

GREEN RIVER AREA DEVELOPMENT DISTRICT

***FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION***

Year Ended June 30, 2015

(With Independent Auditor's Report Thereon)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Green River Area Development District

Report on the Financial Statements

We have audited the accompanying financial statements of the Green River Area Development District (GRADD) as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Green River Area Development District as of June 30, 2015, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16 to the financial statements, in 2015 GRADD adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension schedules on pages 3 - 5 and 25 - 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise GRADD's basic financial statements. The accompanying combining statement of operations by program and supporting services, and the schedule of shared costs are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The Combining Schedule of Operations by Program and Supporting Services, the Schedule of Shared Costs, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of operations by program and supporting services, the schedule of shared costs, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2015, on our consideration of GRADD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GRADD's internal control over financial reporting and compliance.

Owensboro, Kentucky
November 9, 2015

 Riney Hancock CPAs PSC

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Green River Area Development District's (GRADD) report presents our discussion and analysis of GRADD's financial performance during the fiscal year that ended June 30, 2015. Please read it in conjunction with GRADD's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The beginning net position, restated due to implementation of GASB 68 for GRADD, was \$3,180,178. The ending net position for GRADD was \$3,560,051. GRADD's total net position increased by 12% from this period last year.
- During the year, GRADD's local expenses were \$95,044 more than the grant revenue received in the current fiscal year. This is only slightly higher than last year, when expenses exceeded grant revenues by \$91,807.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—(A) management's discussion and analysis (this section), (B) the financial statements, (C) supplementary information.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Readers are encouraged to read the notes to better understand the financial statements.

REQUIRED FINANCIAL STATEMENTS

The Statement of Net Position

The Statement of Net Position includes all of GRADD's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). The Statement of Net Position also provides the basis for assessing the liquidity and financial flexibility of the organization.

The Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position identifies the revenues generated and the expenses incurred during the fiscal year. This statement categorizes all revenues and expenses as operating activity because the non-operating activity is considered insignificant.

The Statement of Cash Flows

The Statement of Cash Flows provides information relating to GRADD's cash receipts and cash disbursements during the fiscal year. The statement reports cash receipts, cash payments and net changes in cash resulting from operations, and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

FINANCIAL ANALYSIS OF GRADD AS A WHOLE

GRADD's total revenues were \$13.5 million, up from \$12.7 million last year. Virtually 90% percent of GRADD's revenue comes from federal and state grant sources. The other 10% percent comes from various local government sources.

GRADD's total expenses were \$13.2 million. Last year, total expenses were \$12.2 million, which is up 8%.

Financial Analysis

	<u>2015</u>	<u>2014</u>
Assets and Deferred Outflows of Resources		
Current and other assets	\$8,025,739	\$8,109,119
Capital assets	1,536,186	1,104,686
Pension deferred outflows	<u>420,758</u>	<u>471,654</u>
Total assets and deferred outflows of resources	<u>9,982,683</u>	<u>9,685,459</u>
Liabilities and Deferred Inflows of Resources		
Long-term liabilities	4,436,779	5,032,335
Other liabilities	1,591,853	1,472,946
Pension deferred inflows	<u>394,000</u>	<u>-</u>
Total liabilities	<u>6,422,632</u>	<u>6,505,281</u>
Net Position		
Invested in capital assets, net of debt	747,176	308,686
Restricted	3,202,327	3,229,556
Unrestricted, restated	<u>(389,452)</u>	<u>(358,064)</u>
Total net position, restated	<u>\$3,560,051</u>	<u>\$3,180,178</u>

At the end of the current fiscal year, GRADD is able to report a positive balance in total net position. The same situation held true for the prior fiscal year.

The government's net position increased by \$379,873 during the current fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

During 2015, GRADD invested \$590,622 in capital assets, including building renovations and computers. Overall, net capital assets increased (including additions and deductions) \$431,500 from last year. More detailed information about GRADD's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At year-end, GRADD had \$789,010 in outstanding debt—a decrease of .9% over last year. More detailed information about GRADD's long-term liabilities is presented in Note 7 to the financial statements.

NEXT YEAR'S BUDGET

GRADD's original FY 2016 budget was based on actual information received from the state and local government contracts as of June 2015. This budget will be revised quarterly to reflect actual carryover balances and appropriations received from the state since this date.

REQUESTS FOR ADDITIONAL INFORMATION

This report is intended to provide readers with a general overview of GRADD's finances and to provide information regarding the receipts and uses of funds. If you need clarification regarding a statement(s) made in the report or need additional information, please contact the Green River Area Development District, Attention: Finance Department, 300 GRADD Way, Owensboro, KY 42301.

GREEN RIVER AREA DEVELOPMENT DISTRICT

STATEMENT OF NET POSITION

June 30, 2015

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets:	
Cash and cash equivalents	\$ 2,867,286
Accounts receivable - grants	1,923,444
Accounts receivable - other	18,827
Prepays	4,075
Due from related party	9,780
Total current assets	<u>4,823,412</u>
Capital assets, net of depreciation	<u>1,536,186</u>
Restricted assets - Revolving Loan Fund:	
Cash	770,940
Loans, net of allowance for loan losses	2,799,448
Interest payable	(2,891)
Loan payable	(365,170)
	<u>3,202,327</u>
Deferred outflows of resources:	
Pension deferred outflows	<u>420,758</u>
Total assets and deferred outflows of resources	\$ <u>9,982,683</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Current liabilities:	
Accounts payable - trade and contracts	\$ 675,289
Accrued liabilities	259,608
Self-insurance reserve	114,549
Compensated absences, current	10,103
Current maturities of long-term debt	21,344
Unearned revenue	510,960
Total current liabilities	<u>1,591,853</u>
Noncurrent liabilities:	
Compensated absences	140,113
Net pension liability	3,529,000
Long-term debt, less current maturities	767,666
Total noncurrent liabilities	<u>4,436,779</u>
Total liabilities	<u>6,028,632</u>
Deferred inflows of resources:	
Pension deferred inflows	<u>394,000</u>
Net position:	
Net investment in capital assets:	
Local	624,489
Grants	122,687
Restricted for:	
Revolving Loan Fund	3,202,327
Unrestricted	(389,452)
Total net position	<u>3,560,051</u>
Total liabilities, deferred inflows of resources, and net position	\$ <u>9,982,683</u>

GREEN RIVER AREA DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2015

Revenues:	
Federal funds	\$ 4,328,782
State funds	7,870,628
Local governments	213,472
Interest	20,974
Other	<u>1,055,541</u>
Total revenues	<u>13,489,397</u>
Expenses:	
Direct salaries	1,899,706
Direct fringe benefits	1,218,770
Direct contract/program services	8,472,255
Other direct expenses-net of depreciation	337,766
Indirect expenses-net of depreciation	1,064,035
Depreciation	<u>159,122</u>
Total expenses	<u>13,151,654</u>
Excess of revenues over expenses	337,743
Capital contributions	<u>42,130</u>
Increase in net position	379,873
Net position, beginning of year, restated	<u>3,180,178</u>
Net position, end of year	\$ <u><u>3,560,051</u></u>

GREEN RIVER AREA DEVELOPMENT DISTRICT

STATEMENT OF CASH FLOWS

Years Ended June 30, 2015

Cash flows from operating activities:	
Receipts for:	
Grants	\$ 12,997,038
Member dues	213,472
Other	9,615
Interest	85,545
Payments to/for:	
Employees	(3,739,743)
Suppliers	(381,181)
Program services	(8,646,210)
Interest	<u>(19,403)</u>
Net cash provided by operating activities	<u>519,133</u>
Cash flows from capital and related financing activities:	
Principal payments on long-term debt	(796,000)
Proceeds from issuance of long-term debt	<u>789,010</u>
Net cash used in financing activities	<u>(6,990)</u>
Cash flows from investing activities:	
Purchase of capital assets	<u>(548,492)</u>
Net decrease in cash and cash equivalents	(36,349)
Cash and cash equivalents, beginning of year	<u>2,903,635</u>
Cash and cash equivalents, end of year	\$ <u><u>2,867,286</u></u>
Reconciliation of increase in net position to net cash provided by operating activities:	
Increase in net position	\$ 379,873
Adjustments to reconcile increase in net position to net cash used in operating activities:	
Depreciation	159,122
Capital assets acquired with grant funds	(42,130)
Change in assets and liabilities:	
Decrease (increase) in assets:	
Accounts receivable	(73,144)
Prepays	5,446
Due from related party	87,495
Restricted assets	27,235
Increase (decrease) in liabilities:	
Accounts payable	118,148
Accrued liabilities	12,715
Accrued self-insurance costs	103,980
Compensated absences	4,402
Interest payable	(19,403)
Net pension liability and deferrals	(138,758)
Unearned revenue	<u>(105,848)</u>
Net cash provided by operating activities	\$ <u><u>519,133</u></u>
Noncash activities:	
In-kind utilized in program services	\$ <u><u>84,201</u></u>

See Notes to Financial Statements

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

1. Reporting Entity

The Financial Reporting Entity

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

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

Green River Economic Development Corporation: This corporation (EDC) was formed to promote economic development; establish a framework for joint federal, state, and local efforts toward providing the basic facilities essential for the growth of the seven-county area comprising GRADD, and to administer the Revolving Loan Funds. The EDC has no financial activity, and transactions related to the Revolving Loan Funds are recorded in GRADD's financial statements.

2. Summary of Significant Accounting Policies

Basis of Presentation and Basis of Accounting

The financial statements of GRADD are presented in accordance with accounting principles generally accepted in the United States of America, using the economic resources measurement focus and the accrual basis of accounting.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, GRADD follows all GASB pronouncements and Financial Accounting Standards Board Statements, except those that conflict with or contradict a GASB pronouncement.

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

2. Summary of Significant Accounting Policies, Continued

Budgetary Principles

A budget is prepared for each fiscal year and is approved by the Board of Directors.

Cash Equivalents

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

Recognition of Revenue

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

Allowance for Loan Losses

The allowance for loan losses for the Revolving Loan Fund is maintained at a level, considered by management, to be adequate to provide for loan losses inherent in the loan portfolio. Management determines the adequacy of the allowance based upon a review of individual debtor credit, recent loss experience and current economic conditions. The allowance is increased by the provision for loan losses and reduced by net charge-offs.

Capital Assets

Capital assets are reported in the financial statements at historical cost. Capital assets are defined by GRADD as assets with an initial, individual cost of more than \$500.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

2. Summary of Significant Accounting Policies, Continued

Capital Assets, Continued

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	10 years
Building and improvements	10-40 years
Vehicles and equipment	5-10 years
Equipment – grants	5-10 years

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans, and additions to / deductions from the pension plans' net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

GRADD classifies net position in the financial statements as follows:

- Net investment in capital assets includes capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. GRADD typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- Unrestricted net position typically includes unrestricted liquid assets. The Board of Directors has the authority to revisit or alter this designation.

Cost Allocation

GRADD is required by the Department of Local Government to operate under a cost allocation plan that conforms with 2 CFR Part 225. A summary of the cost allocation plan is reported on page 36. In management's judgment, GRADD is in conformity with 2 CFR Part 225.

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

2. Summary of Significant Accounting Policies, Continued

Estimates

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

3. Cash and Cash Equivalents

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

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, GRADD's deposits may not be returned to it. GRADD does not have a written deposit policy for custodial credit risk. As of June 30, 2015, the reported amount of GRADD's cash deposits was \$3,638,226, and the bank balance was \$3,986,992. Of the bank balance, \$1,250,000 was covered by FDIC insurance, and \$2,736,992 was covered by collateral held in the pledging banks trust department in GRADD's name.

Cash equivalents include certificates of deposit totaling \$550,000. The certificates bear interest at rates ranging from 2.05% to 5.0% and have maturities of nineteen to forty-seven months.

4. Related Party Transactions

GRADD provides staff and support services for the administration of programs for the Green River Housing Corporation (GRHC) and ConnectGRADD, Inc. (CGI), but does not exercise oversight responsibility for these entities. Although various members of the GRHC and CGI boards serve on GRADD's Board of Directors, GRHC and CGI are not a part of the GRADD financial reporting entity because they are not financially accountable to GRADD. Administration services revenue earned from these related parties for the fiscal year, all of which was receivable at June 30, 2015, was as follows:

	<u>GRHC</u>	<u>CGI</u>	<u>Total</u>
Administration services revenue	<u>\$317</u>	<u>\$9,463</u>	<u>\$9,780</u>

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

5. Capital Assets

Capital asset activity for the year was as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Land	\$ 83,200	\$ -	\$ -	\$ 83,200
Land improvements	12,206	-	-	12,206
Building and improvements	1,703,692	537,021	(2,210)	2,238,503
Vehicles and equipment	591,730	11,471	(21,375)	581,826
Equipment – grants	<u>541,902</u>	<u>42,130</u>	<u>(67,721)</u>	<u>516,311</u>
Total at cost	<u>2,932,730</u>	<u>590,622</u>	<u>(91,306)</u>	<u>3,432,046</u>
Less accumulated depreciation:				
Land improvements	(7,838)	(722)	-	(8,560)
Building and improvements	(943,115)	(67,694)	2,210	(1,008,599)
Vehicles and equipment	(452,703)	(53,750)	21,375	(485,078)
Equipment - grants	<u>(424,388)</u>	<u>(36,956)</u>	<u>67,721</u>	<u>(393,623)</u>
Total accumulated depreciation	<u>(1,828,044)</u>	<u>(159,122)</u>	<u>91,306</u>	<u>(1,895,860)</u>
Net capital assets	\$ <u>1,104,686</u>	\$ <u>431,500</u>	\$ <u>-</u>	\$ <u>1,536,186</u>

Additions to equipment – grants above represent capital assets which were funded by grants, and have been reflected on the statement of revenues, expenses and changes in net position as capital contributions.

6. Revolving Loan Funds

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

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

6. Revolving Loan Funds, Continued

The Revolving Loan Recapitalization Fund (RECAP) was established during fiscal year 2002. Funds were contributed by local lenders totaling \$75,666. In fiscal year 2009, these funds were used as match to receive an additional \$1,924,334 from EDA to recapitalize the RLF program.

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

The Intermediary Relending Program (IRP) was established during fiscal year 2004. It is a loan agreement with the U.S. Department of Agriculture (USDA), Rural Business Cooperative Service (RBS), under which GRADD may borrow up to \$500,000 to establish a relending program in accordance with the RBS work plan. Loan applications are reviewed by the Green River Economic Development Corporation to ensure that funds will be used for purposes acceptable to the grantor.

IRP activity for the year was as follows:

Outstanding borrowings, June 30, 2014	\$	382,569
Repayments		<u>(17,399)</u>
Outstanding borrowings, June 30, 2015	\$	<u>365,170</u>

The loan is to be repaid over a thirty (30) year period with principal being deferred for the first three (3) years. During the deferment period, interest payments were due on the unpaid principal balance at a rate of one (1) percent. Thereafter, principal and interest are being paid annually to maturity. Interest expense totaled \$3,462 for the year ended June 30, 2015.

The revolving loans receivable at June 30, 2015, are summarized as follows:

	<u>RLF</u>	<u>IRP</u>	<u>Total</u>
Loans	\$ 2,645,535	\$ 153,913	\$ 2,799,448
Allowance for loan losses	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,645,535</u>	<u>\$ 153,913</u>	<u>\$ 2,799,448</u>

No loans have been extended to related parties. Loans approved but not yet disbursed totaled \$150,000 at June 30, 2015.

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

6. Revolving Loan Funds, Continued

There is no allowance for loan loss as of June 30, 2015. Any provision is recorded as other direct expense in the combining statement of operations by program and supporting services. In management's opinion, all known and anticipated loan losses have been either written off or adequately provided for in the allowance for loan losses.

Income for the revolving loan funds for the year ended June 30, 2015, was as follows:

	<u>RLF</u>	<u>IRP</u>	<u>Total</u>
Interest earned on:			
Outstanding loans	\$ 52,903	\$ 4,215	\$ 57,118
Cash accounts	4,616	1,313	5,929
Loan application, processing, and late fees	<u>2,600</u>	<u>175</u>	<u>2,775</u>
	<u>\$ 60,119</u>	<u>\$ 5,703</u>	<u>\$ 65,822</u>

Income on the IRP has been used to pay interest expense on the loan payable. Income in excess of such interest expense has been deferred to pay future interest on the IRP loan.

7. Long-Term Debt

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

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

	Balance June 30, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2015</u>	Due Within <u>One Year</u>
Note payable – USDA	\$ 796,000	\$ -	\$ (796,000)	\$ -	\$ -
Lease obligation	<u>-</u>	<u>789,010</u>	<u>-</u>	<u>789,010</u>	<u>21,344</u>
	<u>\$ 796,000</u>	<u>\$ 789,010</u>	<u>\$ (796,000)</u>	<u>\$ 789,010</u>	<u>\$ 21,344</u>

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

7. Long-Term Debt, Continued

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 21,344	\$ 11,046	\$ 32,390
2017	43,588	21,192	64,780
2018	44,817	19,963	64,780
2019	46,081	17,699	63,780
2020	47,380	17,400	64,780
2021-2025	257,709	66,189	323,898
2026-2030	296,148	27,751	323,899
2031	<u>31,943</u>	<u>447</u>	<u>32,390</u>
	<u>\$ 789,010</u>	<u>\$ 181,687</u>	<u>\$ 970,697</u>

Interest expense totaled \$36,907 for the year ended June 30, 2015.

8. Compensated Absences

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

This liability totaled \$150,216 as of June 30, 2015, of which \$10,103 is reflected as a current liability in the statement of net position, representing the amount estimated to be paid in the subsequent fiscal year. The amount of these benefits paid totaled \$12,669 for the year ended June 30, 2015.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. GRADD has one item that qualifies for reporting in this category: the pension deferred outflows totaling \$420,758 at June 30, 2015. The pension deferred outflows are described in Note 10 to the financial statements.

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

9. Deferred Outflows/Inflows of Resources, Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. GRADD has one item which qualifies for reporting in this category: the pension deferred inflows totaling \$394,000 at June 30, 2015, as described in Note 10 to the financial statements.

GRADD reports unearned revenue on its financial statements. Unearned revenues arise when potential revenue does not meet both the “measureable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are unearned by GRADD and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when GRADD has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized. Unearned grant revenue in the financial statements at June 30, 2015, totaled \$510,960.

10. Pension Plan

Plan Description

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

Benefits Provided

CERS provides for retirement, disability, and death benefits to system members. Retirement benefits may be extended to beneficiaries of members under certain circumstances. Retirement benefits are determined using a formula which considers the member’s final compensation; benefit factors set by statute which vary depending upon the type / amount of service, participation date, and retirement date; and years of service. Plan members with a participation date prior to September 1, 2008, are eligible to retire with full benefits at any time with 27 or more years of service credit, or at age 65 with at least 48 months of service credit. Plan members with a participation date on or after September 1, 2008, are eligible to retire with full benefits at age 57 if the member’s age and years of service equal 87, or at age 65 with at least 60 months of service credit.

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

10. Pension Plan, Continued

Contributions

Per Kentucky Revised Statutes Section 78.545(33), contribution requirements of the active employees and the participating employers are established and may be amended by the KRS Board. Plan members who began participating in CERS prior to September 1, 2008, are required to contribute 5% of their annual creditable compensation. For Plan members who began participating in CERS on or after September 1, 2008, the contribution rate is 6%. GRADD's actuarially determined contribution rate for the year ended June 30, 2015, was 17.67% of annual creditable compensation. Contributions to CERS by GRADD were \$420,758 for the year ended June 30, 2015.

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

At June 30, 2015, GRADD reported a liability of \$3,529,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. GRADD's proportion of the net pension liability was based on a projection of GRADD's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, GRADD's proportion was 0.108772%.

For the year ended June 30, 2015, GRADD recognized pension expense of \$282,000. At June 30, 2015, GRADD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ -	\$ 394,000
Agency contributions subsequent to the measurement date	<u>420,758</u>	<u>-</u>
Total	\$ <u>420,758</u>	\$ <u>394,000</u>

The \$420,758 of deferred outflows of resources resulting from GRADD's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

10. Pension Plan, Continued

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

Year ending June 30,	
2016	\$ 98,500
2017	98,500
2018	98,500
2019	<u>98,500</u>
	<u>\$ 394,000</u>

Actuarial Assumptions

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5 %
Salary increases	4.5% average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the 1983 Group Annuity Mortality Table for all retired members and beneficiaries as of June 30, 2006, and the 1994 Group Annuity Mortality Table for all other members.

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2008.

The long-term expected rate of return on pension plan investments is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2005 through 2008, is outlined in a report dated August 25, 2009. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense, and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

10. Pension Plan, Continued

Actuarial Assumptions, Continued

consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which cover a longer time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	30%	8.45%
International equity	22%	8.85%
Emerging market equity	5%	10.5%
Private equity	7%	11.25%
Real estate	5%	7%
Core US fixed income	10%	5.25%
High-yield US fixed income	5%	7.25%
Non US fixed income	5%	5.5%
Commodities	5%	7.75%
TIPS	5%	5%
Cash	1%	3.25%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 29 year amortization period of the unfunded actuarial accrued liability. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents GRADD's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what GRADD's proportionate share of the net

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

10. Pension Plan, Continued

Sensitivity of GRADD's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate, Continued

pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<u>Discount rate</u>	<u>GRADD's proportionate share of net pension liability</u>
1% decrease	6.75%	\$4,644,000
Current discount rate	7.75%	\$3,529,000
1% increase	8.75%	\$2,544,000

Plan Fiduciary Net Position

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

Payable to the Pension Plan

GRADD reported a payable of \$49,795 for the outstanding amount of contributions due to CERS for the year ended June 30, 2015.

11. Deferred Compensation

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

12. Leases

GRADD leases a copier under a cancelable operating lease. Commitments under the lease agreement provide for minimum future rental payments as of June 30, 2015, as follows:

Year ending June 30,	
2016	\$ 4,276
2017	<u>713</u>
Total minimum rentals	<u>\$ 4,989</u>

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

12. Leases, Continued

Rental expense for operating leases, including contingent rentals on a per copy basis of \$796, totaled \$5,072 for the year ended June 30, 2015.

13. Risk Management

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

Workers' Compensation and General Liability Insurance

To manage workers' compensation and general liability insurance risks, GRADD participates in the Kentucky Association of Counties All Lines Fund (KALF). KALF is a public entity risk pool currently operating as a common risk management and insurance program for the Counties of Kentucky and their sub agencies, which pay annual premiums to KALF for desired coverages. The Coverage Agreement provides that KALF will be self-sustaining through member contributions, premiums and assessments and will reinsure through commercial companies for excess claims. GRADD does not exercise any control over the activities of KALF beyond its representation as a participant in the fund, and is not aware of any additional amounts owed to KALF as of June 30, 2015, for current or prior claim years.

Health Insurance

Beginning January 1, 2012, GRADD established a comprehensive self-insurance plan through a third-party administrator for its employees' medical and pharmacy coverage. The plan provides for specific claims coverage up to \$40,000 per employee, and maximum aggregate claims and administrative costs up to \$1,000,000 for calendar year 2015. GRADD purchases reinsurance through the administrator for claims in excess of those limits. Premiums are established by the administrator to cover administrative costs, claims costs, and reinsurance costs. These costs are expensed each pay period as personnel costs for participating employees are incurred in accordance with the approved cost allocation plan. Settled claims have not exceeded insurance coverage, nor has there been any reduction in insurance coverage from the prior year.

GRADD records a claims liability (deferral) at fiscal year-end based on actual activity occurring during the year. Estimated premiums collected differ from the amount of claims and administrative costs incurred, resulting in a claims liability (deferral) at each fiscal year-end which is expensed as described above throughout the remainder of the plan's calendar year end. Changes in the claims liability (deferral) for the fiscal year ended June 30, 2015, are as follows:

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

13. Risk Management, Continued

Claims liability, June 30, 2014	\$	10,569
Premiums collected		730,181
Claims and administrative costs incurred		<u>(626,201)</u>
Claims liability, June 30, 2015	\$	<u>114,549</u>

14. Income Tax Status

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

15. Concentration of Risk

During the year ended June 30, 2015, GRADD received approximately 98% of its revenue from federal, state, and local grants, and the related in-kind match and program income. These funds are to be used for designated purposes only. For government agency grants, if, based upon the grantors' review, the funds are considered not to have been used for the intended purpose, the grantors may request a refund of monies advanced, or refuse to reimburse GRADD for its expenditures. The amount of such future refunds and unreimbursed expenditures, if any, is not expected to be significant. Continuation of GRADD's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

16. Impact of Recently Issued Accounting Principles

In fiscal year 2015, GRADD implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASBS No. 68), which amends or supersedes the accounting and financial reporting guidance for pensions that are provided to the employees of state and local governmental employers through pension plans administered through trusts. The objective is to improve accounting and financial reporting for pensions by state and local governments.

Under GASBS No. 68, the liability to be recognized by participating employers is measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The pension expense and deferred outflows of resources and deferred inflows of resources related to pensions that are required to be recognized by an employer result primarily from changes in the components of the net pension liability, as detailed in Note 10 to financial statements.

GREEN RIVER AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

16. Impact of Recently Issued Accounting Principles, Continued

In the financial statements, the implementation of GASBS No. 68 resulted in a reduction of beginning net position of \$3,641,000. Accordingly, net position at June 30, 2014, previously reported at \$6,821,178 has been restated as \$3,180,178 to reflect this change. Deferred outflows and inflows related to the implementation of GASBS No. 68 are disclosed in Note 10 to the financial statements.

GREEN RIVER AREA DEVELOPMENT DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COUNTY EMPLOYEES RETIREMENT SYSTEM**

Last 10 Fiscal Years *

	<u>2015</u>
District's proportion of the net pension liability	0.108772%
District's proportionate share of the net pension liability	\$ 3,529,000
District's covered-employee payroll	\$ 2,496,840
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	141.34%
Plan fiduciary net position as a percentage of the total pension liability	66.80%

* Presented for those years for which the information is available.

GREEN RIVER AREA DEVELOPMENT DISTRICT

**SCHEDULE OF CONTRIBUTIONS
COUNTY EMPLOYEES RETIREMENT SYSTEM**

Last 10 Fiscal Years *

	<u>2015</u>
Contractually required contributions	\$ 420,269
Contributions in relation to the contractually required contributions	<u>(420,269)</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>
District's covered-employee payroll	\$ 2,378,433
Contributions as a percentage of covered-employee payroll	17.67%

* Presented for those years for which the information is available.

GREEN RIVER AREA DEVELOPMENT DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
COUNTY EMPLOYEES RETIREMENT SYSTEM**

Year Ended June 30, 2015

Changes of Benefit Terms

None

Changes of Assumptions

None

GREEN RIVER AREA DEVELOPMENT DISTRICT
COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES
 Year Ended June 30, 2015

	Program Services									
	CDBG Administration	KIA Water Resource Planning	Industrial Authority Admin	Hazard Mitigation	Delta Regional Authority	Owensboro Storm Water Plan	Ag Mapping Project	USDA Projects	Webster Co CMRS	KOHHS Local Projects
Revenues:										
Federal	\$ 138,138.14	\$ -	\$ -	\$ 56,797.40	\$ 7,204.00	\$ -	\$ 24,404.40	\$ 28,998.89	\$ -	\$ -
State	-	78,969.00	-	-	-	-	3,249.74	-	-	-
Local	-	-	15,000.00	-	-	-	-	-	3,169.16	2,250.00
In-kind match	-	-	-	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-	-	-
Member dues	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Local applied to grants	-	1,877.98	325.88	4,823.16	982.83	5,640.56	-	1,082.75	-	-
Total revenues	138,138.14	80,846.98	15,325.88	61,620.56	8,186.83	5,640.56	27,654.14	30,081.64	3,169.16	2,250.00
Expenditures:										
Direct costs:										
Personnel	56,608.17	28,926.03	6,417.63	28,918.76	3,614.47	2,407.96	10,765.65	13,210.35	1,168.53	905.09
Employee benefits	41,479.16	17,401.29	4,414.27	20,416.16	2,444.01	1,585.26	10,523.12	9,025.02	325.04	349.42
Professional services	-	-	-	-	-	-	-	-	-	-
Travel	2,606.06	4,093.09	663.12	2,096.32	(52.92)	96.48	185.51	77.16	-	-
Occupancy	726.00	-	-	-	-	-	-	-	-	-
Supplies	18.00	5,536.75	-	469.29	-	-	75.99	-	-	-
Communications	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-	-	-
Other	422.77	626.97	-	446.87	-	-	-	-	-	-
Capital equipment	1,525.48	-	-	-	-	-	-	-	-	-
Program services	-	-	-	-	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-	-	-	-	-
In-kind match	-	-	-	-	-	-	-	-	-	-
Total direct costs	103,385.64	56,584.13	11,495.02	52,347.40	6,005.56	4,089.70	21,550.27	22,312.53	1,493.57	1,254.51
Shared costs:										
Shared costs applied	34,752.50	24,262.85	3,830.86	9,273.16	2,181.27	1,550.86	6,103.87	7,769.11	950.27	532.47
Total expenditures	138,138.14	80,846.98	15,325.88	61,620.56	8,186.83	5,640.56	27,654.14	30,081.64	2,443.84	1,786.98
Revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 725.32	\$ 463.02

GREEN RIVER AREA DEVELOPMENT DISTRICT
COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES
 Year Ended June 30, 2015

	Program Services									
	Pitua Shelter	Land Water/ Ree Trail Projects	DRA Projects	SPGE	IT Technical Assistance	KIA Coal Severance	Connect GRADD	Green River Beef Improvement	JEA	EDA Revolving Loan Funds
Revenues:										
Federal	\$ -	\$ -	\$ 7,524.49	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,200.00	\$ -
State	218,692.71	-	-	5,000.00	-	62,500.00	-	3,148.81	134,362.00	-
Local	-	1,500.00	-	-	22,845.17	-	9,463.28	-	-	54,902.76
In-kind match	-	-	-	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-	-	-
Member dues	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	4,616.12
Other	-	-	-	-	-	-	-	-	-	600.00
Local applied to grants	104.23	-	-	337.52	-	31.28	-	-	7,566.38	-
Total revenues	218,796.94	1,500.00	7,524.49	5,337.52	22,845.17	62,531.28	9,463.28	3,148.81	231,128.38	60,118.88
Expenditures:										
Direct costs:										
Personnel	3,550.24	549.48	3,835.03	2,539.44	8,863.04	27,861.06	4,320.79	1,067.94	85,679.77	7,934.25
Employee benefits	2,719.93	417.80	2,547.08	1,785.77	5,962.89	18,172.97	2,437.12	1,328.41	61,241.10	6,780.98
Professional services	75.00	-	-	-	-	81.40	-	-	41.40	210.00
Travel	163.27	-	-	-	935.95	778.40	-	-	11,617.97	935.77
Occupancy	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	550.23	833.07
Communications	-	-	-	-	-	-	-	-	-	(10.00)
Depreciation expense	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	409.38	-	-	4,181.05	53.10
Capital equipment	-	-	-	-	1,111.11	-	-	-	762.74	-
Program services	18,769.79	-	-	-	389.48	-	-	-	-	-
Contractual services	189,047.92	-	-	-	-	-	-	-	-	-
In-kind match	-	-	-	-	-	-	-	-	-	-
Total direct costs	214,326.15	967.28	6,382.11	4,325.21	17,262.47	47,303.21	6,757.91	2,396.35	164,074.26	16,727.17
Shared costs:										
Shared costs applied	4,470.79	42.79	1,005.59	1,012.31	4,942.15	15,228.07	2,705.37	752.46	67,054.12	6,962.10
Total expenditures	218,796.94	1,010.07	7,387.70	5,337.52	22,204.62	62,531.28	9,463.28	3,148.81	231,128.38	23,689.27
Revenues over expenditures	\$ -	\$ 489.93	\$ 136.79	\$ -	\$ 640.55	\$ -	\$ -	\$ -	\$ -	\$ 36,429.61

GREEN RIVER AREA DEVELOPMENT DISTRICT
COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES
Year Ended June 30, 2015

	Program Services									
	Intermediary Relending Program	Title III B Administration	Title III Supportive Services	Title III Ombudsman	Title III C1 Administration	Title III Congregate	Title III C2 Administration	Title III Home Delivered	Title III Disease Prevention	Title III Family Caregiver Adjun
Revenues:										
Federal	\$ -	\$ 44,000.00	\$ 215,263.04	\$ 40,100.00	\$ 10,000.00	\$ 187,538.78	\$ 10,568.00	\$ 206,816.73	\$ 8,984.10	\$ 8,963.00
State	-	17,837.00	90,335.00	-	6,000.00	30,714.00	6,000.00	42,709.00	-	2,988.00
Local	4,214.81	-	111,971.98	-	-	59,529.61	-	119,229.83	-	-
In-kind match	-	-	-	9,792.00	-	-	-	-	-	-
Program income	-	-	16,009.20	-	-	72,362.83	-	25,597.90	-	-
Member dues	-	-	-	-	-	-	-	-	-	-
Interest	1,312.95	-	-	-	-	-	-	-	-	-
Other	175.00	-	-	-	-	-	-	-	-	-
Local applied to grants	-	8,995.24	-	1,546.43	2,206.42	-	4,634.61	-	-	3,100.85
Total revenues	5,702.76	70,832.24	433,579.22	51,438.43	18,206.42	350,145.22	21,202.61	394,353.46	8,984.10	15,051.85
Expenditures:										
Direct costs:										
Personnel	562.25	25,674.36	54,432.37	14,641.43	6,408.79	-	7,961.00	-	3,711.31	5,948.15
Employee benefits	440.34	20,561.62	31,477.73	11,422.81	4,971.50	-	6,597.54	-	2,745.58	5,624.00
Professional services	-	-	-	-	-	-	-	-	-	-
Travel	-	1,943.29	4,998.40	1,150.23	470.99	-	112.79	-	-	-
Occupancy	3,461.92	660.00	-	-	-	-	-	-	-	-
Supplies	74.25	190.66	2,613.21	72.66	-	1,405.40	-	1,581.08	-	-
Communications	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-	-	-
Other	-	4,277.15	2,989.68	325.20	-	-	-	-	16.95	-
Capital equipment	-	-	-	-	-	21,826.02	-	3,609.73	-	-
Program services	-	-	-	-	-	-	-	-	-	-
Contractual services	-	-	310,360.81	-	-	326,913.80	-	389,162.65	-	-
In-kind match	-	-	-	9,792.00	-	-	-	-	-	-
Total direct costs	4,538.76	53,307.08	406,872.20	37,404.33	11,851.28	350,145.22	14,671.33	394,353.46	6,473.84	11,572.15
Shared costs:										
Shared costs applied	251.27	17,525.16	26,707.02	14,034.10	6,355.14	-	6,531.28	-	2,510.26	3,479.70
Total expenditures	4,790.03	70,832.24	433,579.22	51,438.43	18,206.42	350,145.22	21,202.61	394,353.46	8,984.10	15,051.85
Revenues over expenditures	\$ 912.73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GREEN RIVER AREA DEVELOPMENT DISTRICT
COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES
 Year Ended June 30, 2015

	Program Services										
	Title III Family Caregiver	Title III Elder Abuse	Title VII Ombudsman	Homecare Administration	Homecare Supportive Services	Homecare Home Delivered	Adult Day Administration	Adult Day Social Services	PDI Administration	PCAP Administration	PCAP Evaluation
Revenues:											
Federal	\$ 89,496.12	\$ 3,501.11	\$ 5,934.09	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	6,201.00	-	-	96,557.56	645,220.00	223,798.08	3,935.11	35,415.93	1,000.00	35,748.00	49,797.34
Local	-	-	-	-	31,678.02	17,552.17	-	124.18	-	-	-
In-kind match	25,522.37	675.34	1,212.79	-	-	-	-	-	-	-	-
Program income	-	-	-	-	5,949.13	17,997.22	-	35.00	-	-	-
Member dues	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Local applied to grants	-	196.12	1,054.81	18,862.21	116.80	-	103.64	-	51.71	970.08	-
Total revenues	<u>121,219.49</u>	<u>4,372.57</u>	<u>8,201.69</u>	<u>115,419.77</u>	<u>682,963.95</u>	<u>259,347.47</u>	<u>4,038.75</u>	<u>35,575.11</u>	<u>1,051.71</u>	<u>36,718.08</u>	<u>49,797.34</u>
Expenditures:											
Direct costs:											
Personnel	19,137.31	1,610.10	3,144.22	46,606.97	133,058.70	-	1,695.37	1,162.96	693.96	16,844.69	22,479.63
Employee benefits	15,496.73	1,224.40	2,544.62	34,659.25	109,927.14	-	1,192.11	1,231.19	304.02	10,825.50	9,907.43
Professional services	-	-	-	-	-	-	-	-	-	-	-
Travel	996.46	-	1.92	3,904.35	7,200.98	-	-	73.72	-	1,082.85	1,517.83
Occupancy	-	-	-	-	-	-	-	-	-	-	-
Supplies	668.28	-	-	99.99	7,396.74	-	-	-	-	-	2,074.75
Communications	-	-	-	-	1,349.95	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-
Other	5,741.25	-	-	-	4,245.33	-	-	-	-	147.72	377.06
Capital equipment	-	-	-	810.90	-	-	-	-	-	-	-
Program services	9,875.28	-	-	-	344.70	-	-	-	-	-	200.00
Contractual services	29,723.46	-	-	-	337,296.15	259,347.47	-	32,775.60	-	-	-
In-kind match	25,522.37	675.34	1,212.79	-	-	-	-	-	-	-	-
Total direct costs	<u>107,161.14</u>	<u>3,509.84</u>	<u>6,903.55</u>	<u>86,081.46</u>	<u>600,819.69</u>	<u>259,347.47</u>	<u>2,887.48</u>	<u>35,243.47</u>	<u>997.98</u>	<u>28,900.76</u>	<u>36,556.70</u>
Shared costs:											
Shared costs applied	<u>14,058.35</u>	<u>862.73</u>	<u>1,298.14</u>	<u>29,338.31</u>	<u>82,144.26</u>	<u>-</u>	<u>1,151.27</u>	<u>331.64</u>	<u>53.73</u>	<u>7,817.32</u>	<u>13,240.64</u>
Total expenditures	<u>121,219.49</u>	<u>4,372.57</u>	<u>8,201.69</u>	<u>115,419.77</u>	<u>682,963.95</u>	<u>259,347.47</u>	<u>4,038.75</u>	<u>35,575.11</u>	<u>1,051.71</u>	<u>36,718.08</u>	<u>49,797.34</u>
Revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GREEN RIVER AREA DEVELOPMENT DISTRICT

COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES

Year Ended June 30, 2015

Program Services

	PCAP Subsidy	Consumer Directed Options	HCFA Benefits Counseling	NSIP	State LTC Ombudsman	Ky Family Caregiver Aidman	Ky Family Caregiver Services	MIPPA SHIP	MIPPA AAAIL	MIPPA ADBC	Senior Medicare Patrol
Revenues:											
Federal	\$ -	\$ 351,937.50	\$ 29,771.43	\$ 147,053.44	\$ -	\$ -	\$ -	\$ 6,883.00	\$ 8,715.93	\$ 5,646.54	\$ 12,914.95
State	269,794.37	5,452,907.09	-	-	41,459.00	10,102.00	90,054.59	-	-	-	-
Local	-	66,065.74	-	-	-	-	-	-	-	-	-
In-kind match	-	-	-	-	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-	-	-	-
Member dues	-	-	-	-	-	-	-	-	-	-	-
Interest	-	410.93	-	-	-	-	-	-	-	-	-
Other	-	-	21.95	-	824.78	1,296.70	-	172.56	-	-	950.53
Local applied to grants	-	-	-	-	-	-	-	-	-	-	-
Total revenues	269,794.37	5,871,321.26	29,793.38	147,053.44	42,283.78	11,398.70	90,054.59	7,055.56	8,715.93	5,646.54	13,865.48
Expenditures:											
Direct costs:											
Personnel	-	452,279.93	13,087.51	-	14,005.49	5,895.47	15,714.66	4,350.52	5,840.03	2,641.29	5,242.80
Employee benefits	-	331,428.99	5,242.37	-	10,889.03	3,347.58	12,424.66	1,350.61	1,247.51	2,049.38	4,891.44
Professional services	-	-	-	-	-	-	-	-	-	-	-
Travel	-	38,372.53	661.04	-	3,781.64	-	940.06	32.94	57.41	179.52	175.23
Occupancy	-	1,089.00	-	-	-	-	-	-	-	-	-
Supplies	-	8,462.62	20.04	-	1,598.14	-	642.21	-	-	-	12.75
Communications	-	1,160.89	26.14	-	-	-	-	-	-	-	-
Depreciation expense	-	20,022.42	5,821.25	-	5,250.00	178.65	-	-	-	-	141.13
Other	-	7,600.33	-	-	-	-	-	-	-	-	-
Capital equipment	-	4,427,780.64	-	-	606.78	-	-	-	-	-	-
Program services	-	181,641.88	-	147,053.44	-	-	49,966.29	-	-	-	-
Contractual services	-	-	-	-	-	-	-	-	-	-	-
In-kind match	-	-	-	-	-	-	-	-	-	-	-
Total direct costs	269,794.37	5,469,839.23	24,858.35	147,053.44	36,131.08	9,221.70	79,687.88	5,734.07	7,144.95	4,870.19	10,463.35
Shared costs:											
Shared costs applied	-	289,162.62	4,935.03	-	6,152.70	2,177.00	10,366.71	1,321.49	1,570.98	776.35	3,402.13
Total expenditures	269,794.37	5,759,001.85	29,793.38	147,053.44	42,283.78	11,398.70	90,054.59	7,055.56	8,715.93	5,646.54	13,865.48
Revenues over expenditures	\$ -	\$ 112,319.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GREEN RIVER AREA DEVELOPMENT DISTRICT
COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES

Year Ended June 30, 2015

	Program Services										
	EAST	Chronic Disease SelfMgmt	Improving Arthritis	Ky Health Benefit Exchange	Medicaid ADRC	SAMS Administration	Misc Aging Services	NCOA Benefits Outreach	Regional Health Network	Foundation for Healthy Ky	McLean Co Walking Track
Revenues:											
Federal	\$ 733.35	\$ 313.18	\$ 5,192.53	\$ 49,847.00	\$ 25,144.34	\$ -	\$ -	\$ 51,441.80	\$ -	\$ -	\$ -
State	-	-	-	-	36,175.58	85,742.03	-	-	-	-	-
Local	-	-	-	-	-	-	35,290.39	-	39,581.55	5,334.33	16,125.00
In-kind match	-	-	-	-	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-	-	-	-
Member dues	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Local applied to grants	-	-	-	2,489.52	13.66	-	-	0.72	-	76.51	-
Total revenues	733.35	313.18	5,192.53	52,336.52	61,333.58	85,742.03	35,290.39	51,442.52	39,581.55	5,410.83	16,125.00
Expenditures:											
Direct costs:											
Personnel	286.40	152.67	1,681.11	25,353.90	24,021.88	38,755.47	-	26,307.94	13,666.67	1,350.19	-
Employee benefits	117.42	116.78	1,294.61	6,083.37	21,695.10	25,103.70	-	11,912.86	10,814.13	914.36	-
Professional services	-	-	-	-	-	-	-	-	-	-	-
Travel	224.86	-	1,179.37	2,879.23	19.31	5,044.16	1.23	1,846.30	1,366.58	190.65	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	648.76	-	1,648.08	-	62.50	88.71	-	-
Communications	-	-	-	88.02	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	154.15	-	-	407.90	211.33	106.26	-	-
Capital equipment	-	-	-	-	-	810.90	-	-	-	-	-
Program services	-	-	-	48.46	-	-	11,194.89	-	-	-	16,125.00
Contractual services	-	-	-	-	-	-	23,686.37	-	-	2,683.38	-
In-kind match	-	-	-	-	-	-	-	-	-	-	-
Total direct costs	628.68	269.45	4,155.09	35,255.89	45,736.29	71,362.31	35,290.39	40,340.93	26,042.35	5,138.58	16,125.00
Shared costs:											
Shared costs applied	104.67	43.73	1,037.44	17,080.63	15,597.29	14,379.72	-	11,101.59	13,539.20	272.25	-
Total expenditures	733.35	313.18	5,192.53	52,336.52	61,333.58	85,742.03	35,290.39	51,442.52	39,581.55	5,410.83	16,125.00
Revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GREEN RIVER AREA DEVELOPMENT DISTRICT
COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES
 Year Ended June 30, 2015

	Program Services											
	CMS Care Transitions	Comm Collaboration for Children	CCC Parent Involvement	AmeriCorps Senior Conn.	AmeriCorps Disaster Corp.	Job Quest	Citizen Corps	OTS	MPQ	KYTC	EHWA	EIA
Revenues:												
Federal	\$ 262,985.00	\$ 172,095.78	\$ 920.00	\$ 304,467.50	\$ 120,415.50	\$ -	\$ 36,097.19	\$ 9,000.00	\$ -	\$ 5,458.96	\$ 98,400.00	\$ 42,000.00
State	-	-	-	-	-	-	-	-	-	78,065.00	6,150.00	-
Local	-	23,057.00	-	81,867.93	37,095.35	269.23	-	11,481.99	18,200.15	-	18,450.00	10,500.00
In-kind match	-	46,997.94	-	-	-	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-	-	-	-	-
Member dues	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Local applied to grants	-	1,325.21	-	-	-	-	1,153.56	-	-	14,835.07	4,287.59	2,984.51
Total revenues	262,985.00	243,475.93	920.00	386,335.43	157,510.85	269.23	37,250.75	20,481.99	18,200.15	98,359.03	127,287.59	55,484.51
Expenditures:												
Direct costs:												
Personnel	80,296.10	9,052.75	-	29,615.08	12,659.73	-	7,311.86	6,393.66	7,242.43	38,728.41	55,885.56	21,360.55
Employee benefits	55,283.70	8,540.05	-	18,857.90	7,278.63	-	5,555.69	7,046.85	5,276.66	31,465.95	36,472.30	16,060.24
Professional services	-	-	-	-	-	-	-	-	-	-	-	-
Travel	11,920.77	781.95	-	2,589.36	1,043.01	-	26.33	8.28	99.04	3,026.80	440.88	14.66
Occupancy	-	-	-	-	-	-	-	-	759.00	-	-	-
Supplies	89.95	721.30	-	26.22	-	-	-	-	167.25	392.26	1,233.30	43.10
Communications	25.19	12.72	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	-
Other	18.23	4.35	-	928.65	407.20	39.36	17.80	62.69	273.22	647.29	772.53	115.14
Capital equipment	-	-	-	-	-	-	-	-	810.90	-	-	-
Program services	4,542.47	385.00	920.00	321,139.95	130,598.59	229.87	21,934.03	-	-	-	-	-
Contractual services	44,133.79	213,255.20	-	-	-	-	-	-	-	-	-	-
In-kind match	-	4,692.94	-	-	-	-	-	-	-	-	-	-
Total direct costs	196,310.20	237,446.26	920.00	373,157.16	151,987.16	269.23	34,845.71	13,511.48	14,628.50	74,260.71	94,804.57	37,593.69
Shared costs:												
Shared costs applied	50,880.00	6,029.67	-	13,178.27	5,523.69	-	2,405.04	6,970.51	3,571.65	24,098.32	32,483.02	17,890.82
Total expenditures	247,190.20	243,475.93	920.00	386,335.43	157,510.85	269.23	37,250.75	20,481.99	18,200.15	98,359.03	127,287.59	55,484.51
Revenues over expenditures	\$ 15,794.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GREEN RIVER AREA DEVELOPMENT DISTRICT
COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES

Year Ended June 30, 2015

	Program Services					Total Revenues and Expenditures
	Arts and Crafts Festival	Trade	WIA	Program Services	Unrestricted Local Operations	
Revenues:						
Federal	\$ -	\$ 28,465.73	\$ 1,369,448.96	\$ 4,328,781.90	\$ -	\$ 4,328,781.90
State	-	-	-	7,870,627.94	-	7,870,627.94
Local	7,024.56	-	-	823,774.18	-	823,774.18
In-kind match	-	-	-	84,200.44	-	84,200.44
Program income	-	-	-	137,951.28	-	137,951.28
Member dues	-	-	-	-	213,472.00	213,472.00
Interest	-	-	-	6,340.00	-	6,340.00
Other	-	-	-	775.00	-	775.00
Local applied to grants	-	-	-	95,044.36	(95,044.36)	9,615.45
Total revenues	7,024.56	28,465.73	1,369,448.96	13,347,495.10	141,901.74	13,489,396.84
Expenditures:						
Direct costs:						
Personnel	-	-	313,239.87	1,897,127.18	401,830.35	2,301,536.29
Employee benefits	-	-	231,207.94	1,356,480.12	289,271.03	1,508,040.81
Professional services	-	-	-	407.80	26,685.00	45,241.30
Travel	30.36	-	24,972.80	149,536.29	44,209.64	193,827.59
Occupancy	-	-	19,493.52	26,189.44	122,557.57	148,747.01
Supplies	-	-	2,077.24	41,594.78	59,490.83	101,085.61
Communications	-	-	135.87	2,788.78	28,692.21	31,480.99
Depreciation expense	-	-	-	-	85,102.18	159,121.96
Other	-	-	10,027.12	69,867.15	91,297.91	174,734.38
Capital equipment	-	-	3,261.60	42,129.71	-	42,129.71
Program services	3,061.98	28,465.73	579,306.55	5,575,919.19	-	5,575,919.19
Contractual services	3,932.22	-	17,118.37	2,827,893.17	-	2,827,893.17
In-kind match	-	-	-	41,895.44	-	41,895.44
Total direct costs	7,024.56	28,465.73	1,200,840.88	12,031,849.05	(29,332.32)	13,151,653.45
Shared costs:						
Shared costs applied	-	-	168,608.08	1,147,733.89	(1,402.83)	(10.00)
Total expenditures	7,024.56	28,465.73	1,369,448.96	13,179,582.94	(27,929.49)	13,151,653.45
Revenues over expenditures	\$ -	\$ -	\$ -	\$ 167,912.16	\$ 169,831.23	\$ 337,743.39

GREEN RIVER AREA DEVELOPMENT DISTRICT

SCHEDULE OF SHARED COSTS

Year Ended June 30, 2015

Shared costs applied:

Salary	\$	401,830
Fringe		208,907
Leave		80,364
Travel		44,210
Rent		1,496
Supplies		59,491
Insurance		30,722
Printing		17,177
Communications		28,692
Postage		15,774
Utilities		32,497
Maintenance		51,658
Interest expense		36,907
Depreciation expense		85,102
Professional fees		26,685
Other		<u>27,625</u>
Total shared costs	\$	<u><u>1,149,137</u></u>

GREEN RIVER AREA DEVELOPMENT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Rural Business Cooperative Service:			
Intermediary Relending Program	10.767	N/A	\$ <u>395,660</u>
Passed through local sources:			
Grant Program to Establish a Fund for Financing Water and Wastewater Projects:			
Union County Fiscal Court	10.864	N/A	20,000
City of Hartford	10.864	N/A	8,710
City of Fordsville	10.864	N/A	289
			<u>28,999</u>
Total U.S. Department of Agriculture			\$ <u>424,659</u>
<u>U.S. Department of Commerce</u>			
Direct Program:			
Economic Adjustment Assistance:			
Revolving Loan Fund	11.307	04-95-901689	\$ 3,075,085 (D)
Passed through local sources:			
Economic Adjustment Assistance:			
Pennyrille Area Development District	11.307	N/A	24,404
			<u>3,099,489</u>
Passed through Department for Local Government:			
Economic Development - JFA	11.302	N/A	<u>67,200</u>
Total U.S. Department of Commerce			\$ <u>3,166,689</u>
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grants - State's Program:			
Passed through local sources:			
Henderson County Fiscal Court	14.228	N/A	\$ 42,500
McLean County Fiscal Court	14.228	N/A	21,938
Daviess County Fiscal Court	14.228	N/A	12,500
City of Hartford	14.228	N/A	50,000
City of Providence	14.228	N/A	1,200
City of Sturgis	14.228	N/A	10,000
Passed through Department for Local Government:			
Community Development Block Grants - State's Program - JFA			
	14.228	N/A	<u>22,000</u>
Total U.S. Department of Housing and Urban Development			\$ <u>160,138</u>

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

GREEN RIVER AREA DEVELOPMENT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Labor			
Workforce Investment Act:			
 Passed through Kentucky Education Cabinet:			
 WIA Cluster:			
Adult Program	17.258		
		270AD15	\$ 25,250
		273AD15	238,601
		270AD14	1,292
		273AD14	111,655
		273SR15	17,740
			<u>394,538</u>
 Youth Activities	 17.259		
		274YT14	129,250
		274YT15	253,893
			<u>383,143</u>
 Dislocated Workers	 17.278		
		271DW15	216,217
		271DW14	142,979
		272CM14	45,185
		272RR14	4,841
		272DW14	5,270
		272DW15	32,274
		271CM14	107,240
			<u>554,006</u>
 WIA Cluster Total			<u>1,331,687</u>
 National Emergency Grant	 17.277		
	17.277	258DW13	8,657
		258GO15	29,105
			<u>37,762</u>
 Trade Adjustment Assistance	 17.245		
		205BE12	17,601
		205BE13	10,865
			<u>28,466</u>
 Total U.S. Department of Labor			<u>\$ 1,397,915</u>

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

GREEN RIVER AREA DEVELOPMENT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation</u>			
Passed through Kentucky Transportation Cabinet:			
Highway Planning and Construction:			
FHWA - Owensboro Transportation Planning	20.205	1400005561	\$ 98,400
Local Road Update	20.205	1500002432	<u>5,459</u>
			103,859
Metropolitan Transportation Planning:			
FTA - Owensboro Transportation Planning	20.505	G04M503Z	42,000
Passed through City of Owensboro:			
Federal Transit Formula Grants:			
FTA - OTS Transit Management	20.507	2014/2015	<u>9,000</u>
Total U.S. Department of Transportation			<u>\$ 154,859</u>
<u>Delta Regional Authority</u>			
Direct Program:			
Delta Local Development District Assistance	90.202	N/A	<u>\$ 7,204</u>
Passed through local sources:			
Delta Regional Development:			
Webster County Fiscal Court	90.200	N/A	2,750
Henderson County Fiscal Court	90.200	N/A	<u>4,775</u>
			<u>7,525</u>
Total Delta Regional Authority			<u>\$ 14,729</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Kentucky Cabinet for			
Health and Family Services:			
Aging Cluster:			
NSIP	93.053	1400001074	\$ 147,053
Title III Supportive Services	93.044	1400001066	299,363
Title III Nutrition Services	93.045	1400001066	<u>414,924</u>
			<u>861,340</u>
Title VII Elder Abuse Prevention	93.041	1400001073	<u>3,501</u>
Title III Preventive Health	93.043	1400001066	<u>8,984</u>
Title VII Ombudsman	93.042	1400001073	<u>5,934</u>
Title III Caregiver Support	93.052	1400001066	<u>98,459</u>

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

GREEN RIVER AREA DEVELOPMENT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
Functional Assessment Service Team (FAST)	93.069	1400001163	<u>733</u>
Aging and Disability Resource Center	93.778	1400001160	<u>25,144</u>
Assistance Programs for Chronic Disease Prevention:			
Ky Health Benefit Exchange	93.945	1400001167	49,847
Improving Arthritis Outcomes	93.945	1400001164	<u>5,193</u>
			<u>55,040</u>
Chronic Disease Self Management Education	93.725	1400001162	<u>313</u>
SHIP	93.779	1400001161	<u>29,771</u>
MIPPAA	93.071	1400001168	<u>21,245</u>
Community Collaboration for Children	93.590	1400002331	<u>86,908</u>
Promoting Safe and Stable Families - CCC	93.556	1400002331	<u>85,188</u>
Passed through National Council on Aging:			
ACA - Medicare Improvements:			
Benefits Outreach	93.518	N/A	<u>51,442</u>
Passed through Louisville/Jefferson County Metro Government:			
Senior Medicare Patrol	93.048	N/A	<u>12,915</u>
Passed through Eastern Kentucky University:			
CCC Parental Involvement	93.590	N/A	<u>920</u>
 Total U.S. Department of Health and Human Services			 <u>\$ 1,347,837</u>
 <u>Corporation for National and Community Service</u>			
Passed through the Kentucky Commission on Community Volunteerism and Service:			
AmeriCorps - Senior Connections	94.006	1200003670	\$ 77,478
AmeriCorps - Senior Connections	94.006	1400003316	226,990
AmeriCorps - Disaster Corps	94.006	1400000011	31,986
AmeriCorps - Disaster Corps	94.006	1400003346	<u>88,430</u>
 Total Corporation for National and Community Service			 <u>\$ 424,884</u>

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

GREEN RIVER AREA DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
<u>Department of Homeland Security</u>			
Passed through the Kentucky Office of Homeland Security:			
Citizen Corps Program	97.067	1400000401	\$ 9,866
Citizen Corps Program	97.067	1500001278	24,268
Citizen Corps Program	97.067	1500004098	1,963
			<u>36,097</u>
Passed through the Kentucky Division of Emergency Management:			
Flood Mitigation Assistance	97.029	14000037441	18,743
Pre-Disaster Mitigation	97.047	14000026061	38,054
			<u>38,054</u>
Total Department of Homeland Security			<u>\$ 92,894</u>
Total Federal Awards			<u>\$ 7,184,604 *</u>

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

GREEN RIVER AREA DEVELOPMENT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of GRADD under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of GRADD, it is not intended to be, and does not present, the financial position, changes in net position, or cash flows of GRADD.

Note B: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C: Federal revenue per the Combining Schedule of Operations

by Program and Supporting Services	\$ 4,328,782
Revolving loan fund	3,075,085
Intermediary relending program	395,660
Consumer Directed Options	(351,938)
CMS Care Transitions	<u>(262,985)</u>
Total per Schedule of Expenditures of Federal Awards	\$ <u>7,184,604</u> *

Note D: Revolving Loan Federal Expenditures Calculation

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

	<u>04-95-901689</u>
Balance of RLF loans outstanding at year end	\$ 2,645,535
Cash and investment balance at year end	533,990
Administrative expenses paid out of RLF income during year	23,689
Unpaid principal of loans written off during the year	<u>-</u>
Total	3,203,214
Multiply federal share of RLF	96%
Federal Expenditures for SEFA reporting	\$ <u>3,075,085</u>



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Green River Area Development District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Green River Area Development District (GRADD), as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Renee Hancock CPAs PSC

Owensboro, Kentucky
November 9, 2015



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Directors
Green River Area Development District

Report on Compliance for Each Major Federal Program

We have audited the Green River Area Development District's (GRADD) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of GRADD's major federal programs for the year ended June 30, 2015.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of GRADD's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

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

Opinion on Each Major Federal Program

In our opinion, GRADD complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of GRADD is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered GRADD's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of GRADD's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Owensboro, Kentucky
November 9, 2015

Renee Hancock CPAs PSC

GREEN RIVER AREA DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Green River Area Development District (GRADD).
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of GRADD which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for GRADD expresses an unmodified opinion on all major federal programs.
6. As indicated in Part C of this schedule, there were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The program tested as major programs include:
 - 11.307 – Economic Adjustment Assistance
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. GRADD was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None

GREEN RIVER AREA DEVELOPMENT DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2015

There were no audit findings relative to federal awards reported in the schedule of findings and questioned costs for the year ended June 30, 2014.