



Barren River Area Development District

FINANCIAL STATEMENTS

June 30, 2022



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FINANCIAL STATEMENTS

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REPORT





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Independent Auditors' 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 57 through 63 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 December 1, 2022 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.

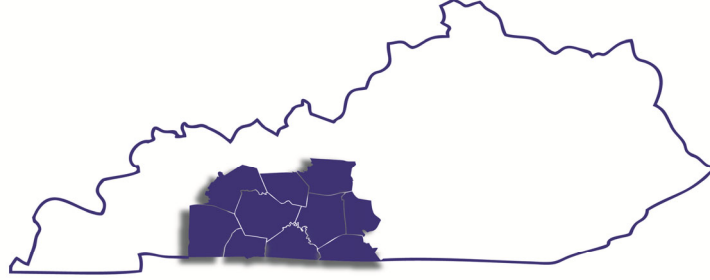
CARR, RIGGS & INGRAM, LLC
Bowling Green, Kentucky
December 1, 2022



FINANCIAL STATEMENTS



BARREN RIVER



AREA DEVELOPMENT DISTRICT

BARREN RIVER AREA DEVELOPMENT DISTRICT (BRADD) MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2022

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, 2022. 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.

FINANCIAL HIGHLIGHTS

- ❖ Net position for governmental activities is (\$170,640) and (\$322,290) as of June 30, 2021 and 2022, respectively. The FY22 amount includes \$729,300 invested in capital assets, \$793,429 restricted for grant programs, \$116,321 restricted for building maintenance, and (\$1,961,340) is unrestricted. The change is primarily due to pension related activities.
- ❖ For governmental activities, revenues are \$12,818,495 for the year ended June 30, 2022. For the year ended June 30, 2021, revenues were \$11,201,568. The increase of \$1,616,927 from 2021 to 2022 is primarily attributable to the increase in the PDS reimbursement rate to participants.
- ❖ The net increase in fund balances for all funds during the year ended June 30, 2022 is \$159,630, which is primarily attributable to the donation for tornado victims that has not been expended yet and the growth of various other programs. Fund balances increased for the Special Revenue Funds by \$90,097 and increased for the General Fund by \$69,533.
- ❖ 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 \$55,747 and \$44,824 as of June 30, 2021 and 2022 respectively.

BASIC FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements, fund financial statements, proprietary fund statements, fiduciary fund statements and related notes. The government-wide financial statements include the Statement of Net Position 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 fiduciary fund statements are used to document the activities of the South Central Kentucky Small Business Development Center and include the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. 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 of the current year's revenues and expenses regardless of when cash is paid or received.

The Statement of Net Position presents information on all of 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.

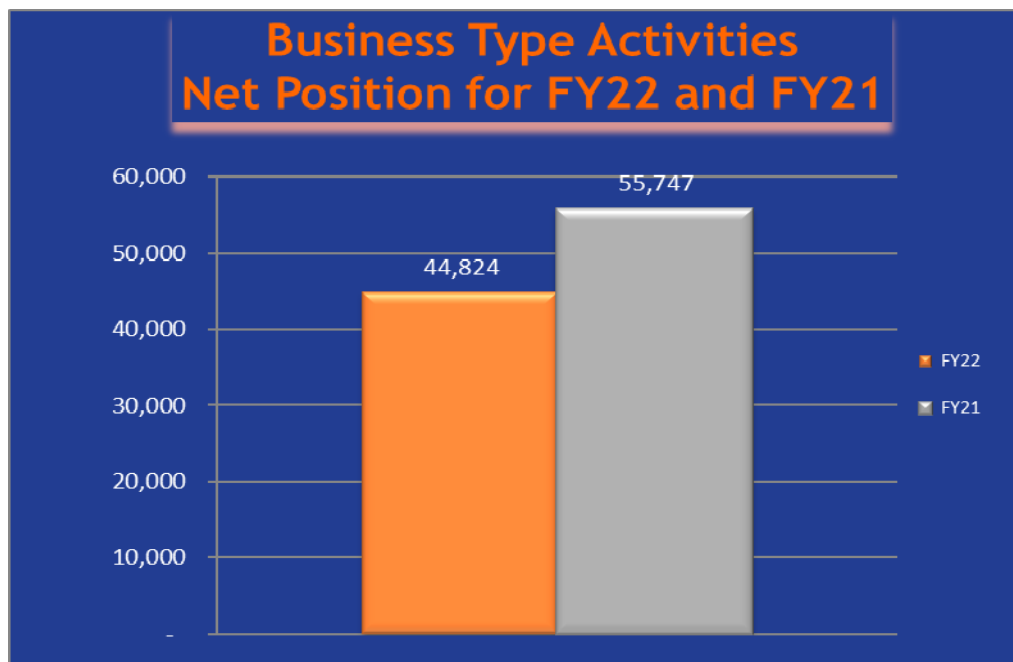
FUND FINANCIAL STATEMENTS

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, 2022 and June 30, 2021

	FY22	FY21	Percentage Change
Cash and Investments	27,239	28,114	-3.11%
Capital Assets, net	17,585	27,633	-36.36%
Total Assets	44,824	55,747	-19.59%
Unearned Revenue	-	-	
Total Liabilities	-	-	
Investment in Capital Assets	17,585	27,633	-36.36%
Unrestricted Funds	27,239	28,114	-3.11%
Total Net Position	44,824	55,747	-19.59%

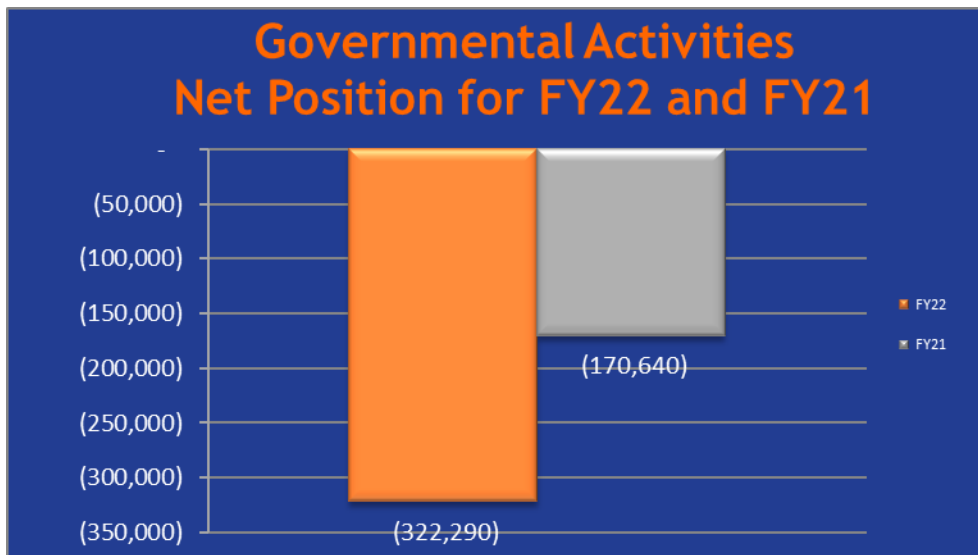


* At year-end assets exceeded liabilities by \$44,824 with a net change of \$10,923 or 19.59%.

Governmental Activities

Net Position for June 30, 2022 and June 30, 2021

	FY22	FY21	Percentage Change
Cash and Investments	1,926,427	1,675,190	15.00%
Grants Receivable	509,330	831,934	-38.78%
Accounts Receivable	2,108,108	1,334,365	57.99%
Loans, net	401,996	519,462	-22.61%
Other	59,543	49,016	21.48%
Capital Assets, net	729,300	787,525	-7.39%
Total Assets	5,734,704	5,197,492	10.34%
OPEB Related	838,648	602,745	39.14%
Pension Related	1,171,258	837,166	39.91%
Total Deferred Outflows of Resources	2,009,906	1,439,911	39.59%
Accounts Payable	541,767	578,721	-6.39%
Accrued Liabilities	582,286	287,338	102.65%
Unearned Revenue	262,184	83,700	213.24%
Compensated Absences	103,054	103,725	-0.65%
Net OPEB Liability	1,197,086	1,269,019	-5.67%
Net Pension Liability	3,987,671	4,032,075	-1.10%
Total Liabilities	6,674,048	6,354,578	5.03%
OPEB Related	656,459	309,367	112.19%
Pension Related	736,393	144,098	411.04%
Total Deferred Inflows of Resources	1,392,852	453,465	207.16%
Investment in Capital Assets	729,300	787,525	-7.39%
Restricted for Grant Programs	793,429	774,047	2.50%
Restricted for Building Maintenance	116,321	115,612	0.61%
Unrestricted Funds	(1,961,340)	(1,847,824)	6.14%
Total Net Position	(322,290)	(170,640)	88.87%



* At year-end liabilities exceeded assets by \$322,290 with a net change of \$151,650 or 88.87%.

REVENUES FOR GOVERNMENTAL FUNDS

For governmental funds, revenues are \$12,818,495 for the year ended June 30, 2022, representing an increase of \$1,616,927 or 14.43% from \$11,201,568 for the year ended June 30, 2021.

	2022	2022	2021	2021	Change	Change
	Revenue \$	Revenue %	Revenue \$	Revenue %	in \$	in %
Program Revenues:						
Regional Support	209,176	1.63%	148,586	1.33%	60,590	40.78%
Community & Economic Development	989,120	7.72%	749,238	6.69%	239,882	32.02%
Aging and Independent Living	4,095,342	31.95%	3,913,364	34.94%	181,978	4.65%
Revolving Loan Fund	32,851	0.26%	270,619	2.42%	(237,768)	-87.86%
Participant Directed Services	7,414,261	57.84%	6,035,784	53.88%	1,378,477	22.84%
Veterans Directed Services	77,745	0.61%	83,977	0.75%	(6,232)	-7.42%
Total Revenues	12,818,495		11,201,568		1,616,927	14.43%

- Regional Support received Tornado Relief funds to help the seniors that were impacted by the December 2021 tornados.
- Revolving Loan Fund received \$250k in FY 21 as a CARES grant to loan to Covid impacted businesses.
- Participant Directed Services received a substantial rate increase to providers that began in March 2022.

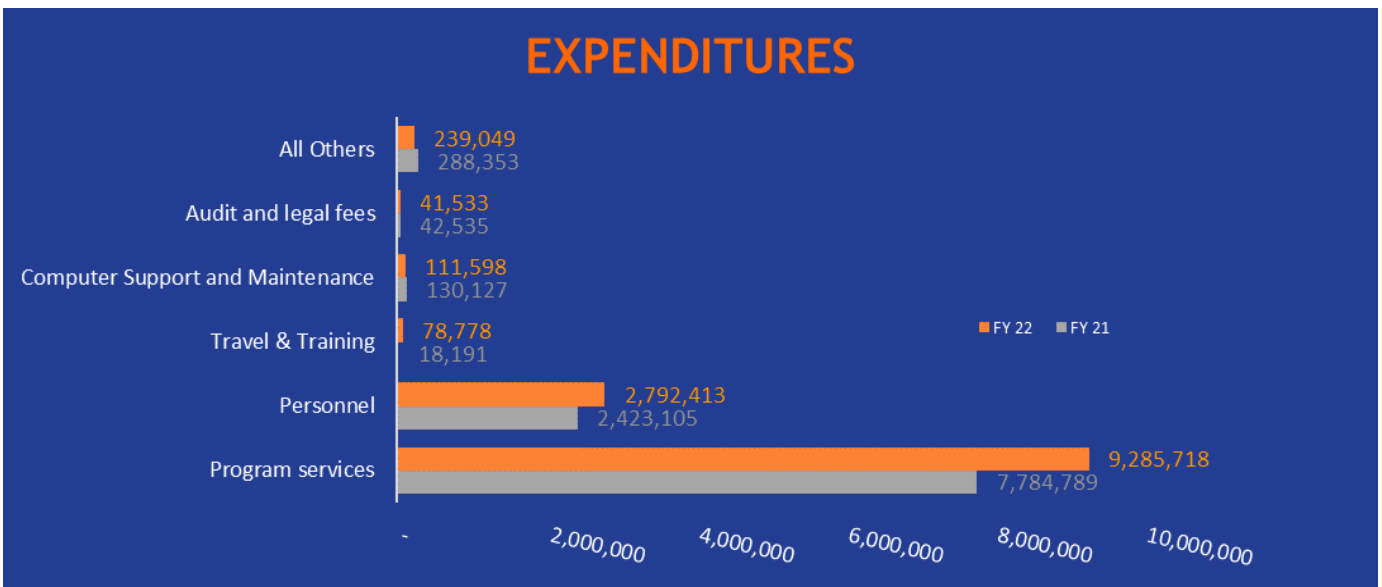
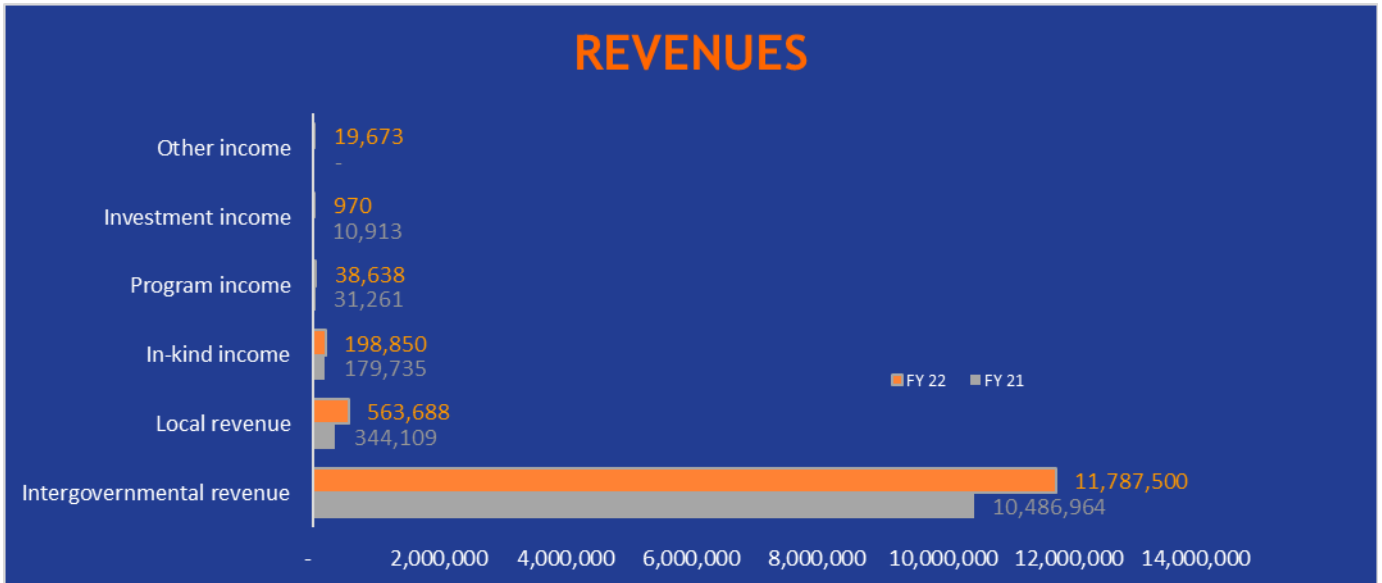
EXPENSES FOR GOVERNMENTAL FUNDS

For governmental funds, expenses are \$12,658,865 for the year ended June 30, 2022, representing an increase of \$1,836,319 or 16.97% from \$10,822,546 for the year ended June 30, 2021.

	2022	2022	2021	2021	Change	Change
	Expense \$	Expense %	Expense \$	Expense %	in \$	in %
Program Expenses:						
Regional Support	109,776	0.87%	135,446	1.25%	(25,670)	-18.95%
Community & Economic Development	961,872	7.60%	757,370	7.00%	204,502	27.00%
Aging and Independent Living	4,087,541	32.29%	3,907,815	36.11%	179,726	4.60%
Revolving Loan Fund	21,050	0.17%	32,013	0.30%	(10,963)	-34.25%
Participant Directed Services	7,403,459	58.48%	5,911,175	54.62%	1,492,284	25.25%
Veterans Directed Services	75,167	0.59%	78,727	0.73%	(3,560)	-4.52%
Total Expenses	12,658,865		10,822,546		1,836,319	16.97%

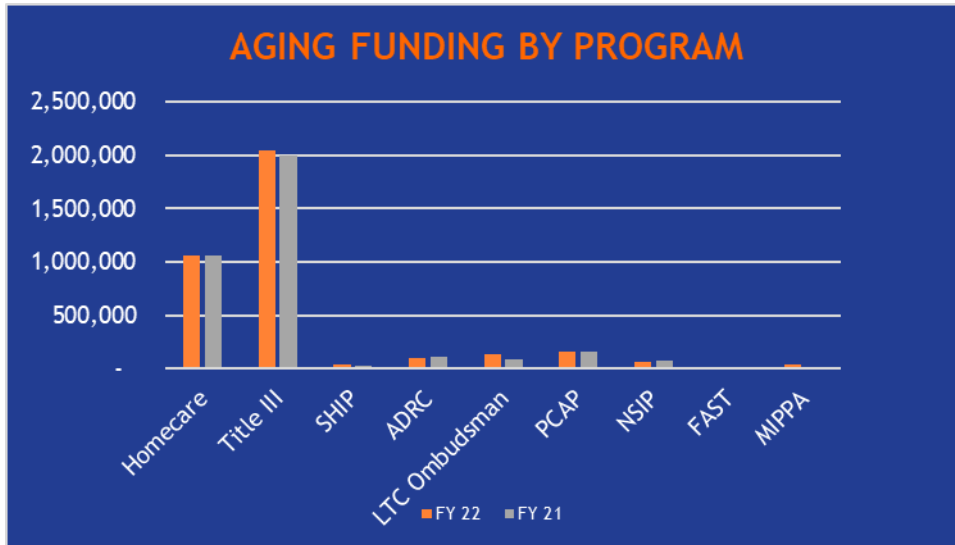
- Community and Economic Development had a Hazard Mitigation update and conducted a Broadband Feasibility Study in FY 22.
- Participant Directed Services received a substantial rate increase to providers that began in March 2022.

REVENUES VS EXPENDITURES: SPECIAL REVENUE FUNDS



- Total revenues increased \$1,556,337 or 14.08% from FY 21 to FY 22.
- Total expenditures increased \$1,761,989 or 17.42% from FY 21 to FY 22.
- Intergovernmental revenue accounts for 94% of total revenues while program services accounts for 74% of total expenditures.
- Examples of other expenditures are insurance, marketing and advertising, and repairs and maintenance.

SPECIAL REVENUE FUNDS BY GRANT TYPES



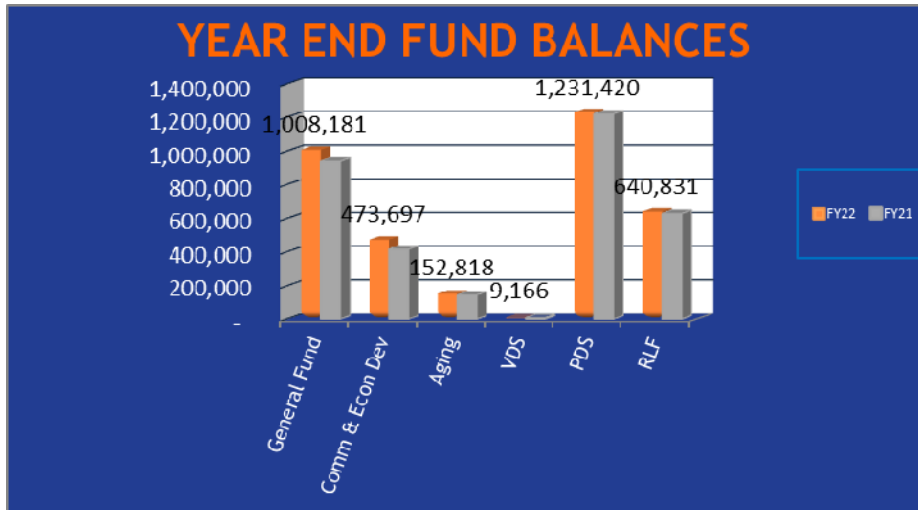
- ❖ Overall Intergovernmental Aging funding increased approximately \$87k during FY 22 due to increased funds to serve the elderly because of Covid.
- ❖ Examples of aging services include case management, home delivered meals and personal care.

ADDITIONAL SPECIAL REVENUE FUNDS

- Revolving Loan Fund (RLF) fund balance increased due to more loans generating interest.
- Participant Directed Services (PDS) fund balance increased due to the growth of the program.
- Veteran’s Directed Services (VDS) fund balance increased due to a small growth in the program and this being its fourth year.
- General Fund balance increased due to receiving Tornado Relief Funds that had not been expended entirely yet.
- Community & Economic Development fund balance increased due to performance-based agreements.

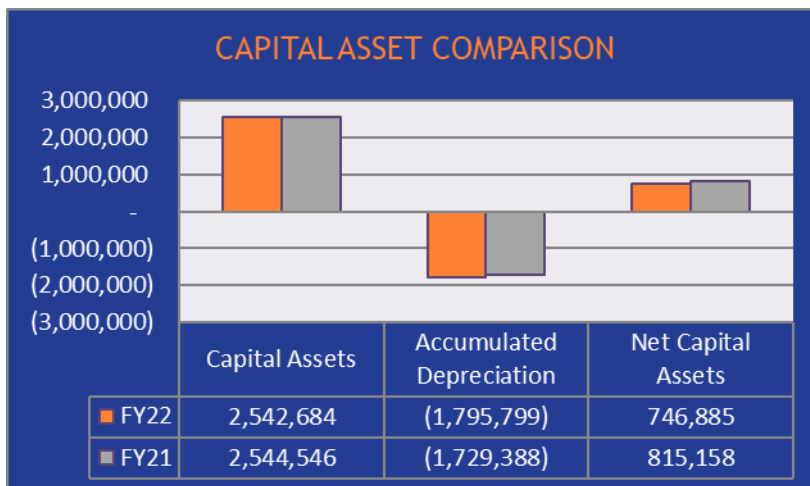
FUND BALANCES

Fund balances overall increased \$159,630 or 4.76% from \$3,356,483 to \$3,516,113 between FY 21 and FY 22.



CAPITAL ASSETS

On June 30, 2022, BRADD and its component units had invested \$2,542,684 in capital assets, consisting of land, building, furniture, equipment, and vehicles. The accumulated depreciation on those assets is \$1,795,799; therefore, net capital assets are \$746,885. This is a decrease of \$68,273 or 8.38% of net capital assets from FY 21.



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 assure 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 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, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 1,926,427	\$ 27,239	\$ 1,953,666
Grants receivable	509,330	-	509,330
Accounts receivable	2,108,108	-	2,108,108
Loans, net	401,996	-	401,996
Other	59,543	-	59,543
Nondepreciable capital assets	71,133	-	71,133
Depreciable capital assets	2,057,395	414,156	2,471,551
Less: accumulated depreciation	(1,399,228)	(396,571)	(1,795,799)
Total assets	5,734,704	44,824	5,779,528
Deferred Outflows of Resources			
OPEB related	838,648	-	838,648
Pension related	1,171,258	-	1,171,258
Total deferred outflows of resources	2,009,906	-	2,009,906
Liabilities			
Accounts payable	541,767	-	541,767
Accrued liabilities	582,286	-	582,286
Unearned revenue	262,184	-	262,184
Compensated absences	103,054	-	103,054
Net OPEB liability	1,197,086	-	1,197,086
Net pension liability	3,987,671	-	3,987,671
Total liabilities	6,674,048	-	6,674,048
Deferred Inflows of Resources			
OPEB related	656,459	-	656,459
Pension related	736,393	-	736,393
Total deferred inflows of resources	1,392,852	-	1,392,852
Net Position (Deficit)			
Net investment in capital assets	729,300	17,585	746,885
Restricted			
Grant programs	793,429	-	793,429
Building maintenance	116,321	-	116,321
Unrestricted (deficit)	(1,961,340)	27,239	(1,934,101)
Total net position (deficit)	\$ (322,290)	\$ 44,824	\$ (277,466)

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

Barren River Area Development District
Statement of Activities

Year Ended June 30, 2022	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	\$ 183,164	\$ 119,106	\$ 87,621	\$ -	\$ 23,563	\$ -	\$ 23,563
Community & Economic Development	1,014,542	-	989,120	-	(25,422)	-	(25,422)
Aging and Independent Living (Aging)	4,164,839	-	4,095,342	-	(69,497)	-	(69,497)
Revolving Loan Fund (RLF)	21,924	-	31,881	-	9,957	-	9,957
Participant Directed Services (PDS)	7,509,577	-	7,414,261	-	(95,316)	-	(95,316)
Veterans Directed Services (VDS)	76,099	-	77,745	-	1,646	-	1,646
Total governmental activities	12,970,145	119,106	12,695,970	-	(155,069)	-	(155,069)
Business-type activities							
BRLOO	10,923	-	-	-	-	(10,923)	(10,923)
Total business-type activities	10,923	-	-	-	-	(10,923)	(10,923)
Total government	\$ 12,981,068	\$ 119,106	\$ 12,695,970	\$ -	(155,069)	(10,923)	(165,992)
General Revenues							
Investment income					3,419	-	3,419
Total general revenues					3,419	-	3,419
Change in net position					(151,650)	(10,923)	(162,573)
Net position (deficit) - beginning of year					(170,640)	55,747	(114,893)
Net position (deficit) - end of year					\$ (322,290)	\$ 44,824	\$ (277,466)

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

Barren River Area Development District
Balance Sheet
Governmental Funds

<i>June 30, 2022</i>	General Fund	Special Revenue Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 789,949	\$ 1,136,478	\$ 1,926,427
Due from other funds	179,780	43,745	223,525
Grants receivable	-	509,330	509,330
Accounts receivable	95,200	2,012,908	2,108,108
Loans, net	-	401,996	401,996
Other	-	59,543	59,543
Total assets	\$ 1,064,929	\$ 4,164,000	\$ 5,228,929
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ 43,745	\$ 179,780	\$ 223,525
Accounts payable	-	541,767	541,767
Accrued payroll and taxes	-	582,286	582,286
Unearned revenue	13,003	249,181	262,184
Compensated absences	-	103,054	103,054
Total liabilities	56,748	1,656,068	1,712,816
Fund Balances			
Non-spendable	-	59,543	59,543
Restricted	116,321	793,429	909,750
Assigned	-	1,654,960	1,654,960
Unassigned	891,860	-	891,860
Total fund balances	1,008,181	2,507,932	3,516,113
Total liabilities and fund balances	\$ 1,064,929	\$ 4,164,000	\$ 5,228,929

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

<i>June 30,</i>	2022
Total fund balances - governmental funds	\$ 3,516,113
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 \$2,128,528 and the accumulated depreciation is \$1,399,228.	729,300
Deferred outflows and inflows of resources related to pensions are applicable to future periods, therefore, are not reported in the fund statements.	434,865
Deferred outflows and inflows of resources related to OPEB expense are applicable to future periods, therefore, are not reported in the fund statements.	182,189
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 liability	(1,197,086)
Net pension liability	(3,987,671)
Total net position - governmental activities	\$ (322,290)

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, 2022</i>	General Fund	Special Revenue Funds	Total Governmental Funds
Revenues			
Intergovernmental revenue	\$ -	\$ 11,787,500	\$ 11,787,500
Local revenue	153,227	563,688	716,915
In-kind income	-	198,850	198,850
Program income	53,500	38,638	92,138
Investment income	2,449	970	3,419
Other income	-	19,673	19,673
Total revenues	209,176	12,609,319	12,818,495
Expenditures			
Regional Support	109,776	-	109,776
Community & Economic Development	-	961,872	961,872
Aging and Independent Living (Aging)	-	4,087,541	4,087,541
Revolving Loan Fund (RLF)	-	21,050	21,050
Participant Directed Services (PDS)	-	7,403,459	7,403,459
Veterans Directed Services (VDS)	-	75,167	75,167
Total expenditures	109,776	12,549,089	12,658,865
Excess of revenues over expenditures	99,400	60,230	159,630
Other Financing Sources (Uses)			
Operating transfers in	-	29,867	29,867
Operating transfers out	(29,867)	-	(29,867)
Total other financing sources (uses)	(29,867)	29,867	-
Net change in fund balance	69,533	90,097	159,630
Fund balances - beginning of year	938,648	2,417,835	3,356,483
Fund balances - end of year	\$ 1,008,181	\$ 2,507,932	\$ 3,516,113

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>	2022
Total net change in fund balances - governmental funds	\$ 159,630
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 (\$79,746) exceed capital outlays (\$39,000) in the period.	(40,746)
Gains and losses are not presented in governmental funds because they do not provide or use current financial resources. However, they are presented on the statement of activities. The difference between proceeds from the sale of assets and the actual gain/loss from the sale net to this amount for the year.	(17,479)
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	(213,799)
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	(39,256)
Change in net position - governmental activities	\$ (151,650)

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, 2022</i>	Barren River Local Officials Organization	
Assets		
Current assets		
Cash	\$	27,239
Total current assets		27,239
Noncurrent assets		
Fixed assets - net		17,585
Total noncurrent assets		17,585
Total assets		44,824
Liabilities and Net Position		
Net Position		
Net investment in capital assets		17,585
Unrestricted		27,239
Total liabilities and net position		\$ 44,824

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, 2022</i>	Barren River Local Officials Organization
<hr/>	
Operating Expenses	
Audit and legal fees	\$ 875
Depreciation expense	10,048
<hr/>	
Total operating expenses	10,923
<hr/>	
Operating loss	(10,923)
<hr/>	
Change in net position	(10,923)
<hr/>	
Net position - beginning of year	55,747
<hr/>	
Net position - end of year	\$ 44,824
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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, 2022</i>	Barren River Local Officials Organization
Cash Flows from Operating Activities	
Cash payments for other operating expenses	\$ (875)
Net cash used in operating activities	(875)
Net decrease in cash	(875)
Cash - beginning of year	28,114
Cash - end of year	\$ 27,239

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, 2022</i>	Barren River Local Officials Organization
Reconciliation of Operating Loss to Net Cash Provided By (Used in)	
Operating Activities:	
Operating loss	\$ (10,923)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	10,048
Net cash used in operating activities	\$ (875)

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

Barren River Area Development District
 Statement of Fiduciary Net Position
 Fiduciary Fund

	Custodial Fund	
	South Central Kentucky	
	Small Business	
	Development Center (SBDC)	
<i>June 30, 2022</i>		
Assets		
Cash	\$	36,760
Total assets		36,760
Liabilities		
Due to SBDC		36,760
Total liabilities	\$	36,760

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

Barren River Area Development District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund

	Custodial Fund
	South Central Kentucky Small Business Development Center (SBDC)
<i>For the year ended June 30, 2022</i>	
Additions	
Contributions	\$ 25,558
Total additions	25,558
Deductions	
Administrative salaries	100,444
Total deductions	100,444
Change in net position	(74,886)
Net position - beginning of year	74,886
Net position - end of year	\$ -

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, proprietary and fiduciary) 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. Fiduciary funds are reported by fund type.

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

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.

Fiduciary funds are reported using the economic resources measurement focus.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Fund Type

Fiduciary funds account for assets held by the District in a trustee's capacity or in a custodial capacity for others that cannot be used to support the District's own programs.

Custodial Fund

Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private purpose trust funds. The South Central Kentucky Small Business Development Center (SBDC) Consortium is a custodial fund with a mission of providing regional small businesses and start-ups technical support and assistance.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary 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 and fiduciary 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.

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)

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)

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	6 - 8 years
Audio-visual equipment	7 years
Furniture and fixtures	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)

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues — Exchange and Non-Exchange Transactions (continued)

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.

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.

Subsequent Events

The District has evaluated any recognized or unrecognized subsequent events for consideration in the accompanying financial statements through December 1, 2022, which was the date the financial statements were made available. No subsequent events occurring after this date have been evaluated for inclusion in the financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Issued and Adopted Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (as modified by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*). The District has implemented the new requirements of this statement for the fiscal year ended June 30, 2022, which resulted in no impact on the beginning net position and fund balance of the District.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (as modified by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*). The District has implemented the new requirements of this statement for the fiscal year ended June 30, 2022, which resulted in no impact on the beginning net position and fund balance of the District.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans— an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Issued and Adopted Accounting Pronouncements (continued)

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. The District has implemented the new requirements of this statement for the fiscal year ended June 30, 2022, which resulted in no impact on the beginning net position and fund balance of the District.

Recent Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset- and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87 *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The District is evaluating the requirements of this Statement.

NOTE 3: CASH AND INVESTMENTS

Deposits

At June 30, 2022, the carrying amounts of the District's deposits, which include investments, were \$1,990,426 and the bank balances were \$2,319,283 of which \$2,319,283 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, 2022, 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.

▶ *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.

Barren River Area Development District
Notes to Financial Statements

NOTE 4: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2022 consist of the following:

Receivable Fund	Payable Fund	Amount
General	Community & Economic Development	\$ 179,780
Community & Economic Development	General	43,745
Total		\$ 223,525

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

NOTE 5: LOANS

At June 30, 2022, 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 \$401,996 at June 30, 2022, net of allowance for loan losses of \$34,278. The District had no loans on nonaccrual status at June 30, 2022.

An analysis of allowance for loan losses as of June 30, 2022 follows:

<i>June 30,</i>	2022
Balance - beginning of year	\$ 27,340
Provision for loan losses	6,938
Charge offs	-
Balance - end of year	\$ 34,278

Barren River Area Development District
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 is as follows:

<i>June 30, 2022</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	480,477	39,000	(40,862)	478,615
Office building	1,503,154	-	-	1,503,154
Vehicles	75,626	-	-	75,626
Total depreciable historical cost	2,059,257	39,000	(40,862)	2,057,395
Less accumulated depreciation for:				
Office furniture and equipment	269,976	34,958	(23,383)	281,551
Office building	1,033,071	38,268	-	1,071,339
Vehicles	39,818	6,520	-	46,338
Total accumulated depreciation	1,342,865	79,746	(23,383)	1,399,228
Governmental activities, capital assets, net	\$ 787,525	\$ (40,746)	\$ (17,479)	\$ 729,300
Business-Type Activities				
Vehicles	\$ 414,156	\$ -	\$ -	\$ 414,156
Total historical cost	414,156	-	-	414,156
Less accumulated depreciation	386,523	10,048	-	396,571
Business-type activities, capital assets, net	\$ 27,633	\$ (10,048)	\$ -	\$ 17,585

Depreciation expense was charged to governmental functions as follows:

<i>For the year ended June 30,</i>	2022
Regional Support	\$ 60,954
Aging and Independent Living	10,782
Community & Economic Development	8,010
Total depreciation expense	\$ 79,746

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, 2022, the District's special revenue funds had \$59,543 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, 2022, the District's special revenue funds had \$793,429 restricted for grant programs and \$116,321 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, 2022.

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, 2022, the District's special revenue funds had \$1,654,960 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, 2022, the District's general fund had \$891,860 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.

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 July 1, 2008) of the employee's covered salary. The District is required to contribute at an actuarially determined rate. The rate for CERS is 26.95%, 24.06%, and 24.06% for the years ended June 30, 2022, 2021 and 2020, 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, usually 1%. 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.

NOTE 8: RETIREMENT PLANS (CONTINUED)

The District's contributions to the Plans during the fiscal years ended June 30, 2022, 2021 and 2020 were:

<i>June 30,</i>	2022	2021	2020
CERS ¹	\$ 497,248	\$ 392,427	\$ 331,565
401(k) Profit Sharing Match ¹	12,685	11,791	11,161

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.

General Information About the CERS Pension Plan

Plan Description

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 of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the plan. CERS is administered by the Board of Trustees of the Kentucky Retirement System. 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 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%. 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.

NOTE 8: RETIREMENT PLANS (CONTINUED)

Benefits Provided (*continued*)

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 a total of 6% of their annual creditable compensation, while 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% contribution to the 401(h) account is non-refundable and is forfeited.

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 in the plan contribute a set percentage of their salary each month to their own account. Non-hazardous members contribute 5% of their annual creditable compensation and 1% to the health insurance fund (401(h) account) which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the KRS Board of Trustees based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. For non-hazardous members, their account is credited with a 4% employer pay credit. The employer pay credit represents a portion of the employer contribution.

Contributions

Employers participating in the CERS were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.545(33), normal contribution and past service contribution rates shall be determined by the KRS Board of Trustees on the basis of an annual valuation last preceding the July 1 of a new biennium. The KRS Board of Trustees 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 of Trustees. For the fiscal year ended June 30, 2022 participating employers contributed a percentage of each employee's creditable compensation. The actuarially determined rate set by the KRS Board of Trustees for the fiscal year ended June 30, 2022 was 21.17%.

NOTE 8: RETIREMENT PLANS (CONTINUED)

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

At June 30, 2022, the District reported a liability of \$3,987,671 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on the District's share of 2021 contributions to the pension plan relative to the 2021 contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was .062544%.

For the year ended June 30, 2022, the District recognized pension expense of \$598,232. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 45,791	\$ 38,703
Net difference between projected and actual earnings on pension plan investments	154,695	686,185
Change of assumptions	53,519	-
Changes in proportion and differences between employer contributions and proportionate share of contribution	526,416	11,505
District contributions subsequent to the measurement date	390,837	-
Total	\$ 1,171,258	\$ 736,393

\$390,837 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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*)

<i>Year ended June 30,</i>	
2022	\$ 203,770
2023	110,041
2024	(103,347)
2025	(166,436)
Thereafter	-

Actuarial Assumptions

The total pension liability, net pension liability, and sensitivity information as of June 30, 2021 were based on an actuarial valuation date of June 30, 2020. The total pension liability was rolled-forward from the valuation date (June 30, 2020) to the plan’s fiscal year ending June 30, 2021, using generally accepted actuarial principles.

There have been no changes in actuarial assumptions since June 30, 2020. The actuarial assumptions are:

Inflation	2.30%
Payroll Growth Rate	2.00%
Salary Increases	3.30% to 10.30%, varies by service
Investment rate of return	6.25%

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 healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

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 table below.

Barren River Area Development District
Notes to Financial Statements

NOTE 8: RETIREMENT PLANS (CONTINUED)

Long-Term Expected Rate of Return (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Growth	68.50%	
US Equity	21.75%	5.70%
Non US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Special Credit/High Yield	15.00%	2.80%
Liquidity	11.50%	
Core Bonds	10.00%	0.00%
Cash	1.50%	-0.60%
Diversifying Strategies	20.00%	
Real Estate	10.00%	5.40%
Real Return	10.00%	4.55%
	<u>100.00%</u>	
Expected Real Return		5.00%
Long Term Inflation Assumption		2.30%

Discount Rate

The projection of cash flows used to determine the discount rate of 6.25% 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 30 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 6.25%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
District's proportionate share of the net pension liability	\$ 5,114,377	\$ 3,987,671	\$ 3,055,348

NOTE 8: RETIREMENT PLANS (CONTINUED)

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 KRS Insurance Fund provides hospital and medical benefits to eligible plan 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 KRS board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The KRS 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, 2022, the required contribution was 5.78% of each employee's covered payroll. Contributions from the District to the KRS Insurance Fund for the year ended June 30, 2022, were \$106,411. 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.

Barren River Area Development District
Notes to Financial Statements

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

Implicit Subsidy

The fully-insured premiums KRS pays 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. 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, 2022, the District reported a liability of \$1,197,086 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The OPEB liability was rolled forward from the valuation date to the measurement date of June 30, 2021. The District's proportion of the net OPEB liability was based on the District's share of 2021 contributions to the OPEB plan relative to the 2021 contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was 0.062529%.

For the year ended June 30, 2022, the District recognized OPEB expense of \$179,402.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 188,242	\$ 357,410
Net difference between projected and actual investment earnings on OPEB plan investments	60,313	247,580
Change of assumptions	317,370	1,113
Changes in proportion and differences between employer contributions and proportionate share of contribution	166,312	50,356
District contributions subsequent to the measurement date	106,411	-
Total	\$ 838,648	\$ 656,459

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)*

For the year ended June 30, 2022, \$106,411 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30,</u>	
2022	\$ 54,753
2023	26,272
2024	31,894
2025	(37,141)
2026	-
Thereafter	-

Actuarial Assumptions

The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2021 were based on an actuarial valuation date of June 30, 2020. The total OPEB liability was rolled-forward from the valuation date (June 30, 2020) to the plan's fiscal year ending June 30, 2021, using generally accepted actuarial principles. The plan adopted new actuarial assumptions since June 30, 2020, which were used to determine the total OPEB liability as follows:

Barren River Area Development District
Notes to Financial Statements

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

Actuarial Assumptions (*continued*)

Inflation		2.30%
Payroll Growth Rate		2.00%
Salary Increase	3.30% to 10.30%, varies by service for CERS non-hazardous	
Investment Rate of Return		6.25%
Healthcare Trend Rates (Pre-65)	Initial trend starting at 6.30% at January 1, 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.	
Healthcare Trend Rates (Post-65)	Initial trend starting at 6.30% in 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 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-2014 mortality improvement scale using a base year of 2010.	
Mortality (Post-retirement; non-disabled)	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.	
Mortality (Post-retirement; disabled)	PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.	

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
Growth	68.50%	
US Equity	21.75%	5.70%
Non US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Special Credit/High Yield	15.00%	2.80%
Liquidity	11.50%	
Core Bonds	10.00%	0.00%
Cash	1.50%	-0.60%
Diversifying Strategies	20.00%	
Real Estate	10.00%	5.40%
Real Return	10.00%	4.55%
	<u>100.00%</u>	
Expected Real Return		5.00%
Long Term Inflation Assumption		2.30%

Discount Rate

Single discount rates of 5.20% for the non-hazardous system were used to measure the total OPEB liability as of June 30, 2021. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.25% and a municipal bond rate of 1.92%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2021. Based on the stated assumptions and the projection of the cash flows as of each fiscal year ending, the 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 retirement system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the System’s actuarial determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the System’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

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

Discount Rate (continued)

funding policy, as most recently revised by House Bill 8, passed during the 2021 legislative session. This includes the phase-in provisions from House Bill 362 (passed during the 2018 legislative session) which limits the increases to the employer contribution rates to 12% over the prior fiscal year through June 30, 2028.

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, 2022, calculated using the discount rate of 5.20%, 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 (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
District's proportionate share of the collective net OPEB liability	\$ 1,643,591	\$ 1,197,086	\$ 830,656

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	\$ 861,760	\$ 1,197,086	\$ 1,601,831

OPEB Plan Fiduciary Net Position

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

Barren River Area Development District
Notes to Financial Statements

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.

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, 2022, the District incurred a total expense of \$295,507 for health insurance premiums. The District also has a Health Reimbursement Arrangement (HRA) and/or 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
Barren River Local Officials Organization	10,923

NOTE 13: FUND TRANSFERS

Fund transfers for the year ended June 30, 2022 consist of the following:

Type	From Fund	To Fund	Purpose	Amount
Operating	General	Special Revenue	Matching/Regional Support	\$ 29,867

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 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.

Barren River Area Development District
Notes to Financial Statements

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

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.
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, 2022</u>	<u>Indirect Cost</u>
Salaries and benefits	\$ 355,664
Travel	4,940
Audit and legal	41,806
Pension management	2,800
Telephone	20,304
Supplies	10,603
Insurance	32,930
Postage	2,483
Printing	1,331
Dues and subscriptions	996
Computer support and maintenance	34,834
Other	7,625
Rent	10,756
Utilities	25,945
Building maintenance and janitorial	42,347
	\$ 595,364

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

Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Final to Actual
Revenues				
Regional support revenues	\$ 91,884	\$ 218,856	\$ 209,176	\$ (9,680)
Total revenues	91,884	218,856	209,176	(9,680)
Expenditures				
Regional support	79,492	177,388	109,776	67,612
Total expenditures	79,492	177,388	109,776	67,612
Excess (deficiency) of revenues over expenditures	12,392	41,468	99,400	57,932
Other Financing Sources (Uses)				
Operating transfers in (out)	-	-	(29,867)	(29,867)
Total other financing sources (uses)	-	-	(29,867)	(29,867)
Net change in fund balance	12,392	41,468	69,533	28,065
Fund balances - beginning of year	938,648	938,648	938,648	-
Fund balances - end of year	\$ 951,040	\$ 980,116	\$ 1,008,181	\$ 28,065

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

Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Final to Actual
Revenues				
Community & Economic Development	\$ 1,203,960	\$ 1,005,350	\$ 989,120	\$ (16,230)
Aging and Independent Living (Aging)	3,494,604	4,029,636	4,095,342	65,706
Revolving Loan Fund (RLF)	19,000	36,294	32,851	(3,443)
Participant Directed Services (PDS)	6,298,060	6,122,000	7,414,261	1,292,261
Veterans Directed Services (VDS)	85,860	74,600	77,745	3,145
Total revenues	11,101,484	11,267,880	12,609,319	1,341,439
Expenditures				
Community & Economic Development	1,158,721	972,677	961,872	10,805
Aging and Independent Living (Aging)	3,503,519	4,016,655	4,087,541	(70,886)
Revolving Loan Fund (RLF)	20,181	17,294	21,050	(3,756)
Participant Directed Services (PDS)	6,294,843	6,136,288	7,403,459	(1,267,171)
Veterans Directed Services (VDS)	86,347	73,750	75,167	(1,417)
Total expenditures	11,063,611	11,216,664	12,549,089	(1,332,425)
Excess of revenues over expenditures	37,873	51,216	60,230	9,014
Other Financing Sources (Uses)				
Operating transfers in - net	-	-	29,867	29,867
Total other financing sources (uses)	-	-	29,867	29,867
Net change in fund balance	37,873	51,216	90,097	38,881
Fund balances - beginning of year	2,417,835	2,417,835	2,417,835	-
Fund balances - end of year	\$ 2,455,708	\$ 2,469,051	\$ 2,507,932	\$ 38,881

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>	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.062544%	0.052570%	0.050635%	0.052572%	0.057234%	0.071623%	0.067555%	0.067639%
District's proportionate share of the net pension liability	\$ 3,987,671	\$ 4,032,075	\$ 3,561,182	\$ 3,201,795	\$ 3,350,082	\$ 3,526,454	\$ 2,905,556	\$ 2,194,000
District's covered payroll	\$ 1,631,035	\$ 1,378,076	\$ 1,280,223	\$ 1,330,073	\$ 1,456,183	\$ 1,770,522	\$ 1,630,152	\$ 1,603,118
District's proportionate share of the net pension liability as a percentage of its covered payroll	244.49%	292.59%	278.17%	240.72%	230.06%	199.18%	178.24%	136.86%
Plan fiduciary net position as a percentage of the total pension liability	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	68.80%
<i>For the Years Ended June 30,</i>								
Contractually required contribution	\$ 390,837	\$ 314,726	\$ 265,915	\$ 207,619	\$ 192,607	\$ 203,194	\$ 219,899	\$ 201,697
Contributions in relation to the contractually required contribution	390,837	314,726	265,915	207,619	192,607	203,194	219,899	201,697
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,846,183	\$ 1,631,035	\$ 1,378,076	\$ 1,280,223	\$ 1,330,073	\$ 1,456,183	\$ 1,770,522	\$ 1,630,152
Contributions as a percentage of covered payroll	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.37%

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:

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:

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 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.

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

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**

Schedule of District's Proportionate Share of the Collective Net OPEB Liability - CERS

<i>As of June 30,</i>	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.062529%	0.052554%	0.050622%	0.052570%	0.057234%
District's proportionate share of the net OPEB liability	\$ 1,197,086	\$ 1,269,019	\$ 851,439	\$ 933,370	\$ 1,150,599
District's covered payroll	\$ 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	73.39%	92.09%	66.51%	70.17%	79.01%
Plan fiduciary net position as a percentage of the total OPEB liability	62.91%	51.67%	60.44%	57.62%	52.40%

Schedule of District Contributions - CERS

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

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

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

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.

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

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: There have been no changes in actuarial assumptions since June 30, 2017 (other than the blended discount rate used to calculate the total OPEB liability). However, 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, 2022</i>	General Fund
Revenues	
Local revenue	\$ 153,227
Program income	53,500
Investment income	2,449
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Total revenues	209,176
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Expenditures	
Program services	32,151
Personnel	18,485
Contractual services	14,076
Travel	6,550
Repairs and maintenance	251
Insurance	1,450
Audit and legal fees	272
Telephone	291
Office supplies	563
Postage	79
Printing	146
Pension management	18
Miscellaneous	424
Staff training	2,345
Utilities	168
Computer support and maintenance	225
Marketing and advertising	1,295
Dues and subscriptions	18,198
Janitorial	92
Meeting	12,697
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Total expenditures	109,776
<hr/>	
Excess of revenues over expenditures	99,400
<hr/>	
Other Financing Sources (Uses)	
Operating transfers out	(29,867)
<hr/>	
Total other financing sources (uses)	(29,867)
<hr/>	
Net change in fund balance	69,533
<hr/>	
Fund balances - beginning of year	938,648
<hr/>	
Fund balances - end of year	\$ 1,008,181
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Barren River Area Development District
Combining Balance Sheet
Special Revenue Funds

<i>June 30, 2022</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Total Special Revenue Funds
Assets						
Cash and investments	\$ 288,658	\$ 248,321	\$ 20,551	\$ 339,935	\$ 239,013	\$ 1,136,478
Due from other funds	365,340	-	-	-	-	365,340
Grants receivable, net	178,511	330,819	-	-	-	509,330
Accounts receivable, net	-	-	14,661	1,991,759	6,488	2,012,908
Loans, net	-	-	-	-	401,996	401,996
Other	58,643	220	-	680	-	59,543
Total assets	\$ 891,152	\$ 579,360	\$ 35,212	\$ 2,332,374	\$ 647,497	\$ 4,485,595
Liabilities and Fund Balances						
Liabilities						
Due to other funds	\$ 179,780	\$ 78,065	\$ 939	\$ 236,224	\$ 6,367	\$ 501,375
Accounts payable	126,333	312,590	20,916	81,629	299	541,767
Accrued payroll and taxes	1,474	-	3,391	577,421	-	582,286
Unearned revenue	6,814	35,887	800	205,680	-	249,181
Compensated absences	103,054	-	-	-	-	103,054
Total liabilities	417,455	426,542	26,046	1,100,954	6,666	1,977,663

Barren River Area Development District
Combining Balance Sheet
Special Revenue Funds

<i>June 30, 2022</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Special Revenue Funds
Fund Balances						
Non-spendable	58,643	220	-	680	-	59,543
Restricted	-	152,598	-	-	640,831	793,429
Assigned	415,054	-	9,166	1,230,740	-	1,654,960
Total fund balances	473,697	152,818	9,166	1,231,420	640,831	2,507,932
Total liabilities and fund balances	\$ 891,152	\$ 579,360	\$ 35,212	\$ 2,332,374	\$ 647,497	\$ 4,485,595

(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	\$ 43,745	\$ (179,780)
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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, 2022:

Aging owes Community & Economic Development	78,065	(78,065)
RLF owes Community & Economic Development	6,367	(6,367)
VDS owes Community & Economic Development	939	(939)
PDS owes Community & Economic Development	236,224	(236,224)
	321,595	(321,595)
Total Due From (To) Other Funds - Detailed Balance Sheet by Grant Type - Special Revenue Fund	\$ 365,340	\$ (501,375)

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

<i>Year Ended June 30, 2022</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Total Special Revenue Funds
Revenues						
Intergovernmental revenue	\$ 723,885	\$ 3,644,652	\$ -	\$ 7,406,705	\$ 12,258	\$ 11,787,500
Local revenue	250,359	235,584	77,745	-	-	563,688
In-kind income	14,876	183,974	-	-	-	198,850
Program income	-	31,082	-	7,556	-	38,638
Investment income	-	-	-	-	970	970
Other income	-	50	-	-	19,623	19,673
Total revenues	989,120	4,095,342	77,745	7,414,261	32,851	12,609,319
Expenditures						
Program services	112,240	3,039,840	63,717	6,069,921	-	9,285,718
Personnel	692,255	901,350	10,357	1,178,748	9,703	2,792,413
Contractual services	-	-	-	1,510	-	1,510
Travel	12,779	10,514	138	13,390	134	36,955
Repairs and maintenance	9,586	12,470	139	16,354	134	38,683
Insurance	8,055	10,728	117	13,706	112	32,718
Audit and legal fees	10,290	13,361	150	17,589	143	41,533
Telephone	4,921	6,809	71	10,423	69	22,293
Office supplies	4,251	8,525	46	6,862	37	19,721
Postage	1,635	4,429	52	4,089	18	10,223
Provision for loan losses	-	-	-	-	6,938	6,938
Printing	8,026	4,683	48	2,759	69	15,585
Pension management	687	895	10	1,179	10	2,781
Miscellaneous	-	1,922	-	3,808	-	5,730

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

<i>Year Ended June 30, 2022</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Total Special Revenue Funds
Staff training	31,171	4,999	26	4,152	1,475	41,823
Utilities	6,381	8,324	93	10,890	89	25,777
Computer support and maintenance	38,850	30,904	147	41,578	119	111,598
Marketing and advertising	7,502	21,215	1	118	1	28,837
Dues and subscriptions	4,399	1,611	4	439	14	6,467
Janitorial	3,486	4,538	51	5,944	49	14,068
Meeting	5,358	424	-	-	1,936	7,718
Total expenditures	961,872	4,087,541	75,167	7,403,459	21,050	12,549,089
Excess of revenues over expenditures	27,248	7,801	2,578	10,802	11,801	60,230
Other Financing Sources (Uses)						
Operating transfers in	29,867	-	-	-	-	29,867
Total other financing sources (uses)	29,867	-	-	-	-	29,867
Net change in fund balance	57,115	7,801	2,578	10,802	11,801	90,097
Fund balances - beginning of year	416,582	145,017	6,588	1,220,618	629,030	2,417,835
Fund balances - end of year	\$ 473,697	\$ 152,818	\$ 9,166	\$ 1,231,420	\$ 640,831	\$ 2,507,932

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2022

	General Fund	Building	PDS	PDS Goods & Services	Veterans Directed Service	JFA
Revenue						
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	117,757
State revenue	-	-	7,344,864	61,841	-	124,950
Local revenue	153,227	-	-	-	77,745	-
Investment Income	1,739	710	-	-	-	-
Program Income	53,500	-	7,556	-	-	-
In-Kind income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenue	208,466	710	7,352,420	61,841	77,745	242,707
Expenditures						
Direct costs:						
Salaries	10,619	-	664,611	-	5,670	120,758
Benefits	4,699	-	326,333	-	2,786	52,854
Annual leave	860	-	38,581	-	570	7,243
Travel & training	8,816	-	12,106	-	119	14,091
Other costs	48,774	-	42,370	-	175	7,090
Contractual services	-	-	-	-	-	-
Program services	32,151	-	6,008,080	61,841	63,717	-
Total direct costs	105,919	-	7,092,081	61,841	73,037	202,036
Indirect costs	3,857	-	249,537	-	2,130	43,719
Total expenditures	109,776	-	7,341,618	61,841	75,167	245,755
Other Financing Sources (Uses)						
Transfer in	-	-	-	-	-	3,048
Transfer out	(29,867)	-	-	-	-	-
Total other financing sources (uses)	(29,867)	-	-	-	-	3,048
Net change in fund balances	\$ 68,823	\$ 710	\$ 10,802	\$ -	\$ 2,578	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2022

	Regional Transit	Regional Transportation	Water Planning	Local Road Updates	PDM Admin	PDM
Revenue						
Federal revenue	\$ 22,319	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	-	78,254	76,000	-	-	-
Local revenue	-	-	-	25,300	5,542	99,558
Investment Income	-	-	-	-	-	-
Program Income	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	14,876
Other income	-	-	-	-	-	-
Total revenue	22,319	78,254	76,000	25,300	5,542	114,434
Expenditures						
Direct costs:						
Salaries	13,204	26,921	36,870	12,417	2,956	49,191
Benefits	6,764	13,785	18,300	6,308	1,356	20,074
Annual leave	679	1,448	2,113	801	157	2,733
Travel & training	1,239	3,662	2,991	125	-	3,560
Other costs	984	3,066	1,840	927	-	6,575
Contractual services	-	-	-	-	-	-
Program services	-	-	-	-	-	14,876
Total direct costs	22,870	48,882	62,114	20,578	4,469	97,009
Indirect costs	5,029	10,250	13,893	4,789	1,086	17,443
Total expenditures	27,899	59,132	76,007	25,367	5,555	114,452
Other Financing Sources (Uses)						
Transfer in	5,580	8,695	7	67	13	18
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	5,580	8,695	7	67	13	18
Net change in fund balances	\$ -	\$ 27,817	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2022

	Revolving Loan Fund	Revolving Loan Fund CARES	DRC	DLG CARES	Other Local Contracts	Aging General Funds	Title IIIB Admin
Revenue							
Federal revenue	\$ -	\$ 12,258	\$ 49,764	\$ 254,841	\$ -	\$ -	\$ 22,843
State revenue	-	-	-	-	-	-	94,443
Local revenue	-	-	-	-	119,960	46,060	-
Investment Income	536	434	-	-	-	-	-
Program Income	-	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-	-
Other income	14,363	5,260	-	-	-	50	-
Total revenue	14,899	17,952	49,764	254,841	119,960	46,110	117,286
Expenditures							
Direct costs:							
Salaries	942	4,700	30,294	59,750	44,055	-	56,618
Benefits	423	2,050	15,305	30,060	19,868	-	28,899
Annual leave	68	298	1,985	3,047	3,385	-	4,877
Travel & training	7	1,560	2,553	11,269	1,265	-	2,670
Other costs	(894)	9,853	584	30,734	5,991	2,345	4,874
Contractual services	-	-	-	-	-	-	-
Program services	-	-	-	97,365	-	-	-
Total direct costs	546	18,461	50,721	232,225	74,564	2,345	97,938
Indirect costs	344	1,700	11,483	22,616	16,097	-	21,535
Total expenditures	890	20,161	62,204	254,841	90,661	2,345	119,473
Other Financing Sources (Uses)							
Transfer in	-	-	12,440	-	-	-	2,187
Transfer out	-	-	-	-	-	(35,177)	-
Total other financing sources (uses)	-	-	12,440	-	-	(35,177)	2,187
Net change in fund balances	\$ 14,009	\$ (2,209)	\$ -	\$ -	\$ 29,299	\$ 8,588	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2022

	Title IIIB		Title IIIB ARPA		Title IIIC1	
	Supportive	Title IIIB ARPA	Title IIIB ARPA	Title IIIC1 Admin	Congregate	Title IIIC1 ARPA
	Services	Admin	Service		Meals	Admin
Revenue						
Federal revenue	\$ 364,705	\$ 218	\$ 69,380	\$ 4,500	\$ 350,025	\$ 2,915
State revenue	112,474	-	-	1,500	5,614	-
Local revenue	26,596	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Program Income	5,039	-	-	-	11,639	-
In-Kind income	30,579	-	-	-	80,067	-
Other income	-	-	-	-	-	-
Total revenue	539,393	218	69,380	6,000	447,345	2,915
Expenditures						
Direct costs:						
Salaries	104,601	142	-	3,169	-	1,984
Benefits	55,826	77	-	1,376	-	974
Annual leave	5,502	17	-	270	-	182
Travel & training	2,799	-	-	-	-	-
Other costs	11,876	-	-	40	-	-
Contractual services	-	-	-	-	-	-
Program services	318,391	-	69,380	-	447,345	-
Total direct costs	498,995	236	69,380	4,855	447,345	3,140
Indirect costs	40,398	55	-	1,182	-	745
Total expenditures	539,393	291	69,380	6,037	447,345	3,885
Other Financing Sources (Uses)						
Transfer in	-	73	-	37	-	970
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	-	73	-	37	-	970
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2022

	Title IIIC1 ARPA Service	Title IIIC2 Admin	Title IIIC2 Home Delivered Meals	Title IIIC2 CARES Admin	Title IIIC2 CARES II Admin	Title IIIC2 ARPA Admin
Revenue						
Federal revenue	\$ 122,752	\$ 4,700	\$ 536,216	\$ 13,435	\$ 15,013	\$ 1,080
State revenue	-	1,538	27,476	-	-	-
Local revenue	-	-	35,319	-	-	-
Investment Income	-	-	-	-	-	-
Program Income	-	-	1,264	-	-	-
In-Kind income	-	-	54,034	-	-	-
Other income	-	-	-	-	-	-
Total revenue	122,752	6,238	654,309	13,435	15,013	1,080
Expenditures						
Direct costs:						
Salaries	-	3,148	-	8,786	10,063	744
Benefits	-	1,421	-	4,664	5,398	359
Annual leave	-	260	-	687	713	60
Travel & training	-	-	-	-	-	-
Other costs	-	346	-	-	-	-
Contractual services	-	-	-	-	-	-
Program services	122,752	-	654,309	-	-	-
Total direct costs	122,752	5,175	654,309	14,137	16,174	1,163
Indirect costs	-	1,147	-	3,784	3,955	277
Total expenditures	122,752	6,322	654,309	17,921	20,129	1,440
Other Financing Sources (Uses)						
Transfer in	-	84	-	4,486	5,116	360
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	-	84	-	4,486	5,116	360
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2022

	Title III C2 ARPA Service	Title III D Health Promotion	Title III D ARPA	Title III E Admin	Title III E Caregiver Support	Title III E CARES Service	Title III E ARPA
Revenue							
Federal revenue	\$ 32,960	\$ 20,128	\$ 5,400	\$ 7,650	\$ 147,662	\$ 19,149	\$ 28,265
State revenue	-	-	-	13,221	19,215	-	-
Local revenue	-	-	-	-	30,548	-	-
Investment Income	-	-	-	-	-	-	-
Program Income	-	3,150	-	-	-	-	-
In-Kind income	-	-	-	-	79	-	-
Other income	-	-	-	-	-	-	-
Total revenue	32,960	23,278	5,400	20,871	197,504	19,149	28,265
Expenditures							
Direct costs:							
Salaries	-	-	-	11,169	31,087	-	-
Benefits	-	-	-	4,638	14,962	-	-
Annual leave	-	-	-	921	1,869	-	-
Travel & training	-	-	-	6	578	-	-
Other costs	-	-	-	157	1,460	-	-
Contractual services	-	-	-	-	-	-	-
Program services	32,960	23,278	5,400	-	151,339	19,149	28,265
Total direct costs	32,960	23,278	5,400	16,891	201,295	19,149	28,265
Indirect costs	-	-	-	3,980	11,597	-	-
Total expenditures	32,960	23,278	5,400	20,871	212,892	19,149	28,265
Other Financing Sources (Uses)							
Transfer in	-	-	-	-	15,388	-	-
Transfer out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	15,388	-	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2022

	Title IIIB Ombudsman	Title VII Elder Abuse	Title VII Ombudsman	ADRC	ADRC CARES	NWD
Revenue						
Federal revenue	\$ 85,956	\$ 4,838	\$ 10,191	\$ 23,760	\$ 4,520	\$ 14,946
State revenue	-	-	-	42,203	-	-
Local revenue	15,597	878	1,825	-	-	-
Investment Income	-	-	-	-	-	-
Program Income	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenue	101,553	5,716	12,016	65,963	4,520	14,946
Expenditures						
Direct costs:						
Salaries	-	-	-	30,270	2,194	7,559
Benefits	-	-	-	16,675	1,237	4,074
Annual leave	-	-	-	1,509	136	383
Travel & training	-	-	-	638	-	-
Other costs	-	-	-	5,050	-	-
Contractual services	-	-	-	-	-	-
Program services	101,553	5,716	12,016	-	-	-
Total direct costs	101,553	5,716	12,016	54,142	3,567	12,016
Indirect costs	-	-	-	11,822	965	2,930
Total expenditures	101,553	5,716	12,016	65,964	4,532	14,946
Other Financing Sources (Uses)						
Transfer in	-	-	-	1	12	-
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	1	12	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2022

	CDC	SHIP Admin	SHIP Services	SHIP Training Funds	MIPPA SHIP July - Aug	MIPPA SHIP Sept - June	MIPPA ADRC July - Aug	MIPPA ADRC Sept - June
Revenue								
Federal revenue	\$ 12,461	\$ 1,303	\$ 32,289	\$ 8,389	\$ 9,993	\$ 1,960	\$ 3,537	\$ 3,901
State revenue	-	-	-	-	-	-	-	-
Local revenue	-	-	11,248	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Total revenue	12,461	1,303	43,537	8,389	9,993	1,960	3,537	3,901
Expenditures								
Direct costs:								
Salaries	4,846	663	1,611	272	-	-	1,408	1,760
Benefits	2,059	332	853	122	-	-	780	997
Annual leave	274	59	124	25	-	-	90	93
Travel & training	29	-	68	-	-	-	-	36
Other costs	3,514	-	62	-	9,653	-	540	321
Contractual services	-	-	-	-	-	-	-	-
Program services	-	-	40,200	7,871	340	1,960	-	-
Total direct costs	10,722	1,054	42,918	8,290	9,993	1,960	2,818	3,207
Indirect costs	1,739	250	620	99	-	-	723	694
Total expenditures	12,461	1,304	43,538	8,389	9,993	1,960	3,541	3,901
Other Financing Sources (Uses)								
Transfer in	-	1	1	-	-	-	4	-
Transfer out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	1	1	-	-	-	4	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2022

	MIPPA AAA July - Aug	MIPPA AAA Sept - June	FAST	Homecare Admin	Homecare Services	PCAP	PCAP Coordination
Revenue							
Federal revenue	\$ 5,319	\$ 10,375	\$ 1,000	\$ -	\$ -	\$ -	\$ -
State revenue	-	-	-	116,639	947,298	148,363	10,215
Local revenue	-	-	-	-	58,030	-	-
Investment Income	-	-	-	-	-	-	-
Program Income	-	-	-	-	9,990	-	-
In-Kind income	-	-	-	-	19,215	-	-
Other income	-	-	-	-	-	-	-
Total revenue	5,319	10,375	1,000	116,639	1,034,533	148,363	10,215
Expenditures							
Direct costs:							
Salaries	1,216	6,231	233	58,905	134,867	4,970	5,164
Benefits	662	1,736	106	32,503	71,060	1,955	1,639
Annual leave	133	214	16	4,751	6,862	329	269
Travel & training	-	164	-	246	2,900	30	86
Other costs	2,690	24	152	1,583	12,534	138	1,345
Contractual services	-	-	-	-	-	-	-
Program services	-	-	410	-	754,455	141,277	-
Total direct costs	4,701	8,369	917	97,988	982,678	148,699	8,503
Indirect costs	620	2,007	87	23,018	51,856	1,744	1,713
Total expenditures	5,321	10,376	1,004	121,006	1,034,534	150,443	10,216
Other Financing Sources (Uses)							
Transfer in	2	1	4	4,367	1	2,080	1
Transfer out	-	-	-	-	-	-	-
Total other financing sources (uses)	2	1	4	4,367	1	2,080	1
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2022

	PCAP Evaluation	PCHP	HRSA	State Long Term Care Ombudsman	NSIP July - Sept	NSIP Oct - June	Total
Revenue							
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ 21,464	\$ 43,903	\$ 2,526,040
State revenue	1,166	-	-	34,186	-	-	9,261,460
Local revenue	-	7,562	-	1,920	-	-	716,915
Investment Income	-	-	-	-	-	-	3,419
Program Income	-	-	-	-	-	-	92,138
In-Kind income	-	-	-	-	-	-	198,850
Other income	-	-	-	-	-	-	19,673
Total revenue	1,166	7,562	-	36,106	21,464	43,903	12,818,495
Expenditures							
Direct costs:							
Salaries	646	3,695	534	-	-	-	1,581,513
Benefits	202	1,887	281	-	-	-	778,719
Annual leave	30	255	61	-	-	-	94,939
Travel & training	75	-	-	-	-	-	73,688
Other costs	-	-	-	-	-	-	216,773
Contractual services	-	-	-	-	-	-	-
Program services	-	-	-	36,106	21,464	43,903	9,317,869
Total direct costs	953	5,837	876	36,106	21,464	43,903	12,063,501
Indirect costs	213	1,431	205	-	-	-	595,364
Total expenditures	1,166	7,268	1,081	36,106	21,464	43,903	12,658,865
Other Financing Sources (Uses)							
Transfer in	-	-	-	-	-	-	65,044
Transfer out	-	-	-	-	-	-	(65,044)
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	\$ -	\$ 294	\$ (1,081)	\$ -	\$ -	\$ -	159,630

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

<i>Year Ended June 30, 2022</i>	Direct Salary Plus Burden	Percent of Total	Indirect Cost Distribution	Percent of Total
JFA:				
Community and economic development (120)	\$ 56,958	2.41%	\$ 14,343	2.41%
Community development block grant (125)	12,731	0.54%	3,206	0.54%
ARC planning and assistance (130)	59,226	2.51%	14,914	2.51%
Management assistance (140)	33,524	1.42%	8,442	1.42%
Program administration (150)	11,173	0.47%	2,814	0.47%
Total JFA	173,612	7.35%	43,719	7.35%
Non-JFA	2,186,620	92.65%	551,645	92.65%
Total JFA and Non-JFA	\$ 2,360,232	100.00%	\$ 595,364	100.00%

Barren River Area Development District Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

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 2 725 2100002005	\$ 189,728	\$ 473,504
COVID-19 Special Programs for the Aging Title III, part B Grants for Supportive Services and Senior Centers	93.044	PON 2 725 2100002005	69,380	69,598
Special Programs for the Aging Title III, part B Grants for Supportive Services and Senior Centers	93.044	PON 2 725 2000004400	-	12,461
Special Programs for the Aging Title III, part C Nutrition Services	93.045	PON 2 725 2100002005	107,997	499,419
COVID-19 Special Programs for the Aging Title III, part C Nutrition Services	93.045	PON 2 725 2100002005	-	28,448
Nutrition Services Incentive Program	93.053	PON 2 725 2100003024	-	43,903
Nutrition Services Incentive Program	93.053	PON 2 725 2100000262	-	21,464
Subtotal				\$ 1,148,797
Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	PON 2 725 2100001810	4,838	4,838
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	PON 2 725 2100001810	10,191	10,191
Special Programs for the Aging Title III, Part D, Disease Prevention and Health Promotion Services	93.043	PON 2 725 2100002005	20,128	20,128
COVID-19 Special Programs for the Aging Title III, Part D, Disease Prevention and Health Promotion Services	93.043	PON 2 725 2100002005	5,400	5,400
Subtotal				25,528
National Family Caregiver Support, Title III, Part E	93.052	PON 2 725 2100002005	-	174,461
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	PON 2 725 2100002005	-	28,265
Subtotal				202,726
State Health Insurance Assistance Program	93.324	PON 2 725 2000003467	28,952	41,981
Medicaid Cluster - Medical Assistance Program	93.778	PON 2 725 2000004400	-	23,760
Special Programs for the Aging, Title IV, Title II, Discretionary Projects	93.048	PON 2 725 2000004400	-	19,466
Public Health Emergency Preparedness	93.069	PON 2 725 2000002444	-	1,000
Medicare Enrollment Assistance Program	93.071	PON 2 725 2000003015	1,960	16,236
Medicare Enrollment Assistance Program	93.071	PON 2 725 2100000242	340	18,849
Subtotal				35,085
Total U.S. Department of Health & Human Services				1,513,372

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, 2022

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	04-39-03813.01	-	269,405
Economic Adjustment Assistance	11.307	04-79-07458	-	49,764
Passed through Department for Local Government:				
COVID-19 Economic Adjustment Assistance	11.307	PON2 112 2100000391		<u>254,840</u>
Subtotal				574,009
Passed through Department for Local Government:				
Economic Development Support for Planning Organizations	11.302	PON2 112 2100003349	-	66,667
Total U.S. Department of Commerce				640,676
Appalachian Regional Commission:				
Direct program				
Appalachian Local Development District				
Assistance	23.009	KY-702-J-C45	-	43,373
Total Appalachian Regional Commission				43,373
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 2100003349	-	7,718
Total U.S. Department of Housing and Urban Development				7,718
U.S. Department of Transportation:				
Passed through KY Transportation Cabinet:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research				
	20.505	P033021441	-	22,319
Total U.S. Department of Transportation				22,319
U.S. Department of the Treasury:				
Passed through Kentucky Cabinet for Health and Family Services:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds				
	21.027	PON 2 725 2100002005	151,711	555,729
Total U.S. Department of Treasury				555,729
Total Expenditures of Federal Awards			\$ 590,625	\$ 2,783,187
¹ Schedule of Expenditures of Federal Awards Calculation for Economic Adjustment Assistance Fund (RLF CARES) Grant				
Balance of RLF CARES loans outstanding at June 30, 2022				\$ 109,747
Cash and investment balance in RLF CARES at June 30, 2022				147,400
Administrative expenses paid out of RLF CARES in year ended June 30, 2022				12,258
				269,405
Federal share of RLF				X 100%
				\$ 269,405

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, 2022. 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, 2022.

NOTE 3: INDIRECT COST RATE

The District has elected not to use the 10-percent 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, 2022 was \$109,747, CFDA 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, 2022 as noted in the accompanying Schedule of Expenditures of Federal Awards.

Barren River Area Development District Summary Schedule of Prior Audit Findings

BARREN RIVER



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Barren River Area Development District Summary Schedule of Prior Audit Findings Year ended June 30, 2021

2021-001 The Barren River Area Development District Failed To Implement Adequate Internal Controls Over Financial Statement Preparation and Presentation

Condition: The District failed to implement adequate internal controls over the preparation of financial statements. As a result, the following material errors were noted:

1. BRADD's required budgetary comparison financial information did not include actual budget amounts. The prior year actual expenditures were brought forward and erroneously presented as BRADD's original and final budget amounts on budgetary comparison schedules.
2. The governmental fund balance sheet for fiscal year 2021 erroneously included \$311,444 of special revenue fund inter-account activity.
3. Cash of \$115,612 was erroneously classified as restricted on the Government-Wide Statement of Net Position and the General Fund Balance Sheet.
4. Fiduciary type activity totaling \$74,886 was incorrectly presented as part of BRADD's general fund balance and accounts payable as of June 30, 2021.

Recommendation: We make the following recommendations to BRADD to prevent and correct the issues noted above:

1. BRADD should establish sufficient controls to properly monitor the budget, which includes seeking approval for mid-year budget amendments as circumstances warrant and maintaining documentation of approval of budget increases or decreases. This documentation should include the official approval of budget increases in order for those charged with governance to know changes in the budget and related programs. Required budgetary comparison information governed by Governmental Accounting and Financial Reporting Standards should reflect actual budgetary amounts approved by the BRADD board of directors.
2. BRADD should properly eliminate any activity that occurs between accounts within the same fund so as not to overstate assets and liabilities.
3. BRADD should properly designate fund balances so that the governing board is aware of cash balances that are available to spend.
4. BRADD should properly disclose funds included in the financial statements that are being held for another entity.

Current Status: The recommendations for items #1, 2 and 4 were adopted by the District during the year. The recommendation for #3 was not adopted as the District disagreed with

BRADD MISSION STATEMENT

To preserve and advance the quality of life and economic well-being for the citizens of the BRADD through regional collaboration.

ALLEN BARREN BUTLER EDMONSON HART LOGAN METCALFE MONRÖE SIMPSON WARREN

Barren River Area Development District Summary Schedule of Prior Audit Findings

the predecessor auditor on the fund balance classification. The District has taken a more conservative approach for classification of restricted funds, which is supported by GASB classification of restricted funds (externally enforceable limitation on use) for restricted cash balances based upon the constraints and intent of the Barren River Development Council (BRDC). No similar findings were noted in the 2022 audit.

**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

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, 2022, 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 December 1, 2022.

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.

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Independent Auditors' 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, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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, LLC
Bowling Green, Kentucky
December 1, 2022

Barren River Area Development District
Schedule of Findings and Questioned Costs

Section I — Summary of Auditors' Results

Financial Statements

Type of auditors' 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 auditors' 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
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as 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.



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