



Barren River Area Development District

FINANCIAL STATEMENTS

June 30, 2024



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FINANCIAL STATEMENTS

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REPORT





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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barren River Area Development District (the "District") as of and for the year ended June 30, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and select pension/OPEB information on pages 5 through 13 and 57 through 64 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 17, 2024 on our consideration of Barren River Area Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Barren River Area Development District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

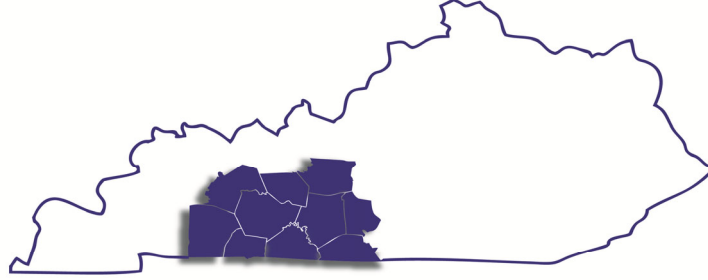
CARR, RIGGS & INGRAM, L.L.C.
Bowling Green, Kentucky
December 17, 2024



FINANCIAL STATEMENTS



BARREN RIVER



AREA DEVELOPMENT DISTRICT

BARREN RIVER AREA DEVELOPMENT DISTRICT (BRADD) MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2024

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, 2024. 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 (\$594,215) and (\$22,245) as of June 30, 2023 and 2024, respectively. The FY24 amount includes \$721,489 invested in capital assets, \$857,074 restricted for grant programs, \$49,739 restricted for building maintenance, and (\$1,650,547) is unrestricted. The change is primarily due to pension-related activities.
- ❖ For governmental activities, revenues are \$25,290,541 for the year ended June 30, 2024. For the year ended June 30, 2023, revenues were \$18,720,835. The increase of \$6,569,706 from 2023 to 2024 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, 2024 is \$560,887. Fund balances increased for the Special Revenue Funds by \$456,724 and increased for the General Fund by \$104,163. Special revenue funds increased primarily because of the growth of the PDS program and the timing of local contract revenues and expenses. General funds increased primarily because less capital expenditures were incurred in FY 24.
- ❖ 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 \$33,826 and \$25,289 as of June 30, 2023 and 2024, respectively.

BASIC FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

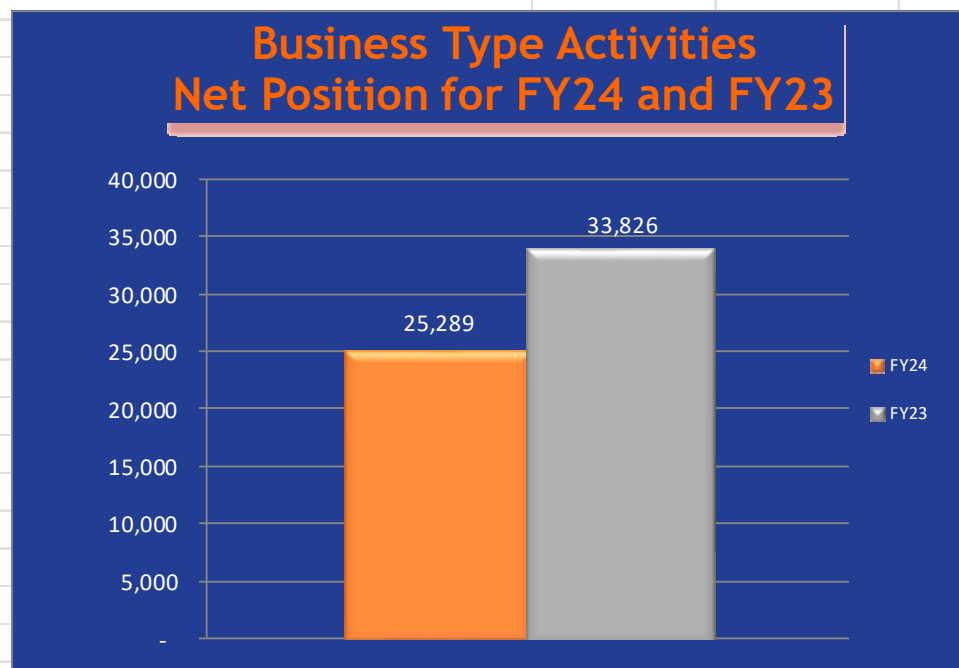
FUND FINANCIAL STATEMENTS

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

Business Type Activities

Net Position for June 30, 2024 and June 30, 2023

	FY24	FY23	Percentage Change
Cash and Investments	25,289	26,289	-3.80%
Capital Assets, net	-	7,537	-100.00%
Total Assets	25,289	33,826	-25.24%
Unearned Revenue	-	-	
Total Liabilities	-	-	
Investment in Capital Assets	-	7,537	-100.00%
Unrestricted Funds	25,289	26,289	-3.80%
Total Net Position	25,289	33,826	-25.24%

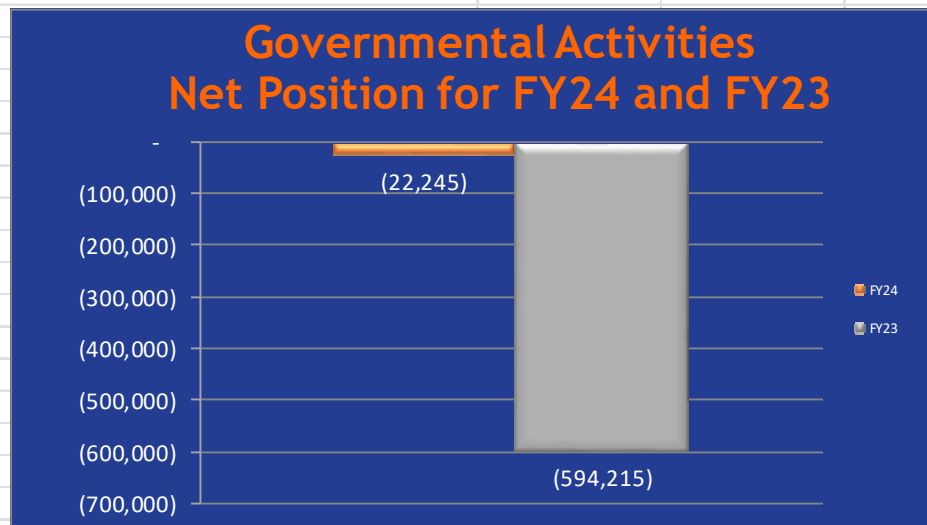


* At year-end assets exceeded liabilities by \$25,289 with a net change of \$8,537 or 25.24%.

Governmental Activities

Net Position for June 30, 2024 and June 30, 2023

	FY24	FY23	Percentage Change
Cash and Investments	4,619,978	3,374,006	36.93%
Grants Receivable	565,875	638,738	-11.41%
Accounts Receivable	1,397,820	975,465	43.30%
Loans, net	299,670	447,730	-33.07%
Net OPEB assets	93,659	-	0.00%
Prepays	35,399	63,094	-43.89%
Capital Assets, net	721,489	780,265	-7.53%
Total Assets	7,733,890	6,279,298	23.16%
OPEB Related	569,890	805,456	-29.25%
Pension Related	1,422,195	1,514,403	-6.09%
Total Deferred Outflows of Resources	1,992,085	2,319,859	-14.13%
Accounts Payable	360,971	473,869	-23.82%
Accrued Liabilities	1,319,309	791,080	66.77%
Unearned Revenue	975,143	548,244	77.87%
Compensated Absences	132,634	116,042	14.30%
Net OPEB Liability		1,290,263	-100.00%
Net Pension Liability	4,352,895	4,727,052	-7.92%
Total Liabilities	7,140,952	7,946,550	-10.14%
OPEB Related	1,666,882	682,700	144.16%
Pension Related	940,386	564,122	66.70%
Total Deferred Inflows of Resources	2,607,268	1,246,822	109.11%
Investment in Capital Assets	721,489	780,265	-7.53%
Restricted for Grant Programs	857,074	829,532	3.32%
Restricted for Building Maintenance	49,739	56,416	-11.84%
Unrestricted Funds	(1,650,547)	(2,260,428)	-26.98%
Total Net Position	(22,245)	(594,215)	-96.26%



* At year-end liabilities exceeded assets by \$22,245 with a net change of \$571,970 or 96.26%.

REVENUES FOR GOVERNMENTAL FUNDS

For governmental funds, revenues are \$25,290,541 for the year ended June 30, 2024, representing an increase of \$6,569,706 or 35.09% from \$18,720,835 for the year ended June 30, 2023.

	2024	2024	2023	2023	Change	Change
	Revenue \$	Revenue %	Revenue \$	Revenue %	in \$	in %
Program Revenues:						
Regional Support	224,571	0.89%	170,840	0.91%	53,731	31.45%
Community & Economic Development	1,044,300	4.13%	916,928	4.90%	127,372	13.89%
Aging and Independent Living	5,677,598	22.45%	4,425,530	23.64%	1,252,068	28.29%
Revolving Loan Fund	26,113	0.10%	23,630	0.13%	2,483	10.51%
Participant Directed Services	18,201,091	71.97%	13,082,069	69.88%	5,119,022	39.13%
Veterans Directed Services	116,868	0.46%	101,838	0.54%	15,030	14.76%
Total Revenues	25,290,541		18,720,835		6,569,706	35.09%

- Participant Directed Services received a substantial rate increase in FY 24 and overall clients grew as well.
- Regional Support received additional dues money and generated more investment income due to investing in money market accounts.
- Aging and Independent Living received additional ARPA funds in FY 24.

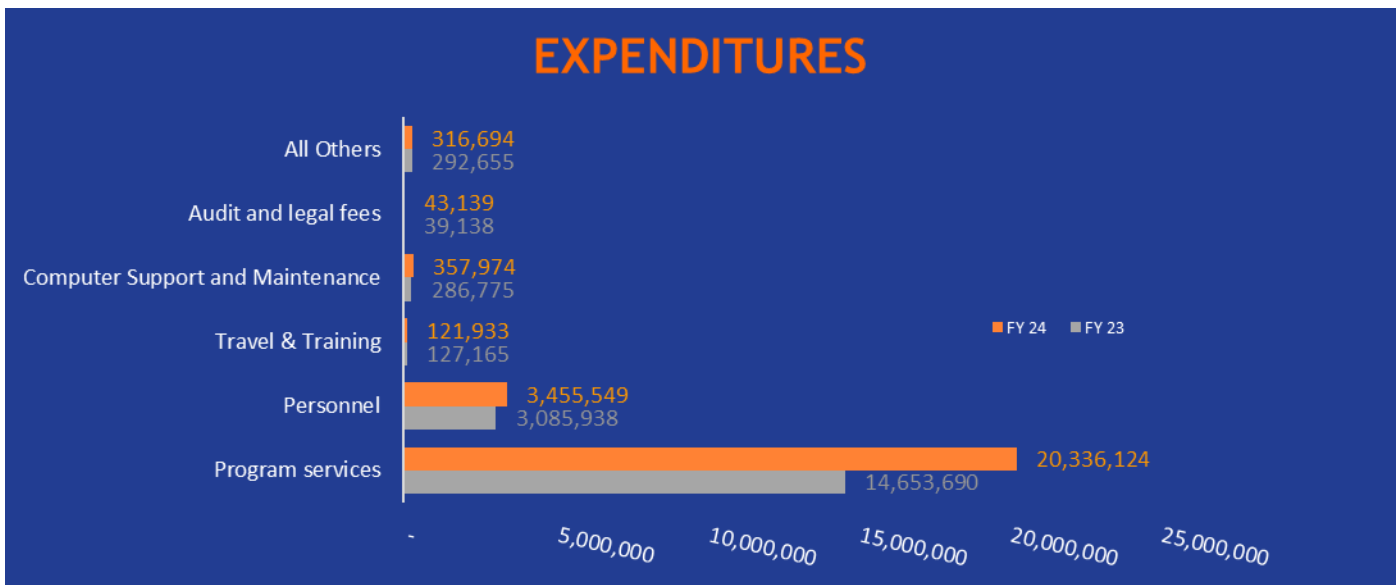
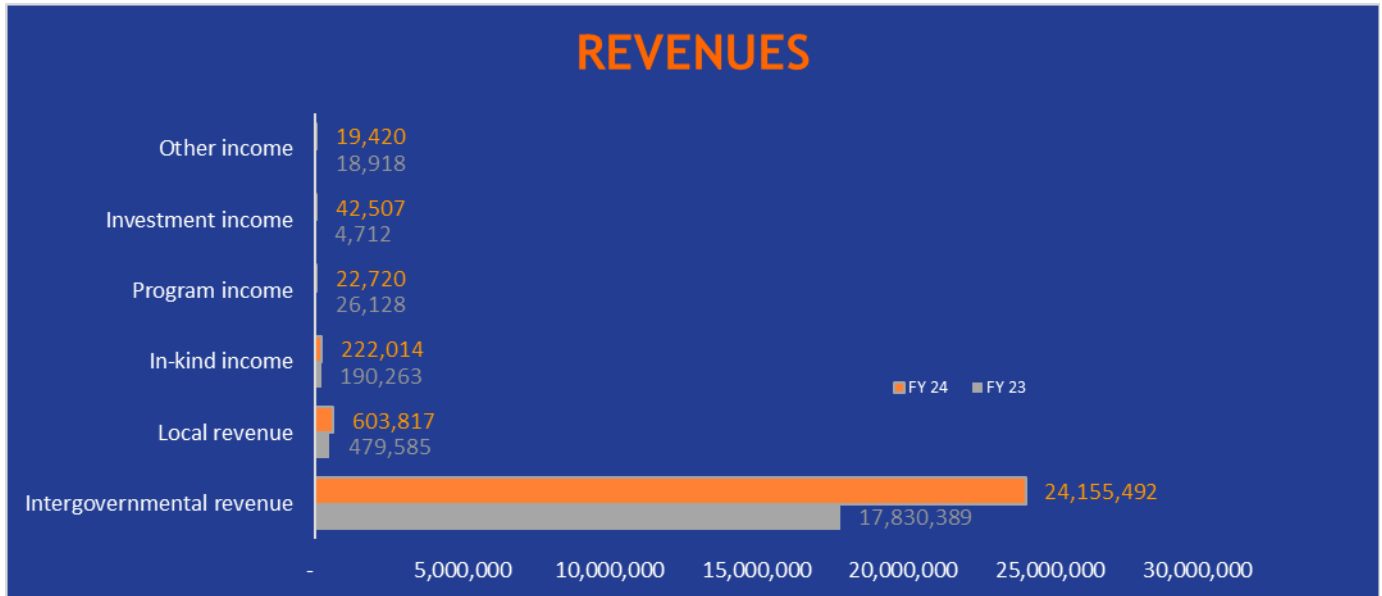
EXPENSES FOR GOVERNMENTAL FUNDS

For governmental funds, expenses are \$24,729,654 for the year ended June 30, 2024, representing an increase of \$6,062,504 or 32.48% from \$18,667,150 for the year ended June 30, 2023.

	2024	2024	2023	2023	Change	Change
	Expense \$	Expense %	Expense \$	Expense %	in \$	in %
Program Expenses:						
Regional Support	98,241	0.40%	181,789	0.97%	(83,548)	-45.96%
Community & Economic Development	949,567	3.84%	902,074	4.83%	47,493	5.26%
Aging and Independent Living	5,659,908	22.89%	4,405,623	23.60%	1,254,285	28.47%
Revolving Loan Fund	16,481	0.07%	7,434	0.04%	9,047	121.70%
Participant Directed Services	17,899,412	72.38%	13,076,298	70.05%	4,823,114	36.88%
Veterans Directed Services	106,045	0.43%	93,932	0.50%	12,113	12.90%
Total Expenses	24,729,654		18,667,150		6,062,504	32.48%

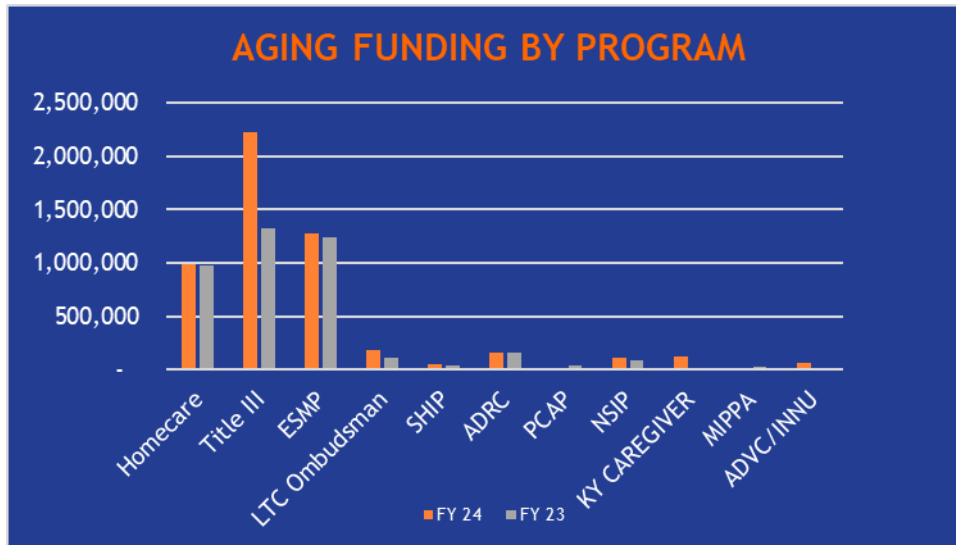
- Revolving Loan Fund had several uncollectible loans and loan losses was increased in FY 24.
- Participant Directed Services received a substantial rate increase in FY 24 and overall clients grew as well.
- Aging and Independent Living received additional ARPA funds in FY 24.
- Regional support had fewer capital projects in FY 24.

REVENUES VS EXPENDITURES: SPECIAL REVENUE FUNDS



- Total revenues increased \$6,515,975 or 35.13% from FY 23 to FY 24.
- Total expenditures increased \$6,146,052 or 33.25% from FY 23 to FY 24.
- Intergovernmental revenue accounts for 96% of total revenues while program services accounts for 83% of total expenditures.
- Examples of other expenditures are insurance, marketing and advertising, and repairs and maintenance.

SPECIAL REVENUE FUNDS BY GRANT TYPES



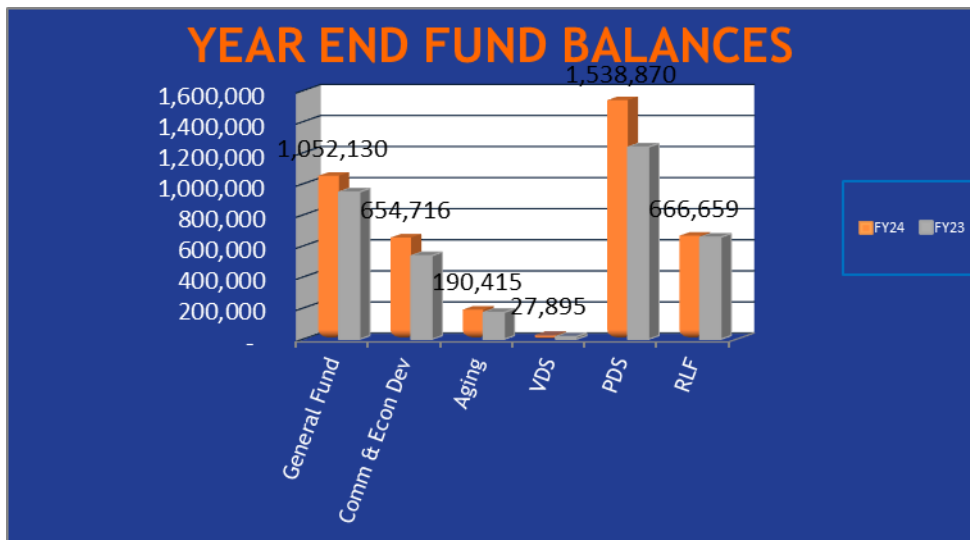
- ❖ Overall Intergovernmental Aging funding increased approximately \$1.2 million during FY 24 due to the American Rescue Plan Act (ARPA) funds.
- ❖ Examples of aging services include case management, home delivered meals and personal care.

ADDITIONAL SPECIAL REVENUE FUNDS

- Revolving Loan Fund (RLF) fund balance increased due to more loan/bank interest than expenses.
- Participant Directed Services (PDS) fund balance increased due to the growth of the program.
- Veteran's Directed Services (VDS) fund balance increased due to the growth of the program.
- General Fund balance increased due to having fewer capital projects during the year.
- Community & Economic Development fund balance increased due to performance-based agreements.

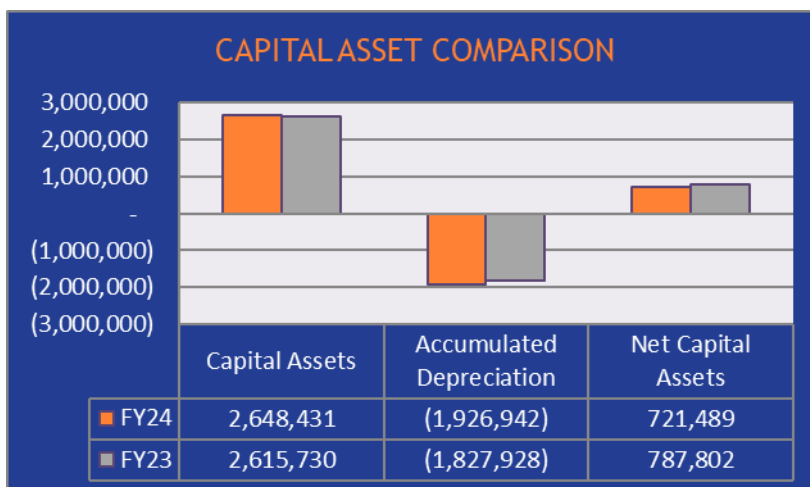
FUND BALANCES

Fund balances overall increased \$560,887 or 15.71% from \$3,569,798 to \$4,130,685 between FY 23 and FY 24.



CAPITAL ASSETS

On June 30, 2024, BRADD and its component units had invested \$2,648,431 in capital assets, consisting of land, building, furniture, equipment, and vehicles. The accumulated depreciation on those assets is \$1,926,942; therefore, net capital assets are \$721,489. This is a decrease of \$66,313 or 8.42% of net capital assets from FY 23.



OUTLOOK FOR THE FUTURE

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Barren River Area Development District
Statement of Net Position (Deficit)

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 4,619,978	\$ 25,289	\$ 4,645,267
Grants receivable	565,875	-	565,875
Accounts receivable	1,397,820	-	1,397,820
Loans, net	299,670	-	299,670
Net OPEB assets	93,659	-	93,659
Prepays	35,399	-	35,399
Nondepreciable capital assets	71,133	-	71,133
Depreciable capital assets	2,163,142	414,156	2,577,298
Less: accumulated depreciation	(1,512,786)	(414,156)	(1,926,942)
Total assets	7,733,890	25,289	7,759,179
Deferred Outflows of Resources			
OPEB related	569,890	-	569,890
Pension related	1,422,195	-	1,422,195
Total deferred outflows of resources	1,992,085	-	1,992,085
Liabilities			
Accounts payable	360,971	-	360,971
Accrued liabilities	1,319,309	-	1,319,309
Unearned revenue	975,143	-	975,143
Compensated absences	132,634	-	132,634
Net pension liability	4,352,895	-	4,352,895
Total liabilities	7,140,952	-	7,140,952
Deferred Inflows of Resources			
OPEB related	1,666,882	-	1,666,882
Pension related	940,386	-	940,386
Total deferred inflows of resources	2,607,268	-	2,607,268
Net Position (Deficit)			
Net investment in capital assets	721,489	-	721,489
Restricted			
Grant programs	857,074	-	857,074
Building maintenance	49,739	-	49,739
Unrestricted (deficit)	(1,650,547)	25,289	(1,625,258)
Total net position (deficit)	\$ (22,245)	\$ 25,289	\$ 3,044

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

Barren River Area Development District
Statement of Activities

			Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
	Expenses	Charges for Services					
Governmental activities							
Regional Support	\$ 188,505	\$ 136,055	\$ 58,209	\$ -	\$ 5,759	\$ -	\$ 5,759
Community & Economic Development	945,328	-	1,044,300	-	98,972	-	98,972
Aging and Independent Living (Aging)	5,590,413	-	5,677,598	-	87,185	-	87,185
Revolving Loan Fund (RLF)	16,312	-	15,874	-	(438)	-	(438)
Participant Directed Services (PDS)	17,872,281	-	18,165,277	-	292,996	-	292,996
Veterans Directed Services (VDS)	105,732	-	116,868	-	11,136	-	11,136
Total governmental activities	24,718,571	136,055	25,078,126	-	495,610	-	495,610
Business-type activities							
BRLOO	8,537	-	-	-	-	(8,537)	(8,537)
Total business-type activities	8,537	-	-	-	-	(8,537)	(8,537)
Total government	\$ 24,727,108	\$ 136,055	\$ 25,078,126	\$ -	495,610	(8,537)	487,073
General Revenues							
					76,360	-	76,360
					76,360	-	76,360
Change in net position					571,970	(8,537)	563,433
Net position (deficit) - beginning of year					(594,215)	33,826	(560,389)
Net position (deficit) - end of year					\$ (22,245)	\$ 25,289	\$ 3,044

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

Barren River Area Development District
Balance Sheet
Governmental Funds

<i>June 30, 2024</i>	General Fund	Special Revenue Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 896,697	\$ 3,723,281	\$ 4,619,978
Due from other funds	177,283	350,600	527,883
Grants receivable	-	565,875	565,875
Accounts receivable	-	1,397,820	1,397,820
Loans, net	-	299,670	299,670
Other	-	35,399	35,399
Total assets	\$ 1,073,980	\$ 6,372,645	\$ 7,446,625
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ 527,883	\$ 527,883
Accounts payable	36	360,935	360,971
Accrued payroll and taxes	-	1,319,309	1,319,309
Unearned revenue	21,814	953,329	975,143
Compensated absences	-	132,634	132,634
Total liabilities	21,850	3,294,090	3,315,940
Fund Balances			
Non-spendable	-	35,399	35,399
Restricted	49,739	857,074	906,813
Assigned	-	2,186,082	2,186,082
Unassigned	1,002,391	-	1,002,391
Total fund balances	1,052,130	3,078,555	4,130,685
Total liabilities and fund balances	\$ 1,073,980	\$ 6,372,645	\$ 7,446,625

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

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

<i>June 30,</i>	2024
Total fund balances - governmental funds	\$ 4,130,685
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 \$2,234,275 and the accumulated depreciation is \$1,512,786.	721,489
Deferred outflows and inflows of resources related to pension expense are applicable to future periods, therefore, are not reported in the fund statements.	481,809
Deferred outflows and inflows of resources related to OPEB expense are applicable to future periods, therefore, are not reported in the fund statements.	(1,096,992)
Long-term liabilities, including net pension and net OPEB liabilities, are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:	
Net OPEB asset	93,659
Net pension liability	(4,352,895)
Total net position (deficit) - governmental activities	\$ (22,245)

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, 2024</i>	General Fund	Special Revenue Funds	Total Governmental Funds
Revenues			
Intergovernmental revenue	\$ -	\$ 24,155,492	\$ 24,155,492
Local revenue	194,264	603,817	798,081
In-kind income	-	222,014	222,014
Program income	-	22,720	22,720
Investment income	30,307	46,053	76,360
Other income	-	15,874	15,874
Total revenues	224,571	25,065,970	25,290,541
Expenditures			
Regional Support	98,241	-	98,241
Community & Economic Development (CED)	-	949,567	949,567
Aging and Independent Living (Aging)	-	5,659,908	5,659,908
Revolving Loan Fund (RLF)	-	16,481	16,481
Participant Directed Services (PDS)	-	17,899,412	17,899,412
Veterans Directed Services (VDS)	-	106,045	106,045
Total expenditures	98,241	24,631,413	24,729,654
Excess (deficiency) of revenues over expenditures	126,330	434,557	560,887
Other Financing Sources (Uses)			
Operating transfers in	1,193	62,904	64,097
Operating transfers out	(23,360)	(40,737)	(64,097)
Total other financing sources (uses)	(22,167)	22,167	-
Net change in fund balance	104,163	456,724	560,887
Fund balances - beginning of year	947,967	2,621,831	3,569,798
Fund balances - end of year	\$ 1,052,130	\$ 3,078,555	\$ 4,130,685

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

<u>Year Ended June 30,</u>	<u>2024</u>
Total net change in fund balances - governmental funds	\$ 560,887
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 (\$114,946) exceeds capital outlays (\$56,170) in the period.	(58,776)
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	(94,315)
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	164,174
Change in net position - governmental activities	\$ 571,970

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, 2024</i>	Barren River Local Officials Organization
Assets	
Current assets	
Cash	\$ 25,289
Total current assets	25,289
Noncurrent assets	
Fixed assets - net	-
Total noncurrent assets	-
Total assets	25,289
Liabilities	-
Net Position	
Net investment in capital assets	-
Unrestricted	25,289
Total net position	\$ 25,289

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, 2024</i>	Barren River Local Officials Organization
Operating Expenses	
Audit and legal fees	\$ 1,000
Depreciation expense	7,537
Total operating expenses	8,537
Operating loss	(8,537)
Change in net position	(8,537)
Net position - beginning of year	33,826
Net position - end of year	\$ 25,289

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, 2024</i>	Barren River Local Officials Organization
Cash Flows from Operating Activities	
Cash payments for other operating expenses	\$ (1,000)
Net cash used in operating activities	(1,000)
Net decrease in cash	(1,000)
Cash - beginning of year	26,289
Cash - end of year	\$ 25,289

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, 2024</i>	Barren River Local Officials Organization
Reconciliation of Operating Loss to Net Cash Provided By (Used in)	
Operating Activities:	
Operating loss	\$ (8,537)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	7,537
Net cash used in operating activities	\$ (1,000)

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

Barren River Area Development District Notes to Financial Statements

NOTE 1: NATURE OF OPERATIONS AND REPORTING ENTITY

Reporting Entity

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

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

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

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

Blended Component Unit

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements — Fund financial statements report detailed information about the District's funds. Separate statements for each fund category (governmental and proprietary) are presented. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District has the following funds:

Governmental Fund Types

General Fund

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

Special Revenue

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

Proprietary Fund Type

Enterprise Fund

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. On this basis of accounting, revenues are recognized when they become measurable and available as assets.

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

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

Budgetary Information

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

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

Investments

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Loans

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

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

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

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

Accounts and Grants Receivable

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

Allowance for Loan Losses

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Interfund Balances

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

Prepaid Items

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

Capital Assets

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

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

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Inflows and Outflows of Resources – Pension Related

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

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

Deferred Inflows and Outflows of Resources – OPEB Related

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

Deferred Inflows and Outflows of Resources – OPEB Related (Continued)

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)

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

Profit Sharing Plan

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

Post-Employment Health Care Benefits

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

Unearned Revenue

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

Compensated Absences

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

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

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Policies

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

Interfund Transactions

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

Revenues — Exchange and Non-Exchange Transactions

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

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

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

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

Income Taxes

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near future are related to allowance for loan losses, pension liability and OPEB liability.

Subsequent Events

The District has evaluated any recognized or unrecognized subsequent events for consideration in the accompanying financial statements through December 17, 2024, 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.

Recent Issued and Adopted Accounting Pronouncements

GASB Statement No. 100, Accounting Changes and Error Corrections. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

Recent Accounting Pronouncements

GASB Statement No. 101, Compensated Absences, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. Additionally, this Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The District is evaluating the requirements of this Statement.

NOTE 3: CASH AND INVESTMENTS

Deposits

At June 30, 2024, the carrying amounts of the District's deposits, which include investments, were \$4,645,267 and the bank balances were \$5,182,671 of which \$5,182,671 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, 2024, the District's deposits were not exposed to custodial credit risk.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

► *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.

NOTE 4: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2024 consist of the following:

Receivable Fund	Payable Fund	Amount
JFA	VDS	\$ 1,770
JFA	Aging	159,252
JFA	RLF	1,668
JFA	PDS	187,910
General	JFA	177,283
Total		\$ 527,883

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

Barren River Area Development District
Notes to Financial Statements

NOTE 5: LOANS

At June 30, 2024, 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 \$299,670 at June 30, 2024, net of allowance for loan losses of \$27,243. The District had no loans on nonaccrual status at June 30, 2024.

An analysis of allowance for loan losses as of June 30, 2024 follows:

<i>June 30,</i>	2024
Balance - beginning of year	\$ 29,315
Provision (recovery) for loan losses	6,722
Charge offs	(8,794)
Balance - end of year	<u>\$ 27,243</u>

Barren River Area Development District
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 is as follows:

<i>June 30, 2024</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	381,589	14,005	-	395,594
Office building	1,606,675	8,819	-	1,615,494
Vehicles	142,177	33,346	(23,469)	152,054
Total depreciable historical cost	2,130,441	56,170	(23,469)	2,163,142
Less accumulated depreciation for:				
Office furniture and equipment	298,310	30,121	-	328,431
Office building	1,069,713	47,130	-	1,116,843
Vehicles	53,286	37,695	(23,469)	67,512
Total accumulated depreciation	1,421,309	114,946	(23,469)	1,512,786
Governmental activities, capital assets, net	\$ 780,265	\$ (58,776)	\$ -	\$ 721,489
Business-Type Activities				
Vehicles	\$ 414,156	\$ -	\$ -	\$ 414,156
Total historical cost	414,156	-	-	414,156
Less accumulated depreciation	406,619	7,537	-	414,156
Business-type activities, capital assets, net	\$ 7,537	\$ (7,537)	\$ -	\$ -

Depreciation expense was charged to governmental functions as follows:

<i>For the year ended June 30,</i>	2024
Regional Support	\$ 90,372
Aging and Independent Living	13,454
Community & Economic Development	11,120
Total depreciation expense	\$ 114,946

Barren River Area Development District Notes to Financial Statements

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, 2024, the District's special revenue funds had \$35,399 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, 2024, the District's special revenue funds had \$857,074 restricted for grant programs and \$49,739 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, 2024.

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, 2024, the District's special revenue funds had \$2,186,082 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, 2024, the District's general fund had \$1,002,391 in unassigned fund balance.

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

Barren River Area Development District
Notes to Financial Statements

NOTE 8: RETIREMENT PLANS

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

The District's employees share of funding under the County Employees Retirement System is equal to 5% (6% for new hires effective September 1, 2008) of the employee's covered salary. The District is required to contribute at an actuarially determined rate. The rate for CERS is 23.34%, 26.79% and 26.95% for the years ended June 30, 2024, 2023 and 2022, 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.

The District's contributions to the Plans during the fiscal years ended June 30, 2024, 2023 and 2022 were:

<i>June 30,</i>	2024	2023	2022
CERS ¹	\$ 538,024	\$ 538,410	\$ 497,248
401(k) Profit Sharing Match ¹	17,199	13,512	12,685

¹ *Equal to required contributions for each year.*

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

NOTE 8: RETIREMENT PLANS (CONTINUED)

General Information About the CERS Pension Plan

Plan Description

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

Benefits Provided

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

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

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

NOTE 8: RETIREMENT PLANS (CONTINUED)

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

Contributions

Employers participating in the CERS are required to contribute at an actuarially determined rate. Per KRS 78.635. The CERS board of trustees establishes the employer contribution rate based on KRS 78.454(33). The KERS Non-Hazardous employer contribution rate shall include, (1) the normal cost contribution and (2) the prorated amount of the actuarially accrued liability assigned to each individual non-hazardous employer in accordance with KRS 61.565(1)(d). The normal contribution and past service contribution rates shall be determined by the KRS Board of Trustees on the basis of the last annual valuation preceding the July 1 of a new biennium. The KRS Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS Board. For the fiscal year ended June 30, 2024, participating employers contributed a percentage of each employee's creditable compensation. The actuarially determined rate set by the Boards for the fiscal year ended June 30, 2024 was 23.34%.

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

At June 30, 2024, the District reported a liability of \$4,352,895 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on the District's share of 2023 contributions to the pension plan relative to the 2023 contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was .067839%.

Barren River Area Development District
Notes to Financial Statements

NOTE 8: RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2024, the District recognized pension expense of \$623,098. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 225,341	\$ 11,828
Net difference between projected and actual earnings on pension plan investments	470,236	529,612
Change of assumptions	-	398,946
Changes in proportion and differences between employer contributions and proportionate share of contribution	188,594	-
District contributions subsequent to the measurement date	<u>538,024</u>	<u>-</u>
Total	<u><u>\$ 1,422,195</u></u>	<u><u>\$ 940,386</u></u>

\$538,024 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2024	\$ 3,737
2025	(114,985)
2026	97,174
2027	(42,140)
Thereafter	-

NOTE 8: RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability, net pension liability, and sensitivity information as of June 30, 2023 were based on an actuarial valuation date of June 30, 2022. The total pension liability was rolled-forward from the valuation date (June 30, 2022) to the plan's fiscal year ending June 30, 2023, using generally accepted actuarial principles.

There have been changes in actuarial assumptions since June 30, 2022. The actuarial assumptions are:

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

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

Long-Term Expected Rate of 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
Equity		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Fixed Income		
Core Bonds	10.00%	2.45%
Specialty Credit/High Yield	10.00%	3.36%
Cash	0.00%	1.39%
Inflation Protected		
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
Expected Real Return		5.75%
Long Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		8.25%

Discount Rate

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

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

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District's proportionate share of the net pension liability	\$ 5,495,793	\$ 4,352,895	\$ 3,403,104

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

Contributions

Employers participating in the KRS Insurance Fund contribute a percentage of each employee's creditable compensation. The actuarially determined rates set by the KRS board is a percentage of each employee's creditable compensation. For the year ended June 30, 2024, the required contribution was 0% of each employee's covered payroll. Contributions from the District to the KRS Insurance Fund for the year ended June 30, 2024, were \$0. The KRS board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS board. Employees qualifying as Tier 2 or Tier 3 of the CERS plan members contribute 1% of creditable compensation to an account created for the payment of health insurance benefits.

Barren River Area Development District
Notes to Financial Statements

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

Implicit Subsidy

The fully-insured premiums paid for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB No. 74 requires that the liability associated with this implicit subsidy is included in the calculation of the total OPEB liability.

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

At June 30, 2024, the District reported a asset of \$(93,659) for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net OPEB liability was based on the District's share of 2023 contributions to the OPEB plan relative to the 2023 contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.067836%.

For the year ended June 30, 2024, the District recognized OPEB expense of (\$135,267).

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 65,294	\$ 1,329,863
Net difference between projected and actual investment earnings on OPEB plan investments	175,279	197,016
Change of assumptions	184,314	128,449
Changes in proportion and differences between employer contributions and proportionate share of contribution	145,003	11,554
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 569,890</u>	<u>\$ 1,666,882</u>

Barren River Area Development District
Notes to Financial Statements

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

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

For the year ended June 30, 2023, \$0 was reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. 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>	
2024	\$ (250,093)
2025	(324,948)
2026	(273,833)
2027	(248,118)
2028	-
Thereafter	-

Actuarial Assumptions

The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2023 are based on an actuarial valuation date of June 30, 2022. The total OPEB liability was rolled-forward from the valuation date (June 30, 2022) to the plan's fiscal year ended June 30, 2023, using generally accepted actuarial principles. The following actuarial assumptions were used in performing the actuarial valuation as of June 30, 2023.

Barren River Area Development District

Notes to Financial Statements

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

Actuarial Assumptions *(continued)*

Inflation	2.50%
Payroll Growth Rate	2.00%
Salary Increase	3.30% to 10.30%, varies by service for CERS non-hazardous
Investment Rate of Return	6.50%
Healthcare Trend Rates (Pre-65)	Initial trend starting at 6.80% at January 1, 2025, 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 8.50% in 2025, 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-2020 mortality improvement scale using a base year of 2010.
Mortality (Post-retirement; non-disabled)	System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023.
Mortality (Post-retirement; disabled)	PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year 2010.

Long-Term Expected Rate of Return

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Fixed Income		
Core Bonds	10.0%	2.45%
Specialty Credit/High Yield	10.0%	3.65%
Cash	0.00%	1.39%
Inflation Protected		
Real Estate	7.0%	4.99%
Real Return	13.0%	5.15%
Expected Real Return	<hr/>	<hr/> 5.75%
Long Term Inflation Assumption		<hr/> 2.50% <hr/>
Expected Nominal Return for Portfolio		8.25%

Discount Rate

Single discount rates of 5.93% for the non-hazardous system were used to measure the total OPEB liability as of June 30, 2023. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.86%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2023. Based on the stated assumptions and the projection of the cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the plan's actuarially determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the plan's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

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

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

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

The following presents the District's proportionate share of the net OPEB liability as of June 30, 2024, calculated using the discount rate of 5.93%, 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 (4.93%) or 1-percentage-point higher (6.93%) than the current rate:

	<u>1% Decrease (4.70%)</u>	<u>Current Discount Rate (5.70%)</u>	<u>1% Increase (6.70%)</u>
District's proportionate share of the collective net OPEB liability	\$ 175,762	\$ (93,659)	\$ (319,266)

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:

	<u>1% Decrease</u>	<u>Current Healthcare Rate</u>	<u>1% Increase</u>
District's proportionate share of the collective net OPEB liability	\$ (300,193)	\$ (93,659)	\$ 160,049

OPEB Plan Fiduciary Net Position

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

NOTE 10: CONTINGENCIES

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

Barren River Area Development District
Notes to Financial Statements

NOTE 11: RISK MANAGEMENT

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

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

During the fiscal year ended June 30, 2024, the District incurred a total expense of \$390,309 for health insurance premiums. The District also has a Health Reimbursement Arrangement (HRA) and/or a Health Savings Account (HSA) which funds part of the qualified medical expenses.

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

NOTE 12: EXCESS EXPENDITURES OVER APPROPRIATIONS

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

Fund	Amount
Barren River Local Officials Organization	\$ 8,537

NOTE 13: FUND TRANSFERS

Fund transfers for the year ended June 30, 2024 consist of the following:

Type	From Fund	To Fund	Purpose	Amount
Operating	General	Special Revenue	Matching/Regional Support	\$ 23,360
Operating	Special Revenue	Special Revenue	Matching expenditures	40,737

NOTE 14: COST ALLOCATION PLAN (CAP)

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

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

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

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

Cost Allocation Policy

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

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

Barren River Area Development District
Notes to Financial Statements

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

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

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

<i>Year Ended June 30, 2024</i>	Indirect Cost
Salaries and benefits	472,189
Travel	8,193
Audit and legal	43,195
Pension management	3,263
Telephone	22,392
Supplies	8,332
Insurance	44,907
Postage	3,152
Printing	1,021
Dues and subscriptions	996
Computer support and maintenance	48,302
Other	15,494
Rent	17,175
Utilities	21,822
Building maintenance and janitorial	72,777
	<hr/>
	\$ 783,211
	<hr/>

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

Year Ended June 30, 2024

	Budgeted Amounts				Variance with Final Budget
	Original	Final	Actual	Final to Actual	
Revenues					
Regional support revenues	\$ 121,047	\$ 188,222	\$ 224,571	\$ 36,349	
Total revenues	121,047	188,222	224,571	36,349	
Expenditures					
Regional support	113,219	118,564	98,241	20,323	
Total expenditures	113,219	118,564	98,241	20,323	
Excess (deficiency) of revenues over expenditures	7,828	69,658	126,330	56,672	
Other Financing Sources (Uses)					
Operating transfers in (out)	-	-	(22,167)	(22,167)	
Total other financing sources (uses)	-	-	(22,167)	(22,167)	
Net change in fund balance	7,828	69,658	104,163	34,505	
Fund balances - beginning of year	947,967	947,967	947,967	-	
Fund balances - end of year	\$ 955,795	\$ 1,017,625	\$ 1,052,130	\$ 34,505	

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

Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Final to Actual
Revenues				
Community & Economic Development	\$ 894,811	\$ 1,056,219	\$ 1,044,300	\$ (11,919)
Aging and Independent Living (Aging)	5,615,375	5,991,985	5,677,598	(314,387)
Revolving Loan Fund (RLF)	20,500	26,000	26,113	113
Participant Directed Services (PDS)	15,805,802	17,535,742	18,201,091	665,349
Veterans Directed Services (VDS)	104,924	120,000	116,868	(3,132)
Total revenues	22,441,412	24,729,946	25,065,970	336,024
Expenditures				
Community & Economic Development	950,847	1,057,810	949,567	108,243
Aging and Independent Living (Aging)	5,707,820	5,981,123	5,659,908	321,215
Revolving Loan Fund (RLF)	17,161	13,005	16,481	(3,476)
Participant Directed Services (PDS)	15,688,725	17,248,500	17,899,412	(650,912)
Veterans Directed Services (VDS)	104,122	100,683	106,045	(5,362)
Total expenditures	22,468,675	24,401,121	24,631,413	(230,292)
Excess of revenues over expenditures	(27,263)	328,825	434,557	105,732
Other Financing Sources (Uses)				
Operating transfers in - net	-	-	22,167	22,167
Total other financing sources (uses)	-	-	22,167	22,167
Net change in fund balance	(27,263)	328,825	456,724	127,899
Fund balances - beginning of year	2,621,831	2,621,831	2,621,831	-
Fund balances - end of year	\$ 2,594,568	\$ 2,950,656	\$ 3,078,555	\$ 127,899

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

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

<i>As of June 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.067839%	0.065390%	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	\$4,352,895	\$4,727,052	\$3,987,671	\$4,032,075	\$3,561,182	\$3,201,795	\$3,350,082	\$3,526,454	\$2,905,556	\$2,194,000
District's covered payroll	\$2,008,684	\$1,846,183	\$1,631,035	\$1,378,076	\$1,280,223	\$1,330,073	\$1,456,183	\$1,770,522	\$1,630,152	\$1,603,118
District's proportionate share of the net pension liability as a percentage of its covered payroll	216.70%	256.04%	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	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	68.80%
<i>For the Years Ended June 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 538,024	\$ 470,032	\$ 390,837	\$ 314,726	\$ 265,915	\$ 207,619	\$ 192,607	\$ 203,194	\$ 219,899	\$ 201,697
Contributions in relation to the contractually required contribution	538,024	470,032	390,837	314,726	265,915	207,619	192,607	203,194	219,899	201,697
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$2,305,159	\$2,008,684	\$1,846,183	\$1,631,035	\$1,378,076	\$1,280,223	\$1,330,073	\$1,456,183	\$1,770,522	\$1,630,152
Contributions as a percentage of covered payroll	23.34%	23.40%	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:

2023: No changes in benefit terms.

2022: No changes in benefit terms.

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms.

2017: No changes in benefit terms.

2016: No changes in benefit terms.

2015: No changes in benefit terms.

Changes of Assumptions

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

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

2022: No changes in assumptions.

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

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

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

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

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

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

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

2015: No changes in assumptions.

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

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

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

Schedule of District Contributions - CERS

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

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

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

Changes of Benefit Terms

2023: No changes of benefit terms.

2022: No changes of benefit terms.

2021: No changes of benefit terms.

2020: No changes of benefit terms.

2019: No changes of benefit terms.

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

Changes of Assumptions

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

2022: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. Additional information regarding the single discount rates is provided in Note 9 of the financial statements. During the 2022 legislative session, Senate Bill 209 was enacted which increased the insurance dollar contribution for members hired on or after July 1, 2023 by \$5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. Senate Bill 209 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans other than those administered by KPPA. The total OPEB liability as of June 30, 2022 is determined using these updated benefit provisions.

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

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

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

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

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

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

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

<i>Year Ended June 30, 2024</i>	General Fund
Revenues	
Intergovernmental revenue	\$ -
Local revenue	194,264
In-kind income	-
Program income	-
Investment income	30,307
Other income	-
Total revenues	224,571
Expenditures	
Program services	20,584
Personnel	5,339
Contractual services	10,853
Travel	6,534
Repairs and maintenance	8,887
Insurance	1,498
Audit and legal fees	61
Space & rental	-
Telephone	48
Office supplies	598
Postage	35
Provision for loan losses	-
Printing	186
Pension management	5
Miscellaneous	778

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

<i>Year Ended June 30, 2024</i>	General Fund
Staff training	477
Utilities	33
Computer support and maintenance	3,969
Marketing and advertising	3,172
Dues and subscriptions	23,174
Janitorial	62
Meeting	11,948
Capital outlay	-
Total expenditures	98,241
Deficiency of revenues over expenditures	126,330
Other Financing Sources (Uses)	
Operating transfers in	1,193
Operating transfers out	(23,360)
Total other financing sources (uses)	(22,167)
Net change in fund balance	104,163
Fund balances - beginning of year	947,967
Fund balances - end of year	\$ 1,052,130

Barren River Area Development District
Combining Balance Sheet
Special Revenue Funds

<i>June 30, 2024</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Total Special Revenue Funds
Assets						
Cash and investments	\$ 677,007	\$ 216,999	\$ 17,438	\$ 2,443,180	\$ 368,657	\$ 3,723,281
Due from other funds	350,600	-	-	-	-	350,600
Grants receivable	154,065	411,810	-	-	-	565,875
Accounts receivable	-	-	17,963	1,379,857	-	1,397,820
Loans, net	-	-	-	-	299,670	299,670
Other	35,044	-	-	355	-	35,399
Total assets	\$ 1,216,716	\$ 628,809	\$ 35,401	\$ 3,823,392	\$ 668,327	\$ 6,372,645
Liabilities and Fund Balances						
Liabilities						
Due to other funds	\$ 177,283	\$ 159,252	\$ 1,770	\$ 187,910	\$ 1,668	\$ 527,883
Accounts payable	103,217	256,047	1,217	454	-	360,935
Accrued payroll and taxes	84,766	-	3,718	1,230,825	-	1,319,309
Unearned revenue	64,100	23,095	801	865,333	-	953,329
Compensated absences	132,634	-	-	-	-	132,634
Total liabilities	562,000	438,394	7,506	2,284,522	1,668	3,294,090

Barren River Area Development District
Combining Balance Sheet
Special Revenue Funds

<i>June 30, 2024</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Special Revenue Funds
Fund Balances						
Non-spendable	35,044	-	-	355	-	35,399
Restricted	-	190,415	-	-	666,659	857,074
Committed	-	-	-	-	-	-
Assigned	619,672	-	27,895	1,538,515	-	2,186,082
Unassigned	-	-	-	-	-	-
Total fund balances	654,716	190,415	27,895	1,538,870	666,659	3,078,555
Total liabilities and fund balances	\$ 1,216,716	\$ 628,809	\$ 35,401	\$ 3,823,392	\$ 668,327	\$ 6,372,645

(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	\$ 527,883	\$ -
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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, 2024:

Aging owes Community & Economic Development	159,252	(159,252)
RLF owes Community & Economic Development	1,668	(1,668)
VDS owes Community & Economic Development	1,770	(1,770)
PDS owes Community & Economic Development	187,910	(187,910)
Community & Economic Development owes Local	177,283	(177,283)
	527,883	(527,883)
Total Due From (To) Other Funds - Detailed Balance Sheet by Grant Type - Special Revenue Fund	\$ 1,055,766	\$ (527,883)

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

<i>Year Ended June 30, 2024</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Total Special Revenue Funds
Revenues						
Intergovernmental revenue	\$ 817,648	\$ 5,182,664	\$ -	\$ 18,155,180	\$ -	\$ 24,155,492
Local revenue	226,652	250,200	116,868	10,097	-	603,817
In-kind income	-	222,014	-	-	-	222,014
Program income	-	22,720	-	-	-	22,720
Investment income	-	-	-	35,814	10,239	46,053
Other income	-	-	-	-	15,874	15,874
Total revenues	1,044,300	5,677,598	116,868	18,201,091	26,113	25,065,970
Expenditures						
Program services	48,778	4,060,589	88,831	16,137,628	-	20,335,826
Personnel	760,914	1,326,639	15,502	1,344,102	8,392	3,455,549
Contractual services	-	7,695	-	234,590	-	242,285
Travel	14,375	19,970	172	35,274	20	69,811
Repairs and maintenance	9,864	18,013	204	18,216	113	46,410
Insurance	9,910	17,251	195	17,372	107	44,835
Audit and legal fees	9,444	16,570	189	16,832	104	43,139
Space & rental	470	-	-	-	-	470
Telephone	5,338	8,650	96	10,799	52	24,935
Office supplies	4,520	14,236	37	4,510	20	23,323
Postage	1,415	14,620	61	1,789	24	17,909
Provision for loan losses	-	-	-	-	6,722	6,722
Printing	3,549	5,565	40	1,632	7	10,793
Pension management	716	1,250	14	1,267	7	3,254
Miscellaneous	244	1,370	141	2,032	-	3,787

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

<i>Year Ended June 30, 2024</i>	Community & Economic Development	Aging	VDS	PDS	Revolving Loan	Total Special Revenue Funds
Staff training	22,391	15,548	67	11,301	37	49,344
Utilities	4,798	8,380	95	8,467	52	21,792
Computer support and maintenance	27,564	51,229	210	36,485	499	115,987
Marketing and advertising	4,561	52,343	-	34	-	56,938
Dues and subscriptions	3,888	1,508	4	391	2	5,793
Janitorial	9,456	16,500	187	16,691	103	42,937
Meeting	7,372	1,982	-	-	220	9,574
Capital outlay	-	-	-	-	-	-
Total expenditures	949,567	5,659,908	106,045	17,899,412	16,481	24,631,413
Excess of revenues over expenditures	94,733	17,690	10,823	301,679	9,632	434,557
Other Financing Sources (Uses)						
Operating transfers in	28,775	34,129	-	-	-	62,904
Operating transfers out	(6,608)	(34,129)	-	-	-	(40,737)
Total other financing sources (uses)	22,167	-	-	-	-	22,167
Net change in fund balance	116,900	17,690	10,823	301,679	9,632	456,724
Fund balances - beginning of year	537,816	172,725	17,072	1,237,191	657,027	2,621,831
Fund balances - end of year	\$ 654,716	\$ 190,415	\$ 27,895	\$ 1,538,870	\$ 666,659	\$ 3,078,555

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2024

	General Fund	Opioid Symposium	Building	PDS	Veterans Directed Service
Revenue					
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	-	-	-	18,155,180	-
Local revenue	176,684	17,579	-	10,097	116,868
Investment Income	28,165	-	2,142	35,814	-
Program Income	-	-	-	-	-
In-Kind income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenue	204,849	17,579	2,142	18,201,091	116,868
Expenditures					
Direct costs:					
Salaries	2,405	569	-	750,630	8,762
Benefits	911	264	-	363,660	3,736
Annual leave	467	32	-	46,569	948
Travel & training	6,721	257	-	37,412	136
Other costs	56,040	-	8,819	259,199	224
Contractual services	-	-	-	456	-
Program services	2,068	18,515	-	16,137,628	88,831
Total direct costs	68,612	19,637	8,819	17,595,554	102,637
Indirect costs	904	269	-	303,858	3,408
Total expenditures	69,516	19,906	8,819	17,899,412	106,045
Other Financing Sources (Uses)					
Transfer in	-	1,193	-	-	-
Transfer out	(23,360)	-	-	-	-
Total other financing sources (uses)	(23,360)	1,193	-	-	-
Net change in fund balances	\$ 111,973	\$ (1,134)	\$ (6,677)	\$ 301,679	\$ 10,823

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2024

	JFA	ARC Ready LDD	Regional Transit	Regional Transportation	Water Planning	Local Road Updates
Revenue						
Federal revenue	\$ 167,100	\$ 39,861	\$ 50,164	\$ -	\$ -	\$ -
State revenue	280,822	-	-	83,454	76,000	-
Local revenue	-	-	-	-	-	25,334
Investment Income	-	-	-	-	-	-
Program Income	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenue	447,922	39,861	50,164	83,454	76,000	25,334
Expenditures						
Direct costs:						
Salaries	218,852	19,792	17,191	31,981	37,186	12,461
Benefits	95,016	7,869	7,998	15,149	17,451	5,668
Annual leave	12,689	1,092	752	1,882	2,052	692
Travel & training	19,529	1,788	1,094	2,768	1,676	41
Other costs	16,489	1,777	2,042	5,363	2,766	1,536
Contractual services	-	-	-	-	-	-
Program services	-	-	26,839	-	-	-
Total direct costs	362,575	32,318	55,916	57,143	61,131	20,398
Indirect costs	85,590	7,543	6,869	12,853	14,899	4,936
Total expenditures	448,165	39,861	62,785	69,996	76,030	25,334
Other Financing Sources (Uses)						
Transfer in	243	-	12,621	9,273	30	-
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	243	-	12,621	9,273	30	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ 22,731	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2024

	Revolving Loan Fund	Revolving Loan Fund CARES	SS4A	BEAD	PDM Admin	PDM Services
Revenue						
Federal revenue	\$ -	\$ -	\$ 28,099	\$ 45,000	\$ -	\$ -
State revenue	-	-	7,025	-	-	-
Local revenue	-	-	-	-	829	4,479
Investment Income	3,546	6,693	-	-	-	-
Program Income	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-
Other income	13,490	2,384	-	-	-	-
Total revenue	17,036	9,077	35,124	45,000	829	4,479
Expenditures						
Direct costs:						
Salaries	2,728	2,158	4,733	17,620	443	2,334
Benefits	1,089	884	2,042	7,220	186	1,059
Annual leave	213	192	247	1,097	29	133
Travel & training	-	-	700	452	-	25
Other costs	(5,968)	13,315	3,616	270	-	3
Contractual services	-	-	-	-	-	-
Program services	-	-	21,939	-	-	-
Total direct costs	(1,938)	16,549	33,277	26,659	658	3,554
Indirect costs	1,041	829	1,847	6,774	171	925
Total expenditures	(897)	17,378	35,124	33,433	829	4,479
Other Financing Sources (Uses)						
Transfer in	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ 17,933	\$ (8,301)	\$ -	\$ 11,567	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2024

	DRC	BRIC	Other Local Contracts	Aging General Funds	Mental Health & Aging Council	Title IIIB Admin
Revenue						
Federal revenue	\$ 26,433	\$ -	\$ -	\$ -	\$ -	\$ 107,192
State revenue	-	13,691	-	-	-	36,849
Local revenue	-	-	196,010	48,057	13,698	-
Investment Income	-	-	-	-	-	-
Program Income	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenue	26,433	13,691	196,010	48,057	13,698	144,041
Expenditures						
Direct costs:						
Salaries	16,644	8,233	50,479	-	-	68,292
Benefits	7,398	2,101	24,319	-	-	32,871
Annual leave	999	316	3,601	-	-	5,577
Travel & training	489	-	3,019	-	-	5,341
Other costs	955	223	4,825	567	825	4,374
Contractual services	-	-	-	-	-	-
Program services	-	-	-	-	8,250	-
Total direct costs	26,485	10,873	86,243	567	9,075	116,455
Indirect costs	6,556	2,818	20,557	-	-	27,586
Total expenditures	33,041	13,691	106,800	567	9,075	144,041
Other Financing Sources (Uses)						
Transfer in	6,608	-	-	-	-	-
Transfer out	-	-	(6,608)	(34,129)	-	-
Total other financing sources (uses)	6,608	-	(6,608)	(34,129)	-	-
Net change in fund balances	\$ -	\$ -	\$ 82,602	\$ 13,361	\$ 4,623	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2024

	Title IIIB Supportive Services			Title IIIC1 Congregate Meals			Title IIIC2 Admin	
		TIIB ARPA	TIIC1 Admin		TIIC1 ARPA			
Revenue								
Federal revenue	\$ 530,694	\$ 199,979	\$ 4,575	\$ 380,578	\$ 210,683	\$ 5,250		
State revenue	43,986	-	1,525	42,374	-	1,750		
Local revenue	37,446	-	-	-	-	-		
Investment Income	-	-	-	-	-	-		
Program Income	2,115	-	-	5,625	1,875	-		
In-Kind income	23,474	-	-	90,709	9,218	-		
Other income	-	-	-	-	-	-		
Total revenue	637,715	199,979	6,100	519,286	221,776	7,000		
Expenditures								
Direct costs:								
Salaries	112,180	14,099	3,098	-	12,785	3,484		
Benefits	54,258	5,956	1,435	-	3,046	1,659		
Annual leave	5,653	1,197	245	-	424	280		
Travel & training	4,219	330	44	-	372	120		
Other costs	13,169	3,373	104	-	265	102		
Contractual services	-	-	-	-	69	-		
Program services	402,849	177,159	-	519,286	205,820	-		
Total direct costs	592,328	202,114	4,926	519,286	222,781	5,645		
Indirect costs	45,387	5,469	1,223	-	4,317	1,388		
Total expenditures	637,715	207,583	6,149	519,286	227,098	7,033		
Other Financing Sources (Uses)								
Transfer in	-	7,604	49	-	5,322	33		
Transfer out	-	-	-	-	-	-		
Total other financing sources (uses)	-	7,604	49	-	5,322	33		
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2024

	Title IIIC2 Home		Title IIID		Title IIIE		Title IIIE Caregiver	
	Delivered Meals	IIIC2 ARPA	Health Promotion	IIID ARPA	IIIE Admin	Support	IIIE ARPA	
Revenue								
Federal revenue	\$ 75,490	\$ 288,239	\$ 20,607	\$ 18,546	\$ 18,000	\$ 175,693	\$ 29,318	
State revenue	21,000	-	-	-	6,000	10,000	-	
Local revenue	-	12,866	-	-	-	36,220	-	
Investment Income	-	-	-	-	-	-	-	
Program Income	1,270	2,705	-	-	-	-	-	
In-Kind income	36,270	33,898	-	-	-	50	-	
Other income	-	-	-	-	-	-	-	
Total revenue	134,030	337,708	20,607	18,546	24,000	221,963	29,318	
Expenditures								
Direct costs:								
Salaries	-	7,550	534	141	10,892	31,077	2,395	
Benefits	-	2,326	264	67	5,301	14,422	1,209	
Annual leave	-	322	33	7	883	2,219	199	
Travel & training	-	711	-	-	11	1,137	19	
Other costs	-	744	-	-	2,504	3,369	1,113	
Contractual services	-	-	-	-	-	-	4,844	
Program services	134,030	324,921	19,556	18,275	-	173,490	21,246	
Total direct costs	134,030	336,574	20,387	18,490	19,591	225,714	31,025	
Indirect costs	-	2,694	220	56	4,416	12,407	982	
Total expenditures	134,030	339,268	20,607	18,546	24,007	238,121	32,007	
Other Financing Sources (Uses)								
Transfer in	-	1,560	-	-	7	16,158	2,689	
Transfer out	-	-	-	-	-	-	-	
Total other financing sources (uses)	-	1,560	-	-	7	16,158	2,689	
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2024

	Title IIIB Ombudsman	Title VII Elder Abuse	Title VII Ombudsman	TVII Ombudsman ARPA	State Long Term Care Ombudsman	ADRC	KY Care
Revenue							
Federal revenue	\$ 114,709	\$ 5,611	\$ 17,724	\$ 14,345	\$ -	\$ 30,000	\$ -
State revenue	-	-	-	-	34,742	123,861	8,265
Local revenue	26	1,972	5,900	-	10,289	-	-
Investment Income	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Total revenue	114,735	7,583	23,624	14,345	45,031	153,861	8,265
Expenditures							
Direct costs:							
Salaries	-	-	-	-	-	65,578	4,104
Benefits	-	-	-	-	-	35,271	1,996
Annual leave	-	-	-	-	-	3,324	363
Travel & training	-	-	-	-	-	511	27
Other costs	-	-	-	-	-	21,646	203
Contractual services	-	-	-	-	-	30	-
Program services	114,735	7,583	23,624	14,345	45,031	-	-
Total direct costs	114,735	7,583	23,624	14,345	45,031	126,360	6,693
Indirect costs	-	-	-	-	-	27,501	1,664
Total expenditures	114,735	7,583	23,624	14,345	45,031	153,861	8,357
Other Financing Sources (Uses)							
Transfer in	-	-	-	-	-	-	92
Transfer out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	92
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2024

	KY CARE CM	ADVC admin	ADVC	SHIP Admin	SHIP Services	SHIP Training Funds	MIPPA SHIP Sept - June
Revenue							
Federal revenue	\$ -	\$ 5,000	\$ 50,428	\$ 1,800	\$ 42,200	\$ 12,453	\$ 940
State revenue	112,621	-	-	-	-	-	-
Local revenue	26	-	-	-	3,140	-	-
Investment Income	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Total revenue	112,647	5,000	50,428	1,800	45,340	12,453	940
Expenditures							
Direct costs:							
Salaries	15,179	2,608	5,954	888	924	258	-
Benefits	4,309	1,098	2,801	467	478	123	-
Annual leave	584	206	295	81	76	21	-
Travel & training	240	56	120	-	32	-	-
Other costs	9,132	49	36,099	4	311	-	-
Contractual services	-	-	2,782	-	-	-	-
Program services	77,921	-	-	-	43,140	11,953	940
Total direct costs	107,365	4,017	48,051	1,440	44,961	12,355	940
Indirect costs	5,314	1,004	2,377	369	382	104	-
Total expenditures	112,679	5,021	50,428	1,809	45,343	12,459	940
Other Financing Sources (Uses)							
Transfer in	32	21	-	9	3	6	-
Transfer out	-	-	-	-	-	-	-
Total other financing sources (uses)	32	21	-	9	3	6	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2024

	MIPPA SHIP July - Aug	MIPPA ADRC Sept - June	MIPPA ADRC July - Aug	MIPPA AAA Sept - June	MIPPA AAA Jul - Aug	INNU admin
Revenue						
Federal revenue	\$ 260	\$ 2,665	\$ 2,188	\$ 3,493	\$ 1,362	\$ 430
State revenue	-	-	-	-	-	-
Local revenue	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Program Income	-	-	-	-	-	-
In-Kind income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenue	260	2,665	2,188	3,493	1,362	430
Expenditures						
Direct costs:						
Salaries	-	1,272	1,227	2,010	775	215
Benefits	-	645	327	636	151	113
Annual leave	-	45	99	101	68	13
Travel & training	-	-	-	25	-	-
Other costs	-	181	-	-	36	-
Contractual services	-	-	-	-	-	-
Program services	260	-	-	-	-	-
Total direct costs	260	2,143	1,653	2,772	1,030	341
Indirect costs	-	522	557	722	332	93
Total expenditures	260	2,665	2,210	3,494	1,362	434
Other Financing Sources (Uses)						
Transfer in	-	-	22	1	-	4
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	22	1	-	4
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2024

	INNU CM	Homecare Admin	Homecare Services	ESMP Admin	ESMP Services	HRSA	NSIP July - Sept
Revenue							
Federal revenue	\$ 3,872	\$ -	\$ -	\$ 84,740	\$ 1,190,152	\$ -	\$ 54,686
State revenue	-	110,384	870,991	-	-	-	-
Local revenue	-	-	55,297	-	25,264	-	-
Investment Income	-	-	-	-	-	-	-
Program Income	-	-	-	-	9,130	-	-
In-Kind income	-	-	-	-	28,395	-	-
Other income	-	-	-	-	-	-	-
Total revenue	3,872	110,384	926,288	84,740	1,252,941	-	54,686
Expenditures							
Direct costs:							
Salaries	1,436	53,578	134,629	41,709	150,744	136	-
Benefits	682	27,515	66,666	21,191	64,367	71	-
Annual leave	70	4,405	7,010	2,823	7,333	29	-
Travel & training	1,221	911	5,014	805	3,888	-	-
Other costs	-	1,874	9,088	1,060	10,225	-	-
Contractual services	-	-	-	-	-	-	-
Program services	-	-	648,990	-	958,087	-	54,686
Total direct costs	3,409	88,283	871,397	67,588	1,194,644	236	54,686
Indirect costs	605	22,113	54,892	17,152	58,659	57	-
Total expenditures	4,014	110,396	926,289	84,740	1,253,303	293	54,686
Other Financing Sources (Uses)							
Transfer in	142	12	1	-	362	-	-
Transfer out	-	-	-	-	-	-	-
Total other financing sources (uses)	142	12	1	-	362	-	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (293)	\$ -

Barren River Area Development District
Statement of Grant Activity

Year Ended June 30, 2024

	NSIP Oct - June	Total
Revenue		
Federal revenue	\$ 54,413	\$ 4,114,972
State revenue	-	20,040,520
Local revenue	-	798,081
Investment Income	-	76,360
Program Income	-	22,720
In-Kind income	-	222,014
Other income	-	15,874
Total revenue	54,413	25,290,541
Expenditures		
Direct costs:		
Salaries	-	1,954,952
Benefits	-	915,741
Annual leave	-	117,987
Travel & training	-	101,261
Other costs	-	491,911
Contractual services	-	8,181
Program services	54,413	20,356,410
Total direct costs	54,413	23,946,443
Indirect costs	-	783,211
Total expenditures	54,413	24,729,654
Other Financing Sources (Uses)		
Transfer in	-	64,097
Transfer out	-	(64,097)
Total other financing sources (uses)	-	-
Net change in fund balances	\$ -	\$ 560,887

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

<i>Year Ended June 30, 2024</i>	Direct Salary Plus Burden	Percent of Total	Indirect Cost Distribution	Percent of Total
JFA:				
Community and economic development (120)	\$ 128,377	4.47%	\$ 35,007	4.47%
Community development block grant (125)	23,462	0.82%	6,398	0.82%
ARC planning and assistance (130)	74,904	2.61%	20,426	2.61%
Management assistance (140)	53,371	1.86%	14,554	1.86%
Program administration (150)	33,753	1.17%	9,204	1.17%
Total JFA	313,867	10.93%	85,589	10.93%
Non-JFA	2,556,828	89.07%	697,622	89.07%
Total JFA and Non-JFA	\$ 2,870,695	100.00%	\$ 783,211	100.00%

Barren River Area Development District Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Contract Number/ Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health & Human Services:				
Passed through Kentucky Cabinet for Health and Family Services:				
Aging Cluster				
Special Programs for the Aging Title III, part B, Grants for Supportive Services and Senior Centers	93.044	PON 3 725 2200000036	\$ 220,946	\$ 752,595
COVID-19 Special Programs for the Aging Title III, part B, Grants for Supportive Services and Senior Centers	93.044	PON 3 725 2200000036	38,931	199,979
Special Programs for the Aging, Title III, Part C Nutrition Services	93.045	PON 3 725 2200000036	209,137	465,893
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	PON 3 725 2200000036	94,825	498,921
Nutrition Services Incentive Program	93.053	PON 3 725 2400000006	-	54,413
Nutrition Services Incentive Program	93.053	PON 3 725 2200000038	-	54,686
Subtotal				\$ 2,026,487
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	PON 3 725 2200000019	5,611	5,611
Special Programs for the Aging, Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	PON 3 725 2200000019	17,724	17,724
Special Programs for the Aging, Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	PON 3 725 2200000019	14,345	14,345
Subtotal				32,069
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	PON 3 725 2200000036	19,555	20,607
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	PON 3 725 2200000036	18,275	18,546
Subtotal				39,153
National Family Caregiver Support, Title III, Part E	93.052	PON 3 725 2200000036	-	193,693
National Family Caregiver Support, Title III, Part E	93.052	PON 3 725 2200000036	-	29,318
Subtotal				223,011
Medicare Enrollment Assistance Program	93.071	PON 3 725 2400000007	940	7,098
Medicare Enrollment Assistance Program	93.071	PON 3 725 2200000037	260	3,810
Subtotal				10,908
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	PON 3 725 2300000130		55,427
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	PON 3 725 2400000017		4,302
Subtotal				59,729
State Health Insurance Assistance Program	93.324	PON 3 725 2200000040	40,000	56,453
Opioid STR	93.788	PON 3 725 2200000065		30,000
Total U.S. Department of Health & Human Services				2,483,421

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, 2024

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				
Economic Adjustment Assistance ¹	11.307	04-79-07505	-	261,359
Economic Adjustment Assistance	11.307	ED24ATL0G0107	-	26,433
Subtotal				287,792
Broadband Equity, Access, and Deployment Program	11.035	PON 2 082 2400004908		45,000
Passed through Department for Local Government:				
Economic Development Support for Planning Organizations	11.302	PON2 112 2300003214	-	92,847
Total U.S. Department of Commerce				425,639
Appalachian Regional Commission:				
Direct program				
Appalachian Area Development	23.002	CC-21548-LDD-23	-	39,861
Appalachian Local Development District Assistance	23.009	KY-702-J-C47-24	-	57,225
Total Appalachian Regional Commission				97,086
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 2300003214	-	17,028
Total U.S. Department of Housing and Urban Development				17,028
U.S. Department of Transportation:				
Passed through KY Transportation Cabinet:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	PO43021442	-	25,968
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	PO40120442	-	24,196
Subtotal				50,164
Safe Streets and Roads for All	20.939	693JJ32340277	-	28,099
Total U.S. Department of Transportation				78,263
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 3 725 2200000036	86,804	1,274,893
Total U.S. Department of Treasury				1,274,893
Total Expenditures of Federal Awards			\$ 767,353	\$ 4,376,330

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, 2024	\$ 60,897
Cash and investment balance in RLF CARES at June 30, 2024	196,100
Administrative expenses paid out of RLF CARES in year ended June 30, 2024	4,362
	261,359
Federal share of RLF	X 100%
	\$ 261,359

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, 2024. 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, 2023.

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, 2024 was \$60,897, ALN No. 11.307, Revolving loan fund (RLF CARES).

NOTE 5: CONTINGENCIES

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

NOTE 6: SUBRECIPIENTS

The District did provide federal funds to subrecipients for the fiscal year June 30, 2024 as noted in the accompanying Schedule of Expenditures of Federal Awards.

Barren River Area Development District
Summary Schedule of Prior Audit Findings

No findings were reported in the June 30, 2023 audit.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Barren River Area Development District (the "District") as of and for the year ended June 30, 2024, 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 November 27, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, L.L.C.
Bowling Green, Kentucky
December 17, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Barren River Area Development District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, L.L.C.
Bowling Green, Kentucky
December 17, 2024

Barren River Area Development District Schedule of Findings and Questioned Costs

Section I — Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs: unmodified

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

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

Identification of major federal programs:

CFDA Numbers	Name of Federal Program or Cluster
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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