

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



**FINANCIAL STATEMENTS
June 30, 2022**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bluegrass Area Development District, Inc. (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison, the schedules of proportionate share of the net pension and OPEB liabilities and the schedules of contributions on pages 4-9 and 33-37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the 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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 June 28, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

RFH

RFH, PLLC
Lexington, Kentucky
June 28, 2023

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis As of and for the year ended June 30, 2022

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, 2022. 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, 2022, 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, 2022

Budgetary Highlights

In fiscal year (FY) 2022, BGADD had a budget of approximately \$31.6 million designating approximately \$25.5 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 \$1,225,000. Net capital assets are approximately \$2,171,000.

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. BGADD's FY 2022 net pension liability decreased to approximately \$6,947,000. 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. BGADD's net benefit liability decreased to \$2,085,000 for FY 2022.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis
As of and for the year ended June 30, 2022

Financial Analysis

I. Statement of Net Position

Table 1: Condensed Statement of Net Position

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>
Assets			
Current assets	\$ 6,831,937	3,863,387	\$ 2,968,550
Capital and noncurrent assets	3,037,839	2,270,338	767,501
Total assets	<u>\$ 9,869,776</u>	<u>\$ 6,133,725</u>	<u>\$ 3,736,051</u>
Deferred Outflows of Resources			
Deferred pension and OPEB outflows	\$ <u>2,123,572</u>	<u>2,567,786</u>	\$ <u>(444,214)</u>
Liabilities			
Current liabilities	\$ 5,084,883	2,627,942	\$ 2,456,941
Long-term liabilities	9,877,026	11,036,773	(1,159,747)
Total liabilities	<u>\$ 14,961,909</u>	<u>\$ 13,664,715</u>	<u>\$ 1,297,194</u>
Deferred Inflows of Resources			
Deferred pension and OPEB inflows	\$ <u>2,726,765</u>	<u>1,324,528</u>	\$ <u>1,402,237</u>
Net position			
Investment in capital assets, net of related debt:	\$ 2,171,997	2,270,338	\$ (98,341)
Restricted:			
Aging programs	1,080,303	40,646	1,039,657
Workforce investment act	200,338	75,662	124,676
Unrestricted	(9,147,964)	(8,674,378)	(473,586)
Total net position	<u>\$ (5,695,326)</u>	<u>\$ (6,287,732)</u>	<u>\$ 592,406</u>

At June 30, 2022, the BGADD's net position was approximately (\$5,695,300). The FY 2022 amount includes a non-cash pension expense adjustment required by GASB 68 of \$139,778. It also includes a non-cash other post-employment benefits expense required by GASB 75 of \$32,752, as well as Career Center Lease expense adjustment of \$17,219.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis
As of and for the year ended June 30, 2022

II. Statement of Activities

Table 2: Condensed Statement of Activities

	2022	2021	\$ Change
Revenues			
Operating grants and contributions	\$ 32,887,301	\$ 32,188,926	\$ 698,375
Charges for services	1,003,193	577,910	425,283
Interest	39,285	8,605	30,680
Rent	54,496	82,712	(28,216)
Gain (loss) on purchase/sale of capital assets	0	0	0
Total revenues	<u>33,984,275</u>	<u>32,858,153</u>	<u>1,126,122</u>
Expenses			
Participant Directed Services	19,257,091	18,503,385	753,706
Aging Programs	6,775,859	7,465,899	(690,040)
Workforce Development	5,789,250	5,438,048	351,202
Mapping/Geographic Information Systems	163,461	128,224	35,237
Regional Coordination, JFA	471,262	745,223	(273,961)
Community and Infrastructure Admin	19,208	19,700	(492)
Homeland Security	82,673	4,924	77,749
Economic Development Planning and Tech. Asst.	92,185	63,310	28,875
Transportation Planning	133,459	123,330	10,129
Water and Sewer Planning and Tech. Asst.	87,518	77,355	10,163
Non-grant	345,704	231,604	114,100
Bluegrass Cat Project	269,409	207,354	62,055
Management Services	32,913	23,148	9,765
Planning and Zoning Technical Assistance	27,182	9,496	17,686
Total expenses	<u>33,547,174</u>	<u>33,041,000</u>	<u>350,863</u>
Non-Operating Expense			
Pension Expense (Income)	(139,778)	(3,628)	136,150
Insurance Expense (Income)	(32,752)	32,252	65,004
Career Center Lease Expense	17,219	0	(17,219)
Change in net position	\$ <u>592,412</u>	\$ <u>(154,223)</u>	\$ <u>656,328</u>

BGADD recognized revenues of approximately \$34.0 million and \$32.9 million in FY 2022 and FY 2021, respectively. Significant changes in revenues are as follows:

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Management’s Discussion and Analysis
As of and for the year ended June 30, 2022

- Participant Directed Services - \$994,000 increase, reflecting in a 5%, increase from FY 2021. The increase in pass through expenses is based on the needs of participants in their established plan of care.
- Workforce Development Program- \$368,000 increase, a 7% increase from FY 2021. In FY22, the direct service provider, Equus (formerly known as ResCare), had an increase in spending of \$4,543,730 and \$4,257,014 in FY 2022 and FY 2021, respectively.
- Aging Programs- \$657,605 decrease, a 9% decrease from FY 2021. This is due to the 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 in FY 2021. 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 2022 total \$33.5 million. FY 2021 expenses were \$33 million. This increase of \$500,000 is attributed mainly from increases in spending from the additional grants given in response to 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 95.35% of all governmental activities, which slightly increased from the prior year of 95.15%. Program expenses as a percentage of total expenses are as follows:

Table 3: Program Expenses

	<u>2022</u>	<u>2021</u>
Program Expenses % of Total Expenses		
Participant Directed Services	57.67%	56.06%
Aging Programs	20.29%	22.62%
Workforce Development	17.39%	16.47%
Regional Coordination, JFA	1.41%	2.26%
Bluegrass Cat Project	0.81%	0.63%
Non-grant	0.52%	0.61%
Mapping/Geographic Information Systems	0.49%	0.39%
Transportation Planning	0.40%	0.37%
Economic Development Planning and Tech. Asst.	0.28%	0.19%
Water and Sewer Planning and Tech. Asst.	0.26%	0.23%
Homeland Security	0.25%	0.01%
Management Services	0.10%	0.07%
Planning and Zoning Technical Assistance	0.08%	0.03%
Community and Infrastructure Admin	0.06%	0.06%
	<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, 2022

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.

Concerns for BGADD are rising health insurance costs along with increases in pension rates and its impact on employer burden. 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 2022, BGADD maintained health insurance coverage with Anthem, increasing rates by 16.0% with the same coverage comparable to FY 2021. 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 increase in FY 2022 to 26.95%. In FY 2021, the rate was 24.06%. In FY 2023, the CERS non-hazardous rate will decrease to 26.79%.

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 2022, 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



Michael Buschmann, Chief Financial Officer

Bluegrass Area Development District, Inc.

BLUEGRASS AREA DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

ASSETS

Current assets	
Cash and cash equivalents	\$ 2,371,277
Investments	324,842
Accounts receivable	
Federal and state	3,771,502
Local	97,288
Other	157,395
Lease receivable	63,974
Prepaid expenses	<u>45,659</u>
Total current assets	<u>6,831,937</u>
Non-current assets	
Lease receivable	324,866
Leased building asset, net	540,976
Land	521,394
Property and equipment, net	<u>1,650,603</u>
Total non-current assets	<u>3,037,839</u>
Total assets	<u>9,869,776</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows - pension	962,564
Deferred outflows - OPEB	<u>1,161,008</u>
Total deferred outflows of resources	<u>2,123,572</u>
Total assets and deferred outflows of resources	<u>\$ 11,993,348</u>

LIABILITIES AND NET POSITION

Current liabilities	
Accounts payable	\$ 496,882
Accrued expenses	4,186,552
Accrued annual leave	9,330
Accrued interest	708
Unearned grant revenue	307,716
Lease liability, current	<u>83,695</u>
Total current liabilities	<u>5,084,883</u>
Long-term liabilities	
Tenant deposits	5,762
Accrued annual leave	364,222
Lease liability	474,500
Net pension liability	6,947,055
Net OPEB liability	<u>2,085,487</u>
Total long-term liabilities	<u>9,877,026</u>
Total liabilities	<u>14,961,909</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows - pension	1,102,242
Deferred inflows - OPEB	1,235,683
Deferred inflows - leases	<u>388,840</u>
Total deferred inflows of resources	<u>2,726,765</u>

Net position

Net investment in capital assets	2,154,778
Restricted:	
Aging	1,080,303
Workforce	200,338
Unrestricted	<u>(9,130,745)</u>
Total net position	<u>(5,695,326)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 11,993,348</u>

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

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
STATEMENT OF ACTIVITIES
Year ended June 30, 2022

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Change in Net Position
			Charges for Services	Operating Grants and Contributions	
Governmental activities:					
Community and Infrastructure					
Development Grants Administration	\$ 13,199	\$ 6,009	\$ 135,896	\$ -	\$ -
Mapping/Geographic Information Systems	111,980	51,481	69,285	94,435	-
Aging Programs	6,459,861	315,998	17,436	6,772,182	-
Participant Directed Service	18,694,091	563,000	-	19,493,558	-
Workforce Development	5,502,469	304,000	25,056	5,781,413	-
Planning and Zoning Technical Assistance	18,615	8,567	28,101	-	-
Water and Sewer Planning and					
Technical Assistance	60,593	26,925	36,432	81,615	-
Transportation Planning	91,716	41,743	-	104,724	-
Homeland Security	56,389	26,284	82,673	-	-
Economic Development Planning and					
Technical Assistance	71,983	20,202	-	91,616	-
Management Services	25,136	7,777	36,389	-	-
Bluegrass Cat Project	269,409	-	422,064	-	-
Non-Grant	167,009	6,165	-	-	-
Regional Coordination, JFA	329,957	141,305	-	467,758	-
Total governmental activities	<u>\$ 31,872,407</u>	<u>\$ 1,519,456</u>	<u>\$ 853,332</u>	<u>\$ 32,887,301</u>	<u>\$ -</u>
General revenues:					
Dues					149,861
Rent					54,496
Interest income					<u>39,285</u>
Total general revenues					<u>243,642</u>
Change in net position					592,412
Net position, beginning of year, restated					<u>(6,287,737)</u>
Net position, end of year					<u>\$ (5,695,326)</u>

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

**BLUEGRASS AREA DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022**

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 609,922	\$ 1,761,355	\$ 2,371,277
Investments	324,842	-	324,842
Accounts receivable			
Federal and state	-	3,771,502	3,771,502
Local	-	97,288	97,288
Other	157,395	-	157,395
Lease receivable	388,840	-	388,840
Prepaid expenses	-	45,659	45,659
	<u>\$ 1,480,999</u>	<u>\$ 5,675,804</u>	<u>\$ 7,156,803</u>
Total current assets			
	<u>\$ 1,480,999</u>	<u>\$ 5,675,804</u>	<u>\$ 7,156,803</u>
LIABILITIES AND FUND BALANCE			
Current liabilities			
Accounts payable	\$ 299,124	\$ 197,758	\$ 496,882
Accrued expenses	-	4,186,552	4,186,552
Accrued leave	9,330	-	9,330
Accrued interest	-	708	708
Unearned grant revenue	-	307,716	307,716
	<u>308,454</u>	<u>4,692,734</u>	<u>5,001,188</u>
Total liabilities			
	<u>308,454</u>	<u>4,692,734</u>	<u>5,001,188</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - leases	388,840	-	388,840
	<u>388,840</u>	<u>-</u>	<u>388,840</u>
Fund balance			
Nonspendable	-	45,659	45,659
Restricted for programs	-	937,411	937,411
Unassigned	783,705	-	783,705
	<u>783,705</u>	<u>-</u>	<u>783,705</u>
Total net position			
	<u>783,705</u>	<u>983,070</u>	<u>1,766,775</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 1,480,999</u>	<u>\$ 5,675,804</u>	<u>\$ 7,156,803</u>
Total government fund balance			\$ 1,766,775
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			2,712,973
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>(10,175,074)</u>
Net position of governmental activities			<u>\$ (5,695,326)</u>

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

BLUEGRASS AREA DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
Federal and Commonwealth of Kentucky grants	\$ -	\$ 32,838,691	\$ 32,838,691
Local service fees	-	853,332	853,332
Local annual contributions	149,861	-	149,861
Rental income	54,496	-	54,496
Interest and other income	37,792	1,493	39,285
Total revenues	242,149	33,693,516	33,935,665
Expenditures			
Current			
Community & Infrastructure Development Grants Administration	-	19,208	19,208
Mapping/Geographic Information Systems	-	163,461	163,461
Aging Programs	-	6,775,859	6,775,859
Participant Directed Service	-	19,257,091	19,257,091
Workforce Development	-	5,806,469	5,806,469
Planning & Zoning Technical Assistance	-	27,182	27,182
Water and Sewer Planning and Technical Assistance	-	87,518	87,518
Transportation Planning	-	133,459	133,459
Homeland Security	-	82,673	82,673
Economic Development Planning & Technical Assistance	-	92,185	92,185
Management Services	-	32,913	32,913
Cat project	-	269,409	269,409
Non-Grant	271,474	(84,655)	186,819
Regional Coordination, JFA	-	471,262	471,262
Capital outlay	-	-	-
Total expenditures	271,474	33,134,032	33,405,506
Net change in fund balance	(29,325)	559,484	530,159
Net position, beginning of year	813,030	423,586	1,236,616
Net position, end of year	\$ 783,705	\$ 983,070	\$ 1,766,775
Net change in fund balance - total governmental funds			\$ 530,159
Reconciliation to government-wide changes in net position:			
Add: capital outlay			-
Add: change in lease liability			78,245
Less: depreciation and amortization expense			(193,807)
Change in accrued annual leave			5,285
Change in the net pension and OPEB liabilities and related deferred inflows and outflows			172,530
Change in net position of governmental activities			\$ 592,412

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

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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 \$373,552 at June 30, 2022.

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 June 28, 2023, 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, 2022, 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, 2022

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, 2022, BGADD's investment bank balances totaled \$324,842; \$250,000 was secured by FDIC insurance and \$74,842 was collateralized by investments held in the District's name. As of June 30, 2022, BGADD's cash bank balances totaled \$2,600,522; \$259,230 was secured by FDIC insurance and \$2,341,292 was collateralized.

Investments at June 30, 2022:

	Amortized Cost	Maturity
Certificate of Deposit	<u>\$ 324,842</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, 2022:

Federal receivable	\$ 2,856,744	
State receivable	940,939	
Local receivable	97,288	
Other receivable	<u>157,395</u>	
 Total grant receivable	 4,052,366	
Less: allowance for bad debt	<u>(26,181)</u>	
 Net grant receivable	 <u>\$ 4,026,185</u>	

4. LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES

During 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, which requires recognition of certain assets that previously were classified as operating leases and recognized as revenue based on the payment provisions of the contract. Based on the status of existing lease agreements with J. Fred Arnold III DMD, PSC. as of July 31, 2021, the District recognized both a lease receivable and a deferred inflow of resources related to a building lease agreement totaling \$442,136. The lease agreement has a term of five years. The District has calculated the present value of future lease payments based on an incremental borrowing rate of 6.75%. The present value of expected future minimum leases payments are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 63,974	\$ 24,330	\$ 88,304
2024	69,870	19,793	89,663
2025	74,735	14,928	89,663
2026	79,938	9,725	89,663
2027	85,504	3,868	89,372
2028	<u>14,819</u>	<u>416</u>	<u>15,235</u>
 Total	 <u>\$ 388,840</u>	 <u>\$ 73,060</u>	 <u>\$ 461,900</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

4. LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES (CONTINUED)

Additionally, the District recognized deferred inflows of resources related to the above leases that totaled \$388,840 as of June 30, 2022. The deferred inflows of resources will be recognized over the term of the lease agreements as lease revenue. During 2022, the District recognized \$54,496 of lease revenue and \$28,216 of interest revenue and from the lease agreement.

5. 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 \$98,341 for the year ended June 30, 2022.

The following summarizes the changes in fixed assets during the year ended June 30, 2022:

	6/30/2021 Balance	Additions	Disposals	6/30/2022 Balance
Land, not depreciated	\$ 521,394	\$ -	\$ -	\$ 521,394
Building and improvements	2,358,797	-	-	2,358,797
Leased building	636,442	-	-	636,442
Equipment	516,629	-	-	516,629
Accumulated depreciation	(1,126,482)	(98,341)	-	(1,224,823)
Accumulated amortization	<u>-</u>	<u>(95,466)</u>	<u>-</u>	<u>(95,466)</u>
Net	<u>\$ 2,906,780</u>	<u>\$ (193,807)</u>	<u>\$ -</u>	<u>\$ 2,712,973</u>

6. UNEARNED GRANT REVENUE

The unearned grant revenue includes revenues received, but not earned. The detail of those grants is as follows at June 30, 2022:

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)	183
FY 22 Aging (federal)	219
FY 22 JFA ARC	<u>13,471</u>
Total Federal	<u>14,685</u>
FY 08 CDO (state)	182,532
FY 13 Aging program (state)	500
FY 16 Aging program (state)	6,246
FY 22 UMAST Upgrade	<u>12,740</u>
Total State	<u>202,018</u>
Various local grants	<u>91,013</u>
Total	<u>\$ 307,716</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

7. ACCRUED ANNUAL LEAVE

Activity for accrued annual leave for the year ended June 30, 2022 is as follows:

	6/30/2021	Additions	Payments	6/30/2022	Current
Accrued annual leave	<u>\$ 369,507</u>	<u>\$ 400,891</u>	<u>\$ (396,846)</u>	<u>\$ 373,552</u>	<u>\$ 9,330</u>

8. LONG-TERM LIABILITIES

Lease Liabilities

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*, which requires the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and outflows of resources. The District restated beginning governmental long-term liabilities and capital assets by \$636,442, in order to record the value of lease liabilities related to lease agreements that existed as of the start of the fiscal year..

The District has recorded a leased building asset and related lease liability totaling \$636,442 related to an agreement to rent space at one of their Career Center locations. The lease was originally entered into on October 30, 2020, and payments will be made through February 1, 2028. The liability and related leased building asset have been recorded at the present value of minimum lease payments based on an incremental borrowing rate of 6.75%. As of June 30, 2022, the lease liability related to the office space was \$558,195.

The following is a summary of annual principal and interest requirements to maturity for the lease liabilities:

June 30,	Principal	Interest	Total
2023	\$ 83,695	\$ 35,120	\$ 118,816
2024	89,523	29,293	118,816
2025	95,756	23,059	118,815
2026	102,423	16,392	118,815
2027	109,555	9,261	118,816
2028	<u>77,242</u>	<u>1,968</u>	<u>79,210</u>
Total	<u>\$ 558,195</u>	<u>\$ 115,093</u>	<u>\$ 673,288</u>

The following is a summary of changes in governmental long-term liabilities for the year ended June 30, 2022:

	6/30/2021	Additions	Payments	6/30/2022
Accrued annual leave	\$ 369,507	\$ 400,891	\$ (396,846)	\$ 373,552
Lease liability	636,442	-	(78,247)	558,195
Net pension liability	8,101,657	-	(1,154,602)	6,947,055
Net OPEB liability	<u>2,561,026</u>	<u>-</u>	<u>(475,539)</u>	<u>2,085,487</u>
Totals	<u>\$ 5,846,345</u>	<u>\$ 400,891</u>	<u>\$ (2,105,234)</u>	<u>\$ 5,126,459</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

9. 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 Public Pensions Authority administers the CERS. The plan issues publicly available financial statements which may be downloaded from the Kentucky Public Pensions Authority 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, 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.

Contributions – For the year ended June 30, 2022, 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, 2022, participating employers contributed 26.95% of each employee's wages, for non-hazardous job classifications. The contributions are allocated 21.17% to the pension trust and 5.78% to the insurance trust. The insurance trust is more fully described in Note 10. The contribution rates are equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Public Pensions Authority 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 5.00% of wages to their own account and 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. For non-hazardous members, their account is credited with a 4% employer pay credit. The employer pay credit represents a portion of the employer contribution.

The District contributed \$721,531 for the year ended June 30, 2022, or 100% of the required contribution. The contribution was allocated \$566,784 to the CERS pension fund and \$154,747 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.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

9. RETIREMENT PLAN (CONTINUED)

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

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

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, 2022, the District reported a liability for its proportionate share of the net pension liability as follows:

**Total Net
Pension Liability**

\$ 6,947,055

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was rolled forward from an actuarial valuation as of June 30, 2020. 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, 2021 was as follows:

Non-hazardous

.1090%

The proportionate share at June 30, 2021 increased .0033% compared to the proportionate share as of June 30, 2020.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

9. RETIREMENT PLAN (CONTINUED)

For the year ended June 30, 2022, the District recognized pension expense of \$399,882. At June 30, 2022, 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	\$ 79,773	\$ 67,426
Changes of assumptions	93,238	-
Net difference between projected and actual earnings on Plan Investments	-	925,926
Changes in proportion and differences between District contributions and proportionate share of contributions	222,769	108,890
District contributions subsequent to the measurement date	566,784	-
 Total	 \$ 962,564	 \$ 1,102,242

The \$566,784 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, 2023. 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,

2023	\$ (82,128)
2024	\$ (131,961)
2025	\$ (202,420)
2026	\$ (289,953)

Actuarial Assumptions – The total pension liability reported at June 30, 2021 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, 2021 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, 2020) to the plan's fiscal year ending June 30, 2021.

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.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

9. RETIREMENT PLAN (CONTINUED)

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	68.50%	
US Equity	21.75%	5.70%
Non-US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Special credit/high yield	15.00%	2.80%
Liquidity	11.50%	
Core Bonds	10.50%	0.00%
Cash	1.00%	(0.60)%
Diversifying Strategies	20.00%	
Real Estate	10.00%	5.40%
Opportunistic	0.00%	N/A
Real Return	15.00%	4.55%
Total	100.00%	5.00%
Long Term inflation assumption		2.30%
Expected nominal return for portfolio		7.30%

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 closed 30-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%	\$ 8,909,927
Current discount rate	6.25%	\$ 6,947,055
1% increase	7.25%	\$ 5,322,824

Payable to the Pension Plan – At June 30, 2022, the District reported a payable of \$88,245 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022. The payable includes only the pension contribution allocation.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description – As more fully described in Note 9, 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, 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 9, plan members contribute to CERS for non-hazardous job classifications. For the year ending June 30, 2022, the employer’s contribution was 5.78% to the insurance trust 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. The contribution rates are equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Public Pensions Authority are financed through employer contributions and investment earnings.

For the year ended June 30, 2022, the District contributed \$154,747, or 100% of the required contribution for non-hazardous job classifications.

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

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

OPEB Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2022, the District reported a liability for its proportionate share of the net OPEB liability as follows:

**Total Net
OPEB Liability**

\$ 2,085,487

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020 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, 2021 was as follows:

Non-hazardous

.1089%

The proportionate share at June 30, 2021 increased .0029% compared to the proportionate share as of June 30, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of \$182,737. At June 30, 2022, 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	\$ 327,943	\$ 622,657
Changes of assumptions	552,902	1,939
Net difference between projected and actual earnings on Plan investments	-	326,245
Changes in proportion and differences between District contributions and proportionate share of contributions	56,794	284,842
District contributions subsequent to the measurement date	<u>223,369</u>	<u>-</u>
Total	<u>\$ 1,161,008</u>	<u>\$ 1,235,683</u>

The \$223,369 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, 2023. This includes an adjustment of \$68,622 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,	
2023	\$ (34,419)
2024	\$ (83,776)
2025	\$ (52,613)
2026	\$ (127,236)

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

Actuarial Assumptions – The total OPEB liability in the June 30, 2021 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 6.30% at January 1, 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Post – 65:	Initial trend starting at 6.30% at January 1, 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years

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, 2021, 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, 2020) to the plan's fiscal year ending June 30, 2021.

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	68.50%	
US Equity	21.75%	5.70%
Non-US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Special credit/high yield	15.00%	2.80%
Liquidity	11.50%	
Core Bonds	10.00%	0.00%
Cash	1.50%	(0.60)%
Diversifying Strategies	20.00%	
Real Estate	10.00%	5.40%
Opportunistic	0.00%	N/A
Real Return	10.00%	4.55%
Total	100.00%	5.00%
Long Term inflation assumption		2.30%
Expected nominal return for portfolio		7.30%

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

Discount Rate – The discount rate used to measure the total OPEB liability was 5.20% 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.

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	4.20%	\$ 2,863,358
Current discount rate	5.20%	\$ 2,085,487
1% increase	6.20%	\$ 1,447,115

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	\$ 1,501,303
Current trend rate	\$ 2,085,487
1% increase	\$ 2,790,606

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, 2022, the District reported a payable of \$24,093 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022. The payable includes only the insurance contribution allocation.

11. 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 July 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 2022.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

12. CONCENTRATIONS

BGADD's receivables are due primarily from federal, state and local governments. During the year ended June 30, 2022, BGADD received approximately 97% of its revenues from federal and state grants.

13. 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

14. 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 13.

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, 2022 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 2022 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.

BGADD is currently late submitting their audit. As a result, the Department for Aging and Independent Living is currently withholding administrative funds totaling approximately \$750,000. BGADD expects these funds to be released once the audit is completed.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

15. COST ALLOCATION PLAN

The District 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.

16. RESTATEMENT

The beginning balance of net position in the statement of activities has been restated due to the implementation of GASB 87 *Leases*. A lease receivable and a deferred inflow, both in the amount of \$442,136 have been accounted for. A lease asset and a lease liability, both in the amount of \$636,442 have been accounted for. The net effect of this activity is that beginning net position was not effected.

REQUIRED SUPPLEMENTARAY INFORMATION

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
BUDGETARY COMPARISON SCHEDULE
GENERAL AND SPECIAL REVENUE FUNDS
Year ended June 30, 2022

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Community Planning	\$ 1,115,112	\$ 1,371,402	\$ 1,228,923	\$ (142,480)
Aging	6,438,899	6,077,719	6,789,618	711,899
CDO/PDS	19,415,976	17,737,976	19,493,558	1,755,582
Workforce Investment Act	6,526,756	5,565,213	5,806,469	241,256
Bluegrass Cat Program	200,000	562,013	422,064	(139,949)
Other	247,370	239,390	243,642	4,252
	<u>33,944,113</u>	<u>31,553,713</u>	<u>33,984,274</u>	<u>2,430,561</u>
Expenses:				
Contracts	10,945,009	9,850,931	10,784,292	933,361
Salaries, PDS program	16,089,522	14,862,093	16,074,412	1,212,319
Burden, PDS employees	915,000	767,818	864,133	96,315
Salaries	3,043,813	2,514,508	2,532,835	18,327
Burden, employees	1,641,154	1,604,835	1,648,849	44,014
Leave	126,832	127,069	129,639	2,570
Depreciation, building and improvements	104,200	94,248	94,249	1
Audit expense	44,000	42,588	42,588	0
Bad debts	69,568	38,690	273,754	235,064
Board and committee training	11,000	5,333	4,568	(765)
Building costs	181,450	354,785	287,168	(67,617)
Computer costs	135,500	162,181	172,988	10,807
Debt service	16,000	16,000	0	(16,000)
Depreciation, equipment and software	10,000	4,093	4,093	0
Dues, fees and subscriptions	58,000	186,524	181,761	(4,763)
Equipment purchase	42,100	8,448	27,121	18,673
Equipment rent	12,000	12,280	12,140	(140)
Insurance expense	40,000	40,838	40,842	4
Legal Fees	20,000	10,652	19,236	8,584
Meeting expense	21,500	0	22,859	22,859
Miscellaneous expense	84,407	99,186	40,102	(59,084)
Postage	30,100	27,424	24,675	(2,749)
Printing and publishing	36,500	42,500	39,572	(2,928)
Professional Development	32,500	29,574	57,669	28,095
Supplies	21,750	30,576	30,269	(307)
Telephone	68,500	73,180	81,655	8,475
Temporary services	84,200	44,981	31,884	(13,097)
Travel	35,700	18,941	23,817	4,876
	<u>33,920,305</u>	<u>31,070,276</u>	<u>33,547,171</u>	<u>2,476,895</u>
Net income (loss)	<u>\$ 23,808</u>	<u>\$ 483,437</u>	<u>\$ 437,102</u>	<u>\$ (46,335)</u>

Note: The District's budget is based on full accrual accounting. Capital outlay is not included but depreciation expense is included. Net changes in pensions and OPEB liabilities are also not budgeted.

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

Reporting Fiscal Year (Measurement Date)	2015 (2014)	2016 (2015)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)
District's proportion of the net pension liability	0.0600%	0.1579%	0.1720%	0.1403%	0.1210%	0.1037%	0.1056%	0.1090%
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	\$ 6,947,055
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	\$ 2,823,353
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%	246.06%
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%	57.33%

Note:

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

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

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required employer contribution	\$ 469,614	\$ 511,997	\$ 485,867	\$ 449,589	\$ 441,173	\$ 524,254	\$ 564,263	\$ 566,784
Contributions relative to contractually required employer contribution	<u>469,614</u>	<u>511,997</u>	<u>485,867</u>	<u>449,589</u>	<u>441,173</u>	<u>524,254</u>	<u>564,263</u>	<u>566,784</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 2,677,296
Employer contributions as a percentage of covered-employee payroll	12.27%	12.42%	14.27%	14.48%	16.22%	19.30%	19.99%	21.17%

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 Six Fiscal Years**

Reporting Fiscal Year (Measurement Date)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)
District's proportion of the net OPEB liability	0.1720%	0.1403%	0.1210%	0.1037%	0.1061%	0.1089%
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	\$ 2,085,487
District's covered employee payroll	\$ 4,122,360	\$ 3,405,015	\$ 3,104,894	\$ 2,719,932	\$ 2,716,341	\$ 2,823,353
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%	73.87%
Plan fiduciary net position as a percentage of the total OPEB liability	55.50%	52.39%	57.62%	60.44%	51.67%	62.91%

Note:

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

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

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required employer contribution	\$ 181,216	\$ 191,278	\$ 164,742	\$ 145,930	\$ 143,068	\$ 129,298	\$ 139,165	\$ 154,747
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>	<u>154,747</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 2,677,296
Employer contributions as a percentage of covered-employee payroll	4.73%	4.64%	4.84%	4.70%	5.26%	4.76%	4.93%	5.78%

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, 2022

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, 2021 – Pension and OPEB

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2021, for pension.

The following change in assumptions was made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2021, for OPEB:

- The initial healthcare trend rate for pre-65 was changed from 6.40% to 6.30%. The initial healthcare trend rate for post-65 was changed from 2.90% to 6.30%,

June 30, 2020 – Pension and OPEB

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2020, for pension.

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 for non-hazardous and 3.05% to 3.55% to 19.05% on average for hazardous.

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.

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

2. CHANGES OF ASSUMPTIONS (CONTINUED)

June 30, 2017 – Pension and OPEB

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 and OPEB

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

June 30, 2015 - Pension

There were no changes in assumptions 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, 2014.

June 30, 2013 - Pension

The following assumptions were made by the Kentucky Legislature and reflected in the initial valuation performed as of June 30, 2013:

- 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.

SUPPLEMENTARY INFORMATION



**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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 28, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 – 2022-004, that we consider to be material weaknesses.

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

Bluegrass Area Development District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
June 28, 2023



**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

Opinion on Each Major Federal Program

We have audited Bluegrass Area Development District, Inc.'s (the District) compliance with the types of compliance requirements identified as subject to audit 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, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the 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
June 28, 2023

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

Federal Grantor/Program	Internal Grant Number	CFDA Number	Grantor Number	Total Award	Award Period	Deferred at 06.30.2021	Receivable at 06.30.2021	2022 Federal Expenditures	2022 Federal Receipts	Deferred at 06.30.2022	Receivable at 06.30.2022	Passed Through to Subrecipients
U.S. Department of Labor												
Passed through Commonwealth of Kentucky												
Cabinet for Health and Family Services												
Trade Adjustment Assistance												
Trade Training	51120	17.245	205BE19	\$ 1,814	10.2018-09.2021	\$ 0	\$ 21,163	\$ 1,814	\$ 22,977	\$ 0	\$ 0	1,814
Trade Training	51130	17.245	205BE20	88,333	10.2018-09.2021	0	0	59,023	49,122	0	9,902	59,023
				<u>90,147</u>		<u>0</u>	<u>21,163</u>	<u>60,837</u>	<u>72,099</u>	<u>0</u>	<u>9,902</u>	<u>60,837</u>
WIOA National Emergency Grants												
NEG Covid 19	52130	17.277	258CV20	304,721	04.2020-03.2022	0	360,043	304,721	664,764	0	0	304,721
NEG Covid 19	52131	17.277	258CV21	234,516	04.2020-06.2021	0	0	145,393	97,280	0	48,112	145,393
				<u>539,237</u>		<u>0</u>	<u>360,043</u>	<u>450,114</u>	<u>762,044</u>	<u>0</u>	<u>48,112</u>	<u>450,114</u>
Workforce Innovation and Opportunity Act Cluster												
WIOA Adult Program												
Adult	53071/53114	17.258	270AD22	150,722	07.2021-06.2023	0	0	150,722	150,722	0	0	19,367
Adult	53015/53115	17.258	273AD22	695,044	10.2020-06.2022	0	0	625,540	625,540	0	0	444,756
Incentive	50050	17.258	273SR20	0	03.2021-06.2021	0	25,410	0	25,410	0	0	0
WIOA Youth												
Youth	56020/56120/57120	17.259	274YT15	0	04.2014-06.2018	21	0	0		21	0	0
Youth	56070/56170/57170	17.259	274YT20	0	04.2019-06.2021	0	16,175	0	16,175	0	0	0
Youth	56080/56180/57180	17.259	274YT21	467,103	04.2020-06.2022	0	170,039	467,103	627,017	0	10,124	271,575
Youth	56090/56190/57190	17.259	274YT22	1,017,169	04.2020-06.2022	0	0	855,794	565,178	0	290,617	707,839
Incentive	50030	17.259	270SR18	0	07.2017-06.2021	0	0	0		0	0	0
WIOA Dislocated Worker Formula Grants												
Dislocated Worker	54031/54131/53112	17.278	271DW20	81,680	10.2019-06.2022	0	519,836	81,680	601,515	0	0	2,129
Dislocated Worker	54051/54151/53113	17.278	271DW21	895,696	10.2020-06.2022	0	26,057	895,696	607,802	0	313,951	602,861
Dislocated Worker	54041/54141	17.278	272DW21	212,370	07.2020-06.2022	0	138,556	212,370	350,926	0	0	75,241
Dislocated Worker	54061/54161/53118	17.278	272DW22	409,655	07.2021-06.2023	0	0	362,699		0	362,699	362,699
Dislocated Worker	54071/53116	17.278	271DW22	1,743,289	10.2021-06.2023	0	0	1,608,043	359,848	0	1,248,195	1,530,773
Statewide Reserve	50050	17.278	273SR20	242	10.2019-12.2021		0	31	31	0	0	0
Statewide Reserve	50060	17.278	270SR20	10,953	07.2019-06.2022		0	10,785		0	10,785	0
			Total Workforce Investment Act Cluster	<u>5,683,923</u>		<u>21</u>	<u>896,073</u>	<u>5,270,463</u>	<u>3,930,164</u>	<u>21</u>	<u>2,236,371</u>	<u>4,017,240</u>
			Total U.S. Department of Labor	\$ 6,313,307		\$ 21	\$ 1,277,279	\$ 5,781,414	\$ 4,764,307	\$ 21	\$ 2,294,385	\$ 4,528,191

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

Federal Grantor/Program	Internal Grant Number	CFDA Number	Grantor Number	Total Award	Award Period	Deferred at 06.30.2021	Receivable at 06.30.2021	2022 Federal Expenditures	2022 Federal Receipts	Deferred at 06.30.2022	Receivable at 06.30.2022	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	2100002005	\$ 193,474	07.2021-06.2022	\$ 0	\$ 59,282	\$ 49,207	\$ 90,470	\$ 0	\$ 18,019	\$ 0
Title III - SS	42000/48020	93.044	2100002005	816,500	07.2021-06.2022	0	55,707	357,193	235,538	0	177,363	257,296
Title III - SS CARES	42000	93.044	2000002717	0	07.2021-06.2022	179	5,323	0	5,323	179	0	0
Title III - SS CARES	42000	93.044	2100002005	147,290	07.2021-06.2022	0	0	12,858	12,858	0	0	12,858
Title III - Ombudsman	42060	93.044	2100002005	58,000	07.2021-06.2022	0	0	58,000	51,733	0	6,267	51,733
				1,215,264		179	120,312	477,258	395,922	179	201,649	321,887
Special Programs for the Aging - Title III, Part C - Nutrition Services												
Title III Congregate Meals Admin	42030	93.045	2100002005	4,641	07.2021-06.2022	0	2,538	2,658	5,197	0	0	0
Title III Congregate Meals	42030	93.045	2100002005	478,302	07.2021-06.2022	0	4,274	222,053	204,411	0	21,916	222,053
Title III Home Delivered Meals Admin	42040	93.045	2100002005	4,641	07.2021-06.2022	0	2,466	2,601	5,067	0	0	0
Title III Home Delivered Meals	42040	93.045	2100002005	953,946	07.2021-06.2022	0	48,586	447,977	338,608	0	157,954	447,977
Title III Home Delivered Meals CRRSSA	42040	93.045	2100002005	141,160	07.2021-06.2022	0	0	141,160	141,160	0	0	141,160
				1,582,690		0	57,864	816,449	694,443	0	179,870	811,190
Nutrition Services Incentive Program												
NSIP	47000	93.053	2100003024	199,812	10.2021-9.2022			199,812	199,812	0		199,812
			Total Aging Cluster	2,997,766		179	178,177	1,493,519	1,290,177	179	381,519	1,332,889
Medical Assistance Program												
Aging ADRC	48030	93.778	2000004400	30,600	07.2021-06.2022	0	5,202	30,600	35,802	0	0	0
Aging ADRC No Wrong Door	42420	93.048	2000004400	64,522	07.2021-06.2022	0	0	17,654	9,948	0	7,705	0
Aging ADRC CDC	48040	93.044	2000004400	40,266	07.2021-06.2022	0	0	2,415	2,415	0	0	0
			Total	135,388		0	5,202	50,669	48,165	0	7,705	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	2100001810	10,036	07.2021-06.2022	0	0	10,036	10,036	0	0	10,036
Special Programs for the Aging - Title VIII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals												
Title VII Ombudsman	46000	93.042	2100001810	21,144	07.2021-06.2022	0	0	21,144	21,144	0	0	21,144
Title VII Ombudsman CARES	46000	93.042	2100001810	2,871	07.2021-06.2022	4	0	2,871	2,867	0	0	2,871
Title VII Ombudsman ARPA	46000	93.042	2100001810	20,076	07.2021-06.2022	0	0	20,076	16,620	4	3,460	20,076
			Total	44,091		4	0	44,091	40,631	4	3,460	44,091
Department for Aging and Independent Living												
Title III D Preventative Health	42050	93.043	2100002005	95,238	07.2021-06.2022	0	6,528	18,784	18,313	0	7,000	14,175
Medicare Improvements for Patients and Providers (MIPPA) - SHIP	48100	93.071	2100000242	5,855	09.2020-08.2021	0	0	5,855	5,855	0	0	5,855
Medicare Improvements for Patients and Providers (MIPPA) - SHIP	48100	93.071	2100003015	36,001	09.2021-08.2022	0	5,856	30,000	32,856	0	3,000	30,000
MIPPA-AAA	48110	93.071	2100000242	3,661	09.2020-08.2021	0	0	3,661	3,661	0	0	3,661
MIPPA-AAA	48110	93.071	2100003015	54,614	09.2021-08.2022	0	3,664	45,510	44,623	0	4,551	45,510
MIPPA-ADRC	48120	93.071	2100003015	4,899	09.2021-08.2022	0	259	4,899	5,158	0	0	0
Functional Assessment Service Teams	48050	93.069	2000002444	1,000	10.2021-06.2022	0	89	60	148	0	0	0
			Total	201,268		0	16,396	108,769	110,613	0	14,551	99,201
National Family Caregiver Support Title II, Part E												
Aging Family Caregiver Support	49000/48020	93.052	2100002005	350,927	07.2021-06.2022	0	160,328	95,383	175,588	0	80,123	0
Aging Family Caregiver Support CARES	49000	93.052	2100002005	98,100	07.2021-06.2022	0	0	98,100	61,468	0	36,633	0
Aging Family Caregiver Support ARPA	49000	93.052	2100002005	271,698	07.2021-06.2022	0	21,827	6,000	21,827	0	6,000	0
			Total	720,725		0	182,155	199,483	258,883	0	122,756	0
Centers for Medicare and Medicaid Services (CMS) Research Demonstrations and Evaluations												
CMS-SHIP	42400	93.324	200003467	101,914	07.2021-06.2022	0	0	101,914	76,436	0	25,479	101,914
			Total	101,914		0	0	101,914	76,436	0	25,479	101,914
Total U.S. Department of Health and Human Services				\$ 3,667,038		\$ 183	\$ 381,930	\$ 2,008,481	\$ 1,834,941	\$ 183	\$ 555,470	\$ 1,588,131

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

Federal Grantor/Program	Internal Grant Number	CFDA Number	Grantor Number	Total Award	Award Period	Deferred at 06.30.2021	Receivable at 06.30.2021	2022 Federal Expenditures	2022 Federal Receipts	Deferred at 06.30.2022	Receivable at 06.30.2022	Passed Through to Subrecipients
U.S. Department of Defense												
Bluegrass Army Depot Economic Resiliency Study	25140	12.614	HQ00052110058	\$ 455,828	09.2021-02.2023	\$ 0	\$ 0	\$ 91,616	\$ 91,616	\$ 0	\$ 0	\$ 0
Total U.S. Department of Defense				455,828		0	0	91,616	91,616	0	0	0
U.S. Department of Housing and Urban Development												
Passed through Commonwealth of Kentucky Department for Local Government Community Development Block Grants (CDBG)/State's program and Non-Entitlement Grants in Hawaii Joint Funding Administration (JFA) - Program Assistance												
	71250	14.228	2100003351	\$ 20,127	07.2021-06.2022	0	0	20,127	13,237	0	6,889	0
Total U.S. Department of Housing and Urban Development				20,127		0	0	20,127	13,237	0	6,889	0
U.S. Department of Commerce												
Passed through Commonwealth of Kentucky Department for Local Government Economic Development Support for Planning Organizations JFA Community and Economic Development												
	71200	11.302	2100003351	66,667	07.2021-06.2022	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
Appalachian Local Development District Assistance												
JFA ARC Planning and Assistance	71300	23.009	KY-702-C-C50-21	46,728	07.2021-12.2021	0	0	46,728	46,728	0		0
JFA ARC Planning and Assistance	71300	23.009	KY-702-C-C51-22	60,198	01.2022-06.2022	0	0	46,727	60,198	13,471		0
Total Appalachian Regional Commission				106,926		0	0	93,455	106,926	13,471	0	0
Page Subtotal				649,548		0	0	271,865	278,446	13,471	6,889	0
Total Federal Awards				\$ 10,629,894		\$ 204	\$ 1,659,209	\$ 8,061,760	\$ 6,877,694	\$ 13,675	\$ 2,856,744	\$ 6,116,322

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.

\$ 2,856,744	FY22 A/R
(1,659,209)	Less FY21 A/R
204	FY21 Deferred
(13,675)	Less FY22 Deferred
<u>\$ 8,061,758</u>	Federal revenue per financial statements

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.

**BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended June 30, 2022**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified Yes No

Significant deficiencies identified that are not considered to be material weaknesses Yes None reported

Non-compliance material to financial statements noted Yes No

Federal Awards:

Internal control over major programs:

Material weaknesses identified Yes No

Significant deficiencies identified that are not considered to be material weaknesses Yes None 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 No

Major Programs:

AL Number

Name of Federal Program or Cluster

17.258, 17.259, 17.278
17.277

WIOA Cluster
WIOA National Dislocated Worker Grants/WIA National
Emergency Grants

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

Auditee qualified as a low-risk auditee? Yes No

II. FINDINGS RELATED TO FINANCIAL STATEMENTS

2022-001 – Audit Adjustments – Material Weakness

Criteria: Management of Bluegrass Area Development District (the District) is responsible for establishing and maintaining effective internal controls over the financial reporting process of the District.

Condition: During our audit, we identified misstatements that were not identified by the District's internal controls over financial reporting. 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 deficiency in operation exists when a properly designed control does not operate as designed. In this case, the internal controls over the preparation and review of the District's financial statements did not operate as designed, and we consider this a material weakness.

Cause: The District did not have properly operating internal controls in place over the financial reporting process and year-end close, which resulted in misstated accounting records prior to performance of the audit.

Effect: Material misstatements were identified, and audit adjustments were required during the audit. Management assisted and identified adjustments related to cash, accounts receivables, payables, and reclassifications throughout the process. Management has a listing of these adjustments and has approved all adjustments.

Recommendation: We recommend management review the period-end financial reporting process and implement an additional analytical review and analysis and reconciliation of year end balances prior to the start of the audit. This additional oversight of the year-end financial records should ensure that any accounting errors are detected and corrected prior to the audit.

Management's Response:

Bluegrass ADD has created internal checklists and training documents to capture all reporting requirements and reconciliations. This checklist is performed monthly and is reviewed and signed by both the Bluegrass ADD Treasurer and the Bluegrass ADD Executive Director. The Bluegrass ADD CFO will complete reconciliation of year-end balances within two months of the close of the Fiscal Year and report to the Bluegrass ADD Executive Committee when this action is completed. The early completion of this year-end reconciliation along with the monthly checklists will ensure that the annual audit can start on time and ensure that any accounting errors are detected prior to the start of the audit.

2022-002 – Bank Reconciliation Preparation (Material Weakness)

Criteria: The District is responsible for establishing and maintaining effective internal controls over the cash reconciliation process.

Condition: During our audit, we noted bank reconciliations were not prepared on a timely basis. Once they were prepared, we found discrepancies between the reconciliations and the general ledger. Audit adjustments were required to reconcile the bank reconciliations to the general ledger. We also found that cash postings were not reconciled to the general ledger on a daily basis.

Cause: The District failed to monitor cash activity and perform cash reconciliations timely during the year, which resulted in misstated accounting records prior to performance of the audit.

Effect: The District worked in conjunction with the auditors to prepare accounting adjustments to properly reflect a net decrease in cash of \$131,346. The District reviewed, approved and accepted responsibility for the accounting adjustments as the auditor cannot be a component of the District's internal controls.

Recommendation: We recommend that the District review and implement policies and procedures that allow them to properly account for all cash activity throughout the year and perform bank reconciliations on a timely basis.

Response:

The Bluegrass ADD utilizes proprietary accounting software known as CYMA. In FY22, the State required the Bluegrass ADD to utilize timekeeping software for the Participant Directed Services (PDS) program known as Tellus. There was no interface between CYMA and Tellus. In February of 2022, the Bluegrass ADD made a management decision to switch from the state provided CDO timekeeping software Tellus, to a third-party payroll system known as Mains'l. The internal CDO bank account reconciliation module utilized by the Bluegrass ADD was discontinued when the switch from Tellus to Mains'l occurred. Since the start of the audit process, Bluegrass ADD has worked with Mains'l to produce appropriate documentation required to perform internal bank reconciliations. This has since been documented and added to the required monthly checklist which will allow the Bluegrass ADD to properly account for all cash activity throughout the year and perform bank reconciliations on a timely basis.

2022-003 – Segregation of Duties (Material Weakness)

Criteria: The District is responsible for having proper segregation of duties or compensating controls to properly safeguard assets from misappropriation. The basic premise of segregation of duties is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. In addition, proper segregation of duties should include oversight of accounting activity by individuals with knowledge of internal controls and accounting regulations, who were not involved in the original transaction.

Condition: The District's Chief Financial Officer was responsible for making journal entries without a secondary approval.

Cause: The District does not have sufficient segregation of duties related to journal entries prepared by the Chief Financial Officer. Additionally, the District did not provide adequate oversight to compensate for the lack of segregation of duties.

Effect: The District did not provide adequate oversight related to journal entries prepared by the Chief Financial Officer.

Recommendation: We recommend all journal entries prepared by the Chief Financial Officer be reviewed and approved by qualified individuals. We recommend this approval process be documented.

Response:

During the first few months of the current CFO's tenure, he performed required monthly journal entry adjustments and posted them on his own. At the time, the ADD did not have an accountant in the Workforce or Aging programs, and therefore there was no one else to perform the entries. The CFO would have administrative staff review and sign entries after performing, just like the prior CFO did with her accounting staff. The ADD has since replaced both accounting positions, and the monthly entries are performed by accounting staff for the CFO to review and post. Every entry should have at least two staff creating and reviewing the entries. Any future journal entries performed by the CFO, will be reviewed by the Bluegrass ADD Treasurer and the Bluegrass ADD Executive Director and reported to the Bluegrass ADD Executive Committee monthly.

2022-004 – Grant Financial Monitoring (Material Weakness)

Criteria: The District is responsible for having adequate controls and financial systems in place to monitor grant financial activity on a timely basis. Ongoing financial monitoring of grant activity allows management to make informed decisions and make any necessary changes in spending or services in a timely manner.

Condition: During fiscal year 2022, the District's Workforce Innovation and Opportunity Act program overspent their budget by approximately \$500,000.

Cause: The District did not have adequate controls and financial monitoring systems in place to detect grant overspending in a timely manner.

Effect: Overspending in fiscal year 2022 resulted in decreased funding in 2023 and future years. Due to budget cuts, staff were laid off and only basic career services were provided in fiscal year 2023.

Recommendation: We recommend the District implement adequate controls and financial systems in order to monitor grant activity on a timely basis. This will provide current information on the status of grants and allow management to make informed and timely decisions regarding spending and the services provided.

Response:

During the end of FY21 and FY22, the required tracking spreadsheet for the Workforce program was not maintained by staff. A new Workforce Financial Accountant was hired by the Bluegrass ADD in November 2022. The CFO has since reintroduced the tracking spreadsheet to reconcile with both the ADD's main accounting system, CYMA, as well as the state's WORK reporting system. These steps are included in the new monthly checklist.

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, 2022

	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	\$ -	\$ 66,145	\$ 5,764,392	\$ 19,147,584	\$ 3,487,029	\$ -	\$ 49,915	\$ 78,540	\$ -	\$ 91,616	\$ -	\$ -	\$ -	\$ 355,787	\$ 29,041,008
Receivable	-	28,290	959,180	345,974	2,294,384	-	31,700	26,184	-	-	-	-	-	111,971	3,797,683
Deferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local:															
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	149,861	-	149,861
Rent	-	-	-	-	-	-	-	-	-	-	-	-	54,496	-	54,496
Interest	-	-	1,493	-	-	-	-	-	-	-	-	-	37,792	-	39,285
Matching/In-kind	-	-	48,610	-	-	-	-	-	-	-	-	-	-	-	48,610
Service fees	135,896	69,285	17,436	-	25,056	28,101	36,432	-	82,673	-	36,389	422,064	-	-	853,332
Total revenues	135,896	163,720	6,791,111	19,493,558	5,806,469	28,101	118,047	104,724	82,673	91,616	36,389	422,064	242,149	467,758	33,984,275
Expenditures															
Direct costs:															
Salaries	8,576	68,132	396,704	695,773	372,308	11,273	31,927	51,125	36,814	26,788	11,386	-	138,100	170,606	2,019,512
Employee burden	3,622	36,438	245,172	447,827	245,196	6,130	22,766	33,666	16,577	14,248	4,415	-	(87,179)	116,420	1,105,298
Annual leave	301	4,957	26,502	39,341	24,896	531	2,383	2,855	1,571	1,879	453	-	9,468	14,513	129,650
Travel	424	(2,295)	13,486	11,555	27,534	452	1,664	2,034	697	2,640	586	-	4,334	9,262	72,373
Legal	-	-	-	-	990	-	-	-	-	-	-	78	-	-	1,068
Bad debts	-	-	-	273,754	-	-	-	-	-	-	-	-	-	-	273,754
Recoupment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	276	4,748	101,857	204,606	100,914	229	1,853	2,036	730	928	8,296	-	102,286	19,156	547,915
Contract costs	-	-	5,676,140	17,021,235	4,730,631	-	-	-	-	25,500	-	269,331	-	-	27,722,837
Total direct costs	13,199	111,980	6,459,861	18,694,091	5,502,469	18,615	60,593	91,716	56,389	71,983	25,136	269,409	167,009	329,957	31,872,407
Indirect costs applied	6,009	51,481	315,998	563,000	304,000	8,567	26,925	41,743	26,284	20,202	7,777	-	6,165	141,305	1,519,456
Total expenditures	19,208	163,461	6,775,859	19,257,091	5,806,469	27,182	87,518	133,459	82,673	92,185	32,913	269,409	173,174	471,262	33,391,863
Revenues over (expenditures)	\$ 116,688	\$ 259	\$ 15,252	\$ 236,467	\$ -	\$ 919	\$ 30,529	\$ (28,735)	\$ -	\$ (569)	\$ 3,476	\$ 152,655	\$ 68,975	\$ (3,504)	\$ 592,412

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
KENTUCKY JOINT FUNDING ADMINISTRATION PROGRAM
Year ended June 30, 2022

	<u>Element No.</u>	<u>Budget</u>	<u>Actual Direct</u>	<u>Actual Indirect</u>	<u>Actual Total</u>
Revenues					
Federal		\$ 180,248	\$ 125,936	\$ 54,312	\$ 180,248
State		<u>172,143</u>	<u>120,274</u>	<u>51,869</u>	<u>172,143</u>
Total revenues		<u>352,391</u>	<u>246,210</u>	<u>106,181</u>	<u>352,391</u>
Expenditures					
Community and Economic Development Community Development Block Grant Program Assistance	120	83,333	61,921	24,021	85,942
Appalachian Regional Commission Planning and Assistance	125	40,254	27,993	13,156	41,149
Management Assistance	130	186,910	130,375	56,535	186,910
Program Administration	140	25,137	16,977	8,159	25,137
	150	<u>16,758</u>	<u>11,392</u>	<u>5,366</u>	<u>16,758</u>
Total expenditures		<u>352,391</u>	<u>248,658</u>	<u>107,237</u>	<u>355,895</u>
Revenues over expenditures		<u>\$ 0</u>	<u>\$ (2,448)</u>	<u>\$ (1,056)</u>	<u>\$ (3,504)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
COMMUNITY AND INFRASTRUCTURE DEVELOPMENT GRANTS ADMINISTRATION
Year ended June 30, 2022

	21663 Millersburg Military CDBG	21684 Estill Mack Theatre CDBG	21685 Bourbon AgTech Scientific	21686 Wilmore Granary Stab	21693 Stanton CDBG/ARC I/I	21694 North Mercer Water CDBG	21695 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>1,000</u>	<u>381</u>	<u>601</u>	<u>15,000</u>	<u>293</u>	<u>49,723</u>	<u>3,079</u>
Total revenues	<u>1,000</u>	<u>381</u>	<u>601</u>	<u>15,000</u>	<u>293</u>	<u>49,723</u>	<u>3,079</u>
Expenditures							
Direct costs:							
Salaries	74	237	298	1,432	126	400	1,355
Employee burden	44	18	87	638	67	182	643
Annual leave	4	0	6	51	5	19	52
Travel	0	0	20	17	0	28	46
Bad Debt Expense	0	0	0	0	0	0	0
Other	0	0	0	49	0	46	0
Contract costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total direct costs	122	255	411	2,187	198	675	2,096
Indirect costs applied	<u>60</u>	<u>126</u>	<u>190</u>	<u>1,019</u>	<u>95</u>	<u>287</u>	<u>983</u>
Total expenditures	<u>182</u>	<u>381</u>	<u>601</u>	<u>3,206</u>	<u>293</u>	<u>962</u>	<u>3,079</u>
Revenues over expenditures	<u>\$ 818</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,794</u>	<u>\$ 0</u>	<u>\$ 48,761</u>	<u>\$ 0</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
COMMUNITY AND INFRASTRUCTURE DEVELOPMENT GRANTS ADMINISTRATION
Year ended June 30, 2022

	21701 Lancaster Sewer CDBG	21705 Berea Walnut Meadow Pump	21712 Lincoln SD CDBG	21725 Midway BG Dist CDBG	Total
Revenues					
Federal and state:					
Received	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivable	0	0	0	0	0
Deferred	0	0	0	0	0
Local:					0
Service fees	6,839	40,000	18,721	259	135,896
Total revenues	6,839	40,000	18,721	259	135,896
Expenditures					
Direct costs:					
Salaries	3,230	570	758	96	8,576
Employee burden	1,112	334	443	54	3,622
Annual leave	83	33	44	4	301
Travel	126	31	156	0	424
Bad Debt Expense	0	0	0	0	0
Other	150	0	0	31	276
Contract costs	0	0	0	0	0
Total direct costs	4,701	968	1,401	185	13,199
Indirect costs applied	2,138	445	592	74	6,009
Total expenditures	6,839	1,413	1,993	259	19,208
Revenues over expenditures	\$ 0	\$ 38,587	\$ 16,728	\$ 0	\$ 116,688

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MAPPING/GEOGRAPHIC INFORMATION SYSTEMS
Year ended June 30, 2022

	88000 KIA GIS	88100 Jessamine GIS T/A	82240 Anderson GPS E911	83060 Madison PVA Mapping	85100 Local Roads Bourbon	85110 Local Roads Boyle	85120 Local Roads Clark
Revenues							
Federal and State:							
Received	\$ 6,085	\$ 0	\$ 0	\$ 0	\$ 2,273	\$ 5,623	\$ 525
Receivable	24,300	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	15,400	5,000	5,313	0	0	0
Total revenues	30,385	15,400	5,000	5,313	2,273	5,623	525
Expenditures							
Direct costs:							
Salaries	11,888	6,233	1,580	2,899	1,428	3,715	411
Employee burden	6,827	3,593	919	1,732	720	1,768	208
Annual leave	846	439	112	200	96	273	19
Travel	0	77	84	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Other	1,611	220	68	0	0	0	0
Contract costs	0	0	0	0	0	0	0
Total direct costs	21,172	10,562	2,763	4,831	2,244	5,756	638
Indirect costs applied	9,213	4,838	1,230	2,280	1,057	2,699	303
Total expenditures	30,385	15,400	3,993	7,111	3,301	8,455	941
Revenues over expenditures	\$ 0	\$ 0	\$ 1,008	\$ (1,798)	\$ (1,028)	\$ (2,832)	\$ (416)

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MAPPING/GEOGRAPHIC INFORMATION SYSTEMS
Year ended June 30, 2022

	85130 Local Roads Estill	85140 Local Roads Franklin	85160 Local Roads Harrison	85170 Local Roads Jessamine	85180 Local Roads Lincoln	85190 Local Roads Madison	85200 Local Roads Mercer
Revenues							
Federal and State:							
Received	\$ 2,459	\$ 1,041	\$ 3,711	\$ 3,486	\$ 5,791	\$ 9,003	\$ 1,377
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	2,459	1,041	3,711	3,486	5,791	9,003	1,377
Expenditures							
Direct costs:							
Salaries	1,271	724	2,483	2,464	3,382	5,708	841
Employee burden	608	343	1,194	1,213	1,624	2,798	465
Annual leave	112	61	152	192	266	443	49
Travel	73	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	2,064	1,128	3,829	3,869	5,272	8,949	1,355
Indirect costs applied	925	525	1,810	1,810	2,464	4,188	643
Total expenditures	2,989	1,653	5,639	5,679	7,736	13,137	1,998
Revenues over expenditures	\$ (530)	\$ (612)	\$ (1,928)	\$ (2,193)	\$ (1,945)	\$ (4,134)	\$ (621)

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MAPPING/GEOGRAPHIC INFORMATION SYSTEMS
Year ended June 30, 2022

	85220 Local Roads Powell	85230 Local Roads Scott	85240 Local Roads Woodford	85407 Parksville Web Map	85423 Danville E911 Maps & Data Coll	85424 Nicholas/ Carlisle E911	85425 Homeland Security Geo Audits
Revenues							
Federal and State:							
Received	\$ 406	\$ 1,916	\$ 190	\$ 0	\$ 0	\$ 0	\$ 0
Receivable	0	0	0	0	0	0	3,990
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	0	0	500	10,000	5,000	0
Total revenues	406	1,916	190	500	10,000	5,000	3,990
Expenditures							
Direct costs:							
Salaries	274	1,286	137	0	3,277	3,139	587
Employee burden	147	593	60	0	1,931	1,829	355
Annual leave	16	78	7	0	232	220	41
Travel	0	0	0	0	272	0	389
Bad Debt Expense	0	0	0	0	0	0	0
Other	0	0	0	0	85	0	0
Contract costs	0	0	0	0	0	0	0
Total direct costs	437	1,957	204	0	5,797	5,188	1,372
Indirect costs applied	208	925	97	0	2,565	2,446	463
Total expenditures	645	2,882	301	0	8,362	7,634	1,835
Revenues over expenditures	\$ (239)	\$ (966)	\$ (111)	\$ 500	\$ 1,638	\$ (2,634)	\$ 2,155

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MAPPING/GEOGRAPHIC INFORMATION SYSTEMS
Year ended June 30, 2022

	85426 Franklin <u>E Government</u>	85431 Danville/Boyle <u>P&Z Mapping</u>	85432 Cynthiana <u>GPS</u>	85433 Danville <u>E911 TA</u>	85437 Estill <u>E911</u>	85439 Powell <u>E911</u>	85440 UMAST <u>Upgrade</u>
Revenues							
Federal and State:							
Received	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,259
Receivable	0	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	<u>1,200</u>	<u>363</u>	<u>907</u>	<u>86</u>	<u>3,059</u>	<u>17,457</u>	<u>0</u>
Total revenues	<u>1,200</u>	<u>363</u>	<u>907</u>	<u>86</u>	<u>3,059</u>	<u>17,457</u>	<u>22,259</u>
Expenditures							
Direct costs:							
Salaries	0	156	332	0	1,172	3,324	9,421
Employee burden	0	76	199	0	708	1,971	4,558
Annual leave	0	13	23	0	81	232	754
Travel	0	0	91	86	172	822	0
Bad Debt Expense	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	644
Contract costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total direct costs	0	245	645	86	2,133	6,349	15,377
Indirect costs applied	<u>0</u>	<u>114</u>	<u>262</u>	<u>0</u>	<u>926</u>	<u>2,609</u>	<u>6,882</u>
Total expenditures	<u>0</u>	<u>359</u>	<u>907</u>	<u>86</u>	<u>3,059</u>	<u>8,958</u>	<u>22,259</u>
Revenues over expenditures	<u>\$ 1,200</u>	<u>\$ 4</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,500</u>	<u>\$ 0</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MAPPING/GEOGRAPHIC INFORMATION SYSTEMS
Year ended June 30, 2022

	85441 Lincoln Co <u>Schools Mapping</u>	39000 GIS <u>Transportation</u>	<u>Total</u>
Revenues			
Federal and State:			
Received	\$ 0	\$ 0	\$ 66,145
Receivable	0	0	28,290
Deferred	0	0	0
Local:			
Service fees	<u>5,000</u>	<u>0</u>	<u>69,285</u>
Total revenues	<u>5,000</u>	<u>0</u>	<u>163,720</u>
Expenditures			
Direct costs:			
Salaries	0	0	68,132
Employee burden	0	0	36,438
Annual leave	0	0	4,957
Travel	0	(4,361)	(2,295)
Bad Debt Expense	0	0	0
Other	0	2,120	4,748
Contract costs	<u>0</u>	<u>0</u>	<u>0</u>
Total direct costs	0	(2,241)	111,980
Indirect costs applied	<u>0</u>	<u>0</u>	<u>51,481</u>
Total expenditures	<u>0</u>	<u>(2,241)</u>	<u>163,461</u>
Revenues over expenditures	<u>\$ 5,000</u>	<u>\$ 2,241</u>	<u>\$ 259</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
AGING PROGRAMS
Year ended June 30, 2022

	40000 Aging Homecare	42000 Aging Title III	42000 Aging Title III CARES	42030 Aging Title III C1	42040 Aging Title III C2	42040 Aging Title III C2 CRRSSA	42050 Aging Title III D
Revenues							
Federal and State:							
Received	\$ 1,377,486	\$ 1,321,171	\$ 12,858	\$ 494,484	\$ 1,203,302	\$ 141,160	\$ 21,784
Receivable	137,999	195,382	0	111,193	334,388	0	7,000
Deferred	0	0	0	0	0	0	0
Local:							
In-kind	48,610	0	0	0	0	0	0
Service fees	0	1,493	0	0	0	0	0
Total revenues	1,564,095	1,518,046	12,858	605,677	1,537,690	141,160	28,784
Expenditures							
Direct costs:							
Salaries	100,950	101,090	0	2,662	2,650	0	458
Employee burden	64,318	60,238	0	1,535	1,530	0	231
Annual leave	9,763	6,263	0	139	168	0	26
Travel	3,887	4,858	0	0	0	0	74
Other	15,633	24,866	0	411	410	0	4,342
Contract costs	1,288,842	1,242,442	12,858	598,864	1,530,874	141,160	23,314
Total direct costs	1,483,393	1,439,757	12,858	603,611	1,535,632	141,160	28,445
Indirect costs applied	81,363	79,423	0	2,066	2,058	0	339
Total expenditures	1,564,756	1,519,180	12,858	605,677	1,537,690	141,160	28,784
Revenues over expenditures	\$ (661)	\$ (1,134)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
AGING PROGRAMS
Year ended June 30, 2022

	42060 Aging <u>Title III B Ombuds</u>	42250 Aging <u>Title VII-Elder Abuse</u>	42400 Aging <u>CMS Ship</u>	42420 Aging <u>Med ADRC NWD</u>	46000 Aging <u>Title VII Ombuds</u>	46000 Aging <u>Title VII Ombud Cares</u>	46000 Aging <u>Title VII Ombud ARPA</u>
Revenues							
Federal and State:							
Received	\$ 51,733	\$ 10,036	\$ 76,435	\$ 9,949	\$ 21,144	\$ 2,871	\$ 16,616
Receivable	6,267	0	25,479	7,705	0	0	3,460
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>58,000</u>	<u>10,036</u>	<u>101,914</u>	<u>17,654</u>	<u>21,144</u>	<u>2,871</u>	<u>20,076</u>
Expenditures							
Direct costs:							
Salaries	0	0	0	4,266	0	0	0
Employee burden	0	0	0	2,201	0	0	0
Annual leave	0	0	0	146	0	0	0
Travel	0	0	0	0	0	0	0
Other	0	0	0	7,866	0	0	0
Contract costs	<u>58,000</u>	<u>10,036</u>	<u>101,914</u>	<u>0</u>	<u>21,144</u>	<u>2,871</u>	<u>20,076</u>
Total direct costs	58,000	10,036	101,914	14,479	21,144	2,871	20,076
Indirect costs applied	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,183</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>58,000</u>	<u>10,036</u>	<u>101,914</u>	<u>17,662</u>	<u>21,144</u>	<u>2,871</u>	<u>20,076</u>
Revenues over expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
AGING PROGRAMS
Year ended June 30, 2022

	46010 Aging LTC Ombuds	47000 Aging NSIP USDA	48020 Non-Medicaid ADRC	48030 Aging ADRC	48040 Medicaid ADRC-CDC	48050 Aging FAST	48100 Aging MIPPA-SHIP
Revenues							
Federal and State:							
Received	\$ 99,112	\$ 199,812	\$ 230,734	\$ 82,346	\$ 2,415	\$ 60	\$ 32,855
Receivable	0	0	0	0	0	0	3,000
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	99,112	199,812	230,734	82,346	2,415	60	35,855
Expenditures							
Direct costs:							
Salaries	0	0	81,351	28,076	0	0	0
Employee burden	0	0	55,677	14,876	0	0	0
Annual leave	0	0	4,102	1,028	0	0	0
Travel	0	0	837	390	0	0	0
Other	0	0	21,308	1,144	2,415	1,028	0
Contract costs	99,112	199,812	0	0	0	0	35,855
Total direct costs	99,112	199,812	163,275	45,514	2,415	1,028	35,855
Indirect costs applied	0	0	67,459	21,146	0	0	0
Total expenditures	99,112	199,812	230,734	66,660	2,415	1,028	35,855
Revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 15,686	\$ 0	\$ (968)	\$ 0

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

DEPARTMENTAL SCHEDULE

AGING PROGRAMS

Year ended June 30, 2022

	<u>48110</u>	<u>48120</u>	<u>49000</u>	<u>49000</u>	<u>49000</u>	<u>49020</u>	<u>49700</u>
	Aging MIPPA-AAA	Aging MIPPA- ADRC	Aging Family Caregiver	Aging Family Caregiver CARES	Aging Family Caregiver ARPA	Aging KY Caregiver	PCHP Anthem MCO
Revenues							
Federal and State:							
Received	\$ 44,620	\$ 4,899	\$ 237,043	\$ 61,467	\$ 0	\$ 8,000	\$ 0
Receivable	4,551	0	80,123	36,633	6,000	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	17,436
Total revenues	<u>49,171</u>	<u>4,899</u>	<u>317,166</u>	<u>98,100</u>	<u>6,000</u>	<u>8,000</u>	<u>17,436</u>
Expenditures							
Direct costs:							
Salaries	0	1,825	67,067	0	0	0	6,309
Employee burden	0	1,358	39,675	0	0	0	3,533
Annual leave	0	143	4,312	0	0	0	412
Travel	0	0	3,440	0	0	0	0
Other	0	7	14,427	0	0	8,000	0
Contract costs	49,171	0	135,695	98,100	6,000	0	0
Total direct costs	<u>49,171</u>	<u>3,333</u>	<u>264,616</u>	<u>98,100</u>	<u>6,000</u>	<u>8,000</u>	<u>10,254</u>
Indirect costs applied	0	1,566	52,550	0	0	0	4,845
Total expenditures	<u>49,171</u>	<u>4,899</u>	<u>317,166</u>	<u>98,100</u>	<u>6,000</u>	<u>8,000</u>	<u>15,099</u>
Revenues over expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,337</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

DEPARTMENTAL SCHEDULE

AGING PROGRAMS

Year ended June 30, 2022

	<u>Total</u>
Revenues	
Federal and State:	
Received	\$ 5,764,392
Receivable	959,180
Deferred	0
Local:	0
In-kind	48,610
Service fees	18,929
Total revenues	<u>6,791,111</u>
Expenditures	
Direct costs:	
Salaries	396,704
Employee burden	245,172
Annual leave	26,502
Travel	13,486
Other	101,857
Contract costs	5,676,140
Total direct costs	6,459,861
Indirect costs applied	<u>315,998</u>
Total expenditures	<u>6,775,859</u>
Revenues over expenditures	<u>\$ 15,252</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
PARTICIPANT DIRECTED SERVICES
Year ended June 30, 2022

43500
Participant
Directed Services

Revenues

Federal and State:

Received	\$	19,147,584
Receivable		345,974
Deferred		0

Local:

Service fees		0
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Total revenues		<u>19,493,558</u>
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Expenditures

Direct costs:

Salaries		695,773
Employee burden		447,827
Annual leave		39,341
Travel		11,555
Bad debt expense		273,754
Recoupment expense		0
Other		204,606
Contract costs		<u>17,021,235</u>

Total direct costs		18,694,091
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Indirect costs applied		<u>563,000</u>
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Total expenditures		<u>19,257,091</u>
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Revenues over expenditures	\$	<u><u>236,467</u></u>
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See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WORKFORCE DEVELOPMENT
Year ended June 30, 2022

	50050 Statewide Reserve 273SR20	50060 Statewide Reserve 270SR20	51120 Trade 205BE19	51130 Trade 205BE20	52130 NEG COVID19 258CV20	52131 NEG COVID19 258CV21	53071 Adult Admin 270AD22
Revenues							
Federal and State:							
Received	\$ 31	\$ 0	\$ 1,814	\$ 49,121	\$ 304,721	\$ 97,281	\$ 15,072
Receivable	0	10,785	0	9,902	0	48,112	0
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	138	0	0	0	0	0
Total revenues	31	10,923	1,814	59,023	304,721	145,393	15,072
Expenditures							
Direct costs:							
Salaries	0	0	0	0	0	0	4,077
Employee burden	0	0	0	0	0	0	3,009
Annual leave	0	0	0	0	0	0	333
Travel	31	9	0	0	0	0	2,303
Legal Fees	0	0	0	0	0	0	330
Other	0	10,914	0	0	0	0	1,532
Contract costs	0	0	1,814	59,023	304,721	145,393	0
Total direct costs	31	10,923	1,814	59,023	304,721	145,393	11,584
Indirect costs applied	0	0	0	0	0	0	3,488
Total expenditures	31	10,923	1,814	59,023	304,721	145,393	15,072
Revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WORKFORCE DEVELOPMENT
Year ended June 30, 2022

	53114 Adult Program 270AD22	53115 Adult Program 273AD22	54031 DW Admin 271DW20	54041 DW Admin 272DW21	54141 DW Program 272DW21	54051 DW Admin 271DW21	54151 DW Program 271DW21
Revenues							
Federal and State:							
Received	\$ 135,650	\$ 625,540	\$ 81,680	\$ 37,356	\$ 175,014	\$ 109,377	\$ 305,018
Receivable	0	0	0	0	0	23,458	119,395
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	0	0	0	0	0	0
Total revenues	135,650	625,540	81,680	37,356	175,014	132,835	424,413
Expenditures							
Direct costs:							
Salaries	31,560	46,236	30,097	13,963	32,828	49,874	30,713
Employee burden	18,932	29,474	15,721	10,305	19,631	35,010	21,350
Annual leave	1,708	2,645	1,925	1,140	1,927	4,289	1,941
Travel	1,135	7,467	3,512	0	925	747	1,785
Legal Fees	0	0	0	0	0	330	0
Other	5,212	18,622	5,739	1	5,028	796	6,787
Contract costs	52,246	483,823	2,130	0	88,849	0	336,206
Total direct costs	110,793	588,267	59,124	25,409	149,188	91,046	398,782
Indirect costs applied	24,857	37,273	22,556	11,947	25,826	41,789	25,631
Total expenditures	135,650	625,540	81,680	37,356	175,014	132,835	424,413
Revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WORKFORCE DEVELOPMENT
Year ended June 30, 2022

	53113 Adult Program 271DW21	53118 Adult Program 272DW22	53116 Adult Program 271DW22	56080 Youth Admin 274YT21	56180 YOS Program 274YT21	57180 YIS Program 274YT21	56090 Youth Admin 274YT22
Revenues							
Federal and State:							
Received	\$ 167,351	\$ 0	\$ 359,848	\$ 101,707	\$ 276,213	\$ 79,059	\$ 0
Receivable	171,097	362,699	1,248,195	1,179	0	8,945	298
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	0	0	0	0	0	0
Total revenues	338,448	362,699	1,608,043	102,886	276,213	88,004	298
Expenditures							
Direct costs:							
Salaries	14,540	0	16,053	32,735	14,331	14,650	0
Employee burden	7,971	0	18,039	22,252	11,272	8,905	0
Annual leave	836	0	1,654	2,460	1,074	739	0
Travel	1,139	0	0	1,449	388	(56)	298
Legal Fees	0	0	0	330	0	0	0
Other	9,856	0	5,880	3,313	7,862	680	0
Contract costs	293,024	362,699	1,549,633	13,276	228,681	51,490	0
Total direct costs	327,366	362,699	1,591,259	75,815	263,608	76,408	298
Indirect costs applied	11,082	0	16,784	27,071	12,605	11,596	0
Total expenditures	338,448	362,699	1,608,043	102,886	276,213	88,004	298
Revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WORKFORCE DEVELOPMENT
Year ended June 30, 2022

	56190 YOS Program 274YT22	58080 WellCare Works	58090 Isaiah House	Total
Revenues				
Federal and State:				
Received	\$ 565,177	\$ 0	\$ 0	\$ 3,487,029
Receivable	290,319	0	0	2,294,384
Deferred	0	0	0	0
Local:				0
Service fees	0	2,104	22,814	25,056
Total revenues	<u>855,496</u>	<u>2,104</u>	<u>22,814</u>	<u>5,806,469</u>
Expenditures				
Direct costs:				
Salaries	40,651	0	0	372,308
Employee burden	23,325	0	0	245,196
Annual leave	2,225	0	0	24,896
Travel	4,923	1,400	79	27,534
Legal Fees	0	0	0	990
Other	10,791	615	7,286	100,914
Contract costs	<u>742,085</u>	<u>89</u>	<u>15,449</u>	<u>4,730,631</u>
Total direct costs	824,000	2,104	22,814	5,502,469
Indirect costs applied	<u>31,496</u>	<u>0</u>	<u>0</u>	<u>304,000</u>
Total expenditures	<u>855,496</u>	<u>2,104</u>	<u>22,814</u>	<u>5,806,469</u>
Revenues over expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
PLANNING AND ZONING TECHNICAL ASSISTANCE
Year ended June 30, 2022

	10020 Anderson/Lawrence Comp Plan	16060 Anderson/Lawrence Planning TA	22300 Franklin Co Planning Asst	<u>Total</u>
Revenues				
Federal and State:				
Received	\$ 0	\$ 0	0	\$ 0
Receivable	0	0	0	0
Deferred	0	0	0	0
Local:				
Service fees	<u>16,581</u>	<u>6,027</u>	<u>5,493</u>	<u>28,101</u>
Total revenues	<u>16,581</u>	<u>6,027</u>	<u>5,493</u>	<u>28,101</u>
Expenditures				
Direct costs:				
Salaries	6,876	2,522	1,875	11,273
Employee burden	3,773	1,301	1,056	6,130
Annual leave	324	121	86	531
Travel	136	201	115	452
Other	229	0	0	229
Contract costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total direct costs	11,338	4,145	3,132	18,615
Indirect costs applied	<u>5,243</u>	<u>1,882</u>	<u>1,442</u>	<u>8,567</u>
Total expenditures	<u>16,581</u>	<u>6,027</u>	<u>4,574</u>	<u>27,182</u>
Revenues over expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>919</u>	<u>\$ 919</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WATER AND SEWER PLANNING AND TECHNICAL ASSISTANCE
Year ended June 30, 2022

	22000 KIA 409 Council FY22	21651 Gtown/Scott Sewer KIA	21670 Lincoln US 127 Sewer KIA	21678 Bourbon Bedford KIA	21707 Estill ECWD KIA	21721 Lincoln McKinney WD KIA
Revenues						
Federal and State:						
Received	\$ 49,915	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivable	31,700	0	0	0	0	0
Deferred	0	0	0	0	0	0
Local:						
Service fees	0	4,637	12,317	4,500	10,983	365
Total revenues	81,615	4,637	12,317	4,500	10,983	365
Expenditures						
Direct costs:						
Salaries	29,503	814	219	330	890	150
Employee burden	21,535	475	128	26	513	88
Annual leave	2,259	48	14	0	52	10
Travel	1,339	101	0	0	224	0
Other	1,853	0	0	0	0	0
Contract costs	0	0	0	0	0	0
Total direct costs	56,489	1,438	361	356	1,679	248
Indirect costs applied	25,126	634	171	175	691	117
Total expenditures	81,615	2,072	532	531	2,370	365
Revenues over expenditures	\$ 0	\$ 2,565	\$ 11,786	\$ 3,970	\$ 8,613	\$ 0

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
WATER AND SEWER PLANNING AND TECHNICAL ASSISTANCE
Year ended June 30, 2022

	21734 Wilmore Tank Rehab Proj KIA	23010 Berea KIA WX21151040	<u>Total</u>
Revenues			
Federal and State:			
Received	\$ 0	\$ 0	\$ 49,915
Receivable	0	0	31,700
Deferred	0	0	0
Local:			
Service fees	<u>33</u>	<u>3,597</u>	<u>36,432</u>
Total revenues	<u>33</u>	<u>3,597</u>	<u>118,047</u>
Expenditures			
Direct costs:			
Salaries	21	0	31,927
Employee burden	1	0	22,766
Annual leave	0	0	2,383
Travel	0	0	1,664
Other	0	0	1,853
Contract costs	<u>0</u>	<u>0</u>	<u>0</u>
Total direct costs	22	0	60,593
Indirect costs applied	<u>11</u>	<u>0</u>	<u>26,925</u>
Total expenditures	<u>33</u>	<u>0</u>	<u>87,518</u>
Revenues over expenditures	<u>\$ 0</u>	<u>\$ 3,597</u>	<u>\$ 30,529</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
TRANSPORTATION PLANNING
Year ended June 30, 2022

	30000 Transportation
Revenues	
Federal and State:	
Received	\$ 78,540
Receivable	26,184
Deferred	0
Local:	
Service fees	0
Total revenues	104,724
Expenditures	
Direct costs:	
Salaries	51,125
Employee burden	33,666
Annual leave	2,855
Travel	2,034
Other	2,036
Contract costs	0
Total direct costs	91,716
Indirect costs applied	41,743
Total expenditures	133,459
Revenues over expenditures	\$ (28,735)

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
HOMELAND SECURITY
Year ended June 30, 2022

	21733 Hazard Mitigation Plan Update
Revenues	
Federal and State:	
Received	\$ 0
Receivable	0
Deferred	0
Local:	
Service fees	82,673
Total revenues	82,673
Expenditures	
Direct costs:	
Salaries	36,814
Employee burden	16,577
Annual leave	1,571
Travel	697
Other	730
Contract costs	0
Total direct costs	56,389
Indirect costs applied	26,284
Total expenditures	82,673
Revenues over expenditures	\$ 0

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
ECONOMIC DEVELOPMENT PLANNING AND TECHNICAL ASSISTANCE
Year ended June 30, 2022

	22600 Lawrencburg/ Anderson EDA	22800 Lincoln Co IDA	25140 BG Army Depot Econ Res Study	Total
Revenues				
Federal and State:				
Received	\$ 0	\$ 0	\$ 91,616	\$ 91,616
Receivable	0	0	0	0
Deferred	0	0	0	0
Local:				
Service fees	0	0	0	0
Total revenues	<u>0</u>	<u>0</u>	<u>91,616</u>	<u>91,616</u>
Expenditures				
Direct costs:				
Salaries	0	0	26,788	26,788
Employee burden	0	0	14,248	14,248
Annual leave	0	0	1,879	1,879
Travel	0	0	2,640	2,640
Other	77	492	359	928
Contract costs	0	0	25,500	25,500
Total direct costs	77	492	71,414	71,983
Indirect costs applied	0	0	20,202	20,202
Total expenditures	<u>77</u>	<u>492</u>	<u>91,616</u>	<u>92,185</u>
Revenues over expenditures	<u>\$ (77)</u>	<u>\$ (492)</u>	<u>\$ 0</u>	<u>\$ (569)</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

DEPARTMENTAL SCHEDULE

MANAGEMENT SERVICES

Year ended June 30, 2022

	11210 Scott IT	12010 Nicholasville Video	12011 Nicholasville Planning Video	12030 Flemingsburg Video	13010 Nicholasville PD Website	21639 Stanton Judy Creek Trail RTP	21735 N Middletown Fire Station FEMA
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>3,236</u>	<u>900</u>	<u>1,500</u>	<u>100</u>	<u>500</u>	<u>(80)</u>	<u>25</u>
Total revenues	<u>3,236</u>	<u>900</u>	<u>1,500</u>	<u>100</u>	<u>500</u>	<u>(80)</u>	<u>25</u>
Expenditures							
Direct costs:							
Salaries	1,213	961	850	31	0	0	0
Employee burden	867	529	469	14	0	0	0
Annual leave	112	77	68	3	0	0	0
Travel	0	0	0	0	0	0	25
Other	20	19	17	0	0	0	0
Contract costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total direct costs	2,212	1,586	1,404	48	0	0	25
Indirect costs applied	<u>1,024</u>	<u>734</u>	<u>650</u>	<u>22</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>3,236</u>	<u>2,320</u>	<u>2,054</u>	<u>70</u>	<u>0</u>	<u>0</u>	<u>25</u>
Revenues over expenditures	\$ <u>0</u>	\$ <u>(1,420)</u>	\$ <u>(554)</u>	\$ <u>30</u>	\$ <u>500</u>	\$ <u>(80)</u>	\$ <u>0</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MANAGEMENT SERVICES
Year ended June 30, 2022

	21736 Ravenna <u>Stormwater FEMA</u>	21800 Estill <u>ARPA</u>	21801 Irvine <u>ARPA</u>	21802 Jessamine <u>ARPA</u>	21803 Bourbon <u>ARPA</u>	21804 Stanton <u>ARPA</u>	21805 Ravenna <u>ARPA</u>
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>738</u>	<u>509</u>	<u>268</u>	<u>3,342</u>	<u>1,897</u>	<u>1,216</u>	<u>278</u>
Total revenues	<u>738</u>	<u>509</u>	<u>268</u>	<u>3,342</u>	<u>1,897</u>	<u>1,216</u>	<u>278</u>
Expenditures							
Direct costs:							
Salaries	311	236	117	244	437	676	120
Employee burden	175	83	59	111	152	84	63
Annual leave	13	6	5	11	12	3	5
Travel	0	27	0	0	18	79	0
Other	0	0	0	2,801	988	0	0
Contract costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total direct costs	499	352	181	3,167	1,607	842	188
Indirect costs applied	<u>239</u>	<u>157</u>	<u>87</u>	<u>175</u>	<u>290</u>	<u>374</u>	<u>90</u>
Total expenditures	<u>738</u>	<u>509</u>	<u>268</u>	<u>3,342</u>	<u>1,897</u>	<u>1,216</u>	<u>278</u>
Revenues over expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
MANAGEMENT SERVICES
Year ended June 30, 2022

	21806 Nicholas ARPA	21807 Harrison ARPA	21808 Powell ARPA	21809 Harrodsburg ARPA	21810 Berea ARPA	21812 Winchester ARPA	21813 Anderson ARPA
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	1,941	989	835	2,253	7,145	3,208	1,924
Total revenues	1,941	989	835	2,253	7,145	3,208	1,924
Expenditures							
Direct costs:							
Salaries	926	0	381	1,134	422	1,083	454
Employee burden	336	0	144	266	237	194	44
Annual leave	26	0	11	17	19	10	1
Travel	32	0	40	147	71	56	27
Other	0	989	0	0	1,072	1,237	1,153
Contract costs	0	0	0	0	0	0	0
Total direct costs	1,320	989	576	1,564	1,821	2,580	1,679
Indirect costs applied	621	0	259	689	324	628	245
Total expenditures	1,941	989	835	2,253	2,145	3,208	1,924
Revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 0

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

DEPARTMENTAL SCHEDULE

MANAGEMENT SERVICES

Year ended June 30, 2022

	21814 Crab Orchard ARPA	21815 Lancaster ARPA	21816 Wilmore ARPA	21817 Lincoln ARPA	21819 Berry ARPA	21820 Burgin ARPA	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:							
Service fees	<u>786</u>	<u>1,983</u>	<u>573</u>	<u>61</u>	<u>33</u>	<u>229</u>	<u>36,389</u>
Total revenues	<u>786</u>	<u>1,983</u>	<u>573</u>	<u>61</u>	<u>33</u>	<u>229</u>	<u>36,389</u>
Expenditures							
Direct costs:							
Salaries	341	956	351	25	21	96	11,386
Employee burden	177	314	27	15	1	54	4,415
Annual leave	13	24	10	2	0	5	453
Travel	0	64	0	0	0	0	586
Other	0	0	0	0	0	0	8,296
Contract costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total direct costs	531	1,358	388	42	22	155	25,136
Indirect costs applied	<u>255</u>	<u>625</u>	<u>185</u>	<u>19</u>	<u>11</u>	<u>74</u>	<u>7,777</u>
Total expenditures	<u>786</u>	<u>1,983</u>	<u>573</u>	<u>61</u>	<u>33</u>	<u>229</u>	<u>32,913</u>
Revenues over expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,476</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
BLUEGRASS CAT PROJECT
Year ended June 30, 2022

	93000
	Bluegrass
	<u>Cat Project</u>
Revenues	
Federal and State:	
Received	\$ 0
Receivable	0
Deferred	0
Local:	
Service fees	<u>422,064</u>
Total revenues	<u>422,064</u>
Expenditures	
Direct costs:	
Salaries	0
Employee burden	0
Annual leave	0
Travel	0
Other	78
Contract costs	<u>269,331</u>
Total direct costs	269,409
Indirect costs applied	<u>0</u>
Total expenditures	<u>269,409</u>
Revenues over expenditures	<u><u>\$ 152,655</u></u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
DEPARTMENTAL SCHEDULE
NON-GRANT
Year ended June 30, 2022

	90000 Dental Office	91000 Non-Grant	92000 Non-Grant Comp Plan	94000 Families 1st Corona Act Leave	FY22 Pension Expense	FY22 Insurance Expense	FY22 Career Center Lease Exp	Total
Revenues								
Federal and State:								
Received	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivable	0	0	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0	0
Local:								
Contributions	0	149,656	0	205	0	0	0	149,861
Rent	54,496	0	0	0	0	0	0	54,496
Interest	28,216	9,576	0	0	0	0	0	37,792
Total revenues	82,712	159,232	0	205	0	0	0	242,149
Expenditures								
Direct costs:								
Salaries	0	129,682	8,418	0	0	0	0	138,100
Employee burden	0	81,247	4,104	0	(139,778)	(32,752)	0	(87,179)
Annual leave	0	9,172	452	(156)	0	0	0	9,468
Travel	0	4,213	121	0	0	0	0	4,334
Legal Fees	0	0	0	0	0	0	0	0
Bad debt/Recoupment	0	0	0	0	0	0	0	0
Other	42,112	42,955	0	0	0	0	17,219	102,286
Contract costs	0	0	0	0	0	0	0	0
Total direct costs	42,112	267,269	13,095	(156)	(139,778)	(32,752)	17,219	167,009
Indirect costs applied	0	0	6,165	0	0	0	0	6,165
Total expenditures	42,112	267,269	19,260	(156)	(139,778)	(32,752)	17,219	173,174
Revenues over expenditures	<u>\$ 40,600</u>	<u>\$ (108,037)</u>	<u>\$ (19,260)</u>	<u>\$ 361</u>	<u>\$ 139,778</u>	<u>\$ 32,752</u>	<u>\$ (17,219)</u>	<u>\$ 68,975</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

DEPARTMENTAL SCHEDULE
REGIONAL COORDINATION, JFA

Year ended June 30, 2022

	71200 JFA COMM/ ECON DEV	71250 JFA CDBG	71300 JFA ARC PLAN/ASSIST	71400 JFA MGMT ASSIST	71500 JFA PRGM ADMIN	71600 EDA CARES	Total
Revenues							
Federal and State:							
Received	\$ 83,333	\$ 26,475	\$ 155,793	\$ 20,920	\$ 10,999	\$ 58,267	\$ 355,787
Receivable	0	13,779	31,117	4,216	5,759	57,100	111,971
Deferred	0	0	0	0	0	0	0
Local:							
Service fees	0	0	0	0	0	0	0
Total revenues	83,333	40,254	186,910	25,136	16,758	115,367	467,758
Expenditures							
Direct costs:							
Salaries	26,564	19,680	63,046	14,635	6,782	39,899	170,606
Employee burden	22,229	7,043	51,791	1,939	4,117	29,301	116,420
Annual leave	2,960	582	7,219	104	463	3,185	14,513
Travel	3,988	578	3,521	157	26	992	9,262
Other	6,180	110	4,798	142	4	7,922	19,156
Contract Costs	0	0	0	0	0	0	0
Total direct costs	61,921	27,993	130,375	16,977	11,392	81,299	329,957
Indirect costs applied	24,021	13,156	56,535	8,159	5,366	34,068	141,305
Total expenditures	85,942	41,149	186,910	25,136	16,758	115,367	471,262
Revenues over expenditures	\$ <u>(2,609)</u>	\$ <u>(896)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(3,504)</u>

See report of independent auditors.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
SCHEDULE OF INDIRECT COSTS APPLIED
Year ended June 30, 2022

Salaries	\$	513,323
Fringe benefits		371,021
Building usage and depreciation		339,305
Computer services		70,676
Professional fees		42,588
Insurance		40,842
Dues, fees, subscriptions		39,033
Telephone and postage		38,805
Printing and publications		14,230
Equipment rental		12,140
Legal Fees		10,004
Travel, staff		7,320
Meetings		6,858
Other		4,420
Equipment depreciation		4,093
Supplies		3,336
Travel, board of directors		<u>1,462</u>
Total indirect costs applied	\$	<u><u>1,519,456</u></u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
SCHEDULE OF AWARDS FROM THE COMMONWEALTH OF KENTUCKY
Year ended June 30, 2022

<u>Grantor Program Title</u>	<u>BGADD Grant Number</u>	<u>Grantor Contract Number</u>	<u>Grant Contract Period</u>	<u>Grant Contract Award</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Deferred</u>	<u>Receivable</u>
Cabinet for Health and Family Services:								
Homecare	40000/48020/48030	2100002005	07.2021-06.2022	\$ 1,717,291	\$ 1,594,695	\$ 1,594,695	\$ 0	\$ 137,999
Title III	42000-42050	2100002005	07.2021-06.2022	2,700,653	2,688,126	2,688,126	0	265,711
Participant Directed Services	43500	N/A	07.2021-06.2022	19,415,976	19,493,558	19,257,091	182,532	345,974
Long Term Care Ombudsman	46010	2000002888	07.2021-06.2022	99,112	99,112	99,112	0	0
Aging ADRC	48030	2000004400	07.2021-06.2022	30,600	30,600	30,600	0	0
Aging Family Caregiver Support	49000/48020/49020	2100002005	07.2021-06.2022	302,556	302,555	302,555	0	0
Governor's Office for Local Development								
Joint Funding Agreement	71200-71500	2100003351	07.2021-06.2022	172,143	172,143	172,143	0	47,981
EDA CARES	71600	2100000393	08.2020-06.2022	193,460	115,367	115,367	0	57,100
Kentucky Office of Homeland Security								
Homeland Security GEO Audits	85425	2200001367	12.2021-06.2022	100,000	3,990	1,835	0	3,990
Kentucky Department of Revenue:								
UMAST Upgrade	85440	2200002408	07.2021-06.2022	58,331	22,259	22,259	0	0
Kentucky Transportation Cabinet:								
Regional Transportation Program	30000	2100001235	07.2021-06.2022	104,724	104,724	104,724	0	26,184
Highway Inventory Data Collection Program	85090-85250	2200000288	08.2021-06.2022	37,800	37,800	37,800	0	0
Kentucky Infrastructure Authority:								
Water Resource Information System	22000, 88000	2100002466	07.2021-06.2022	112,000	112,000	112,000	0	56,000
				<u>\$ 25,044,646</u>	<u>\$ 24,776,929</u>	<u>\$ 24,538,308</u>	<u>\$ 182,532</u>	<u>\$ 940,939</u>

COST ALLOCATION POLICY

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.
COST ALLOCATION POLICY
June 30, 2022

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, 2022

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.