



Barren River Area Development District

FINANCIAL STATEMENTS

June 30, 2025



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FINANCIAL STATEMENTS

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REPORT





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Independent Auditor's Report

Board of Directors
Barren River Area Development District
Bowling Green, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barren River Area Development District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and select pension/OPEB information on pages 5 through 13 and 55 through 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining statements, specific grant activity reports and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, specific grant activity reports 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 January 27, 2026 on our consideration of Barren River Area Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Barren River Area Development District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.
Bowling Green, Kentucky
January 27, 2026



FINANCIAL STATEMENTS



BARREN RIVER



AREA DEVELOPMENT DISTRICT

BARREN RIVER AREA DEVELOPMENT DISTRICT (BRADD) MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2025

As management of the Barren River Area Development District (BRADD), we offer readers of BRADD's financial statements this narrative overview and analysis of the financial activities of BRADD for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

BRADD MAJOR PROGRAMS AND SERVICES

Programs and activities of the BRADD are operated under the general direction of a Board composed of representation from the ten-county area, which includes Allen, Barren, Butler, Edmonson, Hart, Logan, Metcalfe, Monroe, Simpson, and Warren. The Executive Director coordinates and administers a staff to provide the programs and services set forth by the Board. Goals and objectives of the BRADD are outlined in the Comprehensive Economic Development Strategy (CEDs), which is updated annually.

- **Aging and Independent Living Services** administers the provision of services related to aging and disabled individuals in the ten-county region, through the Area Agency on Aging and Independent Living, including the Participant Directed Services (PDS) program and the Veteran's Directed Services (VDS) program.
- **Community and Economic Development (CED)** provides assistance to local governments and industrial development agencies developing physical resources to meet demands for community, business, and industrial growth and expansion. CED also offers funding through RLF loan programs to qualified projects.
- **Information Systems and Data Services** maintains and provides a variety of information ranging from Census data, maps, and transportation counts to the creation of data sets using the Geographic Information System (GIS) and Global Positioning Satellite (GPS) tools.
- **Government Services** provides a broad range of services to local governments including technical assistance, training, and publications.
- **Planning Services** provides staffing support for activities to protect the resources of the ten-county area. Programs include water and wastewater supply planning, waste management, and comprehensive planning.
- **Transportation and Transit Planning Services** provides coordination of transportation of planning efforts between the State and local governments and provides information and technical assistance to local governments for street and road funding and development of airports, bikeways, and public transportation systems.

- **Regional Office of Drug Control Policy** serves local governments and community partners in implementing best practices for issues around substance abuse and mental health.

FINANCIAL HIGHLIGHTS

- Net position for governmental activities is (\$22,245) and \$2,010,160 as of June 30, 2024 and 2025, respectively. The FY25 amount includes \$932,238 invested in capital assets, \$882,982 restricted for grant programs, \$43,402 restricted for building maintenance, and \$151,538 is unrestricted. The change is primarily due to pension-related activities.
- For governmental activities, revenues are \$31,865,629 for the year ended June 30, 2025. For the year ended June 30, 2024, revenues were \$25,290,541. The increase of \$6,575,088 from 2024 to 2025 is primarily attributable to the increase in the PDS reimbursement rate.
- The net increase in fund balances for all funds during the year ended June 30, 2025 is \$1,544,915. Fund balances increased for the Special Revenue Funds by \$1,467,434 and increased for the General Fund by \$77,481. Special revenue funds increased primarily because of the growth of the PDS program and the timing of local contract revenues and expenses. General funds increased primarily because less capital expenditures were incurred in FY 25.
- Barren River Local Officials Organization (BRLOO) is a blended component unit of the District and is shown as an enterprise fund on the District's financial statements. BRLOO's purpose is to promote the economic development of the District and to acquire and lease transit vehicles for local service agencies. BRLOO's net position is \$25,289 and \$24,189 as of June 30, 2024 and 2025, respectively.

BASIC FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements, fund financial statements, proprietary fund statements and related notes. The government-wide financial statements include the Statement of Net Position (Deficit) and the Statement of Activities, which provide information about the activities of BRADD as a whole and present a longer-term view of BRADD's finances. The fund financial statements focus on governmental activities and how various services were financed in the short term as well as the balance remaining for future spending. Fund financial statements also report BRADD's operations in more detail than the government-wide statements by providing information about BRADD's most significant funds. The proprietary fund statements are used to document the activities of BRLOO and include the Statement of Net Position, Statement of Revenues, Expenditures and Changes in Fund Net Position, and Statement of Cash Flows. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of BRADD's finances, in a manner similar to private-sector business. These statements report information about the BRADD using the accrual basis of accounting. This basis of accounting takes into account all the current year's revenues and expenses regardless of when cash is paid or received.

The Statement of Net Position presents information on all BRADD's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the BRADD is improving or deteriorating.

The Statement of Activities presents information showing how BRADD’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the BRADD that are principally supported by grants and agreements between BRADD and various units of government.

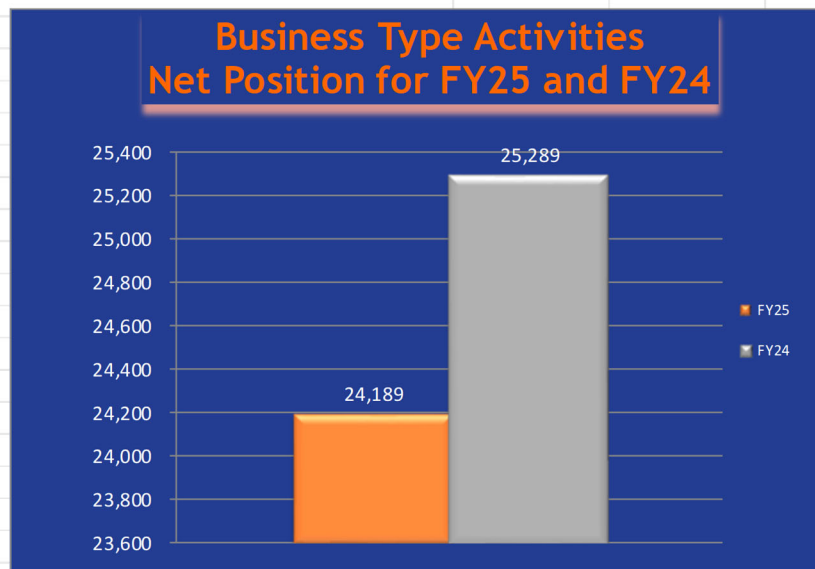
FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the most significant funds, not BRADD as a whole. BRADD’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of BRADD’s general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance BRADD’s programs. BRADD’s funds consist of the Local (or General Fund) and a Special Revenue Fund.

Business Type Activities

Net Position for June 30, 2025 and June 30, 2024

	FY25	FY24	Percentage Change
Cash and Investments	24,189	25,289	-4.35%
Capital Assets, net	-	-	0.00%
Total Assets	24,189	25,289	-4.35%
Unearned Revenue	-	-	
Total Liabilities	-	-	
Investment in Capital Assets	-	-	0.00%
Unrestricted Funds	24,189	25,289	-4.35%
Total Net Position	24,189	25,289	-4.35%

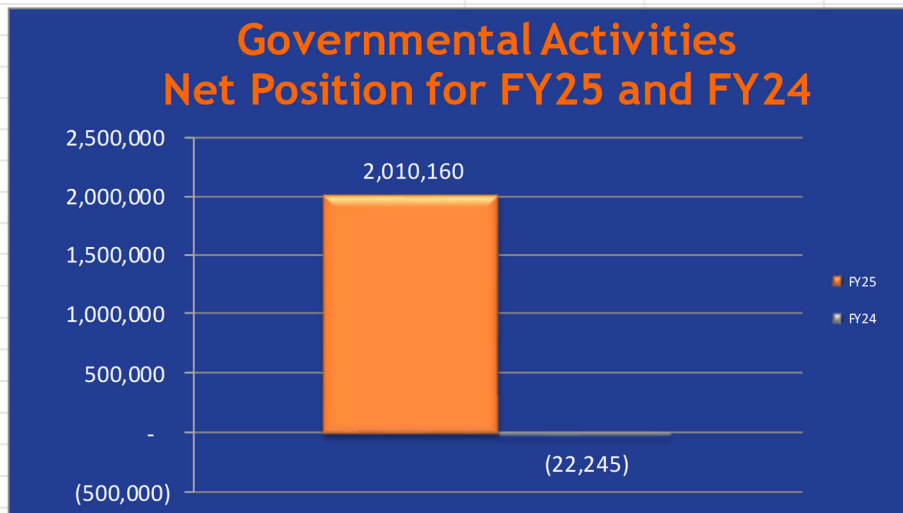


* At year-end assets exceeded liabilities by \$24,189 with a net change of \$1,100 or 4.35%.

Governmental Activities

Net Position for June 30, 2025 and June 30, 2024

	FY25	FY24	Percentage Change
Cash and Investments	14,911,823	4,619,978	222.77%
Grants Receivable	1,281,266	565,875	126.42%
Accounts Receivable	1,766,072	1,397,820	26.34%
Loans, net	464,421	299,670	54.98%
Net OPEB assets	124,707	93,659	0.00%
Prepays	26,433	35,399	-25.33%
Capital Assets, net	932,238	721,489	29.21%
Right-to-use lease assets, net	117,207	-	
Total Assets	19,624,167	7,733,890	153.74%
OPEB Related	423,180	569,890	-25.74%
Pension Related	1,223,303	1,422,195	-13.98%
Total Deferred Outflows of Resources	1,646,483	1,992,085	-17.35%
Accounts Payable	431,310	360,971	19.49%
Accrued Liabilities	1,549,043	1,319,309	17.41%
Unearned Revenue	10,654,361	975,143	992.59%
Compensated Absences	139,701	132,634	5.33%
Lease Liability	117,207	-	
Net Pension Liability	4,307,281	4,352,895	-1.05%
Total Liabilities	17,198,903	7,140,952	140.85%
OPEB Related	1,294,234	1,666,882	-22.36%
Pension Related	767,353	940,386	-18.40%
Total Deferred Inflows of Resources	2,061,587	2,607,268	-20.93%
Investment in Capital Assets	932,238	721,489	29.21%
Restricted for Grant Programs	882,982	857,074	3.02%
Restricted for Building Maintenance	43,402	49,739	-12.74%
Unrestricted Funds	151,538	(1,650,547)	-109.18%
Total Net Position	2,010,160	(22,245)	-9136.46%



* At year-end liabilities exceeded assets by \$2,010,160 with a net change of \$2,032,405 or 9136.46%.

REVENUES FOR GOVERNMENTAL FUNDS

For governmental funds, revenues are \$31,865,629 for the year ended June 30, 2025, representing an increase of \$6,575,088 or 26.00% from \$25,290,541 for the year ended June 30, 2024.

	2025	2025	2024	2024	Change	Change
	Revenue \$	Revenue %	Revenue \$	Revenue %	in \$	in %
Program Revenues:						
Regional Support	219,152	0.69%	224,571	0.89%	(5,419)	-2.41%
Community & Economic Development	2,224,916	6.98%	1,044,300	4.13%	1,180,616	113.05%
Aging and Independent Living	5,567,837	17.47%	5,677,598	22.45%	(109,761)	-1.93%
Revolving Loan Fund	27,626	0.09%	26,113	0.10%	1,513	5.79%
Participant Directed Services	23,728,587	74.46%	18,201,091	71.97%	5,527,496	30.37%
Veterans Directed Services	97,511	0.31%	116,868	0.46%	(19,357)	-16.56%
Total Revenues	31,865,629		25,290,541		6,575,088	26.00%

- Participant Directed Services received a rate increase in FY 25 and overall clients grew as well.
- The Office of Drug Control Policy was established and the design work began on the Crisis Intake Center for the region.
- Veterans Directed Services had less services performed in FY 25 due to the participant's needs.

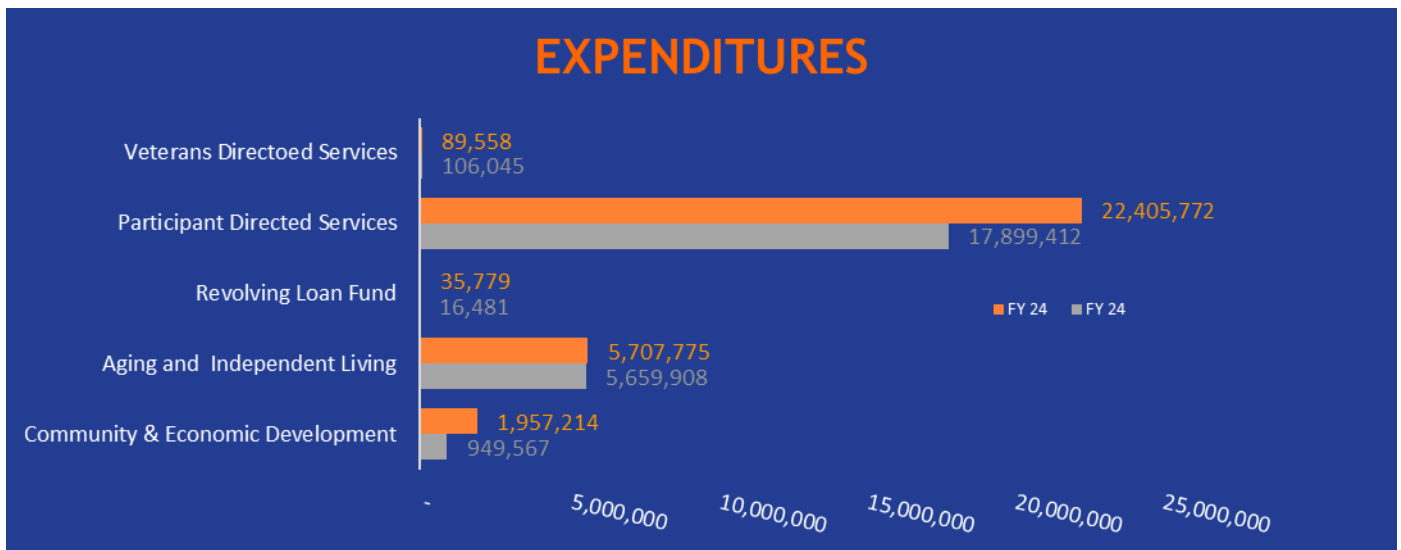
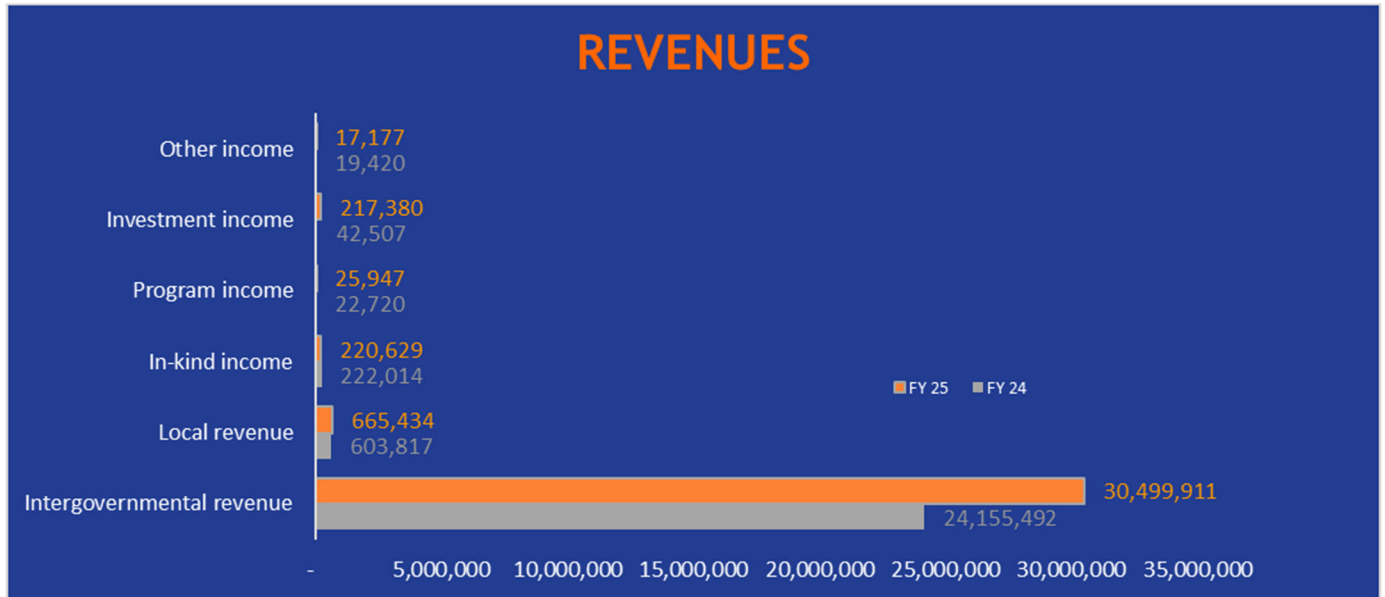
EXPENSES FOR GOVERNMENTAL FUNDS

For governmental funds, expenses are \$30,320,714 for the year ended June 30, 2025, representing an increase of \$5,591,060 or 22.61% from \$24,729,654 for the year ended June 30, 2024.

	2025	2025	2024	2024	Change	Change
	Expense \$	Expense %	Expense \$	Expense %	in \$	in %
Program Expenses:						
Regional Support	124,647	0.41%	98,241	0.40%	26,406	26.88%
Community & Economic Development	1,957,210	6.46%	949,567	3.84%	1,007,643	106.12%
Aging and Independent Living	5,707,773	18.82%	5,659,908	22.89%	47,865	0.85%
Revolving Loan Fund	35,759	0.12%	16,481	0.07%	19,278	116.97%
Participant Directed Services	22,405,773	73.90%	17,899,412	72.38%	4,506,361	25.18%
Veterans Directed Services	89,552	0.30%	106,045	0.43%	(16,493)	-15.55%
Total Expenses	30,320,714		24,729,654		5,591,060	22.61%

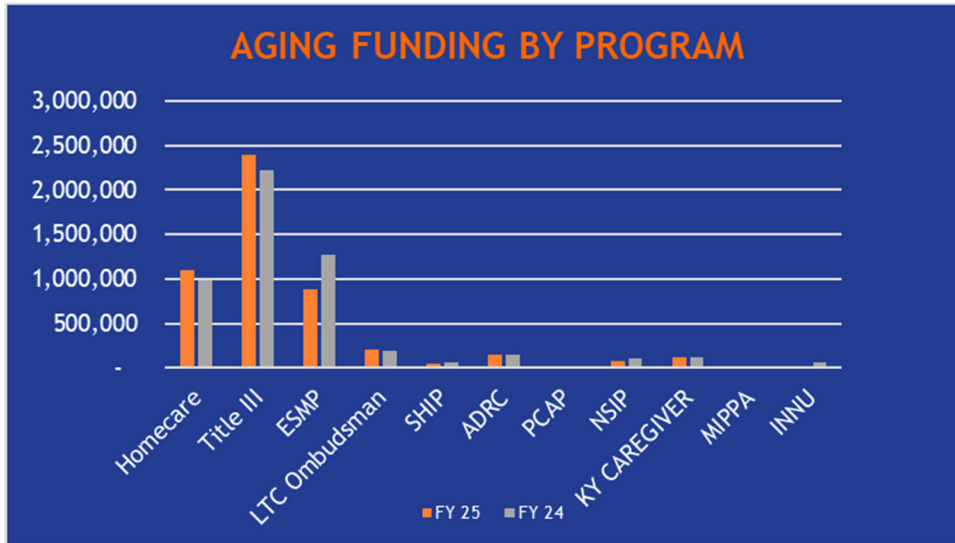
- Revolving Loan Fund had several uncollectible loans and loan losses were increased in FY 25.
- Participant Directed Services received a rate increase in FY 25 and overall clients grew as well.
- Within the Community & Economic Development, the Office of Drug Control Policy was established and the design work began on the Crisis Intake Center for the region.
- Regional support purchased an additional vehicle in FY 25.

REVENUES VS EXPENDITURES: SPECIAL REVENUE FUNDS



- Total revenues increased \$6,580,508 or 26.25% from FY 24 to FY 25.
- Total expenditures increased \$5,564,685 or 22.59% from FY 24 to FY 25.
- Intergovernmental revenue accounts for 96% of total revenues while Participant Directed Services accounts for 73% of total expenditures.

SPECIAL REVENUE FUNDS BY GRANT TYPES



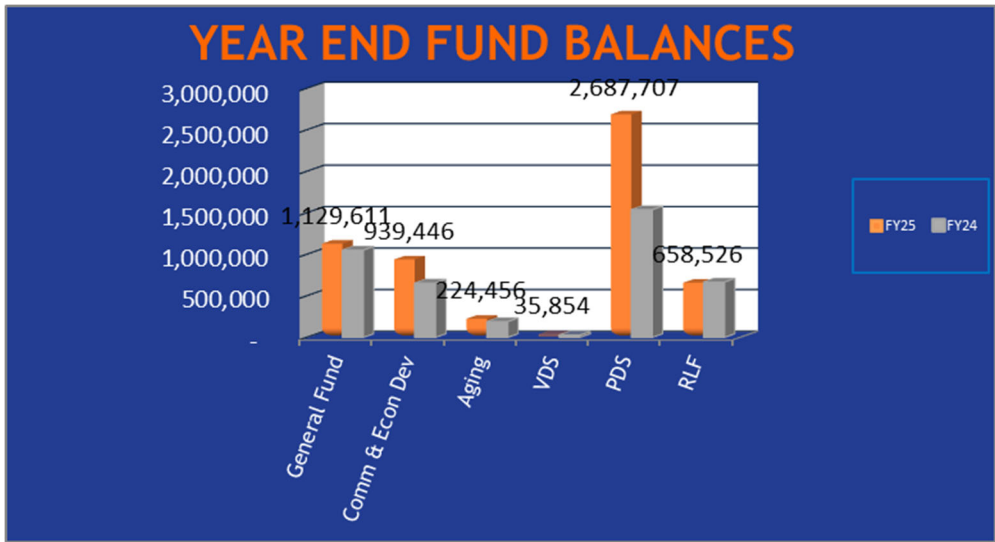
- Overall Intergovernmental Aging funding decreased \$186,988 during FY 25 due primarily to the decrease in the ESMP funds.
- Examples of aging services include case management, home delivered meals and personal care.

ADDITIONAL SPECIAL REVENUE FUNDS

- Revolving Loan Fund (RLF) fund balance decreased due to an increase in loan loss provision.
- Participant Directed Services (PDS) fund balance increased due to the growth of the program.
- Veteran’s Directed Services (VDS) fund balance increased due to the growth of the program.
- General Fund balance increased due to having fewer capital projects during the year.
- Community & Economic Development fund balance increased due to performance-based agreements.

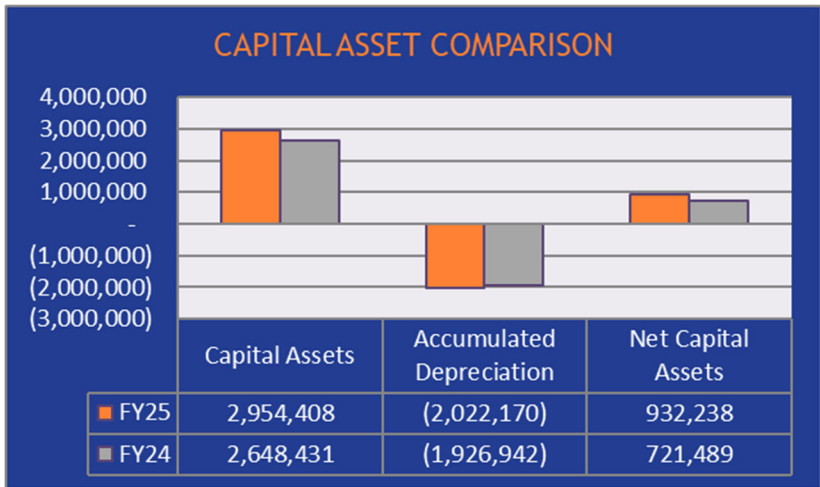
FUND BALANCES

Fund balances overall increased \$1,544,915 or 37.40% from \$4,130,685 to \$5,675,600 between FY 24 and FY 25.



CAPITAL ASSETS

On June 30, 2025, BRADD and its component units had invested \$2,954,408 in capital assets, consisting of land, building, furniture, equipment, and vehicles. The accumulated depreciation on those assets is \$2,022,170; therefore, net capital assets are \$932,238. This is an increase of \$210,749 or 29.21% of net capital assets from FY 24.



OUTLOOK FOR THE FUTURE

The most crucial aspect in the financial future of the BRADD is continued adequate funding from federal and state grantor agencies. Since mandated special programs remain underfunded and must be supplemented with local funds, increases from locally generated funds must be sought. BRADD will continue to operate conservatively to ensure that a deficit does not occur due to federal and state under-funding. In addition, BRADD will continue to utilize financial funds from federal, state, and local agencies to provide beneficial services to the cities and counties in the region. BRADD will continue its efforts to generate new program opportunities and funding sources as a top priority.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and other stakeholders with a general overview of the Barren River Area Development District's accountability for the funding received. Any questions about this report or requests for additional information should be directed to Eric Sexton, Executive Director, at Barren River Area Development District, 177 Graham Avenue, Bowling Green, KY 42101, or by calling (270) 781-2381.

Barren River Area Development District
Statement of Net Position

June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 14,911,823	\$ 24,189	\$ 14,936,012
Grants receivable	1,281,266	-	1,281,266
Accounts receivable	1,766,072	-	1,766,072
Loans, net	464,421	-	464,421
Prepays	26,433	-	26,433
Nondepreciable capital assets	71,133	-	71,133
Depreciable capital assets	2,469,119	414,156	2,883,275
Less: accumulated depreciation	(1,608,014)	(414,156)	(2,022,170)
Right-to-use lease assets, net	117,207	-	117,207
Net OPEB assets	124,707	-	124,707
Total assets	19,624,167	24,189	19,648,356
Deferred Outflows of Resources			
OPEB related	423,180	-	423,180
Pension related	1,223,303	-	1,223,303
Total deferred outflows of resources	1,646,483	-	1,646,483
Liabilities			
Accounts payable	431,310	-	431,310
Accrued liabilities	1,549,043	-	1,549,043
Unearned revenue	10,654,361	-	10,654,361
Compensated absences	139,701	-	139,701
Lease liability	117,207	-	117,207
Net pension liability	4,307,281	-	4,307,281
Total liabilities	17,198,903	-	17,198,903
Deferred Inflows of Resources			
OPEB related	1,294,234	-	1,294,234
Pension related	767,353	-	767,353
Total deferred inflows of resources	2,061,587	-	2,061,587

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

Barren River Area Development District
Statement of Net Position

June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Net Position			
Net investment in captial assets	932,238	-	932,238
Restricted			
Grant programs	882,982	-	882,982
Building maintenance	43,402	-	43,402
Unrestricted	151,538	24,189	175,727
Total net position	\$ 2,010,160	\$ 24,189	\$ 2,034,349

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

Barren River Area Development District
Statement of Activities

Year Ended June 30, 2025	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
Regional Support	\$ 113,799	\$ 160,058	\$ 24,634	\$ -	\$ 70,893	\$ -	\$ 70,893
Community & Economic Development	1,895,199	-	2,076,093	-	180,894	-	180,894
Aging and Independent Living (Aging)	5,414,626	-	5,567,837	-	153,211	-	153,211
Revolving Loan Fund (RLF)	35,117	-	17,177	-	(17,940)	-	(17,940)
Participant Directed Services (PDS)	22,297,069	-	23,670,479	-	1,373,410	-	1,373,410
Veterans Directed Services (VDS)	88,414	-	97,511	-	9,097	-	9,097
Total governmental activities	29,844,224	160,058	31,453,731	-	1,769,565	-	1,769,565
Business-type activities							
BRLOO	1,100	-	-	-	-	(1,100)	(1,100)
Total business-type activities	1,100	-	-	-	-	(1,100)	(1,100)
Total government	\$ 29,845,324	\$ 160,058	\$ 31,453,731	\$ -	1,769,565	(1,100)	1,768,465
General Revenues							
Investment income					251,840	-	251,840
Gain on disposal of fixed assets					11,000	-	11,000
Total general revenues					262,840	-	262,840
Change in net position					2,032,405	(1,100)	2,031,305
Net position (deficit) - beginning of year					(22,245)	25,289	3,044
Net position (deficit) - end of year					\$ 2,010,160	\$ 24,189	\$ 2,034,349

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

Barren River Area Development District
Balance Sheet
Governmental Funds

<i>June 30, 2025</i>	General Fund	Special Revenue Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 993,339	\$ 13,918,484	\$ 14,911,823
Due from other funds	174,126	515,120	689,246
Grants receivable	-	1,281,266	1,281,266
Accounts receivable	-	1,766,072	1,766,072
Loans, net	-	464,421	464,421
Other	-	26,433	26,433
Total assets	\$ 1,167,465	\$ 17,971,796	\$ 19,139,261
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ 689,246	\$ 689,246
Accounts payable	-	431,310	431,310
Accrued payroll and taxes	-	1,549,043	1,549,043
Unearned revenue	37,854	10,616,507	10,654,361
Compensated absences	-	139,701	139,701
Total liabilities	37,854	13,425,807	13,463,661
Fund Balances			
Non-spendable	-	26,433	26,433
Restricted	43,402	882,982	926,384
Assigned	-	3,636,574	3,636,574
Unassigned	1,086,209	-	1,086,209
Total fund balances	1,129,611	4,545,989	5,675,600
Total liabilities and fund balances	\$ 1,167,465	\$ 17,971,796	\$ 19,139,261

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

Barren River Area Development District
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position (Deficit)

<i>June 30,</i>	2025
Total fund balances - governmental funds	\$ 5,675,600
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$2,540,252 and the accumulated depreciation is \$1,608,014.	932,238
Deferred outflows and inflows of resources related to pension expense are applicable to future periods, therefore, are not reported in the fund statements.	455,950
Deferred outflows and inflows of resources related to OPEB expense are applicable to future periods, therefore, are not reported in the fund statements.	(871,054)
Long-term liabilities, including net pension and net OPEB liabilities, are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:	
Net OPEB asset	124,707
Net pension liability	(4,307,281)
Total net position (deficit) - governmental activities	\$ 2,010,160

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

Barren River Area Development District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

<i>Year Ended June 30, 2025</i>	General Fund	Special Revenue Funds	Total Governmental Funds
Revenues			
Intergovernmental revenue	\$ -	\$ 30,419,681	\$ 30,419,681
Local revenue	184,692	745,663	930,355
In-kind income	-	220,629	220,629
Program income	-	25,947	25,947
Investment income	34,460	217,380	251,840
Other income	-	17,177	17,177
Total revenues	219,152	31,646,477	31,865,629
Expenditures			
Regional Support	124,647	-	124,647
Community & Economic Development (CED)	-	1,957,210	1,957,210
Aging and Independent Living (Aging)	-	5,707,773	5,707,773
Revolving Loan Fund (RLF)	-	35,759	35,759
Participant Directed Services (PDS)	-	22,405,773	22,405,773
Veterans Directed Services (VDS)	-	89,552	89,552
Total expenditures	124,647	30,196,067	30,320,714
Excess (deficiency) of revenues over expenditures	94,505	1,450,410	1,544,915
Other Financing Sources (Uses)			
Operating transfers in	-	249,507	249,507
Operating transfers out	(17,024)	(232,483)	(249,507)
Total other financing sources (uses)	(17,024)	17,024	-
Net change in fund balance	77,481	1,467,434	1,544,915
Fund balances - beginning of year	1,052,130	3,078,555	4,130,685
Fund balances - end of year	\$ 1,129,611	\$ 4,545,989	\$ 5,675,600

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

Barren River Area Development District
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in
 Fund Balances to the Statement of Activities

<i>Year Ended June 30,</i>	2025
Total net change in fund balances - governmental funds	\$ 1,544,915
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$113,763) exceeds capital outlays (\$324,512) in the period.	210,749
Government funds report District pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense	19,755
Government funds report District OPEB contributions as expenditures. However, in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense	256,986
Change in net position - governmental activities	\$ 2,032,405

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

Barren River Area Development District
Statement of Net Position
Proprietary Fund

<i>June 30, 2025</i>	Barren River Local Officials Organization
Assets	
Current assets	
Cash	\$ 24,189
<hr/>	
Total current assets	24,189
<hr/>	
Noncurrent assets	
Fixed assets - net	-
<hr/>	
Total noncurrent assets	-
<hr/>	
Total assets	24,189
<hr/>	
Liabilities	-
<hr/>	
Net Position	
Net investment in capital assets	-
Unrestricted	24,189
<hr/>	
Total net position	\$ 24,189
<hr/> <hr/>	

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

Barren River Area Development District
Statement of Revenues, Expenditures and Changes in Fund Net Position
Proprietary Fund

<i>Year Ended June 30, 2025</i>	Barren River Local Officials Organization
Operating Expenses	
Audit and legal fees	\$ 1,100
Total operating expenses	1,100
Operating loss	(1,100)
Change in net position	(1,100)
Net position - beginning of year	25,289
Net position - end of year	\$ 24,189

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

Barren River Area Development District
Statement of Cash Flows
Proprietary Fund

<i>Year Ended June 30, 2025</i>	Barren River Local Officials Organization
Cash Flows from Operating Activities	
Cash payments for other operating expenses	\$ (1,100)
Net cash used in operating activities	(1,100)
Net decrease in cash	(1,100)
Cash - beginning of year	25,289
Cash - end of year	\$ 24,189

<i>Year Ended June 30, 2025</i>	Barren River Local Officials Organization
Reconciliation of Operating Loss to Net Cash Provided By (Used in)	
Operating Activities:	
Operating loss	\$ (1,100)
Net cash used in operating activities	\$ (1,100)

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

NOTE 1: NATURE OF OPERATIONS AND REPORTING ENTITY

Reporting Entity

The Barren River Area Development District (the "District") supports economic development, gives technical assistance and helps in administering services and programs in the designated ten county Barren River Area of Kentucky. The District was established under the laws of the Commonwealth of Kentucky by KRS 147A.050(4). The Attorney General in OAG 78-534 held that Area Development Districts are political subdivisions of the Commonwealth of Kentucky. As an Area Development District, the District has entered into various agreements, memoranda of agreements and contracts, all of which are subject to the financial management policies of the District.

The District receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since members of the District's Board of Directors are elected officials, or are appointed by elected officials, and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. The criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization and there is potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete.

Based on the foregoing criteria, the financial statements of the following organization is included in the accompanying financial statements:

Blended Component Unit

Barren River Local Officials Organization ("BRLOO")—Although it is legally separated from the District, BRLOO is reported as if it were part of the primary government because the board of governance is substantially the same and the entities share common management. BRLOO is included as an enterprise fund on the District's financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Government-Wide Financial Statements — The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Eliminations have been made to minimize the duplicate recording of internal activities. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged by the District.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for 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, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each 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's funds. Separate statements for each fund category (governmental and proprietary) are presented. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

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

Proprietary funds are reported using the economic resources measurement focus. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District has the following funds:

Governmental Fund Types

General Fund

The General Fund accounts for financial resources in use for general types of operations and all unassigned fund balances are considered as resources available for use. The general fund is a major fund.

Special Revenue

Community & Economic Development (CED), Aging and Independent Living (Aging), Revolving Loan Fund (RLF), Veteran Directed Services (VDS) and Participant Directed Services (PDS) programs account for the activities of the special revenue fund that are restricted, committed or assigned to expenditures in accordance with restrictions established by the various grantors (primarily the United States Government and the Commonwealth of Kentucky). The separate projects of federally funded grant programs are identified in the accompanying schedule of expenditures of federal awards. The special revenue fund is a major fund.

Proprietary Fund Type

Enterprise Fund

The Barren River Local Officials Organization (“BRLOO”) is a blended component unit being reported as an enterprise fund on the District’s financial statements. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of BRLOO is intergovernmental revenue. Operating expenses for enterprise funds include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The enterprise fund is a major fund.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. On this basis of accounting, revenues are recognized when they become measurable and available as assets.

Governmental funds are used to account for the government's general activities. Governmental fund types use the flow of current financial resources measurement focus. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within 60 days of the end of the current fiscal period. Expenditures are generally recognized when the related fund liability is incurred. An exception to this general rule is interest on general long-term debt, which is recognized as an expenditure when paid. The administration of all accounts follows an annual cost allocation plan, prepared under guidelines of the Department for Local Government and Federal grant regulations. The purchase of supplies and services complies with the Kentucky procurement laws. In-kind contributions included in the accompanying financial statements consist of donated facilities or services and are valued at fair market value as of the date of the donation.

The proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net position. These fund-types have operating statements that present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Budgetary Information

Annual budgets are adopted on a basis consistent with the requirements of the Kentucky Department of Local Government for special purpose governmental entities.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Balance

Investments

Investments are non-brokered certificates of deposit (CDs) reported at cost. The CDs are nonparticipating interest-earning investment contracts which are not negotiable and has redemption terms that do not consider market rates.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Balance (Continued)

Loans

The District grants commercial loans to eligible borrowers, through the Revolving Loan Fund (RLF) Program. The ability of the District's debtors to honor their contracts is dependent upon the borrower's cash flows from their operations and general economic conditions in this District's area. The loans are unsecured.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off generally are reported at their outstanding unpaid principal balances adjusted for charge-offs and the allowance for loan losses. Interest income is accrued on the unpaid principal balance.

The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent unless the credit is well secured and in process of collection. In all cases, loans are placed on non-accrual or charged-off at an earlier date if collection of principal or interest is considered doubtful.

All interest for loans that are placed on non-accrual or charged off is accounted for on the cash basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Accounts and Grants Receivable

Accounts and grants receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts and grants receivables.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Balance (Continued)

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the governmental activities column of the statement of net position, except for the net residual amounts due between governmental and business type activities, which are presented as internal balances.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expense when consumed rather than when purchased.

Capital Assets

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

All capital assets are capitalized at cost. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure assets.

All reported capital assets are depreciated, except for land. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Computer equipment	5 years
Vehicles	5 years
Audio-visual equipment	7 - 10 years
Furniture and fixtures	7 - 10 years
Building and improvements	7 - 40 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Balance (Continued)

Deferred Inflows and Outflows of Resources – Pension Related

The District's statement of net position reports a separate section for deferred inflows and outflows of resources related to pension which includes only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions, and differences between projected and actual earnings on plan investments. Deferred outflows include resources for the District's contributions made subsequent to the measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period.

Deferred inflows of resources also include changes in the proportion and differences between employee contributions and the proportion share of contributions in the cost sharing plan. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting. No deferred inflows of resources affect the governmental funds financial statements in the current year.

Deferred Inflows and Outflows of Resources – OPEB Related

The District's statement of net position reports a separate section for deferred inflows and outflows of resources related to OPEB which includes only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions, and differences between projected and actual earnings on plan investments. Deferred outflows include resources for the District's contributions made subsequent to the measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and additions to/deductions from CERS fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The District's proportionate share of pension amounts were further allocated to each participating employer based on the contributions paid by each employer.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Balance (Continued)

Pension investments are reported at fair value. Note 8 provides further detail on the net pension liability.

Net Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and additions to/deductions from CERS fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The District's proportionate share of OPEB amounts were further allocated to each participating employer based on the contributions paid by each employer. OPEB investments are reported at fair value. Note 9 provides further detail on the net OPEB liability.

Profit Sharing Plan

The District participates in a Profit Sharing Plan administered by the Kentucky Area Development District Pension Trust. The Plan provides for employer discretionary profit sharing contributions on covered payroll and discretionary matching employer contributions on covered payroll. Note 8 provides further detail on the Profit Sharing Plan.

Post-Employment Health Care Benefits

Retired District employees receive some health care benefits depending on their length of service. In accordance with Kentucky Revised Statutes, these benefits are provided and advanced-funded on an actuarially determined basis through the CERS plan.

Unearned Revenue

Monies received from federal and state grants that are in excess of allowable expenditures are recorded as unearned revenue and will be returned to the grantor upon their request, unless allowable expenditures are incurred which satisfies the grantor compliance requirements.

Compensated Absences

Compensated absences are absences for which employees will be paid for vacation. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the District and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the District and its employees are accounted for in the period in which such services are rendered or such events take place.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lease contracts that provide the District with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Notes are recognized as a liability in the fund financial statements when due.

Net Position

The District classifies its net position into the following three categories:

Net investment in capital assets - This represents the District's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

Restricted - The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

Unrestricted - The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations that required the use of resources for specific purposes. See Note 7 for further detail on fund balance policies.

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/ expenses in the fund that is reimbursed. All other interfund transfers are reported as operating transfers.

Revenues — Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available.

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of the fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year in which the resources are designated for use (or the fiscal year when use is first permitted), matching requirements, in which the District must provide local resources to be used for a specified purpose, performance based, requiring the completion of certain tasks or required outcomes, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from non-exchange transactions must also be available before they can be recognized.

Income Taxes

The District is a political subdivision and is exempt from income taxes. The District's component unit qualifies for exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near future are related to allowance for loan losses, pension liability and OPEB liability.

Subsequent Events

The District has evaluated subsequent events through the date the financial statements were available to be issued, January 27, 2026, and determined there were no events that occurred that require disclosure.

Recently Issued and Adopted Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The implementation of this Statement was not significant to the District.

GASB Statement No. 102, *Certain Risk Disclosures*, the objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The implementation of this Statement was not significant to the District.

Recent Accounting Pronouncements

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The District is evaluating the requirements of this Statement.

NOTE 3: CASH AND INVESTMENTS

Deposits

At June 30, 2025, the carrying amounts of the District's deposits, which include investments, were \$14,911,823 and the bank balances were \$15,512,346 all of which was covered by federal depository insurance or by collateral held by the bank's agent in the District's name.

The District's investments consist of non-brokered certificates of deposit, which are reported at cost.

► ***Custodial Credit Risk Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Kentucky; bonds of any city, county, school district or special road district of the State of Kentucky; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

As of June 30, 2025, the District's deposits were not exposed to custodial credit risk.

► ***Interest Rate Risk***

The District's investment policy does not address any limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

▶ *Credit Risk*

Under Kentucky Revised Statutes Section 66.480, the District is authorized to invest in obligations of the United States and its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or of its agencies, obligations of any corporation of the United States government, certificates of deposit, commercial paper rated in one of the three highest categories by nationally recognized rating agencies and securities in mutual funds shall be eligible investments pursuant to this section. The District's investment policy includes no other investment requirements that would further limit its investment choices.

NOTE 4: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2025 consist of the following:

Receivable Fund	Payable Fund	Amount
JFA	VDS	\$ 2,072
JFA	Aging	178,219
JFA	RLF	1,478
JFA	PDS	333,351
General	JFA	174,126
Total		\$ 689,246

The interfund activity relates to the temporary cash needs among the funds.

Barren River Area Development District
Notes to Financial Statements

NOTE 5: LOANS

At June 30, 2025, the District has outstanding loans made to local businesses that are funded through federal and local loan programs. Amounts are recorded in the Revolving Loan Fund, with outstanding loans of \$499,392 at June 30, 2025, net of allowance for loan losses of \$34,971. The District had no loans on nonaccrual status at June 30, 2025.

An analysis of allowance for loan losses as of June 30, 2025 follows:

<i>June 30,</i>	2025
Balance - beginning of year	\$ 27,243
Provision (recovery) for loan losses	24,725
Charge offs	(16,997)
Balance - end of year	<u>\$ 34,971</u>

Barren River Area Development District
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 is as follows:

<i>June 30, 2025</i>	Capital Cost			
	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental Activities				
Non-depreciable capital assets:				
Land	\$ 71,133	\$ -	\$ -	\$ 71,133
Total nondepreciable historical cost	71,133	-	-	71,133
Capital assets that are depreciated:				
Office furniture and equipment	395,594	24,838	-	420,432
Office building	1,615,494	45,206	-	1,660,700
Vehicles	152,054	254,468	(18,535)	387,987
Total depreciable historical cost	2,163,142	324,512	(18,535)	2,469,119
Less accumulated depreciation for:				
Office furniture and equipment	328,431	27,319	-	355,750
Office building	1,116,843	56,744	-	1,173,587
Vehicles	67,512	29,700	(18,535)	78,677
Total accumulated depreciation	1,512,786	113,763	(18,535)	1,608,014
Governmental activities, capital assets, net	\$ 721,489	\$ 210,749	\$ -	\$ 932,238
Business-Type Activities				
Vehicles	\$ 414,156	\$ -	\$ -	\$ 414,156
Total historical cost	414,156	-	-	414,156
Less accumulated depreciation	414,156	-	-	414,156
Business-type activities, capital assets, net	\$ -	\$ -	\$ -	\$ -

Depreciation expense was charged to governmental functions as follows:

<i>For the year ended June 30,</i>	2025
Regional Support	\$ 68,134
Aging and Independent Living	34,510
Community & Economic Development	11,119
Total depreciation expense	\$ 113,763

NOTE 7: FUND BALANCES

The District's fund balances are separated into five categories, as follows:

Nonspendable fund balances are amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. At June 30, 2025, the District's special revenue funds had \$26,433 of prepaid amounts.

Restricted fund balances arise when constraints placed on use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. At June 30, 2025, the District's special revenue funds had \$882,982 restricted for grant programs and \$43,402 restricted for building repairs and maintenance costs in the general fund.

Committed fund balances are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, which for the District is the Board of Directors. The Board of Directors must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment. The District had no commitments at June 30, 2025.

Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. At June 30, 2025, the District's special revenue funds had \$3,636,574 assigned for grant programs.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. At June 30, 2025, the District's general fund had \$1,086,209 in unassigned fund balance.

It is the District's practice to liquidate funds when conditions have been met releasing these funds from legal, contractual, Board or managerial obligations using restricted funds first, followed by committed funds, assigned funds and then unassigned funds.

Barren River Area Development District
Notes to Financial Statements

NOTE 8: RETIREMENT PLANS

All new eligible employees were required to participate and existing employees can elect to participate in the County Employee's Retirement System (CERS), a cost-sharing multiple-employer plan (defined benefit public employee retirement plan) administered by the Kentucky Retirement Systems under the provisions of the Kentucky Revised Statutes Section 61.645.

The District's employees share of funding under the County Employees Retirement System is equal to 5% (6% for new hires effective September 1, 2008) of the employee's covered salary. The District is required to contribute at an actuarially determined rate. The rate for CERS is 19.71%, 23.34% and 26.79% for the years ended June 30, 2025, 2024 and 2023, respectively, of annual covered payroll. CERS provides retirement and disability benefits, annual cost-of-living adjustments if funding and legislation allows, and death benefits to plan members and beneficiaries.

The District participates in a Profit Sharing Plan (a defined contribution retirement plan) administered by the Kentucky Area Development District Pension Trust. The Profit Sharing Plan provides for employer discretionary profit sharing contributions on covered payroll. The Plan also provides for discretionary matching employer contributions on covered payroll, up to 3%. However, the District is not required to contribute to the Plan for employees who perform less than a year of service and less than 1,000 hours of service. All employees are eligible to participate in the Plan after one year of service, at least 1,000 hours of service and has attained age 18 and participation is voluntary. Employees are not required to contribute to the Plan. Participants are 100% vested after two plan years of service.

The District's contributions to the Plans during the fiscal years ended June 30, 2025, 2024 and 2023 were:

<i>June 30,</i>	2025	2024	2023
CERS ¹	\$ 509,435	\$ 538,024	\$ 538,410
401(k) Profit Sharing Match ¹	35,781	17,199	13,512

¹ Equal to required contributions for each year.

The District offers employees the option to participate in Kentucky Deferred Comp (KDC) as a 457(b) pre-tax contribution plan. KDC requires a minimum monthly payroll contribution of \$30. Participation is voluntary and all employees are eligible to participate. Since the District has little to no administrative involvement and does not perform the investing function for this plan, the plan's assets and liabilities are not included in the accompanying financial statements.

NOTE 8: RETIREMENT PLANS (CONTINUED)

General Information About the CERS Pension Plan

Plan Description

CERS was established by KRS 78.520. The District contributes to the Non-Hazardous CERS plan, a cost-sharing multiple-employer defined benefit pension plan that covers all regular full-time members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in CERS. CERS was established to provide retirement, disability, and death benefits to system members. The responsibility of the general administration and operation of the CERS plan is vested in the CERS board of trustees. The CERS board of trustees consists of nine members. Six trustees are appointed by the governor and three are elected by CERS members (active, inactive, and/or retired). CERS issues a publicly available financial report that can be obtained at www.kyret.ky.gov.

Benefits Provided

CERS provides retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Prior to July 1, 2009, Cost of Living Adjustments (COLAs) were provided to retirees annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. After July 1, 2009, the COLAs were limited to 1.5%. In 2013, the General Assembly created a new law to govern how COLAs will be granted. The language included stated COLAs will only be granted in the future if the System's Boards determine that assets of the Systems are greater than 100% of the actuarial liabilities and legislation authorizes the use of surplus funds for the COLA; or the General Assembly fully prefunds the COLA or directs the payment of funds in the year the COLA is provided. No COLA has been granted since July 1, 2011.

Tier 1 - Non-Hazardous Tier 1 plan members who began participating prior to September 1, 2008, are required to contribute 5% of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

Tier 2 - Non-Hazardous Tier 2 plan members, who began participating on, or after, September 1, 2008, and before January 1, 2014, are required to contribute 6% of their annual creditable compensation. Further, 1% of these contributions are deposited in an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund (see Kentucky Administrative Regulation 105 KAR 1:420). These members were classified in the Tier 2 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest, however, the 1% Health Insurance contribution (HIC) to the 401(h) account is non-refundable and is forfeited.

NOTE 8: RETIREMENT PLANS (CONTINUED)

Tier 3 - Non-Hazardous Tier 3 plan members who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members contribute 5% of their monthly creditable compensation which is deposited into their account, and an additional 1% which is deposited to an account created for payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund (see 105 KAR 1:420), which is not refundable. Tier 3 member accounts are also credited with an employer pay credit in the amount of 4% in the member's monthly creditable compensation. The employer pay credit amount is deducted from the total employer contribution rate paid on the member's monthly creditable compensation. If a vested (60 months of service) member terminates employment and applies to take a refund, the member is entitled to the members contributions (less HIC) plus employer pay credit plus interest (for both employee contributions and employer pay). If a non-vested (less than 60 months) member terminates employment and applies to take a refund, the member is entitled to receive employee contributions (less HIC) plus interest (on employee contributions only).

Contributions

Employers participating in the CERS are required to contribute at an actuarially determined rate. Per KRS 78.635. The CERS board of trustees establishes the employer contribution rate based on KRS 78.454(33). The KERS Non-Hazardous employer contribution rate shall include, (1) the normal cost contribution and (2) the prorated amount of the actuarially accrued liability assigned to each individual non-hazardous employer in accordance with KRS 61.565(1)(d). The normal contribution and past service contribution rates shall be determined by the KRS Board of Trustees on the basis of the last annual valuation preceding the July 1 of a new biennium. The KRS Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS Board. For the fiscal year ended June 30, 2025, participating employers contributed a percentage of each employee's creditable compensation. The actuarially determined rate set by the Boards for the fiscal year ended June 30, 2025 was 19.71%.

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

At June 30, 2025, the District reported a liability of \$4,307,281 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on the District's share of 2024 contributions to the pension plan relative to the 2024 contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was .072023%.

Barren River Area Development District
Notes to Financial Statements

NOTE 8: RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2025, the District recognized pension expense of \$479,395. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 208,480	\$ -
Net difference between projected and actual earnings on pension plan investments	295,813	572,748
Change of assumptions	-	194,605
Changes in proportion and differences between employer contributions and proportionate share of contribution	209,575	-
District contributions subsequent to the measurement date	509,435	-
Total	\$ 1,223,303	\$ 767,353

\$509,435 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year ended June 30,</i>	
2025	\$ (27,252)
2026	141,942
2027	(106,457)
2028	(61,718)
Thereafter	-

NOTE 8: RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability, net pension liability, and sensitivity information as of June 30, 2024 were based on an actuarial valuation date of June 30, 2023. The total pension liability was rolled-forward from the valuation date (June 30, 2023) to the plan's fiscal year ending June 30, 2024, using generally accepted actuarial principles.

There have been changes in actuarial assumptions since June 30, 2023. The actuarial assumptions are:

Inflation	2.50%
Payroll Growth Rate	2.00%
Salary Increases	3.30% to 10.30%, varies by service for CERS non-hazardous
Investment rate of return	6.50%

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

Long-Term Expected Rate of Investment

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

NOTE 8: RETIREMENT PLANS (CONTINUED)

Long-Term Expected Rate of Return (Continued)

The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	4.15%
Private Equity	10.00%	9.10%
Fixed Income		
Core Bonds	10.00%	2.85%
Specialty Credit/High Yield	10.00%	3.82%
Cash	0.00%	1.70%
Inflation Protected		
Real Estate	7.00%	4.90%
Real Return	13.00%	5.35%
Expected Real Return		4.69%
Long Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		7.19%

Discount Rate

The projection of cash flows used to determine the discount rate of 6.50% for CERS Non-hazardous assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018) over the remaining 28 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the KRS plan’s Annual Comprehensive Financial Report (ACFR).

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

NOTE 8: RETIREMENT PLANS (CONTINUED)

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Continued)

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District's proportionate share of the net pension liability	\$ 5,552,788	\$ 4,307,281	\$ 3,273,837

Pension Plan Fiduciary Net Position

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

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the County Employees Retirement System’s (CERS) OPEB Plan

Plan Description

The District’s employees are provided OPEB under the provisions of Kentucky Revised Statutes, the Kentucky Retirement Systems (KRS) board administers the KRS Insurance Fund. The KRS Insurance Fund is a cost-sharing, multiple-employer defined benefit OPEB plan which provides group health insurance benefits for plan members that are all regular full-time members employed in non-hazardous duty positions of the District. OPEB may be extended to beneficiaries of the plan members under certain circumstances. The CERS Insurance Fund is included in a publicly available financial report that can be obtained at www.kyret.ky.gov.

Benefits Provided

The Insurance Fund was established to provide hospital and medical benefits for eligible members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. Premium payments are submitted to DEI and Humana. The Kentucky Public Pension Authority (KPPA) board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The CERS Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

Contributions

Employers participating in the KRS Insurance Fund contribute a percentage of each employee’s creditable compensation. The actuarially determined rates set by the KRS board is a percentage of each employee’s creditable compensation. For the year ended June 30, 2025, the required

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Contributions (Continued)

contribution was 0% of each employee's covered payroll. Contributions from the District to the KRS Insurance Fund for the year ended June 30, 2025, were \$0. The KRS board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS board. Employees qualifying as Tier 2 or Tier 3 of the CERS plan members contribute 1% of creditable compensation to an account created for the payment of health insurance benefits.

Implicit Subsidy

The fully-insured premiums paid for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB No. 75 requires that the liability associated with this implicit subsidy is included in the calculation of the total OPEB liability.

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

At June 30, 2025, the District reported an asset of \$124,707 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net OPEB asset was based on the District's share of 2024 contributions to the OPEB plan relative to the 2024 contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.072093%.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$223,068).

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Barren River Area Development District
Notes to Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 69,186	\$ 981,195
Net difference between projected and actual investment earnings on OPEB plan investments	109,620	223,422
Change of assumptions	112,999	87,994
Changes in proportion and differences between employer contributions and proportionate share of contribution	131,375	1,623
District contributions subsequent to the measurement date	-	-
Total	\$ 423,180	\$ 1,294,234

For the year ended June 30, 2024, \$0 was reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2025	\$ (336,441)
2026	(279,918)
2027	(251,949)
2028	(2,746)
2029	-
Thereafter	-

Actuarial Assumptions

The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2024 are based on an actuarial valuation date of June 30, 2023. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2024, using generally accepted actuarial principles. The following actuarial assumptions were used in performing the actuarial valuation as of June 30, 2024.

Barren River Area Development District
Notes to Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions (*Continued*)

Inflation	2.50%
Payroll Growth Rate	2.00%
Salary Increase	3.30% to 10.30%, varies by service for CERS non-hazardous
Investment Rate of Return	6.50%
 Healthcare Trend Rates (Pre-65)	 Initial trend starting at 7.10% at January 1, 2026, and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years.
Healthcare Trend Rates (Post-65)	Initial trend starting at 8.00% in 2026, then gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years.
 Mortality (Pre-retirement)	 PUB-2010 General Mortality table, for the Non-hazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.
Mortality (Post-retirement; non-disabled)	System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023.
Mortality (Post-retirement; disabled)	PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year 2010.

Long-Term Expected Rate of Return

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

Barren River Area Development District
Notes to Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Long-Term Expected Rate of Return (*continued*)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	4.15%
Private Equity	10.00%	9.10%
Fixed Income		
Core Bonds	10.0%	2.85%
Specialty Credit/High Yield	10.0%	3.82%
Cash	0.00%	1.70%
Inflation Protected		
Real Estate	7.0%	4.90%
Real Return	13.0%	5.35%
Expected Real Return	<hr/>	<hr/> 4.69%
Long Term Inflation Assumption		<hr/> 2.50%
Expected Nominal Return for Portfolio		<hr/> 7.19%

Discount Rate

Single discount rates of 5.99% for the non-hazardous system were used to measure the total OPEB liability as of June 30, 2024. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.97%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2024. Based on the stated assumptions and the projection of the cash flows as of each fiscal year ending, each plan’s fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the plan’s actuarially determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the plan’s trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. Future contributions are projected assuming that each participating employer in the Insurance Fund contributes the actuarially determined employer contribution rate each future year calculated in accordance with the current funding policy.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Sensitivity of the District’s Proportionate Share of the collective net OPEB Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net OPEB liability as of June 30, 2025, calculated using the discount rate of 5.99%, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.99%) or 1-percentage-point higher (6.99%) than the current rate:

	1% Decrease (4.99%)	Current Discount Rate (5.99%)	1% Increase (6.99%)
District's proportionate share of the collective net OPEB liability	\$ 168,617	\$ (124,707)	\$ (371,334)

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 are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Rate	1% Increase
District's proportionate share of the collective net OPEB liability	\$ (300,029)	\$ (124,707)	\$ 79,532

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 10: CONTINGENCIES

The District receives funding from federal, state and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if, based on the grantor's review, the funds were not used for their intended purposes, the grantors may request refunds of monies advanced, or refuse to reimburse the District for its expenditures. The amounts of such future refunds and unreimbursed expenditures, if any, are not expected to be significant. Continuation of the District's grant programs is predicated upon the satisfaction of the various grantors that the funds they provide are being spent as intended and upon their intent to continue their programs.

Barren River Area Development District
Notes to Financial Statements

NOTE 11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District provides, through a commercial insurance provider, a fully-insured health insurance plan for eligible employees. The District pays a percentage of its employees' insurance premiums.

During the fiscal year ended June 30, 2025, the District incurred a total expense of \$437,178 for health insurance premiums. The District also has a Health Reimbursement Arrangement (HRA) and/or a Health Savings Account (HSA) which funds part of the qualified medical expenses.

The District continues to carry commercial insurance for general liability, worker's compensation and all other risks of loss, including errors and omissions insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 12: EXCESS EXPENDITURES OVER APPROPRIATIONS

The District has no funds with a deficit fund balance. However, the following funds have excess current year expenditures over current year revenues:

Fund	Amount
Revolving Loan	\$ (8,133)
Barren River Local Officials Organization	(1,100)

NOTE 13: FUND TRANSFERS

Fund transfers for the year ended June 30, 2025 consist of the following:

Type	From Fund	To Fund	Purpose	Amount
Operating	General	Special Revenue	Matching/Regional Support	\$ 17,024
Operating	Special Revenue	Special Revenue	Matching expenditures	232,483

NOTE 14: COST ALLOCATION PLAN (CAP)

The District is required by the Department of Local Government, to operate under a cost allocation plan that conforms with 2 CFR Part 200. The District is in conformity with 2 CFR Part 200.

All funds expended by the District are charged either to a specific grant and/or program element as a direct cost or spread to all grants and/or program elements as an indirect cost in conformity with 2 CFR Part 200, Uniform Guidance. Direct costs are defined as those that can be identified specifically

NOTE 14: COST ALLOCATION PLAN (CAP) (CONTINUED)

with a particular cost objective. Indirect costs are those incurred for a common or joint purpose benefiting more than one grant and/or program element. Below is a listing of direct and indirect costs as they are charged by the District.

Cost Allocation Policy

Essentially, those personnel and other costs incurred only because of the work element, and which may be readily and accurately ascribed to that element, are charged as direct costs. All other costs are charged indirectly when it is impractical to charge them directly to a cost objective without a disproportionate amount of effort or the cost is incurred for a common or joint purpose benefiting more than one cost objective. The indirect costs are distributed proportionately based upon an established methodology.

1. Salary - Work time of regular full-time, part-time, temporary, or seasonal staff is charged as a direct cost to the program element(s) in which they have assigned responsibilities or to which their work is deemed beneficial. Work time of employees that benefits more than one work element and the allocation of time to direct charge would require an inordinate amount of effort are charged to indirect costs.
2. Personnel Burden - All employees' benefit costs specifically related to an employee are charged in the same manner as that employee's salary, either direct or indirect. Some burden costs are general and cannot be specifically related and are charged as indirect.
3. Staff Travel/Training - The regular full-time, part-time, temporary, or seasonal staff charged directly to work element(s) will have their travel costs charged accordingly. Travel costs for indirect staff time will be charged to indirect costs. Employee reimbursements for travel follow 200 KAR 2:006.
4. Board Training - Training recommended for Board to increase the knowledge of officials to further the goals of the District will be charged to the general fund. Board's reimbursements for travel follow 200 KAR 2:006.
5. Other Travel - Costs or required reimbursements for other travel such as council members/other board members will be charged as a direct cost to the work element to which the activity is assigned.
6. Other - Other costs, including but not limited to: communications, printing, postage, equipment and supplies, will be charged as direct costs when possible. Other costs that cannot be readily identified to an individual program will be charged as indirect.
7. Building costs/Rent - Office space, equipment and furniture depreciation, building insurance, utilities and routine operational costs such as janitorial and general maintenance of the main office building will be charged as indirect.

Barren River Area Development District
Notes to Financial Statements

NOTE 14: COST ALLOCATION PLAN (CAP) (CONTINUED)

8. Insurance – General and public officials’ liabilities, workers compensation, bonding, and other exposures are considered indirect costs.
9. Services and fees - General services of benefit to all District programs, such as indirect audit costs, general legal advice, office supplies, pension management fee, and staff development programs, are costs that are indirect.
10. Other In-Kind - In-kind contributions of services from outside agencies or personnel may be utilized as a match for certain programs provided that the value of the services is substantiated in an appropriate manner.

All additional costs, which are not identified above, may be charged as indirect costs, unless indicated otherwise by the Department for Local Government, or prohibited by federal regulations.

<u>Year Ended June 30, 2025</u>	<u>Indirect Cost</u>
Salaries and benefits	\$ 478,366
Travel	7,347
Audit and legal	58,720
Pension management	2,550
Telephone	22,836
Supplies	6,482
Insurance	50,331
Postage	2,898
Printing	924
Dues and subscriptions	471
Computer support and maintenance	38,175
Other	24,288
Rent	11,754
Utilities	25,726
Building maintenance and janitorial	99,110
	\$ 829,978

Barren River Area Development District Budgetary Comparison Schedule for the General Fund

Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget	Actual	Variance with Final Budget
	Original	Final	Final to Original		Final to Actual
Revenues					
Regional support revenues	\$ 136,050	\$ 212,058	\$ 76,008	\$ 219,152	\$ 7,094
Total revenues	136,050	212,058	76,008	219,152	7,094
Expenditures					
Regional support	128,274	157,384	29,110	124,647	32,737
Total expenditures	128,274	157,384	29,110	124,647	32,737
Excess (deficiency) of revenues over expenditures	7,776	54,674	46,898	94,505	39,831
Other Financing Sources (Uses)					
Operating transfers in (out)	-	-	-	(17,024)	(17,024)
Total other financing sources (uses)	-	-	-	(17,024)	(17,024)
Net change in fund balance	7,776	54,674	46,898	77,481	22,807
Fund balances - beginning of year	1,052,130	1,052,130	-	1,052,130	-
Fund balances - end of year	\$ 1,059,906	\$ 1,106,804	\$ 46,898	\$ 1,129,611	\$ 22,807

Barren River Area Development District Budgetary Comparison Schedule for the Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget	Actual	Variance with Final Budget
	Original	Final	Final to Original		Final to Actual
Revenues					
Community & Economic Development	\$ 1,231,744	\$ 3,136,225	\$ 1,904,481	\$ 2,224,916	\$ (911,309)
Aging and Independent Living (Aging)	5,656,682	5,862,604	205,922	5,567,837	(294,767)
Revolving Loan Fund (RLF)	18,000	26,300	8,300	27,626	1,326
Participant Directed Services (PDS)	17,520,256	21,794,202	4,273,946	23,728,587	1,934,385
Veterans Directed Services (VDS)	107,000	69,355	(37,645)	97,511	28,156
Total revenues	24,533,682	30,888,686	6,355,004	31,646,477	757,791
Expenditures					
Community & Economic Development	1,308,836	2,912,865	1,604,029	1,957,210	955,655
Aging and Independent Living (Aging)	5,688,086	5,902,532	214,446	5,707,773	194,759
Revolving Loan Fund (RLF)	17,582	12,200	(5,382)	35,759	(23,559)
Participant Directed Services (PDS)	17,383,975	20,958,164	3,574,189	22,405,773	(1,447,609)
Veterans Directed Services (VDS)	105,514	68,450	(37,064)	89,552	(21,102)
Total expenditures	24,503,993	29,854,211	5,350,218	30,196,067	(341,856)
Excess of revenues over expenditures	29,689	1,034,475	1,004,786	1,450,410	415,935
Other Financing Sources (Uses)					
Operating transfers in - net	-	-	-	17,024	17,024
Total other financing sources (uses)	-	-	-	17,024	17,024
Net change in fund balance	29,689	1,034,475	1,004,786	1,467,434	432,959
Fund balances - beginning of year	3,078,555	3,078,555	-	3,078,555	-
Fund balances - end of year	\$ 3,108,244	\$ 4,113,030	\$ 1,004,786	\$ 4,545,989	\$ 432,959

Barren River Area Development District
Schedule of the District's Proportionate Share of the
Net Pension Liability and Schedule of District's Contributions
County Employees Retirement System

<i>As of June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.072023%	0.067839%	0.065390%	0.062544%	0.052570%	0.050635%	0.052572%	0.057234%	0.071623%	0.067555%
District's proportionate share of the net pension liability	\$ 4,307,281	\$ 4,352,895	\$ 4,727,052	\$ 3,987,671	\$ 4,032,075	\$ 3,561,182	\$ 3,201,795	\$ 3,350,082	\$ 3,526,454	\$ 2,905,556
District's covered payroll	\$ 2,305,159	\$ 2,008,684	\$ 1,846,183	\$ 1,631,035	\$ 1,378,076	\$ 1,280,223	\$ 1,330,073	\$ 1,456,183	\$ 1,770,522	\$ 1,630,152
District's proportionate share of the net pension liability as a percentage of its covered payroll	186.85%	216.70%	256.04%	244.49%	292.59%	278.17%	240.72%	230.06%	199.18%	178.24%
Plan fiduciary net position as a percentage of the total pension liability	61.61%	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%
<hr/>										
<i>For the Years Ended June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 509,435	\$ 538,024	\$ 470,032	\$ 390,837	\$ 314,726	\$ 265,915	\$ 207,619	\$ 192,607	\$ 203,194	\$ 219,899
Contributions in relation to the contractually required contribution	509,435	538,024	470,032	390,837	314,726	265,915	207,619	192,607	203,194	219,899
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,584,652	\$ 2,305,159	\$ 2,008,684	\$ 1,846,183	\$ 1,631,035	\$ 1,378,076	\$ 1,280,223	\$ 1,330,073	\$ 1,456,183	\$ 1,770,522
Contributions as a percentage of covered payroll	19.71%	23.34%	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%

Barren River Area Development District
Schedule of the District's Proportionate Share of the
Net Pension Liability and Schedule of District's Contributions
County Employees Retirement System

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:

2024: No changes in benefit terms.

2023: No changes in benefit terms.

2022: No changes in benefit terms.

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms.

2017: No changes in benefit terms.

2016: No changes in benefit terms.

2015: No changes in benefit terms.

Changes of Assumptions

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

2023: During the 2023 legislative session, House Bill 506 was enacted which reinstated the Patrial Lump-Sum Optional Form of payment for members who retire on and after January 1, 2024, as well as adjusted the minimum required separation period before a retiree may become reemployed. The total pension liability as of June 30, 2023 was determined with these updates in mind, however it is estimated these updates will not have a significant impact on the total pension liability of the plans.

2022: No changes in assumptions.

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

Barren River Area Development District
Schedule of the District's Proportionate Share of the
Net Pension Liability and Schedule of District's Contributions
County Employees Retirement System

2020: During the 2020 legislative session, Senate Bill 249 was enacted which changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020. Additionally, House Bill 271 was enacted which removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse. It also increased benefits for a very small number of beneficiaries. This did not have a material (or measurable) impact on the liability of the plans and therefore, no adjustment was made to the Total Pension Liability to reflect this legislation.

2019: There have been no changes in plan provisions since June 30, 2018. However, the Board of Trustees has adopted new actuarial assumptions since June 30, 2018. These assumptions are documented in the report titled "Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2018". The Total Pension liability as of June 30, 2019 is determined using these updated assumptions.

2018: During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The Total Pension Liability as of June 30, 2018 is determined using these updated benefit provisions.

2017: There was no legislation enacted during the 2017 legislative session that had a material change in benefit provisions for CERS. However, subsequent to the actual valuation date (June 30, 2016), but prior to the measurement date (June 30, 2017), the KRS Board of Trustees adopted updated actuarial assumptions which will be used in performing the actuarial valuation as of June 30, 2017. Specifically, the Total Pension Liability as of June 30, 2017 is determined using a 2.30% price inflation assumption for the non-hazardous system and the assumed rate of return is 6.25% for the non-hazardous system.

2016: There was no legislation enacted during the 2017 legislative session that had a material change in benefit provisions for CERS. However, subsequent to the actual valuation date (June 30, 2016), but prior to the measurement date (June 30, 2017), the KRS Board of Trustees adopted updated actuarial assumptions which will be used in performing the actuarial valuation as of June 30, 2017. Specifically, the Total Pension Liability as of June 30, 2017 is determined using a 2.30% price inflation assumption for the non-hazardous system and the assumed rate of return is 6.25% for the non-hazardous system.

2015: No changes in assumptions.

Barren River Area Development District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
County Employees Retirement System

<i>As of June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.072093%	0.067836%	0.065379%	0.062529%	0.052554%	0.050622%	0.052570%	0.057234%
District's proportionate share of the net OPEB liability	\$ (124,707)	\$ (93,659)	\$ 1,290,263	\$ 1,197,086	\$ 1,269,019	\$ 851,439	\$ 933,370	\$ 1,150,599
District's covered payroll	\$ 2,305,159	\$ 2,008,684	\$ 1,846,183	\$ 1,631,035	\$ 1,378,076	\$ 1,280,223	\$ 1,330,073	\$ 1,456,183
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	-5.41%	-4.66%	69.89%	73.39%	92.09%	66.51%	70.17%	79.01%
Plan fiduciary net position as a percentage of the total OPEB liability	104.89%	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%

Schedule of District Contributions - CERS

<i>For the years ended June 30,</i>	2024	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ -	\$ -	\$ 68,378	\$ 106,411	\$ 77,701	\$ 65,650	\$ 67,373	\$ 62,501
Contributions in relation to the contractually required contribution	-	-	68,378	106,411	77,701	65,650	67,373	62,501
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,584,652	\$ 2,305,159	\$ 2,008,684	\$ 1,846,183	\$ 1,631,035	\$ 1,378,076	\$ 1,280,223	\$ 1,330,073
Contributions as a percentage of covered payroll	0.00%	0.00%	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%

Barren River Area Development District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
County Employees Retirement System

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

Changes of Benefit Terms

2024: No changes of benefit terms.

2023: No changes of benefit terms.

2022: No changes of benefit terms.

2021: No changes of benefit terms.

2020: No changes of benefit terms.

2019: No changes of benefit terms.

2018: No changes of benefit terms (other than the blended discount rate used to calculate the total OPEB liability).

Changes of Assumptions

2023: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. Additional information regarding the single discount rates is provided in Note 9 of the financial statements. During the 2023 legislative session, House Bill 506 was enacted which reinstated the Patrial Lump-Sum Optional Form of payment for members who retire on and after January 1, 2024, as well as adjusted the minimum required separation period before a retiree may become reemployed. The total pension liability as of June 30, 2023 was determined with these updates in mind, however it is estimated these updates will not have a significant impact on the total pension liability of the plans.

2022: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. Additional information regarding the single discount rates is provided in Note 9 of the financial statements. During the 2022 legislative session, Senate Bill 209 was enacted which increased the insurance dollar contribution for members hired on or after July 1, 2023 by \$5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. Senate Bill 209 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans

Barren River Area Development District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
County Employees Retirement System

other than those administered by KPPA. The total OPEB liability as of June 30, 2022 is determined using these updated benefit provisions.

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

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

2019: There have been no changes in plan provisions since June 30, 2018. However, the Board of Trustees has adopted new actuarial assumptions since June 30, 2018. These assumptions are documented in the report titled "Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2018". The Total Pension liability as of June 30, 2019 is determined using these updated assumptions.

2018: During the 2018 legislative session, House Bill 185 was enacted, which update the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The total OPEB liability as of June 30, 2018 is determined using the updated benefit provisions.

2017: There was no legislation enacted during the 2017 legislative session that had a material change in benefit provisions for CERS. However, subsequent to the actual valuation date (June 30, 2016), but prior to the measurement date (June 30, 2017), the KRS Board of Trustees adopted updated actuarial assumptions which will be used in performing the actuarial valuation as of June 30, 2017. Specifically, the Total OPEB Liability as of June 30, 2017 is determined using a 2.30% price inflation assumption for the non-hazardous system and the assumed rate of return is 6.25%.

Barren River Area Development District
 Detail Statement of Revenues, Expenditures and Changes in Fund Balance
 General Fund

<i>Year Ended June 30, 2025</i>	General Fund
Revenues	
Intergovernmental revenue	\$ -
Local revenue	184,692
In-kind income	-
Program income	-
Investment income	34,460
Other income	-
Total revenues	219,152
Expenditures	
Program services	30,206
Personnel	2,095
Contractual services	5,292
Travel	13,604
Repairs and maintenance	7,936
Insurance	1,593
Audit and legal fees	31
Space & rental	-
Equipment	-
Telephone	12
Office supplies	568
Postage	3
Provision for loan losses	-
Printing	10
Pension management	1
Miscellaneous	299

Barren River Area Development District
 Detail Statement of Revenues, Expenditures and Changes in Fund Balance
 General Fund

<i>Year Ended June 30, 2025</i>	General Fund
Staff training	549
Utilities	14
Computer support and maintenance	20
Marketing and advertising	949
Dues and subscriptions	23,813
Janitorial	23
Meeting	13,773
Capital outlay	23,856
Total expenditures	124,647
Deficiency of revenues over expenditures	94,505
Other Financing Sources (Uses)	
Operating transfers in	-
Operating transfers out	(17,024)
Total other financing sources (uses)	(17,024)
Net change in fund balance	77,481
Fund balances - beginning of year	1,052,130
Fund balances - end of year	\$ 1,129,611

Barren River Area Development District
Combining Balance Sheet
Special Revenue Funds

<i>June 30, 2025</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Total Special Revenue Funds
Assets						
Cash and investments	\$ 9,987,341	\$ 56,229	\$ 14,330	\$ 3,665,001	\$ 195,583	\$ 13,918,484
Due from other funds	515,120	-	-	-	-	515,120
Grants receivable	617,748	663,518	-	-	-	1,281,266
Accounts receivable	-	-	35,838	1,730,234	-	1,766,072
Loans, net	-	-	-	-	464,421	464,421
Other	26,228	-	-	205	-	26,433
Total assets	\$ 11,146,437	\$ 719,747	\$ 50,168	\$ 5,395,440	\$ 660,004	\$ 17,971,796
Liabilities and Fund Balances						
Liabilities						
Due to other funds	\$ 174,126	\$ 178,219	\$ 2,072	\$ 333,351	\$ 1,478	\$ 689,246
Accounts payable	110,715	316,407	3,109	1,079	-	431,310
Accrued payroll and taxes	91,198	-	8,332	1,449,513	-	1,549,043
Unearned revenue	9,691,251	665	801	923,790	-	10,616,507
Compensated absences	139,701	-	-	-	-	139,701
Total liabilities	10,206,991	495,291	14,314	2,707,733	1,478	13,425,807

Barren River Area Development District
Combining Balance Sheet
Special Revenue Funds

<i>June 30, 2025</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Special Revenue Funds
Fund Balances						
Non-spendable	26,228	-	-	205	-	26,433
Restricted	-	224,456	-	-	658,526	882,982
Committed	-	-	-	-	-	-
Assigned	913,218	-	35,854	2,687,502	-	3,636,574
Unassigned	-	-	-	-	-	-
Total fund balances	939,446	224,456	35,854	2,687,707	658,526	4,545,989
Total liabilities and fund balances	\$ 11,146,437	\$ 719,747	\$ 50,168	\$ 5,395,440	\$ 660,004	\$ 17,971,796

(A) Note A: Reconciliation of Due to/Due From on Balance Sheet - Governmental Funds to the Detailed Balance Sheet by Special Revenue fund:

Total Due From (To) Other Funds - Special Revenue Fund	\$ (174,126)	\$ -
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Amounts reported for governmental activities in the balance sheet as due to/due from are different because:

Detailed Balance Sheet by Grant Type shows interfund transfers within the special revenue fund grant programs due as of June 30, 2025:

Aging owes Community & Economic Development	178,219	(178,219)
RLF owes Community & Economic Development	1,478	(1,478)
VDS owes Community & Economic Development	2,072	(2,072)
PDS owes Community & Economic Development	333,351	(333,351)
Community & Economic Development owes Local	174,126	(174,126)
	689,246	(689,246)
Total Due From (To) Other Funds - Detailed Balance Sheet by Grant Type - Special Revenue Fund	\$ 515,120	\$ (689,246)

Barren River Area Development District
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Funds

<i>Year Ended June 30, 2025</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Total Special Revenue Funds
Revenues						
Intergovernmental revenue	\$ 1,736,489	\$ 5,028,393	\$ -	\$ 23,654,799	\$ -	\$ 30,419,681
Local revenue	339,604	292,868	97,511	15,680	-	745,663
In-kind income	-	220,629	-	-	-	220,629
Program income	-	25,947	-	-	-	25,947
Investment income	148,823	-	-	58,108	10,449	217,380
Other income	-	-	-	-	17,177	17,177
Total revenues	2,224,916	5,567,837	97,511	23,728,587	27,626	31,646,477
Expenditures						
Program services	736,104	4,081,112	72,152	20,426,921	-	25,316,289
Personnel	1,014,103	1,289,291	15,785	1,507,399	8,904	3,835,482
Contractual services	-	2,719	-	267,627	-	270,346
Travel	16,039	19,846	322	31,026	174	67,407
Repairs and maintenance	17,258	22,903	272	26,608	154	67,195
Insurance	13,282	16,984	202	19,722	115	50,305
Direct other	-	111,196	-	-	-	111,196
Audit and legal fees	15,521	19,743	236	23,055	134	58,689
Space & rental	603	3,300	-	-	-	3,903
Telephone	6,789	9,084	91	11,076	51	27,091
Office supplies	9,122	13,352	26	4,819	15	27,334
Postage	1,504	4,124	73	1,868	20	7,589
Provision for loan losses	-	-	-	-	24,725	24,725
Printing	3,720	2,805	32	1,797	21	8,375
Pension management	672	854	10	1,003	6	2,545
Miscellaneous	644	2,275	(177)	3,612	-	6,354

Barren River Area Development District
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Funds

<i>Year Ended June 30, 2025</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Total Special Revenue Funds
Staff training	40,316	15,495	71	15,803	41	71,726
Utilities	6,800	8,654	103	10,097	59	25,713
Computer support and maintenance	43,379	45,788	153	32,253	1,108	122,681
Marketing and advertising	6,436	18,020	26	3,896	15	28,393
Dues and subscriptions	4,814	4,421	1	230	119	9,585
Janitorial	11,416	14,527	174	16,961	98	43,176
Meeting	8,688	1,280	-	-	-	9,968
Capital outlay	-	-	-	-	-	-
Total expenditures	1,957,210	5,707,773	89,552	22,405,773	35,759	30,196,067
Excess of revenues over expenditures	267,706	(139,936)	7,959	1,322,814	(8,133)	1,450,410
Other Financing Sources (Uses)						
Operating transfers in	46,336	203,171	-	-	-	249,507
Operating transfers out	(29,312)	(29,194)	-	(173,977)	-	(232,483)
Total other financing sources (uses)	17,024	173,977	-	(173,977)	-	17,024
Net change in fund balance	284,730	34,041	7,959	1,148,837	(8,133)	1,467,434
Fund balances - beginning of year	654,716	190,415	27,895	1,538,870	666,659	3,078,555
Fund balances - end of year	\$ 939,446	\$ 224,456	\$ 35,854	\$ 2,687,707	\$ 658,526	\$ 4,545,989

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2025

	General Fund	Building	JFA	PDS	Veterans Directed Service
Revenue					
Federal revenue	\$ -	\$ -	\$ 161,643	\$ -	\$ -
State revenue	-	-	281,066	23,654,799	-
Local revenue	184,692	-	-	15,680	97,511
Investment Income	32,897	1,563	-	58,108	-
Program Income	-	-	-	-	-
In-Kind income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenue	217,589	1,563	442,709	23,728,587	97,511
Expenditures					
Direct costs:					
Salaries	1,295	-	215,609	880,362	9,173
Benefits	442	-	93,179	386,284	3,787
Annual leave	99	-	13,595	52,928	904
Travel & training	14,140	-	21,778	36,976	292
Other costs	46,262	7,900	20,123	294,965	(89)
Contractual services	-	-	-	1,588	-
Program services	54,062	-	-	20,426,921	72,152
Total direct costs	116,300	7,900	364,284	22,080,024	86,219
Indirect costs	447	-	79,412	325,749	3,333
Total expenditures	116,747	7,900	443,696	22,405,773	89,552
Other Financing Sources (Uses)					
Transfer in	-	-	987	-	-
Transfer out	(17,024)	-	-	(173,977)	-
Total other financing sources (uses)	(17,024)	-	987	173,977	-
Net change in fund balances	\$ 83,818	\$ (6,337)	\$ -	\$ 1,148,837	\$ 7,959

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2025

	ARC LDD	Regional Transit	Regional Transportation	Water Planning	Local Road Update
Revenue					
Federal revenue	\$ 60,139	\$ 25,600	\$ -	\$ -	\$ -
State revenue	-	-	83,454	137,920	-
Local revenue	-	-	-	-	27,200
Investment Income	-	-	-	-	-
Program Income	-	-	-	-	-
In-Kind income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenue	60,139	25,600	83,454	137,920	27,200
Expenditures					
Direct costs:					
Salaries	32,631	16,492	26,231	72,512	12,648
Benefits	13,102	4,399	7,732	26,446	6,469
Annual leave	1,450	819	1,375	3,336	837
Travel & training	862	2,566	3,560	1,917	-
Other costs	347	2,358	8,523	8,277	2,344
Contractual services	-	-	-	-	-
Program services	-	-	-	-	-
Total direct costs	48,392	26,634	47,421	112,488	22,298
Indirect costs	11,761	5,372	8,735	25,450	4,911
Total expenditures	60,153	32,006	56,156	137,938	27,209
Other Financing Sources (Uses)					
Transfer in	14	6,406	9,273	18	9
Transfer out	-	-	-	-	-
Total other financing sources (uses)	14	6,406	9,273	18	9
Net change in fund balances	\$ -	\$ -	\$ 36,571	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2025

	Implemental Cert	Revolving Loan Program	Revolving Loan Program CARES	SS4A	RAISE	FLAP	State Resiliency
Revenue							
Federal revenue	\$ -	\$ -	\$ -	\$ 63,856	\$ 15,177	\$ 121,768	\$ 295,770
State revenue	-	-	-	15,965	-	-	-
Local revenue	-	-	-	-	-	-	-
Investment Income	-	4,085	6,364	-	-	-	-
Program Income	-	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-	-
Other income	-	14,679	2,498	-	-	-	-
Total revenue	-	18,764	8,862	79,821	15,177	121,768	295,770
Expenditures							
Direct costs:							
Salaries	1,454	2,635	2,759	19,642	8,511	-	-
Benefits	654	963	1,006	7,213	2,461	-	-
Annual leave	69	215	235	1,176	430	-	-
Travel & training	-	79	79	828	251	-	-
Other costs	-	8,172	17,724	1,094	702	-	-
Contractual services	-	-	-	-	-	-	-
Program services	-	-	-	42,961	-	121,768	296,087
Total direct costs	2,177	12,064	21,803	72,914	12,355	121,768	296,087
Indirect costs	542	924	968	6,907	2,822	-	-
Total expenditures	2,719	12,988	22,771	79,821	15,177	121,768	296,087
Other Financing Sources (Uses)							
Transfer in	-	-	-	-	-	-	317
Transfer out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	317
Net change in fund balances	\$ (2,719)	\$ 5,776	\$ (13,909)	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2025

	DRC	HMP-Hart Admin	HMP-Hart	Other Local Contracts	Office of Drug Control Policy	Aging General Funds	Mental Health & Aging Council	Title IIIB Admin
Revenue								
Federal revenue	\$ 117,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,298
State revenue	-	-	-	-	356,884	-	-	23,658
Local revenue	-	500	10,000	301,905	-	48,455	13,546	-
Investment Income	-	-	-	-	148,823	-	-	-
Program Income	-	-	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Total revenue	117,247	500	10,000	301,905	505,707	48,455	13,546	97,956
Expenditures								
Direct costs:								
Salaries	71,704	1,314	44,185	42,243	39,423	-	-	48,880
Benefits	31,234	493	19,366	19,573	15,538	-	-	20,156
Annual leave	4,677	83	2,738	2,744	1,910	-	-	4,410
Travel & training	5,986	7	2,843	2,393	6,729	-	-	4,052
Other costs	6,485	-	585	9,764	3,860	467	60	4,162
Contractual services	-	-	-	-	-	-	-	-
Program services	-	-	-	-	275,289	-	12,295	-
Total direct costs	120,086	1,897	69,717	76,717	342,749	467	12,355	81,660
Indirect costs	26,473	465	16,344	15,897	14,135	-	-	17,754
Total expenditures	146,559	2,362	86,061	92,614	356,884	467	12,355	99,414
Other Financing Sources (Uses)								
Transfer in	29,312	-	-	-	-	-	-	1,458
Transfer out	-	-	-	(29,312)	-	(29,194)	-	-
Total other financing sources (uses)	29,312	-	-	(29,312)	-	(29,194)	-	1,458
Net change in fund balances	\$ -	\$ (1,862)	\$ (76,061)	\$ 179,979	\$ 148,823	\$ 18,794	\$ 1,191	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2025

	Title IIIB Supportive Services			Title IIIC1			
	TIIB ARPA	TIIC1 Admin	Congregate Meals	TIIC1 ARPA	TIIC2 Admin		
Revenue							
Federal revenue	\$ 486,310	\$ 146,319	\$ 22,075	\$ 600,274	\$ 66,737	\$ 11,392	
State revenue	58,567	28,128	7,125	10,000	-	3,798	
Local revenue	33,661	13,006	-	-	-	-	
Investment Income	-	-	-	-	-	-	
Program Income	2,000	5	-	8,485	-	-	
In-Kind income	16,759	6,766	-	102,659	-	-	
Other income	-	-	-	-	-	-	
Total revenue	597,297	194,224	29,200	721,418	66,737	15,190	
Expenditures							
Direct costs:							
Salaries	163,520	-	18,522	-	-	8,117	
Benefits	78,914	-	3,967	-	-	3,404	
Annual leave	9,045	-	616	-	-	676	
Travel & training	4,175	-	819	-	-	43	
Other costs	7,439	-	22	-	-	-	
Contractual services	-	-	-	-	-	-	
Program services	271,856	199,007	-	721,418	69,881	-	
Total direct costs	534,949	199,007	23,946	721,418	69,881	12,240	
Indirect costs	62,348	-	5,784	-	-	2,963	
Total expenditures	597,297	199,007	29,730	721,418	69,881	15,203	
Other Financing Sources (Uses)							
Transfer in	-	4,783	530	-	3,144	13	
Transfer out	-	-	-	-	-	-	
Total other financing sources (uses)	-	4,783	530	-	3,144	13	
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2025

	Title IIIC2 Home Delivered Meals		Title IIID Health Promotion		Title IIIE Caregiver Support	
	TIIC2 ARPA	TIIC2 ARPA	TIID ARPA	TIID ARPA	TIIE Admin	TIIE Admin
Revenue						
Federal revenue	\$ 344,903	\$ 148,475	\$ 49,462	\$ 16,608	\$ 15,646	\$ 193,505
State revenue	6,000	-	-	-	5,216	9,400
Local revenue	13,950	10,000	-	-	-	41,960
Investment Income	-	-	-	-	-	-
Program Income	5,040	-	-	-	-	-
In-Kind income	62,709	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenue	432,602	158,475	49,462	16,608	20,862	244,865
Expenditures						
Direct costs:						
Salaries	5,502	-	540	30	11,175	32,194
Benefits	765	-	88	12	4,755	12,525
Annual leave	47	-	22	2	808	2,171
Travel & training	2,688	-	-	-	63	557
Other costs	187	472	-	-	-	4,438
Contractual services	-	-	-	-	-	-
Program services	421,801	159,773	48,651	16,552	-	197,326
Total direct costs	430,990	160,245	49,301	16,596	16,801	249,211
Indirect costs	1,612	-	161	12	4,096	11,501
Total expenditures	432,602	160,245	49,462	16,608	20,897	260,712
Other Financing Sources (Uses)						
Transfer in	-	1,770	-	-	35	15,847
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	-	1,770	-	-	35	15,847
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2025

	TIIE ARPA	Title IIIB Ombudsman	Title VII Elder Abuse	Title VII Ombudsman	State Long Term Care Ombudsman	ADRC	KY Care
Revenue							
Federal revenue	\$ 67,488	\$ 48,390	\$ 4,690	\$ 12,447	\$ -	\$ 34,300	\$ -
State revenue	-	-	-	-	143,754	116,617	8,265
Local revenue	6,429	8,550	830	2,253	126	-	-
Investment Income	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Total revenue	73,917	56,940	5,520	14,700	143,880	150,917	8,265
Expenditures							
Direct costs:							
Salaries	2,764	-	-	-	-	74,736	4,515
Benefits	1,141	-	-	-	-	34,099	1,802
Annual leave	259	-	-	-	-	3,895	359
Travel & training	-	-	-	-	-	467	-
Other costs	116	-	-	-	-	9,655	-
Contractual services	-	-	-	-	-	75	-
Program services	69,875	56,940	5,520	14,700	143,880	-	-
Total direct costs	74,155	56,940	5,520	14,700	143,880	122,927	6,676
Indirect costs	1,136	-	-	-	-	27,990	1,625
Total expenditures	75,291	56,940	5,520	14,700	143,880	150,917	8,301
Other Financing Sources (Uses)							
Transfer in	1,374	-	-	-	-	-	36
Transfer out	-	-	-	-	-	-	-
Total other financing sources (uses)	1,374	-	-	-	-	-	36
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2025

	KY CARE CM	SHIP Admin	SHIP Services	SHIP Training Funds	MIPPA SHIP Sept - June	MIPPA SHIP July - Aug
Revenue						
Federal revenue	\$ -	\$ 1,800	\$ 25,062	\$ 16,773	\$ 3,894	\$ 660
State revenue	112,393	-	-	-	-	-
Local revenue	-	-	19,308	-	-	-
Investment Income	-	-	-	-	-	-
Program Income	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenue	112,393	1,800	44,370	16,773	3,894	660
Expenditures						
Direct costs:						
Salaries	15,618	952	999	400	-	-
Benefits	4,233	429	429	166	-	-
Annual leave	662	77	76	39	-	-
Travel & training	477	-	35	-	-	-
Other costs	89	2	26	-	-	-
Contractual services	-	-	-	-	-	-
Program services	86,212	-	42,438	16,022	3,894	660
Total direct costs	107,291	1,460	44,003	16,627	3,894	660
Indirect costs	5,105	354	368	146	-	-
Total expenditures	112,396	1,814	44,371	16,773	3,894	660
Other Financing Sources (Uses)						
Transfer in	3	14	1	-	-	-
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	3	14	1	-	-	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2025

	MIPPA ADRC Sept - June	MIPPA ADRC July - Aug	MIPPA AAA Sept - June	MIPPA AAA Jul - Aug	INNU CM	Homecare Admin	Homecare Services
Revenue							
Federal revenue	\$ 2,441	\$ 522	\$ 4,924	\$ 4,245	\$ 5,657	\$ -	\$ -
State revenue	-	-	-	-	-	110,795	989,179
Local revenue	-	-	-	-	-	-	71,733
Investment Income	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	457
In-Kind income	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Total revenue	2,441	522	4,924	4,245	5,657	110,795	1,061,369
Expenditures							
Direct costs:							
Salaries	1,174	257	2,347	409	2,461	55,368	169,477
Benefits	533	118	753	143	1,062	24,865	81,664
Annual leave	46	20	142	40	170	4,181	9,239
Travel & training	-	-	84	-	-	2,661	5,185
Other costs	250	-	800	3,466	812	3,108	7,285
Contractual services	-	-	-	-	-	-	-
Program services	-	-	-	-	-	-	723,991
Total direct costs	2,003	395	4,126	4,058	4,505	90,183	996,841
Indirect costs	438	127	798	187	1,192	20,634	64,587
Total expenditures	2,441	522	4,924	4,245	5,697	110,817	1,061,428
Other Financing Sources (Uses)							
Transfer in	-	-	-	-	40	22	59
Transfer out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	40	22	59
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2025

	ESMP Admin	ESMP Services	Senior Centers	Disaster Handbooks	GWEP	GWEP CM	NSIP Oct - Jun
Revenue							
Federal revenue	\$ -	\$ -	\$ -	\$ 5,718	\$ -	\$ -	\$ 54,414
State revenue	61,461	819,475	-	-	10,000	17,000	-
Local revenue	-	9,060	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Program Income	-	9,960	-	-	-	-	-
In-Kind income	-	31,736	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Total revenue	61,461	870,231	-	5,718	10,000	17,000	54,414
Expenditures							
Direct costs:							
Salaries	31,898	51,966	40,302	-	2,170	4,706	-
Benefits	13,475	26,713	14,106	-	843	2,069	-
Annual leave	2,151	2,745	1,840	-	212	249	-
Travel & training	294	2,464	1,231	-	-	179	-
Other costs	2,039	3,967	143,265	-	-	-	-
Contractual services	-	-	1,228	-	-	-	-
Program services	-	762,142	(41,988)	5,718	-	-	54,414
Total direct costs	49,857	849,997	159,984	5,718	3,225	7,203	54,414
Indirect costs	11,668	20,235	13,993	-	775	1,742	-
Total expenditures	61,525	870,232	173,977	5,718	4,000	8,945	54,414
Other Financing Sources (Uses)							
Transfer in	64	1	173,977	-	-	-	-
Transfer out	-	-	-	-	-	-	-
Total other financing sources (uses)	64	1	173,977	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ 8,055	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2025

	NSIP Jul - Sep	Total
Revenue		
Federal revenue	\$ 18,133	\$ 3,348,762
State revenue	-	27,070,919
Local revenue	-	930,355
Investment Income	-	251,840
Program Income	-	25,947
In-Kind income	-	220,629
Other income	-	17,177
Total revenue	18,133	31,865,629
Expenditures		
Direct costs:		
Salaries	-	2,251,822
Benefits	-	973,570
Annual leave	-	133,819
Travel & training	-	126,760
Other costs	-	631,523
Contractual services	-	2,891
Program services	18,133	25,370,351
Total direct costs	18,133	29,490,736
Indirect costs	-	829,978
Total expenditures	18,133	30,320,714
Other Financing Sources (Uses)		
Transfer in	-	249,507
Transfer out	-	(249,507)
Total other financing sources (uses)	-	-
Net change in fund balances	\$ -	\$ 1,544,915

Barren River Area Development District
JFA and Non-JFA
Indirect Cost Distribution

<i>Year Ended June 30, 2025</i>	Direct Salary Plus Burden	Percent of Total	Indirect Cost Distribution	Percent of Total
JFA:				
Community and economic development (120)	\$ 136,908	4.24%	\$ 35,209	4.24%
Community development block grant (125)	24,459	0.76%	6,291	0.76%
ARC planning and assistance (130)	71,567	2.22%	18,405	2.22%
Management assistance (140)	47,020	1.46%	12,093	1.46%
Program administration (150)	28,834	0.89%	7,414	0.89%
Total JFA	308,788	9.57%	79,412	9.57%
Non-JFA	2,916,604	90.43%	750,566	90.43%
Total JFA and Non-JFA	\$ 3,225,392	100.00%	\$ 829,978	100.00%

Barren River Area Development District Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Contract Number/ Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health & Human Services:				
Passed through Kentucky Cabinet for Health and Family Services:				
Aging Cluster				
Special Programs for the Aging Title III, part B, Grants for Supportive Services and Senior Centers	93.044	PON 3 725 2400000102	\$ 48,862	\$ 608,998
COVID-19 Special Programs for the Aging Title III, part B, Grants for Supportive Services and Senior Centers	93.044	PON 3 725 2400000102	84,560	146,319
Special Programs for the Aging, Title III, Part C Nutrition Services	93.045	PON 3 725 2400000102	388,970	978,644
Special Programs for the Aging, Title III, Part C Nutrition Services	93.045	PON 3 725 2400000102	29,690	215,212
Nutrition Services Incentive Program	93.053	PON 3 725 2400000006	-	18,133
Nutrition Services Incentive Program	93.053	PON 3 725 2400000082	-	<u>54,414</u>
Subtotal				\$ 2,021,720
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	PON 3 725 2400000100	4,690	4,690
Special Programs for the Aging, Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	PON 3 725 2400000100	12,447	12,447
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	PON 3 725 2400000102	48,651	49,462
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	PON 3 725 2400000102	16,551	<u>16,608</u>
Subtotal				66,070
National Family Caregiver Support, Title III, Part E	93.052	PON 3 725 2400000102	-	209,151
National Family Caregiver Support, Title III, Part E	93.052	PON 3 725 2400000102	-	<u>67,488</u>
Subtotal				276,639
Medicare Enrollment Assistance Program	93.071	PON 3 725 2400000007	660	5,427
Medicare Enrollment Assistance Program	93.071	PON 3 725 2400000081	3,894	<u>11,259</u>
Subtotal				16,686
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	PON 3 725 2400000103		5,657
State Health Insurance Assistance Program	93.324	PON 3 725 2400000094	23,130	43,635
Opioid STR	93.788	PON 3 725 2400000066		34,300
Total U.S. Department of Health & Human Services				2,481,844

See accompanying notes to the Schedule of Expenditures of Federal Awards

**Barren River Area Development District
Schedule of Expenditures of Federal Awards (Continued)**

Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Contract Number/ Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Commerce:				
Economic Development Cluster				
Direct Program				
COVID-19 Economic Adjustment Assistance ¹	11.307	04-79-07505	-	249,075
Economic Adjustment Assistance	11.307	ED24ATLOG0107	-	<u>117,247</u>
Subtotal				366,322
Passed through Department for Local Government:				
Economic Development Support for Planning Organizations	11.302	PON2 112 2400004755	-	92,847
Total U.S. Department of Commerce				459,169
Appalachian Regional Commission:				
Direct program				
Appalachian Area Development	23.002	CC-21548-LDD-23	-	60,139
Appalachian Local Development District Assistance	23.009	KY-702-J-C48-25	-	51,769
Total Appalachian Regional Commission				111,908
U.S. Department of Housing and Urban Development:				
Passed through Department for Local Government:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	PON2 112 2400004755	-	17,028
Total U.S. Department of Housing and Urban Development				17,028
U.S. Department of Transportation:				
Direct program				
Safe Streets and Roads for All	20.939	693JJ32340277	-	63,856
Passed through KY Transportation Cabinet:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	KY-2024-030-02	-	25,600
Highway Planning and Construction	20.205	03-00204.00	-	121,768
National Infrastructure and Investments	20.933	693JJ32440394	-	15,177
Total U.S. Department of Transportation				226,401
U.S. Department of the Treasury:				
Passed through Kentucky Cabinet for Health and Family Services:				
COVID-19 Coronavirus State and Local Fiscal	21.027	PON 3 725 2400000102	-	5,718
Total U.S. Department of Treasury				5,718
U.S. Department of Homeland Security:				
Passed through the Kentucky Department of Homeland Security:				
State and Local Cybersecurity Grant Program	97.137	SLCGP-039-2022	-	151,000
State and Local Cybersecurity Grant Program	97.137	SLCGP-029-2023	-	<u>93,600</u>
Subtotal				244,600
Homeland Security Grant Program	97.067	2300000856		51,170
Total U.S. Department of Homeland Security				295,770
Total Expenditures of Federal Awards			\$ 662,105	\$ 3,597,838

See accompanying notes to the Schedule of Expenditures of Federal Awards

Barren River Area Development District
Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2025

Federal Grantor Pass-Through Grantor Program Title	Federal Assistance Listing Number	Contract Number/ Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
¹ Schedule of Expenditures of Federal Awards Calculation for Economic Adjustment				
Assistance Fund (RLF CARES) Grant				
				\$ 83,015
				160,495
				5,565
				249,075
Federal share of RLF			X	100%
				\$ 249,075

See accompanying notes to the Schedule of Expenditures of Federal Awards

Barren River Area Development District Notes to the Schedule of Expenditures of Federal Awards

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of Barren River Area Development District (the “District”) under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, 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 modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Nonmonetary assistance is reported in the schedule at fair value of goods received. The District did not receive any nonmonetary assistance for the year ended June 30, 2025.

NOTE 3: INDIRECT COST RATE

The District has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance. The District uses a Cost Allocation Plan methodology as defined in Appendix VII, Part 200, Section F3.

NOTE 4: LOAN BALANCES

The balance of loans outstanding at June 30, 2025 was \$83,015, ALN No. 11.307, Revolving loan fund (RLF CARES).

NOTE 5: CONTINGENCIES

Grant monies received and disbursed by the District are for specific purposes and are subject to review by grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the District does not believe that such disallowance, if any, would have a material effect on the financial position of the District.

NOTE 6: SUBRECIPIENTS

The District did provide federal funds to subrecipients for the fiscal year June 30, 2025 as noted in the accompanying Schedule of Expenditures of Federal Awards.

Barren River Area Development District
Notes to the Schedule of Expenditures of Federal Awards

NOTE 6: SUBRECIPIENTS (CONTINUED)

Program Title	ALN	Subrecipient	Amount
Special Programs for the Aging Title III, part B, Grants for Supportive Services and Senior Centers	93.044	Kentucky Legal Aid Community Action of Southern Kentucky	\$ 13,595 35,267
COVID-19 Special Programs for the Aging Title III, part B, Grants for Supportive Services and Senior Centers	93.044	Kentucky Legal Aid Community Action of Southern Kentucky	55,495 29,065
Special Programs for the Aging, Title III, Part C Nutrition Services	93.045	Community Action of Southern Kentucky Park City YMCA	266,346 59,064 93,250
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	Kentucky Legal Aid	4,690
Special Programs for the Aging, Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	Kentucky Legal Aid	12,447
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043		65,202
Medicare Enrollment Assistance Program	93.071	Kentucky Legal Aid	4,554
State Health Insurance Assistance Program	93.324	Kentucky Legal Aid	23,130
			<u><u>\$ 662,105</u></u>

Barren River Area Development District
Summary Schedule of Prior Audit Findings

No findings were reported in the June 30, 2024 audit.



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**Independent Auditor’s 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***

Board of Directors
Barren River Area Development District
Bowling Green, 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 Barren River Area Development District (the “District”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Barren River Area Development District’s basic financial statements and have issued our report thereon dated January 27, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.
Bowling Green, Kentucky
January 27, 2026



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**Independent Auditor's Report on Compliance For
Each Major Program and on Internal Control over
Compliance Required by the Uniform Guidance**

Board of Directors
Barren River Area Development District
Bowling Green, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Barren River Area Development District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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, 2025.

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 the 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal controls 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.
Bowling Green, Kentucky
January 27, 2026

Barren River Area Development District
Schedule of Findings and Questioned Costs

Section I — Summary of Auditor’s Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance (2 CFR 200.516(a))? Yes None reported

Barren River Area Development District
Schedule of Findings and Questioned Costs (Continued)

Identification of major federal programs:

CFDA Numbers	Name of Federal Program or Cluster
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 No

Section II — Financial Statement Findings

No items required to be reported.

Section III — Federal Award Findings and Questioned Costs

No items required to be reported.