



**GREEN RIVER AREA DEVELOPMENT DISTRICT**

**FINANCIAL STATEMENTS**

**June 30, 2024**

**1700 Eastpoint Parkway, Suite 270  
Louisville, KY 40223**

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## **Independent Auditors' Report**

To the People of Kentucky  
Honorable Andy Beshear, Governor  
Michael Adams, Secretary of State  
Holly M. Johnson, Secretary, Finance and Administration Cabinet  
Board Members of Green River Area Development District  
Joanna Shake, Executive Director

### **Opinion**

We have audited the accompanying financial statements of the governmental activities and each major fund of Green River Area Development District (GRADD) as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise GRADD'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 governmental activities and each major fund of GRADD as of June 30, 2024, and the respective changes in financial position for the fiscal year ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GRADD 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 opinion.

### **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; this includes 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 GRADD's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the People of Kentucky  
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### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 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 GRADD'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 GRADD'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.

To the People of Kentucky  
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## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 thru 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise GRADD's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the People of Kentucky  
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Joanna Shake Executive Director

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 6, 2024 on our consideration of the GRADD'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 this report is 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 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 GRADD's internal control over financial reporting and compliance.

Respectfully submitted,

*Tichenor & Associates, LLP*

Tichenor & Associates, LLP  
Louisville, Kentucky  
December 6, 2024

**Green River Area Development District  
Management Discussion and Analysis  
Fiscal Year Ended June 30, 2024**

As management of the GRADD, we offer readers of the GRADD's financial statements this brief narrative overview and analysis of the financial activities of GRADD for the fiscal year ended June 30, 2024.

**Financial Highlights**

- As of the close of the fiscal year 2024, GRADD had an unassigned fund balance in the general fund of \$4,568,788. GRADD reported restricted fund balance of \$930,954 in the special revenue fund for federal, state, and local grant programs.
- Per Governmental Accounting Standards Board Statement 68 *Accounting and Financial Reporting for Pensions*, GRADD recorded a net pension liability in the amount of \$6,314,935 for its proportionate share of the net pension liability of the County Employee Retirement System (CERS) sponsored by Kentucky Retirement System.
- Per Governmental Accounting Standards Board Statement 75 *Accounting and Financial Reporting for Postemployment Benefit Plans other than Pensions*, GRADD recorded a net liability for other post-employment benefits (OPEB) in the amount of \$135,877 for its proportionate share of the net OPEB liabilities of the County Employee Retirement System (CERS) and Teachers' Retirement System of the State of Kentucky (TRS).
- The combined, net effect of recognition of GRADD's proportionate share liabilities, expenses and net outflows and inflows for state administered plans for pensions and post-employment benefits as required by GASB 68 and GASB 75 is a \$1,587,938 increase in GRADD's net position as presented in the government-wide Statement of Net Position. A description of the benefits and operations of these pension plans is discussed more fully in the Notes to the Financial Statements.
- GRADD received a total of \$36,013,918 in grant revenues during the fiscal year ended June 30, 2024. This represents 97% of total receipts. Federal grant revenues totaled \$7,123,675, or 19% percent of total grant revenues.
- Program expenses comprise the most significant portion of GRADD's expenditures. For the fiscal year ended June 30, 2024, these expenditures totaled \$36,415,953 or 99% of total expenditures for the fiscal year.
- Activities of GRADD during the fiscal year ended June 30, 2024, produced an increase in net position of \$1,588,443 compared with a \$510,441 increase in net position experienced in the previous fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to GRADD's basic financial statements. GRADD's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) governmental funds financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of GRADD's finances, in a manner similar to a private-sector business. These statements include the Statement of Net Position and the Statement of Activities. The Statement of Net Position presents information on all of GRADD's assets and liabilities with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of GRADD is improving or deteriorating.

The Statement of Activities presents information showing how GRADD's net position changed during the most recent fiscal year. This information is presented as expenses and revenues for each component program/fund of GRADD. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of cash flows*. Thus, revenues and expenditures are reported in the statement for some items that will only result in cash flows in future fiscal periods (i.e. federal funds receivable).

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. GRADD uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report GRADD's operations in more detail than the government-wide statements by providing information about GRADD's most significant funds. GRADD has two types of funds. One type fund, which is a governmental fund, is used to track the revenues and expenditures associated with the administration of GRADD. The other type of fund is the special revenue fund which accounts for the federal, state, and local grant program revenues and expenditures.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

**Fund Balance Reporting.** The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires that fund balance amounts be properly classified within one of five fund balance categories and reported as part of the fund financial statements. The five categories of fund balance defined by GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. Additional details regarding these fund balance types and purposes are contained in the notes to the financial statements.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Financial Analysis of GRADD's Funds

The Statement of Net Position provides the perspective of GRADD as a whole. As previously noted, net position may serve as a useful indicator of a government's financial position. In the case of GRADD, assets exceeded liabilities by \$10,787,083 as of June 30, 2024. Per Governmental Accounting Standards Board Statement 68 Accounting and Financial Reporting for Pension, GRADD recorded a net pension liability in the amount of \$6,314,935 for its proportionate share of the net pension liability of the County Employee Retirement System (CERS) sponsored by Kentucky Retirement System. And, per Governmental Accounting Standards Board Statement 75 *Accounting and Financial Reporting for Postemployment Benefit Plans other than Pension*, GRADD recorded a net liability for other post-employment benefits (OPEB) in the amount of \$135,877 for its proportionate share of the net OPEB liabilities of the CERS and Teachers' Retirement System of the State of Kentucky (TRS). The following tables present a summary of the financial position and results of operations for fiscal year ended June 30, 2024, compared to fiscal year ended June 30, 2023:

### **Net Assets as of June 30, 2024 and 2023**

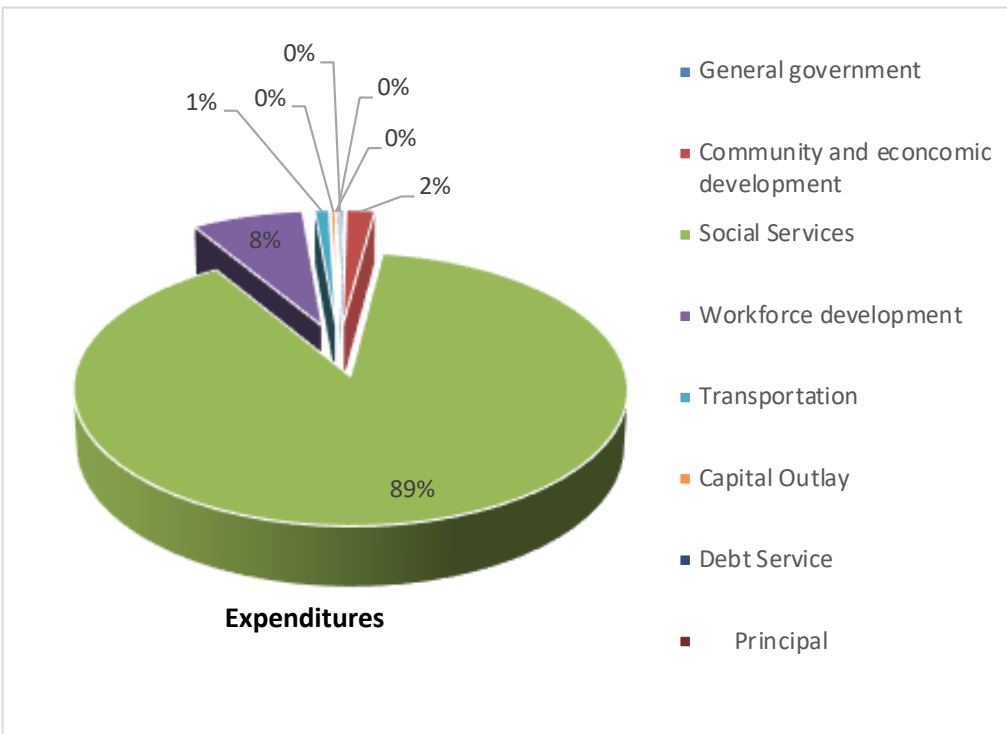
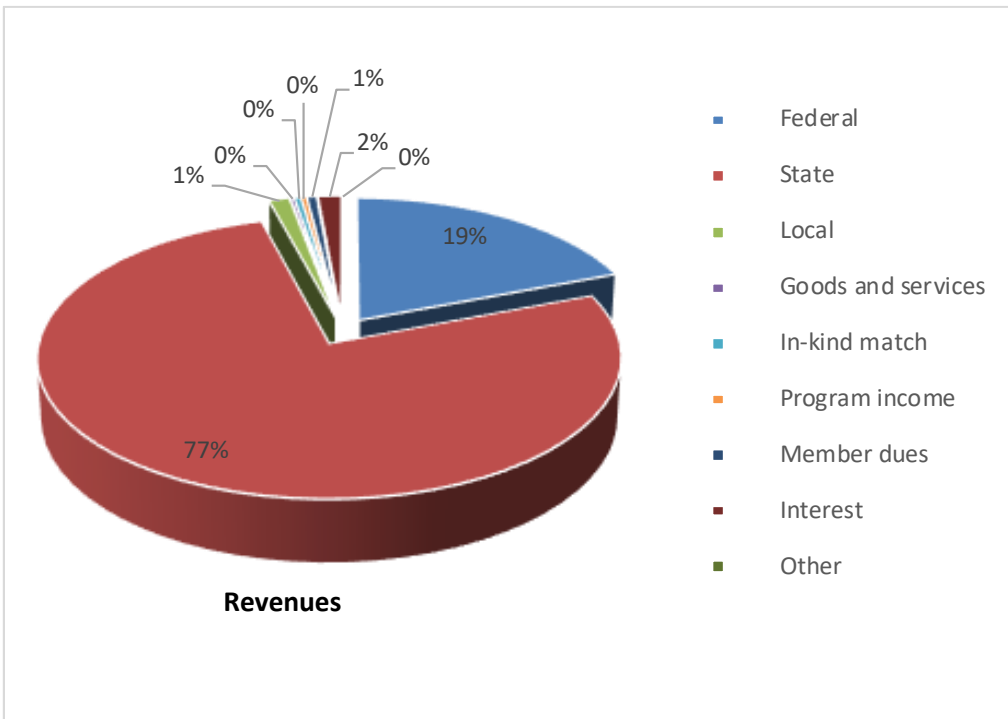
	<b><u>FY 2024</u></b>	<b><u>FY 2023</u></b>
Asset and Deferred Outflows of Resources		
Current and other assets	\$ 17,580,824	\$ 14,132,924
Capital Assets	955,423	1,132,595
Pension deferred outflows	3,690,770	1,596,019
Total Assets and Deferred outflows of resources	<u>22,227,017</u>	<u>16,861,538</u>
Liabilities and Deferred Inflows of Resources		
Long-term Liabilities :	6,903,981	8,736,000
Other liabilities	4,513,452	1,816,663
Pension Deferred Inflows	3,852,399	1,832,266
Total Liabilities and Deferred Inflows of Resources	<u>15,269,832</u>	<u>12,384,929</u>
Net Position		
Invest in capital assets, net of debt	791,013	697,103
Restricted	9,950,497	8,650,023
Unrestricted	(3,783,820)	(3,977,879)
Total Net Position	<u>\$ 6,957,690</u>	<u>\$ 5,369,247</u>

**Net Revenue as of June 30, 2024 and 2023**

	<b><u>FY 2024</u></b>	<b><u>FY2023</u></b>
Revenues		
Federal	\$ 7,123,675	\$ 5,246,829
State	28,420,234	20,365,268
Local	470,009	474,248
Goods and Services Revenue	81,642	53,165
In-Kind Match	141,075	116,313
Program Income	118,307	117,092
Member Dues	216,407	216,809
Interest	541,496	123,054
Other	-	25
Total Revenues	<u>37,112,845</u>	<u>26,712,803</u>
Expenses		
General Government	94,136	58,958
Community & Economic Development	680,295	676,177
Social Services	32,603,018	23,611,264
Workforce Development	2,696,530	1,543,858
Transportation	341,974	335,535
Capital Outlay	100,549	132,039
Debt Service		
Principal	59,657	51,502
Interest	12,762	13,459
Total Expenses	<u>36,588,921</u>	<u>26,422,792</u>
Change in Fund Balance	<u>\$ 523,924</u>	<u>\$ 290,011</u>

The Statement of Activities on page 11 presents total summarized expenditures and revenues of individual funds operated by GRADD during the fiscal year ended June 30, 2024. A more detailed analysis of revenues and expenditures of GRADD's general fund compared to special revenue fund is found in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds on page 14.

GRADD's total revenues increased \$10,400,042, or 72%. Total expenditures increased \$10,166,129, or 72%. The following pie charts provide a visual representation of the elements that comprise revenues and expenditures:



This financial report is designed to provide our legislators, citizens, taxpayers, customers, and federal government officials, as well as investors and creditors, with a general overview of the Green River Area Development District's finances and to demonstrate the Green River Area Development District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Green River Area Development District, 300 GRADD Way, Owensboro, KY 42301.

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**STATEMENT OF NET POSITION**  
For the Fiscal Year Ending June 30, 2024

	Governmental Activities	Business-type Activites	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,306,451	\$ 3,882,563	\$ 11,189,014
Grants receivable	2,943,371	-	2,943,371
Other receivables	12,446	-	12,446
Due from other funds	710	17,422	18,132
Prepays	11,715	-	11,715
Notes receivable	-	3,406,146	3,406,146
Capital assets, being depreciated, net	955,423	505	955,928
Total Assets	11,230,116	7,306,636	18,536,752
Deferred Outflows Related to Pensions	2,169,868	-	2,169,868
Deferred Outflows Related to OPEB	1,520,902	-	1,520,902
Total Deferred Outflows	3,690,770	-	3,690,770
Total Assets and Deferred Outflows	14,920,886	7,306,636	22,227,522
<b>LIABILITES</b>			
Accounts Payable - Trade and Contracts	462,059	28,262	490,321
Accrued Liabilities	2,274,100	-	2,274,100
Compensated Absences	182,697	-	182,697
Unearned Revenue	1,560,050	-	1,560,050
Accrued Interest Payable	6,284	-	6,284
Net Pension Liability	6,314,935	-	6,314,935
Net OPEB Liability	135,877	-	135,877
Notes Payable - Long Term	164,410	288,759	453,169
Total Liabilities	11,100,412	317,021	11,417,433
Deferred Inflows Related to Pensions	1,401,432	-	1,401,432
Deferred Inflows Related to OPEB	2,450,967	-	2,450,967
Total Deferred Inflows	3,852,399	-	3,852,399
<b>NET POSITION</b>			
Net Investment in Capital Assets	791,013	-	791,013
Restricted	2,960,882	6,989,615	9,950,497
Unrestricted	(3,783,820)	-	(3,783,820)
Total Net Position	\$ (31,925)	\$ 6,989,615	\$ 6,957,690

The accompanying notes are an integral part of this financial statement.

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ending June 30, 2024

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General Government	\$ 94,136	\$ -	\$ -	\$ (94,136)	\$ -	\$ (94,136)
Community and economic development	680,295	-	720,917	40,622	-	40,622
Social services	32,603,018	-	32,703,567	100,549	-	100,549
Job Training	2,696,530	-	2,696,530	-	-	-
Transportation	341,974	-	341,974	-	-	-
Total Governmental Activities	36,415,953	-	36,462,988	47,035	-	47,035
Business-Type Activities:						
EDA Revolving Loan Fund	17,338	-	278	-	(17,060)	(17,060)
EDA CARES Revolving Loan Fund	22,492	-	1,855	-	(20,637)	(20,637)
USDA Intermediary Relending Program	792	-	-	-	(792)	(792)
Total Business-Type Activities	40,622.00	-	2,133	-	(38,489)	(38,489)
Total	36,456,575	-	36,465,121	47,035	(38,489)	8,546
General Revenues:						
				47,096	34,546	81,642
				141,075	-	141,075
				118,307	-	118,307
				205,951	10,456	216,407
				541,496	-	541,496
				406,159	63,850	470,009
				1,460,084	108,852	1,568,936
				1,507,119	70,363	1,577,482
				(1,539,044)	6,919,252	5,380,208
				\$ (31,925)	\$ 6,989,615	\$ 6,957,690

The accompanying notes are an integral part of this financial statement.

**GREEN RIVER AREA DEVELOPMENT DISTRICT****BALANCE SHEET - GOVERNMENTAL FUNDS**

For the Fiscal Year Ending June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,301,063	\$ 2,016,228	\$ 7,317,291
Grants Receivable	-	2,943,371	2,943,371
Other Receivables	12,446	-	12,446
Due (to) From Other Fund	710	17,422	18,132
Prepays	11,715	-	11,715
Total Assets	<u>5,325,934</u>	<u>4,977,021</u>	<u>10,302,955</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable - Trade and Contracts	462,059	28,262	490,321
Accrued Liabilities	-	2,274,100	2,274,100
Unearned Revenue	11,707	1,548,343	1,560,050
Accrued Interest Payable	6,284	-	6,284
Total Liabilities	<u>480,050</u>	<u>3,850,705</u>	<u>4,330,755</u>
Fund Balance:			
Restricted	-	930,954	930,954
Assigned	462,059	-	462,059
Nonspendable	11,707	-	11,707
Unassigned	4,372,118	-	4,372,118
Total Fund Balance	<u>4,845,884</u>	<u>1,126,316</u>	<u>5,972,200</u>
Total Liabilities and Fund Balances	<u>\$ 5,325,934</u>	<u>\$ 4,977,021</u>	<u>\$ 10,302,955</u>

The accompanying notes are an integral part of this financial statement.

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Funds	Total Governmental Funds
<b>REVENUES</b>			
Federal	\$ -	\$ 7,123,675	\$ 7,123,675
State	-	28,420,234	28,420,234
Local	10,000	460,009	470,009
Goods and services		81,642	81,642
In-kind match	-	141,075	141,075
Program income	-	118,307	118,307
Member dues	216,407	-	216,407
Interest	337,639	203,857	541,496
Other	-	-	-
Total revenues	<u>564,046</u>	<u>36,548,799</u>	<u>37,112,845</u>
<b>EXPENDITURES</b>			
General government	94,136	-	94,136
Community and economic development	-	680,295	680,295
Social Services	-	32,603,018	32,603,018
Workforce development	-	2,696,530	2,696,530
Transportation	-	341,974	341,974
Capital Outlay	-	100,549	100,549
Debt Service			
Principal	59,657	-	59,657
Interest	12,762	-	12,762
Total Expenditures	<u>166,555</u>	<u>36,422,366</u>	<u>36,588,921</u>
Excess of revenues over expenditures	<u>397,491</u>	<u>126,433</u>	<u>523,924</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfer in	17,511	-	17,511
Operating transfer out	-	(17,511)	(17,511)
Total other financing sources (uses)	<u>17,511</u>	<u>(17,511)</u>	<u>-</u>
Net Change in Fund Balances	415,002	108,922	523,924
Fund Balance - Beginning of Year	<u>4,430,882</u>	<u>1,017,394</u>	<u>5,448,276</u>
Fund Balance - End of Year	<u>\$ 4,845,884</u>	<u>\$ 1,126,316</u>	<u>\$ 5,972,200</u>

The accompanying notes are an integral part of this financial statement

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2024

Reconciliation to the Statement of Activities:

Fund Balance - Total Governmental Funds	\$ 5,972,200
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Amounts Reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Capitals Assets	3,105,336	
Accumulated Depreciation	<u>(2,149,913)</u>	
		955,423

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore are not reported in the governmental funds as follows:

Deferred outflows of resources	2,169,868	
Deferred inflows of resources	(1,401,432)	

Other Post Employment Benefits related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore are not reported in the governmental funds as follows:

Deferred outflows of resources	1,520,902	
Deferred inflows of resources	(2,450,967)	

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in government funds:

Long-term debt	(164,410)	
Compensated absences	(182,697)	
Net other post employment benefits liability	(135,877)	
Net pension liability	<u>(6,314,935)</u>	
		(6,797,919)

Net Position of Governmental Activities	<u><u>\$ (31,925)</u></u>
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The accompanying notes are an integral part of this financial statement.

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The Green River Area Development District (GRADD), is a governmental nonprofit corporation formed pursuant to Kentucky Revised Statute (KRS) 147A and has been designated as a special purpose governmental entity under KRS 65A enacted under 2014 House Bill No. 1. GRADD's mission is to afford local governments and citizens a regional forum to identify issues and opportunities; and to provide leadership in planning and implementing programs to improve the quality of life in the District, which is comprised of the counties of Daviess, Hancock, Henderson, McLean, Ohio, Union, and Webster. At least fifty-one percent of GRADD's Board of Directors consists of elected officials of the seven counties, with no more than forty-nine percent being citizen members who are residents of the counties, appointed by the county judge/executives and mayors.

These financial statements include the financial activities of GRADD and its blended component unit in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board, as described below.

Green River Economic Development Corporation: This corporation (EDC) was formed to promote economic development; establish a framework for joint federal, state, and local efforts toward providing the basic facilities essential for the growth of the seven-county area comprising GRADD, and to administer the Revolving Loan Funds recorded in GRADD's financial statements.

**B. BASIS OF PRESENTATION**

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the GRADD as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide statements - provide information about the primary government. The statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall government. They also distinguish between the governmental and business-type activities of the GRADD. Governmental activities generally are financed through intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### B. BASIS OF PRESENTATION (CONTINUED)

The statement of activities presents a comparison between direct expenses and program revenues for each function of GRADD's governmental activities and segment of its business-type 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 operations or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of GRADD, 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 GRADD.

**Fund Financial Statements** - Fund financial statements report detailed information about GRADD. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. GRADD has neither nonmajor funds nor fiduciary funds.

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

A description for each class of funds along with the associated restrictions, follow:

#### 1. Governmental Fund Types

- i) The General Fund is the main operating fund of the Board. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any fund balances are considered as resources available for use. This is a major fund of GRADD.
- ii) The Special Revenue Fund accounts for proceeds of specific revenue sources that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances may be returned to the grantor at the close of the specified project periods, as well as state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the Schedule of Expenditures of Federal Awards in this report. This is a major fund of GRADD.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **B. BASIS OF PRESENTATION (CONTINUED)**

#### **2. Proprietary Fund Types**

i) Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing good or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, or other purposes. The EDA Revolving Loan Fund and EDA Cares Revolving Loan Fund are considered a major enterprise fund.

### **C. BASIS OF ACCOUNTING**

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are presented using the accrual basis of accounting. Government funds used the modified accrual basis of accounting. Proprietary funds also use the accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions - Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a 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 GRADD, available means expected to be received within sixty days of the fiscal year end.

Non-Exchange Transactions, in which GRADD received 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 when the resources are required to be used for the fiscal year when use is first permitted; matching requirements, in which GRADD must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to GRADD on a reimbursement basis. On a modified accrual basis, revenue from Non-Exchange Transactions must also be available before it can be recognized.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the costs have been incurred and eligibility requirements are met are recorded as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, GRADD's policy is to first apply restricted resources.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **D. BUDGETARY PRINCIPLES**

A budget is prepared for each fiscal year and is approved by the Board of Directors. The budget was exceeded by \$6,157,784 for FY 2024.

### **E. CASH EQUIVALENTS**

For purposes of financial statement presentation, GRADD considers all cash on hand, demand deposits, and certificates of deposit to be cash equivalents.

### **F. RECOGNITION OF REVENUE**

Grant revenue is recognized to the extent that expenditures are incurred in the manner specified by the grants and matching requirements are met. Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grant funds received before the costs have been incurred and eligibility requirements are met are recorded as deferred revenue.

### **G. ALLOWANCE OF LOAN LOSSES**

The allowance for loan losses for the Revolving Loan Fund is maintained at a level, considered by management, to be adequate to provide for loan losses inherent in the loan portfolio. Management determines the adequacy of the allowance based upon a review of individual debtor credit, recent loss experience and current economic conditions. The allowance is increased by the provision for loan losses and reduced by net charge-offs. As of June 30, 2024, GRADD had an allowance for loan losses in the amount of \$10,000. Any provision is recorded as other direct expense in the combining schedule of operations by program and supporting services.

### **H. CAPITAL ASSETS**

Capital assets are reported in the financial statements at historical cost. Capital assets are defined by GRADD as assets with an initial, individual cost of more than \$5,000. The cost of normal maintenance and repairs that do not add the value of the asset or materially extend assets lives are not capitalized.

Capital assets of GRADD are depreciated principally using the straight-line method over the following estimated useful lives:

Land	10 years
Building and Improvements	10-40 years
Vehicle and Equipment	5-10 years
Equipment – grants	5-10 years

In the fund financial statements, capital assets used in governmental operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **I. COST ALLOCATION**

GRADD is required by the Department of Local Government to operate under a cost allocation plan that conforms with 2 CFR Part 225. In management's judgement, GRADD is in conformity with 2 CFR Part 225.

### **J. ESTIMATES**

The preparation of financial statements in conformity with the basis of accounting described above requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **K. PENSION**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the pension plan, and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, revenues are recognized when earned. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

### **L. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan, and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, revenues are recognized when earned. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

### **M. NET POSITION**

GRADD classifies net position in the financial statements as follows:

Net investment in capital assets includes 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.

Restricted net position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. GRADD typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted net position typically includes unrestricted liquid assets. The Board of Directors has the authority to revisit or alter this designation.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **N. FUND BALANCE CLASSIFICATION**

GRADD reports fund balances in accordance with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact. GRADD has nonspendable funds in the General Fund and Special Revenue Fund.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The fund balance of the Special Revenue Fund is restricted for program services.
- Committed fund balance - amounts constrained to specific purposes by GRADD itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless GRADD takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - amounts GRADD intends to use for a specific purpose. Intent can be expressed by GRADD or by an official or body to which the Board of Directors delegates the authority. GRADD has assigned funds in the General Fund.
- Unassigned fund balance - amounts that are available for any purpose. Deficit amounts are reported only in the General Fund.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balances is established by the Board of Directors through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

GRADD would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **O. RECENTLY ISSUED ACCOUNTING STANDARDS**

The following recently issued accounting standard is expected to impact the financial statements of GRADD in future periods.

#### **GASB No. 87 Leases**

In June of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 to improve accounting and financial reporting for leases by governments, by establishing standards for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset, thus requiring lessees to recognize a lease liability and an intangible right-to-use lease asset, and lessors to recognize a lease receivable and a deferred inflow of resources. The Statement is effective for reporting period beginning after June 15, 2021. GRADD implemented this Statement during fiscal year June 30, 2022. GRADD has concluded that there is no impact on these financial statements.

### **P. DATE OF MANAGEMENT'S REVIEW**

GRADD has evaluated subsequent events through December 6, 2024, the date which the financial statements were available to be issued.

## **NOTE 2 - CASH AND CASH EQUIVALENTS**

The Kentucky Revised Statutes authorize GRADD to invest money subject to its control in obligations of the United States; bonds or certificates of indebtedness of Kentucky and its agencies and instrumentalities; savings and loan associations insured by an agency of the United States up to the amount insured; and national or state banks chartered in Kentucky and insured by an agency of the United States providing such banks pledge as security, obligations as permitted by KRS 41.240 (4) having a current quoted market value at least equal to uninsured deposits.

### **A. CUSTODIAL CREDIT RISK - DEPOSITS**

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, GRADD's deposits may not be returned to it. GRADD does not have a written deposit policy for custodial credit risk. As of June 30, 2024, the reported amount of GRADD's cash deposits was \$11,177,242 and the bank balance was \$11,321,086. Of the bank balance, \$683,786 was covered by FDIC insurance, and \$12,004,872 was covered by collateral held by a third-party safekeeping bank in GRADD's name.

Cash equivalents include certificate of deposit totaling \$350,000. The certificates bear interest at rates ranging from 0.50% to 2.98% and have maturities of nine to twenty-three months.

### NOTE 3 - RELATED PARTY TRANSACTIONS

GRADD provides staff and support services for the administration of programs for the Green River Housing Corporation (GRHC) and ConnectGRADD, Inc. (CGI), but does not exercise oversight responsibility for these entities. Although various members of GRHC and CGI boards serve on GRADD's Board of Directors, GRHC, and CGI are not a part of the GRADD financial reporting entity because they are not financially accountable to GRADD. GRADD received no administrative services revenue for the fiscal year ended June 30, 2024.

### NOTE 4 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$ 83,200	\$ -	\$ -	\$ 83,200
Total Capital Assets Not Being Depreciated	83,200	-	-	83,200
Other Capital Assets:				
Land Improvements	18,920	5,140	-	24,060
Building and Improvements	2,040,136	-	-	2,040,136
Vehicles and Equipment	324,039	141,938	45,716	420,261
Equipment - Grants	518,011	100,549	80,881	537,679
Total Other Capital Assets	2,901,106	247,627	126,597	3,022,136
Depreciation				
Land Improvements	(14,220)	(1,014)	-	(15,234)
Building and Improvements	(1,478,667)	(59,547)	-	(1,538,214)
Vehicles and Equipment	(258,228)	(42,300)	(45,715)	(254,813)
Equipment - Grants	(356,299)	(65,506)	(80,153)	(341,652)
Total Depreciation	(2,107,414)	(168,367)	(125,868)	(2,149,913)
Net Capital Assets	\$ 876,892	\$ 79,260	\$ 729	\$ 955,423
<b>Business-Type activities</b>				
Capital Assets:				
Equipment	\$ 2,525	\$ -	\$ -	\$ 2,525
Total Capital Assets at Historical Cost	2,525	-	-	2,525
Depreciation				
Equipment	(1,515)	(505)	-	(2,020)
Total Accumulated Depreciation	(1,515)	(505)	-	(2,020)
Business-Type Activities Capital Assets, Net	\$ 1,010	\$ (505)	\$ -	\$ 505

## NOTE 5 - REVOLVING LOAN FUNDS

The Revolving Loan Fund (RLF) was established with grants from the Economic Development Administration (EDA). Loan applications are reviewed by the Green River Economic Development Corporation to ensure that funds will be used for purposes acceptable to the grantor. Due to the credit risk of borrowers (primarily commercial and industrial) under this program, loans are in various stages of collection and collectability is not certain for every borrower.

The Revolving Loan Recapitalization Fund (RECAP) was established during fiscal year 2002.

Funds were contributed by local lenders totaling \$75,666. In fiscal year 2009, these funds were used as match to receive an additional \$1,924,334 from EDA to recapitalize the RLF program.

In fiscal year 2015, the RLF and RECAP funds were consolidated by the Economic Development Administration. The consolidated funds are identified below as RLF.

The Intermediary Relending Program (IRP) was established during fiscal year 2004. It is a loan agreement with the U.S. Department of Agriculture (USDA), Rural Business Cooperative Service

(RBS), under which GRADD may borrow up to \$500,000 to establish a relending program in accordance with the RBS work plan.

Loan applications are reviewed by the Green River Economic Development Corporation to ensure that funds will be used for purposes acceptable to the grantor.

IRP loan payable activity for the year was as follows:

Balance, June 30, 2023	\$ 77,334
Repayment	<u>(6,703)</u>
Balance, June 30, 2024	<u><u>\$ 70,631</u></u>

The loan is to be paid over a thirty (30) year period with principal being deferred for the first three (3) years. During the deferment period, interest payments were due on the unpaid principal balance at a rate of one (1) percent. Therefore, principal and interest are being paid annually to maturity. Interest expense totaled \$0 for the year ended June 30, 2024.

**NOTE 5 - REVOLVING LOAN FUNDS (CONTINUED)**

The revolving loans receivable at June 30, 2024, are summarized as follows:

	<b>RLF</b>	<b>IRP</b>	<b>Total</b>
Accounts receivables	<u>\$ 3,389,351</u>	<u>\$ 16,795</u>	<u>\$ 3,406,146</u>
Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>
Net accounts receivable	<u><u>\$ 3,389,351</u></u>	<u><u>\$ 16,795</u></u>	<u><u>\$ 3,406,146</u></u>

No loans have been extended to related parties. There were no loans approved but not yet disbursed at June 30, 2024.

Income for the revolving loan funds and the composition of cash as of and for the year ended June 30, 2024, was as follows:

	<b>RLF/RLF CARES</b>	<b>IRP</b>	<b>Total</b>
Interest earned on:			
Outstanding loans	\$ 94,923	\$ 1,632	\$ 96,555
Cash accounts			
Loan application, processing, and late fees	275	250	275
Total RLF income	<u><u>\$ 95,198</u></u>	<u><u>\$ 1,882</u></u>	<u><u>\$ 96,830</u></u>
Composition of cash	<u><u>\$ 3,237,266</u></u>	<u><u>38,165</u></u>	<u><u>3,227,431</u></u>

**NOTE 6 - LONG-TERM DEBT**

In June of 2015, the Daviess County Fiscal Comt (DCFC) issued bonds, the proceeds of which were used to refinance the long-term debt on GRADD's building. GRADD and DCFC then entered into a fifteen-year lease agreement wherein GRADD agreed to pay to DCFC, as rent for the property, amounts equal to the semi-annual debt payments of \$32,390, including interest at 2.8% through July 1, 2030. The lease is an absolute net lease under which GRADD pays, in addition to rent as stated above, any and all expenses related to the leased premises. The property shall become the property of GRADD in fee simple absolute, and DCFC's interest therein shall be conveyed to GRADD, without cost, upon GRADD's performance of all obligations under the lease.

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Long-term debt activity for the year was as follows:

Type of Debt	<u>Balance</u> <u>June 30,2023</u>	<u>Issued</u>	<u>Payments</u>	<u>Balance</u> <u>June 30,2024</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Lease obligation	\$ 435,492	\$ -	\$ 52,954	\$ 382,538	\$ 52,954
Total Debt	<u>\$ 435,492</u>	<u>\$ -</u>	<u>\$ 52,954</u>	<u>\$ 382,538</u>	<u>\$ 52,954</u>

Annual debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>30-Jun</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 52,954	\$ 11,987	\$ 64,941
2025	54,447	10,503	64,950
2026	55,982	8,916	64,898
2027	57,561	7,316	64,877
2028	59,184	5,670	64,854
2029-2031	<u>155,364</u>	<u>6,229</u>	<u>161,593</u>
Total	<u>\$ 435,492</u>	<u>\$ 50,621</u>	<u>\$ 486,113</u>

**NOTE 7 - COMPENSATED ABSENCES**

It is GRADD's policy to permit employees to accumulate earned but unused vacation benefits. Upon leaving employment at GRADD, employees receive an amount equal to the value of up to maximum of 225 unused accumulated vacation hours based on current salary rates.

This compensated absences liability represents the value of unused vacation time earned by employees up to a maximum of 225 hours.

**NOTE 8 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. GRADD has two items that qualify for reporting in this category: the pension deferred outflows of \$2,169,868 and the other post-employment benefit of \$1,520,902 at June 30, 2024. The pension deferred outflows are described in Note 9 to the financial statements. The other post-employment benefit deferred outflows are described in Note 10.

## **NOTE 8 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. GRADD has two items that qualified for reporting in this category: the pension deferred inflow of \$1,401,432 and the other post-employment benefit deferred inflow of \$2,450,967 at June 30, 2024. The pension deferred inflows are described in Note 9 to the financial statements. The other post-employment benefit deferred inflows are described in Note 10.

GRADD reports unearned revenue on its financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are unearned by GRADD and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when GRADD has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized. Unearned grant revenue in the financial statements at June 30, 2024, totaled \$1,560,050.

## **NOTE 9 - PENSION PLAN**

### **A. PLAN DESCRIPTION**

GRADD contributes to the County Employees Retirement System (CERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by Kentucky Retirement Systems (KRS) that covers members employed in nonhazardous positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in CERS. Kentucky Revised Statute Section 61.645 assigns the authority to establish and amend benefit provisions to the Board of Trustees of Kentucky Retirement Systems (Board). KRS issues a publicly available financial report that can be obtained at [www.kyret.ky.gov](http://www.kyret.ky.gov).

### **B. BENEFITS PROVIDED**

CERS provides for retirement, disability, and death benefits to system members through its pension fund. Retirement benefits may be extended to beneficiaries of members under certain circumstances. Retirement benefits are determined using a formula which considers the member's final compensation; benefit factors set by statute which vary depending upon the type/amount of service, participation date, and retirement date; and years of service.

Plan members with a participation date prior to September 1, 2008, are eligible to retire with full benefits at any time with 27 or more years of service credit, or at age 65 with at least 48 months of service credit. Plan members with a participation date on or after September 1, 2008, are eligible to retire with full benefits at age 57 if the member's age and year of service equal 87, or at age 65 with at least 60 months of service credit. Plan members with a participating date on or after January 1, 2014, are eligible for retirement benefits under the provisions established for a hybrid Cash Balance Plan.

## NOTE 9 - PENSION PLAN (CONTINUED)

### C. CONTRIBUTIONS

Per Kentucky Revised Statutes Section 78.545(33), contribution requirements of the active employees and the participating employers are established and may be amended by the KRS Board.

Plan members who began participating in CERS prior to September 1, 2008, are required to contribute 5% of their annual creditable compensation to the pension fund. For Plan members who began participating in CERS on or after September 1, 2008, the contribution rate is 6%, of which 1% is contributed to the insurance fund.

GRADD's actuarially determined contribution rate for the year ended June 30, 2024, was 26.79% of annual creditable compensation, of which 23.40% and 3.39% was contributed to the pension and insurance funds within CERS, respectively. Contributions to the CERS pension fund by GRADD were \$768,342 for the year ended June 30, 2023.

### D. PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2023, GRADD reported a liability of \$6,314,935 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. GRADD's proportion of the net pension liability was based on a projection of GRADD's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At the June 30, 2023 measurement date, GRADD's proportion was 0.089361%, a decrease of 0.00197% from its proportion measured as of June 30, 2021, of 0.091331%. For the year ended June 30, 2024, GRADD recognized pension expense of \$585,747. At June 30, 2024, GRADD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual expense	\$ 326,912	17,159
Changes of assumptions	-	578,768
Changes in proportion and difference between contributions and proportionate share of contributions	408,218	37,174
Net difference between projected and actual earnings on plan investments	682,192	768,331
Pension Contributions made subsequent to the Measurement Date	752,546	-
<b>Total</b>	<b>\$ 2,169,868</b>	<b>\$ 1,401,432</b>

## NOTE 9 - PENSION PLAN (CONTINUED)

The \$2,169,868 of deferred outflows of resources resulting from GRADD's pension contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Pension Expense</b>
2024	\$ (13,675)
2025	(50,276)
2026	140,975
2027	(61,134)
Total	<u>\$ 15,890</u>

### E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Payroll Growth Rate	2.00% for CERS non - hazardous and hazardous
Salary Increases	3.30 % to 10.30%, varies by service for CERS non - hazardous 3.55% to 19.05%, varies by service for CERS hazardous
Investment Rate of Return	6.50% for CERS non - hazardous and CERS hazardous

### E. ACTUARIAL ASSUMPTIONS (CONTINUED)

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

### F. DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.50%, representing no change from the prior year rate of 6.25%. The discount rate does not use a municipal bond rate.

### G. PROJECTED CASH FLOWS

The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 28-year amortization period of the unfunded actuarial accrued liability. The actuarial determined contribution rate is adjusted to reflect the phase in of anticipated gains on actuarial value of assets over the first four years of projection period.

## NOTE 9 - PENSION PLAN (CONTINUED)

### H. LONG-TERM RATE OF RETURN

The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for CERS. The most recent analysis, performed for the period covering fiscal years 2008 through 2013 is outlined in a report dated April 30, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long term historical data, estimates inherent in current market data, and log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class.

These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

### I. ASSUMED ASSET ALLOCATTON

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long - Term Expected Real Rate of Return</u>
<b>Equity</b>	<b>60.00%</b>	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
<b>Fixed Income</b>	<b>20.00%</b>	
Core Bonds	10.00%	0.28%
Specialty Credit/High Yield	10.00%	2.28%
Cash	0.00%	-0.91%
<b>Inflation Protection</b>	<b>20.00%</b>	
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
Expected Real Return	100.00%	4.28%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		6.58%

## NOTE 9 - PENSION PLAN (CONTINUED)

### J. SENSITIVITY OF GRADD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents GRADD's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what GRADD's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount (6.50%)	1% Increase (7.50%)
District's proportionate share of net pension liability	\$7,972,987	\$6,314,935	\$4,937,032

### K. PLAN FIDUCIARY NET POSITION

Detailed information about the CERS fiduciary net position is available in the separately issued Kentucky Retirement Systems Comprehensive Annual Financial Report.

### L. PAYABLE TO THE PENSION PLAN

GRADD reported a payable of \$0 for the outstanding amount of contributions due to CERS for the year ended June 30, 2024.

## NOTE 10 - POST-EMPLOYMENT HEALTH CARE BENEFITS

### A. PLAN DESCRIPTION

GRADD contributes to the Kentucky Retirement Systems Insurance fund (Insurance Fund), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Kentucky Retirement Systems (KRS). The Insurance Fund was established to provide hospital and medical insurance for members for receiving benefits from the Kentucky Employees Retirement Systems (KERS), the County Employees Retirement System (CERS), and the State Police Retirement System (SPRS). The Insurance Fund pays a prescribed contribution for whole or partial payments of required premiums to purchase hospital and medical insurance, based on years of service, for retirees and certain eligible beneficiaries. The authority to establish and amend benefit provisions rests with the Kentucky General Assembly. KRS issues a publicly available financial report that can be obtained at [www.kyret.ky.gov](http://www.kyret.ky.gov).

### B. FUNDING POLICY

Per Kentucky Revised Statutes 78.545 (33), contribution requirements are established and may be amended by the KRS Board. GRADD was required to contribute at actuarially determined rates of 4.76% of covered payroll for the fiscal year ended June 30, 2024. GRADD's contributions to the Insurance Fund for the year ending June 30, 2024, was \$142,826 which equaled the required contributions each year.

## NOTE 10 - POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

### C. ACTUARIAL ASSUMPTIONS

The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Payroll Growth Rate	2.00% for CERS non - hazardous and hazardous
Salary Increases	3.30 % to 10.30%, varies by service for CERS non - hazardous 3.55% to 19.05%, varies by service for CERS hazardous
Investment Rate of Return	6.25% for CERS non - hazardous and CERS hazardous

The long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rates 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 is summarized in the table below. The current long-term inflation assumption is 2.30% per annum for both the non-hazardous and hazardous plan.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long - Term Expected Real Rate of Return</u>
<b>Equity</b>	<b>60.00%</b>	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
<b>Fixed Income</b>	<b>20.00%</b>	
Core Bonds	10.00%	0.28%
Specialty Credit/High Yield	10.00%	2.28%
Cash	0.00%	-0.91%
<b>Inflation Protection</b>	<b>20.00%</b>	
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
Expected Real Return	100.00%	4.28%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		6.58%

*Discount Rate* - Single discount rates of 5.93% for CERS Nonhazardous, 5.97% for CERS Hazardous, 5.72% for KERS Nonhazardous, and 5.59% for KERS Hazardous systems were used to measure the total OPEB liability as of June 30, 2022. 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 3.69%, 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 cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected separately and were 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 was not

## NOTE 10 - POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

### C. ACTUARIAL ASSUMPTIONS (CONTINUED)

included in the calculation of the plans actuarially determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plan trusts. 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 following table presents the GRADD's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 5.70%, as well as what the GRADD's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.70%) or 1-percentage-point higher (6.70%) than the current rate:

	1% Decrease (4.93%)	Current Discount (5.70%)	1% Increase (6.70%)
GRADD's proportionate share of OPEB liability	\$254,989	\$ (135,877)	\$ (463,180)

*Sensitivity of GRADD's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate* - The following presents GRADD's proportionate share of the net OPEB liability, as well as what GRADD'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 healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
GRADD's proportionate share of OPEB liability	\$ (435,509)	\$ (135,877)	\$232,193

*OPEB plan fiduciary net position* - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Kentucky Retirement Systems financial report.

*Payables to the OPEB plan* - As of June 30, 2024, the financial statements include \$0 in payables to CERS for the pension fund.

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* - At June 30, 2024, GRADD reported a liability for its proportionate share of the net OPEB liability that is reflected as a reduction for State OPEB support provided to GRADD. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. GRADD's proportion of the collective net OPEB liability was based on a projection of GRADD's long-term share of contributions to the OPEB plan relative to the projected contributions of GRADD, actuarially determined. At June 30, 2024, GRADD's proportion was

**NOTE 10 - POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)****C. ACTUARIAL ASSUMPTIONS (CONTINUED)**

\$ (135,877) (0.098414%). The State's support and total are for disclosure purposes only. At June 30, 2024, GRADD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net differences between projected and actual earnings on OPEB	\$ 254,288	285,823
Differences between expected and actual experience	94,727	1,929,317
Changes in assumptions	267,396	186,348
Changes in proportion of and differences between employer contributions and proportionate share of plan contributions	151,945	49,474
Contributions subsequent to the measurement date	<u>752,546</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 1,520,902</u></b>	<b><u>\$ 2,450,962</u></b>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the GRADD's OPEB expense as follows:

Year Ending June 30	Net Amounts
2024	(428,052)
2025	(520,801)
2026	(393,978)
2027	<u>(339,775)</u>
Total	<b><u>(1,682,606)</u></b>

## **NOTE 11- DEFERRED COMPENSATION**

GRADD offers its employees participation in a deferred compensation program administrated by the Kentucky Public Employees' Deferred Compensation Authority. This program offers a plan authorized by Section 457(b) of the Internal Revenue Code and a plan authorized by Section 401(k) of the Internal Revenue Code. Both plans are available to all employees and permit them to defer up to 25% of their compensation (subject to limits) until future years. GRADD makes no contribution to these plans.

## **NOTE 12 – RISK MANAGEMENT**

GRADD is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; health of employees; and natural disasters.

### **A. WORKERS' COMPENSATION AND GENERAL LIABILITY INSURANCE**

To manage workers' compensation and general liability insurance risks, GRADD participates in the Kentucky Association of Counties All Lines Fund (KALF). KALF is a public entity risk pool currently operating as a common risk management and insurance program for the Counties of Kentucky and their sub agencies, which pay annual premiums to KALF for desired coverages. The Coverage Agreement provides that KALF will be self-sustaining through member contributions, premiums and assessments and will reinsure through commercial companies for excess claims. GRADD does not exercise any control over the activities of KALF beyond its representation as a participant in the fund, and is not aware of any additional amounts owed to KALF as of June 30, 2024, for current or prior claim years.

### **B. HEALTH INSURANCE**

Beginning January 1, 2012, GRADD established a comprehensive self-insurance plan through a third-party administrator for its employees' medical and pharmacy coverage. The plan provides for specific claims coverage up to \$45,000 per employee, and maximum aggregate claims and administrative costs up to \$1,000,000 for calendar year 2024. GRADD purchases reinsurance through the administrator for claims in excess of those limits. Premiums are established by the administrator to cover administrative costs, claims costs, and reinsurance costs. These costs are expensed each pay period as personnel costs for participating employees are incurred in accordance with the approved cost allocation plan. Settled claims have not exceeded insurance coverage, nor has there been any reduction in insurance coverage from the prior year.

## **NOTE 13 - INCOME TAX STATUS**

GRADD is exempt from federal and state income taxes by virtue of being a unit of local government under Regulation 103 KAR 30:225E and, accordingly, the financial statements include no provision for such taxes.

**NOTE 14 - CONCENTRATION OF RISK**

During the year ended June 30, 2024, GRADD received approximately 97% of its revenue from federal, state, and local grants, and the related in-kind match and program income. These funds are to be used for designated purposes only. For government agency grants, if, based upon the grantors' review, the funds are considered not to have been used for the intended purpose, the grantors may request a refund of monies advanced, or refuse to reimburse GRADD for its expenditures. The amount of such future refunds and unreimbursed expenditures, if any, is not expected to be significant. Continuation of GRADD's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

**NOTE 15 – RESTATEMENT OF BEGINNING BALANCE**

The beginning balance to Fixed Assets – Grants was restated by \$2,525 to coincide to GRADD's schedule of fixed assets. Additionally, in reviewing the prior year's audit report, we noted some amounts that did not foot due to miscalculation. In order for the Statement of Net Position to tie with the Statement of Activities, we made an adjustment to the beginning net position of \$1,675 to restate beginning net position. As such and due to reconciliation of the fund balance to net position, an adjustment was also made to the beginning fund balance in the amount of \$1,192 to restate beginning fund balance.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Other than Management's Discussion and Analysis)**

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION**  
**LIABILITY AND CONTRIBUTIONS**  
**For the Fiscal Year Ended June 30, 2024**

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>County Employees Retirement System:</b>										
District's proportion of the net pension liability	0.089361%	0.089346%	0.091310%	0.089942%	0.089567%	0.093904%	0.100809%	0.107297%	0.110956%	0.10877%
District's proportionate share of the net pension liability	6,314,935	\$ 6,459,919	\$ 5,823,068	\$ 6,900,471	\$ 6,300,905	\$ 5,719,283	\$ 5,900,661	\$ 5,282,876	\$ 4,770,588	\$ 3,529,000
District's covered payroll	\$ 3,224,273	\$ 2,856,818	\$ 2,471,031	\$ 2,332,841	\$ 2,304,521	\$ 2,259,837	\$ 2,454,443	\$ 2,559,563	\$ 2,378,433	\$ 2,496,840
District's proportionate share of the net pension liability as a percentage of covered payroll	195.86%	226.12%	235.65%	295.80%	273.41%	253.08%	240.41%	206.40%	200.58%	141.34%
Plan fiduciary net position as a percentage of the total pension liability	52.42%	52.42%	51.67%	50.45%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%
Contractually required employer contributions	\$ 668,495	\$ 562,901	\$ 523,117	\$ 450,238	\$ 444,773	\$ 366,546	\$ 337,023	\$ 342,394	\$ 317,897	\$ 303,250
Contributions relative to contractually required employer contributions	\$ 668,495	\$ 562,901	\$ 523,117	\$ 450,238	\$ 444,773	\$ 366,546	\$ 337,023	\$ 342,394	\$ 317,897	\$ 303,250
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,224,273	\$ 2,856,818	\$ 2,471,031	\$ 2,332,841	\$ 2,304,521	\$ 2,259,837	\$ 2,454,443	\$ 2,559,563	\$ 2,378,433	\$ 2,496,840
District's contributions as a percentage of covered employee payroll	23.34%	23.40%	21.17%	19.30%	19.30%	16.22%	13.73%	13.38%	13.37%	12.15%

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET POSTEMPLOYMENT**  
**BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND CONTRIBUTIONS - MEDICAL**  
**INSURANCE FUND**  
**For the Fiscal Year Ended June 30, 2024**

	Reporting Fiscal Year						
	2024	2023	2022	2021	2020	2019	2018
<b>County Employees Retirement System:</b>							
District's proportion of the net OPEB liability	0.098414%	0.089346%	0.091310%	0.089924%	0.089567%	0.093904%	0.100809%
District's proportionate share of the net OPEB liability	\$ (135,877)	\$ 1,763,255	\$ 1,748,084	\$ 2,171,826	\$ 1,506,477	\$ 1,667,247	\$ 2,026,606
District's covered payroll	\$ 3,224,273	\$ 2,856,818	\$ 2,332,841	\$ 2,304,521	\$ 2,259,837	\$ 2,454,443	\$ 2,259,563
District's proportionate share of the net OPEB liability as a percentage of covered payroll	-4.2142%	61.7209%	74.9337%	94.2420%	66.6631%	67.9277%	89.6902%
Plan fiduciary net position as a percentage of the total OPEB liability		60.95%	62.91%	51.67%	60.44%	57.62%	52.40%
Contractually required employer contributions	\$ -	\$ 103,042	\$ 142,826	\$ 164,344	\$ 109,695	\$ 118,867	\$ 109,393
Contributions relative to contractually required employer contributions	\$ -	\$ 103,042	\$ 142,826	\$ 164,344	\$ 109,695	\$ 118,867	\$ 109,393
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,224,273	\$ 2,856,818	\$ 2,471,031	\$ 2,332,841	\$ 2,259,837	\$ 2,259,837	\$ 2,378,433
District's contributions as a percentage of covered employee payroll	0.00%	3.61%	5.78%	4.76%	4.85%	5.26%	4.60%

**Notes:**

Amounts presented for each fiscal year were measured as of the previous fiscal year.

Until a full ten year trend is compiled, governments will present information only for those years for which information is available.

## **SUPPLEMENTAL INFORMATION**

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Favorable (Unfavorable)</b>
<b>Revenues</b>				
Intergovernmental revenues	\$ 26,519,653	\$ 30,200,630	\$36,358,413	\$ (6,157,783)
Local	846,086	921,538	475,790	445,748
Interest	-	-	531,032	(531,032)
Total Revenues	\$ 27,365,739	\$ 31,122,168	\$ 37,365,235	\$ (6,243,067)
<b>Expenses</b>				
General government	245,809	245,809	94,136	151,673
Community and economic development	902,796	969,199	720,917	248,282
Social services	23,839,157	26,555,301	32,703,567	(6,148,266)
Job training	2,010,000	2,922,077	2,696,530	225,547
Transportation	366,277	429,782	341,974	87,808
Total Expenses	\$ 27,364,039	\$ 31,122,168	\$ 36,557,124	\$ (5,434,956)
Excess (deficiency) of revenues over (under) expenditures	1,700	-	808,111	(808,111)
Net change in fund balance	\$ 1,700	\$ -	\$ 808,111	\$ (808,111)

**GREEN RIVER AREA DEVELOPMENT DISTRICT  
COMBINING SCHEDULE OF OPERATIONS  
BY PROGRAM AND SUPPORTING SERVICES  
For the Fiscal Year Ended June 30, 2024**

	<b>CDBG Administration</b>	<b>Cleaner Water (SB36) Administration</b>	<b>KIA Water Resource Planning</b>	<b>EPA Project Administration</b>	<b>BRIC Admin</b>	<b>Hazard Mitigation</b>	<b>CISA Pilot Project</b>	<b>Delta Regional Authority</b>
Revenues								
Federal	\$ 48,990	\$ 15,009	\$ -	\$ 1,217	\$ -	\$ 9,270	\$ 22,911	\$ 5,279
State	-	-	61,000	-	12,384	-	-	-
Local	-	-	-	-	-	-	-	-
In-kind match	-	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-
Member dues	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Local applied to grants	-	-	4,344	-	-	-	-	-
Total Revenues	48,990	15,009	65,344	1,217	12,384	9,270	22,911	5,279
Expenditures								
Direct Costs								
Personnel	23,396	7,251	27,599	-	5,305	3,840	8,824	2,078
Employee benefits	13,394	4,425	17,844	-	4,217	3,337	7,356	2,043
Professional services	67	-	-	-	-	-	-	-
Travel	710	111	3,253	1,067	-	171	2,250	14
Occupancy	780	-	-	-	-	-	-	-
Supplies	-	-	3,685	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Other	539	-	515	150	225	(50)	-	-
Capital equipment	-	-	-	-	-	-	-	-
Program Services	-	-	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-	-	-
In-kind match	-	-	-	-	-	-	-	-
Total Direct Costs	38,887	11,787	52,896	1,217	9,747	7,298	18,429	4,135
Shared Costs								
Shared costs applied	10,103	3,222	12,448	-	2,637	1,972	4,482	1,143
Total Expenditures	48,990	15,009	65,344	1,217	12,384	9,270	22,911	5,279
Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS**  
**BY PROGRAM AND SUPPORTING SERVICES**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

	<u>DRA IRT</u> <u>Wellness Mission</u>	<u>BEAD</u> <u>Grant</u>	<u>Local Projects</u> <u>Administration</u>	<u>DRA</u> <u>Projects</u>	<u>DRA LDD</u> <u>Community</u> <u>Supports</u>	<u>Connect</u> <u>GRADD</u>	<u>IT Technical</u> <u>Assistance</u>	<u>-</u> <u>JFA</u>
Revenues								
Federal	\$ 7,000	\$ 26,023	\$ -	\$ 8,347	\$ 1,084	\$ -	\$ -	\$ 114,090
State	-	-	-	-	-	-	-	327,438
Local	-	-	9,070	-	-	5,879	960	-
In-kind match	-	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-
Member dues	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Local applied to grants	-	-	-	-	-	-	-	-
Total Revenues	7,000	26,023	9,070	8,347	1,084	5,879	960	441,528
Expenditures								
Direct Costs								
Personnel	-	12,067	4,239	3,637	660	3,375	467	199,579
Employee benefits	-	8,321	2,941	2,900	184	1,237	171	126,749
Professional services	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	146	17,980
Occupancy	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	7,136
Communications	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	222
Capital equipment	-	-	-	-	-	-	-	-
Program Services	7,000	-	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-	-	-
In-kind match	-	-	-	-	-	-	-	-
Total Direct Costs	7,000	20,388	7,180	6,537	844	4,612	785	351,666
Shared Costs								
Shared costs applied	-	5,636	1,890	1,810	240	1,267	175	89,862
Total Expenditures	7,000	26,023	9,070	8,347	1,084	5,879	960	441,528
Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**GREEN RIVER AREA DEVELOPMENT DISTRICT  
COMBINING SCHEDULE OF OPERATIONS  
BY PROGRAM AND SUPPORTING SERVICES  
For the Fiscal Year Ended June 30, 2024 (Continued)**

	<u>EDA Revolving</u> <u>Loan Funds</u>	<u>EDA CARES</u> <u>Revolving</u> <u>Loan Funds</u>	<u>Intermediary</u> <u>Relending</u> <u>Program</u>	<u>Title III B</u> <u>Administration</u>	<u>Title III B</u> <u>Supportive</u> <u>Services</u>	<u>Title III B ARPA</u> <u>Supportive</u> <u>Services</u>	<u>Title III B</u> <u>Ombudsman</u>	<u>Title III B</u> <u>ARPA</u> <u>Ombudsman</u>
Revenues								
Federal	\$ -	\$ -	\$ -	\$ 25,214	\$ 414,203	\$ 223,963	\$ 59,656	\$ 4,578
State	-	-	-	11,439	90,000	-	-	-
Local	278	1,855	-	-	111,946	-	-	-
In-kind match	-	-	-	-	-	-	-	-
Program income	-	-	-	-	18,733	-	-	-
Member dues	-	-	-	-	-	-	-	-
Interest	165,098	126,414	5,898	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Local applied to grants	-	-	-	5,477	38	-	-	114
Total Revenues	165,376	128,270	5,898	42,130	634,919	223,963	59,656	4,692
Expenditures								
Direct Costs								
Personnel	7,386	9,499	-	16,205	120,802	-	27,909	3,150
Employee benefits	5,570	7,383	-	12,205	56,961	-	15,288	261
Professional services	140	206	5	-	-	-	-	-
Travel	67	125	-	1,262	7,908	-	1,555	239
Occupancy	-	-	775	1,236	-	-	-	-
Supplies	480	672	12	732	4,217	87,091	34	-
Communications	-	-	-	40	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Other	150	-	-	2,801	275	-	2,875	-
Capital equipment	-	-	-	-	-	100,549	-	-
Program Services	-	-	-	-	-	36,323	-	-
Contractual services	-	-	-	-	395,845	-	-	-
In-kind match	-	-	-	-	-	-	-	-
Total Direct Costs	13,794	17,885	792	34,481	586,008	223,963	47,661	3,650
Shared Costs								
Shared costs applied	3,544	4,607	-	7,649	48,911	-	11,995	1,041
Total Expenditures	17,338	22,492	792	42,130	634,919	223,963	59,656	4,692
Revenues over Expenditures	\$ 148,038	\$ 105,778	\$ 5,106	\$ -	\$ -	\$ -	\$ -	\$ -

**GREEN RIVER AREA DEVELOPMENT DISTRICT  
COMBINING SCHEDULE OF OPERATIONS  
BY PROGRAM AND SUPPORTING SERVICES  
For the Fiscal Year Ended June 30, 2024 (Continued)**

	<u>Title III C1</u> <u>Administration</u>	<u>Title III C1</u> <u>Congregate</u>	<u>Title III C1 ARPA</u> <u>Congregate</u>	<u>Title III C2</u> <u>Administration</u>	<u>Title III C2</u> <u>Home Delivered</u>	<u>Title III C2 ARPA</u> <u>Home Delivered</u>	<u>Title III D</u> <u>Disease Prevention</u>	<u>Title III D ARPA</u> <u>Disease Prevention</u>
venues								
Federal	33,804	147,514	84,268	22,696	284,962	118,736	27,026	\$ 24,198
State	11,268	37,868	-	7,565	37,868	-	-	-
Local	-	28,061	-	-	37,065	-	-	-
In-kind match	-	702	-	-	204	-	-	-
Program income	-	54,450	-	-	12,846	-	-	-
Member dues	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Local applied to grants	6,737	-	-	5,802	-	-	-	-
Total Revenues	51,809	268,595	84,268	36,063	372,945	118,736	27,026	24,198
expenditures								
Direct Costs								
Personnel	22,264	-	-	15,314	-	-	-	-
Employee benefits	16,508	-	-	11,152	-	-	-	-
Professional services	-	-	-	-	-	-	-	-
Travel	467	-	-	327	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-
Supplies	1,449	2,375	9,695	1,458	2,745	-	1,768	-
Communications	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Other	690	-	-	690	-	-	-	-
Capital equipment	-	-	-	-	-	-	-	-
Program Services	-	-	74,573	-	-	118,736	6,065	20,345
Contractual services	-	266,220	-	-	370,200	-	19,194	3,854
In-kind match	-	-	-	-	-	-	-	-
Total Direct Costs	41,378	268,595	84,268	28,941	372,945	118,736	27,026	24,198
Shared Costs								
Shared costs applied	10,431	-	-	7,122	-	-	-	-
Total Expenditures	51,809	268,595	84,268	36,063	372,945	118,736	27,026	24,198
venues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**GREEN RIVER AREA DEVELOPMENT DISTRICT  
COMBINING SCHEDULE OF OPERATIONS  
BY PROGRAM AND SUPPORTING SERVICES  
For the Fiscal Year Ended June 30, 2024 (Continued)**

	<u>Title III E</u> <u>Family Caregiver</u> <u>Admin</u>	<u>Title III E</u> <u>Family Caregiver</u>	<u>Title III E ARPA</u> <u>Family Caregiver</u>	<u>KY Caregiver</u> <u>Administration</u>	<u>KY Caregiver</u> <u>Services</u>	<u>Title VII</u> <u>Elder Abuse</u>	<u>Title VII</u> <u>Ombudsman</u>	<u>Title VII</u> <u>ARPA II</u> <u>Ombudsman</u>
Revenues								
Federal	\$ 12,304	\$ 101,623	\$ 61,417	\$ -	\$ -	\$ 3,637	\$ 9,571	\$ 8,611
State	-	20,000	-	7,738	91,539	-	-	-
Local	-	-	-	-	-	-	-	-
In-kind match	-	21,371	-	-	-	1,961	7,845	-
Program income	-	-	-	-	-	-	-	-
Member dues	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Local applied to grants	6,323	-	-	1,475	-	-	-	-
Total Revenues	18,627	142,994	61,417	9,213	91,539	5,599	17,416	8,611
Expenditures								
Direct Costs								
Personnel	8,275	33,310	3,159	4,143	32,249	1,681	5,208	3,915
Employee benefits	5,861	23,280	2,214	3,137	25,167	1,168	2,275	2,830
Professional services	-	-	-	-	-	-	-	-
Travel	-	40	8	-	874	-	-	-
Occupancy	-	-	-	-	-	-	-	-
Supplies	-	1,124	16,536	-	863	-	-	-
Communications	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Other	690	331	167	-	219	-	-	-
Capital equipment	-	-	-	-	-	-	-	-
Program Services	-	4,960	38,430	-	-	-	-	-
Contractual services	-	42,911	-	-	16,358	-	-	-
In-kind match	-	21,371	-	-	-	1,961	7,845	-
Total Direct Costs	14,826	127,327	60,515	7,281	75,730	4,811	15,328	6,745
Shared Costs								
Shared costs applied	3,801	15,667	902	1,932	15,809	788	2,088	1,866
Total Expenditures	18,627	142,994	61,417	9,213	91,539	5,599	17,416	8,611
Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**GREEN RIVER AREA DEVELOPMENT DISTRICT  
COMBINING SCHEDULE OF OPERATIONS  
BY PROGRAM AND SUPPORTING SERVICES  
For the Fiscal Year Ended June 30, 2024 (Continued)**

	<u>Homecare</u>		<u>ESMP</u>		<u>ESMP</u>	<u>Medicaid Waiver</u>		
	<u>Administration</u>	<u>Supportive Services</u>	<u>Administration</u>	<u>Supportive Services</u>	<u>Home Delivered Meals</u>	<u>Program</u>	<u>SHIP</u>	<u>NSIP</u>
Revenues								
Federal	\$ -	\$ -	\$ 94,343	\$ 322,887	\$ 935,015	\$ -	\$ 59,000	\$ 171,518
State	85,506	602,602	-	-	-	26,807,321	-	-
Local	-	32,246	-	-	-	40	-	-
In-kind match	-	-	-	-	-	-	-	-
Program income	-	4,146	-	-	28,133	-	-	-
Member dues	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	24,104	-	-
Other	-	-	-	-	-	-	-	-
Local applied to grants	4,791	1,961	4,847	-	-	-	167	-
Total Revenues	90,297	640,955	99,190	322,887	963,148	26,831,465	59,167	171,518
Expenditures								
Direct Costs								
Personnel	40,849	157,701	44,835	159,786	-	920,428	31,082	-
Employee benefits	28,564	73,997	31,698	78,025	-	559,953	11,975	-
Professional services	-	-	-	-	-	-	-	-
Travel	1,312	4,676	1,380	5,465	-	42,774	361	-
Occupancy	-	-	-	-	-	1,236	-	-
Supplies	777	6,915	-	13,787	-	305,097	762	-
Communications	40	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Other	30	1,512	690	209	-	1,173	2,930	-
Capital equipment	-	-	-	-	-	-	-	-
Program Services	-	9,927	-	100	-	24,333,433	-	-
Contractual services	-	322,464	-	-	963,148	-	-	171,518
In-kind match	-	-	-	-	-	-	-	-
Total Direct Costs	71,572	577,192	78,603	257,373	963,148	26,164,094	47,109	171,518
Shared Costs								
Shared costs applied	18,725	63,763	20,587	65,514	-	404,860	12,058	-
Total Expenditures	90,297	640,955	99,190	322,887	963,148	26,568,954	59,167	171,518
Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,511	\$ -	\$ -

**GREEN RIVER AREA DEVELOPMENT DISTRICT  
COMBINING SCHEDULE OF OPERATIONS  
BY PROGRAM AND SUPPORTING SERVICES  
For the Fiscal Year Ended June 30, 2024 (Continued)**

	<u>State LTC Ombudsman</u>	<u>Aging &amp; Disability Vaccine Collaborative</u>	<u>INNU</u>	<u>MIPPA SHIP</u>	<u>MIPPA AAAIL</u>	<u>MIPPA ADRC</u>	<u>Senior Medicare Patrol</u>	<u>Medicaid ADRC</u>
Revenues								
Federal	\$ -	\$ 67,013	\$ 4,302	\$ 5,715	\$ 14,411	\$ 4,030	\$ 28,806	\$ 32,750
State	41,514	-	-	-	-	-	-	33,755
Local	-	-	-	-	-	-	-	-
In-kind match	-	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-
Member dues	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Local applied to grants	-	-	-	-	441	75	1,180	-
Total Revenues	41,514	67,013	4,302	5,715	14,852	4,105	29,985	66,505
Expenditures								
Direct Costs								
Personnel	16,775	19,955	1,556	3,137	7,722	1,923	14,325	35,407
Employee benefits	11,750	8,625	1,062	1,332	3,829	1,270	9,333	13,958
Professional services	-	-	-	-	-	-	-	-
Travel	59	69	905	-	2	27	30	291
Occupancy	-	-	-	-	-	-	-	-
Supplies	2,183	2,469	-	-	-	-	-	359
Communications	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Other	2,875	358	-	-	-	-	-	2,934
Capital equipment	-	-	-	-	-	-	-	-
Program Services	-	27,571	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-	-	-
In-kind match	-	-	-	-	-	-	-	-
Total Direct Costs	33,642	59,047	3,523	4,469	11,553	3,220	23,688	52,950
Shared Costs								
Shared costs applied	7,872	7,965	779	1,247	3,298	885	6,297	13,555
Total Expenditures	41,514	67,013	4,302	5,715	14,852	4,105	29,985	66,505
Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**GREEN RIVER AREA DEVELOPMENT DISTRICT  
COMBINING SCHEDULE OF OPERATIONS  
BY PROGRAM AND SUPPORTING SERVICES  
For the Fiscal Year Ended June 30, 2024 (Continued)**

	<u>SAMS</u> <u>Administration</u>	<u>Misc</u> <u>Aging</u> <u>Services</u>	<u>NCOA</u> <u>Benefits</u> <u>Outreach</u>	<u>NCOA</u> <u>SNAP</u>	<u>Veterans</u> <u>Directed</u> <u>Care</u>	<u>Comm</u> <u>Collaboration</u> <u>for Children</u>	<u>Parent</u> <u>Engagement</u> <u>Expansion</u> <u>(PEM)</u>	<u>CCC</u> <u>Parent</u> <u>Involvement</u>
Revenues								
Federal	\$ -	\$ -	\$ 14,979	\$ 2,470	\$ 26,109	\$ 159,777	\$ 101,061	\$ 2,285
State	114,790	-	-	-	-	-	-	-
Local	-	6,388	-	-	-	-	-	-
In-kind match	-	-	-	-	-	108,993	-	-
Program income	-	-	-	-	-	-	-	-
Member dues	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Local applied to grants	-	-	-	-	-	4,677	-	-
Total Revenues	114,790	6,388	14,979	2,470	26,109	273,446	101,061	2,285
Expenditures								
Direct Costs								
Personnel	54,522	-	7,599	1,244	8,359	17,348	44,202	-
Employee benefits	34,648	-	3,777	697	6,242	10,838	29,558	-
Professional services	-	-	-	-	-	-	-	-
Travel	1,683	-	536	-	439	1,774	2,064	-
Occupancy	-	-	-	-	-	-	-	-
Supplies	13	88	-	-	-	56	40	-
Communications	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	27	-
Capital equipment	-	-	-	-	-	-	-	-
Program Services	-	6,300	-	-	475	4,360	5,155	2,285
Contractual services	-	-	-	-	-	122,355	-	-
In-kind match	-	-	-	-	-	108,993	-	-
Total Direct Costs	90,867	6,388	11,912	1,941	15,515	265,725	81,046	2,285
Shared Costs								
Shared costs applied	23,923	-	3,067	530	3,765	7,721	20,014	-
Total Expenditures	114,790	6,388	14,979	2,470	19,280	273,446	101,061	2,285
Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 6,829.62	\$ -	\$ -	\$ -

**GREEN RIVER AREA DEVELOPMENT DISTRICT  
COMBINING SCHEDULE OF OPERATIONS  
BY PROGRAM AND SUPPORTING SERVICES  
For the Fiscal Year Ended June 30, 2024 (Continued)**

	<u><b>Educational Neglect Program</b></u>	<u><b>AmeriCorps Senior Conn</b></u>	<u><b>OTS</b></u>	<u><b>Safe Streets for All</b></u>	<u><b>MPO</b></u>	<u><b>KYTC</b></u>	<u><b>FHWA</b></u>	<u><b>FTA</b></u>
Revenues								
Federal	\$ 50,000	\$ 475,198	\$ 11,171	\$ 26,879	\$ -	\$ -	\$ 100,078	\$ 53,000
State	-	-	-	6,720	-	87,307	6,255	-
Local	-	175,656	2,793	-	12,255	2,928	18,765	13,823
In-kind match	-	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-
Member dues	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Local applied to grants	13,492	-	-	-	-	-	-	-
Total Revenues	63,492	650,853	13,964	33,599	12,255	90,235	125,098	66,823
Expenditures								
Direct Costs								
Personnel	29,098	88,384	7,517	-	6,464	41,051	63,231	35,099
Employee benefits	19,379	48,184	3,453	-	3,135	23,180	30,864	17,326
Professional services	-	-	-	-	-	-	-	-
Travel	1,793	1,580	7	-	46	2,310	3,803	-
Occupancy	-	-	-	-	-	-	-	-
Supplies	-	1,545	-	1,928	-	5,405	1,453	-
Communications	-	-	-	-	-	-	131	131
Depreciation expense	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	275	-	-
Capital equipment	-	-	-	-	-	-	-	-
Program Services	-	474,112	-	-	-	-	-	-
Contractual services	-	-	-	31,672	-	-	-	-
In-kind match	-	-	-	-	-	-	-	-
Total Direct Costs	50,270	613,806	10,977	33,599	9,645	72,221	99,482	52,555
Shared Costs								
Shared costs applied	13,222	37,048	2,988	-	2,610	18,015	25,616	14,268
Total Expenditures	63,492	650,853	13,964	33,599	12,255	90,235	125,098	66,823
Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**GREEN RIVER AREA DEVELOPMENT DISTRICT  
COMBINING SCHEDULE OF OPERATIONS  
BY PROGRAM AND SUPPORTING SERVICES  
For the Fiscal Year Ended June 30, 2024 (Continued)**

	<u>Trade</u>	<u>WIOA</u>	<u>Skills 2 Succeed</u>	<u>WIOA DRA</u>	<u>Total Program Services</u>	<u>General and Administrative</u>	<u>Unrestrictive Local Operations</u>	<u>Total Revenues and Expenditures</u>
Revenues								
Federal	\$ 7,828	\$ 1,266,719	\$ 1,155,273	\$ 266,710	\$ 7,386,530	\$ -	\$ -	\$ 7,386,530
State	-	-	-	-	28,501,876	-	-	28,501,876
Local	-	-	-	-	460,008	-	10,000	470,008
In-kind match	-	-	-	-	141,075	-	-	141,075
Program income	-	-	-	-	118,307	-	-	118,307
Member dues	-	-	-	-	-	-	216,407	216,407
Interest	-	-	-	-	321,514	-	209,518	531,032
Other	-	-	-	-	-	-	-	-
Local applied to grants	-	-	-	-	61,940	-	(61,940)	-
Total Revenues	7,828	1,266,719	1,155,273	266,710	36,991,251	-	373,985	37,365,236
Expenditures								
Direct Costs								
Personnel	-	78,038	121,175	5,746	2,681,346	451,273	-	3,132,619
Employee benefits	-	43,192	69,841	3,644	1,569,709	286,857	146	1,856,711
Professional services	-	-	-	-	418	31,039	15,000	46,457
Travel	-	16,794	-	161	128,915	27,626	1,722	158,264
Occupancy	-	41,090	-	-	45,117	81,900	-	127,017
Supplies	-	1,226	-	-	486,176	76,841	1,873	564,890
Communications	-	7,406	-	-	7,747	36,050	-	43,797
Depreciation expense	-	-	-	-	-	76,527	91,839	168,367
Other	-	692	38	-	24,230	80,378	(6,473)	98,135
Capital equipment	-	-	-	-	100,549	-	-	100,549
Program Services	7,026	527,201	710,521	254,993	26,669,892	-	-	26,669,892
Contractual services	803	512,341	211,376	-	3,450,258	-	-	3,450,258
In-kind match	-	-	-	-	140,170	-	-	140,170
Total Direct Costs	7,828	1,227,980	1,112,951	264,544	35,304,527	1,148,491	104,107	36,557,125
Shared Costs								
Shared costs applied	-	38,738	42,322	2,166	1,158,461	(1,158,461)	-	-
Total Expenditures	7,828	1,266,719	1,155,273	266,710	36,462,988	(9,971)	104,107	36,557,125
Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 528,263	\$ 9,971	\$ 269,878	\$ 808,111

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2024**

<b>Federal Agency/Pass - Through Entity</b>	<b>Federal CFDA Number</b>	<b>Pass - Through Grantor's Number</b>	<b>Federal Expenditures</b>	<b>Expenditures to Subrecipients</b>
<b>U.S. Department of Agriculture</b>				
Passed through Rural Business Cooperative Service:				
Intermediary Relending Program	10.767	N/A	137,544	-
Passed through delta Regional Authority				
Delta Workforce H20 Program	10.773	RW-400	266,710	-
<b>Total Direct Funds from U.S. Department of Agriculture</b>			<u>\$ 404,254</u>	<u>\$ -</u>
<b>Kentucky Office of Broadband Development</b>				
Broadband Equity, Access, and Deployment Program	11.035	2400004915	26,023	-
<b>Total Direct Funds from U.S. Department of Commerce</b>			<u>\$ 26,023</u>	<u>\$ -</u>
<b>U.S. Department of Commerce</b>				
Economic Adjustment Assistance				
Coronavirus Aid, Relief, and Economic Security (CARES) Act Revolving				
Loan Fund Supplemental Disaster Recover and Resiliency Awards	11.307	04-79-07524	\$ 3,309,832	\$ -
Passed through Department of Local Government				
Economic Development Support for Planning Organizations	11.302	2300003219	92,847	-
<b>Total Direct Funds from U.S. Department of Commerce</b>			<u>\$ 3,402,679</u>	<u>\$ -</u>
<b>US Department of Housing and Urban Development</b>				
<b>Community Development Block Grants - State's Program</b>				
Passed through local sources:				
City of Whitesville	14.228	19-024	\$ 12,500	\$ -
City of Sebree		18-034	36,490	-
Total Pass through local sources:			\$ 48,990	\$ -
Passed through Department for Local Government:				
Community Development Block Grants - State's Program-JFA	14.228	N/A	21,244	-
<b>Total Direct Funds from U.S. Department of Housing and Urban Development</b>			<u>\$ 70,234</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures of Federal Awards

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

<b>U.S. Department of Labor</b>					
<b>Workforce Investment and Opportunity Act</b>					
<b>WIA/WIOA Cluster</b>					
Passed through Kentucky Education and Workforce					
WIA/WIOA Adult Program	17.258	270AD22	\$ 36,838	\$ 1,196	
		270AD23	21,383	16,667	
		273AD22	181,139	78,074	
		273AD23	18,177	-	
Total WIA/WIOA Adult Program			\$ 257,537	* \$ 95,937	
WIA/WIOA Youth Activities	17.259	274YT23	\$ 203,806	\$ 61,241	
		274YT24	69,771	24,080	
Total WIA/WIOA Youth Activities			\$ 273,577	* \$ 85,321	
WIA/WIOA Dislocated Workers	17.278	271DW23	\$ 295,141	\$ 151,082	
		271DW24	11,259	-	
		272DW23	76,187	42,426	
		272DW24	32,812	23,208	
Total WIA/WIOA Dislocated Workers			\$ 415,399	* \$ 216,716	
WIOA National Dislocated Worker Grants / WIA National Emergency Grant	17.277	DW 39369PL1	\$ 1,155,273	* \$ 268,964	
		258QT23	320,204	143,129	
			\$ 1,475,477	\$ 412,093	
Total WIA/WIOA Cluster			2,421,990	* 810,067	
Trade Adjustment Assistance	17.245	205BE22	\$ 7,026	\$ -	
		205CM22	803	803	
Total Trade Adjustment Assistance			\$ 7,829.00	\$ 803	
<b>Total Direct Funds from Department of Labor</b>			<b>\$ 2,429,819</b>	<b>\$ 810,870</b>	

See Notes to Schedule of Expenditures of Federal Awards

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

**U.S. Department of Transportation**

Passed through Kentucky Transportation Cabinet				
Highway Planning and Construction: FHWA - Owensboro				
Transportation Planning	20.205	2300001516	100,078	-
Metropolitan Transportation Planning: FTA - Owensboro				
Transportation Planning	20.505	P030120442	53,000	-
Passed through City of Owensboro				
FTA - OTS Transit Management	20.507	2023/2024	11,171	-
Passed through Federal Highway Administration				
Safe Streets for All	20.507	2022/2023	26,879	26,879

<b>Total Direct Funds from U.S. Department of Transportation</b>			<b>\$ 191,128</b>	<b>\$ 26,879</b>
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**U.S. Department of Treasury**

Passed through Kentucky Cabinet for Health and Family Services:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	2200000036	1,352,245	935,015
Passed through Kentucky Infrastructure Authority (KIA):				
Coronavirus State and Local Fiscal Recovery Funds	21.027			
Daviess County Fiscal Court		21CWW041	10,000	-
Owensboro Municipal Utilities		21CWW048	2,500	-
City of Livermore		21CWW126	1,500	-
City of Waverly		21CWS099	1,009	-
			15,009	-

<b>Total Direct Funds from U.S. Department of Treasury</b>			<b>1,367,254</b>	<b>935,015</b>
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**U.S. Department of Veterans Affairs**

Passed through Pennyville Area Development District				
VHA Home Care	64.044	VA2016-01 G	\$ 19,280	\$ -

<b>Total Direct Funds from U.S. Department of Veterans Affairs</b>			<b>\$ 19,280</b>	<b>\$ -</b>
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**U.S. Department of Veterans Affairs**

Brownfields Multipurpose, Assessment, Revolving Loan Fund, and				
Cleanup				
Cooperative Agreements	66.818	BF02D62123	\$ 1,217	\$ -

<b>Total Direct Funds from U.S. Department of Environmental Protection Agency</b>			<b>\$ 1,217</b>	<b>\$ -</b>
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**Delta Regional Authority**

Direct Program				
Delta Area Economic Development	90.200	N/A	\$ 8,347	\$ -
Delta Local Development District Assistance	90.200	N/A	6,363	-
Delta Regional Development	90.200	N/A	7,000	-

<b>Total Direct Funds from Delta Regional Authority</b>			<b>\$ 21,710</b>	<b>\$ -</b>
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**U.S. Department of Health and Human Services**

**Aging Cluster**

Passed Through Kentucky Cabinet for Health and Family Services				
Special Programs for the Aging Title III, Part B, Grants for Supportive				
Services and Senior Centers	93.044	2200000036	\$ 499,073	\$ 217,029
ARPA for Title III, Part B		2200000036	228,540	-
Special Programs for the Aging Title III Part C, Nutrition Services	93.045	2200000036	488,976	427,741
Nutrition Services			203,004	-
ARPA for Title III, Part B				
Nutrition Services Incentive Program	93.053	2200000038	99,068	99,068
Nutrition Services Incentive Program		2400000006	72,450	72,450
Aging Cluster Total			\$ 1,591,111	\$ 816,288

See Notes to Schedule of Expenditures of Federal Awards

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

Special Programs for the Aging Title VII Chapter 3 Program for Prevention of Elder Abuse, Neglect and Exploitation	93.041	2200000019	\$ 3,637	\$ -
Special Programs for the Aging Title VII Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	2200000019	9,571	-
ARPA for Assisted Living Facilities	93.042	2200000019	8,611	-
			\$ 18,182	\$ -
Special Programs for the Aging Title III Disease Prevention and Health Promotions Services	93.043	2200000036	27,026	25,259
ARPA for Title III Disease Prevention and Health Promotion Services		2200000036	24,198	3,854
			\$ 51,224	\$ 29,113
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects				
US Aging Vaccine Initiative	93.048	2300000130	67,013	-
Innovations in Nutrition Programs and Services	93.048	2400000017	4,302	-
			\$ 71,315	\$ -
Passed through Louisville/Jefferson County Metro Government Metro Government:				
Title IV and Title II, Discretionary Projects	93.048	90MPPG0020	\$ 28,806	\$ -
National Family Caregiver Support, Title III, Part E	93.047	2200000036	113,927	11,424
National Family Caregiver Support, Title III, Part E ARPA	93.052	2200000036	61,417	-
Medicare Enrollment Assistance Program	93.071	2200000037	\$ 4,131	\$ -
	93.071	2400000007	20,025	-
Passed through National Council on Aging: Medicare Enrollment Assistance Program	93.071	N/A	17,450	-
			\$ 41,606	\$ -
Promoting Safe and Stable Families	93.556	2200000045	63,514	47,420
Community-Based Child Abuse Prevention Grants	93.590	2200000045	247,323	72,338
Community-Based Child Abuse Prevention Grants - Parent Involvement	93.590	2200000045	2,285	-
			\$ 313,122	\$ 119,758
Medical Assistance Program	93.778	2200000065	32,750	-
Center for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779	2200000040	59,000	-
<b>Total Direct Funds from U.S Department of Health and Human Services</b>			<b>\$ 2,386,097</b>	<b>\$ 976,583</b>
<b>Corporation for National and Community Service</b>				
Passed through the Kentucky Commission and Community Volunteerism and Service: AmeriCorps - Senior Connections	94.006	22FXCKY001	475,198	-
<b>Total Direct Funds from Corporation for National and Community Service</b>			<b>\$ 475,198</b>	<b>\$ -</b>

See Notes to Schedule of Expenditures of Federal Awards.

**GREEN RIVER AREA DEVELOPMENT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

**Department of Homeland Security**

Passed through Local Sources				
Hazard Mitigation Grant Program	97,039			
City of Henderson		DR-4361-0027	\$ 743	\$ -
City of Corydon		DR-4358-0028-F	4,122	-
Davies County Fiscal Court		DR-4428-0008	4,405	-
		DR-4358-0018		
Davies County Fiscal Court		DR-4358-0019	22,911	-
<b>Total Direct Funds from Department of Homeland Security</b>			<u>\$ 32,181</u>	<u>\$ -</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 10,827,074</u>	<u>\$ 2,749,347</u>

\* Major Program as defined by OMB Circular A-133

See Notes to Schedule of Expenditures of Federal Awards.

**Green River Area Development District**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2024**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of GRADD under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of operations of GRADD, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of GRADD.

**Note 2 - Summary of Significant Accounting Policies**

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

**Note -3 - Indirect Costs**

GRADD did not use the 10% de minimis cost rate allowed by the Uniform Guidance.

**Note 4 - Reconciliation of Federal Revenue**

Federal revenue per the Combining Schedule of Operations	
by Program and Supporting Services	\$ 7,386,530
Federal Revenue per Proprietary Funds	3,309,832
Intermediary Relending Program	137,544
Total per Schedule of Expenditures	
of Federal Awards	\$ <u>10,833,906</u>

**Note 5 - Revolving Loan Federal Expenditures Calculation**

The following amounts were used to calculate the federal expenditures for the Economic Adjustment Assistance Loan Program:

04-79-07524

Balance of RLF CARES loans outstanding at year end	\$ 2,622,738
Cash and investment balance at year end	664,602
Administrative expenses paid out of RLF CARES income during	22,492
Unpaid principal of loans written off during the year	-
Total	\$ <u>3,309,832</u>



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

To the People of Kentucky  
Honorable Andy Beshear, Governor  
Michael Adams, Secretary of State  
Holly M. Johnson, Secretary, Finance and Administration Cabinet  
Board Members of Green River Area Development District  
Joanna Shake Executive Director

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 and each major fund of GRADD, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise GRADD'S basic financial statements, and have issued our report thereon dated December 6, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered GRADD'S internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GRADD'S internal control. Accordingly, we do not express an opinion on the effectiveness of GRADD'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 misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether GRADD'S financial statements are free of 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 determination of financial statement amounts. 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 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.

Respectfully submitted,

*Tichenor & Associates, LLP*

Tichenor & Associates, LLP  
Louisville, Kentucky  
December 6, 2024



Independent Auditors' Report on Compliance for Each Major Federal Program  
and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

To the People of Kentucky  
Honorable Andy Beshear, Governor  
Michael Adams, Secretary of State  
Holly M. Johnson, Secretary, Finance and Administration Cabinet  
Board Members of Green River Area Development District  
Joanna Shake Executive Director

**Report on Compliance for Each Major Federal Program**

We have audited Green River Area Development District's (GRADD) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of GRADD's major federal programs for the fiscal year ended June 30, 2024. GRADD's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirement of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of GRADD's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about GRADD's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of GRADD's compliance.

**Opinion on Each Major Federal Program**

In our opinion, GRADD complied, in all material aspects, 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 fiscal year ended June 30, 2024.

## Report on Internal Control over Compliance

Management of GRADD is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered GRADD's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of GRADD's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be a material weakness or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

*Tichenor & Associates, LLP*

Tichenor & Associates, LLP  
Louisville, Kentucky  
December 6, 2024

# GREEN RIVER AREA DEVELOPMENT DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### Fiscal Year Ended June 30, 2024

#### Section I - Summary of Auditors' Results

##### Financial Statements

Type of auditors' report issued:		Unmodified		
Internal control over financial reporting:				
Are any material weakness identified?	yes	X	no	
Are any significant deficiencies identified that are not considered to be material weaknesses?	yes	X	none reported	
Noncompliance material to financial statements noted?				
	yes	X	no	

##### Federal Awards

Internal control over major programs:				
Are any material weakness identified?	yes	X	no	
Are any significant deficiencies identified that are not considered to be material weaknesses?	yes	X	none reported	
Type of auditors' report issued on compliance for major programs:		Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes	X	no	
Programs tested as major programs:				
CFDA Numbers	Name of Federal Program			
93.044, 93.045, 93.053	Aging Cluster			
93.590	Community-Based Child Abuse Prevention Grants			
94.006	Volunteerism and Service			
Dollar threshold used to distinguish between Type A and B Programs:		\$750,000		
Auditee qualified as low - risk auditee?	yes	X	no	

#### Section II - Financial Statement Audit Findings

No findings were reported.

#### Section III - Major Federal Award Program Audit Findings and Questioned Costs

No findings were reported.

#### Section IV - Summary Schedule of Prior Year Findings

No prior year findings.