

Bluegrass Area Development District, Inc.

**Financial Statements
With Supplementary Information
Year Ended June 30, 2023
With Independent Auditors' Report**

Bluegrass Area Development District, Inc.

Year Ended June 30, 2023

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Bluegrass Area Development District, Inc.

Year Ended June 30, 2023

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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 Bluegrass Area Development District, Inc. as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Bluegrass Area Development District, Inc.'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 Bluegrass Area Development District, Inc., as of June 30, 2023, 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 Bluegrass Area Development District, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Bluegrass Area Development District, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

**Independent Auditors' Report
(Continued)**

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 Bluegrass Area Development District, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bluegrass Area Development District, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on pages 4-9 and 36-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bluegrass Area Development District, Inc.'s basic financial statements. The statements of operations by program, the schedule of indirect costs applied, the schedule of awards from the Commonwealth of Kentucky, and the cost allocation policy are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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Independent Auditors' Report (Continued)

Other Information (Continued)

The statements of operations by program, the schedule of indirect costs applied, the schedule of awards from the Commonwealth of Kentucky, the cost allocation policy and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual nonmajor fund financial statements 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 March 29, 2024 on our consideration of the Bluegrass Area Development District, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 Bluegrass Area Development District, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bluegrass Area Development District, Inc.'s internal control over financial reporting and compliance.

Change in Accounting Principle

As discussed in Note 17 to the financial statements, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective as of July 1, 2022. Our opinion is not modified with respect to this matter.



Crestview Hills, Kentucky
March 29, 2024

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis (MD&A) Year Ended June 30, 2023

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, 2023. 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-country 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, 2023, 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 (MD&A)
Year Ended June 30, 2023
(Continued)**

BUDGETARY HIGHLIGHTS

In fiscal year (FY) 2023, BGADD had a budget of approximately \$42.3 million designating approximately \$32.1 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 \$1,322,000. Net capital assets are approximately \$2,074,000.

PENSION PLAN AND GASB 68 & POST-EMPLOYMENT HEALTH CARE BENEFITS AND GASB 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 Government Accounting Standards Board (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 approximately \$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 \$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. BGADD's FY 2023 net pension liability increased to approximately \$7,084,000. 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 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. BGADD's net benefit liability decreased to \$1,937,000 for FY 2023.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023
(Continued)**

FINANCIAL ANALYSIS

STATEMENT OF NET POSITION

Table 1: Condensed Statement of Net Position

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>
Assets			
Current assets	\$ 6,181,681	\$ 6,831,937	\$ (650,256)
Capital and noncurrent assets	<u>2,936,090</u>	<u>3,037,839</u>	<u>(101,749)</u>
Total assets	<u>\$ 9,117,771</u>	<u>\$ 9,869,776</u>	<u>\$ (752,005)</u>
Deferred Outflows of Resources			
Deferred pension and OPEB outflows	<u>\$ 2,723,255</u>	<u>\$ 2,123,572</u>	<u>\$ 599,683</u>
Liabilities			
Current liabilities	\$ 3,747,277	\$ 5,084,883	\$ (1,337,606)
Long-term liabilities	<u>9,855,957</u>	<u>9,877,026</u>	<u>(21,069)</u>
Total liabilities	<u>\$ 13,603,234</u>	<u>\$ 14,961,909</u>	<u>\$ (1,358,675)</u>
Deferred Inflows of Resources			
Deferred pension and OPEB inflows	<u>\$ 3,003,073</u>	<u>\$ 2,726,765</u>	<u>\$ 276,308</u>
Net Position			
Investment in capital assets, net of related debt	2,044,076	2,154,778	(110,702)
Restricted	1,130,989	1,280,641	(149,652)
Unrestricted	<u>(7,940,346)</u>	<u>(9,130,745)</u>	<u>1,190,399</u>
Total net position	<u>\$ (4,765,281)</u>	<u>\$ (5,695,326)</u>	<u>\$ 930,045</u>

At June 30, 2023, the BGADD's net position was approximately (\$4,765,000). The FY 2023 amount includes a non-cash pension benefit adjustment required by GASB 68 of (\$367,653). It also includes a non-cash other post-employment expense required by GASB 75 of \$96,312, as well as lease expense adjustment of \$13,386.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023
(Continued)**

FINANCIAL ANALYSIS (CONTINUED)

Table 2: Condensed Statement of Activities

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>
Revenues			
Operating grants and contributions	\$41,656,847	\$32,887,301	\$ 8,769,546
Charges for services	700,035	1,003,193	(303,158)
Interest	95,965	39,285	56,680
Rent	89,104	54,496	34,608
	<u>\$42,541,951</u>	<u>\$33,984,275</u>	<u>\$ 8,557,676</u>
Expenses			
Participant Directed Services	24,935,844	19,257,091	5,678,753
Aging Programs	10,467,050	6,775,859	3,691,191
Workforce Development	4,530,721	5,789,250	(1,258,529)
Mapping/Geographic Information Systems	234,503	163,461	71,042
Regional Coordination, JFA	752,064	471,262	280,802
Community and Infrastructure Admin	41,759	19,208	22,551
Homeland Security	67,751	82,673	(14,922)
Economic Development Planning and Tech. Asst.	129,720	92,185	37,535
Transportation Planning	124,091	133,459	(9,368)
Water and Sewer Planning and Tech. Asst.	85,291	87,518	(2,228)
Non-grant	150,372	345,704	(195,332)
Bluegrass Cat Project	255,009	269,409	(14,400)
Management Services	34,634	32,913	1,721
Planning and Zoning Technical Assistance	61,055	27,182	33,873
	<u>41,869,862</u>	<u>33,547,174</u>	<u>8,322,688</u>
Non-Operating Expense			
Pension income	(367,653)	(139,778)	(227,875)
Insurance expense (income)	96,312	(32,752)	129,064
Lease expense	13,386	17,219	(3,833)
	<u>\$ 930,045</u>	<u>\$ 592,412</u>	<u>\$ 337,633</u>

BGADD recognized revenues of approximately \$42.5 million and \$34.0 million in FY 2023 and FY 2022, respectively, Significant changes in revenues are as follows:

- Participant Directed Services - \$6,394,000 increase, reflecting a 33% increase from the FY 2022. The increase in pass through expenses is based on the needs of participants in their established plan of care, as well as the increase is the billable rate due to the Appendix K emergency order.
- Aging programs - \$3,690,000 increase, reflecting in a 54% increase from FY 2022. The increase is mainly due to the influx of ESMP revenue, which in FY 2023 was \$1,524,000. All major programs in Aging also increased funding, such as T III B, C1, C2 and Homecare.
- Community Planning Program - \$469,000 increase, reflecting in a 46% increase from FY 2022. The Regional Coordination, JFA program specifically had a \$168,000 increase which was a main contributor to this increase in FY2023.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023
(Continued)**

FINANCIAL ANALYSIS (CONTINUED)

Expenses for FY 2023 total \$40.9 million. FY 2022 expenses were \$33.5 million. This increase of \$7.4M is attributed mainly from increases in spending from the additional grants given in response to the COVID-19 pandemic. Changes in expenses directly correlate with changes in revenues; with most of the funding designed for passthrough expenses.

Social programs represent 95.38% of all governmental activities, which slightly increased from the prior year of 95.35%. Program expenses as a percentage of total expenses are as follows:

Table 3: Program Expenses

	<u>2023</u>	<u>2022</u>
Program Expenses % of Total Expenses		
Participant Directed Services	59.56%	57.66%
Aging Programs	25.00%	20.29%
Workforce Development	10.82%	17.39%
Regional Coordination, JFA	1.80%	1.41%
Bluegrass Cat Project	0.61%	0.81%
Mapping/Geographic Information Systems	0.56%	0.49%
Non-grant	0.36%	0.52%
Economic Development Planning and Tech. Asst.	0.31%	0.28%
Transportation Planning	0.30%	0.40%
Water and Sewer Planning and Tech. Asst.	0.20%	0.26%
Homeland Security	0.16%	0.25%
Planning and Zoning Technical Assistance	0.15%	0.08%
Community and Infrastructure Admin	0.10%	0.06%
Management Services	0.08%	0.10%
	<u>100.00%</u>	<u>100.00%</u>

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 2023, BGADD maintained health insurance coverage with Anthem, increasing rates by 16.0% with the same coverage comparable to FY 2022. 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 decrease in FY2023 to 26.79%. In FY 2022, the rate was 26.95%. In FY 2024, the CERS non-hazardous rate will decrease to 23.34%.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023
(Continued)**

ECONOMIC FACTORS AND YEAR END FINANCIAL POSITION (CONTINUED)

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 2023, 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, INC.

**Statement of Net Position
As of June 30, 2023**

ASSETS

Current assets

Cash and cash equivalents	\$ 1,935,473
Investments	325,958
Accounts receivable	
Federal and state	3,367,189
Local	309,387
Other	82,777
Lease receivable	69,870
Prepaid expenses	<u>91,027</u>
Total current assets	<u>6,181,681</u>

Non-current assets

Lease receivable	254,996
Leased building asset, net	606,413
Land	521,394
Property and equipment, net	<u>1,553,287</u>
Total non-current assets	<u>2,936,090</u>

Total assets	<u>9,117,771</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows - pension	1,707,684
Deferred outflows - OPEB	<u>1,015,571</u>
Total deferred outflows of resources	<u>2,723,255</u>
Total assets and deferred outflows of resources	<u>\$ 11,841,026</u>

LIABILITIES AND NET POSITION

Current liabilities

Accounts payable	\$ 228,440
Accrued expenses	2,673,907
Accrued annual leave	67,493
Unearned grant revenue	687,914
Lease liability, current	<u>89,523</u>
Total current liabilities	<u>3,747,277</u>

Long-term liabilities

Tenant deposits	5,761
Accrued annual/sick leave	282,099
Lease liability	547,495
Net pension liability	7,084,072
Net OPEB liability	<u>1,936,530</u>
Total long-term liabilities	<u>9,855,957</u>

Total liabilities	<u>13,603,234</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred inflows - pension	1,342,692
Deferred inflows - OPEB	1,335,515
Deferred inflows - leases	<u>324,866</u>
Total deferred inflows of resources	<u>3,003,073</u>

Net position

Net investment in capital assets	2,044,076
Restricted:	
Aging	987,047
Workforce	143,942
Unrestricted	<u>(7,940,346)</u>
Total net position	<u>(4,765,281)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 11,841,026</u>

The accompanying notes are an integral part of these financial statements

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Statement of Activities
Year Ended June 30, 2023**

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Change in Net Position
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:						
Community and Infrastructure						
Development Grants Administration	\$ 29,454	\$ 12,305	\$ 134,041	\$ -	\$ -	\$ 92,283
Mapping/Geographic Information Systems	165,162	69,341	68,581	127,588	-	(38,334)
Aging Programs	10,093,145	373,905	3,649	10,457,071	-	(6,330)
Participant Directed Service	24,437,419	498,425	-	25,620,680	-	684,836
Workforce Development	4,265,883	278,224	75,579	4,452,215	-	(16,313)
Planning and Zoning Technical Assistance	42,888	18,167	19,586	-	-	(41,469)
Water and Sewer Planning and						
Technical Assistance	60,637	24,654	29,997	70,412	-	15,119
Transportation Planning	86,700	37,391	-	111,682	-	(12,409)
Homeland Security	47,353	20,398	66,232	475	-	(1,044)
Economic Development Planning and						
Technical Assistance	108,490	21,230	5,500	97,679	-	(26,541)
Management Services	24,617	10,017	36,263	-	-	1,629
Bluegrass CAT Project	255,009	-	102,354	-	-	(152,655)
Non-Grant	(127,602)	6,633	-	-	-	120,969
Regional Coordination, JFA	<u>543,842</u>	<u>208,223</u>	<u>-</u>	<u>719,047</u>	<u>-</u>	<u>(33,018)</u>
Total governmental activities	<u>\$ 40,032,996</u>	<u>\$ 1,578,911</u>	<u>\$ 541,782</u>	<u>\$ 41,656,847</u>	<u>\$ -</u>	<u>586,723</u>
General revenues:						
Dues						158,253
Rent						89,104
Interest income						<u>95,965</u>
Total general revenues						<u>343,322</u>
Change in net position						930,045
Net position, beginning of year						<u>(5,695,326)</u>
Net position, end of year						<u>\$ (4,765,281)</u>

The accompanying notes are an integral part of these financial statements

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Balance Sheet – Governmental Funds
As of June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 411,025	\$ 1,524,448	\$ 1,935,473
Investments	325,958	-	325,958
Accounts receivable			
Federal and state	-	3,367,189	3,367,189
Local	-	309,387	309,387
Other	82,777	-	82,777
Lease receivable	324,866	-	324,866
Prepaid expenses	-	91,027	91,027
	<u>\$ 1,144,626</u>	<u>\$ 5,292,051</u>	<u>\$ 6,436,677</u>
 LIABILITIES AND FUND BALANCE			
Current liabilities			
Accounts payable	\$ 161,530	\$ 66,910	\$ 228,440
Accrued expenses	-	2,673,907	2,673,907
Accrued leave	-	-	-
Accrued interest	-	-	-
Unearned grant revenue	-	687,914	687,914
	<u>161,530</u>	<u>3,428,731</u>	<u>3,590,261</u>
 DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - leases	<u>324,866</u>	<u>-</u>	<u>324,866</u>
 Fund balance			
Nonspendable	-	91,027	91,027
Restricted for programs	-	1,772,293	1,772,293
Unassigned	658,230	-	658,230
	<u>658,230</u>	<u>1,863,320</u>	<u>2,521,550</u>
Total net position	<u>658,230</u>	<u>1,863,320</u>	<u>2,521,550</u>
Total liabilities and fund balance	<u>\$ 1,144,626</u>	<u>\$ 5,292,051</u>	<u>\$ 6,436,677</u>
 Total government fund balance			\$ 2,521,550
 Amount reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds, net of accumulated depreciation			2,681,094
Long-term liabilities and related pension and OPEB deferred inflows/outflows, are not due and payable in the current period and therefore are not reported in the funds			<u>(9,967,925)</u>
Net position of governmental activities			<u>\$ (4,765,281)</u>

The accompanying notes are an integral part of these financial statements

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Federal and Commonwealth of Kentucky grants	\$ -	\$ 41,608,237	\$ 41,608,237
Local service fees	-	541,782	541,782
Local annual contributions	158,253	-	158,253
Rental income	89,104	-	89,104
Interest and other income	95,965	-	95,965
	<hr/>	<hr/>	<hr/>
Total revenues	343,322	42,150,019	42,493,341
Expenditures			
Current			
Community and Infrastructure Development Grants Administration	-	41,759	41,759
Mapping/Geographic Information Systems	-	234,503	234,503
Aging Programs	-	10,467,050	10,467,050
Participant Directed Service	-	24,935,844	24,935,844
Workforce Development	-	4,544,107	4,544,107
Planning and Zoning Technical Assistance	-	61,055	61,055
Water and Sewer Planning and Technical Assistance	-	85,291	85,291
Transportation Planning	-	124,091	124,091
Homeland Security	-	67,751	67,751
Economic Development Planning and Technical Assistance	-	129,720	129,720
Management Services	-	34,634	34,634
Cat project	-	255,009	255,009
Non-Grant	61,061	(55,371)	5,691
Regional Coordination, JFA	-	752,064	752,064
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	61,061	41,677,505	41,738,566
Net change in fund balance	282,261	472,514	754,775
Net position, beginning of year	783,705	983,070	1,766,775
	<hr/>	<hr/>	<hr/>
Net position, end of year	\$ 1,065,966	\$ 1,455,584	\$ 2,521,550
Net change in fund balance - total governmental funds			\$ 754,775
Reconciliation to government-wide changes in net position:			
Add: change in lease liability			103,417
Less: depreciation and amortization expense			(223,448)
Change in accrued annual leave			23,960
Change in the net pension and OPEB liabilities and related deferred inflows and outflows			271,341
			<hr/>
Change in net position of governmental activities			\$ 930,045

The accompanying notes are an integral part of these financial statements

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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.

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 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 environmental 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.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Area Descriptions (Continued)

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.

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.

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 unites of local government with small project initiatives.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Area Descriptions (Continued)

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 US Economic Development Administration, the Appalachian Regional Commission and the US 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, 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.

Basis of Presentation

District-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. 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 district-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the district-wide statements and the statements for governmental funds.

The district-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.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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 net position.

The District has the following funds:

I. Governmental Fund Types

- A) The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use, unless otherwise noted. This is a major fund of the District.
- B) The Special Revenue Fund accounts for proceeds of specific revenue sources that are legally 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

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The GASB is responsible for establishing GAAP for state and local government through its pronouncements (Statements and Interpretations).

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – 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 provided 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 provided 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.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Unearned Revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

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.

Cash and Cash Equivalents

The District considers cash in banks, funds in overnight repurchase agreements, money market funds, and other investments with an original maturity of 90 days or less, to be cash equivalents.

Investments

The District's investments consist of certificates of deposit that are carried at cost which approximates fair value.

Capital Assets

Property and equipment are stated at cost and depreciated over their estimated useful lives of three to ten years for equipment and three to twenty-seven 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.

In-kind contributions

The District's 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 the Financial Statements
(Continued)

NOTE 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 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 to twenty four 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 \$386,969 at June 30, 2023.

Fund Balance Reserves

Beginning with fiscal year 2012 the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in a spendable form or are required to be maintained intact;

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint.

Assigned fund balance – amounts the District intends to use for specific purpose; intent can be expressed by the District or by an official or body to which the District delegates the authority.

Unassigned fund balance – amounts that are available for purpose; positive amounts are reported only in the General fund.

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous ("CERS") and Teachers Retirement System of the State of Kentucky ("TRS") and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the pensions. 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.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Teachers' Retirement System of the State of Kentucky (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. 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, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTE 2 ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, designated fund balances, and disclosure of contingent assets and liabilities at the date of the general purpose financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 CASH AND CASH EQUIVALENTS

The District maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The amounts exceeding the federally insured limits are covered by a collateral agreement and the collateral is held by the pledging banks' trust departments in the District's name. The District has not experienced any losses in such accounts and the District believes it is not exposed to any significant credit risk on cash and cash equivalents. Investments at June 30, 2023 consist of certificates of deposit in the amount of \$325,958. The certificates mature within one year or less with an interest rate of 5.43% at June 30, 2023.

NOTE 4 GRANTS RECEIVABLE

Federal, state and local grants receivable consist of the following at June 30, 2023:

Federal receivable	\$ 2,225,813
State receivable	1,146,557
Local receivable	309,387
Other receivable	<u>82,777</u>
Total grant receivable	3,764,534
Less: allowance for bad debt	<u>(5,181)</u>
Net grant receivable	<u>\$ 3,759,353</u>

NOTE 5 LEASE RECEIVABLE AND DEFERRED OUTFLOWS OF RESOURCES

The District leases out office space. 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%.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 5 LEASE RECEIVABLE AND DEFERRED OUTFLOWS OF RESOURCES (Continued)

The present value of expected future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 324,866</u>	<u>\$ 48,730</u>	<u>\$ 373,596</u>

Additionally, the District recognized deferred inflows of resources related to the above leases that totaled \$324,866 as of June 30, 2023. The deferred inflows of resources will be recognized over the term of the lease agreements as lease revenue. During 2023, the District recognized \$63,974 of lease revenue and \$24,330 of interest revenue and from the lease agreement.

NOTE 6 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	<u>Balance 6/30/2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 6/30/2023</u>
Land, not depreciated	\$ 521,394	\$ -	\$ -	\$ 521,394
Building improvements	2,358,797	-	-	2,358,797
Leased building	636,442	191,570	-	828,012
Equipment	516,629	-	-	516,629
Accumulated depreciation	(1,224,823)	(97,316)	-	(1,322,139)
Accumulated amortization	<u>(95,466)</u>	<u>(126,133)</u>	<u>-</u>	<u>(221,599)</u>
Capital assets, net	<u>\$ 2,712,973</u>	<u>\$ (31,879)</u>	<u>\$ -</u>	<u>\$ 2,681,094</u>

NOTE 7 LINE OF CREDIT

The District has a line of credit of \$500,000 available for its use. The line of credit is available through July 1, 2025 and bears interest at 6.75%. The interest rate is subject to change based on the changes in prime rate. The line of credit is secured by property located at 699 Perimeter Drive, Lexington, Kentucky. No draws were made during the fiscal year.

NOTE 8 ACCRUED ANNUAL LEAVE

A summary of the changes in the accrued annual leave for the District during the year ended June 30, 2023 is as follows:

	<u>Balance 6/30/2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/2023</u>	<u>Current</u>
Accrued annual leave	\$ 373,552	\$ 71,706	\$ (95,666)	\$ 349,592	\$ 67,493

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 9 UNEARNED GRANT REVENUE

The unearned grant revenue includes revenues received but not earned. The detail of those grants is as follows at June 30, 2023:

Grant Name	
Pre-FY16 programs	\$ 572
FY 16 Aging program	21
FY 17 CMS SHIP	218
FY 18 Aging	1
FY 21 Aging	183
FY 22 Aging	219
FY 23 Aging	<u>569</u>
Total Federal	<u>1,783</u>
FY 08 CDO (State)	182,532
FY 13 Aging	500
FY 16 Aging	6,246
FY 22 UMAST Upgrade	12,740
FY 23 Aging	122,596
FY 23 UMAST Upgrade	<u>29,281</u>
Total State	<u>353,895</u>
Various local grants	<u>332,236</u>
Total	<u>\$ 687,914</u>

NOTE 10 LEASE COMMITMENTS

The District has recorded a leased building asset and related lease liability 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 District entered into a lease to rent space in July 2022. The last payment will be made in July 2027. The liabilities and related leased building assets have been recorded at the present value of minimum lease payments based on an incremental borrowing rate of 6.75%. The District recorded a leased building asset and related lease liability totaling \$191,570. As of June 30, 2023, the lease liability related to space leased was \$637,018.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 10 LEASE COMMITMENTS (CONTINUED)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 133,903	\$ 37,519	\$ 171,422
2025	141,023	28,812	169,835
2026	148,595	19,446	168,041
2027	136,255	9,699	145,954
2028	<u>77,242</u>	<u>1,968</u>	<u>79,210</u>
Total	<u>\$ 637,018</u>	<u>\$ 97,444</u>	<u>\$ 734,462</u>

The following is a summary of changes in governmental lease commitments for the year ended June 30, 2023:

	<u>Balance 6/30/2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/2023</u>
Lease liability	\$ 558,195	191,570	(112,747)	\$ 637,018
Net pension liability	6,947,055	137,017	-	7,084,072
Net OPEB liability	<u>2,085,487</u>	<u>-</u>	<u>(148,957)</u>	<u>1,936,530</u>
	<u>\$ 9,590,737</u>	<u>\$ 328,587</u>	<u>\$ (261,704)</u>	<u>\$ 9,657,620</u>

NOTE 11 CONTINGENCIES

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

BGADD participates in numerous state and federal grant programs which are governed by various rules and regulations of the funding agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the funding agencies. Therefore, to the extent that BGADD has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any accounts receivable for government grants at June 30, 2023 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 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 2023 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.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 12 INSURANCE AND RELATED ACTIVITIES

BGADD has joined with other cities, counties and area development districts in a self-insurance program through the Kentucky Associate of Counties All Lines Fund (the Fund). Under this insurance plan, the Fund could increase assessments to BGADD if the Funds' 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

NOTE 13 CONCENTRATIONS

The District's receivables are due primarily from federal, state and local governments. During the year ended June 30, 2023, BGADD received approximately 99% of its revenues from federal and state grants.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 14 RETIREMENT PLANS

The District's employees are provided with a pension plan, based on each position's college degree requirement. The County Employees Retirement System covers employees.

General information about the County Employees Retirement System Non-Hazardous

Plan description

Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

Benefits provided

CERS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date:

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

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Benefits provided (Continued)

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. One month's 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 75% of the decedent's monthly average rate of pay. If the surviving spouse remarries, the monthly rate will be recalculated to 25% of the decedent's monthly average. Any dependent child will receive 50% of the decedent's monthly final rate of pay up to 75% for all dependent children. Five years' service is required for nonservice-related disability benefits.

Contributions

Required contributions by the employee are based on the following tier:

	<u>Required contribution</u>
Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

The contribution requirement for CERS for the year ended June 30, 2023, was \$912,991 which consisted of \$754,137 from the District and \$158,854 from the employees. Total contributions for the year ended June 30, 2022 was \$721,531. The contributions have been contributed in full for fiscal years 2023 and 2022.

Medical Insurance Plan

Plan description

In addition to the pension benefits described above, KRS 161.675 requires TRS to provide post-employment healthcare benefits to eligible employees and dependents. The TRS Medical Insurance Fund is a cost-sharing multiple employer defined benefit plan. Changes made to the medical plan may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

To be eligible for medical benefits, the member must have retired either for service or disability. The TRS Medical Insurance Fund offers coverage to employees under the age of 65 through the Kentucky Employees Health Plan administered by the Kentucky Department of Employee Insurance. Once retired employees and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the TRS Medicare Eligible Health Plan.

Funding policy

In order to fund the post-retirement healthcare benefit, 7.50% of the gross annual payroll of members is contributed. Member contributions are 3.75% and 0.75% is paid from state appropriations. Employer contributions are 3.00%. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses for the plan.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 14 RETIREMENT PLANS (CONTINUED)

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for TRS because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 7,084,072
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The Net pension liability for each plan was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2022, the District's proportion was 0.097995%.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 14 RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2023, the District recognized a pension benefit of \$367,653. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 7,574	\$ 63,087
Net difference between projected and actual earnings on pension plan investments	963,930	782,320
Change of Assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	95,211	497,285
District contributions subsequent to the measurement date	<u>640,969</u>	<u>-</u>
Total	<u>\$ 1,707,684</u>	<u>\$ 1,342,692</u>

\$640,969 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2024	\$ (186,878)
2025	(230,812)
2026	(59,530)
2027	201,243
2028	-

Actuarial assumptions

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

Inflation	2.30%
Projected salary increases	3.3 - 10.3%
Investment rate of return, net of investment expense and inflation	6.25%

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

Mortality rates used for active members was 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 a 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 disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2014 through 2018, is outlined in a report dated April 18, 2019. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by the investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	50.0%	4.45%
Core bonds	10.0%	0.28%
Private equity	10.0%	10.15%
High yield	10.0%	2.28%
Real estate	7.0%	3.67%
Real return	13.0%	4.07%
Cash	0.0%	-0.91%
Total	100%	

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Discount rate

For CERS, the discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan employees and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 6.25%. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of proportionate share of net pension liability to changes in the discount rate

The following table presents the net pension liability of the District, calculated using the discount rates selected by each pension system, as well as what the District's net pension 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 8,854,211	\$ 7,084,072	\$ 5,620,020

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports.

NOTE 15 OPEB PLANS

General information about the County Employees Retirement System Non-Hazardous OPEB Plan

Plan description

Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

Benefits

CERS provides health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date. See Note 14 for tier classifications.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 15 OPEB PLANS (CONTINUED)

Contributions

Required contributions by the employee are based on the tier disclosed in Note 14.

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

At June 30, 2023, the Bluegrass Area Development District reported a liability of \$1,936,530 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective 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 employers, actuarially determined.. At June 30, 2022 the District's proportion was 0.09 percent for CERS, which was the same as it's proportion measured as of June 30, 2021.

The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the CERS net OPEB liability	\$ 1,936,530
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For the year ended June 30, 2023, the District recognized OPEB expense of \$96,312 and revenue of \$62,641 for support provided by the State.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 15 OPEB PLANS (CONTINUED)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 194,928	\$ 444,091
Net difference between projected and actual earnings on OPEB plan investments	360,602	282,003
Change of Assumptions	306,276	252,369
Changes in proportion and differences between employer contributions and proportionate share of contributions	40,597	357,052
District contributions subsequent to the measurement date	<u>113,168</u>	<u>-</u>
Total	<u><u>\$ 1,015,571</u></u>	<u><u>\$ 1,335,515</u></u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$113,168 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

<u>Year ended June 30:</u>	
2024	\$ (135,118)
2025	(103,383)
2026	(166,159)
2027	(28,452)
2028	-
Thereafter	-

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 15 OPEB PLANS (CONTINUED)

Actuarial assumptions

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

Investment rate of return	6.25%
Projected salary increases	3.30% to 10.30%, varies by service
Inflation rate	2.30%
Healthcare cost trend rates	
Under 65	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years
Ages 65 and Older	Initial trend starting at 6.30% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Medicare Part B Premiums	
Municipal Bond Index Rate	3.69%
Discount Rate	5.70%

For CERS, mortality rates used for active members was 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 a mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 15 OPEB PLANS (CONTINUED)

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS's investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	58.0%	5.1%
Fixed Income	9.0%	-0.1%
Real Estate	6.5%	4.0%
Private Equity	8.5%	6.9%
Other Additional Categories	17.0%	1.7%
Cash (LIBOR)	1.0%	-0.3%
Total	<u>100.0%</u>	

Discount rate

For CERS, the discount rate used to measure the total OPEB liability was 5.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate, as well as what the District's proportionate share of the collective 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:

	<u>1% Decrease (4.70%)</u>	<u>Current Discount Rate (5.70%)</u>	<u>1% Increase (6.70%)</u>
Districts' net OPEB liability	\$ 2,588,832	\$ 1,936,530	\$ 1,397,294

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates

The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Districts' net OPEB liability	\$ 1,439,767	\$ 1,936,530	\$ 2,533,049

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Financial Statements
(Continued)**

NOTE 15 OPEB PLANS (CONTINUED)

OPEB plan fiduciary net position

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

NOTE 16 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.

NOTE 17 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2022, the District elected to adopt Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription-Based Information Technology Arrangements*, as it relates to accounting for subscription-based information technology arrangements (SBITAs). Under this Statement, contracts that provide the District with IT software and associated tangible capital assets for subscription payments without granting governments perpetual license or title to the IT software and associated tangible capital assets are recognized as a right of use subscription asset and a corresponding subscription liability. There was no material impact on the financial statements as a result of this change in accounting principle.

NOTE 18 SUBSEQUENT EVENTS

Subsequent events were considered through March 29, 2024, which represents the date the financial statements were available to be issued.

SUPPLEMENTARY
INFORMATION

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – General Fund and Special Revenue Funds
Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Community Planning	\$ 1,788,914	\$ 1,435,981	\$ 1,487,081	\$ 51,100
Aging	6,273,899	10,157,859	10,460,720	302,861
CDO/PDS	17,928,555	25,681,260	25,620,680	(60,581)
Workforce Investment Act	6,550,818	4,465,549	4,527,794	62,246
Bluegrass Cat Program	430,000	255,684	102,354	(153,330)
Other	255,965	269,707	343,322	73,616
	<u>33,228,151</u>	<u>42,266,039</u>	<u>42,541,951</u>	<u>275,912</u>
Expenses:				
Contracts	11,267,538	12,634,871	13,111,566	476,695
Salaries, PDS program	14,958,575	21,632,034	21,624,015	(8,019)
Burden, PDS employees	768,000	1,075,505	1,074,013	(1,493)
Salaries	2,947,200	2,738,503	2,624,927	(113,576)
Burden, employees	1,636,899	1,864,944	1,831,693	(33,251)
Leave	131,189	143,564	139,563	(4,001)
Depreciation, building and improvement:	104,200	94,248	94,248	0
Audit expense	44,000	0	78,180	78,180
Bad debts	32,750	102,725	86,166	(16,559)
Board and committee training	8,500	0	73	73
Building costs	181,450	289,277	259,495	(29,783)
Computer costs	145,500	103,249	114,736	11,487
Debt service	16,000	16,000	0	(16,000)
Depreciation, equipment and software	10,000	3,067	3,067	0
Dues, fees and subscriptions	334,000	283,596	327,793	44,197
Equipment purchase	23,600	56,676	54,103	(2,573)
Equipment rent	11,500	13,190	12,091	(1,099)
Insurance expense	40,000	40,655	40,655	(0)
Legal Fees	20,000	12,523	14,920	2,397
Meeting expense	20,000	13,988	20,251	6,263
Miscellaneous expense	79,400	581,073	102,366	(478,707)
Postage	27,600	16,000	15,472	(528)
Printing and publishing	47,000	37,198	41,404	4,206
Professional Development	44,450	73,496	80,068	6,573
Supplies	37,050	44,658	28,650	(16,007)
Telephone	69,100	77,820	79,428	1,607
Temporary services	90,839	0	0	0
Travel	33,300	43,302	48,297	4,995
	<u>33,129,641</u>	<u>41,992,162</u>	<u>41,907,240</u>	<u>(84,922)</u>
Net income (loss)	<u>\$ 98,510</u>	<u>\$ 273,877</u>	<u>\$ 634,711</u>	<u>\$ 360,834</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Schedule of District's Proportionate Share of Net Pension Liability

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of net pension liability	0.097995%	0.108960%	0.105629%	0.103730%	0.120984%	0.140284%	0.171984%	0.157867%	0.153348%	*
District's proportionate share of the net pension liability	\$ 7,084,072	\$ 6,947,055	\$ 8,101,657	\$ 7,295,377	\$ 7,368,294	\$ 8,211,254	\$ 8,467,821	\$ 6,787,528	\$ 4,975,195	*
Total net pension liability	\$ 7,229,013,496	\$ 6,375,784,388	\$ 7,669,917,211	\$ 7,033,044,552	\$ 6,090,304,793	\$ 5,853,307,482	\$ 4,923,618,237	\$ 4,299,525,565	\$ 3,244,377,000	*
District's covered-employee payroll	\$ 2,677,296	\$ 2,823,353	\$ 2,716,341	\$ 2,719,932	\$ 3,104,894	\$ 3,405,015	\$ 4,122,360	\$ 3,827,396	\$ 3,694,293	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.6%	246.1%	298.3%	268.2%	237.3%	241.2%	205.4%	177.3%	134.7%	*
Plan fiduciary net position as a percentage of the total pension liability	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

2014: As cash balance plan was introduced for member whose participation date is on or after January 1, 2014.

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

2015: The assumed investment rate of return was decreased from 7.75% to 7.50%.

2015: The assumed rate of inflation was reduced from 3.50% to 3.25%.

2015: The assumed rate of wage inflation was reduced from 1.00% to 0.75%.

2015: Payroll growth assumption was reduced from 4.50% to 4.00%.

2015: The mortality table used for active members is RP-2000 Combined Mortality table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).

2015: 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

2015: The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

2017: The assumed investment rate of return was decreased from 7.50% to 6.25%.

2017: The assumed rate of inflation was reduced from 3.25% to 2.30%.

2017: The assumed rate of salary growth was reduced from 4.00% to 3.05%.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Schedule of District Contributions

	Last 10 Fiscal Years*									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 640,969	\$ 566,784	\$ 564,263	\$ 524,254	\$ 441,173	\$ 449,589	\$ 485,867	\$ 511,997	\$ 469,614	*
Contributions in relation to the contractually required contribution	<u>(640,969)</u>	<u>(566,784)</u>	<u>(564,263)</u>	<u>(524,254)</u>	<u>(441,173)</u>	<u>(449,589)</u>	<u>(485,867)</u>	<u>(511,997)</u>	<u>(469,614)</u>	<u>*</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>
District's covered-employee payroll	\$ 2,914,488	\$ 2,677,296	\$ 2,823,353	\$ 2,716,341	\$ 2,719,932	\$ 3,104,894	\$ 3,405,015	\$ 4,122,360	\$ 3,827,396	*
Contributions as a percentage of covered-employee payroll	21.99%	21.17%	19.99%	19.30%	16.22%	14.48%	14.27%	12.42%	12.27%	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Schedule of District's Proportionate Share of Net OPEB Liability

Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportionate share of the collective trust OPEB liability	0.098126%	0.108900%	0.106100%	0.103700%	0.121000%	0.140300%	0.172000%	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 1,936,530	\$ 2,085,487	\$ 2,561,026	\$ 1,744,440	\$ 2,148,100	\$ 2,820,188	\$ 2,212,072	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*
Total net OPEB liability	\$ 1,936,530	\$ 2,085,487	\$ 2,561,026	\$ 1,744,440	\$ 2,148,100	\$ 2,820,188	\$ 2,212,072	*	*	*
District's covered-employee payroll	\$ 2,677,296	\$ 2,823,353	\$ 2,716,341	\$ 2,719,932	\$ 3,104,894	\$ 3,405,015	\$ 4,122,360	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	72.3%	73.9%	94.3%	64.1%	69.2%	82.8%	53.7%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%	55.50%	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes in assumptions: None

2018: Updated healthcare trend rates were implemented.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Schedule of District Contributions

	Last 10 Fiscal Years*									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 113,168	\$ 154,747	\$ 139,165	\$ 129,298	\$ 143,068	\$ 145,930	\$ 164,742	\$ 191,278	*	*
Contributions in relation to the contractually required contribution	(113,168)	(154,747)	(139,165)	(129,298)	(143,068)	(145,930)	(164,742)	(191,278)	*	*
Contribution deficiency	-	-	-	-	-	-	-	-	*	*
District's covered-employee payroll	\$ 2,914,488	\$ 2,677,296	\$ 2,823,353	\$ 2,716,341	\$ 2,719,932	\$ 3,104,894	\$ 3,405,015	\$ 4,122,360	*	*
Contributions as a percentage of covered-employee payroll	3.88%	5.78%	4.93%	4.76%	5.26%	4.70%	4.84%	4.64%	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2023**

Federal Grantor/Program	Internal Grant Number	CFDA Number	Grantor Number	Total Award	Award Period	Deferred at 06.30.2022	Receivable at 06.30.2022	2023 Federal Expenditures	2023 Federal Receipts	Deferred at 06.30.2023	Receivable at 06.30.2023	Passed Through to Subrecipients
<u>Medical Assistance Program</u>												
Aging ADRC	48030	93.778	2200000065	38,178	07.2022-06.2023	0	0	38,178	22,700	0	15,478	0
Aging ADRC No Wrong Door	42420	93.778	2200000065	46,868	07.2022-06.2023	0	7,705	46,868	54,574	0	0	0
Aging ADRC CDC	48040	93.778	2200000065	37,851	07.2022-06.2023	0	0	37,851	37,851	0	0	37,851
			Total	122,897		0	7,705	122,897	115,125	0	15,478	37,851
<u>Special Programs for the Aging - Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation</u>												
Title VII Elder Abuse Prevention	42250	93.041	2200000019	10,425	07.2022-06.2023	0	0	10,425	10,425	0	0	10,425
<u>Special Programs for the Aging - Title VIII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals</u>												
Title VII Ombudsman	46000	93.042	2200000019	23,886	07.2022-06.2023	0	0	7,444	3,852	0	3,592	7,444
Title VII Ombudsman ARPA	46000	93.042	2200000019	29,944	07.2022-06.2023	4	3,460	25,096	28,556	4	0	25,096
			Total	53,830		4	3,460	32,541	32,408	4	3,592	32,541
<u>Department for Aging and Independent Living</u>												
Title III D Preventative Health	42050	93.043	2200000036	96,200	07.2022-06.2023	0	7,000	72,723	68,175	316	11,864	75,954
Medicare Improvements for Patients and Providers (MIPPA) - SHIP	48100	93.071	2100003015	6,001	09.2021-08.2022	0	3,000	6,001	9,001	0	0	6,001
Medicare Improvements for Patients and Providers (MIPPA) - SHIP	48100	93.071	2200000037	40,000	09.2022-08.2023	0	0	33,330	29,997	0	3,333	33,330
MIPPA-AAA	48110	93.071	2100003015	9,104	09.2021-08.2022	0	4,551	9,104	13,655	0	0	9,104
MIPPA-AAA	48110	93.071	2200000037	43,614	09.2022-08.2023	0	0	36,350	32,715	0	3,635	36,350
MIPPA-ADRC	48120	93.071	2200000037	4,000	09.2022-08.2023	0	0	4,000	1,326	0	2,674	0
			Total	198,919		0	14,551	161,508	154,869	316	21,506	160,739
<u>National Family Caregiver Support Title II, Part E</u>												
Aging Family Caregiver Support	49000/48020	93.052	2200000036	628,773	07.2022-06.2023	0	80,123	465,290	349,773	0	195,639	152,346
Aging Family Caregiver Support CARES	49000	93.052	2100002005	0	07.2021-06.2022	0	36,633	0	36,633	0	0	0
Aging Family Caregiver Support ARPA	49000	93.052	2200000036	265,698	07.2021-06.2023	0	6,000	0	6,000	0	0	209,591
			Total	894,471		0	122,756	465,290	392,406	0	195,639	361,937
<u>Centers for Medicare and Medicaid Services (CMS) Research Demonstrations and Evaluations</u>												
CMS-SHIP	42400	93.324	2200000040	105,000	07.2022-06.2023	0	25,479	105,000	104,229	0	26,250	105,000
			Total	105,000		0	25,479	105,000	104,229	0	26,250	105,000
Total U.S. Department of Health and Human Services				\$ 8,256,674		\$ 183	\$ 555,470	\$ 5,786,186	\$ 5,224,328	\$ 971	\$ 1,118,117	\$ 5,071,321
<u>U.S. Department of Defense</u>												
Bluegrass Army Depot Economic Resiliency Study	25140	12.614	HQ00052110058	364,212	09.2021-06.2023	0	0	97,678	45,450	0	52,229	0
Total U.S. Department of Defense				364,212		0	0	97,678	45,450	0	52,229	0
<u>U.S. Department of Housing and Urban Development</u>												
Passed through Commonwealth of Kentucky Department for Local Government Community Development Block Grants (CDBG)/State's program and Non-Entitlement Grants in Hawaii Joint Funding Administration (JFA) - Program Assistance	71250	14.228	2200004717	38,236	07.2022-06.2023	0	6,889	38,236	43,394	0	1,732	0
Total U.S. Department of Housing and Urban Development				38,236		0	6,889	38,236	43,394	0	1,732	0
<u>U.S. Department of Commerce</u>												
Passed through Commonwealth of Kentucky Department for Local Government Economic Development Support for Planning Organizations JFA Community and Economic Development	71200	11.302	2200004717	66,667	07.2022-06.2023	0	0	66,667	66,667	0	0	0
Total U.S. Department of Commerce				66,667		0	0	66,667	66,667	0	0	0
<u>Appalachian Local Development District Assistance</u>												
JFA ARC Planning and Assistance	71300	23.009	KY-702-C-C51-22	73,669	07.2022-12.2022	13,471	0	73,669	60,198	0	0	0
JFA ARC Planning and Assistance	71300	23.009	KY-702-C-C51-23	60,396	01.2023-06.2023	0	0	60,396	60,396	0	0	0
Total Appalachian Regional Commission				134,065		13,471	0	134,065	120,594	0	0	0
Subtotal				603,180		13,471	6,889	336,646	276,104	0	53,961	0
Total				\$ 14,757,951		\$ 13,654	\$ 2,856,743	\$ 10,575,048	\$ 11,193,297	\$ 971	\$ 2,225,812	\$ 8,303,570

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Bluegrass Area Development District, Inc. under programs of the federal government for the year ended June 30, 2023, and is reported 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of Bluegrass Area Development District, Inc., it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

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

**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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bluegrass Area Development District, Inc., as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Bluegrass Area Development District, Inc.'s basic financial statements, and have issued our report thereon dated March 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bluegrass Area Development District, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bluegrass Area Development District, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Bluegrass Area Development District, Inc.'s internal control.

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

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

Report on Compliance and Other Matters

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

**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***

(Continued)

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.



Crestview Hills, Kentucky
March 29, 2024

**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 compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bluegrass Area Development District, Inc.'s major federal programs for the year ended June 30, 2023. Bluegrass Area Development District, Inc.'s major federal programs are identified in the summary of auditors' 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, 2023.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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 Bluegrass Area Development District, Inc. 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 Bluegrass Area Development District, Inc.'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 Bluegrass Area Development District, Inc.'s federal programs.

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

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 Bluegrass Area Development District, Inc.'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 Bluegrass Area Development District, Inc.'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 Bluegrass Area Development District, Inc.'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 Bluegrass Area Development District, Inc.'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 Bluegrass Area Development District, Inc.'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.

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

Report on Internal Control Over Compliance (Continued)

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.

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
March 29, 2024

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION I -SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None noted
Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None noted

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a)? Yes X No

Identification of major programs

Table with 2 columns: ALN No. and Name of Federal Program or Cluster. Row 1: 21.027, Coronavirus State and Local Fiscal Recovery Funds. Row 2: 93.044/93.045/93.053, Aging Cluster.

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

Auditee qualified as low-risk auditee? Yes X No

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2023**

SECTION I -SUMMARY OF PRIOR YEAR AUDITORS' RESULTS

No matters are reportable

SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2022-001 – Audit Adjustments – Material Weakness

Summary of Finding – During the prior year audit, misstatements were identified by the District's internal controls over financial reporting. Material misstatements were identified, and audit adjustments were required during the audit.

Status – BGADD has created internal checklists and training documents to capture all reporting requirements and reconciliations. Adjustments were made to the trial balance that were identified by BGADD in the course of the audit to update accounts to be accurate. No misstatements were noted during the current year audit.

2022-002 – Bank Reconciliation Preparation - Material Weakness

Summary of Funding – During the prior year audit, it was noted that bank reconciliations were not prepared on a timely basis. A material adjustment was made in order to accurately state the bank cash position at prior year end.

Status – BGADD added internal bank reconciliation procedures to its required monthly checklist. No misstatements were noted during the current year audit.

2022-003 – Segregation of Duties - Material Weakness

Summary of Funding – During the prior year audit, it was noted that the District's Chief Financial Officer was responsible for making journal entries without a secondary approval. That does not provide adequate oversight related to preparing of the financial statements.

Status – BGADD has implemented a procedure where the Chief Financial Officer makes journal entries, the Board Treasure and the Executive Director and reported to the Bluegrass Executive Committee monthly.

2022-004 – Grant Financial Monitoring - Material Weakness

Summary of Funding – During the prior year audit, it was noted that grant was overspent by the District. Adequate controls and financial systems were not in place to monitor grant financial activity on a timely basis.

Status – BGADD has implemented new procedures related to tracking and recording grant expenditures in their accounting department that are part of the monthly checklist. No overspent budgets have been noted in FY2023.

SECTION III – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable.

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Program Summary
For Year Ended June 30, 2023**

	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	\$ -	\$ 96,876	\$ 8,693,055	\$ 25,176,110	\$ 3,398,479	\$ -	\$ 70,412	\$ 111,682	\$ 475	\$ 45,450	\$ -	\$ -	\$ -	\$ 647,320	\$ 38,239,857
Receivable	-	30,712	1,715,406	444,570	1,053,736	-	-	-	-	52,229	-	-	-	71,727	3,368,380
Deferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local:															
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	158,253	-	158,253
Rent	-	-	-	-	-	-	-	-	-	-	-	-	89,104	-	89,104
Interest	-	-	20,185	-	12,049	-	-	-	-	-	-	-	63,732	-	95,965
Matching/In-kind	-	-	48,610	-	-	-	-	-	-	-	-	-	-	-	48,610
Service fees	134,041	68,581	3,649	-	75,579	19,586	29,997	-	66,232	5,500	36,263	102,354	-	-	541,782
Total revenues	134,041	196,169	10,480,905	25,620,680	4,539,843	19,586	100,409	111,682	66,707	103,179	36,263	102,354	311,089	719,047	42,541,951
Expenditures															
Direct costs:															
Salaries	19,212	98,482	502,779	642,744	360,346	25,599	32,605	51,543	29,156	30,626	14,907	-	9,546	271,912	2,089,457
Employee burden	8,156	55,756	328,919	465,930	258,520	14,812	22,234	31,629	16,216	16,598	7,377	-	(266,133)	191,249	1,151,263
Annual leave	644	6,954	35,642	37,864	26,141	1,181	2,642	2,702	1,399	2,328	901	-	(36,898)	20,695	102,194
Travel	687	1,290	24,337	41,625	20,700	886	2,641	749	561	295	971	-	8,640	20,597	123,979
Legal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debts	-	-	-	86,166	-	-	-	-	-	-	-	-	-	-	86,166
Recoupment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	755	2,681	133,458	316,502	66,671	410	515	77	21	580	461	42	108,784	39,389	670,345
Contract costs	-	-	9,068,010	22,846,588	3,533,506	-	-	-	-	58,063	-	254,967	48,460	-	35,809,594
Total direct costs	29,454	165,162	10,093,145	24,437,419	4,265,883	42,888	60,637	86,700	47,353	108,490	24,617	255,009	(127,602)	543,842	40,032,996
Indirect costs applied	12,305	69,341	373,905	498,425	278,224	18,167	24,654	37,391	20,398	21,230	10,017	-	6,633	208,223	1,578,911
Total expenditures	41,759	234,503	10,467,050	24,935,844	4,544,107	61,055	85,291	124,091	67,751	129,720	34,634	255,009	(120,970)	752,064	41,611,906
Revenues over (expenditures)	\$ 92,282	\$ (38,334)	\$ 13,855	\$ 684,836	\$ (4,264)	\$ (41,469)	\$ 15,119	\$ (12,409)	\$ (1,044)	\$ (26,541)	\$ 1,629	\$ (152,655)	\$ 432,059	\$ (33,018)	\$ 930,046

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Kentucky Joint Funding Administration Program
For Year Ended June 30, 2023**

	<u>Element No.</u>	<u>Budget</u>	<u>Actual Direct</u>	<u>Actual Indirect</u>	<u>Actual Total</u>
Revenues					
Federal		\$ 238,968	\$ 169,827	\$ 69,141	\$ 238,968
State		<u>401,985</u>	<u>285,678</u>	<u>116,307</u>	<u>401,985</u>
Total revenues		<u>640,953</u>	<u>455,505</u>	<u>185,448</u>	<u>640,953</u>
Expenditures					
Community and Economic Development Community Development Block Grant	120	107,698	78,476	29,260	107,736
Program Assistance	125	76,472	53,630	22,842	76,472
Appalachian Regional Commission Planning and Assistance	130	274,472	194,720	79,752	274,472
Management Assistance	140	52,573	37,217	15,356	52,573
Program Administration	150	<u>129,737</u>	<u>91,490</u>	<u>38,247</u>	<u>129,737</u>
Total expenditures		<u>640,953</u>	<u>455,533</u>	<u>185,458</u>	<u>640,991</u>
Revenues over (expenditures)		<u>\$ -</u>	<u>\$ (28)</u>	<u>\$ (10)</u>	<u>\$ (38)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Community and Infrastructure Development Grants Administration
For Year ended June 30, 2023**

	21281 Isaiah House CDBG	21282 Paris Trsfr Station CDBG	21283 Franklin Women Family/CDBG	21286 Clark Comm Serv CDBG	21288 Madison God's Outreach CDBG	21684 Estill Mack Theatre CDBG	21685 Bourbon AgTech Scientific
Revenues							
Federal and state:							
Received	\$ \$ -	\$ \$ -	\$ \$ -	\$ \$ -	\$ \$ -	\$ \$ -	\$ \$ -
Receivable	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	<u>2,734</u>	<u>5,283</u>	<u>2,889</u>	<u>17,500</u>	<u>34,600</u>	<u>3,048</u>	<u>(601)</u>
Total revenues	<u>2,734</u>	<u>5,283</u>	<u>2,889</u>	<u>17,500</u>	<u>34,600</u>	<u>3,048</u>	<u>(601)</u>
Expenditures							
Direct costs:							
Salaries	286	3,005	970	-	5,836	1,813	544
Employee burden	146	532	582	-	3,368	234	80
Annual leave	13	28	53	-	273	8	4
Travel	-	88	36	-	141	36	-
Bad Debt Expense	-	-	-	-	-	-	-
Other	-	40	550	-	-	37	-
Contract costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total direct costs	445	3,693	2,191	-	9,618	2,128	628
Indirect costs applied	<u>195</u>	<u>1,590</u>	<u>698</u>	<u>-</u>	<u>4,138</u>	<u>920</u>	<u>280</u>
Total expenditures	<u>640</u>	<u>5,283</u>	<u>2,889</u>	<u>-</u>	<u>13,756</u>	<u>3,048</u>	<u>908</u>
Revenues over (expenditures)	<u>\$ 2,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$ 20,844</u>	<u>\$ -</u>	<u>\$ (1,509)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Community and Infrastructure Development Grants Administration (Continued)
For Year ended June 30, 2023**

	21693 Stanton CDBG/ARC I/I	21695 Bourbon YMCA Teen Ctr CDBG	21701 Lancaster Sewer CDBG	21712 Lincoln SD CDBG	21720 Clay I&I CDBG/ARC	21725 Midway Bluegrass CDBG	Total
Revenues							
Federal and state:							
Received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	2,106	7,000	15,661	30,000	5,079	8,742	134,041
Total revenues	2,106	7,000	15,661	30,000	5,079	8,742	134,041
Expenditures							
Direct costs:							
Salaries	1,102	318	1,758	769	2,089	722	19,212
Employee burden	335	183	658	441	1,182	415	8,156
Annual leave	22	15	49	50	96	33	644
Travel	-	23	62	170	113	18	687
Bad Debt Expense	-	-	-	-	-	-	-
Other	-	-	-	-	128	-	755
Contract costs	-	-	-	-	-	-	-
Total direct costs	1,459	539	2,527	1,430	3,608	1,188	29,454
Indirect costs applied	647	225	1,086	544	1,471	511	12,305
Total expenditures	2,106	764	3,613	1,974	5,079	1,699	41,759
Revenues over (expenditures)	\$ -	\$ 6,236	\$ 12,048	\$ 28,026	\$ -	\$ 7,043	\$ 92,282

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Mapping/Geographic Information Systems
For Year ended June 30, 2023**

	88000 KIA GIS	88100 Jessamine GIS T/A	82240 Anderson GPS E911	83030 Mercer 911 Map Update	83060 Madison PVA Mapping	85100 Local Roads Bourbon	85110 Local Roads Boyle
Revenues							
Federal and State:							
Received	\$ 41,588	\$ -	\$ -	\$ -	\$ -	\$ 2,938	\$ 2,144
Receivable	-	-	-	-	-	2,763	1,354
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	-	14,918	7,500	-	7,240	-	-
Total revenues	<u>41,588</u>	<u>14,918</u>	<u>7,500</u>	<u>-</u>	<u>7,240</u>	<u>5,701</u>	<u>3,498</u>
Expenditures							
Direct costs:							
Salaries	16,381	11,204	7,081	274	2,808	2,851	1,712
Employee burden	10,070	6,163	3,714	227	1,843	1,770	1,027
Annual leave	1,203	835	542	13	194	145	95
Travel	2,031	546	358	-	304	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Other	12	1,498	-	-	-	-	-
Contract costs	-	-	-	-	-	-	-
Total direct costs	<u>29,697</u>	<u>20,246</u>	<u>11,695</u>	<u>514</u>	<u>5,149</u>	<u>4,766</u>	<u>2,834</u>
Indirect costs applied	<u>11,891</u>	<u>7,808</u>	<u>4,853</u>	<u>225</u>	<u>2,091</u>	<u>2,077</u>	<u>1,232</u>
Total expenditures	<u>41,588</u>	<u>28,054</u>	<u>16,548</u>	<u>739</u>	<u>7,240</u>	<u>6,843</u>	<u>4,066</u>
Revenues over (expenditures)	<u><u>\$ -</u></u>	<u><u>\$ (13,136)</u></u>	<u><u>\$ (9,048)</u></u>	<u><u>\$ (739)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,142)</u></u>	<u><u>\$ (568)</u></u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Mapping/Geographic Information Systems (Continued)
For Year ended June 30, 2023**

	85120 Local Roads Clark	85130 Local Roads Estill	85140 Local Roads Franklin	85150 Local Roads Garrard	85170 Local Roads Jessamine	85180 Local Roads Lincoln	85190 Local Roads Madison
Revenues							
Federal and State:							
Received	\$ 346	\$ 263	\$ -	\$ -	\$ 1,351	\$ 902	\$ 1,117
Receivable	-	1,047	1,636	1,866	1,963	-	4,687
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	-	-	-	-	-	-	-
Total revenues	<u>346</u>	<u>1,310</u>	<u>1,636</u>	<u>1,866</u>	<u>3,314</u>	<u>902</u>	<u>5,804</u>
Expenditures							
Direct costs:							
Salaries	153	737	1,015	1,148	1,717	389	3,232
Employee burden	99	424	505	590	1,057	223	1,937
Annual leave	7	44	78	84	89	24	180
Travel	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Contract costs	-	-	-	-	-	-	-
Total direct costs	<u>259</u>	<u>1,205</u>	<u>1,598</u>	<u>1,822</u>	<u>2,863</u>	<u>636</u>	<u>5,349</u>
Indirect costs applied	<u>114</u>	<u>522</u>	<u>683</u>	<u>781</u>	<u>1,247</u>	<u>275</u>	<u>2,324</u>
Total expenditures	<u>373</u>	<u>1,727</u>	<u>2,281</u>	<u>2,603</u>	<u>4,110</u>	<u>911</u>	<u>7,673</u>
Revenues over (expenditures)	\$ <u>(27)</u>	\$ <u>(417)</u>	\$ <u>(645)</u>	\$ <u>(737)</u>	\$ <u>(796)</u>	\$ <u>(9)</u>	\$ <u>(1,869)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Mapping/Geographic Information Systems (Continued)
For Year ended June 30, 2023**

	85200 Local Roads Mercer	85210 Local Roads Nicholas	85220 Local Roads Powell	85230 Local Roads Scott	85240 Local Roads Woodford	85293 Nicholas Subdivision Regs	85423 Danville E911 Maps & Data Coll
Revenues							
Federal and State:							
Received	\$ 1,352	\$ 285	\$ 156	\$ 3,714	\$ -	\$ -	\$ -
Receivable	626	-	420	4,127	2,743	-	-
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	-	-	-	-	-	3,000	10,000
Total revenues	<u>1,978</u>	<u>285</u>	<u>576</u>	<u>7,841</u>	<u>2,743</u>	<u>3,000</u>	<u>10,000</u>
Expenditures							
Direct costs:							
Salaries	921	153	306	3,967	1,626	-	7,326
Employee burden	600	99	198	2,467	948	-	4,065
Annual leave	42	7	14	203	96	-	543
Travel	-	-	-	-	-	-	639
Bad Debt Expense	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Contract costs	-	-	-	-	-	-	-
Total direct costs	<u>1,563</u>	<u>259</u>	<u>518</u>	<u>6,637</u>	<u>2,670</u>	<u>-</u>	<u>12,573</u>
Indirect costs applied	<u>684</u>	<u>114</u>	<u>226</u>	<u>2,892</u>	<u>1,157</u>	<u>-</u>	<u>5,121</u>
Total expenditures	<u>2,247</u>	<u>373</u>	<u>744</u>	<u>9,529</u>	<u>3,827</u>	<u>-</u>	<u>17,694</u>
Revenues over (expenditures)	\$ <u>(269)</u>	\$ <u>(88)</u>	\$ <u>(168)</u>	\$ <u>(1,688)</u>	\$ <u>(1,084)</u>	\$ <u>3,000</u>	\$ <u>(7,694)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Mapping/Geographic Information Systems (Continued)
For Year ended June 30, 2023**

	85424 Nicholas/ Carlisle E911	85425 Homeland Security Geo Audits	85430 Anderson E911 Mapbook	85431 Danville/Boyle P&Z Mapping	85432 Cynthiana GPS	85433 Danville E911 TA	85437 Estill E911
Revenues							
Federal and State:							
Received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable	-	7,480	-	-	-	-	-
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	5,000	-	-	-	9	1,914	4,856
Total revenues	5,000	7,480	-	-	9	1,914	4,856
Expenditures							
Direct costs:							
Salaries	4,938	1,114	918	163	-	163	2,061
Employee burden	2,890	676	570	101	-	101	1,123
Annual leave	354	84	64	11	-	11	154
Travel	122	280	-	-	-	-	145
Bad Debt Expense	-	-	-	-	-	-	-
Other	-	-	-	103	-	-	-
Contract costs	-	-	-	-	-	-	-
Total direct costs	8,304	2,154	1,552	378	-	275	3,483
Indirect costs applied	3,519	804	669	119	-	118	1,432
Total expenditures	11,823	2,958	2,221	497	-	393	4,915
Revenues over (expenditures)	\$ (6,823)	\$ 4,523	\$ (2,221)	\$ (497)	\$ 9	\$ 1,521	\$ (59)

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Mapping/Geographic Information Systems (Continued)
For Year ended June 30, 2023**

	85439 Powell E911	85440 UMAST Upgrade	85442 Harrison E911	21284 Anderson Reapportionment	21285 Scott Landfill	21289 Mercer Reapportionment	39000 GIS Transportation
Revenues							
Federal and State:							
Received	\$ -	\$ 40,720	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	2,219	-	5,967	597	2,317	3,044	-
Total revenues	<u>2,219</u>	<u>40,720</u>	<u>5,967</u>	<u>597</u>	<u>2,317</u>	<u>3,044</u>	<u>-</u>
Expenditures							
Direct costs:							
Salaries	918	18,255	2,382	256	1,016	1,297	-
Employee burden	569	8,829	1,476	147	513	736	-
Annual leave	63	1,460	164	12	80	60	-
Travel	-	-	210	-	20	37	(3,403)
Bad Debt Expense	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1,068
Contract costs	-	-	-	-	-	-	-
Total direct costs	1,550	28,544	4,232	415	1,629	2,130	(2,335)
Indirect costs applied	669	12,176	1,735	182	688	914	-
Total expenditures	<u>2,219</u>	<u>40,720</u>	<u>5,967</u>	<u>597</u>	<u>2,317</u>	<u>3,044</u>	<u>(2,335)</u>
Revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<u>2,335</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Mapping/Geographic Information Systems (Continued)
For Year ended June 30, 2023**

	<u>Total</u>
Revenues	
Federal and State:	
Received	\$ 96,876
Receivable	30,712
Deferred	-
Local:	
Service fees	<u>68,581</u>
Total revenues	<u>196,169</u>
Expenditures	
Direct costs:	
Salaries	98,482
Employee burden	55,756
Annual leave	6,954
Travel	1,290
Bad Debt Expense	-
Other	2,681
Contract costs	<u>-</u>
Total direct costs	165,162
Indirect costs applied	<u>69,341</u>
Total expenditures	<u>234,503</u>
Revenues over (expenditures) \$	<u><u>(38,334)</u></u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Aging Programs
For Year ended June 30, 2023**

	40000 Aging Homecare	42000 Aging Title III	42000 Aging Title III ARPA	42030 Aging Title III C1	42030 Aging Title III C1 ARPA	42040 Aging Title III C2	42040 Aging Title III C2 ARPA
Revenues							
Federal and State:							
Received	\$ 1,944,420	\$ 1,858,898	\$ 66,468	\$ 616,839	\$ 17,659	\$ 1,394,698	\$ 8,987
Receivable	399,197	641,488	-	77,999	-	176,340	-
Deferred	-	-	-	-	-	-	-
Local:							
In-kind	48,610	-	-	-	-	-	-
Service fees	-	20,185	-	-	-	-	-
Total revenues	2,392,227	2,520,571	66,468	694,838	17,659	1,571,038	8,987
Expenditures							
Direct costs:							
Salaries	86,468	137,275	-	3,933	-	3,929	-
Employee burden	58,483	88,354	-	2,357	-	2,347	-
Annual leave	8,515	10,063	-	267	-	264	-
Travel	2,910	8,741	-	13	-	174	-
Other	15,833	35,481	-	33	-	34	-
Contract costs	2,154,853	2,139,221	66,468	685,408	17,659	1,561,469	8,987
Total direct costs	2,327,062	2,419,135	66,468	692,011	17,659	1,568,217	8,987
Indirect costs applied	65,165	101,436	-	2,827	-	2,821	-
Total expenditures	2,392,227	2,520,571	66,468	694,838	17,659	1,571,038	8,987
Revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Aging Programs (Continued)
For Year ended June 30, 2023**

	42045 Aging ESMP	42050 Aging Title III D	42060 Aging Title III B Ombuds	42250 Aging Title VII-Elder Abuse	42400 Aging CMS Ship	42420 Aging Med ADRC NWD	46000 Aging Title VII Ombuds ARP
Revenues							
Federal and State:							
Received	\$ 1,421,625	\$ 70,859	\$ 29,000	\$ 10,425	\$ 78,750	\$ 46,869	\$ 45,390
Receivable	102,375	11,864	-	-	26,250	-	3,592
Deferred	-	-	-	-	-	-	-
Local:							
In-kind	-	-	-	-	-	-	-
Service fees	-	-	-	-	-	-	-
Total revenues	1,524,000	82,723	29,000	10,425	105,000	46,869	48,982
Expenditures							
Direct costs:							
Salaries	36,098	1,474	-	-	-	14,328	-
Employee burden	20,626	828	-	-	-	7,739	-
Annual leave	1,775	28	-	-	-	671	-
Travel	-	3,061	-	-	-	29	-
Other	-	343	-	-	-	14,181	-
Contract costs	1,440,000	75,954	29,000	10,425	105,000	-	48,982
Total direct costs	1,498,499	81,688	29,000	10,425	105,000	36,948	48,982
Indirect costs applied	25,501	1,035	-	-	-	9,921	-
Total expenditures	1,524,000	82,723	29,000	10,425	105,000	46,869	48,982
Revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Aging Programs (Continued)
For Year ended June 30, 2023**

	46010 Aging LTC Ombuds	47000 Aging NSIP USDA	48020 Non-Medicaid ADRC	48030 Aging ADRC	48040 Medicaid ADRC-CDC	48100 Aging MIPPA-SHIP	48110 Aging MIPPA-AAA
A							
Revenues							
Federal and State:							
Received	\$ 100,920	\$ 176,942	\$ 282,090	\$ 71,579	\$ 37,851	\$ 35,998	\$ 41,819
Receivable	-	-	-	30,956	-	3,333	3,635
Deferred	-	-	-	-	-	-	-
Local:							
In-kind	-	-	-	-	-	-	-
Service fees	-	-	-	-	-	-	-
Total revenues	<u>100,920</u>	<u>176,942</u>	<u>282,090</u>	<u>102,535</u>	<u>37,851</u>	<u>39,331</u>	<u>45,454</u>
Expenditures							
Direct costs:							
Salaries	-	-	104,673	36,501	-	-	-
Employee burden	-	-	77,712	21,731	-	-	-
Annual leave	-	-	5,113	3,466	-	-	-
Travel	-	-	3,300	-	-	-	-
Other	-	-	9,296	803	37,851	-	-
Contract costs	100,920	176,942	-	-	-	39,331	45,454
Total direct costs	<u>100,920</u>	<u>176,942</u>	<u>200,094</u>	<u>62,501</u>	<u>37,851</u>	<u>39,331</u>	<u>45,454</u>
Indirect costs applied	-	-	81,996	26,179	-	-	-
Total expenditures	<u>100,920</u>	<u>176,942</u>	<u>282,090</u>	<u>88,680</u>	<u>37,851</u>	<u>39,331</u>	<u>45,454</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Aging Programs (Continued)
For Year ended June 30, 2023**

	48120 Aging MIPPA- ADRC	49000 Aging Family Caregiver	49500 BMH Aging Coalition	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues				
Federal and State:				
Received	\$ 1,326	\$ 333,643	\$ -	\$ 8,693,055
Receivable	2,674	235,703	-	1,715,406
Deferred	-	-	-	-
Local:				
In-kind	-	-	-	48,610
Service fees	-	-	3,649	23,834
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	4,000	569,346	3,649	10,480,905
Expenditures				
Direct costs:				
Salaries	1,700	76,400	-	502,779
Employee burden	1,022	47,720	-	328,919
Annual leave	51	5,429	-	35,642
Travel	-	6,109	-	24,337
Other	4	15,950	3,649	133,458
Contract costs	-	361,937	-	9,068,010
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total direct costs	2,777	513,545	3,649	10,093,145
Indirect costs applied	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,223	55,801	-	373,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	4,000	569,346	3,649	10,467,050
Revenues over expenditures	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
	-	-	-	13,855

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Participant Direct Services
For Year ended June 30, 2023**

	43500 Participant Directed Service
Revenues	
Federal and State:	
Received	\$ 25,176,110
Receivable	444,570
Deferred	-
Local:	
Service fees	-
Total revenues	<u>25,620,680</u>
Expenditures	
Direct costs:	
Salaries	642,744
Employee burden	465,930
Annual leave	37,864
Travel	41,625
Bad debt expense	86,166
Recoupment expense	-
Other	316,502
Contract costs	<u>22,846,588</u>
Total direct costs	24,437,419
Indirect costs applied	<u>498,425</u>
Total expenditures	<u>24,935,844</u>
Revenues over expenditures	<u>\$ 684,836</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Workforce Development
For Year ended June 30, 2023**

	51130 Trade 205BE20	51140 Trade 205BE21	52131 NEG COVID19 258CV21	54161 DW Program 272DW22	53118 Adult Program 272DW22	53115 Adult Program 273AD22	54171 DW Program 271DW22
Revenues							
Federal and State:							
Received	\$ 29,310	\$ 3,309	\$ 42,680	\$ 40,965	\$ 5,990	\$ 372,479	\$ 146,272
Receivable	-	5,989	-	-	-	-	-
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	-	-	-	-	-	12,001	48
Total revenues	<u>29,310</u>	<u>9,298</u>	<u>42,680</u>	<u>40,965</u>	<u>5,990</u>	<u>384,480</u>	<u>146,320</u>
Expenditures							
Direct costs:							
Salaries	-	-	-	-	-	14,685	16,441
Employee burden	-	-	-	-	-	16,840	10,958
Annual leave	-	-	-	-	-	1,554	1,008
Travel	-	-	-	-	-	5,595	1,360
Legal Fees	-	-	-	-	-	-	-
Other	-	-	-	-	-	8,098	2,389
Contract costs	29,310	9,298	42,680	40,965	5,990	323,535	101,846
Total direct costs	<u>29,310</u>	<u>9,298</u>	<u>42,680</u>	<u>40,965</u>	<u>5,990</u>	<u>370,307</u>	<u>134,002</u>
Indirect costs applied	-	-	-	-	-	14,173	12,318
Total expenditures	<u>29,310</u>	<u>9,298</u>	<u>42,680</u>	<u>40,965</u>	<u>5,990</u>	<u>384,480</u>	<u>146,320</u>
Revenues over (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Workforce Development (Continued)
For Year ended June 30, 2023**

	53116 Adult Program 271DW22	53117 Adult Program 270AD23	53122 Adult Program 272DW23	53132 Adult Program 273AD23	54081 DW Admin 271DW23	54181 DW Program 271DW23	53119 Adult Progra 271DW23
Revenues							
Federal and State:							
Received	\$ 40,000	\$ 127,834	\$ 329,866	\$ 408,969	\$ 121,856	\$ 253,607	\$ 460,380
Receivable	-	-	-	66,176	48,994	49,442	543,836
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	-	-	-	-	-	-	-
Total revenues	<u>40,000</u>	<u>127,834</u>	<u>329,866</u>	<u>475,145</u>	<u>170,850</u>	<u>303,049</u>	<u>1,004,216</u>
Expenditures							
Direct costs:							
Salaries	-	-	6,491	48,530	71,156	35,724	18,695
Employee burden	-	-	7,145	41,789	34,031	22,543	10,573
Annual leave	-	-	708	3,901	4,181	2,192	1,158
Travel	-	-	1,265	549	1,734	399	6
Legal Fees	-	-	-	-	-	-	-
Other	-	-	421	22,812	1,823	6,583	3,199
Contract costs	40,000	127,834	307,706	316,959	10,636	209,413	957,427
Total direct costs	<u>40,000</u>	<u>127,834</u>	<u>323,736</u>	<u>434,540</u>	<u>123,561</u>	<u>276,854</u>	<u>991,058</u>
Indirect costs applied	-	-	6,130	40,605	47,289	26,195	13,158
Total expenditures	<u>40,000</u>	<u>127,834</u>	<u>329,866</u>	<u>475,145</u>	<u>170,850</u>	<u>303,049</u>	<u>1,004,216</u>
Revenues over (expenditures)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Workforce Development (Continued)
For Year ended June 30, 2023**

	56090 Youth Admin 274YT22	56190 YOS Program 274YT22	57190 YIS Program 274YT22	56010 Youth Admin 274YT23	56110 YOS Program 274YT23	57110 YIS Program 274YT23	57121 YIS Program 274YT24
Revenues							
Federal and State:							
Received	\$ 101,419	\$ 365,000	\$ 46,617	\$ 40,679	\$ 448,726	\$ 12,522	\$ -
Receivable	-	-	13,339	28,972	242,757	21,113	33,118
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	-	-	-	-	-	-	-
Total revenues	101,419	365,000	59,956	69,651	691,483	33,635	33,118
Expenditures							
Direct costs:							
Salaries	35,204	-	16,264	16,437	64,738	-	13,291
Employee burden	27,507	-	11,182	27,692	37,756	-	9,076
Annual leave	2,858	-	853	2,906	3,912	-	695
Travel	2,873	-	159	1,290	5,470	-	-
Legal Fees	-	-	-	-	-	-	-
Other	455	260	663	1,487	17,272	28	-
Contract costs	4,329	364,740	18,496	-	516,257	33,607	1
Total direct costs	73,226	365,000	47,617	49,812	645,405	33,635	23,063
Indirect costs applied	28,193	-	12,339	19,839	46,078	-	10,055
Total expenditures	101,419	365,000	59,956	69,651	691,483	33,635	33,118
Revenues over (expenditures)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Workforce Development (Continued)
For Year ended June 30, 2023**

	58080 WellCare Works	58090 Isaiah House	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Federal and State:			
Received	\$ -	\$ -	\$ 3,398,479
Receivable	-	-	1,053,736
Deferred	-	-	-
Local:			
Service fees	<u>1,193</u>	<u>74,386</u>	<u>87,628</u>
Total revenues	<u>1,193</u>	<u>74,386</u>	<u>4,539,843</u>
Expenditures			
Direct costs:			
Salaries	-	2,690	360,346
Employee burden	-	1,428	258,520
Annual leave	-	215	26,141
Travel	-	-	20,700
Legal Fees	-	-	-
Other	1,181	-	66,671
Contract costs	<u>12</u>	<u>72,465</u>	<u>3,533,506</u>
Total direct costs	1,193	76,798	4,265,883
Indirect costs applied	<u>-</u>	<u>1,852</u>	<u>278,224</u>
Total expenditures	<u>1,193</u>	<u>78,650</u>	<u>4,544,107</u>
Revenues over (expenditures)	<u>\$ -</u>	<u>\$ (4,264)</u>	<u>\$ (4,264)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Planning and Zoning Technical Assistance
For Year ended June 30, 2023**

	10020 Anderson/Lawrence Comp Plan	16060 Anderson/Lawrence Planning TA	21830 Lancaster Planning TA	Total
Revenues				
Federal and State:				
Received	\$ -	\$ -	\$ -	\$ -
Receivable	-	-	-	-
Deferred	-	-	-	-
Local:				
Service fees	<u>13,419</u>	<u>5,867</u>	<u>300</u>	<u>19,586</u>
Total revenues	<u>13,419</u>	<u>5,867</u>	<u>300</u>	<u>19,586</u>
Expenditures				
Direct costs:				
Salaries	22,246	3,242	111	25,599
Employee burden	12,866	1,880	66	14,812
Annual leave	1,026	150	5	1,181
Travel	547	319	20	886
Other	410	-	-	410
Contract costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total direct costs	37,095	5,591	202	42,888
Indirect costs applied	<u>15,785</u>	<u>2,303</u>	<u>79</u>	<u>18,167</u>
Total expenditures	<u>52,880</u>	<u>7,894</u>	<u>281</u>	<u>61,055</u>
Revenues over (expenditures)	<u>\$ (39,461)</u>	<u>\$ (2,027)</u>	<u>\$ 19</u>	<u>\$ (41,469)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Water and Sewer Planning and Technical Assistance
For Year ended June 30, 2023**

	22000 KIA 409 Council	21651 Gtown/Scott Sewer KIA	21670 Lincoln US 127 Sewer KIA	21694 North Mercer Water CWP	21706 Stanton Water Improvements	21707 Estill ECWD KIA
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues						
Federal and State:						
Received	\$ 70,412	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable	-	-	-	-	-	-
Deferred	-	-	-	-	-	-
Local:						
Service fees	<u>-</u>	<u>12,500</u>	<u>4,600</u>	<u>510</u>	<u>1,023</u>	<u>-</u>
Total revenues	<u>70,412</u>	<u>12,500</u>	<u>4,600</u>	<u>510</u>	<u>1,023</u>	<u>-</u>
Expenditures						
Direct costs:						
Salaries	28,120	789	-	180	644	186
Employee burden	20,111	460	-	116	61	107
Annual leave	2,408	52	-	11	1	14
Travel	2,165	58	-	70	-	-
Other	515	-	-	-	-	-
Contract costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total direct costs	53,319	1,359	-	377	706	307
Indirect costs applied	<u>21,683</u>	<u>561</u>	<u>-</u>	<u>133</u>	<u>317</u>	<u>132</u>
Total expenditures	<u>75,002</u>	<u>1,920</u>	<u>-</u>	<u>510</u>	<u>1,023</u>	<u>439</u>
Revenues over (expenditures)	<u>\$ (4,590)</u>	<u>\$ 10,580</u>	<u>\$ 4,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (439)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Water and Sewer Planning and Technical Assistance (Continued)
For Year ended June 30, 2023**

	21718 Clark SD CWP Rockwell SX9045	21721 Lincoln McKinney WD KIA	21734 Wilmore Tank Rehab KIA	21821 Lancaster San Sewer CWP	21822 Nicholas Water CWP	21823 Harrison SD CWP WX7016
Revenues						
Federal and State:						
Received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable	-	-	-	-	-	-
Deferred	-	-	-	-	-	-
Local:						
Service fees	<u>3,168</u>	<u>481</u>	<u>(33)</u>	<u>593</u>	<u>400</u>	<u>255</u>
Total revenues	<u>3,168</u>	<u>481</u>	<u>(33)</u>	<u>593</u>	<u>400</u>	<u>255</u>
Expenditures						
Direct costs:						
Salaries	1,304	186	-	357	171	109
Employee burden	739	107	-	51	98	62
Annual leave	90	11	-	2	10	7
Travel	116	45	-	-	-	-
Other	-	-	-	-	-	-
Contract costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total direct costs	2,249	349	-	410	279	178
Indirect costs applied	<u>919</u>	<u>132</u>	<u>-</u>	<u>183</u>	<u>121</u>	<u>77</u>
Total expenditures	<u>3,168</u>	<u>481</u>	<u>-</u>	<u>593</u>	<u>400</u>	<u>255</u>
Revenues over (expenditures)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(33)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Water and Sewer Planning and Technical Assistance (Continued)
For Year ended June 30, 2023**

	21824 WMU Flanagan Madison CWP	21825 Winchester Rive CWP WX9042	21826 Paris Water SRF Admin	21827 Hustonville CWP R1 WX7055	21831 Midway Fund B Loan SX9015	Total
Revenues						
Federal and State:						
Received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,412
Receivable	-	-	-	-	-	-
Deferred	-	-	-	-	-	-
Local:						
Service fees	182	145	110	1,063	5,000	29,997
Total revenues	<u>182</u>	<u>145</u>	<u>110</u>	<u>1,063</u>	<u>5,000</u>	<u>100,409</u>
Expenditures						
Direct costs:						
Salaries	78	62	47	372	-	32,605
Employee burden	44	35	27	216	-	22,234
Annual leave	5	4	3	24	-	2,642
Travel	-	-	-	187	-	2,641
Other	-	-	-	-	-	515
Contract costs	-	-	-	-	-	-
Total direct costs	127	101	77	799	-	60,637
Indirect costs applied	55	44	33	264	-	24,654
Total expenditures	<u>182</u>	<u>145</u>	<u>110</u>	<u>1,063</u>	<u>-</u>	<u>85,291</u>
Revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 15,119

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Transportation Planning
For Year ended June 30, 2023**

	30000
	Transportation
	<u> </u>
Revenues	
Federal and State:	
Received	\$ 111,682
Receivable	-
Deferred	-
Local:	
Service fees	-
Total revenues	<u> 111,682</u>
Expenditures	
Direct costs:	
Salaries	51,543
Employee burden	31,629
Annual leave	2,702
Travel	749
Other	77
Contract costs	-
Total direct costs	<u> 86,700</u>
Indirect costs applied	<u> 37,391</u>
Total expenditures	<u> 124,091</u>
Revenues over (expenditures)	<u> \$ (12,409)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Homeland Security
For Year ended June 30, 2023**

	21733 Hazard Mitigation Plan Update	21287 BG Community Res Proj - BRIC	21726 N Middletown Safe Room FEMA	21735 N Middletown Fire Station FEMA	21736 Ravenna Stormwater FEMA	Total
Revenues						
Federal and State:						
Received	\$ -	\$ 475	\$ -	\$ -	\$ -	\$ 475
Receivable	-	-	-	-	-	-
Deferred	-	-	-	-	-	-
Local:						
Service fees	60,446	-	1,971	3,440	375	66,232
Total revenues	<u>60,446</u>	<u>475</u>	<u>1,971</u>	<u>3,440</u>	<u>375</u>	<u>66,707</u>
Expenditures						
Direct costs:						
Salaries	26,537	202	847	1,446	124	29,156
Employee burden	14,787	116	486	756	71	16,216
Annual leave	1,280	14	39	60	6	1,399
Travel	287	-	-	188	86	561
Other	21	-	-	-	-	21
Contract costs	-	-	-	-	-	-
Total direct costs	<u>42,912</u>	<u>332</u>	<u>1,372</u>	<u>2,450</u>	<u>287</u>	<u>47,353</u>
Indirect costs applied	18,578	143	599	990	88	20,398
Total expenditures	<u>61,490</u>	<u>475</u>	<u>1,971</u>	<u>3,440</u>	<u>375</u>	<u>67,751</u>
Revenues over (expenditures)	\$ <u>(1,044)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(1,044)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Economic Development Planning and Technical Assistance (Continued)
For Year ended June 30, 2023**

	22300 Franklin Planning Asst	22800 Lincoln Co IDA	25140 BG Army Depot Econ Res Study	Total
Revenues				
Federal and State:				
Received	\$ -	\$ -	\$ 45,450	45,450
Receivable	-	-	52,229	52,229
Deferred	-	-	-	-
Local:				
Service fees	5,500	-	-	5,500
Total revenues	<u>5,500</u>	<u>-</u>	<u>97,679</u>	<u>103,179</u>
Expenditures				
Direct costs:				
Salaries	2,243	-	28,383	30,626
Employee burden	1,330	-	15,268	16,598
Annual leave	104	-	2,224	2,328
Travel	295	-	-	295
Other	-	580	-	580
Contract costs	-	-	58,063	58,063
Total direct costs	<u>3,972</u>	<u>580</u>	<u>103,938</u>	<u>108,490</u>
Indirect costs applied	<u>1,606</u>	<u>-</u>	<u>19,624</u>	<u>21,230</u>
Total expenditures	<u>5,578</u>	<u>580</u>	<u>123,562</u>	<u>129,720</u>
Revenues over (expenditures)	<u>\$ (78)</u>	<u>\$ (580)</u>	<u>\$ (25,883)</u>	<u>(26,541)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Management Services (Continued)
For Year ended June 30, 2023**

	11200 Jessamine IT	11210 Scott IT	11220 Lake Village IT	12010 Nicholasville Video	12011 Nicholasville Planning Video	13010 Nicholasville PD Website	21800 Estill ARPA
Revenues							
Federal and State:							
Received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	-	5,741	700	5,925	7,800	500	577
Total revenues	<u>-</u>	<u>5,741</u>	<u>700</u>	<u>5,925</u>	<u>7,800</u>	<u>500</u>	<u>577</u>
Expenditures							
Direct costs:							
Salaries	159	2,744	421	2,282	1,984	64	197
Employee burden	118	1,901	242	1,271	1,103	47	85
Annual leave	102	233	23	175	151	6	6
Travel	-	96	333	23	7	10	163
Other	-	-	-	-	-	-	-
Contract costs	-	-	-	-	-	-	-
Total direct costs	<u>379</u>	<u>4,974</u>	<u>1,019</u>	<u>3,751</u>	<u>3,245</u>	<u>127</u>	<u>451</u>
Indirect costs applied	<u>125</u>	<u>2,088</u>	<u>299</u>	<u>1,597</u>	<u>1,388</u>	<u>50</u>	<u>126</u>
Total expenditures	<u>504</u>	<u>7,062</u>	<u>1,318</u>	<u>5,348</u>	<u>4,633</u>	<u>177</u>	<u>577</u>
Revenues over (expenditures)	<u><u>\$ (504)</u></u>	<u><u>\$ (1,321)</u></u>	<u><u>\$ (618)</u></u>	<u><u>\$ 577</u></u>	<u><u>\$ 3,167</u></u>	<u><u>\$ 323</u></u>	<u><u>\$ -</u></u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Management Services (Continued)
For Year ended June 30, 2023**

	21801 Irvine ARPA	21802 Jessamine ARPA	21803 Bourbon ARPA	21804 Stanton ARPA	21805 Ravenna ARPA	21806 Nicholas ARPA	21807 Harrison ARPA
Revenues							
Federal and State:							
Received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	<u>217</u>	<u>628</u>	<u>605</u>	<u>1,166</u>	<u>771</u>	<u>1,607</u>	<u>166</u>
Total revenues	<u>217</u>	<u>628</u>	<u>605</u>	<u>1,166</u>	<u>771</u>	<u>1,607</u>	<u>166</u>
Expenditures							
Direct costs:							
Salaries	94	186	232	709	318	709	31
Employee burden	53	107	134	77	183	379	18
Annual leave	4	13	11	2	15	30	2
Travel	-	12	63	24	-	-	30
Other	-	178	-	-	-	-	63
Contract costs	-	-	-	-	-	-	-
Total direct costs	<u>151</u>	<u>496</u>	<u>440</u>	<u>812</u>	<u>516</u>	<u>1,118</u>	<u>144</u>
Indirect costs applied	<u>66</u>	<u>132</u>	<u>165</u>	<u>354</u>	<u>225</u>	<u>489</u>	<u>22</u>
Total expenditures	<u>217</u>	<u>628</u>	<u>605</u>	<u>1,166</u>	<u>741</u>	<u>1,607</u>	<u>166</u>
Revenues over (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Management Services (Continued)
For Year ended June 30, 2023**

	21808 Powell ARPA	21809 Harrodsburg ARPA	21810 Berea ARPA	21812 Winchester ARPA	21813 Anderson ARPA	21814 Crab Orchard ARPA	21815 Lancaster ARPA
Revenues							
Federal and State:							
Received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	<u>1,121</u>	<u>874</u>	<u>1,126</u>	<u>1,550</u>	<u>338</u>	<u>179</u>	<u>2,004</u>
Total revenues	<u>1,121</u>	<u>874</u>	<u>1,126</u>	<u>1,550</u>	<u>337</u>	<u>179</u>	<u>2,004</u>
Expenditures							
Direct costs:							
Salaries	482	404	427	775	169	76	1,008
Employee burden	277	189	246	206	13	44	336
Annual leave	21	15	20	14	-	5	24
Travel	-	-	63	35	-	-	32
Other	-	-	68	79	73	-	-
Contract costs	-	-	-	-	-	-	-
Total direct costs	<u>780</u>	<u>608</u>	<u>824</u>	<u>1,109</u>	<u>255</u>	<u>125</u>	<u>1,400</u>
Indirect costs applied	<u>341</u>	<u>266</u>	<u>302</u>	<u>441</u>	<u>82</u>	<u>54</u>	<u>604</u>
Total expenditures	<u>1,121</u>	<u>874</u>	<u>1,126</u>	<u>1,550</u>	<u>337</u>	<u>179</u>	<u>2,004</u>
Revenues over (expenditures)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Management Services (Continued)
For Year ended June 30, 2023**

	21816 Wilmore ARPA	21819 Berry ARPA	21820 Burgin ARPA	21828 Perryville ARPA	21832 Carlisle ARPA	Total
Revenues						
Federal and State:						
Received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable	-	-	-	-	-	-
Deferred	-	-	-	-	-	-
Local:						
Service fees	573	132	806	320	837	36,263
Total revenues	573	132	806	320	837	36,263
Expenditures						
Direct costs:						
Salaries	367	85	334	155	495	14,907
Employee burden	28	6	192	76	46	7,377
Annual leave	-	-	16	12	1	901
Travel	-	-	28	-	52	971
Other	-	-	-	-	-	461
Contract costs	-	-	-	-	-	-
Total direct costs	395	91	570	243	594	24,617
Indirect costs applied	178	41	236	103	243	10,017
Total expenditures	573	132	806	346	837	34,634
Revenues over (expenditures)	\$ -	\$ -	\$ -	\$ (26)	\$ -	\$ 1,629

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Bluegrass Cat Project
For Year ended June 30, 2023**

	93000 Bluegrass Cat Proj- FY22	93000 Bluegrass Cat Proj- FY23	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Federal and State:			
Received	\$ -	\$ -	\$ -
Receivable	-	-	-
Deferred	-	-	-
Local:			
Service fees	<u>(152,655)</u>	<u>255,009</u>	<u>102,354</u>
Total revenues	<u>(152,655)</u>	<u>255,009</u>	<u>102,354</u>
Expenditures			
Direct costs:			
Salaries	-	-	-
Employee burden	-	-	-
Annual leave	-	-	-
Travel	-	-	-
Other	-	42	42
Contract costs	<u>-</u>	<u>254,967</u>	<u>254,967</u>
Total direct costs	-	255,009	255,009
Indirect costs applied	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>255,009</u>	<u>255,009</u>
Revenues over (expenditures)	<u>\$ (152,655)</u>	<u>\$ -</u>	<u>\$ (152,655)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Non-Grant
For Year ended June 30, 2023**

	90000 Dental Office	91000 Non-Grant	92000 Non-Grant Comp Plan	FY23 Pension Expense	FY23 Insurance Expense	FY23 Career Center Lease Exp	Total
Revenues							
Federal and State:							
Received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-
Local:							
Contributions	-	158,253	-	-	-	-	158,253
Rent	89,104	-	-	-	-	-	89,104
Interest	-	63,732	-	-	-	-	63,732
Total revenues	89,104	221,985	-	-	-	-	311,089
Expenditures							
Direct costs:							
Salaries	-	438	9,108	-	-	-	9,546
Employee burden	-	514	4,694	(367,653)	96,312	-	(266,133)
Annual leave	-	(37,352)	454	-	-	-	(36,898)
Travel	-	8,420	220	-	-	-	8,640
Legal Fees	-	-	-	-	-	-	-
Bad debt/Recoupment	-	-	-	-	-	-	-
Other	36,666	58,730	-	-	-	13,386	108,782
Contract costs	-	48,460	-	-	-	-	48,460
Total direct costs	36,666	79,210	14,476	(367,653)	96,312	13,386	(127,604)
Indirect costs applied	-	429	6,205	-	-	-	6,634
Total expenditures	36,666	79,638	20,681	(367,653)	96,312	13,386	(120,970)
Revenues over (expenditures)	\$ 52,438	\$ 142,347	\$ (20,681)	\$ 367,653	\$ (96,312)	\$ (13,386)	\$ 432,059

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Departmental Schedule
Regional Coordination, JFA
For Year ended June 30, 2023**

	<u>71200</u> <u>JFA COMM/</u> <u>ECON DEV</u>	<u>71250</u> <u>JFA</u> <u>CDBG</u>	<u>71300</u> <u>JFA ARC</u> <u>PLAN/ASSIST</u>	<u>71400</u> <u>JFA MGMT</u> <u>ASSIST</u>	<u>71500</u> <u>JFA PRGM</u> <u>ADMIN</u>	<u>71600</u> <u>EDA</u> <u>CARES</u>	<u>Total</u>
Revenues							
Federal and State:							
Received	\$ 107,698	\$ 73,009	\$ 274,472	\$ 30,280	\$ 83,768	\$ 78,093	\$ 647,320
Receivable	-	3,463	-	22,295	45,969	-	71,727
Deferred	-	-	-	-	-	-	-
Local:							
Service fees	-	-	-	-	-	-	-
Total revenues	<u>107,698</u>	<u>76,472</u>	<u>274,472</u>	<u>52,575</u>	<u>129,737</u>	<u>78,093</u>	<u>719,047</u>
Expenditures							
Direct costs:							
Salaries	37,035	32,944	98,470	25,999	49,623	27,841	271,912
Employee burden	28,051	17,863	78,927	8,158	35,453	22,797	191,249
Annual leave	3,224	1,460	8,853	721	4,025	2,412	20,695
Travel	6,033	1,020	5,040	2,293	2,365	3,846	20,597
Other	4,132	343	3,430	47	24	31,413	39,389
Contract Costs	-	-	-	-	-	-	-
Total direct costs	<u>78,475</u>	<u>53,630</u>	<u>194,720</u>	<u>37,218</u>	<u>91,490</u>	<u>88,309</u>	<u>543,842</u>
Indirect costs applied	<u>29,261</u>	<u>22,842</u>	<u>79,752</u>	<u>15,356</u>	<u>38,247</u>	<u>22,765</u>	<u>208,223</u>
Total expenditures	<u>107,736</u>	<u>76,472</u>	<u>274,472</u>	<u>52,574</u>	<u>129,737</u>	<u>111,074</u>	<u>752,064</u>
Revenues over (expenditures)	\$ <u>(38)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1</u>	\$ <u>-</u>	\$ <u>(32,981)</u>	\$ <u>(33,018)</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Schedule of Indirect Costs Applied
For Year ended June 30, 2023**

Salaries	\$	535,469
Fringe benefits		409,089
Building usage and depreciation		317,077
Computer services		47,390
Professional fees		78,180
Insurance		40,655
Dues, fees, subscriptions		31,932
Telephone and postage		50,916
Printing and publications		16,912
Equipment rental		12,091
Legal Fees		14,397
Travel, staff		4,072
Meetings		10,025
Other		3,015
Equipment depreciation		3,067
Supplies		<u>4,624</u>
Total indirect costs applied	\$	<u><u>1,578,911</u></u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Schedule of Awards from the Commonwealth of Kentucky
For Year ended June 30, 2023**

<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	2200000031	07.2022-06.2023	\$ 2,405,638	\$ 2,405,638	\$ 2,405,638	\$ -	\$ 399,197
Title III	42000-42060	2200000036	07.2022-06.2023	1,851,506	1,851,506	1,851,506	-	142,551
Participant Directed Services	43500	N/A	07.2022-06.2023	25,681,261	25,620,679	24,935,844	182,532	444,570
Title VII Ombudsman	46000	2200000019	07.2022-06.2023	16,442	16,442	16,442	-	-
Long Term Care Ombudsman	46010	2000000067	07.2022-06.2023	100,920	100,920	100,920	-	-
Aging ADRC	48030	2000000065	07.2022-06.2023	38,178	38,178	38,178	-	15,478
Aging Family Caregiver Support	49000/48020/49020	2200000036	07.2022-06.2023	209,591	209,591	209,591	-	40,064
Governor's Office for Local Development								
Joint Funding Agreement	71200-71500	2200004717	07.2022-06.2023	401,985	401,985	401,985	-	69,996
EDA CARES	71600	2100000393	08.2020-12.2022	78,093	78,093	78,093	-	-
Kentucky Office of Homeland Security								
Homeland Security GEO Audits	85425	2200003314	07.2022-06.2024	88,530	7,480	2,958	-	11,470
Kentucky Department of Revenue:								
UMAST Upgrade	85440	2200002408	07.2022-06.2023	46,669	40,720	40,720	-	-
Kentucky Transportation Cabinet:								
Regional Transportation Program	30000	2100001413	07.2022-06.2023	111,682	111,682	111,682	-	-
Highway Inventory Data Collection Program	85090-85250	2200000461	08.2022-06.2023	37,800	37,800	37,800	-	23,232
Kentucky Department of Revenue:								
BG Community Resilience Project - BRIC	21287	2300001520	03.2023-09.2024	16,347	475	475	-	-
Kentucky Infrastructure Authority:								
Water Resource Information System	22000, 88000	2200003122	07.2022-06.2023	112,000	112,000	112,000	-	-
				<u>\$ 31,196,642</u>	<u>\$ 31,033,189</u>	<u>\$ 30,343,831</u>	<u>\$ 182,532</u>	<u>\$ 1,146,558</u>

BLUEGRASS AREA DEVELOPMENT DISTRICT, INC.

**Cost Allocation Policy
June 30, 2023**

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 join 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 Receptions, 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 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 costs 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, 2023**

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 to 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 share 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 cumulated and allocated monthly.