



Purchase Area Development District

Financial Statements

June 30, 2023



FINANCIAL STATEMENTS

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Purchase Area Development District Statement of Net Position

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 4,664,341	\$ 1,761,427	\$ 6,425,768
Investments	3,625,000	-	3,625,000
Interest receivable	27,761		27,761
Grants receivable	1,788,299	-	1,788,299
Accounts receivable	108,211	3,420	111,631
Loans, net	4,428,272	-	4,428,272
Inventory	236,932	-	236,932
Prepaid items	8,134	6,895	15,029
Nondepreciable capital assets	-	89,494	89,494
Depreciable capital assets	57,148	3,565,976	3,623,124
Less: accumulated depreciation	(3,810)	(2,749,060)	(2,752,870)
Total assets	14,940,288	2,678,152	17,618,440
Deferred Outflows of Resources			
OPEB related	804,994	-	804,994
Pension related	1,502,001	-	1,502,001
Total deferred outflows of resources	2,306,995	-	2,306,995
Liabilities			
Accounts payable and accrued liabilities	1,218,817	2,473	1,221,290
Unearned revenue	391,385	-	391,385
Long-term obligations:			
Due within one year:			
Notes payable	109,828	-	109,828
Compensated absences	33,868	-	33,868
Due beyond one year:			
Notes payable	834,154	-	834,154
Compensated absences	101,602	-	101,602
Net OPEB liability	1,481,615	-	1,481,615
Net pension liability	5,426,098	-	5,426,098
Total liabilities	9,597,367	2,473	9,599,840
Deferred Inflows of Resources			
OPEB related	844,669	-	844,669
Pension related	649,966	-	649,966
Total deferred inflows of resources	1,494,635	-	1,494,635
Net Position			
Net investment in capital assets	53,338	906,410	959,748
Restricted			
Grant programs	10,433,850	-	10,433,850
Unrestricted (deficit)	(4,331,907)	1,769,269	(2,562,638)
Total net position	\$ 6,155,281	\$ 2,675,679	\$ 8,830,960

The accompanying notes are an integral part of these financial statements. No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Statement of Activities

Year Ended June 30, 2023		Program Revenues				Net (Expense) Revenue and Changes in Net Position								
		Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total						
Governmental activities														
General Government	\$	233,617	\$	43,313	\$	145,358	\$	-	\$	(44,946)	\$	-	\$	(44,946)
Lending		415,396		-		1,544,482		-		1,129,086		-		1,129,086
Aging and Independent Living		3,879,806		-		3,836,642		-		(43,164)		-		(43,164)
Nutritional Services		4,094,863		-		4,541,064		-		446,201		-		446,201
Housing		25,909		-		-		-		(25,909)		-		(25,909)
Physical Planning		382,627		-		400,273		-		17,646		-		17,646
Economic Development		437,948		-		458,425		-		20,477		-		20,477
PDS		6,330,997		-		6,219,773		-		(111,224)		-		(111,224)
Workforce Development		928,887		-		899,458		-		(29,429)		-		(29,429)
Other Community Services		103,062		-		103,062		-		-		-		-
Total governmental activities		16,833,112		43,313		18,148,537		-		1,358,738		-		1,358,738

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Purchase Area Development District
Statement of Activities

Year Ended June 30, 2023	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Business-type activities								
JPLOO	253,664	187,871	-	-	-	(65,793)	(65,793)	
Total business-type activites	253,664	187,871	-	-	-	(65,793)	(65,793)	
Total government	\$ 17,086,776	\$ 231,184	\$ 18,148,537	\$ -	\$ 1,358,738	\$ (65,793)	\$ 1,292,945	
General Revenues								
Investment income					298,744	74,963	373,707	
Other					-	43,924	43,924	
Total general revenues					298,744	118,887	417,631	
Change in net position					1,657,482	53,094	1,710,576	
Net position - beginning of year					4,497,799	2,622,585	7,120,384	
Net position - end of year					\$ 6,155,281	\$ 2,675,679	\$ 8,830,960	

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Purchase Area Development District
Balance Sheet
Governmental Funds

<i>June 30, 2023</i>	General Fund	Special Revenue Funds	Total Governmental Funds
Assets			
Cash	\$ 1,040,747	\$ 3,623,594	\$ 4,664,341
Investments	3,250,000	375,000	3,625,000
Due from other funds	697,323	3,171,208	3,868,531
Interest receivable	-	27,761	27,761
Grants receivable	-	1,788,299	1,788,299
Accounts receivable	108,211	-	108,211
Loans, net	-	4,428,272	4,428,272
Inventory	-	236,932	236,932
Prepaid expenses	6,759	1,375	8,134
Total assets	\$ 5,103,040	\$ 13,652,441	\$ 18,755,481
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ 3,171,208	\$ 697,323	\$ 3,868,531
Accounts payable and accrued liabilities	172,914	1,045,903	1,218,817
Unearned revenue	49,366	342,019	391,385
Total liabilities	3,393,488	2,085,245	5,478,733
Fund Balances			
Non-spendable	6,759	4,666,579	4,673,338
Restricted	-	5,767,271	5,767,271
Assigned	-	1,133,346	1,133,346
Unassigned	1,702,793	-	1,702,793
Total fund balances	1,709,552	11,567,196	13,276,748
Total liabilities and fund balances	\$ 5,103,040	\$ 13,652,441	\$ 18,755,481

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Purchase Area Development District
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position

<u>June 30,</u>	<u>2023</u>
Total fund balances - governmental funds	\$ 13,276,748
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$57,148 and the accumulated depreciation is \$3,810.	53,338
Deferred outflows and inflows of resources related to pensions are applicable to future periods, therefore, are not reported in the fund statements.	852,035
Deferred outflows and inflows of resources related to OPEB expense are applicable to future periods, therefore, are not reported in the fund statements.	(39,675)
Long-term liabilities, including net pension and net OPEB liabilities, are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:	
Notes payable	(943,982)
Compensated absences	(135,470)
Net OPEB liability	(1,481,615)
Net pension liability	(5,426,098)
Total net position - governmental activities	<u>\$ 6,155,281</u>

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

<i>Year Ended June 30, 2023</i>	General Fund	Special Revenue Funds	Total Governmental Funds
Revenues			
Intergovernmental revenue	\$ -	\$ 14,778,886	\$ 14,778,886
Local revenue	145,358	2,558,990	2,704,348
Investment income	3,248	295,496	298,744
Other income	43,313	665,303	708,616
Total revenues	191,919	18,298,675	18,490,594
Expenditures			
General government	220,768	-	220,768
Lending	-	522,823	522,823
Aging and independent living	-	3,879,806	3,879,806
Nutritional services	-	4,091,053	4,091,053
Housing	17,500	29,514	47,014
Physical planning	-	382,627	382,627
Economic development	-	437,948	437,948
Participant directed services (PDS)	-	6,330,997	6,330,997
Workforce development	-	928,887	928,887
Other community services	-	103,062	103,062
Total expenditures	238,268	16,706,717	16,944,985
Excess of revenues over expenditures	(46,349)	1,591,958	1,545,609
Other Financing Sources (Uses)			
Operating transfers in	-	240,029	240,029
Operating transfers out	(240,029)	-	(240,029)
Total other financing sources (uses)	(240,029)	240,029	-
Net change in fund balance	(286,378)	1,831,987	1,545,609
Fund balances - beginning of year	1,995,930	9,735,209	11,731,139
Fund balances - end of year	\$ 1,709,552	\$ 11,567,196	\$ 13,276,748

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

<u>Year Ended June 30,</u>	<u>2023</u>
Total net change in fund balances - governmental funds	\$ 1,545,609
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense \$3,810 exceeds capital outlays \$0 in the period.	(3,810)
Government funds report District pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense	90,190
Repayments of note principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net assets.	128,532
Expenditures reported in the fund financial statements are recognized when the current financial resource is used. However, expenses in the statement of activities are recognized when they are incurred.	(6,387)
Government funds report District OPEB contributions as expenditures. However, in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense	(96,652)
Change in net position - governmental activities	<u>\$ 1,657,482</u>

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Purchase Area Development District
Statement of Net Position
Proprietary Fund

<i>June 30, 2023</i>	Jackson Purchase Local Officials Organization
Assets	
Current assets	
Cash	\$ 1,761,427
Accounts receivable	3,420
Prepaid expenses	6,895
Total current assets	1,771,742
Noncurrent assets	
Fixed assets - net	906,410
Total noncurrent assets	906,410
Total assets	2,678,152
Liabilities and Net Position	
Current liabilities	
Accounts payable	2,473
Total liabilities	2,473
Net Position	
Net investment in capital assets	906,410
Unrestricted	1,769,269
Total net position	\$ 2,675,679

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

<i>Year Ended June 30, 2023</i>	Jackson Purchase Local Officials Organization
Operating Revenues	
Rental income - real estate	\$ 119,080
Lease income - personal property	68,791
Other income	43,924
Total operating revenues	231,795
Operating Expenses	
Equipment maintenance	13,173
Building maintenance	20,035
Property maintenance	9,375
Vehicles	16,893
Insurance	41,228
Depreciation	152,042
Other	918
Total operating expenses	253,664
Operating loss	(21,869)
Non-Operating Revenues (Expense)	
Interest revenue	74,963
Total non-operating revenues	74,963
Change in net position	53,094
Net position - beginning of year	2,622,585
Net position - end of year	\$ 2,675,679

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Purchase Area Development District
Statement of Cash Flows
Proprietary Fund

<i>Year Ended June 30, 2023</i>	Jackson Purchase Local Officials Organization
Operating Activities	
Cash received from rental charges	\$ 231,849
Cash payments for other operating expenses	(85,538)
Net cash provided by operating activities	146,311
Capital and Related Financing Activities	
Acquisition of capital assets	(199,764)
Net cash used in capital and related financing activities	(199,764)
Cash Flows from Investing Activities	
Investment income and other	74,963
Net cash provided by investing activities	74,963
Net increase in cash	21,510
Cash - beginning of year	1,739,917
Cash - end of year	\$ 1,761,427

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Purchase Area Development District
Statement of Cash Flows
Proprietary Fund

<i>Year Ended June 30, 2023</i>	Jackson Purchase Local Officials Organization
Reconciliation of Operating Loss to Net Cash (Used in) Provided by Operating Activities:	
Operating loss	\$ (21,869)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	152,042
Changes in assets and liabilities:	
Accounts receivable	54
Prepaid expenses	17,879
Accounts payable	(1,795)
Net cash provided by operating activities	\$ 146,311

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Purchase Area Development District Notes to Financial Statements

NOTE 1: NATURE OF OPERATIONS AND REPORTING ENTITY

Reporting Entity

The Purchase Area Development District (the "District") supports economic development, gives technical assistance and helps in administering services and programs in the designated eight county Jackson Purchase Area of Kentucky. The District was established under the laws of the Commonwealth of Kentucky by KRS 147A.050 (1). The Attorney General in OAG 78-534 held that Area Development Districts are political subdivisions of the Commonwealth of Kentucky. As an Area Development District, the District has entered into various agreements, memoranda of agreements and contracts, all of which are subject to the financial management policies of the District.

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

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

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

Blended Component Unit

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

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

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

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

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District has the following funds:

Governmental Fund Types

General Fund

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

Special Revenue

Lending, Aging and Independent Living, Nutritional services, Housing, Physical Planning, Participant Directed Services (PDS), Workforce Development, and Other Community and Economic Development programs account for the activities of the special revenue fund that are non-spendable, restricted, committed or assigned to expenditures in accordance with restrictions established by the various grantors (primarily the United States Government and the Commonwealth of Kentucky). The separate projects of federally funded grant programs are identified in the accompanying schedule of expenditures of federal awards. The special revenue fund is a major fund.

Proprietary Fund Type

Enterprise Fund

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

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

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

Investments

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

Inventory

Supplies and materials are charged to expenditures when purchased (purchases method) with the exception of the proprietary fund, which record inventory at the lower of cost, determined by first-in first-out ("FIFO") method, or net realizable value.

The District warehouses food commodities as part of the Emergency Food Assistance Program and the Commodity Supplemental Food Program. Amounts reported at June 30, 2023 represent the dollar values of commodities on hand at year end based upon the U.S. Department of Agriculture (USDA) pricing values per unit.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans

The District grants commercial loans to eligible borrowers, through the Revolving Loan Fund (RLF) Program, Rural Business Enterprise Grant RLF (RBEG-RLF) program, Intermediary Relending Program (IRP), and SBA Microloan programs. The ability of the District's debtors to honor their contracts is dependent upon the borrower's cash flows from their operations and general economic conditions in this District's area. The loans are both secured and unsecured.

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

Loans are charged-off at an earlier date if collection of principal or interest is considered doubtful.

Accounts and Grants Receivable

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

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Balances

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

Prepaid Items

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

Capital Assets

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

All capital assets are capitalized at cost. The District does not possess any infrastructure assets.

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

Description	Estimated Lives
Computer equipment	4 - 10 years
Vehicles	4 years
Audio-visual equipment	7 - 15 years
Furniture and fixtures	7 - 15 years
Building and improvements	7 - 35 years

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources – Pension Related

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

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

Deferred Inflows and Outflows of Resources – OPEB Related

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

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and additions to/deductions from CERS fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The District's proportionate share of pension amounts were further allocated to each participating employer based on the contributions paid by each employer. Pension investments are reported at fair value. Note 10 provides further detail on the net pension liability.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and additions to/deductions from CERS fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The District's proportionate share of OPEB amounts were further allocated to each participating employer based on the contributions paid by each employer. OPEB investments are reported at fair value. Note 11 provides further detail on the net OPEB liability.

Post-Employment Health Care Benefits

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

Unearned Revenue

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

Compensated Absences

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

Accrued Liabilities and Long-Term Obligations

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lease contracts that provide the District with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment. The District did not have any significant leases for the year ended June 30, 2023.

Net Position

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

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

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

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

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations that required the use of resources for specific purposes. See Note 9 for further detail on fund balance policies.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

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

Revenues — Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of the fiscal year-end.

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

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

Income Taxes

The District is a political subdivision and is exempt from income taxes. The District's component unit qualifies for exemption from federal income taxes under KRS 61.420(5).

Estimates

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

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

Recent Issued and Implemented Accounting Pronouncements

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

Recent Accounting Pronouncements

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District is evaluating the requirements of this Statement.

GASB Statement No. 101, Compensated Absences, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. Additionally, this Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The District is evaluating the requirements of this Statement.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Notes to Financial Statements

NOTE 3: CASH AND INVESTMENTS

Deposits

At June 30, 2023, the carrying amounts of the District's deposits in the governmental funds, which include investments, were \$8,289,341 and the bank balances were \$8,655,027, of which \$8,294,687 was covered by federal depository insurance or by collateral held by the bank's agent in the District's name and \$360,340 was uninsured and uncollateralized.

The District's component unit, JPLOO, is a Kentucky non-profit entity. As such, JPLOO is not subject to the Kentucky Revised Statutes for pledging of collateral from financial institutions holding cash deposits. At June 30, 2023, JPLOO's carrying amounts of deposits was \$1,761,427 and the bank balances were \$1,795,988, which were covered by federal depository insurance or by collateral held by the bank's agent in JPLOO's name.

Deposits had the following balances at June 30, 2023:

<i>June 30,</i>	2023
Governmental funds	\$ 8,289,341
Proprietary fund	1,761,427
Total	\$ 10,050,768

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

► *Custodial Credit Risk Deposits*

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

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

As of June 30, 2023, the District's deposits was exposed to \$360,340 of custodial credit risk.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

► *Interest Rate Risk*

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

► *Credit Risk*

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

NOTE 4: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consist of the following:

Receivable Fund	Payable Fund		Amount
Special Revenue Fund	General Fund	\$	3,171,208
General Fund	Special Revenue Fund	\$	697,323

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Notes to Financial Statements

NOTE 5: LOANS

At June 30, 2023, the District has outstanding loans made to local businesses that are funded through federal, state and local loan programs. Amounts are recorded in the financial statements in the Revolving Loan Fund (RLF) program, Intermediary Relending Program, and SBA Microloans programs. At June 30, 2023, the District had outstanding loans, net of:

<i>June 30,</i>	2023
Revolving Loan Fund (RLF)	\$ 4,064,058
Intermediary Relending Programs (IRP)	590,351
SBA Microloan Programs	142,348
Total	4,796,757
Allowance for loan losses	(368,485)
Loans, net	\$ 4,428,272

An analysis of allowance for loan losses as of June 30, 2023 follows:

<i>June 30,</i>	2023
Balance - beginning of year	\$ 742,437
Provision for loan losses	(373,952)
Charge offs	-
Balance - end of year	\$ 368,485

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS

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

<i>June 30, 2023</i>	Capital Cost			
	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental Activities				
Capital assets that are depreciated:				
Office furniture and equipment	\$ 57,148	\$ -	\$ -	\$ 57,148
Total depreciable historical cost	57,148	-	-	57,148
Less accumulated depreciation for:				
Office furniture and equipment	-	3,810	-	3,810
Total accumulated depreciation	-	3,810	-	3,810
Governmental activities, capital assets, net	\$ 57,148	\$ 3,810	\$ -	\$ 53,338
Business-Type Activities				
Non-depreciable capital assets:				
Land	\$ 8,652	\$ 80,842	\$ -	\$ 89,494
Total nondepreciable historical cost	8,652	80,842	-	89,494
Capital assets that are depreciated:				
Office building	2,241,439	21,290	-	2,262,729
Office furniture and equipment	1,068,850	54,353	(14,345)	1,108,858
Vehicles	151,110	43,279	-	194,389
Total depreciable historical cost	3,461,399	118,922	(14,345)	3,565,976
Less accumulated depreciation for:				
Office building	1,578,124	85,715	-	1,663,839
Office furniture and equipment	900,702	53,121	(14,345)	939,478
Vehicles	132,537	13,206	-	145,743
Total accumulated depreciation	2,611,363	152,042	(14,345)	2,749,060
Business-type activities, capital assets, net	\$ 858,688	\$ 47,722	\$ -	\$ 906,410

NOTE 7: RELATED PARTY LEASE AGREEMENTS

The District has a rental agreement with JPLOO, where the District leases office space. The lease calls for monthly payments calculated upon a square footage basis. The amount of the lease per square foot is determined based upon the prior year depreciation, building and property maintenance, and insurance divided by the square footage under lease.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Notes to Financial Statements

NOTE 7: RELATED PARTY LEASE AGREEMENTS (CONTINUED)

Additionally, vehicles are leased based upon mileage and various furniture and equipment is leased at monthly rate with JPLOO.

Related party (JPLOO) lease agreement activity for year ended June 30, 2023 is as follows:

<i>June 30,</i>		2023
Real property	\$	119,080
Personal property		68,791
Total	\$	187,871

NOTE 8: NOTES PAYABLE AND LONG-TERM OBLIGATIONS

Notes payable at June 30, 2023 consist of the following:

<i>June 30,</i>		2023
Intermediary Relending Program III	\$	269,561
Intermediary Relending Program V		427,273
SBA Microloan Programs		71,197
KHC Production Loan Program		175,951
Total notes payable	\$	943,982

In 2002, the Intermediary Relending Program III (IRP III) was established which allows the District to borrow up to \$750,000 at a fixed rate of 1.00% per annum. Interest only was paid annually for the first three years. Principal and interest will then be paid in annual installments with the balance due and payable at January 30, 2032. The proceeds received by the District are loaned to qualified borrowers at a rate established by the District.

In 2015, the Intermediary Relending Program V (IRP V) was established which allows the District to borrow up to \$500,000 at a fixed rate of 1.00% per annum. Interest only was paid annually for the first three years. Principal and interest will then be paid in annual installments with the balance due and payable at September 23, 2045. The proceeds received by the District are loaned to qualified borrowers at a rate established by the District.

In 2013, the SBA Microloan III program was established which allowed the District to borrow \$500,000 at a rate of 1.375% per annum, depending upon the size of the loans made. Interest will accrue during the first year and current principal and interest will be paid in annual installments with the balance due and payable at September 30, 2023.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Notes to Financial Statements

NOTE 8: NOTES PAYABLE AND LONG-TERM OBLIGATIONS (CONTINUED)

In 2022, the SBA Microloan IV program was established which allowed the District to borrow up to \$200,000 at a rate of .75% per annum. No interest is being charged until the payments begin on February 7, 2023. Current principal and interest will be paid in annual installments with the balance due and payable at January 24, 2032.

Since 1997, the Kentucky Housing Corporation has made funds available from its Housing Production Loan Program to be utilized in the Revolving Rehabilitation Loan Program. Principal is repaid annually over a ten to twenty year period. Interest of 1.00% per annum on the unpaid principal balance is paid quarterly.

Changes in notes payable and long-term obligations are as follows:

<i>June 30, 2023</i>	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Notes payable:					
Notes payable	\$ 1,072,514	\$ -	\$ 128,532	\$ 943,982	\$ 109,828
Total notes payable	1,072,514	-	128,532	943,982	109,828
Other liabilities:					
Compensated absences	129,083	142,161	135,774	135,470	33,868
Total other liabilities	129,083	142,161	135,774	135,470	33,868
Total long-term liabilities	\$ 1,201,597	\$ 142,161	\$ 264,306	\$ 1,079,452	\$ 143,696

Maturities of notes payable subsequent to June 30, 2023, are as follows:

Year	Principal	Interest	Total
2024	\$ 109,828	\$ 9,559	\$ 119,387
2025	75,364	8,256	83,620
2026	75,860	7,512	83,372
2027	66,852	6,764	73,616
2028	67,359	6,321	73,680
2029-2033	278,679	20,972	299,651
2034-2038	115,577	11,030	126,607
2039-2043	100,368	5,757	106,125
2044-2048	54,095	1,013	55,108
	\$ 943,982	\$ 77,184	\$ 1,021,166

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District Notes to Financial Statements

NOTE 9: FUND BALANCES

The Board follows GASB Statement Number 54. Under this statement, fund balance is separated into five categories, as follows:

Non-spendable fund balances are amounts that cannot be spent because they are either not in a spendable form (such as inventory, prepaid amounts and loan amounts) or are legally or contractually required to be maintained intact. At June 30, 2023, the District's general fund had \$6,759 and the special revenue funds had \$1,375 of prepaid amounts, \$236,932 of inventory and net loans of \$4,428,272. Total non-spendable fund balance was \$4,673,338.

Restricted fund balances arise when constraints placed on use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. At June 30, 2023, the District's special revenue funds had \$5,767,271 restricted for grant programs.

Committed fund balances are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, which for the District is the Board of Directors. The Board of Directors must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment. The District had no commitments at June 30, 2023.

Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. At June 30, 2023, the District's special revenue funds had \$1,038,409 in the PDS fund assigned for future PDS expenditures and the Other Community and Economic Development funds had assigned fund balances of \$94,937 for future program expenditures. Total assigned fund balance in the special revenue funds was \$1,133,346 at June 30, 2023.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 10: RETIREMENT PLANS

The District has a contributory pension plan covering substantially all employees. This plan is a defined contribution 401(k) plan with no requirements for unfunded past or prior service costs. The amount of vested benefits does not exceed the amount of fund assets.

Participating employees are required to pay at least 1.00% of their compensation to the pension plan. With additional incentive contributions, the District contributes up to 5.00% of employees' compensation to the plan. Employees have the opportunity to make additional voluntary contributions.

The District's contributions to the plan for the year ended June 30, 2023 were \$45,109.

General Information About the CERS Pension Plan

Plan Description

The District contributes to the Non-Hazardous CERS plan, a cost-sharing multiple-employer defined benefit pension plan that covers all regular full-time and regular part-time salaried members of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the plan. CERS is administered by the Board of Trustees of the Kentucky Retirement System. CERS issues a publicly available financial report that can be obtained at www.kyret.ky.gov.

Benefits Provided

CERS provides retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Prior to July 1, 2009, Cost of Living Adjustments (COLAs) were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. After July 1, 2009, the COLAs were limited to 1.5%. No COLA has been granted since July 1, 2011.

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

Tier 2 - Non-Hazardous Tier 2 plan members, who began participating on, or after, September 1, 2008, and before January 1, 2014, are required to contribute a total of 6% of their annual creditable compensation. Further, 1% of these contributions are deposited in an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund (see Kentucky Administrative Regulation 105 KAR 1:420).

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 10: RETIREMENT PLANS (CONTINUED)

Benefits Provided (*Continued*)

These members were classified in the Tier 2 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1% contribution to the 401(h) account is non-refundable and is forfeited.

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

Contributions

Employers participating in the CERS were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.454(33), normal contribution and past service contribution rates shall be determined by the KRS Board of Trustees on the basis of an annual valuation last preceding the July 1 of a new biennium. The KRS Board of Trustees may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS Board of Trustees. For the fiscal year ended June 30, 2023 participating employers contributed a percentage of each employee's creditable compensation. The actuarially determined rate set by the KRS Board of Trustees for the fiscal year ended June 30, 2023 was 23.40%.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 10: RETIREMENT PLANS (CONTINUED)

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

At June 30, 2023, the District reported a liability of \$5,426,098 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on the District's share of 2022 contributions to the pension plan relative to the 2022 contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was .075060%.

For the year ended June 30, 2023, the District recognized pension expense of \$506,340. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,801	\$ 48,322
Net difference between projected and actual earnings on pension plan investments	738,329	599,224
Change of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contribution	182,860	2,420
District contributions subsequent to the measurement date	575,011	-
Total	\$ 1,502,001	\$ 649,966

\$575,011 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 10: RETIREMENT PLANS (CONTINUED)

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

<i>Year ended June 30,</i>	
2023	\$ 128,562
2024	39,917
2025	(45,598)
2026	154,143
2027	-
Thereafter	-

Actuarial Assumptions

The total pension liability, net pension liability, and sensitivity information as of June 30, 2022 were based on an actuarial valuation date of June 30, 2021. The total pension liability was rolled-forward from the valuation date (June 30, 2021) to the plan's fiscal year ending June 30, 2022, using generally accepted actuarial principles.

There have been no changes in actuarial assumptions since June 30, 2021. The actuarial assumptions are:

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

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 10: RETIREMENT PLANS (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60.00%	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income	20.00%	
Core Bonds	10.00%	0.28%
Specialty Credit/High Yield	10.00%	2.28%
Cash	0.00%	-0.91%
Inflation Protected	20.00%	
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
Expected Real Return	100.0%	4.28%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		6.58%

Discount Rate

The projection of cash flows used to determine the discount rate of 6.25% for CERS Non-hazardous assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018) over the remaining 29 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the KRS plan's Annual Comprehensive Financial Report (ACFR).

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 10: RETIREMENT PLANS (CONTINUED)

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
District's proportionate share of the net pension liability	\$ 6,781,949	\$ 5,426,098	\$ 4,304,696

Pension Plan Fiduciary Net Position

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

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

Plan Description

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

Benefits Provided

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Contributions

Employers participating in the KRS Insurance Fund contribute a percentage of each employee's creditable compensation. The actuarially determined rates set by the KRS board is a percentage of each employee's creditable compensation. For the year ended June 30, 2023, the required contribution was 3.39% of each employee's covered payroll. Contributions from the District to the KRS Insurance Fund for the year ended June 30, 2023, were \$83,650. The KRS board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS board. Employees qualifying as Tier 2 or Tier 3 of the CERS plan members contribute 1% of creditable compensation to an account created for the payment of health insurance benefits.

Implicit Subsidy

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

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

At June 30, 2023, the District reported a liability of \$1,481,615 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net OPEB liability was based on the District's share of 2022 contributions to the OPEB plan relative to the 2022 contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.075075%.

For the year ended June 30, 2023, the District recognized OPEB expense of \$191,940.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Notes to Financial Statements

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 149,137	\$ 339,769
Net difference between projected and actual investment earnings on OPEB plan investments	275,892	193,085
Change of assumptions	234,328	215,757
Changes in proportion and differences between employer contributions and proportionate share of contribution	61,987	96,058
District contributions subsequent to the measurement date	<u>83,650</u>	<u>-</u>
Total	<u>\$ 804,994</u>	<u>\$ 844,669</u>

For the year ended June 30, 2023, \$83,650 was reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30,</u>	
2023	\$ (35,445)
2024	(22,141)
2025	(76,174)
2026	10,435
2027	-
Thereafter	-

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions

The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2022 were based on an actuarial valuation date of June 30, 2021. The total OPEB liability was rolled-forward from the valuation date (June 30, 2021) to the plan's fiscal year ending June 30, 2022, using generally accepted actuarial principles. The plan adopted new actuarial assumptions since June 30, 2021, which were used to determine the total OPEB liability as follows:

Inflation	2.30%
Payroll Growth Rate	2.00%
Salary Increase	3.30% to 10.30%, varies by service for CERS non-hazardous
Investment Rate of Return	6.25%
Healthcare Trend Rates (Pre-65)	Initial trend starting at 6.20% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Healthcare Trend Rates (Post-65)	Initial trend starting at 9.00% in 2024, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Mortality (Pre-retirement)	PUB-2010 General Mortality table, for the Non-Hazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010
Mortality (Post-retirement; non-disabled)	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
Mortality (Post-retirement; disabled)	PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010

Long-Term Expected Rate of Return

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Notes to Financial Statements

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60.00%	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income	20.00%	
Core Bonds	10.0%	0.28%
Specialty Credit/High Yield	10.0%	2.28%
Cash	0.00%	-0.91%
Inflation Protected	20.00%	
Real Estate	7.0%	3.67%
Real Return	13.0%	4.07%
Expected Real Return	100.0%	4.28%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		6.58%

Discount Rate

Single discount rates of 5.70% for the non-hazardous system 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 6.25% and a municipal bond rate of 3.69%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2022. Based on the stated assumptions and the projection of the cash flows as of each fiscal year ending, the plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the retirement system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the System's actuarial determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the System's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Discount Rate (continued)

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

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

The following presents the District's proportionate share of the net OPEB liability as of June 30, 2023, calculated using the discount rate of 5.70%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.70%) or 1-percentage-point higher (6.70%) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
District's proportionate share of the collective net OPEB liability	\$ 1,980,683	\$ 1,481,615	\$ 1,069,052

Sensitivity of the District's Proportionate Share of the collective net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease	Current Healthcare Rate	1% Increase
District's proportionate share of the collective net OPEB liability	\$ 1,101,548	\$ 1,481,615	\$ 1,938,004

OPEB Plan Fiduciary Net Position

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

NOTE 12: CONTINGENCIES

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

NOTE 13: RISK MANAGEMENT

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

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

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

NOTE 14: COST ALLOCATION PLAN (CAP)

All costs incurred by the District are chargeable to specific program elements. These disbursements can either be classified as direct or as shared charges.

Direct charges are defined in the Uniform Guidance 2 CFR Part 200 (formerly OMB Circular A-87), issued by the Office of Management and Budget, as those costs that can identified specifically with a particular cost objective.

Shared costs are those costs incurred by the Purchase Area Development District for a common or joint purpose which benefits more than one program element, and are not readily assignable to the program element(s) specifically benefited.

The Purchase Area Development District has consolidated all the grant bank accounts of the Purchase Area Development District and utilized a cost allocation process of accounting. The Purchase Area Development District's accounting process is a very detailed integrated accounting system based on the accrual method of accounting. When the Commonwealth of Kentucky's Area Development Districts joined together and formed the Integrated Grant Program, the processes for the allocation of expenditures to the various grants and work elements were standardized by developing one set of criteria for the accounting process. Under the Joint Funding Administration System, it is

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

inappropriate to identify most specific costs due to the integration of the various funds within the numerous program elements. However, there are some items that should be charged direct.

In analyzing the budgeted work elements of the Purchase Area Development District, it was determined that the categories of costs were as follows:

Direct Costs Only: The direct salary costs and related personnel burden and travel expenses of an individual performing work on a specific work element, the cost of a consultant who performs work on a particular work element, or the contractual services received for a particular work element are classified as direct costs.

Shared Costs Only: Those costs of an organization which are not specifically identifiable with a particular project, service, program, or activity, but nevertheless are necessary to the general operation of the organization and the conduct of the activities it performs. The administrative activities of shared cost generally include, but are not limited to, agency personnel management, accounting, auditing, and legal services.

Mixed Direct and Shared Costs: This includes the costs of certain salaries and related personnel burden, printing and publications, travel and contractual services, etc. The Purchase Area Development District will charge the salaries and personnel burden of the administrative staff directly to programs when identifiable.

Local Expenditures Only: These include costs not allowable under grant terms and conditions.

Direct Costs:

We believe that the following costs fall within the District's definition of direct costs:

1. Salaries and Wages: All salaries of professional employees, which work specifically on certain work elements, are to be charged as a direct cost to the program element(s) in which their work is attributable.
2. Employee Personnel Burden: All employee personnel burden which can be specifically related to an employee whose salary is being charged directly is also to be charged as a direct cost based on the allocation of salary of that particular employee. These items of employee personnel burden that are charged as direct items are as follows:
 - The District's portion of the cost of Health Insurance per employee.
 - The District's portion of the cost of Dental Insurance per employee.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

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

- The District's portion of the Retirement Contribution per employee.
 - The District's portion of the cost of Life/Disability Insurance per employee.
3. Leave: All expenditures and accrual of leave time in the form of vacation leave or sick leave for employees whose salaries are being charged directly to specific work element(s) will also be charged as a direct charge based on the allocation of salary to that particular employee.
 4. Consultant Contracts: All consultant contracts whose content is directly attributed to specific work element(s) are charged as a direct cost to the program element(s) in which they apply.
 5. Contractual Services: All contractual services, which can be directly attributed to specific work element(s) are charged as a direct cost to the program element(s) in which they apply.
 6. Printing: All printing costs, which are directly attributable to documents within a specific work element, are to be charged as direct costs.
 7. Travel: All travel costs for employees whose time is directly attributable to specific work element(s) are also charged as direct costs based on the same percentage allocation as that of the salary of each employee. This process of charging travel is utilized by the Purchase Area Development District due to the travel complexities of the area. Since the District's travel costs are large due to the location of the District to the rest of the state, the Purchase Area Development District utilizes combined purposes for travel.

Mixed and Direct Shared Costs

The District has projected that the following costs will be allocated as follows between direct and shared costs:

1. Salaries and Wages: The salaries and wages of the administrative personnel and support staff are to be charged directly to programs when identifiable. When this represents general agency and personnel management, the costs will be charged to the shared cost pool. Actual time charged in either direct or shared administrative activities will be documented on time sheets.
2. Employee Personnel Burden: Employee personnel burden is to be allocated to the programs or to shared costs based on the reporting of time worked in each area. The personnel burden includes the agency's portion of health insurance, dental insurance, retirement contribution, and life and disability insurance. Worker's compensation and unemployment insurance is currently being charged to shared personnel burden.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

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

3. Leave: Leave is allocated to direct or shared costs based on the reporting of time worked in each area. Leave earned by employees reporting time in the shared cost pool is charged to personnel burden.
4. Contractual Services: Services, which are contracted and are not directly attributable to any particular work element, are to be charged as a shared cost.
5. Printing and Publications: All miscellaneous printing costs are to be charged as a shared cost. Publication costs general in nature are to be charged as a shared cost.
6. Travel/Education/Training: Travel costs for the Executive Director will be charged directly when identifiable or will be charged to shared costs when not identifiable. The administrative/support staff's travel will be allocated to the program areas based on time records. The cost of travel reimbursement for board members and committee members will be charged as shared costs except when the travel concerns a particular or identifiable program, and then it will be charged directly.
7. All Other Costs: All other costs are to be charged as shared costs or charged direct when identifiable. These costs include the following items of expenditures:
 - Office space, Utilities, and Maintenance
 - Telephone and Telegraph
 - Consumable Supplies
 - Postage
 - Equipment Lease
 - Miscellaneous Costs (audit, bonds, organizational dues, liability insurance, legal services, etc.)

In summary, the following is a description of the accounting policies that were followed in adapting the accounting system of the Purchase Area Development District to the requirements of the Uniform Guidance 2 CFR Part 200 (formerly OMB Circular A-87):

1. The allowability or non-allowability of specific costs will be determined by specific contract, sub-recipient agreement, and Uniform Guidance 2 CFR Part 200.
2. Shared costs will be distributed to the work elements in relationship to the direct salaries and personnel burden.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Notes to Financial Statements

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

3. Costs, which can be identified with a particular work element, will be charged directly to that work element.

4. Travel costs follow the time of the person doing the traveling or will be charged directly when identifiable.

5. Direct salary and personnel burden costs shall include the actual costs of the employee in that work element.

6. When a work element has direct salaries, it must be charged with its proportionate share of the shared costs.

7. Shared time is not only time that is fragmented, but some functions, such as payroll preparation, general administration, and receptionist duties are shared in their nature. This time will be allocated to the various work elements through the shared cost pool.

<i>Year Ended June 30, 2023</i>	Shared Costs
Salaries	\$ 357,063
Employee benefits	185,025
Insurance	21,310
Contractual Services	50,310
Rent	155,302
Utilities	45,822
Computer software	42,297
Travel	19,026
Janitorial	18,099
Dues and memberships	17,755
Supplies	13,970
Training and registrations	464
Other	4,563
	\$ 931,006
<hr/>	
Direct Salaries and Employee Benefits:	
Salaries	\$ 2,265,329
Employee benefits	1,440,968
Total	\$ 3,706,297
<hr/>	
Total Shared Costs	\$ 931,006
Total Direct Salaries and Employee Benefits	\$ 3,706,297
<hr/>	
FY' 23 Shared Cost Rate	25.12%
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No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Budgetary Comparison Schedule for the General Fund

Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Final to Actual
Revenues				
Local income	\$ -	\$ -	\$ 145,358	\$ 145,358
Investment income	60,000	171,814	3,248	(168,566)
Other income	30,000	-	43,313	43,313
Total revenues	90,000	171,814	191,919	20,105
Expenditures				
Salaries	373,241	373,241	392,168	(18,927)
Employee benefits	225,000	225,000	309,568	(84,568)
Travel	25,000	25,000	26,078	(1,078)
Other	70,000	70,000	441,460	(371,460)
^(A) Total expenditures	693,241	693,241	1,169,274	(476,033)
Deficiency of revenues over expenditures	(603,241)	(521,427)	(977,355)	(455,928)
Other Financing Sources (Uses)				
Operating transfer in	-	-	931,006	931,006
Operating transfer out	-	-	(240,029)	(240,029)
Total other financing sources (uses)	-	-	690,977	690,977
Net change in fund balance	(603,241)	(521,427)	(286,378)	235,049
Fund balances - beginning of year	1,995,930	1,995,930	1,995,930	-
Fund balances - end of year	\$ 1,392,689	\$ 1,474,503	\$ 1,709,552	\$ 235,049

^(A) Note A: Reconciliation of Total Expenditures for Budgetary Reporting to the Statement of Revenues, Expenditures, and Changes in Fund Balances Expenditures:

Total General Fund expenditures noted above: \$ 1,169,274

Differences in Governmental fund other expense reporting for
shared costs (931,006)

Total General Fund expenditures on the Statement of Revenues,
Expenditures and Changes in Fund Balance - General Fund \$ 238,268

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District Budgetary Comparison Schedule for the Special Revenue Funds

Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Final to Actual
Revenues				
Intergovernmental revenue	\$ 13,028,108	\$ 13,028,108	\$ 14,778,886	\$ 1,750,778
Local revenue	-	-	2,558,990	2,558,990
Investment income	-	-	295,496	295,496
Other income	-	-	665,303	665,303
Total revenues	13,028,108	13,028,108	18,298,675	5,270,567
Expenditures				
Salaries	2,100,000	2,100,000	1,873,161	226,839
Employee Benefits	1,220,284	1,226,715	1,131,400	95,315
Travel	68,000	69,863	70,262	(399)
Contractual services	2,721,930	2,721,930	2,888,998	(167,068)
Other	5,856,428	6,186,023	10,742,896	(4,556,873)
Total expenditures	11,966,642	12,304,531	16,706,717	(4,402,186)
Excess of revenues over expenditures	1,061,466	723,577	1,591,958	868,381
Other Financing Sources (Uses)				
Operating transfer in	-	-	240,029	240,029
Total other financing sources (uses)	-	-	240,029	240,029
Net change in fund balance	1,061,466	723,577	1,831,987	1,108,410
Fund balances - beginning of year	9,735,209	9,735,209	9,735,209	-
Fund balances - end of year	\$ 10,796,675	\$ 10,458,786	\$ 11,567,196	\$ 1,108,410

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

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

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

<i>As of June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.075060%	0.073794%	0.069399%	0.070472%	0.078880%	0.087505%	0.090540%	0.090573%	0.093500%
District's proportionate share of the net pension liability	\$ 5,426,098	\$ 4,704,946	\$ 5,322,846	\$ 4,956,327	\$ 4,804,032	\$ 5,121,837	\$ 4,457,736	\$ 3,890,950	\$ 3,032,000
District's covered payroll	\$ 2,131,767	\$ 1,922,256	\$ 1,814,918	\$ 1,822,889	\$ 1,986,043	\$ 2,163,454	\$ 2,183,741	\$ 2,141,327	\$ 2,154,363
District's proportionate share of the net pension liability as a percentage of its covered payroll	254.54%	244.76%	293.28%	271.89%	241.89%	236.74%	204.13%	181.71%	140.74%
Plan fiduciary net position as a percentage of the total pension liability	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%

Schedule of District Contributions - CERS

<i>For the Year Ended June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 575,011	\$ 451,295	\$ 370,995	\$ 350,279	\$ 295,673	\$ 287,579	\$ 301,802	\$ 271,221	\$ 273,019
Contributions in relation to the contractually required contribution	575,011	451,295	370,995	350,279	295,673	287,579	301,802	271,221	273,019
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,457,312	\$ 2,131,767	\$ 1,922,256	\$ 1,814,918	\$ 1,822,889	\$ 1,986,043	\$ 2,163,454	\$ 2,183,741	\$ 2,183,741
Contributions as a percentage of covered payroll	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.50%

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

Changes of Benefit Terms

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

2022: No changes in benefit terms.

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms.

2017: No changes in benefit terms.

2016: No changes in benefit terms.

2015: No changes in benefit terms.

Changes of Assumptions

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

2022: No changes in assumptions.

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

2020: During the 2020 legislative session, Senate Bill 249 was enacted which changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020. Additionally, House Bill 271 was enacted which removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse. It also

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

increased benefits for a very small number of beneficiaries. This did not have a material (or measurable) impact on the liability of the plans and therefore, no adjustment was made to the Total Pension Liability to reflect this legislation.

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

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

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

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

2015: No changes in assumptions.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

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

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

<i>As of June 30,</i>	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.075075%	0.073777%	0.069379%	0.070453%	0.078877%	0.087505%
District's proportionate share of the net OPEB liability	\$ 1,481,615	\$ 1,412,424	\$ 1,675,292	\$ 1,184,987	\$ 1,400,447	\$ 1,759,151
District's covered payroll	\$ 2,131,767	\$ 1,922,256	\$ 1,814,918	\$ 1,822,889	\$ 1,986,043	\$ 2,163,454
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	69.50%	73.48%	92.31%	65.01%	70.51%	81.31%
Plan fiduciary net position as a percentage of the total OPEB liability	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%

Schedule of District Contributions - CERS

<i>For the years ended June 30,</i>	2022	2022	2021	2020	2019	2018
Contractually required contribution	\$ 83,650	\$ 122,872	\$ 91,499	\$ 86,390	\$ 95,884	\$ 93,344
Contributions in relation to the contractually required contribution	83,650	122,872	91,499	86,390	95,884	93,344
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,457,312	\$ 2,131,767	\$ 1,922,256	\$ 1,814,918	\$ 1,822,889	\$ 1,986,043
Contributions as a percentage of covered payroll	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

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

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

Changes of Benefit Terms

No changes of benefit terms.

Changes of Assumptions

2022: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. Additional information regarding the single discount rates is provided in Note 11 of the financial statements. During the 2022 legislative session, Senate Bill 209 was enacted which increased the insurance dollar contribution for members hired on or after July 1, 2023 by \$5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. Senate Bill 209 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans other than those administered by KPPA. The total OPEB liability as of June 30, 2022 is determined using these updated benefit provisions.

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

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

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

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

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

2018: There have been no changes in actuarial assumptions since June 30, 2017 (other than the blended discount rate used to calculate the total OPEB liability). However, during the 2018 legislative session, House Bill 185 was enacted, which update the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The total OPEB liability as of June 30, 2018 is determined using the updated benefit provisions.

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

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Purchase Area Development District
Combining Balance Sheet
Special Revenue Funds

<i>June 30, 2023</i>	Lending	Aging and Independent Living	Nutritional Services	Housing	Physical Planning	PDS	Workforce Development	Other Community and Economic Development	Total Special Revenue Funds
Assets									
Cash	\$ 3,038,800	\$ -	\$ -	\$ 101,911	\$ -	\$ 408,216	\$ 74,667	\$ -	\$ 3,623,594
Investments	75,000	-	-	300,000	-	-	-	-	375,000
Due from other funds	775,572	-	778,522	377,379	269,764	962,142	-	7,829	3,171,208
Interest receivable	27,761	-	-	-	-	-	-	-	27,761
Grants receivable, net	-	877,285	75,269	-	56,763	379,964	259,139	139,879	1,788,299
Loans, net	4,428,272	-	-	-	-	-	-	-	4,428,272
Inventory	-	-	236,932	-	-	-	-	-	236,932
Prepaid expenses	1,375	-	-	-	-	-	-	-	1,375
Total assets	\$ 8,346,780	\$ 877,285	\$ 1,090,723	\$ 779,290	\$ 326,527	\$ 1,750,322	\$ 333,806	\$ 147,708	\$ 13,652,441
Liabilities and Fund Balances									
Liabilities									
Due to other funds	\$ -	377,049		\$ -	\$ -	\$ -	\$ 320,274	\$ -	\$ 697,323
Accounts payable	10,084	455,202	603	10	495	485,278	3,685	47,580	1,002,937
Accrued payroll and taxes	6,650	8,602	2,421	3	2,349	7,903	9,847	5,191	42,966
Unearned revenue	-	-	123,287	-	-	218,732	-	-	342,019
Total liabilities	16,734	840,853	126,311	13	2,844	711,913	333,806	52,771	2,085,245
Fund Balances									
Non-spendable	4,429,647	-	236,932	-	-	-	-	-	4,666,579
Restricted	3,900,399	36,432	727,480	779,277	323,683	-	-	-	5,767,271
Assigned	-	-	-	-	-	1,038,409	-	94,937	1,133,346
Total fund balances	8,330,046	36,432	964,412	779,277	323,683	1,038,409	-	94,937	11,567,196
Total liabilities and fund balances	\$ 8,346,780	\$ 877,285	\$ 1,090,723	\$ 779,290	\$ 326,527	\$ 1,750,322	\$ 333,806	\$ 147,708	\$ 13,652,441

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

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

<i>Year Ended June 30, 2023</i>	Lending	Aging and Independent Living	Nutritional Services	Housing	Physical Planning	PDS	Workforce Development	Other Community and Economic Development	Total Special Revenue Funds
Revenues									
Intergovernmental revenue	\$ 905,937	\$ 3,836,401	\$ 2,224,825	\$ -	\$ 255,610	\$ 6,219,703	\$ 899,458	\$ 436,952	\$ 14,778,886
Local revenue	72,697	241	2,216,784	-	144,663	70	-	124,535	2,558,990
Investment income	289,050	-	-	6,446	-	-	-	-	295,496
Loan recovery income	534,507	-	-	-	-	-	-	-	534,507
Other income	31,341	-	99,455	-	-	-	-	-	130,796
Total revenues	1,833,532	3,836,642	4,541,064	6,446	400,273	6,219,773	899,458	561,487	18,298,675
Expenditures									
Salaries	86,675	321,743	117,762	1,386	173,384	501,416	436,325	234,470	1,873,161
Employee benefits	55,434	211,155	76,613	597	91,780	311,855	245,088	138,878	1,131,400
Travel	2,920	15,469	7,439	-	10,561	10,418	9,506	13,949	70,262
Contractual services	-	2,869,751	-	-	-	-	-	19,247	2,888,998
Program services	-	-	3,372,038	-	-	5,129,897	-	-	8,501,935
Debt service	107,427	-	-	21,105	-	-	-	-	128,532
Other	270,367	461,688	517,201	6,426	106,902	377,411	237,968	134,466	2,112,429
Total expenditures	522,823	3,879,806	4,091,053	29,514	382,627	6,330,997	928,887	541,010	16,706,717
Excess (deficiency) of revenues over expenditures	1,310,709	(43,164)	450,011	(23,068)	17,646	(111,224)	(29,429)	20,477	1,591,958
Other Financing Sources (Uses)									
Operating transfers in	210,600	-	-	-	-	-	29,429	-	240,029
Total other financing sources (uses)	210,600	-	-	-	-	-	29,429	-	240,029
Net change in fund balance	1,521,309	(43,164)	450,011	(23,068)	17,646	(111,224)	-	20,477	1,831,987
Fund balances - beginning of year	6,808,737	79,596	514,401	802,345	306,037	1,149,633	-	74,460	9,735,209
Fund balances - end of year	\$ 8,330,046	\$ 36,432	\$ 964,412	\$ 779,277	\$ 323,683	\$ 1,038,409	\$ -	\$ 94,937	\$ 11,567,196

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Purchase Area Development District
Statement of Grant Activity

	Local 10000	JFA Comm & Econ Dev. 12000	JFA C.D.B.G. 12500	JFA DRA 13500	JFA Management Assistance 14000	JFA Program Admin 15000	JFA/DLG EDA Cares 16000	911 Accounting Contract 17001
Revenues								
Federal:								
Received	\$ -	\$ 47,289	\$ 13,318	\$ -	\$ -	\$ -	\$ 16,980	\$ -
Receivable (payable)	-	19,378	6,849	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-
State:								
Received	-	9,262	13,318	30,676	115,045	44,345	-	-
Receivable (payable)	-	4,845	6,354	51,161	25,586	15,600	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-
Local:								
Received	152,361	-	-	-	-	-	-	12,500
Receivable (payable)	10,000	-	-	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues/sources	162,361	80,774	39,839	81,837	140,631	59,945	16,980	12,500
Expenses								
Direct expenses:								
Salaries	380,320	38,407	18,224	41,180	65,786	28,090	10,485	4,831
Employee benefits	302,105	32,694	10,071	21,464	35,358	14,588	4,959	3,257
Travel	26,067	2,374	677	522	4,722	3,091	1,103	-
Advances to sub-grantees	-	-	-	-	-	-	-	-
Other expenses	430,115	1,312	1,960	-	1,806	567	-	2,577
Total direct expenses	1,138,607	74,787	30,932	63,166	107,672	46,336	16,547	10,665
Indirect expenses:								
Indirect expenses applied	(931,006)	18,698	8,907	18,671	32,959	13,609	5,664	2,501
Total expenses	207,601	93,485	39,839	81,837	140,631	59,945	22,211	13,166
Revenues Over (Under) Expenses	\$ (45,240)	\$ (12,711)	\$ -	\$ -	\$ -	\$ -	\$ (5,231)	\$ (666)

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Purchase Area Development District
Statement of Grant Activity

	Delta Reg Auth FY21-22 19001	DRG - Project Admin 19004	CDBG LACenter Water Proj 19006	CDBG Hickman County Housing 19007	FHLB TVA Home Uplift 19008	Building Inspection - 19009	CDBG Hickman Mission House - 19010	BRIC- Energy Grant - 19011	GC American Redcross- Makers Space - 19012	CDBG CV Utility Assistance Project - 19013
Revenues										
Federal:										
Received	\$ 8,194	\$ 8,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable (payable)	-	-	-	-	-	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-
State:										
Received	-	-	-	-	-	-	-	227	-	-
Receivable (payable)	-	-	-	-	-	-	-	387	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-
Local:										
Received	-	-	21,500	5,000	81,098	-	-	-	15,000	1,937
Receivable (payable)	-	-	-	-	-	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-
Total revenues/sources	8,194	8,138	21,500	5,000	81,098	-	-	614	15,000	1,937
Expenses										
Direct expenses:										
Salaries	5,403	2,178	1,186	1,538	5,581	13,080	480	340	2,512	-
Employee benefits	5,143	1,445	703	663	2,239	7,650	311	133	1,457	-
Travel	377	-	-	862	167	-	-	54	-	-
Advances to sub-grantees	-	-	-	-	19,247	-	-	-	-	-
Other expenses	-	-	-	2	14,587	328	-	-	-	-
Total direct expenses	10,923	3,623	1,889	3,065	41,821	21,058	791	527	3,969	-
Indirect expenses:										
Indirect expenses applied	2,834	572	637	724	2,499	6,505	231	140	1,254	-
Total expenses	13,757	4,195	2,526	3,789	44,320	27,563	1,022	667	5,223	-
Revenues Over (Under) Expenses	\$ (5,563)	\$ 3,943	\$ 18,974	\$ 1,211	\$ 36,778	\$ (27,563)	\$ (1,022)	\$ (53)	\$ 9,777	\$ 1,937

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District Statement of Grant Activity

	Revolving Loan Fund - 20101	RLF Recap 20201	RLF EDA CARES Admin - 20301	RLF- ARPA - 20401	RBEG RLF 21101	RBEG RLF 2 21201	RBEG RLF 3 21301	IRP 22101	IRP Recap 22201	IRP 3 22301	IRP V 22501	SBA Micro Loan II 23101	SBA Micro Loan III 23201	SBA 504 23301	SBA 23401	SBA Mircolloan IV
Revenues																
Federal:																
Received	\$ -	\$ -	\$ 63,537	\$ 842,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable (payable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State:																
Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivable (payable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local:																
Received	-	-	-	-	-	-	-	-	-	-	-	-	-	64,260	809	1,083
Receivable (payable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,691	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	295,668	120,493	85,245	11,895	18,420	43,346	1,082	11,195	69,781	103,780	57,361	299	37,992	-	-	1,196
Total revenues/sources	295,668	120,493	148,782	854,295	18,420	43,346	1,082	11,195	69,781	103,780	57,361	299	37,992	64,260	4,500	2,279
Expenses																
Direct expenses:																
Salaries	6,528	278	24,734	-	3,279	2,768	63	447	3,351	3,139	2,528	-	328	36,778	2,454	-
Employee benefits	3,753	172	14,985	-	2,840	2,421	28	314	2,790	2,616	2,061	-	204	21,742	1,508	-
Travel	5	-	475	-	-	-	-	-	-	-	30	-	-	2,258	152	-
Advances to sub-grantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	11,240	165	181,874	568	46	197	-	40	274	32,257	21,229	-	64,079	19,586	-	1,759
Total direct expenses	21,526	615	222,068	568	6,165	5,386	91	801	6,415	38,012	25,848	-	64,611	80,364	4,114	1,759
Indirect expenses:																
Indirect expenses applied	3,200	143	12,808	-	1,939	1,651	28	215	1,923	1,808	1,478	(16)	74	18,001	1,229	-
Total expenses	24,726	758	234,876	568	8,104	7,037	119	1,016	8,338	39,820	27,326	(16)	64,685	98,365	5,343	1,759
Revenues Over (Under) Expenses	\$ 270,942	\$ 119,735	\$ (86,094)	\$ 853,727	\$ 10,316	\$ 36,309	\$ 963	\$ 10,179	\$ 61,443	\$ 63,960	\$ 30,035	\$ 315	\$ (26,693)	\$ (34,105)	\$ (843)	\$ 520

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District Statement of Grant Activity

	CDO Support BRK all Waivers 30001	CDO/All Waivers Client - 30002	Veterans Directed Care - 31001	Commodity Supply Food Program 41001	TEFAP 41002	CARES Act Build Back Better Program 22 Food Bank 41006	TEFAP Reach & Resiliency 41007	TEFAP CCC Administration Storage & Distribute- 41008	Food Bank 42001	Legal Food Frenzy 42003	Tornado Relief Food Bank 42011	Dollar General Food Bank - 42012	June 2023 Freezer/Cooler Agreement - 42013
Revenues													
Federal:													
Received	\$ -	\$ -	\$ 14,632	\$ 858,683	\$ 955,526	\$ 160,643	\$ 4,685	\$ 215,916	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable (payable)	-	-	8,011	11,074	14,298	-	-	-	-	-	-	-	4,000
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-	-	-
State:													
Received	986,426	4,950,334	-	-	-	-	-	-	-	-	-	-	-
Receivable (payable)	5,101	255,199	-	-	-	-	-	-	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-	-	-
Local:													
Received	70	-	-	-	5,310	-	-	-	181,425	1,923	419,561	12,068	-
Receivable (payable)	-	-	-	-	-	-	-	-	4,953	-	14,792	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	20,810	-	-	-	78,545	-	1,576,852	-	-
Total revenues/sources	991,597	5,205,533	22,643	869,757	995,944	160,643	4,685	215,916	264,923	1,923	2,011,205	12,068	4,000
Expenses													
Direct expenses:													
Salaries	499,033	-	2,383	61,213	33,903	-	-	-	16,269	-	-	6,377	-
Employee benefits	310,344	-	1,511	42,062	20,598	-	-	-	10,973	-	-	2,980	-
Travel	9,686	-	592	3,054	1,540	-	-	-	2,845	-	-	-	-
Advances to sub-grantees	-	-	-	-	-	-	-	-	-	-	1,571,529	-	-
Other expenses	44,462	5,214,202	41	624,455	844,240	136,060	4,631	209,324	160,323	-	279,015	-	-
Total direct expenses	863,525	5,214,202	4,527	730,784	900,281	136,060	4,631	209,324	190,410	-	1,850,544	9,357	-
Indirect expenses:													
Indirect expenses applied	247,582	-	1,161	30,919	17,558	-	-	-	8,106	-	-	3,079	-
Total expenses	1,111,107	5,214,202	5,688	761,703	917,839	136,060	4,631	209,324	198,516	-	1,850,544	12,436	-
Revenues Over (Under) Expenses	\$ (119,510)	\$ (8,669)	\$ 16,955	\$ 108,054	\$ 78,105	\$ 24,583	\$ 54	\$ 6,592	\$ 66,407	\$ 1,923	\$ 160,661	\$ (368)	\$ 4,000

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Purchase Area Development District
Statement of Grant Activity

	TIII B Aging Admin 51001	Title III B Internal Services 51002	Title III B Sub- Contractor Services 51003	TIII C1 Cong Meals Admin 51004	Title III C1 Internal Services 51005	Title III C1 Sub- Contractor Services 51006	TIII C2 HDM Admin 51007	Title III C2 Internal Services 51008	Title III C2 Subcontractor Services 51009	Title III D Internal Services 51010
Revenues										
Federal:										
Received	\$ 23,281	\$ 29,093	\$ 186,564	\$ 9,156	\$ -	\$ 319,885	\$ 25,083	\$ 2,712	\$ 346,712	\$ -
Receivable (payable)	6,521	25,957	64,503	11,364	-	6,130	281	-	53,908	3,337
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-
State:										
Received	8,311	3,100	41,165	10,951	3,500	104,415	6,142	-	16,853	-
Receivable (payable)	-	-	8,146	-	-	48,000	-	-	331,284	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-
Local:										
Received	-	-	-	-	-	-	-	-	-	-
Receivable (payable)	-	-	-	-	-	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-
Total revenues/sources	38,113	58,150	300,378	31,471	3,500	478,430	31,506	2,712	748,757	3,337
Expenses										
Direct expenses:										
Salaries	17,256	22,348	-	14,585	-	-	14,135	-	-	-
Employee benefits	20,054	13,803	-	9,063	-	-	9,084	-	-	-
Travel	211	922	-	587	-	-	329	-	-	-
Advances to sub-grantees	-	-	263,695	-	-	483,518	-	-	748,757	-
Other expenses	4,763	10,451	36,272	79	3,500	22,342	167	2,712	-	3,337
Total direct expenses	42,284	47,524	299,967	24,314	3,500	505,860	23,715	2,712	748,757	3,337
Indirect expenses:										
Indirect expenses applied	9,215	11,032	-	7,157	-	-	7,791	-	-	-
Total expenses	51,499	58,556	299,967	31,471	3,500	505,860	31,506	2,712	748,757	3,337
Revenues Over (Under) Expenses	\$ (13,386)	\$ (406)	\$ 411	\$ -	\$ -	\$ (27,430)	\$ -	\$ -	\$ -	\$ -

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Purchase Area Development District
Statement of Grant Activity

	Title III D		Title III E		Homecare		ESMP	
	Subcontractor	TIII Caregiver	Internal	Homecare	Internal	Homecare	ESMP	Subcontractor
	Services 51011	Admin 51012	Services 51013	Admin 52001	Services 52002	Services 52003	Admin - 52004	Services - 52005
Revenues								
Federal:								
Received	\$ 7,863	\$ 18,237	\$ 95,695	\$ -	\$ -	\$ -	\$ 24,583	\$ 907,769
Receivable (payable)	1,702	10,721	74,907	-	-	-	4,580	16,545
Advanced or unexpended	-	-	-	-	-	-	-	-
State:								
Received	200	6,069	58,037	77,878	103,128	140,466	-	-
Receivable (payable)	-	-	18,583	8,849	43,242	39,804	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-
Local:								
Received	-	-	-	-	-	-	-	-
Receivable (payable)	-	-	-	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues/sources	9,765	35,027	247,222	86,727	146,370	180,270	29,163	924,314
Expenses								
Direct expenses:								
Salaries	-	16,906	54,106	41,239	62,867	-	13,340	-
Employee benefits	-	10,182	31,687	31,572	32,714	-	8,654	-
Travel	-	1,021	3,184	947	4,079	-	-	-
Advances to sub-grantees	9,765	-	-	-	3,958	164,829	-	924,314
Other expenses	-	187	131,286	539	18,953	10,315	-	-
Total direct expenses	9,765	28,296	220,263	74,297	122,571	175,144	21,994	924,314
Indirect expenses:								
Indirect expenses applied	-	8,330	26,959	21,585	29,527	-	7,169	-
Total expenses	9,765	36,626	247,222	95,882	152,098	175,144	29,163	924,314
Revenues Over (Under) Expenses	\$ -	\$ (1,599)	\$ -	\$ (9,155)	\$ (5,728)	\$ 5,126	\$ -	\$ -

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District Statement of Grant Activity

	MIPPA AAA 9/30 - 8/31/21 53001	MIPPA ADRC 9/30 - 8/31/21 53002	MIPPA SHIP 9/30 - 8/31/21 53003	MIPPA AAA - 53004	MIPPA ADRC - 53005	MIPPA SHIP - 53006	NSIP 53010	Title V Admin - 53011	Title V WKAS 53012	TVII Elder Abuse 53013	TVII Ombudsman 53014	State LTC Ombudsman 53015	SHIP - Services 53017	SHIP - Admin 53018	Medicaid ADRC 53019	Medicaid ADRC No Wrong Door Funds 53020	Medicaid ADRC CDC Funds - 53021
Revenues																	
Federal:																	
Received	\$ 1,404	\$ -	\$ -	\$ 17,335	\$ 4,000	\$ 14,406	\$ 121,099	\$ 9,565	\$ 97,498	\$ 3,885	\$ 10,874	\$ -	\$ 14,400	\$ 743	\$ 12,250	\$ 8,744	\$ 39,494
Receivable (payable)	-	-	-	-	-	-	24,000	1,735	28,319	-	534	-	378	160	3,325	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State:																	
Received	-	-	-	-	-	-	-	-	-	3,424	5,482	34,812	-	-	12,250	-	-
Receivable (payable)	-	-	-	-	-	-	-	-	-	434	-	7,314	-	-	3,325	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local:																	
Received	-	-	-	-	-	-	-	-	-	-	-	241	-	-	-	-	-
Receivable (payable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues/sources	1,404	-	-	17,335	4,000	14,406	145,099	11,300	125,817	7,743	16,890	42,367	14,778	903	31,150	8,744	39,494
Expenses																	
Direct expenses:																	
Salaries	639	773	588	9,280	2,023	7,333	-	5,910	-	3,234	7,397	18,459	5,839	236	3,133	117	-
Employee benefits	4,487	495	395	6,186	1,262	4,632	-	3,508	-	2,113	4,387	10,716	3,909	144	2,024	84	-
Travel	-	-	-	43	-	-	-	75	-	72	815	2,318	572	294	-	-	-
Advances to sub-grantees	-	-	-	-	-	-	145,099	-	125,817	-	-	-	-	-	-	-	-
Other expenses	-	-	1,023	-	-	-	-	4	-	543	344	1,312	1,321	108	362	8,472	39,494
Total direct expenses	5,126	1,268	2,006	15,509	3,285	11,965	145,099	9,497	125,817	5,962	12,943	32,805	11,641	782	5,519	8,673	39,494
Indirect expenses:																	
Indirect expenses applied	363	280	301	5,371	1,332	3,944	-	3,060	-	1,804	3,947	9,440	3,137	121	1,865	71	-
Total expenses	5,489	1,548	2,307	20,880	4,617	15,909	145,099	12,557	125,817	7,766	16,890	42,245	14,778	903	7,384	8,744	39,494
Revenues Over (Under) Expenses	\$ (4,085)	\$ (1,548)	\$ (2,307)	\$ (3,545)	\$ (617)	\$ (1,503)	\$ -	\$ (1,257)	\$ -	\$ (23)	\$ -	\$ 122	\$ -	\$ -	\$ 23,766	\$ -	\$ -

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Purchase Area Development District
Statement of Grant Activity

	KHC Prod LN Maintenance 61001	PAHC 62001	Regional Transportation 71001	Local Roads 71002	Section 5304 Transportation 71003	Great River Road 71004	GRR Project 71005	KIA Planning 72001	Regional E911 72002	Hazard Mitigation 72003	Local Mapping 72004
Revenues											
Federal:											
Received	\$ -	\$ -	\$ -	\$ -	\$ 47,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable (payable)	-	-	-	-	17,046	-	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-
State:											
Received	-	-	83,454	6,661	-	18,201	6,500	66,000	-	-	-
Receivable (payable)	-	-	-	9,939	-	-	-	-	-	-	-
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-
Local:											
Received	-	15,352	9,273	-	16,226	-	-	-	47,250	45,844	260
Receivable (payable)	-	1,705	-	-	-	-	-	-	-	11,360	14,450
Advanced or unexpended	-	-	-	-	-	-	-	-	-	-	-
Other revenue	6,446	-	-	-	-	-	-	-	-	-	-
Total revenues/sources	6,446	17,057	92,727	16,600	81,081	18,201	6,500	66,000	47,250	57,204	14,710
Expenses											
Direct expenses:											
Salaries	1,386	7,017	36,687	8,916	39,636	2,812	-	30,753	13,678	36,073	4,829
Employee benefits	597	4,206	20,952	4,150	20,124	1,073	-	21,518	7,420	14,362	2,181
Travel	-	11	2,651	164	1,278	2,772	-	2,394	318	639	345
Advances to sub-grantees	-	-	-	-	-	-	-	-	-	-	-
Other expenses	26,733	2,673	2,707	-	820	11,000	6,500	2,415	1,381	690	-
Total direct expenses	28,716	13,907	62,997	13,230	61,858	17,657	6,500	57,080	22,797	51,764	7,355
Indirect expenses:											
Indirect expenses applied	798	3,593	16,996	4,339	19,214	1,145	-	14,883	7,070	15,966	1,776
Total expenses	29,514	17,500	79,993	17,569	81,072	18,802	6,500	71,963	29,867	67,730	9,131
Revenues Over (Under) Expenses	\$ (23,068)	\$ (443)	\$ 12,734	\$ (969)	\$ 9	\$ (601)	\$ -	\$ (5,963)	\$ 17,383	\$ (10,526)	\$ 5,579

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Statement of Grant Activity

	WIOA One Stop Operator 80001	WIOA Disloc Work Prog 80002	WIOA Adult Prog Services 80003	WIOA Trade 80004	WIOA Youth Prog Services 80005	WIOA Rapid Response 80006	WIOA - Tornado 2021 NDWG 80009	Total
Revenues								
Federal:								
Received	\$ 14,768	\$ 207,201	\$ 193,337	\$ 46,727	\$ 37,999	\$ 1,953	\$ 138,334	\$ 6,250,399
Receivable (payable)	8,594	96,112	85,304	8,548	13,567	1,054	45,960	678,702
Advanced or unexpended	-	-	-	-	-	-	-	-
State:								
Received	-	-	-	-	-	-	-	6,966,632
Receivable (payable)	-	-	-	-	-	-	-	883,153
Advanced or unexpended	-	-	-	-	-	-	-	-
Local:								
Received	-	-	-	-	-	-	-	1,110,351
Receivable (payable)	-	-	-	-	-	-	-	60,951
Advanced or unexpended	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	2,540,406
Total revenues/sources	23,362	303,313	278,641	55,275	51,566	3,007	184,294	18,490,594
Expenses								
Direct expenses:								
Salaries	9,652	147,810	135,800	27,902	24,743	1,455	88,963	2,265,329
Employee benefits	33,348	75,995	69,174	13,276	13,324	774	39,197	1,440,968
Travel	2,107	3,219	3,055	222	331	71	502	96,201
Advances to sub-grantees	-	-	-	-	-	-	-	4,460,528
Other expenses	625	4,070	4,252	619	713	-	15,554	8,681,959
Total direct expenses	45,732	231,094	212,281	42,019	39,111	2,300	144,216	16,944,985
Indirect expenses:								
Indirect expenses applied	5,069	72,219	66,360	13,256	12,455	707	42,068	-
Total expenses	50,801	303,313	278,641	55,275	51,566	3,007	186,284	16,944,985
Revenues Over (Under) Expenses	\$ (27,439)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,990)	\$ 1,545,609

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Contract Number/ Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health & Human Services:				
Passed through Kentucky Cabinet for Health and Family Services:				
Aging Cluster				
Special Programs for the Aging Title III, part B Grants for Supportive Services and Senior Centers	93.044	PON 3 725 2200000036	\$ 251,611	\$ 335,919
Special Programs for the Aging Title III, part C Nutrition Services	93.045	PON 3 725 2200000036	723,607	775,230
Nutrition Services Incentive Program	93.053	PON 3 725 2200000038	145,099	145,099
Subtotal				\$ 1,256,248
Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	PON 3 725 2200000019	-	3,885
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	PON 3 725 2200000019	-	11,408
Special Programs for the Aging Title III, Part D, Disease Prevention and Health Promotion Services	93.043	PON 3 725 2200000036	-	12,902
National Family Caregiver Support, Title III, Part E	93.052	PON 3 725 2200000036	924,314	1,153,038
State Health Insurance Assistance Program	93.324	PON 3 725 2200000040	-	15,681
Medicaid Cluster - Medical Assistance Program	93.778	PON 3 725 2200000065	-	55,069
Special Programs for the Aging, Title IV, Title II, Discretionary Projects	93.048	PON 3 725 2200000065	-	8,744
Medicare Enrollment Assistance Program	93.071	PON 3 725 2200000040	-	18,739
Medicare Enrollment Assistance Program	93.071	PON 3 725 2200000037	-	18,406
Subtotal				37,145
Total U.S. Department of Health & Human Services				2,554,120
U.S. Department of Agriculture:				
Passed through Kentucky Department of Agriculture:				
Food Distribution Cluster				
Commodity Supplemental Food Program	10.565	PON 2 035 2200002692	-	138,544
Emergency Food Assistance Program (Administrative Costs)	10.568	PON 2 035 20022002677	-	135,496
Emergency Food Assistance Program (Administrative Costs)	10.568	PON 2 035 23000000651	-	4,685
Emergency Food Assistance Program (Administrative Costs)	10.568	PON 2 035 2300002882	-	6,592
Emergency Food Assistance Program (Administrative Costs)	10.568	PON 2 035 2200001555	-	24,583
Emergency Food Assistance Program (Administrative Costs)	10.568	-	-	4,000
Emergency Food Assistance Program (Food Commodities)	10.569	PON 2 035 200 22002677	-	1,910,925
Subtotal				2,224,825
Total U.S. Department of Agriculture				2,224,825

See accompanying notes to the Schedule of Expenditures of Federal Awards No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Contract Number/ Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Commerce:				
Economic Development Cluster				
Direct program				
COVID-19 Economic Adjustment Assistance ¹	11.307	-	-	2,737,677
COVID-19 Economic Adjustment Assistance ²	11.307	-	-	851,725
Passed through Department for Local Government:				
COVID-19 Economic Adjustment Assistance	11.307	PON2 112 2100000405	-	16,980
Subtotal				3,606,382
Passed through Department for Local Government:				
Economic Development Support for Planning Organizations	11.302	PON2 112 2200004729	-	66,667
Total U.S. Department of Commerce				3,673,049
Delta Regional Authority:				
Direct program				
Delta Local Development District Assistance	90.202	-	-	16,332
Total Delta Regional Authority				16,332
U.S. Department of Housing and Urban Development:				
Passed through Department for Local Government:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	PON2 112 2200004729	-	20,167
Total U.S. Department of Housing and Urban Development				20,167
U.S. Department of Labor:				
Passed through Kentucky Cabinet for Health and Family Services:				
Senior Community Service Employment Program	17.235	PON3 725 2200000035	125,817	137,117
WIOA Cluster				
WIOA Adult Program	17.258	A2300010001	-	278,642
WIOA Youth Activities	17.259	A2300010001	-	51,567
WIOA Dislocated Worker Formula Grants	17.278	A2300010001	-	513,974
Subtotal				844,183
Trade Adjustment Assistance	17.245	A2300010001	-	55,275
Total U.S. Department of Labor				1,036,575

See accompanying notes to the Schedule of Expenditures of Federal Awards No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Contract Number/ Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Veterans Affairs: Passed through Pennyrile Area Development VHA Home Care	64.044	VA2016-02(P)	-	22,643
Total U.S. Department of Veterans Affairs				22,643
U.S. Department of Transportation: Passed through KY Transportation Cabinet: Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	P040120442	-	64,855
Total U.S. Department of Transportation				64,855
Total Expenditures of Federal Awards			\$ 2,170,448	\$ 9,612,566

¹ Schedule of Expenditures of Federal Awards Calculation for Economic Adjustment

Assistance Fund (RLF CARES) Grant	
Balance of RLF CARES loans outstanding at June 30, 2023	\$ 2,175,554
Cash, receivable and investment balance in RLF CARES at June 30, 2023	500,610
Administrative expenses paid out of RLF CARES in year ended June 30, 2023	61,513
	2,737,677
Federal share of RLF	X 100%
	\$ 2,737,677

² Schedule of Expenditures of Federal Awards Calculation for Economic Adjustment

Assistance Fund (RLF ARPA) Grant	
Balance of RLF ARPA loans outstanding at June 30, 2023	\$ 523,152
Cash, receivable and investment balance in RLF ARPA at June 30, 2023	540,936
Administrative expenses paid out of RLF ARPA in year ended June 30, 2023	568
	1,064,656
Federal share of RLF	X 80%
	\$ 851,725

See accompanying notes to the Schedule of Expenditures of Federal Awards No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Notes to the Schedule of Expenditures of Federal Awards

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of Purchase Area Development District (the “District”) under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Nonmonetary assistance is reported in the schedule at fair value of goods received.

NOTE 3: INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The District uses a Cost Allocation Plan methodology as defined in Appendix VII, Part 200, Section F3.

NOTE 4: LOAN BALANCES

The balance of loans outstanding at June 30, 2023 was \$2,175,554, Federal Assistance Listing No. 11.307, Revolving loan fund (RLF CARES).

The balance of loans outstanding at June 30, 2023 was \$523,152, Federal Assistance Listing No. 11.307, Revolving loan fund (RLF ARPA).

The balance of loans outstanding at June 30, 2023 was \$696,834, Federal Assistance Listing No. 10.767, Intermediary Relending Program.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.

Purchase Area Development District
Notes to the Schedule of Expenditures of Federal Awards

NOTE 5: CONTINGENCIES

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

NOTE 6: SUBRECIPIENTS

The District did provide federal funds to subrecipients for the fiscal year June 30, 2023 as noted in the accompanying Schedule of Expenditures of Federal Awards.

No assurance is provided on these financial statements, required supplemental information, and supplemental information as Carr, Riggs, & Ingram, LLC did not perform audit, review, or compilation procedures.