148	23,148
Bluegrass Cat Project	-	207,354	207,354
Non-Grant	(21,539)	79,954	58,415
Regional Coordination, JFA	-	745,223	745,223
Capital outlay	-	-	-
Total expenditures	(21,539)	32,889,349	32,867,811
Net change in fund balance	268,180	(277,838)	(9,658)
Net position, beginning of year	544,850	701,423	1,246,273
Net position, end of year	\$ 813,030	\$ 423,586	\$ 1,236,616
Net change in fund balance - total governmental funds			\$ (9,658)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense:			
Depreciation expense			(98,342)
Change in accrued annual leave			(17,609)
Change in the net pension and OPEB liabilities and related deferred inflows and outflows			(28,614)
Change in net position of governmental activities			\$ (154,223)

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

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bluegrass Area Development District, Inc. (the District or BGADD) is a non-profit governmental corporation formed pursuant to KRS Chapter 147A, which has as its primary purpose, the promotion of economic development and the establishment of a framework for joint federal, state and local efforts directed toward providing basic services and facilities essential to the social, economic and physical development of a seventeen-county area in Central Kentucky (Kentucky Region XV). Commonwealth of Kentucky Executive Order 71-1267, signed November 16, 1971, designated the District as the official comprehensive planning and program development agency for Central Kentucky. The Order further designated the District as the regional clearinghouse pursuant to United States Office of Management and Budget Circular A-95. The 1972 Kentucky Legislature introduced and passed legislation (House Bill No. 423), which created and established the District under Kentucky law. The Attorney General in Opinion of the Attorney General 78-534 held that Area Development Districts are political subdivisions of the Commonwealth of Kentucky. As an Area Development District, BGADD has entered into various agreements, memoranda of agreements, and contracts, all of which are subject to the financial management policies of BGADD.

Reporting Entity - The District has no oversight responsibility for any other entity since control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board, among other criteria.

Functional Area Descriptions

Community and Infrastructure Development Grants Administration - BGADD applies for and administers Housing and Urban Development Community Development Block Grants (CDBG) within the 17-county region. Transportation Enhancement T-21 projects are also administered under this functional area. These projects expand water and sewer systems for public facilities and construct buildings for community purposes, such as fire stations and senior centers.

Mapping/Geographic Information Systems - This functional area gathers, analyzes, and distributes geographical information to assist local, state, and the federal government. The program inventories road centerlines, water and sewer systems, structures, and other geo-referenced attributes.

Aging Programs - The Area Agency on Aging operates as a part of a national network to develop and coordinate a comprehensive service delivery system to meet the needs of seniors in Central Kentucky. The Homecare program is funded with a state appropriation to offer services to seniors who need assistance in order to avoid nursing home placement. Services offered are home-delivered meals, personal in-home care, home repairs, homemaking and escorted transportation. The Older Americans Act Title III provides funding for Senior Centers within the region. Title III funds are used to provide home-delivered and congregate meals at the centers, and to assist centers with program development for the benefit of seniors. Adult Day Care centers are funded to provide a safe and stimulating environment for frail, older adults, who can't live independently, but who don't require 24-hour institutional care. The program also gives caregivers respite from the continuous pressures of full-time care by allowing them to be away from their older person without concern for their safety and happiness. The Grandparent Program offers assistance for grandparents raising grandchildren. The Family Caregiver Support Program provides information, referral, training, support groups, temporary respite services, and some supplemental services to caregivers of older persons in the seventeen Central Kentucky counties.

Participant Directed Services - The Participant Directed Services (PDS) Medicaid Waiver program (formerly CDO) provides services to Medicaid recipients whom traditionally are under the care of Home Health agencies. This program enables individuals to hire their own caregivers. Under the PDS program, services provided are personal in-home care, homemaking, respite, and adult day care.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Area Descriptions (Continued)

Workforce Development - Workforce Development projects are primarily funded by the U.S. Department of Labor. This functional area oversees six One-Stop centers in the region, which work with the unemployed and local businesses. Due to the high number of plant closures, several Rapid Response and National Emergency Grants have been funded for the region to augment the Dislocated Worker initiative. There are also nine youth programs funded within the region.

Planning and Zoning Technical Assistance - BGADD provides professional planning and support for local planning commissions under contract.

Water and Sewer Planning and Technical Assistance - Water and sewer technical assistance was provided to the region under an agreement with the Environmental Protection Agency and the Kentucky Infrastructure Authority. The agreement funded a study to regionalize the water systems within the region. BGADD writes and administers Kentucky Infrastructure Authority (KIA) grants and loan applications for the region.

Transportation Planning - The Kentucky Department of Transportation funds a full-time transportation planner to serve the needs of the region. The BGADD Transportation Program is primarily responsible for the analysis of transportation systems and data, identification and evaluations of the needs in their region, the coordination of public input for the Kentucky Statewide Transportation plan, and the subsequent evaluation and prioritization and ranking of projects in the Unscheduled Needs List (UNL).

Homeland Security - The Kentucky Office of Homeland Security (KOHS) provided funds for BGADD to assist local entities to better equip, and therefore, prepare the Bluegrass Area's first responders such as Police, Fire and Emergency Management Services to detect, deter, respond and recover from emergencies. Funding categories include better communication, cyber and physical security, and personal protective gear.

Economic Development Planning and Technical Assistance - This functional area provides staffing to the Industrial Authorities within the region. Anderson, Lincoln and Woodford counties receive staffing assistance. BGADD convenes the Comprehensive Economic Development Strategies and Updates Plan as well as writes and administers EDA grants.

Management Services - This functional area provides technical computer and video assistance to two cities and two counties in the district. Additionally, this area assists units of local government with small project initiatives.

Bluegrass Cat Project - This is a special project to help fund spay and neuter services through local veterinary clinics.

Non-Grant - These are costs which are not covered by federal and state grants such as costs for training, travel, legal, professional service, etc.

Regional Coordination Joint Funding Administration (JFA) - The U.S. Economic Development Administration, the Appalachian Regional Commission and the U.S. Department for Housing and Urban Development create the Joint Funding Administration, which seeks to coordinate the different levels of government: local, state, and federal. This funding provides a framework of committees made up of locally appointed individuals to address the needs of government. JFA includes project development for grant writing, rural development, CDBGs as well as administering Recreational Trail, Land and Water Conservation, Homeland Security and CMRS grants. Furthermore, BGADD provides technical assistance to cities and counties for budgets, administrative codes and personnel policies.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation - The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

The following is a summary of the basis of presentation:

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. The statements distinguish between those activities of the District that are governmental, which normally are supported by tax revenues, and those that are considered business-type activities, which rely significantly on fees and charges for support. The District does not currently have any business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for the District and for each function or program of the District'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 District. 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 District.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities; and a statement of revenues, expenditures and changes in fund balances, which reports on the changes in total fund balances.

Accounting principles generally accepted in the United States of America require that the General Fund be reported as a major fund. All other governmental and proprietary funds whose assets, liabilities, revenues, or expenditures comprise at least 10% of the total for the relevant fund category and at least 5% of the corresponding total for all governmental and proprietary funds combined must also be reported as major funds.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District has the following funds:

Government Fund Types

- The General Fund is the main operating fund of the District. It accounts for all revenues and expenditures of the District not encompassed within other funds. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund, and any fund balances are considered as resources available for use, unless otherwise noted. This is always a major fund of the District.

- The Special Revenue (Grant) Fund accounts for proceeds of specific revenue sources that are restricted to disbursements for specified purposes. The Special Revenue Fund includes JFA (Joint Funding Agreement), Transportation, Aging, Workforce, Participant Directed Services (PDS) and other grant programs. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.

Basis of Accounting - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual - The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Revenue Recognition Policies - Grant and contract revenue are recognized as eligible expenses are incurred. Revenue is recognized on performance contracts upon the completion of agreed upon services. Federal and state grants proceeds are generally to be used for specific projects as outlined in the grant agreement and are not available to be used at the discretion of BGADD.

Local service fees are generated when cities and counties within the seventeen-county region contract with BGADD to provide services for them that they are unable to undertake themselves. These services include, but are not limited to, community and infrastructure development, mapping assistance, planning and zoning, economic development, water and sewer planning, and management services.

Some grants received from the federal and state government require the grantee to provide matching funds. When these funds are passed through to a subrecipient, the match requirements also pass to the subrecipient. As such, the subrecipient is required by BGADD to send them the matching funds. BGADD will then return these funds to the subrecipient to ensure that the local matching funds are used to provide program services.

Unearned Revenue - Unearned revenue arises when funds are received before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

Unassigned - amounts that are available for any purpose. The General Fund is the only fund that can report an unassigned fund balance amount.

When restricted, committed, assigned or unassigned resources are available for use, it is the District's policy to use restricted resources first, then use committed, then use assigned and then use unassigned or unrestricted resources as needed.

Cash and Cash Equivalents - The District defines cash and cash equivalents as cash in banks, funds in overnight repurchase agreements and any highly liquid investments with initial maturities of 90 days or less.

Investments - Investments consist of certificates of deposit that are carried at cost which approximates fair value.

Fixed Assets - Property and equipment are stated at cost and depreciated over their estimated useful lives of three (3) to ten (10) years for equipment and three (3) to twenty-seven (27) years for buildings and improvements using the straight-line method of depreciation. Property and equipment include furniture, office equipment, software, vehicles and leasehold improvements. Depreciation expense is charged to shared costs. The shared cost is allocated to the various grants using the approved cost allocation plan. The threshold for capitalization is \$2,500.

Budgeting - The District is not required to adopt a legal budget in the manner of most local governmental entities, the budget is an operational and management tool that ensures the maximum use of resources. The budget is approved by the board of directors and monthly reports are presented to the board and management using budget comparisons.

In-Kind - In-kind contributions included in the accompanying financial statements consist of donated volunteer time, facilities or services.

Income Taxes - The District is a governmental non-profit organization exempt from income taxes under Internal Revenue Code, 501(c)(3) as determined by the IRS.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Annual Leave - The personnel policies of BGADD allow employees to receive payment for unused vacation when they terminate employment in good standing. Employees of the District accrue sick leave at the rate of one (1) day per month. Sick leave that may be accrued is limited to 90 hours per year. On June 30 of each year, earned and unused sick leave is converted to annual leave. Annual leave earned is based on seniority at the rates of twelve (12) to twenty-four (24) days per year and can be carried forward from one year to the next. A maximum of 750 hours may be carried forward. All hours in excess of 750 are forfeited. The accrued liability for accumulated annual leave totaled \$369,507 at June 30, 2021.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pension - For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources related to OPEB, OPEB expense, information about the OPEB plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management's Review of Subsequent Events - The District has evaluated and considered the need to recognize or disclose subsequent events through December 9, 2021, which represents the date that these financial statements were available to be issued. Subsequent events past this date, as they pertain to the year ended June 30, 2021, have not been evaluated by the District.

2. DEPOSITS

KRS 66.480 authorizes the District 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 have a physical presence in Kentucky and 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). The Statute also authorizes investment in mutual funds, exchange traded funds, individual equity securities and high-quality corporate bonds that are managed by a professional investment manager and subject to additional requirements outlined in KRS 66.480.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

2. DEPOSITS (CONTINUED)

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. In order to anticipate market changes and provide a level of security for all funds, the collateralization level shall be one hundred percent of the market value of the principal, plus accrued interest.

As of June 30, 2021, BGADD's investment bank balances totaled \$322,834; \$250,000 was secured by FDIC insurance and \$72,834 was collateralized by investments held in the District's name. As of June 30, 2021, BGADD's cash bank balances totaled \$1,211,671; \$259,220 was secured by FDIC insurance and \$952,451 was collateralized.

Investments at June 30, 2021:

	Amortized Cost	Maturity
Certificate of Deposit	<u>\$ 322,834</u>	1 year or less

Interest at a rate of .75%.

3. GRANTS RECEIVABLE

Federal, state and local grants receivable consist of the following at June 30, 2021:

Federal receivable	\$ 1,659,208
State receivable	980,049
Local receivable	88,605
Other receivable	<u>219,085</u>
Total grant receivable	2,946,947
Less: allowance for bad debt	<u>(369,182)</u>
Net grant receivable	<u>\$ 2,577,765</u>

4. FIXED ASSETS

The District maintains property and equipment used in its operations. Property and equipment include furniture, office equipment, vehicles, software, and leasehold improvements. Depreciation expense is charged to shared costs and is allocated to the various grants using the approved cost allocation plan. Depreciation expense totaled \$98,342 for the year ended June 30, 2021.

The following summarizes the changes in fixed assets during the year ended June 30, 2021:

	6/30/2020 Balance	Additions	Disposals	6/30/2021 Balance
Land, not depreciated	\$ 521,394	\$ -	\$ -	\$ 521,394
Building and improvements	2,358,797	-	-	2,358,797
Equipment	516,629	-	-	516,629
Accumulated depreciation	<u>(1,028,140)</u>	<u>(98,342)</u>	<u>-</u>	<u>(1,126,482)</u>
Net	<u>\$ 2,368,680</u>	<u>\$ (98,342)</u>	<u>\$ -</u>	<u>\$ 2,270,338</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

5. UNEARNED GRANT REVENUE

The unearned grant revenue includes revenues received, but not earned. The detail of those grants is as follows at June 30, 2021:

Grant Name	
Pre-FY 16 programs (federal)	\$ 572
FY 16 Aging program (federal)	21
FY 17 CMS SHIP (federal)	218
FY 18 Aging (federal)	1
FY 21 Aging (federal)	<u>183</u>
Total Federal	<u>995</u>
FY 08 CDO (state)	182,532
FY 13 Aging program (state)	500
FY 16 Aging program (state)	<u>6,246</u>
Total State	<u>189,278</u>
Various local grants	<u>65,871</u>
Total	<u>\$ 256,144</u>

6. ACCRUED ANNUAL LEAVE

Activity for accrued annual leave for the year ended June 30, 2021 is as follows:

	6/30/20	Additions	Payments	6/30/2021	Current
Accrued annual leave	<u>\$ 351,898</u>	<u>\$ 390,915</u>	<u>\$ (373,306)</u>	<u>\$ 369,507</u>	<u>\$ 1,179</u>

7. RETIREMENT PLAN

Bluegrass Area Development District, Inc. is a participating employer of the County Employees' Retirement System (CERS). Under the provisions of Kentucky Revised Statute 61.645, the Board of Trustees of Kentucky Retirement Systems administers the CERS. The plan issues publicly available financial statements which may be downloaded from the Kentucky Retirement Systems website.

Plan Description – CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, District, and school board, and any additional eligible local agencies electing to participate in the System. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living (COLA) adjustments are provided at the discretion of state legislature.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

7. RETIREMENT PLAN (CONTINUED)

Contributions – For the year ended June 30, 2021, plan members were required to contribute 5% of wages for non-hazardous job classifications. Employees hired after September 1, 2008 are required to contribute an additional 1% to cover the cost of medical insurance that is provided through CERS. Participating employers are required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last proceeding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. For the year ended June 30, 2021, participating employers contributed 24.06% of each employee’s wages for non-hazardous job classifications. The contributions are allocated to both the pension and insurance trusts. The insurance trust is more fully described in Note 8. Plan members contributed 19.30% to the pension trust for non-hazardous job classifications. The contribution rates are equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Retirement System are financed through employer contributions and investment earnings.

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 in the plan contribute a set percentage of their salary each month to their own account. Plan members contribute 5% of wages to their own account for non-hazardous job classifications. Plan members also contribute 1% to the health insurance fund. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of each member’s salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member’s account. Each member’s account is credited with a 4% employer pay credit for non-hazardous members. The employer pay credit represents a portion of the employer contribution.

The District contributed \$703,428 for the year ended June 30, 2021, or 100% of the required contribution. The contribution was allocated \$564,263 to the CERS pension fund and \$139,165 to the CERS insurance fund.

Benefits – CERS provides retirement, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years’ service.

For retirement purposes, employees are grouped into three tiers based on hire date:

Tier 1	Participation date Unreduced retirement Reduced retirement	Before September 1, 2008 27 years service or 65 years old and 4 years service At least 5 years service and 55 years old or 25 years service and any age
Tier 2	Participation date Unreduced retirement Reduced retirement	September 1, 2008 – December 31, 2013 At least 5 years service and 65 years old or age 57+ and sum of service years plus age equal 87+ At least 10 years service and 60 years old
Tier 3	Participation date Unreduced retirement Reduced retirement	After December 31, 2013 At least 5 years service and 65 years old or age 57+ and sum of service years plus age equal 87+ Not available

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

7. RETIREMENT PLAN (CONTINUED)

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

Pension Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability as follows:

**Total Net
Pension Liability**

\$ 8,101,657

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was rolled forward from an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share at June 30, 2020 was as follows:

Non-hazardous

.1056%

The proportionate share at June 30, 2020 increased .0019% compared to the proportionate share as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$558,577. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 202,030	\$ -
Changes of assumptions	316,356	-
Net difference between projected and actual earnings on Plan Investments	202,734	-
Changes in proportion and differences between District contributions and proportionate share of contributions	94,982	505,219
District contributions subsequent to the measurement date	<u>564,263</u>	<u>-</u>
Total	<u>\$ 1,380,365</u>	<u>\$ 505,219</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

7. RETIREMENT PLAN (CONTINUED)

The \$564,263 of deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,		
2022	\$	(25,281)
2023	\$	150,444
2024	\$	104,297
2025	\$	81,423

Actuarial Assumptions – The total pension liability reported at June 30, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.30% to 10.30%, average, including inflation
Investment rate of return	6.25%, net of Plan investment expense, including inflation

The mortality table used for active members was a Pub-2010 General Mortality Table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The Mortality Table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected 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 actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018. The total pension liability was rolled-forward from the valuation date (June 30, 2019) to the plan's fiscal year ending June 30, 2020.

The long-term expected return was determined by using a building-block method in which best estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighing the expected future real rate of return by the target asset allocation percentage.

The target allocation and best estimates of nominal real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Growth	62.50%	
US Equity	18.75%	4.50%
Non-US Equity	18.75%	5.25%
Private Equity	10.00%	6.65%
Special credit/high yield	15.00%	3.90%
Liquidity	14.50%	
Core Bonds	13.50%	-0.25%
Cash	1.00%	-0.75%
Diversifying Strategies	23.00%	
Real Estate	5.00%	5.30%
Opportunistic	3.00%	2.25%
Real Return	15.00%	3.95%
Total	100.00%	3.96%
Long term inflation assumption		2.30%
Expected nominal return for portfolio		6.25%

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

7. RETIREMENT PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 23-year amortization period of the unfunded actuarial accrued liability. The actuarial determined contribution rate is adjusted to reflect the phase in of anticipated gains on actuarial value of assets over the first four years of the projection period. The discount rate does not use a municipal bond rate.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.25 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current rate:

	Discount rate	District's proportionate share of net pension liability
1% decrease	5.25%	\$ 9,991,106
Current discount rate	6.25%	\$ 8,101,657
1% increase	7.25%	\$ 6,537,121

Payable to the Pension Plan – At June 30, 2021, the District reported a payable of \$85,751 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021. The payable includes only the pension contribution allocation.

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description – As more fully described in Note 7, the District participates in the County Employees' Retirement System (CERS). CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, District, and school board, and any additional eligible local agencies electing to participate in the System. In addition to retirement benefits, the plan provides for health insurance benefits to plan members (other postemployment benefits or OPEB). OPEB benefits may be extended to beneficiaries of plan members under certain circumstances.

Contributions – As more fully described in Note 7, plan members contribute to CERS for non-hazardous job classifications. For the year ending June 30, 2021, the employer's contribution was 4.76% to the insurance trust for non-hazardous job classifications. Employees hired after September 1, 2008 were required to contribute an additional 1% to cover the cost of medical insurance that is provided through CERS. Participating employers were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last proceeding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. The contribution rates are equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Retirement System are financed through employer contributions and investment earnings.

For the year ended June 30, 2021, the District contributed \$139,165, or 100% of the required contribution for non-hazardous job classifications.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Benefits – CERS provides health insurance benefits to Plan employees and beneficiaries.

For retirement purposes, employees are grouped into three tiers based on hire date:

Tier 1	Participation date Insurance eligibility Benefit	Before July 1, 2003 10 years of service credit required Set percentage of single coverage health insurance based on service credit accrued at retirement
Tier 1	Participation date Insurance eligibility Benefit	Before September 1, 2008 but after July 1, 2003 10 years of service credit required Set dollar amount based on service credit accrued, increased annually
Tier 2	Participation date Insurance eligibility Benefit	After September 1, 2008 and before December 31, 2013 15 years of service credit required Set dollar amount based on service credit accrued, increased annually
Tier 3	Participation date Insurance eligibility Benefit	After December 31, 2013 15 years of service credit required Set dollar amount based on service credit accrued, increased annually

OPEB Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2021, the District reported a liability for its proportionate share of the net OPEB liability as follows:

**Total Net
OPEB Liability**

\$ 2,561,026

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share at June 30, 2020 was as follows:

Non-hazardous

.1061%

The proportionate share at June 30, 2020 increased .0024% compared to the proportionate share as of June 30, 2019.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

For the year ended June 30, 2021, the District recognized OPEB expense of \$250,168. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 427,894	\$ 428,228
Changes of assumptions	445,467	2,709
Net difference between projected and actual earnings on Plan investments	85,122	-
Changes in proportion and differences between District contributions and proportionate share of contributions	26,920	388,372
District contributions subsequent to the measurement date	<u>202,018</u>	<u>-</u>
Total	<u>\$ 1,187,421</u>	<u>\$ 819,309</u>

The \$202,018 of deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. This includes an adjustment of \$62,853 related to the implicit subsidy, which is required to be recognized as a deferred outflow of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ending June 30,

2022	\$	43,704
2023	\$	68,895
2024	\$	20,862
2025	\$	52,179
2026	\$	(19,546)

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.30% to 10.30%, average, including inflation
Investment rate of return	6.25%, net of Plan investment expense, including inflation
Healthcare trend Pre – 65:	Initial trend starting at 6.40% at January 1, 2022, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.
Post – 65:	Initial trend starting at 2.90% at January 1, 2022, and increasing to 6.30% in 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

The mortality table used for active members was a Pub-2010 General Mortality table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. 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 actuarial assumption used in the June 30, 2019, valuation was based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018. The total OPEB liability was rolled-forward from the valuation date (June 30, 2019) to the plan's fiscal year ending June 30, 2020.

The long-term expected rate of return was determined by using a building-block method in which best estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

The target allocation and best estimates of arithmetic nominal real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Growth	62.50%	
US Equity	18.75%	4.50%
Non-US Equity	18.75%	5.25%
Private Equity	10.00%	6.65%
Special credit/high yield	15.00%	3.90%
Liquidity	14.50%	
Core Bonds	13.50%	-0.25%
Cash	1.00%	-0.75%
Diversifying Strategies	23.00%	
Real Estate	5.00%	5.30%
Opportunistic	3.00%	2.25%
Real Return	15.00%	3.95%
Total	100.00%	3.96%
Long term inflation assumption		2.30%
Expected nominal return for portfolio		6.25%

Discount Rate – The discount rate used to measure the total OPEB liability was 5.34% for non-hazardous classifications. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 2.45%, as reported in Fidelity Index's "20 – Year Municipal GO AA Index". However, the cost associated with the implicit employer subsidy was not included in the calculation of the System's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the System's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Discount rate		District's proportionate share of net OPEB liability
1% decrease	4.34%	\$	3,290,167
Current discount rate	5.34%	\$	2,561,026
1% increase	6.34%	\$	1,962,159

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the District's proportionate share of the net OPEB liability calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

		District's proportionate share of net OPEB liability
1% decrease	\$	1,982,875
Current trend rate	\$	2,561,026
1% increase	\$	3,262,627

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

Payable to the Pension Plan – At June 30, 2021, the District reported a payable of \$21,149 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021. The payable includes only the insurance contribution allocation.

9. LINE OF CREDIT

In April 2021, the District opened a \$500,000 line of credit with Citizens Commerce Bank. The line of credit is available through April 1, 2023 and bears interest at 3.75%. The interest rate is subject to change based on changes in the prime rate. The line of credit is secured by property located at 699 Perimeter Drive, Lexington, Kentucky. No draws were made during fiscal year 2021.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

10. OPERATING LEASE

The District leases office space in multiple cities for use as One Stop Career Centers within the Workforce program. The leases have been renewed as of June 30, 2021, with terms ranging from month to month to seven years. Lease expense associated with these offices for the year ended June 30, 2021, totaled \$122,144. As of June 30, 2021, future minimum annual rental payments under these agreements are as follows:

2022	\$ 138,066
2023	120,566
2024	118,816
2025	118,816
2026	118,816
Thereafter	<u>198,024</u>
	<u>\$ 813,104</u>

During March 2021, the District entered into two separate lease agreements for copiers. Both leases have a 60-month term. The monthly payments are \$165 and \$120, respectively. Lease expense associated with these agreements was \$570 during the year ended June 30, 2021. As of June 30, 2021, future minimum annual rental payments under this agreement are as follows:

2022	\$ 3,420
2023	3,420
2024	3,420
2025	3,420
2026	<u>2,850</u>
	<u>\$ 16,530</u>

11. CONCENTRATIONS

BGADD's receivables are due primarily from federal, state and local governments. During the year ended June 30, 2021, BGADD received approximately 98% of its revenues from federal and state grants.

12. INSURANCE COVERAGE

BGADD has joined with other cities, counties and area development districts in a self-insurance program through the Kentucky Association of Counties All Lines Fund (the Fund). Under this insurance plan, the Fund could increase assessments to BGADD if the Fund's assets and re-insurance were not sufficient to meet the claims against the Fund. BGADD's coverage is as follows:

Boiler and machinery	\$15,000,000
General liability	\$3,000,000
Errors/omissions	\$3,000,000
Employment practices	\$3,000,000
Auto liability	\$1,000,000
Building	\$6,150,000
Personal property	\$1,198,737
Flood	\$1,000,000
Business income	\$500,000
Crime	\$150,000
Employee dishonesty	\$150,000
Legal defense coverage	\$100,000

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

13. CONTINGENCIES

BGADD is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets.; errors and omissions; injuries to employees; general liability claims; and natural disasters. BGADD manages these risks through insurance coverage as described in Note 12.

BGADD participates in numerous state and federal grant programs which are governed by various rules and regulations of the funding agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the funding agencies. Therefore, to the extent that BGADD has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any accounts receivable for government grants at June 30, 2021 may be impaired. Based on prior experience, management believes that BGADD will not incur significant losses from possible grant disallowances.

BGADD passes a significant portion of the local, state and federal grant funds it receives through to sub-grantees. BGADD monitors the activities of the sub-grantees and requires that applicable sub-grantees have financial and compliance audits performed. To the extent that audits of sub-grantees indicate failures to comply with applicable grant requirements, BGADD assesses the likelihood of grant refunds payable as a result of such noncompliance and records a liability for amounts management deems to be in excess of amounts of recoverable from the sub-grantee. Management also assesses the likelihood of noncompliance by sub-grantees that have not yet submitted audited results. BGADD has not received all of the fiscal year 2021 audits of its sub-grantees. It is possible that audits of these funds could disclose questionable costs and/or noncompliance with laws, regulations and grant conditions that would have an effect upon the financial statements and reports.

On March 31, 2016, the Education and Workforce Development Cabinet (EWDC) issued a Final Determination of Administrative Findings and Disallowed Costs related to the Kentucky Auditor of Public Accounts Examination of March 4, 2014. The EWDC assessment of Disallowed Costs for the period of May 2010 through September 2013 was \$898,525. The District (BGADD) appealed this Final Determination through state administrative appeal proceedings. In October 2017, BGADD's Executive Board directed their attorney to work with EWDC in obtaining a negotiated settlement. Significant legal expenses were incurred in both defending this claim and on pursuing the settlement. These legal expenses were charged to non-program dollars. A negotiated settlement was reached in May 2019. BGADD agreed to pay \$315,000 as satisfaction of all claims of disallowed costs. This amount was recorded in accounts payable at June 30, 2019. Payment was made in fiscal year 2020 and accepted by EWDC in October 2020.

14. COST ALLOCATION PLAN

Bluegrass Area Development District, Inc. is required by the Department of Local Government, to operate under a cost allocation plan that conforms with 2 CFR Part 225. A summary of the cost allocation plan is included as supplementary information. The District is in conformity with 2 CFR Part 225. The independent auditors conducted an audit in accordance with the Uniform Guidance and have issued an unmodified opinion thereon. As part of this audit, they examined indirect costs in accordance with the OMB Compliance Supplement.

REQUIRED SUPPLEMENTARAY INFORMATION

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
BUDGETARY COMPARISON SCHEDULE
GENERAL AND SPECIAL REVENUE FUNDS
Year ended June 30, 2021

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Community Planning	\$ 1,303,182	\$ 1,014,653	\$ 1,018,144	\$ 3,491
Aging	8,273,421	7,189,815	7,448,716	258,900
CDO/PDS	19,489,148	19,205,880	18,499,250	(706,630)
Workforce Investment Act	5,376,890	4,812,960	5,438,048	625,088
Bluegrass Cat Program	200,600	200,000	207,354	7,354
Other	250,369	247,369	246,641	(728)
	<u>34,893,610</u>	<u>32,670,677</u>	<u>32,858,153</u>	<u>187,475</u>
Expenses:				
Contracts	11,615,023	10,263,435	11,146,835	883,400
Salaries, PDS program	16,247,674	16,095,505	15,413,551	(681,954)
Burden, PDS employees	920,000	874,080	847,655	(26,425)
Salaries	2,974,959	2,607,952	2,614,723	6,771
Burden, employees	1,738,704	1,632,967	1,676,950	43,983
Leave	139,332	139,858	139,792	(65)
Depreciation, building and improvements	104,381	94,248	94,248	(0)
Audit expense	43,945	42,146	42,146	(0)
Bad debts	78,060	118,601	196,466	77,865
Board and committee training	15,994	-	-	-
Building costs	191,482	167,054	175,352	8,297
Computer costs	126,431	130,808	154,213	23,405
Debt service	16,000	12,000	16,500	4,500
Depreciation, equipment and software	9,987	4,093	4,093	(0)
Dues, fees and subscriptions	41,960	55,375	49,046	(6,329)
Equipment purchase	23,543	31,434	27,995	(3,439)
Equipment rent	11,986	10,410	11,387	977
Insurance expense	39,950	38,253	38,253	0
Legal Fees	14,981	18,218	21,432	3,214
Meeting expense	26,479	-	-	-
Miscellaneous expense	29,676	17,190	24,206	7,016
Postage	30,091	27,770	28,451	681
Printing and publishing	38,479	35,006	43,237	8,231
Supplies	20,744	15,507	33,008	17,501
Telephone	62,477	64,625	64,784	159
Temporary services	42,999	107,414	104,296	(3,118)
Travel	110,691	11,426	15,133	3,707
	<u>34,716,027</u>	<u>32,615,377</u>	<u>32,983,754</u>	<u>368,377</u>
Net income (loss)	<u>\$ 177,583</u>	<u>\$ 55,301</u>	<u>\$ (125,601)</u>	<u>\$ (180,902)</u>

Note: The District's budget is based on full accrual accounting. Capital outlay is not included but depreciation expense is included. Net pension and OPEB adjustments are also not included in the budgetary amounts.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
REQUIRED SUPPLEMENTARY SCHEDULE
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last Seven Fiscal Years

Reporting Fiscal Year (Measurement Date)	2015 (2014)	2016 (2015)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)
District's proportion of the net pension liability	0.0600%	0.1579%	0.1720%	0.1403%	0.1210%	0.1037%	0.1056%
District's proportionate share of the net pension liability (asset)	\$ 4,975,195	\$ 6,787,528	\$ 8,467,821	\$ 8,211,254	\$ 7,368,294	\$ 7,295,377	\$ 8,101,657
District's covered employee payroll	\$ 3,694,293	\$ 3,827,396	\$ 4,122,360	\$ 3,405,015	\$ 3,104,894	\$ 2,719,932	\$ 2,716,341
District's share of the net pension liability (asset) as a percentage of its covered employee payroll	134.67%	177.34%	205.41%	241.15%	237.31%	268.22%	298.26%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	59.97%	55.50%	53.32%	53.54%	50.45%	47.81%

Note:

The above schedule will present 10 years of historical data, once available.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
REQUIRED SUPPLEMENTARY SCHEDULE
PENSION CONTRIBUTIONS
Last Seven Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
Contractually required employer contribution	\$ 469,614	\$ 511,997	\$ 485,867	\$ 449,589	\$ 441,173	\$ 524,254	\$ 564,263
Contributions relative to contractually required employer contribution	469,614	511,997	485,867	449,589	441,173	524,254	564,263
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 3,827,396	\$ 4,122,360	\$ 3,405,015	\$ 3,104,894	\$ 2,719,932	\$ 2,716,341	\$ 2,823,353
Employer contributions as a percentage of covered-employee payroll	12.27%	12.42%	14.27%	14.48%	16.22%	19.30%	19.99%

Note:

The above schedule will present 10 years of historical data, once available.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
REQUIRED SUPPLEMENTARY SCHEDULE
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Last Five Fiscal Years

Reporting Fiscal Year (Measurement Date)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)
District's proportion of the net OPEB liability	0.1720%	0.1403%	0.1210%	0.1037%	10.6060%
District's proportionate share of the net OPEB liability (asset)	\$ 2,212,072	\$ 2,820,188	\$ 2,148,100	\$ 1,744,440	\$ 2,561,026
District's covered employee payroll	\$ 4,122,360	\$ 3,405,015	\$ 3,104,894	\$ 2,719,932	\$ 2,716,341
District's share of the net OPEB liability (asset) as a percentage of its covered employee payroll	53.66%	82.82%	69.18%	64.14%	94.28%
Plan fiduciary net position as a percentage of the total OPEB liability	55.50%	52.39%	57.62%	60.44%	51.67%

Note:

The above schedule will present 10 years of historical data, once available.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
REQUIRED SUPPLEMENTARY SCHEDULE
OPEB CONTRIBUTIONS
Last Seven Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
Contractually required employer contribution	\$ 181,216	\$ 191,278	\$ 164,742	\$ 145,930	\$ 143,068	\$ 129,298	\$ 139,165
Contributions relative to contractually required employer contribution	<u>181,216</u>	<u>191,278</u>	<u>164,742</u>	<u>145,930</u>	<u>143,068</u>	<u>129,298</u>	<u>139,165</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 3,827,396	\$ 4,122,360	\$ 3,405,015	\$ 3,104,894	\$ 2,719,932	\$ 2,716,341	\$ 2,823,353
Employer contributions as a percentage of covered-employee payroll	4.73%	4.64%	4.84%	4.70%	5.26%	4.76%	4.93%

Note:
The above schedule will present 10 years of historical data, once available.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

1. GENERAL INFORMATION

Contributions

Contractually required employer contributions reported on the Schedule of Pension Contributions exclude the portion of contributions paid to CERS but allocated to the insurance fund of the CERS. The insurance contributions are reported on the Schedule of OPEB Contributions.

Payroll

The District's covered payroll reported on the Proportionate Share of the Net Pension Liability and the Proportionate Share of the Net OPEB Liability Schedules is one year prior to the District's fiscal year payroll as reported on the Schedule of Contributions for Pension and OPEB.

2. CHANGES OF ASSUMPTIONS

June 30, 2020 – Pension and OPEB

The following change in assumptions was made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2020, for OPEB:

- The initial healthcare trend rate for pre-65 was changed from 7% to 6.40%. The initial healthcare trend rate for post-65 was changed from 5% to 2.90%, which increases to 6.30% in 2023.

June 30, 2019 – Pension and OPEB

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2019, for both pension and OPEB:

- The assumed rate of salary increases was increased from 3.05% to 3.3% to 10.3% on average.

June 30, 2018 – Pension and OPEB

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2018 for either pension or OPEB.

June 30, 2017 - Pension

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2017:

- The assumed rate of return was decreased from 7.5% to 6.25%.
- The assumed rate of inflation was reduced from 3.25% to 2.3%.
- Payroll growth assumption was reduced from 4% to 2%

June 30, 2016 – Pension

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2016.

BLUEGRASS AREA DEVELOPMENT DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

2. CHANGES OF ASSUMPTIONS (CONTINUED)

June 30, 2015 - Pension

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2015:

- The assumed rate of return was decreased from 7.75% to 7.5%.
- The assumed rate of inflation was reduced from 3.5% to 3.25%.
- The assumed rate of wage inflation was reduced from 1% to .75%.
- Payroll growth assumption was reduced from 4.5% to 4%.
- Mortality rates were based on the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females).
- For Disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.
- The assumed rates of retirement, withdrawal, and disability were updated to reflect experience more accurately.

June 30, 2014 - Pension

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2016.

June 30, 2013 - Pension

The following assumptions were made by the Kentucky Legislature and reflected in the initial valuation performed as of June 30, 2014:

- The assumed rate of return was 7.75%.
- The assumed rate of inflation was 3.5%.
- The assumed rate of wage inflation was 1%.
- Payroll growth assumption was 4.5%.
- Mortality rates were based on the 1983 Group Annuity Mortality Table for all retired members and beneficiaries as of June 30, 2006. The 1994 Group Annuity Mortality Table was used for all other members



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

The Board of Directors
Bluegrass Area Development District, Inc.
Lexington, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bluegrass Area Development District, Inc. (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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.

RFH

RFH, PLLC
Lexington, Kentucky
December 9, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Directors
Bluegrass Area Development District, Inc.
Lexington, Kentucky

Report on Compliance for Each Major Federal Program

We have audited Bluegrass Area Development District, Inc.'s (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Bluegrass Area Development District, Inc., complied in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RFH

RFH, PLLC
Lexington, Kentucky
December 9, 2021

SUPPLEMENTARY INFORMATION

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2021

Federal Grantor/Program	Internal Grant Number	AL Number	Grantor Number	Total Award	Award Period	Deferred at 06.30.2020	Receivable at 06.30.2020	2021 Federal Expenditures	2021 Federal Receipts	Deferred at 06.30.2021	Receivable at 06.30.2021	Passed Through to Subrecipients
<u>U.S. Department of Labor</u>												
Passed through Commonwealth of Kentucky Cabinet for Health and Family Services												
<u>Trade Adjustment Assistance</u>												
Trade Training	51190	17.245	205BE17	\$ 0	10.2017-09.2019	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Trade Training	51110	17.245	205BE18	0	07.2018-09.2020	0	37,977	0	37,977	0	0	0
Trade Training	51120	17.245	205BE19	132,480	10.2018-09.2021	0	12,563	130,676	122,076	0	21,163	130,676
			Total	132,480		0	50,540	130,676	160,053	0	21,163	130,676
<u>Workforce Innovation and Opportunity Act Cluster</u>												
<u>WIOA Adult Program</u>												
Adult	53051/53151	17.258	270AD20	148,311	07.2019-06.2021	0	97,135	36,960	134,095	0	0	0
Adult	53061/53161	17.258	273AD20	6,700,191	10.2019-06.2021	0	2,997	670,091	673,088	0	0	546,462
Adult	53081/53181	17.258	270AD21	156,765	07.2020-06.2022	0	0	156,765	156,765	0	0	141,088
Adult	53091/53191	17.258	273AD21	760,037	10.2020-06.2022	0	0	760,037	760,037	0	0	608,856
Incentive	50050	17.258	273SR20	25,652	03.2021-06.2021	0	0	25,410	0	0	25,410	0
<u>WIOA Youth</u>												
Youth	56020/56120/57120	17.259	274YT15	0	04.2014-06.2018	21	0	0	0	21	0	0
Youth	56050/56150/57150	17.259	274YT19	529,523	04.2018-06.2021	0	104,401	20,528	124,928	0	0	1,674
Youth	56070/56170/57170	17.259	274YT20	1,011,606	04.2019-06.2021	0	21,451	419,009	424,286	0	16,175	197,791
Youth	56080/56180/57180	17.259	274YT21	1,028,863	04.2020-06.2022	0	0	561,760	391,722	0	170,039	441,164
Incentive	50030	17.259	270SR18	62,841	07.2017-06.2021	0	0	37,159	37,159	0	0	0
<u>WIOA Dislocated Worker Formula Grants</u>												
Dislocated Worker	54011/54111/53171	17.278	271DW19	1,635,034	10.2018-06.2021	0	165,062	81,107	246,169	0	0	2,947
Dislocated Worker	54021/54121	17.278	272DW20	515,673	07.2019-06.2021	0	135,650	125,581	261,231	0	0	69,453
Dislocated Worker	54031/54131/53112	17.278	271DW20	1,293,445	10.2019-06.2021	0	0	1,211,765	691,929	0	519,836	927,879
Dislocated Worker	54051/54151/53113	17.278	271DW21	1,672,115	10.2020-06.2022	0	0	432,650	406,592	0	26,057	422,337
Dislocated Worker	54041/54141	17.278	272DW21	373,558	07.2020-06.2022	0	0	161,188	22,632	0	138,556	161,146
Statewide Reserve	50040	17.278	271SR19	1,430	10.2018-06.2021	0	0	1,429	1,429	0	0	0
			Total Workforce Investment Act Cluster	15,915,044		21	526,696	4,701,439	4,332,062	21	896,073	3,520,797
<u>EUSSA - Special Administration Grants</u>												
Covid 19 UI Assistance	59022	17.225	218CV20	13,042	03.2020-12.2021	0	0	13,042	13,042	0	0	13,042
<u>WIOA National Emergency Grants</u>												
NEG Covid 19	52130	17.277	258CV20	896,718	04.2020-06.2021	0	0	591,997	231,954	0	360,043	591,997
Total U.S. Department of Labor						\$ 21	\$ 577,236	\$ 5,437,154	\$ 4,737,111	\$ 21	\$ 1,277,279	\$ 4,256,512

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2021

Federal Grantor/Program	Internal Grant Number	AL Number	Grantor Number	Total Award	Award Period	Deferred at 06.30.2020	Receivable at 06.30.2020	2021 Federal Expenditures	2021 Federal Receipts	Deferred at 06.30.2021	Receivable at 06.30.2021	Passed Through to Subrecipients
U.S. Department of Health and Human Services												
Passed through Commonwealth of Kentucky												
Cabinet for Health and Family Services												
Aging Cluster												
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers												
Title III - Admin	42000	93.044	2000002717	\$ 191,472	07.2020-06.2021	\$ 0	\$ 79,691	\$ 191,472	\$ 211,882	\$ 0	\$ 59,282	\$ 0
Title III - SS	42000/48020	93.044	2000002717	754,482	07.2020-06.2021	0	48,142	711,895	704,330	0	55,707	626,858
Title III - SS CARES	42000	93.044	2000002717	147,290	07.2020-06.2021	0	114,365	134,431	243,652	179	5,323	129,108
Title III - Ombudsman	42060	93.044	2000002717	29,000	07.2020-06.2021	0	0	0	0	0	0	0
				1,122,244		0	242,198	1,037,798	1,159,864	179	120,312	755,966
Special Programs for the Aging - Title III, Part C - Nutrition Services												
Title III Congregate Meals Admin	42030	93.045	2000002717	4,417	07.2020-06.2021	0	408	4,417	2,287	0	2,538	0
Title III Congregate Meals	42030	93.045	2000002717	443,568	07.2020-06.2021	0	68,291	421,387	485,404	0	4,274	421,387
Title III Congregate Meals COVID-19	42040	93.045	2000002717	8,416	07.2020-06.2021	0	167,268	8,416	175,684	0	0	8,416
Title III Home Delivered Meals Admin	42040	93.045	2000002717	4,417	07.2020-06.2021	0	338	4,417	2,289	0	2,466	0
Title III Home Delivered Meals	42040	93.045	2000002717	546,122	07.2020-06.2021	0	229,042	157,946	338,402	0	48,586	157,946
Title III Home Delivered Meals COVID-19	42040	93.045	2000002717	23,855	07.2020-06.2021	0	302,265	23,855	326,120	0	0	23,855
Title III Home Delivered Meals CARES	42040	93.045	2000002717	899,673	07.2020-06.2021	0	103,934	899,673	1,003,607	0	0	899,673
Title III Home Delivered Meals CRRSSA	42040	93.045	2000002717	351,606	07.2020-06.2021	0	0	210,446	210,446	0	0	210,446
				2,282,074		0	871,546	1,730,557	2,544,239	0	57,864	1,721,723
Nutrition Services Incentive Program												
NSIP	47000	93.053	2100000262	200,804	10.2020-9.2021	0	0	200,804	200,804	0	0	200,804
			Total Aging Cluster	3,605,122		0	1,113,744	2,969,159	3,904,907	179	178,176	2,678,493
Medical Assistance Program												
Aging ADRC	48030	93.778	2000004400	31,500	07.2020-06.2021	0	3,690	28,530	27,018	0	5,202	0
Special Programs for the Aging - Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation												
Title VII Elder Abuse Prevention	42250	93.041	2000002714	10,429	07.2020-06.2021	0	0	10,429	10,429	0	0	10,429
Special Programs for the Aging - Title VIII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals												
Title VII Ombudsman	46000	93.042	2000002714	20,051	07.2020-06.2021	0	0	20,051	20,051	0	0	20,051
Title VII Ombudsman CARES	46000	93.042	2000002714	41,890	07.2020-06.2021	0	0	39,015	39,015	4	0	39,015
			Total	61,941	07.2020-06.2021	0	0	59,066	59,070	4	0	59,066
Department for Aging and Independent Living												
Title III D Preventative Health	42050	93.043	2000000214	51,773	07.2019-06.2020	0	(6,140)	0	(6,140)	0	0	0
Title III D Preventative Health	42050	93.043	2000002717	70,491	07.2020-06.2021	0	0	10,834	4,306	0	6,528	2,070
Medicare Improvements for Patients and Providers (MIPPA) - SHIP	48100	93.071	2000000094	8,182	10.2019-09.2020	0	5,458	8,182	13,640	0	0	8,182
Medicare Improvements for Patients and Providers (MIPPA) - SHIP	48100	93.071	2100000242	32,207	10.2020-09.2021	0	0	26,352	20,496	0	5,856	26,352
MIPPA-AAA	48110	93.071	2000000094	5,642	10.2019-09.2020	0	3,764	5,642	9,406	0	0	5,642
MIPPA-AAA	48110	93.071	2100000242	20,149	10.2020-09.2021	0	0	16,488	12,824	0	3,664	16,488
MIPPA-ADRC	48120	93.071	2000000094	4,023	10.2019-09.2020	0	387	1,112	1,499	0	0	1,499
MIPPA-ADRC	48120	93.071	2100000242	5,137	10.2020-09.2021	0	0	5,137	4,878	0	259	0
Functional Assessment Service Teams	48050	93.069	2000002444	1,000	10.2020-06.2021	0	391	0	303	0	89	0
			Total	198,604		0	3,469	74,138	61,212	0	16,396	58,734
National Family Caregiver Support Title III, Part E												
Aging Family Caregiver Support	49000/48020	93.052	2000002717	365,417	07.2020-06.2021	0	105,672	365,417	310,761	0	160,328	0
Aging Family Caregiver Support CARES	49000	93.052	2000002717	204,817	07.2020-06.2021	0	0	106,717	84,890	0	21,827	0
				570,234		0	105,672	472,134	395,651	0	182,155	0
Centers for Medicare and Medicaid Services (CMS) Research Demonstrations and Evaluations												
CMS-SHIP	42400	93.324	200003467	85,536	07.2020-06.2021	0	22,733	64,152	86,885	0	0	64,152
			Total U.S. Department of Health and Human Services	4,563,366		0	1,249,308	3,677,608	4,545,172	183	381,929	2,870,874

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2021

Federal Grantor/Program	Internal Grant Number	AL Number	Grantor Number	Total Award	Award Period	Deferred at 06-30-2020	Receivable at 06-30-2020	2021 Federal Expenditures	2021 Federal Receipts	Deferred at 06-30-2021	Receivable at 06-30-2021	Passed Through to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>												
Passed through Commonwealth of Kentucky Department for Local Government Community Development Block Grants (CDBG)/State's program and Non-Entitlement Grants in Hawaii	71250	14.228	2000003734	\$ 20,765	07.2020-06.2021	\$ 0	\$ 0	\$ 20,765	\$ 20,765	\$ 0	\$ 0	\$ 0
Total U.S. Department of Housing and Urban Development				20,765		0	0	20,765	20,765	0	0	0
<u>U.S. Department of Commerce</u>												
Passed through Commonwealth of Kentucky Department for Local Government Economic Development Support for Planning Organizations	71200	11.302	2000003734	66,667	07.2019-06.2020	0	0	66,667	66,667	0	0	0
Total U.S. Department of Commerce				66,667		0	0	66,667	66,667	0	0	0
<u>U.S. Department of Treasury</u>												
Passed through Commonwealth of Kentucky Cabinet for Health and Family Services Coronavirus Relief Funds	42030/49200	21.019	2000002717	110,665	07.2020-06.2021	0	0	110,665	110,665	0	0	110,665
Title III Congregate Meals CRF	42040/49200	21.019	2000002717	174,990	07.2020-06.2021	0	0	174,990	174,990	0	0	174,990
Title III Home Delivered Meals CRF				285,655		0	0	285,655	285,655	0	0	285,655
Total U.S. Department of Treasury				285,655		0	0	285,655	285,655	0	0	285,655
<u>Appalachian Local Development District Assistance</u>												
JFA ARC Planning and Assistance	71300	23.009	KY-702-C-C49-20	51,187	07.2020-12.2020	0	0	51,187	51,187	0	0	0
JFA ARC Planning and Assistance	71300	23.009	KY-702-C-C50-21	46,728	01.2021-12.2021	0	0	46,728	46,728	0	0	0
Total Appalachian Regional Commission				97,915		0	0	97,915	97,915	0	0	0
Subtotal				471,002		0	0	471,002	471,002	0	0	285,655
Total				\$ 21,991,662		\$ 1,826,544	\$ 1,826,544	\$ 9,585,764	\$ 9,753,285	\$ 204	\$ 1,659,208	\$ 7,413,041

Basis of Presentation
 The accompanying schedule of expenditures of federal awards includes the federal grant activity of Bluegrass Area Development District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in, or used in the preparation of, the basic financial statements may differ from these numbers.

Indirect Cost Rates
 Bluegrass Area Development District did not elect to use the 10 percent *de minimis* cost rate as allowed under the Uniform Guidance.

\$ 1,659,208 FY21 A/R
 (1,826,544) Less FY20 A/R
 21 FY20 Deferred
 (204) Less FY21 Deferred
 \$ 9,585,766 Federal revenue per financial statements

**BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended June 30, 2021**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified _Yes XNo

Significant deficiencies identified that are not considered to be material weaknesses _Yes XNone reported

Non-compliance material to financial statements noted _Yes XNo

Federal Awards:

Internal control over major programs:

Material weaknesses identified _Yes XNo

Significant deficiencies identified that are not considered to be material weaknesses _Yes XNone reported

Type of auditors' report issued on compliance for major programs: Unmodified for all major programs.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _Yes XNo

Major Programs:

AL Number

Name of Federal Program or Cluster

93.044, 93.045, 93.053

Aging Cluster

21.019

Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? XYes _No

II. FINDINGS RELATED TO FINANCIAL STATEMENTS

NONE

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

IV. PRIOR AUDIT FINDINGS

NONE

STATEMENTS OF OPERATION BY PROGRAM

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
PROGRAM SUMMARY
Year ended June 30, 2021

	Community & Infrastructure Development	Mapping / GIS	Aging	PDS	Workforce Development	Planning & Zoning Assistance	Water & Sewer Planning	Transport. Planning	Homeland Security	Economic Development	Management Services	Bluegrass Cat Project	Non-Grant	Regional Coordinator JFA	Totals Programs
Revenues															
Federal and state:															
Received	\$ -	\$ 74,800	\$ 6,395,936	\$ 18,160,051	\$ 4,159,876	\$ -	\$ 75,000	\$ 104,724	\$ -	\$ -	\$ 4,172	\$ -	\$ -	\$ 526,502	\$ 29,501,060
Receivable	-	-	1,000,139	337,303	1,277,278	-	-	-	-	-	-	-	-	24,536	2,639,256
Deferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local:															
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	155,324	-	155,324
Rent	-	-	-	-	-	-	-	-	-	-	-	-	82,712	-	82,712
Interest	-	-	-	-	-	-	-	-	-	-	-	-	8,605	-	8,605
Matching/In-kind	-	-	48,610	-	-	-	-	-	-	-	-	-	-	-	48,610
Service fees	70,906	64,769	4,031	1,896	894	7,669	8,238	-	4,924	40,200	11,705	207,354	-	-	422,586
Total revenues	70,906	139,569	7,448,716	18,499,250	5,438,048	7,669	83,238	104,724	4,924	40,200	15,877	207,354	246,641	551,038	32,858,153
Expenditures															
Direct costs:															
Salaries	9,573	54,792	407,037	803,325	394,600	4,316	30,344	52,216	2,208	26,949	6,117	-	9,550	303,502	2,104,529
Employee burden	3,856	29,050	240,711	505,691	238,161	2,228	20,517	30,741	1,121	13,381	3,763	-	33,543	182,412	1,305,175
Annual leave	351	3,834	27,342	45,910	24,720	198	2,281	2,795	107	1,865	462	-	6,385	23,541	139,791
Travel	245	(1,072)	4,891	1,147	1,163	-	224	2,204	-	3,831	305	-	34	1,005	13,977
Legal	-	-	-	-	5,981	-	-	-	-	-	-	96	2,793	-	8,870
Bad debts	-	-	-	79,264	-	-	-	-	-	-	-	-	117,202	-	196,466
Recoupment	-	-	-	16,500	-	-	-	-	-	-	-	-	-	-	16,500
Other	24	6,339	95,457	189,176	44,097	-	2,586	464	87	312	-	-	27,386	30,281	396,209
Contract costs	-	-	6,417,876	16,311,513	4,463,048	-	-	-	-	-	8,344	207,258	-	-	27,408,039
Total direct costs	14,049	92,943	7,193,314	17,952,526	5,171,770	6,742	55,952	88,420	3,523	46,338	18,991	207,354	196,893	540,741	31,589,555
Indirect costs applied	5,651	35,281	272,585	550,859	266,278	2,754	21,403	34,910	1,401	16,972	4,157	-	6,088	204,482	1,422,821
Total expenditures	19,700	128,224	7,465,899	18,503,385	5,438,048	9,496	77,355	123,330	4,924	63,310	23,148	207,354	202,981	745,223	33,012,376
Revenues over (expenditures)	\$ 51,206	\$ 11,345	\$ (17,183)	\$ (4,135)	\$ -	\$ (1,827)	\$ 5,883	\$ (18,606)	\$ -	\$ (23,110)	\$ (7,271)	\$ -	\$ 43,660	\$ (194,185)	\$ (154,223)

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
KENTUCKY JOINT FUNDING ADMINISTRATION PROGRAM
 Year ended June 30, 2021

	<u>Element No.</u>	<u>Budget</u>	<u>Actual Direct</u>	<u>Actual Indirect</u>	<u>Actual Total</u>
Revenues					
Federal		\$ 185,346	\$ 133,449	\$ 51,897	\$ 185,346
State		167,152	120,344	46,808	167,152
Total revenues		<u>352,498</u>	<u>253,793</u>	<u>98,705</u>	<u>352,498</u>
Expenditures					
Community and Economic Development	120	83,333	135,393	51,889	187,282
Community Development Block Grant					
Program Assistance	125	41,529	36,814	14,521	51,335
Appalachian Regional Commission					
Planning and Assistance	130	200,290	186,013	72,259	258,272
Management Assistance	140	16,408	13,278	5,498	18,776
Program Administration	150	10,939	22,097	8,921	31,018
Total expenditures		<u>352,498</u>	<u>393,595</u>	<u>153,088</u>	<u>546,683</u>
Revenues over expenditures		<u>\$ 0</u>	<u>\$ (139,802)</u>	<u>\$ (54,383)</u>	<u>\$ (194,185)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
COMMUNITY AND INFRASTRUCTURE DEVELOPMENT GRANTS ADMINISTRATION
Year ended June 30, 2021

	21663	21684	21685	21686	21693	21694	21695
	Millersburg Military CDBG	Estill Mack Theatre CDBG	Bourbon AgTech Scientific	Willmore Granary Stab	Stanton CDBG/ARC I/I	North Mercer Water CDBG	Bourbon YMCA Teen Act CDBG
Revenues							
Federal and state:							
Received	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivable	0	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	<u>14,000</u>	<u>967</u>	<u>27,221</u>	<u>10,000</u>	<u>312</u>	<u>278</u>	<u>2,579</u>
Total revenues	<u>14,000</u>	<u>967</u>	<u>27,221</u>	<u>10,000</u>	<u>312</u>	<u>278</u>	<u>2,579</u>
Expenditures							
Direct costs:							
Salaries	1,387	531	574	1,734	151	97	1,249
Employee burden	774	131	139	672	65	54	535
Annual leave	81	10	12	55	5	6	44
Travel	0	16	0	49	0	57	0
Bad Debt Expense	0	0	0	0	0	0	0
Other	24	0	0	0	0	0	0
Contract costs	0	0	0	0	0	0	0
Total direct costs	<u>2,266</u>	<u>688</u>	<u>725</u>	<u>2,510</u>	<u>221</u>	<u>214</u>	<u>1,828</u>
Indirect costs applied	<u>908</u>	<u>279</u>	<u>300</u>	<u>1,013</u>	<u>91</u>	<u>64</u>	<u>751</u>
Total expenditures	<u>3,174</u>	<u>967</u>	<u>1,025</u>	<u>3,523</u>	<u>312</u>	<u>278</u>	<u>2,579</u>
Revenues over expenditures	<u>\$ 10,826</u>	<u>\$ 0</u>	<u>\$ 26,196</u>	<u>\$ 6,477</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
COMMUNITY AND INFRASTRUCTURE DEVELOPMENT GRANTS ADMINISTRATION
Year ended June 30, 2021

	21701 Lancaster Sewer CDBG	21705 Berea Walnut Meadow Pump	21712 Lincoln SD CDBG	Total
Revenues				
Federal and state:				
Received	\$ 0	\$ 0	\$ 0	\$ 0
Receivable	0	0	0	0
Deferred	0	0	0	0
Local:				
Service fees	7,500	7,423	626	70,906
Total revenues	<u>7,500</u>	<u>7,423</u>	<u>626</u>	<u>70,906</u>
Expenditures				
Direct costs:				
Salaries	2,686	896	268	9,573
Employee burden	838	499	149	3,856
Annual leave	70	52	16	351
Travel	43	62	18	245
Bad Debt Expense	0	0	0	0
Other	0	0	0	24
Contract costs	0	0	0	0
Total direct costs	<u>3,637</u>	<u>1,509</u>	<u>451</u>	<u>14,049</u>
Indirect costs applied	<u>1,483</u>	<u>587</u>	<u>175</u>	<u>5,651</u>
Total expenditures	<u>5,120</u>	<u>2,096</u>	<u>626</u>	<u>19,700</u>
Revenues over expenditures	<u>\$ 2,380</u>	<u>\$ 5,327</u>	<u>\$ 0</u>	<u>\$ 51,206</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MAPPING/GEOGRAPHIC INFORMATION SYSTEMS
Year ended June 30, 2021

	80010	88000	88100	82240	83030	83060	85090
	Mapping Assistance	KIA GIS	Jessamine GIS T/A	Anderson GPS E911	Mercer 911 Map Update	Madison PVA Mapping	Local Roads Anderson
Revenues							
Federal and State:							
Received	\$ 0	\$ 37,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,377
Receivable	0	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	5,120	0	13,155	5,088	7,500	8,678	0
Total revenues	<u>5,120</u>	<u>37,000</u>	<u>13,155</u>	<u>5,088</u>	<u>7,500</u>	<u>8,678</u>	<u>1,377</u>
Expenditures							
Direct costs:							
Salaries	0	16,213	5,536	924	2,690	3,780	645
Employee burden	0	9,272	3,059	532	1,514	2,145	295
Annual leave	0	1,181	382	63	185	260	45
Travel	0	0	277	257	417	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Other	0	2	1	0	1	0	0
Contract costs	0	0	0	0	0	0	0
Total direct costs	0	26,668	9,255	1,776	4,807	6,185	985
Indirect costs applied	0	10,725	3,617	613	1,769	2,493	395
Total expenditures	<u>0</u>	<u>37,393</u>	<u>12,872</u>	<u>2,389</u>	<u>6,576</u>	<u>8,678</u>	<u>1,380</u>
Revenues over expenditures	<u>\$ 5,120</u>	<u>\$ (393)</u>	<u>\$ 283</u>	<u>\$ 2,699</u>	<u>\$ 924</u>	<u>\$ 0</u>	<u>\$ (3)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MAPPING/GEOGRAPHIC INFORMATION SYSTEMS
Year ended June 30, 2021

	85100	85110	85120	85130	85140	85160	85170
	Local Roads Bourbon	Local Roads Boyle	Local Roads Clark	Local Roads Estill	Local Roads Franklin	Local Roads Harrison	Local Roads Jessamine
Revenues							
Federal and State:							
Received	\$ 1,701	\$ 931	\$ 1,215	\$ 3,604	\$ 769	\$ 4,353	\$ 4,110
Receivable	0	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	0	0	0	0	0	0
Total revenues	<u>1,701</u>	<u>931</u>	<u>1,215</u>	<u>3,604</u>	<u>769</u>	<u>4,353</u>	<u>4,110</u>
Expenditures							
Direct costs:							
Salaries	797	436	569	1,689	360	2,040	1,926
Employee burden	364	199	260	771	165	932	880
Annual leave	55	31	40	117	25	141	133
Travel	0	0	0	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Contract costs	0	0	0	0	0	0	0
Total direct costs	<u>1,216</u>	<u>666</u>	<u>869</u>	<u>2,577</u>	<u>550</u>	<u>3,113</u>	<u>2,939</u>
Indirect costs applied	<u>489</u>	<u>267</u>	<u>349</u>	<u>1,035</u>	<u>221</u>	<u>1,250</u>	<u>1,181</u>
Total expenditures	<u>1,705</u>	<u>933</u>	<u>1,218</u>	<u>3,612</u>	<u>771</u>	<u>4,363</u>	<u>4,120</u>
Revenues over expenditures	<u>(4)</u>	<u>(2)</u>	<u>(3)</u>	<u>(8)</u>	<u>(2)</u>	<u>(10)</u>	<u>(10)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MAPPING/GEOGRAPHIC INFORMATION SYSTEMS
Year ended June 30, 2021

	85180	85190	85200	85210	85220	85230	85407
	Local Roads Lincoln	Local Roads Madison	Local Roads Mercer	Local Roads Nicholas	Local Roads Powell	Local Roads Scott	Parksville Web Map
Revenues							
Federal and State:							
Received	\$ 6,459	\$ 5,912	\$ 3,645	\$ 247	\$ 1,195	\$ 2,282	\$ 0
Receivable	0	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	0	0	0	0	0	500
Total revenues	<u>6,459</u>	<u>5,912</u>	<u>3,645</u>	<u>247</u>	<u>1,195</u>	<u>2,282</u>	<u>500</u>
Expenditures							
Direct costs:							
Salaries	3,026	2,770	1,708	107	560	1,271	0
Employee burden	1,383	1,265	780	62	256	581	0
Annual leave	210	193	118	8	38	88	0
Travel	0	0	0	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Contract costs	0	0	0	0	0	0	0
Total direct costs	<u>4,619</u>	<u>4,228</u>	<u>2,606</u>	<u>177</u>	<u>854</u>	<u>1,940</u>	<u>0</u>
Indirect costs applied	<u>1,855</u>	<u>1,698</u>	<u>1,047</u>	<u>71</u>	<u>343</u>	<u>779</u>	<u>0</u>
Total expenditures	<u>6,474</u>	<u>5,926</u>	<u>3,653</u>	<u>248</u>	<u>1,197</u>	<u>2,719</u>	<u>0</u>
Revenues over expenditures	<u><u>\$ (15)</u></u>	<u><u>\$ (14)</u></u>	<u><u>\$ (8)</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$ (2)</u></u>	<u><u>\$ (437)</u></u>	<u><u>\$ 500</u></u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MAPPING/GEOGRAPHIC INFORMATION SYSTEMS
Year ended June 30, 2021

	85423	85424	85432	85434	85436	85437	85438
	Danville E911 Maps & Data Coll	Nicholas/ Carlisle E911	Cynthiana GPS	Jessamine PVA Mapping	Jessamine Home Forcl Softw	Estill E911	Powell Recy Web Map
Revenues							
Federal and State:							
Received	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivable	0	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	10,000	5,000	400	19	500	4,266	2,000
Total revenues	<u>10,000</u>	<u>5,000</u>	<u>400</u>	<u>19</u>	<u>500</u>	<u>4,266</u>	<u>2,000</u>
Expenditures							
Direct costs:							
Salaries	2,414	1,933	161	0	0	2,062	0
Employee burden	1,366	1,108	93	0	0	1,201	0
Annual leave	167	133	11	0	0	142	0
Travel	75	0	27	0	(1)	427	0
Bad Debt Expense	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Contract costs	0	0	0	0	0	0	0
Total direct costs	4,022	3,174	292	0	(1)	3,832	0
Indirect costs applied	1,591	1,280	107	0	0	1,373	0
Total expenditures	<u>5,613</u>	<u>4,454</u>	<u>399</u>	<u>0</u>	<u>(1)</u>	<u>5,205</u>	<u>0</u>
Revenues over expenditures	\$ <u>4,387</u>	\$ <u>546</u>	\$ <u>1</u>	\$ <u>19</u>	\$ <u>501</u>	\$ <u>(939)</u>	\$ <u>2,000</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MAPPING/GEOGRAPHIC INFORMATION SYSTEMS
Year ended June 30, 2021

	85439 Powell E911	39000 GIS Transportation	Total
Revenues			
Federal and State:			
Received	\$ 0	\$ 0	\$ 74,800
Receivable	0	0	0
Deferred	0	0	0
Local:			
Service fees	2,543	0	64,769
Total revenues	<u>2,543</u>	<u>0</u>	<u>139,569</u>
Expenditures			
Direct costs:			
Salaries	1,175	0	54,792
Employee burden	567	0	29,050
Annual leave	68	0	3,834
Travel	0	(2,551)	(1,072)
Bad Debt Expense	0	0	0
Other	0	6,335	6,339
Contract costs	0	0	0
Total direct costs	<u>1,810</u>	<u>3,784</u>	<u>92,943</u>
Indirect costs applied	733	0	35,281
Total expenditures	<u>2,543</u>	<u>3,784</u>	<u>128,224</u>
Revenues over expenditures	<u>0</u>	<u><u>(3,784)</u></u>	<u><u>\$ 11,345</u></u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
AGING PROGRAMS
Year ended June 30, 2021

	40000	42000	42000	42030	42030	42030	42030	49200	49200
	Aging	Aging	Aging	Aging	Aging	Aging	Aging	Aging	Aging
	Homecare	Title III	Title III CARES	Title III C1	Title III C1 COVID	Title III C1 CRF	Title III C1 CHFS		
Revenues									
Federal and State:									
Received	\$ 1,288,572	\$ 1,238,271	\$ 129,108	\$ 652,097	\$ 8,416	\$ 110,665	\$ 37,050		
Receivable	249,624	184,532	5,323	55,794	0	0	0		
Deferred	0	0	0	0	0	0	0		
Local:									
In-kind	48,610	0	0	0	0	0	0		
Service fees	354	0	0	0	0	0	0		
Total revenues	1,587,160	1,422,803	134,431	707,891	8,416	110,665	37,050		
Expenditures									
Direct costs:									
Salaries	113,403	99,198	0	2,923	0	0	0		
Employee burden	65,195	61,212	0	1,549	0	0	0		
Annual leave	10,343	6,703	0	165	0	0	0		
Travel	1,004	1,713	0	0	0	0	0		
Other	11,221	26,341	0	1	0	0	0		
Contract costs	1,310,837	1,160,132	134,431	701,387	8,416	110,665	37,050		
Total direct costs	1,512,003	1,355,299	134,431	706,025	8,416	110,665	37,050		
Indirect costs applied	75,157	67,504	0	1,882	0	0	0		
Total expenditures	1,587,160	1,422,803	134,431	707,907	8,416	110,665	37,050		
Revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ (16)	\$ 0	\$ 0	\$ 0		

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

DEPARTMENTAL SCHEDULE

AGING PROGRAMS

Year ended June 30, 2021

	42040	42040	42040	42040	42040	49200	49200	42050
	Aging	Aging	Aging	Aging	Aging	Aging	Aging	Aging
	Title III C2	Title III C2 COVID	Title III C2 CARES	Title III C2 CRRSSA	Title III C2 CRF	Title III C2 CHFS	Title III D	
Revenues								
Federal and State:								
Received	\$ 533,407	\$ 23,855	\$ 899,673	\$ 210,447	\$ 174,990	\$ 63,689	\$ 4,306	
Receivable	231,044	0	0	0	0	0	6,528	
Deferred	0	0	0	0	0	0	0	
Local:								
In-kind	0	0	0	0	0	0	0	
Service fees	0	0	0	0	0	0	0	
Total revenues	<u>764,451</u>	<u>23,855</u>	<u>899,673</u>	<u>210,447</u>	<u>174,990</u>	<u>63,689</u>	<u>10,834</u>	
Expenditures								
Direct costs:								
Salaries	2,886	0	0	0	0	0	386	
Employee burden	1,585	0	0	0	0	0	211	
Annual leave	167	0	0	0	0	0	23	
Travel	0	0	0	0	0	0	0	
Other	0	0	0	0	0	0	7,893	
Contract costs	<u>757,947</u>	<u>23,855</u>	<u>899,673</u>	<u>210,447</u>	<u>174,990</u>	<u>63,689</u>	<u>2,070</u>	
Total direct costs	762,585	23,855	899,673	210,447	174,990	63,689	10,583	
Indirect costs applied	1,882	0	0	0	0	0	251	
Total expenditures	<u>764,467</u>	<u>23,855</u>	<u>899,673</u>	<u>210,447</u>	<u>174,990</u>	<u>63,689</u>	<u>10,834</u>	
Revenues over expenditures	<u>\$ (16)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

DEPARTMENTAL SCHEDULE

AGING PROGRAMS

Year ended June 30, 2021

	42250	42400	46000	46010	47000	48020	48030
	Aging	Aging	Aging	Aging	Aging	Non-Medicaid	Aging
	Title VII-Elder Abuse	Aging	Title VII Ombuds	LTC Ombuds	NSIP USDA	ADRC	ADRC
	CMS Ship						
Revenues							
Federal and State:							
Received	\$ 10,429	\$ 64,152	\$ 59,066	\$ 37,700	\$ 200,804	\$ 205,366	\$ 64,235
Receivable	0	0	0	50,600	0	0	10,404
Deferred	0	0	0	0	0	0	0
Local:							
In-kind	0	0	0	0	0	0	0
Service fees	0	0	0	0	0	0	0
Total revenues	<u>10,429</u>	<u>64,152</u>	<u>59,066</u>	<u>88,300</u>	<u>200,804</u>	<u>205,366</u>	<u>74,639</u>
Expenditures							
Direct costs:							
Salaries	0	0	0	0	0	79,853	27,371
Employee burden	0	0	0	0	0	51,948	14,401
Annual leave	0	0	0	0	0	4,147	1,054
Travel	0	0	0	0	0	645	0
Other	0	0	0	0	0	13,309	41
Contract costs	10,429	85,536	59,066	88,300	200,804	0	0
Total direct costs	<u>10,429</u>	<u>85,536</u>	<u>59,066</u>	<u>88,300</u>	<u>200,804</u>	<u>149,902</u>	<u>42,867</u>
Indirect costs applied	0	0	0	0	0	55,464	17,579
Total expenditures	<u>10,429</u>	<u>85,536</u>	<u>59,066</u>	<u>88,300</u>	<u>200,804</u>	<u>205,366</u>	<u>60,446</u>
Revenues over expenditures	<u>\$ 0</u>	<u>\$ (21,384)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,193</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

DEPARTMENTAL SCHEDULE

AGING PROGRAMS

Year ended June 30, 2021

	48050	48100	48110	48120	49000	49020	49650
	Aging FAST	Aging MIPPA-SHIP	Aging MIPPA-AAA	Aging MIPPA- ADRC	Aging Family Caregiver	Aging KY Caregiver	Active Choice In-Kind
Revenues							
Federal and State:							
Received	\$ 303	\$ 28,678	\$ 18,466	\$ 5,990	\$ 318,201	\$ 8,000	\$ 0
Receivable	88	5,856	3,664	259	196,423	0	0
Deferred	0	0	0	0	0	0	0
Local:							
In-kind	0	0	0	0	0	0	0
Service fees	0	0	0	0	0	0	0
Total revenues	<u>391</u>	<u>34,534</u>	<u>22,130</u>	<u>6,249</u>	<u>514,624</u>	<u>8,000</u>	<u>0</u>
Expenditures							
Direct costs:							
Salaries	103	0	0	3,855	71,990	0	193
Employee burden	50	0	0	2,044	39,846	0	104
Annual leave	6	0	0	172	4,226	0	15
Travel	0	0	0	0	1,529	0	0
Other	168	0	0	0	28,482	8,000	1
Contract costs	0	34,534	22,130	0	321,488	0	0
Total direct costs	<u>327</u>	<u>34,534</u>	<u>22,130</u>	<u>6,071</u>	<u>467,561</u>	<u>8,000</u>	<u>313</u>
Indirect costs applied	64	0	0	2,482	47,063	0	125
Total expenditures	<u>391</u>	<u>34,534</u>	<u>22,130</u>	<u>8,553</u>	<u>514,624</u>	<u>8,000</u>	<u>438</u>
Revenues over expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,304)</u>	<u>0</u>	<u>0</u>	<u>(438)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

DEPARTMENTAL SCHEDULE

AGING PROGRAMS

Year ended June 30, 2021

	49700			
	PCHP			
	Anthem MCO	Total		
Revenues				
Federal and State:				
Received	\$ 0	\$ 6,395,936		
Receivable	0	1,000,139		
Deferred	0	0		
Local:				
In-kind	0	48,610		
Service fees	3,677	4,031		
Total revenues	<u>3,677</u>	<u>7,448,716</u>		
Expenditures				
Direct costs:				
Salaries	4,876	407,037		
Employee burden	2,566	240,711		
Annual leave	321	27,342		
Travel	0	4,891		
Other	0	95,457		
Contract costs	0	6,417,876		
Total direct costs	<u>7,763</u>	<u>7,193,314</u>		
Indirect costs applied	<u>3,132</u>	<u>272,585</u>		
Total expenditures	<u>10,895</u>	<u>7,465,899</u>		
Revenues over expenditures	<u>\$ (7,218)</u>	<u>\$ (17,183)</u>		

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
PARTICIPANT DIRECTED SERVICES
Year ended June 30, 2021

	43500
	Participant
	<u>Directed Services</u>
Revenues	
Federal and State:	
Received	\$ 18,160,051
Receivable	337,303
Deferred	0
Local:	
Service fees	<u>1,896</u>
Total revenues	<u>18,499,250</u>
Expenditures	
Direct costs:	
Salaries	803,325
Employee burden	505,691
Annual leave	45,910
Travel	1,147
Bad debt expense	79,264
Recoupment expense	16,500
Other	189,176
Contract costs	<u>16,311,513</u>
Total direct costs	17,952,526
Indirect costs applied	<u>550,859</u>
Total expenditures	<u>18,503,385</u>
Revenues over expenditures	<u>\$ (4,135)</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WORKFORCE DEVELOPMENT
Year ended June 30, 2021

	50030	50040	50050	51120	52130	53081	53181
	Bluegrass Strat Plan 270SR18	SR Julietta Mkt 271SR19	Computer Coding 273SR20	Trade 205BE19	NEG COVID19 258CV20	Adult Admin 270AD21	Adult Program 270AD21
Revenues							
Federal and State:							
Received	\$ 37,158	\$ 1,429	\$ 0	\$ 109,513	\$ 231,954	\$ 15,676	\$ 141,088
Receivable	0	0	25,410	21,163	360,043	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	0	0	0	0	0	0
Total revenues	37,158	1,429	25,410	130,676	591,997	15,676	141,088
Expenditures							
Direct costs:							
Salaries	0	0	0	0	0	4,897	0
Employee burden	0	0	0	0	0	4,099	0
Annual leave	0	0	0	0	0	473	0
Travel	0	0	0	0	0	115	0
Legal Fees	0	0	0	0	0	1,187	0
Other	0	0	0	0	0	1,120	0
Contract costs	37,158	1,429	25,410	130,676	591,997	0	141,088
Total direct costs	37,158	1,429	25,410	130,676	591,997	11,891	141,088
Indirect costs applied	0	0	0	0	0	3,785	0
Total expenditures	37,158	1,429	25,410	130,676	591,997	15,676	141,088
Revenues over expenditures	0	0	0	0	0	0	0

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WORKFORCE DEVELOPMENT
Year ended June 30, 2021

	53091	53191	53151	53161	54011	54021	54121
	Adult Admin	Adult Program	Adult Program	Adult Program	DW Admin	DW Admin	DW Program
	273AD21	273AD21	270AD20	273AD20	271DW19	272DW20	272DW20
Revenues							
Federal and State:							
Received	\$ 76,004	\$ 684,033	\$ 36,960	\$ 670,091	\$ 81,107	\$ 27,167	\$ 98,413
Receivable	0	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	0	0	0	0	0	0
Total revenues	<u>76,004</u>	<u>684,033</u>	<u>36,960</u>	<u>670,091</u>	<u>81,107</u>	<u>27,167</u>	<u>98,413</u>
Expenditures							
Direct costs:							
Salaries	29,008	21,717	10,761	38,388	34,584	12,426	11,038
Employee burden	18,123	12,739	6,817	26,989	18,185	6,004	6,918
Annual leave	1,824	1,179	625	2,466	2,595	844	683
Travel	176	176	0	18	14	21	0
Legal Fees	1,805	0	0	0	407	23	0
Other	1,685	5,132	5,395	4,836	169	75	926
Contract costs	3,550	628,590	5,965	569,882	2,947	18	71,291
Total direct costs	56,171	669,533	29,563	642,579	58,901	19,411	90,856
Indirect costs applied	19,833	14,500	7,397	27,512	22,206	7,756	7,557
Total expenditures	<u>76,004</u>	<u>684,033</u>	<u>36,960</u>	<u>670,091</u>	<u>81,107</u>	<u>27,167</u>	<u>98,413</u>
Revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WORKFORCE DEVELOPMENT
Year ended June 30, 2021

	54031	54131	53112	54141	53113	56060	56070
	DW Admin	DW Program	Adult Program	DW Program	Adult Program	Youth Admin	Youth Admin
	271DW20	271DW20	271DW20	272DW21	271DW21	274YT19	274YT20
Revenues							
Federal and State:							
Received	\$ 20,416	\$ 608,477	\$ 63,037	\$ 22,632	\$ 406,593	\$ 20,528	\$ 84,900
Receivable	27,249	5,624	486,963	138,556	26,057	0	16,261
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	219	0	0	0	0	0
Total revenues	47,665	614,320	550,000	161,188	432,650	20,528	101,161
Expenditures							
Direct costs:							
Salaries	20,795	51,741	34,543	0	1,133	7,189	40,591
Employee burden	10,599	31,474	21,385	0	832	4,105	23,708
Annual leave	1,376	3,133	2,093	0	52	470	2,227
Travel	0	54	171	42	0	0	175
Legal Fees	0	0	0	0	0	1,825	734
Other	235	3,001	4,170	0	1,502	512	2,143
Contract costs	1,449	489,899	464,102	161,146	428,304	1,674	4,525
Total direct costs	34,454	579,302	526,464	161,188	431,823	15,775	74,103
Indirect costs applied	13,211	35,018	23,536	0	827	4,753	27,058
Total expenditures	47,665	614,320	550,000	161,188	432,650	20,528	101,161
Revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WORKFORCE DEVELOPMENT
Year ended June 30, 2021

	56170	57170	56180	57180	58040	58080	59022
	YOS Program 274YT20	YIS Program 274YT20	YOS Program 274YT21	YIS Program 274YT21	Clark Fatherhood Initiative	WellCare Works	COVID19 UI Assistance
Revenues							
Federal and State:							
Received	\$ 268,407	\$ 49,442	\$ 390,564	\$ 1,245	\$ 0	\$ 0	\$ 13,042
Receivable	0	0	154,010	15,942	0	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	0	0	0	500	175	0
Total revenues	268,407	49,442	544,574	17,187	500	175	13,042
Expenditures							
Direct costs:							
Salaries	18,526	17,481	38,902	880	0	0	0
Employee burden	11,662	9,813	24,224	485	0	0	0
Annual leave	1,194	1,013	2,426	47	0	0	0
Travel	10	3	185	3	0	0	0
Legal Fees	0	0	0	0	0	0	0
Other	8,676	451	3,893	1	0	175	0
Contract costs	215,636	9,195	448,379	15,196	500	0	13,042
Total direct costs	255,704	37,956	518,009	16,612	500	175	13,042
Indirect costs applied	12,703	11,486	26,565	575	0	0	0
Total expenditures	268,407	49,442	544,574	17,187	500	175	13,042
Revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WORKFORCE DEVELOPMENT
Year ended June 30, 2021

	<u>Total</u>
Revenues	
Federal and State:	
Received	\$ 4,159,876
Receivable	1,277,278
Deferred	0
Local:	0
Service fees	894
Total revenues	5,438,048
Expenditures	
Direct costs:	
Salaries	394,600
Employee burden	238,161
Annual leave	24,720
Travel	1,163
Legal Fees	5,981
Other	44,097
Contract costs	4,463,048
Total direct costs	5,171,770
Indirect costs applied	266,278
Total expenditures	5,438,048
Revenues over expenditures	\$ 0

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
PLANNING AND ZONING TECHNICAL ASSISTANCE
Year ended June 30, 2021

	22300	22900		
	Franklin Co Planning Asst	Versailles Midway Woodford Plan	Total	
Revenues				
Federal and State:				
Received	\$ 0	\$ 0	\$ 0	
Receivable	0	0	0	
Deferred	0	0	0	
Local:				
Service fees	6,169	1,500	7,669	
Total revenues	<u>6,169</u>	<u>1,500</u>	<u>7,669</u>	
Expenditures				
Direct costs:				
Salaries	2,710	1,606	4,316	
Employee burden	1,405	823	2,228	
Annual leave	125	73	198	
Travel	0	0	0	
Other	0	0	0	
Contract costs	0	0	0	
Total direct costs	<u>4,240</u>	<u>2,502</u>	<u>6,742</u>	
Indirect costs applied	<u>1,732</u>	<u>1,022</u>	<u>2,754</u>	
Total expenditures	<u>5,972</u>	<u>3,524</u>	<u>9,496</u>	
Revenues over expenditures	<u>\$ 197</u>	<u>\$ (2,024)</u>	<u>\$ (1,827)</u>	

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WATER AND SEWER PLANNING AND TECHNICAL ASSISTANCE
Year ended June 30, 2021

	22000 KIA 409 Council FY21	21628 Stanton Sewer Loan	21651 Gtown/Scott Sewer KIA	21670 Lincoln US 127 Sewer KIA	21678 Bourbon Bedford KIA	21706 Stanton Water Improv
Revenues						
Federal and State:						
Received	\$ 75,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivable	0	0	0	0	0	0
Deferred	0	0	0	0	0	0
Local:						
Service fees	0	0	95	83	7,150	26
Total revenues	<u>75,000</u>	<u>0</u>	<u>95</u>	<u>83</u>	<u>7,150</u>	<u>26</u>
Expenditures						
Direct costs:						
Salaries	29,480	23	42	37	368	12
Employee burden	20,218	13	23	20	37	6
Annual leave	2,252	1	3	2	1	0
Travel	189	0	0	0	0	0
Other	2,586	0	0	0	0	0
Contract costs	0	0	0	0	0	0
Total direct costs	<u>54,725</u>	<u>37</u>	<u>68</u>	<u>59</u>	<u>406</u>	<u>18</u>
Indirect costs applied	<u>20,914</u>	<u>15</u>	<u>27</u>	<u>24</u>	<u>170</u>	<u>8</u>
Total expenditures	<u>75,639</u>	<u>52</u>	<u>95</u>	<u>83</u>	<u>576</u>	<u>26</u>
Revenues over expenditures	<u>\$ (639)</u>	<u>\$ (52)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,574</u>	<u>\$ 0</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WATER AND SEWER PLANNING AND TECHNICAL ASSISTANCE
Year ended June 30, 2021

	21707 Estill	ECWD KIA	Total
Revenues			
Federal and State:			
Received	\$ 0	\$ 75,000	
Receivable	0	0	
Deferred	0	0	
Local:			
Service fees	884	8,238	
Total revenues	<u>884</u>	<u>83,238</u>	
Expenditures			
Direct costs:			
Salaries	382	30,344	
Employee burden	200	20,517	
Annual leave	22	2,281	
Travel	35	224	
Other	0	2,586	
Contract costs	0	0	
Total direct costs	<u>639</u>	<u>55,952</u>	
Indirect costs applied	<u>245</u>	<u>21,403</u>	
Total expenditures	<u>884</u>	<u>77,355</u>	
Revenues over expenditures	<u>\$ 0</u>	<u>\$ 5,883</u>	

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
TRANSPORTATION PLANNING
Year ended June 30, 2021

	30000
	Transportation
Revenues	
Federal and State:	
Received	\$ 104,724
Receivable	0
Deferred	0
Local:	
Service fees	0
Total revenues	<u>104,724</u>
Expenditures	
Direct costs:	
Salaries	52,216
Employee burden	30,741
Annual leave	2,795
Travel	2,204
Other	464
Contract costs	<u>0</u>
Total direct costs	88,420
Indirect costs applied	<u>34,910</u>
Total expenditures	<u>123,330</u>
Revenues over expenditures	<u>\$ (18,606)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
HOMELAND SECURITY
Year ended June 30, 2021

	21733		
		Hazard Mitigation Plan Update	
Revenues			
Federal and State:			
Received	\$	0	
Receivable		0	
Deferred		0	
Local:			
Service fees		4,924	
Total revenues		<u>4,924</u>	
Expenditures			
Direct costs:			
Salaries		2,208	
Employee burden		1,121	
Annual leave		107	
Travel		0	
Other		87	
Contract costs		<u>0</u>	
Total direct costs		3,523	
Indirect costs applied		<u>1,401</u>	
Total expenditures		<u>4,924</u>	
Revenues over expenditures	\$	<u><u>0</u></u>	

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
ECONOMIC DEVELOPMENT PLANNING AND TECHNICAL ASSISTANCE
Year ended June 30, 2021

	22800 Lincoln Co IDA	Total
Revenues		
Federal and State:		
Received	\$ 0	0
Receivable	0	0
Deferred	0	0
Local:		
Service fees	40,200	40,200
Total revenues	40,200	40,200
Expenditures		
Direct costs:		
Salaries	26,949	26,949
Employee burden	13,381	13,381
Annual leave	1,865	1,865
Travel	3,831	3,831
Other	312	312
Contract costs	0	0
Total direct costs	46,338	46,338
Indirect costs applied	16,972	16,972
Total expenditures	63,310	63,310
Revenues over expenditures	\$ (23,110)	(23,110)

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MANAGEMENT SERVICES
Year ended June 30, 2021

	11200	11210	11220	12010	12030	12050	12060
	Jessamine IT	Scott IT	Lake Village Water IT	Nicholasville Video	Flemingsburg Video	KRCC	Audiovisual Services
Revenues							
Federal and State:							
Received	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivable	0	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	4,270	280	900	450	1,625	8
Total revenues	0	4,270	280	900	450	1,625	8
Expenditures							
Direct costs:							
Salaries	3,472	1,902	0	352	122	92	0
Employee burden	2,047	1,298	0	184	64	48	0
Annual leave	233	174	0	25	9	5	0
Travel	268	19	0	0	0	18	0
Other	0	0	0	0	0	0	0
Contract costs	0	0	0	0	0	0	0
Total direct costs	6,020	3,393	0	561	195	163	0
Indirect costs applied	2,324	1,347	0	224	78	59	0
Total expenditures	8,344	4,740	0	785	273	222	0
Revenues over expenditures	\$ (8,344)	\$ (470)	\$ 280	\$ 115	\$ 177	\$ 1,403	\$ 8

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MANAGEMENT SERVICES
Year ended June 30, 2021

	13011	13013		
	Stan/Lin EDA Web Page	Broadband Study GEO Partners	Total	
Revenues				
Federal and State:				
Received	0	4,172	\$ 4,172	
Receivable	0	0	0	
Deferred	0	0	0	
Local:				
Service fees	0	4,172	11,705	
Total revenues	0	8,344	15,877	
Expenditures				
Direct costs:				
Salaries	177	0	6,117	
Employee burden	122	0	3,763	
Annual leave	16	0	462	
Travel	0	0	305	
Other	0	0	0	
Contract costs	0	8,344	8,344	
Total direct costs	315	8,344	18,991	
Indirect costs applied	125	0	4,157	
Total expenditures	440	8,344	23,148	
Revenues over expenditures	(440)	0	\$ (7,271)	

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
BLUEGRASS CAT PROJECT
Year ended June 30, 2021

	93000				
	Bluegrass				
	<u>Cat Project</u>				
Revenues					
Federal and State:					
Received	\$	0			
Receivable		0			
Deferred		0			
Local:					
Service fees			<u>207,354</u>		
Total revenues			<u>207,354</u>		
Expenditures					
Direct costs:					
Salaries			0		
Employee burden			0		
Annual leave			0		
Travel			0		
Other			96		
Contract costs			<u>207,258</u>		
Total direct costs			<u>207,354</u>		
Indirect costs applied			<u>0</u>		
Total expenditures			<u>207,354</u>		
Revenues over expenditures	\$		<u><u>0</u></u>		

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
NON-GRANT
Year ended June 30, 2021

	90000 Dental Office	91000 Non-Grant	92000 Non-Grant Comp Plan	94000 Families 1st Corona Act Leave	FY21 Pension Expense	FY21 Insurance Expense	Total
Revenues							
Federal and State:							
Received	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivable	0	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Contributions	0	149,656	0	5,668	0	0	155,324
Rent	82,712	0	0	0	0	0	82,712
Interest	0	8,605	0	0	0	0	8,605
Total revenues	82,712	158,261	0	5,668	0	0	246,641
Expenditures							
Direct costs:							
Salaries	0	0	9,550	0	0	0	9,550
Employee burden	0	20	4,900	0	(3,628)	32,251	33,543
Annual leave	0	0	468	5,917	0	0	6,385
Travel	0	34	0	0	0	0	34
Legal Fees FY18	0	2,793	0	0	0	0	2,793
Bad debt/Recoupment	0	117,202	0	0	0	0	117,202
Other	23,212	4,174	0	0	0	0	27,386
Contract costs	0	0	0	0	0	0	0
Total direct costs	23,212	124,223	14,918	5,917	(3,628)	32,251	196,893
Indirect costs applied	0	8	6,080	0	0	0	6,088
Total expenditures	23,212	124,231	20,998	5,917	(3,628)	32,251	202,981
Revenues over expenditures	\$ 59,500	\$ 34,030	\$ (20,998)	\$ (249)	\$ 3,628	\$ (32,251)	\$ 43,660

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
REGIONAL COORDINATION, JFA
Year ended June 30, 2021

	71200	71250	71300	71400	71500	71600	Total
	JFA COMM/ ECON DEV	JFA CDBG	JFA ARC PLAN/ASSIST	JFA MGMT ASSIST	JFA PRGM ADMIN	EDA CARES	
Revenues							
Federal and State:							
Received	\$ 83,333	\$ 41,529	\$ 200,289	\$ 16,408	\$ 10,939	\$ 174,004	\$ 526,502
Receivable	0	0	0	0	0	24,536	24,536
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	0	0	0	0	0	0
Total revenues	83,333	41,529	200,289	16,408	10,939	198,540	551,038
Expenditures							
Direct costs:							
Salaries	75,308	22,924	103,628	11,533	13,992	76,117	303,502
Employee burden	47,997	11,582	68,083	1,532	7,206	46,012	182,412
Annual leave	6,373	1,273	9,756	63	785	5,291	23,541
Travel	92	308	206	0	0	399	1,005
Other	5,623	726	4,341	150	114	19,327	30,281
Contract Costs	0	0	0	0	0	0	0
Total direct costs	135,393	36,813	186,014	13,278	22,097	147,146	540,741
Indirect costs applied	51,889	14,521	72,259	5,498	8,921	51,394	204,482
Total expenditures	187,282	51,334	258,273	18,776	31,018	198,540	745,223
Revenues over expenditures	\$ (103,949)	\$ (9,805)	\$ (57,984)	\$ (2,368)	\$ (20,079)	\$ 0	\$ (194,185)

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
SCHEDULE OF INDIRECT COSTS APPLIED
Year ended June 30, 2021

Salaries	\$ 510,194
Fringe benefits	400,403
Building usage and depreciation	246,388
Computer services	70,598
Professional fees	42,146
Insurance	38,253
Dues, fees, subscriptions	30,927
Telephone and postage	21,391
Printing and publications	18,728
Legal Fees	12,658
Equipment rental	11,387
Other	7,401
Supplies	5,859
Equipment depreciation	4,093
Equipment Purchase	2,239
Travel, staff	<u>156</u>
Total indirect costs applied	<u>\$ 1,422,821</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
 SCHEDULE OF AWARDS FROM THE COMMONWEALTH OF KENTUCKY
 Year ended June 30, 2021

Grantor Program Title	BGADD Grant Number	Grantor Contract Number	Grant Contract Period	Grant Contract Award	Revenues	Expenses	Deferred	Receivable
Cabinet for Health and Family Services:								
Homecare	40000/48020/48030	20000003442	07.2020-06.2021	\$ 1,606,972	\$ 1,606,972	\$ 1,606,972	\$ 0	\$ 249,624
Title III	42000-42050	2000002717	07.2020-06.2021	1,493,970	1,493,970	1,493,970	0	298,517
Participant Directed Services	43500	N/A	07.2020-06.2021	18,497,352	18,497,352	18,497,352	182,532	337,303
Long Term Care Ombudsman	46010	2000002888	07.2020-06.2021	99,915	88,300	88,300	0	50,600
Aging ADRC	48030	2000004400	07.2020-06.2021	34,200	28,530	28,530	0	5,202
Aging Family Caregiver Support	49000, 49020	2000002717	07.2020-06.2021	114,300	114,300	114,300	0	14,268
Aging CHFS Meals C1 & C2	49200	N/A	07.2020-06.2021	100,739	100,739	100,739	0	0
Governor's Office for Local Development								
Joint Funding Agreement	71200-71500	2000003734	07.2020-06.2021	167,152	167,152	167,152	0	0
EDA CARES	71600	2100000393	08.2020-06.2022	392,000	198,540	198,540	0	24,536
Kentucky Agricultural Development Board:								
Broadband Study Geo Partners	13013	A2020-0128	07.2020-06.2021	4,172	4,172	4,172	0	0
Kentucky Transportation Cabinet:								
Regional Transportation Program	30000	2000001896	07.2020-06.2021	104,724	104,724	104,724	0	0
Highway Inventory Data Collection Program	85090-85250	2100000034	08.2020-06.2021	37,800	37,800	37,800	0	0
Kentucky Infrastructure Authority:								
Water Resource Information System	22000, 88000	2000004052	07.2020-06.2021	112,000	112,000	112,000	0	0
				<u>\$ 22,765,296</u>	<u>\$ 22,554,551</u>	<u>\$ 22,554,551</u>	<u>\$ 182,532</u>	<u>\$ 980,049</u>

COST ALLOCATION POLICY

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
COST ALLOCATION POLICY
June 30, 2021

All funds expended by Bluegrass Area Development District, Inc. (the District) are charged either to a specific grant and/or program element as a Direct Charge or spread to all grants and/or program elements as a shared (indirect) cost in conformity with 2 CFR Part 225. Direct charges are defined as those that can be identified specifically with a particular cost objective. Shared (indirect) costs are those incurred for a common or joint purpose, benefiting more than one grant and/or program element and not readily assignable to the grant or program element specifically benefited. Shared costs are allocated to each program based upon direct labor and fringe charges to each program. Below is a listing of direct and shared costs as they are charged by the District.

Salary - Salaries of employees are charged as direct costs to the grants and/or program cost objective in which their work is attributable. These charges are based upon time sheets submitted by each employee. The salaries of those whose total time is not directly attributable to specific grant programs such as the Executive Director or Receptionist, will be charged to the indirect cost pool. Those employees whose time is partially direct and partially indirect will have their salaries pro-rated based upon their time sheets.

Employee Burden - Employee burden which can be specifically related to an employee whose salary is charged as a direct cost is also charged as a direct cost. Similarly, the employee burden of those persons whose salary is charged as an indirect cost will also be charged to the indirect cost pool.

Consultant Contracts and Contractual Services - Consultant contracts and contractual services whose content can be directly attributed to a specific grant or program element are charged as direct costs to those programs. Other contracts, such as those for public information or secretarial services whose content cannot be directly attributed to a specific grant program, are charged as an indirect cost and allocated on the basis of total salary plus benefit dollars.

Printing - Printing costs, including copy machine costs that are readily identifiable and attributable to documents within a specific grant or cost objective are charged as direct costs. Those printing costs that are not identifiable as benefiting a specific grant program are charged as an indirect cost and are allocated on the basis of total salary plus benefit dollars.

Travel - Travel costs which are directly attributable to an employee whose salary is charged as a direct cost are also charged as direct costs. Staff travel costs are allocated to grants or program cost objectives according to the total time spent by an employee on a specific program element during the month in which the travel occurred. Travel costs which are administrative in nature and not attributable to a specific grant program, will be charged as an indirect cost and allocated on the basis of total salary plus benefit dollars. Mileage will be reimbursed at a rate less than the Federal rate per 41 CFR Part 301-10, for every business mile driven. Travel costs which exceed per diem rates as established by General Services Administration 41 CFR part 301-7, as revised, are charged to local funds.

Vacation, Sick and Holiday Leave - Vacation, sick and holiday leave which can be specifically related to an employee whose salary is being charged as a direct cost is also charged as a direct cost. Leave which is related to an employee whose salary is being charged as an indirect cost is also charged as an indirect cost.

Audit Fees - Audit fees are charged as an indirect cost and are allocated based upon total salary and benefits.

Equipment Rental - Equipment rental related to specific identifiable programs will be charged as a direct cost to the benefiting grant. Equipment rental benefiting all grant programs will be charged as an indirect cost.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
COST ALLOCATION POLICY (CONTINUED)
June 30, 2021

Equipment Purchases - Equipment purchased specifically for a grant program will be expensed directly to the benefiting grant program in accordance with grantor instructions in the year acquired. Equipment purchases having a per unit acquisition cost of more than \$2,500 will be capitalized and depreciated over its estimated useful life. Equipment of a technological nature (such as computers) will be depreciated over three years using the straight-line method. Depreciation on equipment benefiting all grant programs will be charged as an indirect cost. No depreciation will be charged for equipment purchases previously expensed to a grant program. Equipment having a fair market value of less than \$5,000 will be disposed in accordance with 29 CFR Part 97 Section 32 when no longer needed. Online auctions will be used to dispose of surplus property where feasible. A physical inventory is taken annually of all equipment having a per unit acquisition cost of more than \$2,500.

Communications - Communication costs, including telephone, postage, and similar items are charged direct based upon detail analysis of usage for benefiting programs. Those communication costs that cannot be identified as direct charges will be charged as an indirect cost and allocated on the basis of salary plus benefit dollars.

Building Costs - Building depreciation, utilities, building repairs and maintenance, janitorial, personal property insurance and other space usage related costs are charged as an indirect cost and reside in cost pool II. These costs are eligible to be direct costs to grant programs; however, to charge them directly would require an extensive amount of record keeping.

Additional Costs - Additional costs which are not identified above may be charged as a direct or indirect cost, unless otherwise indicated by the Commonwealth of Kentucky, Governor's Department for Local Government or prohibited by Federal regulations.

Indirect Costs - The shared and indirect costs that are described above (with the exception of building costs), will be pooled (in a single pool) and charged to active grant programs based upon personnel costs (direct salary plus direct benefit dollars) that are attributable to specific grant programs and documented by time sheets prepared by employees and approved by their supervisor. The shared and indirect costs are cumulative and allocated monthly.

The shared and indirect building costs will be pooled and charged to active grant programs based upon personnel costs (direct salary plus direct benefit dollars of staff that are physically located at 699 Perimeter Drive) that are attributable to specific grant programs and documented by time sheets prepared by employees and approved by their supervisor. The shared and indirect costs in both pools are cumulative and allocated monthly.