

Kentuckiana Regional Planning and Development Agency
Financial Statements
Year Ended June 30, 2020

Kentuckiana Regional Planning and Development Agency
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Year Ended June 30, 2020

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Independent Auditor's Report

The Board of Directors
Kentuckiana Regional Planning and Development Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Kentuckiana Regional Planning and Development Agency ("KIPDA") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise KIPDA's basic 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 an opinion 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.

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Independent Auditor's Report (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of KIPDA as of June 30, 2020, and the respective changes in its financial position (deficit) for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter - Change in Financial Reporting Model

KIPDA adopted the financial reporting model for governmental funds as set forth in GASB Statement No. 34 *Basic Financial Statements - and Management's Discussions and Analysis - for State and Local Governments*. The adoption of this reporting model did not result in a restatement of prior year net position or fund balance and 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 on pages 4 through 8 and required supplementary information on pages 30 - 33 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 KIPDA's basic financial statements. The accompanying schedule of expenditures of federal awards, on pages 34 - 35, as required by Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of program activities, schedule of indirect expenses, and schedule of local cash contributions on pages 37 - 69 are also presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Independent Auditor's Report (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2021, on our consideration of KIDPA'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 KIPDA's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "MCM CPAs & Advisors LLP". The signature is stylized, with the "MCM" being particularly prominent.

Louisville, Kentucky
January 6, 2021

**Kentuckiana Regional Planning and Development Agency
Management's Discussion and Analysis
Year Ended June 30, 2020**

As management of the Kentuckiana Regional Planning and Development Agency ("KIPDA"), we offer readers of KIPDA's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020.

Nature of Organization and Reporting Entity

KIPDA was formed in 1973 (by interstate compact under the laws of Kentucky and Indiana) for the purpose of civic improvement and economic development within a nine-county region in Kentucky and Southern Indiana. KIPDA is a voluntary association of local governments funded by contributions from the member cities and counties, federal and state grant awards, and contracts for services.

In evaluating KIPDA as a reporting entity, management has addressed its relationship with the local governments and concluded that, in accordance with the criteria set forth in Sections 2100 and 2600 of the Governmental Accounting Standards Board ("GASB") Codification, KIPDA is a separate reporting entity.

Change in Reporting Format

After reviewing operations and accounts, management determined that beginning with the year ended June 30, 2020 the annual report would be prepared in compliance with GASB Statement No. 34 Basic Financial Statements - and Management's Discussions and Analysis - for State and Local Governments.

Financial Highlights

- KIPDA's government-wide net position (deficit) increased by a net of \$460,948. Of this increase, \$680,857 relates to GASB No. 68 pension adjustment which was offset by a negative GASB No. 75 retiree insurance adjustment of \$42,680. Regular KIPDA activity generated a surplus of \$177,229 bringing the net decrease in deficit to \$460,948.
- There was a net increase in revenues of \$1,199,468 from fiscal year 2019.
- There was an increase in revenues of \$1,234,000 in the social services division. The largest increase was \$745,000 for expansion of the provision of meals to senior citizens in response to needs related to the COVID pandemic. New sources of COVID and CARES funding of over \$566,000 were utilized and the recurring meals program revenue increased by almost \$179,000. Revenue for the PDS/CDO program increased by approximately \$509,000 due to adjustments made by Medicaid to improve the flow of services due to COVID-19. Other programs within the social services division had smaller changes in revenue for a net decrease of revenue for these programs of approximately \$20,000.
- The Community and Economic Development Division revenue increased by approximately \$139,000 from fiscal year 2019. \$28,000 of the increase was in funding from the Kentucky Governor's Department for Local Government due to adjustments to the funding formula for state-wide distribution of funds. The remaining \$111,000 of the increase was in revenues generated by the provision of specific project services.
- The transportation division revenues decreased by \$457,500 from fiscal year 2019. Revenue for the Metropolitan Planning Organization operations were down by \$412,800. Due to COVID some vacant staff positions were held open and contract spending was reduced. Also, contract spending and related revenue was \$251,000 less than fiscal year 2019. A major study was completed in fiscal year 2019 and a traffic count contract was put on hold in fiscal year 2020 because of changes in traffic activity resulting from people working from home due to COVID. The Every Commute Counts/Rideshare program revenues were down by \$44,700 from fiscal year 2019. There was an increase of \$108,700 in federal revenues and a decrease of \$153,400 in van pool fees.
- General fund revenue increased by approximately \$284,000 from fiscal year 2019. The increase is the result of the authorized write off of payables to funders and the conversion of program advances to revenue.

**Kentuckiana Regional Planning and Development Agency
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2020**

Overview of the Financial Statements

This annual report consists of four parts: Management's Discussion and Analysis (this section), financial statements and related notes, required supplementary information related to participation in a multiple employer pension plan, and supplementary information. The financial statements include notes that provide additional information relating to KIPDA's financial condition. Readers are encouraged to read the notes to better understand the financial statements. The basic financial statements include two kinds of statements that present different views of KIPDA:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about KIPDA's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of KIPDA, reporting KIPDA's operations in more detail than the government-wide statements and reporting the short-term information only.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by sections of required supplementary information and other supplementary information that provide additional information related to the financial statements.

Government-wide Financial Statements

The government-wide statements report information about KIPDA using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows, liabilities, and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report KIPDA's net position and how net position has changed. Net position - the result of KIPDA's assets and deferred outflows, less liabilities and deferred inflows - is one way to measure KIPDA's financial health.

Fund Financial Statements

The fund financial statements provide more detailed information about KIPDA's most significant funds - not KIPDA as a whole. Funds are accounting devices that KIPDA uses to keep track of specific sources of funding and spending for particular purposes.

KIPDA has two governmental funds:

- General Fund - This fund focuses on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balance left at year-end that is available for spending. Consequently, the general fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance KIPDA's programs.
- Special Revenue Fund - Includes all grant programs and services operated by KIPDA that are restricted for a special purpose.

**Kentuckiana Regional Planning and Development Agency
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2020**

Financial

**Table 1
Condensed Statements of Net Position (Deficit)**

	2020	2019	Increase (decrease)
Assets			
Current assets	\$ 5,630,599	\$ 5,227,225	\$ 403,374
Property and equipment, net	209,971	137,257	72,714
Total assets	5,840,570	5,364,482	476,088
Deferred outflows of resources - pension	2,364,457	2,538,024	(173,567)
Deferred outflows of resources - OPEB	1,035,372	867,004	168,368
Total assets and deferred outflows of resources	<u>\$ 9,240,399</u>	<u>\$ 8,769,510</u>	<u>\$ 470,889</u>
Liabilities			
Current liabilities	\$ 2,950,256	\$ 2,673,250	\$ 277,006
Net pension liability	10,906,494	10,442,924	463,570
Net OPEB liability	2,607,619	3,044,291	(436,672)
Compensated absences	268,529	246,676	21,853
Total liabilities	16,732,898	16,407,141	325,757
Deferred inflows of resources - pension	1,359,074	1,315,354	43,720
Deferred inflows of resources - OPEB	1,356,580	794,220	562,360
Total liabilities and deferred inflows of resources	<u>\$ 19,448,552</u>	<u>\$ 18,516,715</u>	<u>\$ 931,837</u>
Net position (deficit)			
Net investment in property and equipment	\$ 209,971	\$ 137,257	\$ 72,714
Unrestricted (deficit)	(10,418,124)	(9,884,462)	(533,662)
Total net position (deficit)	<u>\$ (10,208,153)</u>	<u>\$ (9,747,205)</u>	<u>\$ (460,948)</u>

**Kentuckiana Regional Planning and Development Agency
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2020**

Financial (Continued)

**Table 2
Condensed Statements of Activities**

	2020	2019	Increase (decrease)
Total revenues	\$ 23,141,835	\$ 21,942,367	\$ 1,199,468
Total expenses	23,602,783	23,066,321	536,462
(Decrease) in net position (deficit)	(460,948)	(1,123,954)	663,006
Net position (deficit) - beginning of year	(9,747,205)	(8,623,251)	(1,123,954)
Net position (deficit) - end of year	<u>\$ (10,208,153)</u>	<u>\$ (9,747,205)</u>	<u>\$ (460,948)</u>

Net Position (Deficit) and Changes in Net Position (Deficit)

The requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")* have resulted in significant Net Position deficits and major negative annual changes in net position (deficit) for KIPDA.

Without the accounting and reporting requirements of GASB Statements No. 68 and 75, KIPDA's net position (deficit) at June 30, 2020 would be a positive \$2,621,785.

The June 30, 2020 net position (deficit) consists of:

Net investment in property and equipment	\$ 209,971
Unrestricted operating	2,411,814
Unrestricted GASB 68 pension (deficit)	(9,901,111)
Unrestricted GASB 75 OPEB (deficit)	<u>(2,928,827)</u>
Total net position (deficit)	<u>\$ (10,208,153)</u>

GASB Statements No. 68 and No. 75 also impacted KIPDA's changes in net position (deficit). For the year ending June 30, 2020, KIPDA's decrease in net position (deficit) consists of:

Increase in net position from regular activity	\$ 177,229
Decrease in net position related to GASB 68	(680,857)
Increase in net position related to GASB 75	<u>42,680</u>
(Decrease) in net position (deficit)	<u>\$ (460,948)</u>

**Kentuckiana Regional Planning and Development Agency
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2020**

Financial (Continued)

GASB No. 68 and GASB No. 75

The information related to the change in these expenses and statement of net position (deficit) amounts is provided by the retirement system.

Future of Operations

A majority of all programs and projects administered by KIPDA are funded by federal, state, and local governments. A significant reduction in the level of this support, if this were to occur, may have a material effect on KIPDA's future operations.

We all are facing the uncertainties of the impact of COVID for the future. KIPDA has been provide additional funds for fiscal year 2021 for the provision of meals for senior citizens. Some service recipients in other programs have asked that in-home services be put on hold due to health concerns. Case managers are keeping in touch with service recipients to see that needs are addressed as best we can.

Requests for Additional Information

This report is intended to provide readers with a general overview of KIPDA'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 KIPDA, Attention: Fiscal Department, 11520 Commonwealth Drive, Louisville, Kentucky 40299.

Kentuckiana Regional Planning and Development Agency
Statement of Net Position (Deficit)
June 30, 2020

Assets

Current assets	
Cash	\$ 877,835
Receivables from grantor agencies	4,458,984
Accounts receivable - other	194,345
Prepaid expenses	<u>99,435</u>
Total current assets	5,630,599
Property and equipment, net	<u>209,971</u>
Total assets	5,840,570
Deferred outflows of resources	
Pension	2,364,457
OPEB	<u>1,035,372</u>
Total assets and deferred outflows of resources	<u>\$ 9,240,399</u>

Liabilities

Current liabilities	
Accounts payable	\$ 1,408,866
Program advances	483,461
Other liabilities	<u>1,057,929</u>
Total current liabilities	2,950,256
Noncurrent liabilities	
Net pension liability	10,906,494
Net OPEB liability	2,607,619
Compensated absences	<u>268,529</u>
Total noncurrent liabilities	<u>13,782,642</u>
Total liabilities	16,732,898
Deferred inflows of resources	
Pension	1,359,074
OPEB	<u>1,356,580</u>
Total deferred inflows of resources	<u>2,715,654</u>
Total liabilities and deferred inflows of resources	<u>\$ 19,448,552</u>
Net position (deficit)	
Net investment in property and equipment	\$ 209,971
Unrestricted (deficit)	<u>(10,418,124)</u>
Total net position (deficit)	<u>\$ (10,208,153)</u>

See accompanying notes.

Kentuckiana Regional Planning and Development Agency
Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program revenues		Change in net position
		Charges for services	Operating grants	Governmental activities
Governmental activities				
General government	\$ 22,744	\$ -	\$ -	\$ (22,744)
Community and economic development	494,283	-	452,366	(41,917)
Social services	19,342,230	37,799	18,835,123	(469,308)
Transportation	3,743,526	300,507	2,972,841	(470,178)
Total governmental activities	<u>\$ 23,602,783</u>	<u>\$ 338,306</u>	<u>\$ 22,260,330</u>	(1,004,147)
		General revenues		
		Member dues		244,568
		Interest		1,838
		Other income		<u>296,793</u>
		Total general revenues		<u>543,199</u>
		Change in net position		(460,948)
		Net position - beginning of year		<u>(9,747,205)</u>
		Net position - ending of year		<u>\$ (10,208,153)</u>

See accompanying notes.

Kentuckiana Regional Planning and Development Agency
Balance Sheet - Governmental Funds
June 30, 2020

	General fund	Special revenue fund	Total governmental funds
Assets			
Cash	\$ 300,239	\$ 577,596	\$ 877,835
Receivables from grantor agencies	-	4,458,984	4,458,984
Accounts receivable - other	-	194,345	194,345
Due from (to) other fund	2,380,104	(2,380,104)	-
Prepaid expenses	-	99,435	99,435
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,680,343</u>	<u>\$ 2,950,256</u>	<u>\$ 5,630,599</u>
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ -	\$ 1,408,866	\$ 1,408,866
Program advances	-	483,461	483,461
Other liabilities	-	1,057,929	1,057,929
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	-	2,950,256	2,950,256
Fund balances			
Unassigned	<u>2,680,343</u>	<u>-</u>	<u>2,680,343</u>
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,680,343</u>	<u>-</u>	<u>2,680,343</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 2,680,343</u>	<u>\$ 2,950,256</u>	<u>\$ 5,630,599</u>

See accompanying notes.

Kentuckiana Regional Planning and Development Agency
Reconciliation of the Balance Sheet - Governmental
Funds to the Statement of Net Position (Deficit)
June 30, 2020

Fund balances - total governmental funds \$ 2,680,343

Amounts reported for governmental activities in
the Statement of Net Position are different because

Capital assets in governmental activities are not
financial resources and, therefore, are not
reported in the funds.

Capital assets	1,698,222	
Accumulated depreciation	<u>(1,488,251)</u>	209,971

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

Deferred outflows of resources	2,364,457
Deferred inflows of resources	<u>(1,359,074)</u>

Other post employment benefits related deferred outflows of
resources and deferred inflows of resources are not
due and payable in the current year and, therefore are not
reported in the governmental funds as follows

Deferred outflows of resources	1,035,372
Deferred inflows of resources	<u>(1,356,580)</u>

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

Compensated absences	(268,529)	
Net other post employment benefits liability	(2,607,619)	
Net pension liability	<u>(10,906,494)</u>	
		<u>(13,782,642)</u>

Net position of governmental activities	<u><u>\$ (10,208,153)</u></u>
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See accompanying notes.

Kentuckiana Regional Planning and Development Agency
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2020

	General fund	Special revenue fund	Total governmental funds
Revenues			
Federal	\$ -	\$ 6,869,528	\$ 6,869,528
State	-	15,100,261	15,100,261
Charges for services	-	338,306	338,306
Local	-	241,738	241,738
In-kind match	-	48,803	48,803
Other income	296,793	-	296,793
Member dues	244,568	-	244,568
Interest	1,838	-	1,838
Total revenues	543,199	22,598,636	23,141,835
Expenditures			
General government	26,541	-	26,541
Community and economic development	-	448,702	448,702
Social services	-	18,915,641	18,915,641
Transportation	-	3,517,994	3,517,994
Capital outlay	-	106,589	106,589
Total expenditures	26,541	22,988,926	23,015,467
Excess (deficiency) of revenues over (under) expenditures	516,658	(390,290)	126,368
Other financing sources (uses)			
Operating transfers in	-	390,290	390,290
Operating transfers out	(390,290)	-	(390,290)
Total other financing sources (uses)	(390,290)	390,290	-
Net changes in fund balances	126,368	-	126,368
Fund balances - beginning of year	2,553,975	-	2,553,975
Fund balances - end of year	\$ 2,680,343	\$ -	\$ 2,680,343

See accompanying notes.

Kentuckiana Regional Planning and Development Agency
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
and the Statement of Activities
Year Ended June 30, 2020

Net changes in fund balances - governmental funds \$ 126,368

Amounts reported for governmental activities in
the Statement of Activities are different because

Governmental funds report capital outlay as expenditures,
however, in the Statement of Activities the cost
of the assets is allocated over their estimated
useful lives as depreciation expense.

Capital outlay	106,589	
Depreciation expense	<u>(33,875)</u>	72,714

Certain expenses reported in the Statement of Activities
do not require the use of current financial resources and,
therefore, are not reported as expenditures in the
governmental funds.

Compensated absences	(21,853)
Pension expense	(680,857)
OPEB expense	<u>42,680</u>

Change in net position of governmental activities	<u>\$ (460,948)</u>
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See accompanying notes.

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements
Year Ended June 30, 2020

Note A - Nature of Organization

Kentuckiana Regional Planning and Development Agency ("KIPDA") was formed in 1973 (by interstate compact under the laws of Kentucky and Indiana) for the purpose of civic improvement and economic development within a nine-county region in Kentucky and Southern Indiana. KIPDA is a voluntary association of local governments funded by contributions from the member cities and counties, federal and state grant awards, and contracts for services.

In evaluating KIPDA as a reporting entity, management has addressed its relationship with the local governments and concluded that, in accordance with the criteria set forth in Sections 2100 and 2600 of the Governmental Accounting Standards Board Codification, KIPDA is a separate reporting entity.

Note B - Summary of Significant Accounting Policies

The financial statements of KIPDA have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for government accounting and financial reporting. The GASB is periodically updated with subsequent GASB pronouncements (Statements and Interpretations) which constitute GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

For the year ending June 30, 2020, KIPDA adopted the financial reporting model for governmental funds as set forth in GASB Statement No. 34 *Basic Financial Statements - and Management's Discussions and Analysis - for State and Local Governments*. The adoption of this reporting model did not result in a restatement of prior year net position or fund balance and our opinion is not modified with respect to this matter.

1. Government-wide Financial Statements: The Statement of Net Position (Deficit) and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall government. The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are directly associated with the function and include charges for services and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants are capital-specific.
2. Fund Financial Statements: The fund financial statements of KIPDA are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute assets, liabilities, fund equity, revenues, and expenditures/expense KIPDA has the following major funds:
3. Major Governmental Fund Types:
 - The General Fund is the main operating fund of KIPDA. It accounts for financial resources used for general types of operations. Any unrestricted fund balances are considered as resources available for use.
 - The Special Revenue Fund accounts for proceeds of specific revenue sources that are legally restricted to disbursements for special purposes. It includes federal financial programs where unused balances may be returned to the grantor at the close of the special project periods, as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report.

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note B - Summary of Significant Accounting Policies (Continued)

4. Basis of Accounting: The government-wide statements are prepared using the economic resources measurements focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Local cash contributions represent per capita and transportation planning assessments to the member cities and counties and are recognized on an accrual basis. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due (matured).

5. Use of 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, if any) 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.
6. Cash Equivalents: KIPDA considers all short-term investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2020.
7. Receivables: In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. KIPDA uses the allowance method for recording bad debt expense for its grant funder receivables and other receivables, which is based on historical experience coupled with a review of the current status of existing receivables. Management has determined that no allowance for doubtful accounts was required at June 30, 2020.
8. Advertising Cost: KIPDA expenses advertising costs as incurred. Total advertising cost charged to operations was approximately \$65,760 for the year ended June 30, 2020.
9. Property and Equipment: KIPDA's building has been depreciated on a straight-line basis over 25 years and is fully depreciated. Furniture, equipment and improvements purchased with local funds are stated at cost and are being depreciated over their useful lives: 3 - 10 years for office furniture and equipment, 3 - 8 years for building improvements and 5 years for automobiles, using the straight-line method of depreciation. Equipment, principally computer equipment, acquired with federal and state funds is being depreciated over 3 years using the straight-line method. No depreciation expense on equipment purchased with federal and state funds is included in program costs as presented in the supplementary information. Grantor agencies who authorize the purchase normally maintain reversionary rights.
10. Pension: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about KIPDA's participation in the County Employees Retirement System ("CERS") of the Kentucky Retirement Systems ("KRS") has been determined on the same basis as reported by the KRS for the CERS plan. For this purpose, benefits including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms of the CERS plan of KRS. The liability was measured at June 30, 2019. Pension expense included in the program costs, as presented in the supplementary information, is the amount due and payable for the current year (see Note H).

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note B - Summary of Significant Accounting Policies (Continued)

11. Postemployment Benefits Other Than Pensions ("OPEB"): For the purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the CERS Insurance Fund and additions to/deductions from the insurance Fund's fiduciary net position have been determined on the same basis as they are reported by the Insurance Fund. For this purpose, the Insurance Fund recognizes benefit payments when due and payable in accordance with the benefit terms. OPEB expense included in the program costs, as presented in the supplementary information, is the amount due and payable for the current year. The OPEB liability was measured at June 30, 2019 (see Note I).
12. Subsequent Events: Subsequent events for the Agency have been considered through the date of the Independent Auditor's Report, which represents the date the financial statements were available to be issued.
13. Governmental Interfund Receivables and Payables: Interfund transactions that would be treated as revenues or expenditures/expenses, if they involved organizations external to KIPDA, are similarly treated when involving funds of KIPDA. 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 reimbursed fund. Transfers from funds receiving revenues to funds through which the resources are to be expended and operating subsidies are classified as interfund transfers.
14. Fund Equity: The Board of Directors is KIPDA's highest level of decision-making authority. Commitments of fund balance must be approved by the Board in an open meeting by formal vote. The Board has retained the authority to assign amounts to a specific purpose utilizing the same policy established for committing funds to a specific purpose. KIPDA has not adopted a policy to govern the order of priority on use of fund balance when (1) either restricted or unrestricted amounts are both available and (2) when committed, assigned, or unassigned fund balance classifications could be used. In the current year, there is an unassigned fund balance of approximately \$2,700,000, as of June 30, 2020.
15. Budgetary Controls: KIPDA receives funds under various grants and contracts which end on various budget cycles. KIPDA prepares an overall entity-wide budget but does not prepare a budget to actual comparison for the general fund; therefore, no budgetary comparison has been included in these financial statements.

Note C - Net Position and Changes in Net Position (Deficit)

The deficit net position is primarily the result of the recording of KIPDA's proportionate share of the CERS net pension liability as required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions ("OPEB")*. The total net position (deficit) of KIPDA as of June 30, 2020 was (\$10,208,153), which includes a deficit of (\$9,901,111) relating to activity associated with the net pension obligation, which is KIPDA's share of our pension plan's deficit and (\$2,928,827) relating to activity associated with the net OPEB obligation which is KIPDA's share of the plan's health insurance fund's deficit. Without the net pension plan and OPEB obligations, KIPDA would have a positive net position of \$2,621,785. Expenses for the year ended June 30, 2020 include actuarially determined pension expense and OPEB expense reported in accordance with GASB Statements No. 68 and 75 that were \$638,177 more than payments actually required by and paid to the pension system for the current year. Without this additional expense, KIPDA would have an increase in net position of \$177,229 rather than the decrease of \$460,948, as currently shown.

Note D - Cash

At June 30, 2020, the carrying amount of KIPDA's cash was \$877,835 and the bank balance was \$1,251,263. These funds are protected by Federal Deposit Insurance or collateral in accordance with KRS 41.240.

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note E - Receivables from Grantor Agencies

Incurred costs reimbursable by grantor agencies at June 30, 2020 are as follows:

2020 KY Cabinet for Health and Family Services	In Person Assistor	\$ 122,526
2020 KY Cabinet for Health and Family Services	Title III-B Administration	2,363
2020 KY Cabinet for Health and Family Services	Title III-B	253,586
2020 KY Cabinet for Health and Family Services	Title III-C-1 Administration	52,779
2020 KY Cabinet for Health and Family Services	Title III-C-1	302,332
2020 KY Cabinet for Health and Family Services	Title III-C-2 Administration	17,555
2020 KY Cabinet for Health and Family Services	Title III-C-2	563,459
2020 KY Cabinet for Health and Family Services	Title III-D	29,327
2020 KY Cabinet for Health and Family Services	Title III-E Administration	6,590
2020 KY Cabinet for Health and Family Services	Title VII-E National Caregiver	174,775
2020 KY Cabinet for Health and Family Services	Title VII-E Elder Abuse Prevention	10
2020 KY Cabinet for Health and Family Services	Homecare	631,477
2020 KY Cabinet for Health and Family Services	NSIP Oct-June	48,687
2020 KY Cabinet for Health and Family Services	SHIP	1,543
2020 KY Cabinet for Health and Family Services	Medicaid ADRC	19,980
2020 KY Cabinet for Health and Family Services	Title VII- Ombudsman	16,810
2020 KY Cabinet for Health and Family Services	KY Caregiver Program	62,349
2020 KY Cabinet for Health and Family Services	MIPPA	9,242
2020 KY Cabinet for Health and Family Services	Medicaid	1,294,899
2019 KY Cabinet for Health and Family Services	In Person Assistor	265
2019 KY Cabinet for Health and Family Services	Title III-B Administration	499
2019 KY Cabinet for Health and Family Services	Title III-B	33
2019 KY Cabinet for Health and Family Services	Title III-C-1 Administration	34
2019 KY Cabinet for Health and Family Services	Title III-C-2 Administration	18
2019 KY Cabinet for Health and Family Services	Title III-E Administration	9
2019 KY Cabinet for Health and Family Services	Title III-E National Caregiver	29,026
2019 KY Cabinet for Health and Family Services	SHIP	29
2019 KY Cabinet for Health and Family Services	MIPPA	568
2020 KY Transportation Cabinet	KTC FHWA	250,076
2020 KY Transportation Cabinet	KTC FTA	67,573
2020 KY Transportation Cabinet	KTC Match	15,630
2020 KY Transportation Cabinet	KY Regional Transportation Planning	14,720
2020 KY Transportation Cabinet	KY STP Program	103,105
2020 IN Department of Transportation	IND FHWA	132,315
2020 IN Department of Transportation	IND STBG	66,907
2020 IN Department of Transportation	IND FTA	33,473
2020 IN Department of Transportation	INDOT CMAQ	90,136
2019 IN Department of Transportation	IND STBG	149
2020 KY Governor's Department for Local Government	CDBG Federal	3,390
2020 KY Governor's Department for Local Government	CDBG State	3,390
2020 KY Governor's Department for Local Government	State Unmatched	26,079
2020 KY Governor's Department for Local Government	EDA - State	1,019
2020 KY Governor's Department for Local Government	EDA - Federal	4,075
2018 KY Governor's Department for Local Government	State Unmatched	6,177
Total receivables from grantor agencies		<u>\$ 4,458,984</u>

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note F - Property and Equipment

The changes in property and equipment and related depreciation activity consist of the following:

	June 30, 2019	Additions	Disposals	June 30, 2020
Office furniture and equipment	\$ 546,183	\$ 49,569	\$ -	\$ 595,752
Automobile	24,835	-	-	24,835
Building improvement	180,389	57,020	-	237,409
Land	90,000	-	-	90,000
Building	750,226	-	-	750,226
Total property and equipment	1,591,633	106,589	-	1,698,222
Less accumulated depreciation	(1,454,376)	(33,875)	-	(1,488,251)
Property and equipment, net	<u>\$ 137,257</u>	<u>\$ 72,714</u>	<u>\$ -</u>	<u>\$ 209,971</u>

Note G - Operating Lease

Effective June 1, 2011, KIPDA entered into a thirty-six-month lease for office space for a portion of the staff. Effective September 1, 2013, KIPDA amended the lease to add additional space and extended the ending date to November 30, 2016. Effective December 1, 2016, KIPDA amended the lease, extending the ending date to November 30, 2018. Effective August 20, 2018, another amendment to the lease was executed extending the ending date to November 30, 2020. Effective September 25, 2020, a fourth amendment to the lease was executed extending the ending date to November 30, 2022. Future rental payments including estimated excess operating expenses for the years ending June 30, 2021, 2022, and 2023 are \$76,622, \$76,644, and \$29,956 respectively. Total lease expense for the year ended June 30, 2020 was \$76,186, including an assessment for excess operating expenses.

Note H - Pension Plan

Plan Description

Employees of KIPDA are provided a defined benefit pension plan through the CERS, a cost-sharing multiple-employer defined pension plan administered by the Kentucky Retirement System ("KRS"). The KRS was created by state statute under Kentucky Revised Statute Section 61.645. The Board of Trustees is responsible for the proper operation and administration of the KRS. The KRS issues a publicly available financial report that can be obtained by writing to the Kentucky Retirement System, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601, or by telephone to 502.564.4646.

Benefits Provided

Kentucky Revised Statute Section 61.645 establishes the benefit terms and can be amended only by the Kentucky General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 65 with four years of service credit or after 27 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested or 25 years of service credit. Members vest with five years of service credit. Service credit disability benefits are provided after five years of service.

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note H - Pension Plan (Continued)

Tier 1 Non-Hazardous members are eligible to retire with an unreduced benefit at age 65 with four years of service credit or after 27 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation, which must contain at least 48 months. Reduced benefits for early retirement are available at age 55 and vested or 25 years of service credit. Members vest with five years of service credit. Service-related disability benefits are provided after five years of service. Tier 2 Non-Hazardous members are eligible to retire based on the rule of 87: the member must be at least age 57 and age + earned service must equal 87 years at retirement or at age 65 with five years of service credit. Benefits are determined by a formula using the member's highest five consecutive year average compensation, which must be 60 months. Reduced benefits for early retirement are available at age 60 with 10 years of service. Tier 3 Non-Hazardous members are also eligible to retire based on the rule of 87. Benefits are determined by a life annuity calculated in accordance with actuarial assumptions and methods adopted by the board based on a members' accumulated account balance. Tier 3 members are not eligible for reduced retirement benefits.

Prior to July 1, 2009, COLAs were provided annually equal to the percentage increase in the annual average of the consumer price index ("CPI") 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 1.50%. No COLA has been granted since July 1, 2011.

Contributions

Contributions for employees established in the statutes governing the KRS and may only be changed by the Kentucky General Assembly. Employees contribute 5% of salary if they were a plan member prior to September 1, 2008. For employees that entered the plan after September 1, 2008, they are required to contribute 6% of their annual creditable compensation. Five percent of the contribution was deposited to the member's account while 1% was deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E). KIPDA makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, employer contributions for KIPDA were \$963,345 based on a rate of 24.06% (19.30% pension and 4.76% insurance) of covered payroll. By law, employer contributions are required to be paid. The KRS may intercept KIPDA's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution ("ADC") and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of the unfunded liability.

Net Pension Liability

KIPDA's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation performed as of June 30, 2018. The total pension liability was rolled forward from the valuation date to the measurement date using generally accepted actuarial principles.

Actuarial Assumptions

The total pension liability as of June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.30% to 10.30%, varies by services
Payroll growth rate	2.30%
Investment rate of return	6.25%

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note H - Pension Plan (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions (Continued)

The mortality used for active members was 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 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.

The long-term expected rates of return were determined using a building block method in which best estimated ranges of expected future real rates of return were developed for each asset class. The ranges were 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:

<u>Asset class</u>	<u>Long-term expected real rate of return</u>	<u>Target allocation</u>
Growth		
US equity	4.30%	18.75%
Non-US equity	4.80%	18.75%
Private equity	6.65%	10.00%
Specialty credit/high yield	2.60%	15.00%
Liquidity		
Core bonds	1.35%	13.50%
Cash	20.00%	1.00%
Diversifying strategies		
Real estate	4.85%	5.00%
Opportunistic	2.97%	3.00%
Real return	4.10%	15.00%
	<u>6.09%</u>	<u>100.00%</u>

Discount Rate

The projection of cash flows used to determine the discount rate of 6.25% assumes that the funds receive the required employer contribution each future year, as determined by the current funding policy established in Statute as amended by House Bill 362. The discount rate determination does not use a municipal bond rate.

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note H - Pension Plan (Continued)

Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of KIPDA calculated using the discount rate of 6.25%, as well as what 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%)
	<u> </u>	<u> </u>	<u> </u>
KIPDA's net pension Liability	\$ 13,640,494	\$ 10,906,494	\$ 8,627,368

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

Pension Expense

For the year ended June 30, 2020, KIPDA recognized pension expense of \$1,453,615.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2020, KIPDA 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
	<u> </u>	<u> </u>
Liability experience	\$ 278,476	\$ 46,083
Investment experience	209,362	385,179
Change of assumptions	1,103,861	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	-	927,812
Contributions subsequent to the measurement date of June 30, 2019	<u>772,758</u>	<u>-</u>
Total	<u><u>\$ 2,364,457</u></u>	<u><u>\$ 1,359,074</u></u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2019," will be recognized as a reduction (increase) to net pension liability in the following measurement period.

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note H - Pension Plan (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources related to pensions will be amortized as deferred outflows of resources as follows:

	Recognition of existing deferred outflows (inflows) of resources for future years ending June 30
2021	\$ 286,779
2022	(74,638)
2023	8,010
2024	12,474
	<u>\$ 232,625</u>

In the table shown above, positive amounts will increase pension expense while negative amount will decrease pension expense.

Payable to the Pension Plan

At June 30, 2020, KIPDA reported a payable of \$35,074 (included in the other liabilities amount on the Statement of Net Position) for the outstanding amount of contributions to the pension plan required as of June 30, 2020.

Note I - Postemployment Benefits Other than Pensions ("OPEB")

General Information about the Pension Plan

Plan Description

Employees of KIPDA are provided hospital and medical insurance through the Kentucky Retirement Systems' Insurance Fund (Insurance Fund), a cost-sharing multiple-employer defined benefit OPEB plan. The KRS was created by state statute under Kentucky Revised Statute Section 61.645. The KRS Board of Trustees is responsible for the proper operation and administration of the KRS. The KRS issues a publicly available financial report that can be obtained by writing to Kentucky Retirement System, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or by telephone at 502.564.4646.

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note I - Postemployment Benefits Other than Pensions ("OPEB") (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided

The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. The Insurance Fund pays the same proportion of hospital and medical insurance premiums for the spouse and dependents of retired hazardous members killed in the line of duty. As a result of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003. Once members reach a minimum vesting period of 10 years, non-hazardous employees whose participation began on, or after, July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Hazardous employees whose participation began on, or after, July 1, 2003 earn \$15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon death of a hazardous employee, the employee's spouse receives \$10 per month for insurance benefits for each year of the deceased employee's earned hazardous service. This dollar amount is subject to adjustment annually, which is currently 1.5%, based upon Kentucky Revised Statutes. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

Contributions

Contribution requirements of the participating employers are established and may be amended by the KRS Board of Trustees. KIPDA's contractually required contribution rate for the year ended June 30, 2020 was 4.76% of covered payroll. Contributions to the Insurance Fund from KIPDA were \$190,587 for the year ended June 30, 2020. Employees that entered the plan prior to September 1, 2008 are not required to contribute to the Insurance Fund. Employees that entered the plan after September 1, 2008 are required to contribute 1% of their annual creditable compensation which is deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E).

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

At June 30, 2020, KIPDA reported a liability of \$2,607,619 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability was rolled forward from the valuation date to the plan's fiscal year ending June 30, 2019, using generally accepted actuarial principles. The Bureau's proportion of the collective net OPEB liability and OPEB expense was determined using the employers' actual contributions for fiscal year 2019. This method is expected to be reflective of the employers' long-term contribution effort. At June 30, 2019, the District's proportion was .155035%.

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note I - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

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

For the year ended June 30, 2020, KIPDA recognized OPEB expense of \$195,984. At June 30, 2020, KIPDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Liability experience	\$ -	\$ 786,779
Investment experience	17,176	132,995
Change of assumptions	771,619	5,160
Changes in proportion and difference between employer contributions and proportionate share of contributions	-	431,646
Contributions subsequent to the measurement date of June 30, 2019	<u>246,577</u>	<u>-</u>
Total	<u><u>\$ 1,035,372</u></u>	<u><u>\$ 1,356,580</u></u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$246,577 resulting from KIPDA's contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in KIPDA's OPEB expense as follows:

	Recognition of existing deferred outflows (inflows) of resources for future years ending June 30
2020	\$ (109,420)
2021	(109,420)
2022	(72,596)
2023	(142,930)
2024	(111,503)
Thereafter	<u>(21,916)</u>
	<u><u>\$ (567,785)</u></u>

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note I - 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)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.30%
Salary increases	3.30% to 10.30%, varies by service
Payroll growth rate	2.0%
Investment rate of return	6.25%
Healthcare cost trend rates	Initial trend starting at 7.00% and gradually decreasing to (Pre-65) an ultimate trend rate of 4.05% over a period of 12 years
Healthcare cost trend rates	Initial trend starting at 5.00% and gradually decreasing to (Post-65) an ultimate trend rate of 4.05% over a period of 10 Years
Mortality pre-retirement	PUB-2010 General Mortality table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010
Post-retirement (nondisabled)	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
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

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note I - 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)

Actuarial Assumptions (Continued)

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 below:

<u>Asset class</u>	<u>Long-term expected real rate of return</u>	<u>Target allocation</u>
Growth		
US equity	4.30%	18.75%
Non-US equity	4.80%	18.75%
Private equity	6.65%	10.00%
Specialty credit/high yield	2.60%	15.00%
Liquidity		
Core bonds	1.35%	13.50%
Cash	20.00%	1.00%
Diversifying strategies		
Real estate	4.85%	5.00%
Opportunistic	2.97%	3.00%
Real return	4.10%	15.00%
	<u>6.09%</u>	<u>100.00%</u>

Discount Rate

The projection of cash flows used to determine the discount rate of 5.68% for CERS Non-hazardous assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 3.13%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2019. However, the cost associated with the implicit employer subsidy was not included in the calculation of the System's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the System's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the CAFR.

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note I - 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)

Sensitivity of KIPDA's proportionate share of the collective net OPEB liability to changes in the discount rate.

The following presents KIPDA's proportionate share of the collective net OPEB liability as well as what KIPDA's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.68%) or 1 percentage point higher (6.68%) than the current discount rate:

	1% Decrease (4.68%)	Current discount rate (5.68%)	1% Increase (6.68%)
KIPDA's net OPEB liability	\$ 3,493,137	\$ 2,607,619	\$ 1,878,011

Sensitivity of KIPDA's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.

The following presents KIPDA's proportionate share of the collective net OPEB liability, as well as what KIPDA'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 health care cost trend rates:

	1% Decrease	Current healthcare trend rate	1% Increase
KIPDA's net OPEB liability	\$ 1,939,299	\$ 2,607,619	\$ 3,418,035

OPEB Plan Fiduciary Net Position

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

Payables to the OPEB Plan

At June 30, 2020, KIPDA reported a payable of \$8,648 (included in the other liabilities amount on the Statement of Net Position) for the outstanding amount of contributions to the OPEB plan required at the year ended June 30, 2020.

Note J - Cost Allocation Plan

KIPDA is required to operate under a cost allocation plan that conforms with 2 CFR Part 200. A summary of indirect expenses allocated in accordance with the cost allocation plan is on page 68. KIPDA is in conformity with 2 CFR Part 200.

Kentuckiana Regional Planning and Development Agency
Notes to Financial Statements (Continued)
Year Ended June 30, 2020

Note K - Concentrations

A majority of all programs and projects administered by KIPDA are funded by federal, state, and local governments. A significant reduction in the level of this support, if this were to occur, may have a material effect on KIPDA's future operations.

Note L - Risk Management and Contingencies

KIPDA may, from time to time, be involved in various lawsuits and regulatory issues arising in the ordinary course of business that will not, in management's opinion, have a material effect on KIPDA's financial position or results of operations.

In March 2020, the World Health Organization declared the novel global coronavirus disease 2019 ("COVID-19") outbreak a pandemic. Further, the United States Center for Disease Control and Prevention confirmed the spread of the disease throughout the United States. Prior to June 30, 2020 and as of the date the financial statements were available to be issued, KIPDA's operations have not been significantly impacted by the COVID-19 outbreak. It is not possible to quantify the ultimate impact of the COVID-19 crisis at this time. During the fiscal year ended June 30, 2020, KIPDA received \$399,223 in COVID funding and \$181,961 in CARES funding to provide additional services to meet COVID needs of citizens in the KIPDA region.

Note M - Future Accounting Pronouncements

In June 2017, the GASB issued statement No. 87, *Leases*. The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

This Statement requires recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use leased asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

KIPDA is currently evaluating the impact that will result from adopting GASB No. 87 and is therefore unable to disclose the impact that adopting this Standard will have on KIPDA's financial position and the results of its operations when the Statement is adopted.

Note N - Transfers, Interfund Receivables and Payables

During fiscal year 2020, the general fund transferred \$390,290 (including matching requirements) to the special revenue fund to meet match requirements and eliminate a deficit caused by program expenses exceeding revenues from funding sources.

Note O - Compensated Absences

All full-time employees are eligible for annual leave benefits. Employees earn leave hours at rates based on length of service. Unused hours may be carried forward and are paid at the end of employment with KIPDA at the employee's ending rate of pay. At the end of each fiscal year employees may carry forward up to six weeks of their regularly scheduled unused hours. KIPDA maintains an accrued liability for these unused hours.

Required Supplementary Information

Kentuckiana Regional Development and Planning Agency
Schedule of KIPDA's Net Pension Liability and Related Ratios Based on Participation
in the County Employees Retirement System of KRS
Years Ended June 30,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total net pension liability for County Employees Retirement Systems	\$ 3,244,377,000	\$ 4,299,525,000	\$ 4,923,618,237	\$ 5,853,307,463	\$ 6,090,305,000	\$ 7,033,045,000
Employer's proportion (percentage) of net pension liability	0.16819%	0.17960%	0.18924%	0.185951%	0.171468%	0.155075%
Employer's proportion (amount) of net pension liability	\$ 5,456,687	\$ 7,722,068	\$ 9,317,691	\$ 10,884,284	\$ 10,442,924	\$ 10,906,494
Employer's covered-employer payroll	\$ 4,340,275	\$ 4,689,015	\$ 4,615,993	\$ 4,343,198	\$ 3,990,549	\$ 4,003,925
Employer's proportionate share (amount) of the net pension liability as a percentage of employer's covered-employer payroll	125.72%	164.68%	201.86%	250.61%	261.69%	272.40%
Total pension plan's fiduciary net position	\$ 6,528,147,000	\$ 6,440,800,000	\$ 6,141,394,000	\$ 6,687,237,000	\$ 7,018,963,000	\$ 7,159,921,000
Total pension's plan pension liability	\$ 9,772,523,999	\$ 10,740,325,000	\$ 11,065,013,000	\$ 12,540,545,000	\$ 13,109,268,000	\$ 14,192,966,000
Total pension plan's fiduciary net position as a percentage of total pension liability	66.80%	59.97%	55.50%	53.32%	53.54%	50.45%

Note: This schedule is intended to display information for ten years. Additional years will be displayed as they become available.

Kentuckiana Regional Planning and Development Agency
Schedule of KIPDA's Contributions Based on Participation in the County Employees
Retirement System of KRS
Years Ended June 30,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 553,385	\$ 569,246	\$ 643,931	\$ 628,895	\$ 647,267	\$ 772,758
Contributions in relation to the actuarially determined contribution	<u>553,385</u>	<u>569,246</u>	<u>643,931</u>	<u>628,895</u>	<u>647,267</u>	<u>772,758</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 4,340,275	\$ 4,689,015	\$ 4,615,993	\$ 4,343,198	\$ 3,990,549	\$ 4,003,925
Contributions as a percentage covered-employee payroll	12.75%	12.14%	13.95%	14.48%	16.22%	19.30%

Note: This schedule is intended to display information for ten years. Additional years will be displayed as they become available.

Notes to Schedules Related to the County Employees Retirement System of KRS

Valuation date: Actuarially determined contribution rates for 2020 were calculated based on the June 30, 2017 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	26 years, closed
Payroll Growth Rate	2 percent
Asset valuation	20 percent of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30 percent
Salary increase	3.30-11.55 percent, varies by service
Investment Rate of Return	6.25 percent
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (setback 1 year for females)

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of KIPDA's Proportionate Share of the Collective Net OPEB Liability
Based on Participation in the Insurance Fund of CERS
Years Ended June 30,

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total net OPEB liability for County Employees Retirement Systems	\$ 2,010,342,058	\$ 1,775,480,122	\$ 1,681,955,000
Employer's proportion (percentage) of net OPEB liability	0.185951%	0.171463%	0.155035%
Employer's proportion (amount) of net OPEB liability	\$ 3,738,251	\$ 3,044,291	\$ 2,607,619
Employer's covered-employer payroll	\$ 4,343,198	\$ 3,990,549	\$ 4,003,925
Employer's proportionate share (amount) of the net OPEB liability as a percentage of employer's covered-employer payroll	86.07%	76.29%	65.13%
Total pension plan's fiduciary net position	\$ 2,212,536,000	\$ 2,414,126	\$ 2,569,511,000
Total pension's plan OPEB liability	\$ 4,222,878,000	\$ 4,189,606	\$ 4,251,466,000
Total pension plan's fiduciary net position as a percentage of total OPEB liability	52.40%	57.62%	60.44%

Note: This schedule is intended to display information for ten years.
Additional years will be displayed as they become available.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of KIPDA's Contributions
Based on Participation in the Insurance Fund of CERS
Years Ended June 30,

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 204,130	\$ 209,903	\$ 190,587
Contributions in relation to the actuarially determined contribution	<u>204,130</u>	<u>209,903</u>	<u>190,587</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 4,343,198	\$ 3,990,549	\$ 4,003,925
Contributions as a percentage covered-employee payroll	4.70%	5.26%	4.76%

Note: This schedule is intended to display information for ten years.
Additional years will be displayed as they become available.

Notes to Schedules Related to the County Employees Retirement System Insurance Fund of KRS

Valuation date: Actuarially determined contribution rates for 2020 were calculated based on the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	26 years, closed
Payroll Growth Rate	2.0 percent
Asset valuation	20 percent of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30 percent
Salary increase	3.30-11.55 percent, varies by service
Investment Rate of Return	6.25 percent
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (setback 1 year for females)
Healthcare Trend Rates	
Pre-65	Initial trend starting at 7.25% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post-65	Initial trend starting at 5.10% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years.
Phase-In Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

See accompanying independent auditor's report.

Supplementary Information

Kentuckiana Regional Planning and Development Agency
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Grant	Federal Catalog Number	Pass-Through Grantor	Pass-Through Grant Number	Grant Period	Pass-Through to Sub-Recipients	Federal Expenditures	Federal COVID Expenditures	Federal CARES Expenditures	Total Federal Expenditures
U. S. Department of Health and Human Services									
<i>Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers</i>									
2020 Title III-B Support Services	93.044	Kentucky Cabinet for Health and Family Services	PON2 725 2000000214 5	7/1/19-6/30/20	\$ 796,082	\$ 837,217	\$ -	\$ 5,163	
2020 Title III- B Administration	93.044	Kentucky Cabinet for Health and Family Services	PON2 725 2000000214 5	7/1/19-6/30/20	-	76,483	-	1,997	
									920,860
<i>Special Programs for the Aging Title III, Part C Nutrition Services</i>									
2020 Title III-C-1 Congregate Meals	93.045	Kentucky Cabinet for Health and Family Services	PON2 725 2000000214 5	7/1/19-6/30/20	363,453	650,671	178,457	-	
2020 Title III-C-2 Home Delivered Meals	93.045	Kentucky Cabinet for Health and Family Services	PON2 725 2000000214 5	7/1/19-6/30/20	515,248	875,449	216,796	160,080	
2020 Title III-C Administration	93.045	Kentucky Cabinet for Health and Family Services	PON2 725 2000000214 5	7/1/19-6/30/20	-	148,235	3,970	-	
									2,233,658
<i>Nutrition Services Incentive Program</i>									
2020 NSIP	93.053	Kentucky Cabinet for Health and Family Services	PON2 725 1900000844 3	10/1/19-9/30/20	-	138,158	-	-	
2019 NSIP	93.053	Kentucky Cabinet for Health and Family Services	PON2 725 1900000844 3	10/1/18-9/30/19	-	28,646	-	-	
									166,804
CLUSTER TOTAL					1,674,783	2,754,859	399,223	167,240	3,321,322
<i>Public Health Emergency Preparedness</i>									
2020 Functional Assessment Service Teams	93.069	Kentucky Cabinet for Health and Family Services	PON2 725 1900000533 1	7/1/19-6/30/20	-	355	-	-	355
<i>Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation</i>									
2020 Title VII Elder Abuse Prevention	93.041	Kentucky Cabinet for Health and Family Services	PON2 725 1900004491 3	7/1/19-6/30/20	11,672	11,672	-	-	11,672
<i>Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals</i>									
2020 Title VII Ombudsman	93.042	Kentucky Cabinet for Health and Family Services	PON2 725 1900004491 3	7/1/19-6/30/20	35,198	20,477	-	14,721	35,198
<i>Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services</i>									
2020 Title III-D Disease Prevention and Health Promotion Services	93.043	Kentucky Cabinet for Health and Family Services	PON2 725 2000000214 5	7/1/19-6/30/20	17,095	44,364	-	-	44,364
<i>Special Programs for the Aging Title IV and Title II Discretionary Projects</i>									
2020 Medicaid ADRC	93.048	Kentucky Cabinet for Health and Family Services	PON2 725 1900000816 6	7/1/19-6/30/20	-	68,094	-	-	68,094
<i>National Family Caregiver Support, Title III, Part E</i>									
2020 Title III-E National Caregiver Support	93.052	Kentucky Cabinet for Health and Family Services	PON2 725 2000000214 5	7/1/19-6/30/20	133,748	399,038	-	-	
2020 Title III-E National Caregiver Administration	93.052	Kentucky Cabinet for Health and Family Services	PON2 725 2000000214 5	7/1/19-6/30/20	-	30,825	-	-	429,863
<i>Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations</i>									
2020 SHIP	93.779	Kentucky Cabinet for Health and Family Services	PON2 725 1900001119 3	7/1/19-6/30/20	-	83,614	-	-	83,614
<i>Affordable Care Act - Medicare Improvements for Patients and Providers</i>									
2019 MIPPA AAA	93.518	Kentucky Cabinet for Health and Family Services	PON2 725 1900001159 1	10/1/18-9/30/19	-	29	-	-	
2019 MIPPA SHIP	93.518	Kentucky Cabinet for Health and Family Services	PON2 725 1900001159 1	10/1/18-9/30/19	-	2,782	-	-	
2019 MIPPA ADRC	94.518	Kentucky Cabinet for Health and Family Services	PON2 725 1900001159 1	10/1/18-9/30/19	-	1,080	-	-	
2020 MIPPA SHIP	93.518	Kentucky Cabinet for Health and Family Services	PON2 725 2000000094 2	10/1/19-9/30/20	-	18,950	-	-	
2020 MIPPA ADRC	93.518	Kentucky Cabinet for Health and Family Services	PON2 725 2000000094 2	10/1/19-9/30/20	-	4,723	-	-	
2020 MIPPA AAA	93.518	Kentucky Cabinet for Health and Family Services	PON2 725 2000000094 2	10/1/19-9/30/20	-	16,831	-	-	
									44,395
<i>Medical assistance Programs</i>									
GWEP	93.778	University of Louisville Foundation	2U1QHP28732-040-00	7/1/19-6/30/20	-	15,997	-	-	15,997
Total U. S. Department of Health and Human Services					\$ 1,872,496	\$ 3,473,690	\$ 399,223	\$ 181,961	\$ 4,054,874

See accompanying independent auditor's report and notes to the schedule of expenditures of federal awards.

Kentuckiana Regional Planning and Development Agency
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2020

Grant	Federal Catalog Number	Pass-Through Entity	Pass-Through Grant Number	Grant Period	Pass-Through to Sub-Recipients	Federal Expenditures	Total Federal Expenditures
U. S. Department of Housing and Urban Development:							
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii							
2020 Joint Funding Administration	14.228	Governor's Department for Local Government	PON2 2000000192	7/1/19-6/30/20	-	5,000	5,000
Total U. S. Department of Housing and Urban Development							5,000
U. S. Department of Commerce							
Economic Development Support for Planning Organizations							
Economic Adjustment Assistance	11.302	Governor's Department for Local Government	PON2 2000000192	7/1/19-6/30/20	-	66,667	66,667
Total U. S. Department of Commerce	11.302						66,667
U. S. Department of Transportation							
Highway Planning and Construction							
2020 Indiana CMAQ Funds	20.205	Indiana Department of Transportation	PO 20022998	7/1/19-6/30/22	189,904	189,904	
2019 Indiana CMAQ Funds	20.205	Indiana Department of Transportation	PO 20001673	7/1/18-6/30/21	5,309	5,309	
2019 Indiana Planning Funds	20.205	Indiana Department of Transportation	PO 20001673	7/1/18-6/30/21	-	59,020	
2020 Indiana Planning Funds	20.205	Indiana Department of Transportation	PO 20022998	7/1/19-6/30/22	-	178,194	
2019 Indiana STBG Funds	20.205	Indiana Department of Transportation	PO 20001673	7/1/18-6/30/21	-	50,020	
2018 Indiana STBG Funds	20.205	Indiana Department of Transportation	PO 18801222	7/1/17-6/30/20	-	20,322	
2020 Indiana STBG Funds	20.205	Indiana Department of Transportation	PO 20022998	7/1/19-6/30/22	-	58,756	
2020 Kentucky Planning Funds	20.205	Kentucky Transportation Cabinet	PON2 1900001596	7/1/19-6/30/20	-	872,013	
2019 Kentucky STP Funds	20.205	Kentucky Transportation Cabinet	PON2 1900000480	7/1/18-6/30/20	-	525,835	
2020 Kentucky STP Funds	20.205	Kentucky Transportation Cabinet	PON2 1900002237	7/1/19-6/30/21	-	547,093	
							2,506,466
Total U. S. Department of Transportation					195,213		2,506,466
Federal Transit Administration							
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research							
2020 FTA Kentucky Planning Funds	20.505	Kentucky Transportation Cabinet	PO 30120442	7/1/19-6/30/20	16,848	184,498	
2019 FTA Indiana Planning Funds	20.505	Indiana Department of Transportation	PO 20001673	7/1/18-6/30/21	1,435	15,714	
2020 FTA Indiana Planning Funds	20.505	Indiana Department of Transportation	PO 20022998	7/1/19-6/30/22	3,317	36,309	
							236,521
Total Federal Transit Administration					21,600		236,521
Totals					\$ 2,089,309		\$ 6,869,528

Kentuckiana Regional Planning and Development Agency
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Note A - Basis of Presentation

The accompanying Schedule of expenditures of federal awards ("Schedule") includes federal grant activity of the Kentuckiana Regional Planning and Development Agency ("KIPDA") under programs of the federal government for the year ended June 30, 2020 and is presented on the accrual basis of accounting, however the pension expense is based on the contributions actually made and required to be made to the Plan for the year ended June 30, 2020 (exclusive of GASB 68 pension adjustment of \$680,857 and GASB 75 retiree insurance adjustment of (\$42,680). The information in this Schedule is presented in accordance with 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 selected portion of the operations of KIPDA, it is not intended to and does not present the financial position, changes in position, or cash flows of KIPDA.

Note B - Indirect Cost

Pursuant to a cost allocation plan prepared in accordance with Uniform Guidance, the indirect expenses are allocated based on salary and fringe benefits before GASB 68 pension adjustment of \$680,857 and GASB 75 retiree insurance expense adjustment of (\$42,680). KIPDA has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Schedule of Program Activities

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities

Federal Grantors: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Nutrition Services Incentive Program
 Federal CFDA Number: 93.053
 Pass-through Grantor Number: PON2 725 1800000884 3
 Period of Grant: October 1, 2018 - September 30, 2019

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	<u>\$ 28,649.20</u>	<u>\$ 28,646.47</u>
Expenses:		
Home delivered	21,597.17	26,475.03
Homecare	<u>7,052.03</u>	<u>2,171.44</u>
Totals	<u>\$ 28,649.20</u>	<u>\$ 28,646.47</u>

The budget and actual reflected are for the year ended June 30, 2020.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantors: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Nutrition Services Incentive Program
 Federal CFDA Number: 93.053
 Pass-through Grantor Number: PON2 725 1900000884 3
 Period of Grant: October 1, 2019 - September 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	<u>\$ 212,628.00</u>	<u>\$ 89,470.58</u>
Expenses:		
Congregate	\$ 81,894.20	\$ 64,880.00
Home delivered	118,333.80	67,212.00
Homecare	<u>12,400.00</u>	<u>6,065.82</u>
Totals	<u>\$ 212,628.00</u>	<u>\$ 138,157.82</u>

Excess of expenses over revenue received
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 48,687.24
 (1)

(1) Receivable is all federal funds.

Actual reflected is for the year ended June 30, 2020.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Title III-B Administration
 Federal CFDA Numbers: 93.044
 Pass-through Grantor Number: PON2 725 2000000214 5
 Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 119,235.00	\$ 76,116.50
State	<u>35,124.00</u>	<u>35,124.00</u>
Total revenue	<u>\$ 154,359.00</u>	<u>\$ 111,240.50</u>
Expenses:		
Personnel	\$ 107,096.63	\$ 80,230.20
Travel	2,723.50	1,294.80
Supplies	297.00	200.60
Equipment	909.00	894.77
Other operating	6,663.00	4,258.60
Contracts	875.00	904.16
Indirect	<u>35,794.87</u>	<u>25,820.62</u>
Total expenses	<u>\$ 154,359.00</u>	<u>\$ 113,603.75</u>

Excess of expenses over revenue received
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 2,363.25
 (1)

(1) Receivable is all federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Title III-B Support Services
 Federal CFDA Number: 93.044
 Pass-through Grantor Number: PON2 725 2000000214 5
 Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 1,229,886.47	\$ 563,044.57
State	277,838.00	277,838.00
Program Income (1)	8,000.00	115,270.92
Local Match (2)	<u>151,660.18</u>	<u>2,180.50</u>
Total revenue	<u>\$ 1,667,384.65</u>	<u>\$ 958,333.99</u>
Expenses:		
Personnel	\$ 49,064.00	\$ 36,283.49
Travel	477.00	42.69
Supplies	12.00	-
Equipment	392.00	343.27
Other operating	20,211.00	3,831.40
Contracts	1,580,403.65	1,150,506.10
Indirect	<u>16,825.00</u>	<u>11,677.16</u>
Total expenses	<u>\$ 1,667,384.65</u>	<u>\$ 1,202,684.11</u>

Excess of expenses over revenue received
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

	<u>\$ 244,350.12</u>
	(3)

- (1) Program income was provided by the subrecipients.
 (2) Local match was provided by the subrecipients and volunteers.
 (3) Receivable is all federal funds.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Title III-B Ombudsman
 Federal CFDA Number: 93.044
 Pass-through Grantor Number: PON2 725 2000000214 5
 Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 34,986.00	\$ 25,749.69
State	3,887.00	3,887.00
Local match (1)	<u>6,860.00</u>	<u>8,379.92</u>
Total revenue	<u>\$ 45,733.00</u>	<u>\$ 38,016.61</u>
Expenses:		
Contract	<u>\$ 45,733.00</u>	<u>\$ 47,252.92</u>

Excess of expenses over revenue received
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 9,236.31
 (2)

- (1) Local match was provided by the subrecipients and volunteers.
 (2) Receivable is all federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Title III-C-1 Administration
 Federal CFDA Numbers: 93.045
 Pass-through Grantor Number: PON2 725 2000000214 5
 Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 108,790.00	\$ 50,351.25
State	<u>33,053.00</u>	<u>33,053.00</u>
Total revenue	<u>\$ 141,843.00</u>	<u>\$ 83,404.25</u>
Expenses:		
Personnel	\$ 96,185.69	\$ 94,351.99
Travel	3,328.50	1,600.22
Supplies	757.82	3,151.27
Equipment	1,086.00	1,052.89
Other operating	6,700.00	4,751.07
Contracts	875.00	909.86
Indirect	<u>32,909.99</u>	<u>30,365.45</u>
Total expenses	<u>\$ 141,843.00</u>	<u>\$ 136,182.75</u>

Excess of expenses over revenue received
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 52,778.50
 (1)

(1) Receivable is all federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor:	U. S. Department of Health and Human Services
Pass-through Grantor:	Kentucky Cabinet for Health and Family Services
Program Title:	Title III-C-1 Congregate Meals
Federal CFDA Number:	93.045
Pass-through Grantor Number:	PON2 725 2000000214 5
Period of Grant:	July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 829,128.32	\$ 526,796.06
Program income (1)	58,000.00	44,514.12
Local match (2)	<u>103,191.00</u>	<u>74,723.35</u>
Total revenue	<u>\$ 990,319.32</u>	<u>\$ 646,033.53</u>
Expenses:		
Contracts	<u>\$ 990,319.32</u>	<u>\$ 948,365.79</u>

Excess of expenses over revenue received classified as a receivable from grantor agency in the financial statements at June 30, 2020	<u>\$ 302,332.26</u> (3)
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- (1) Program income was provided by the subrecipients.
(2) Local match was provided by the subrecipients and volunteers.
(3) Receivable is all federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Title III-C-2 Administration
 Federal CFDA Numbers: 93.045
 Pass-through Grantor Number: PON2 725 2000000214 5
 Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 69,622.00	\$ 31,520.50
State	<u>16,788.00</u>	<u>16,788.00</u>
Total revenue	<u>\$ 86,410.00</u>	<u>\$ 48,308.50</u>
Expenses:		
Personnel	\$ 58,028.75	\$ 46,027.35
Travel	2,244.50	1,111.80
Supplies	705.64	114.74
Equipment	1,390.00	511.80
Other operating	3,304.00	2,394.13
Contracts	875.00	890.34
Indirect	<u>19,862.11</u>	<u>14,813.06</u>
Total expenses	<u>\$ 86,410.00</u>	<u>\$ 65,863.22</u>

Excess of expenses over revenue received
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 17,554.72
 (1)

(1) Receivable is all federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor:	U. S. Department of Health and Human Services
Pass-through Grantor:	Kentucky Cabinet for Health and Family Services
Program Title:	Title III-C-2 Home Delivered Meals
Federal CFDA Number:	93.045
Pass-through Grantor Number:	PON2 725 2000000214 5
Period of Grant:	July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 2,258,964.00	\$ 688,866.75
State	54,800.00	54,800.00
Program income (1)	54,000.00	42,698.49
Local match (2)	<u>160,939.10</u>	<u>111,838.54</u>
Total revenue	<u>\$ 2,528,703.10</u>	<u>\$ 898,203.78</u>
Expenses:		
Contracts	<u>\$ 2,528,703.10</u>	<u>\$ 1,461,662.41</u>

Excess of expenses over revenue received classified as a receivable from grantor agency in the financial statements at June 30, 2020	<u>\$ 563,458.63</u> (3)
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- (1) Program income was provided by the subrecipients.
(2) Local match was provided by the subrecipients and volunteers.
(3) Receivable is all federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Title III-D Disease Prevention and Health
 Promotion Services

Federal CFDA Number: 93.043

Pass-through Grantor Number: PON2 725 2000000214 5

Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 55,473.00	\$ 18,248.57
State	<u>44,043.00</u>	<u>40,831.83</u>
Total revenue	<u><u>\$ 99,516.00</u></u>	<u><u>\$ 59,080.40</u></u>
Expenses:		
Personnel	\$ 38,521.00	\$ 34,219.47
Travel	533.00	248.18
Supplies	5,022.00	4,785.62
Equipment	213.00	195.28
Other operating	3,813.00	3,159.75
Contracts	38,237.00	34,785.92
Indirect	<u>13,177.00</u>	<u>11,012.90</u>
Total expenses	<u><u>\$ 99,516.00</u></u>	<u><u>\$ 88,407.12</u></u>

Excess of expenses over revenue received
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 29,326.72
 (2)

(1) Local match is provided by KIPDA

(2) Receivable is \$26,115.55 federal funds and \$3,211.17 state funds.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor:	U. S. Department of Health and Human Services
Pass-through Grantor:	Kentucky Cabinet for Health and Family Services
Program Title:	Title III-E National Caregiver Administration
Federal CFDA Numbers:	93.052
Pass-through Grantor Number:	PON2 725 2000000214 5
Period of Grant:	July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 57,759.00	\$ 24,235.18
Local Cash	<u>12,148.33</u>	<u>10,275.12</u>
Total revenue	<u>\$ 69,907.33</u>	<u>\$ 34,510.30</u>
Expenses:		
Personnel	\$ 49,173.72	\$ 28,880.53
Travel	555.50	298.89
Supplies	370.00	71.70
Equipment	224.00	319.81
Other operating	2,241.83	1,351.50
Contracts	875.00	883.40
	<u>16,467.28</u>	<u>9,294.65</u>
Indirect		
Total expenses	<u>\$ 69,907.33</u>	<u>\$ 41,100.48</u>

Excess of expenses over revenue received
classified as a receivable from grantor
agency in the financial statements
at June 30, 2020

<u>\$ 6,590.18</u>
(1)

(1) Receivable is all federal funds.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor:	U. S. Department of Health and Human Services
Pass-through Grantor:	Kentucky Cabinet for Health and Family Services
Program Title:	Title III-E National Caregiver Support
Federal CFDA Number:	93.052
Pass-through Grantor Number:	PON2 725 2000000214 5
Period of Grant:	July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 622,925.72	\$ 224,262.38
State	72,300.00	72,300.00
Local match (1)	<u>80,629.29</u>	<u>63,414.20</u>
Total revenue	<u>\$ 775,855.01</u>	<u>\$ 359,976.58</u>
Expenses:		
Personnel	\$ 117,209.00	\$ 137,192.16
Travel	2,336.00	1,114.23
Supplies	612.00	1,055.08
Equipment	839.00	1,266.61
Other operating	13,060.00	10,790.62
Contracts	601,714.01	339,180.47
Indirect	<u>40,085.00</u>	<u>44,152.77</u>
Total expenses	<u>\$ 775,855.01</u>	<u>\$ 534,751.94</u>

Excess of expenses over revenue received
classified as a receivable from grantor
agency in the financial statements
at June 30, 2020

<u>\$ 174,775.36</u>
(2)

- (1) Local match was provided by the subrecipients and volunteers.
(2) Receivable is all federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Title VII Elder Abuse Prevention
 Federal CFDA Number: 93.041
 Pass-through Grantor Number: PON2 725 1900004491 3
 Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 11,672.00	\$ 11,661.71
Local match (1)	<u>2,059.76</u>	<u>2,244.81</u>
Total revenue	<u><u>\$ 13,731.76</u></u>	<u><u>\$ 13,906.52</u></u>
Expenses:		
Contracts	<u><u>\$ 13,731.76</u></u>	<u><u>\$ 13,916.81</u></u>

Excess of expenses over revenue received
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 10.29
 (2)

- (1) Local match was provided by volunteers.
 (2) Receivable is all federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Title VII Ombudsman
 Federal CFDA Number: 93.042
 Pass-through Grantor Number: PON2 725 1900004491 3
 Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 67,602.00	\$ 18,387.99
Local match (1)	<u>3,613.59</u>	<u>3,613.61</u>
Total revenue	<u>\$ 71,215.59</u>	<u>\$ 22,001.60</u>
Expenses:		
Contracts	<u>\$ 71,215.59</u>	<u>\$ 38,811.71</u>

Excess of expenses over revenue received
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 16,810.11
 (2)

- (1) Local match was provided by the subrecipient and volunteers.
 (2) Receivable is all federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Medicaid ADRC
 Federal CFDA Number: 93.048
 Pass-through Grantor Number: PON2 725 1900000816 6
 Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 117,000.00	\$ 58,104.00
State	<u>72,000.00</u>	<u>58,104.00</u>
	<u>\$ 189,000.00</u>	<u>\$ 116,208.00</u>
Amounts earned:		
Level 1 Screenings	<u>\$ 189,000.00</u>	<u>\$ 136,188.00</u>

Excess of amount earned over revenue received
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 19,980.00
 (1)

(1) Receivable is \$9,990.00 state funds and \$9,990.00 federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor:	U. S. Department of Health and Human Services
Pass-through Grantor:	Kentucky Cabinet for Health and Family Services
Program Title:	SHIP/ Resource Center CMS Administration
Federal CFDA Number:	93.779
Pass-through Grantor Number:	PON2 725 1900001119 3
Period of Grant:	July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	<u>\$ 4,560.00</u>	<u>\$ 4,461.96</u>
Expenses:		
Personnel	\$ 3,328.00	\$ 3,123.12
Travel	60.00	6.97
Other operating	163.00	280.00
Indirect	<u>1,009.00</u>	<u>1,005.12</u>
Total expenses	<u>\$ 4,560.00</u>	<u>\$ 4,415.21</u>

This SHIP payable is combined with other SHIP receivable and classified as a receivable from grantor agency in the financial statements at June 30, 2020.

<u>\$ (46.75)</u>
(1)

(1) Receivable is all federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: SHIP/ Resource Center CMS
 Federal CFDA Number: 93.779
 Pass-through Grantor Number: PON2 725 1900001119 3
 Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 86,637.00	\$ 77,608.70
Expenses:		
Personnel	\$ 55,597.00	\$ 53,303.31
Travel	50.00	208.50
Equipment	328.00	304.18
Other operating	12,667.00	7,108.81
Contracts	1,139.00	1,119.24
Indirect	16,856.00	17,154.68
Total expenses	\$ 86,637.00	\$ 79,198.72

Excess of expenses over revenue received
 is combined with a SHIP payable and
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 1,590.02
(1)

(1) Receivable is all federal funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Functional Assessment Service Teams
 Federal CFDA Number: 93.069
 Pass-through Grantor Number: PON2 725 1900000533 1
 Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	<u>\$ 1,000.00</u>	<u>\$ 355.26</u>
Expenses:		
Personnel	\$ -	\$ 175.26
Fringe benefits	-	86.05
Other operating	1,000.00	9.85
Indirect	<u>-</u>	<u>84.10</u>
Total expenses	<u>\$ 1,000.00</u>	<u>\$ 355.26</u>

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor:	U. S. Department of Health and Human Services
Pass-through Grantor:	Kentucky Cabinet for Health and Family Services
Program Title:	MIPPA SHIP
Federal CFDA Number:	93.518
Pass-through Grantor Number:	PON2 725 1900001159 1
Period of Grant:	October 1, 2018 - September 30, 2019

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	<u>\$ 46,759.00</u>	<u>\$ 2,781.75</u>
Expenses:		
Personnel	\$ 20,353.00	\$ 1,134.18
Fringe benefits	9,972.97	603.07
Travel	-	54.03
Contracts	2,133.00	400.00
Other operating	5,134.30	-
Indirect	<u>9,165.73</u>	<u>590.47</u>
Total expenses	<u>\$ 46,759.00</u>	<u>\$ 2,781.75</u>

Actual reflected is for the year ended June 30, 2020.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: MIPPA AAA
 Federal CFDA Number: 93.518
 Pass-through Grantor Number: PON2 725 1900001159 1
 Period of Grant: October 1, 2018 - September 30, 2019

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 16,634.00	\$ 4.47
Expenses:		
Personnel	\$ 8,545.00	\$ 0.01
Fringe benefits	4,187.05	0.01
Travel	-	28.82
Supplies	53.81	-
Indirect	3,848.14	0.01
Total expenses	\$ 16,634.00	\$ 28.85

Excess of expenses over revenue received
 is combined with other MIPPA receivables and is
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 24.38
(1)

(1) Receivable is all federal funds.

Actual reflected is for the year ended June 30, 2020.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: MIPPA ADRC
 Federal CFDA Number: 93.518
 Pass-through Grantor Number: PON2 725 1900001159 1
 Period of Grant: October 1, 2018 - September 30, 2019

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	<u>\$ 5,573.00</u>	<u>\$ 1,080.23</u>
Expenses:		
Personnel	\$ 2,865.00	\$ 526.34
Fringe benefits	1,403.85	279.87
Travel	13.93	-
Indirect	<u>1,290.22</u>	<u>274.02</u>
Total expenses	<u>\$ 5,573.00</u>	<u>\$ 1,080.23</u>

Actual reflected is for the year ended June 30, 2020.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: MIPPA ADRC
 Federal CFDA Number: 93.518
 Pass-through Grantor Number: PON2 725 2000000094 2
 Period of Grant: October 1, 2019 - September 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	<u>\$ 5,687.47</u>	<u>\$ 3,759.65</u>
Expenses:		
Personnel	\$ 2,890.27	2,418.20
Fringe benefits	1,474.04	1,165.83
Indirect	<u>1,323.16</u>	<u>1,138.90</u>
Total expenses	<u>\$ 5,687.47</u>	<u>\$ 4,722.93</u>

Excess of expenses over revenue received
 is combined with other MIPPA receivables and is
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 963.28
 (1)

(1) Receivable is all federal funds.

Actual reflected is for the year ended June 30, 2020.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: MIPPA AAA
 Federal CFDA Number: 93.518
 Pass-through Grantor Number: PON2 725 2000000094 2
 Period of Grant: October 1, 2019 - September 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	<u>\$ 24,939.00</u>	<u>\$ 11,125.68</u>
Expenses:		
Personnel	\$ 12,673.56	\$ 8,435.66
Fringe benefits	6,463.51	4,141.70
Other operating	-	206.05
Indirect	<u>5,801.93</u>	<u>4,047.79</u>
Total expenses	<u>\$ 24,939.00</u>	<u>\$ 16,831.20</u>

Excess of expenses over revenue received
 is combined with other MIPPA receivables and is
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 5,705.52
 (1)

(1) Receivable is all federal funds.

Actual reflected is for the year ended June 30, 2020.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Grantor: U. S. Department of Health and Human Services
 Pass-through Grantor: Kentucky Cabinet for Health and Family Services

Program Title: MIPPA SHIP
 Federal CFDA Number: 93.518
 Pass-through Grantor Number: PON2 725 2000000094 2
 Period of Grant: October 1, 2019 - September 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
Federal	\$ 39,017.00	\$ 16,401.38
Expenses:		
Personnel	\$ 17,032.74	\$ 9,120.95
Fringe benefits	8,686.70	4,431.95
Travel	-	50.72
Contracts	2,800.00	800.00
Other operating	2,700.00	216.05
Indirect	7,797.56	4,330.38
Total expenses	\$ 39,017.00	\$ 18,950.05

Excess of expenses over revenue received
 is combined with other MIPPA receivables and is
 classified as a receivable from grantor
 agency in the financial statements
 at June 30, 2020

\$ 2,548.67
(1)

(1) Receivable is all federal funds.

Actual reflected is for the year ended June 30, 2020.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Grantor: Kentucky Cabinet for Health and Family Services

Program Title: HomeCare Administration

Grantor Number: PON2 725 1900000798 3

Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
State	<u>\$ 363,528.00</u>	<u>\$ 285,224.83</u>
Expenses:		
Personnel	\$ 239,792.00	\$ 246,975.36
Travel	8,727.00	5,691.50
Supplies	1,277.00	716.95
Equipment	2,941.00	2,765.38
Other operating	27,678.00	20,973.34
Contracts	1,250.00	1,349.74
Indirect	<u>81,863.00</u>	<u>79,484.45</u>
Total expenses	<u>\$ 363,528.00</u>	<u>\$ 357,956.72</u>

Excess of expenses over revenue received
classified as a receivable from grantor
agency in the financial statements
at June 30, 2020

\$ 72,731.89
(1)

(1) Receivable is all state funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Grantor: Kentucky Cabinet for Health and Family Services

Program Title: HomeCare

Grantor Number: PON2 725 1900000798 3

Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
State	\$ 3,049,032.00	\$ 2,431,576.30
Program income (1)	15,000.00	15,146.96
Local cash (2)	<u>205,516.00</u>	<u>200,390.43</u>
Total revenue	<u>\$ 3,269,548.00</u>	<u>\$ 2,647,113.69</u>

Expenses:		
Personnel	\$ 770,005.00	\$ 731,307.19
Travel	14,357.00	6,876.32
Supplies	655.00	471.64
Equipment	8,518.00	8,012.97
Other operating	35,548.00	31,779.54
Contracts	2,177,082.00	2,192,053.73
Indirect	<u>263,383.00</u>	<u>235,357.72</u>
Total expenses	<u>\$ 3,269,548.00</u>	<u>\$ 3,205,859.11</u>

Excess of expenses over revenue received
classified as a receivable from grantor
agency in the financial statements
at June 30, 2020

\$ 558,745.42
(3)

(1) Program income was provided by clients

(2) Local match was provided by subrecipients.

(3) Receivable is all state funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Long Term Care Ombudsman

Grantor Number: PON2 725 1900000876 4

Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
State	<u>\$ 163,635.00</u>	<u>\$ 163,634.52</u>
 Expenses:		
Operating	\$ 2,523.00	\$ 2,522.52
Contracts	<u>161,112.00</u>	<u>161,112.00</u>
 Total expenses	<u>\$ 163,635.00</u>	<u>\$ 163,634.52</u>

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Kentucky Caregivers Support Administration

Grantor Number: PON2 725 1900000633 2

Period of Grant: July 1, 2019 - June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
State	\$ 24,243.00	\$ 14,286.55
Expenses:		
Personnel	\$ 15,479.00	\$ 14,704.40
Travel	2,095.00	1,745.10
Supplies	158.00	0.00
Other operating	1,214.00	15.91
Contracts	0.00	0.00
Indirect	5,297.00	4,732.34
Total expenses	<u>\$ 24,243.00</u>	<u>\$ 21,197.75</u>

Excess of expenses over revenue received
is classified as a receivable from grantor
agency in the financial statements
at June 30, 2020

\$ 6,911.20
(1)

(1) Receivable is all state funds.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Grantor: Kentucky Cabinet for Health and Family Services

Program Title: Kentucky Caregivers Support Services

Grantor Number: PON2 725 1900000633 2

Period of Grant: July 1, 2019 to June 30, 2020

	<u>Budget</u>	<u>Actual</u>
Revenue received:		
State	\$ 158,192.00	\$ 78,334.15
Expenses:		
Personnel	\$ 56,725.00	\$ 46,658.67
Travel	79.00	97.87
Supplies	84.00	254.70
Equipment	356.00	145.19
Other operating	5,143.00	789.39
Contracts	78,607.00	70,810.07
Indirect	17,198.00	15,016.24
Total expenses	<u>\$ 158,192.00</u>	<u>\$ 133,772.13</u>

Excess of expenses over revenue received
is classified as a receivable from grantor
agency in the financial statements
at June 30, 2020

\$ 55,437.98
(1)

(1) Receivable is all state funds.

**Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)**

Federal Grantors: U. S. Department of Housing and Urban Development & U.S. Department of Commerce

Pass-through Grantor: Kentucky Governor's Department for Local Government

Program Titles: Joint Funding Administration Grant, Economic Adjustment Assistance

Federal CFDA Numbers: 14.228, 11.302

Pass-through Grantor Number: PON2 2000000192

Period of Grant 7/1/19-6/30/20

	<u>Budget</u>	<u>Total Actual</u>	<u>Technical Assistance</u>	<u>CDBG</u>	<u>EDA</u>	<u>Program Administration</u>
Revenue received:						
Federal:						
CDBG Joint Funding Administration Grant	\$ 5,000	\$ 1,610	\$ -	\$ 1,610	\$ -	\$ -
Economic Adjustment Assistance	66,667	62,592	-		62,592	
State:						
DLG- CDBG Match	5,000	1,610	-	1,610	-	-
DLG-Unmatched	163,162	137,083	94,531	-	-	42,552
EDA Match	16,667	15,648	-	-	15,648	-
Total revenue	<u>\$ 256,496</u>	<u>\$ 218,543</u>	<u>\$ 94,531</u>	<u>\$ 3,220</u>	<u>\$ 78,240</u>	<u>\$ 42,552</u>
Direct expenses:						
Salary	\$ 101,274	\$ 105,693	\$ 40,722	\$ 4,380	\$ 35,997	\$ 24,594
Employee burden	61,046	61,171	23,568	2,535	20,834	14,234
Annual leave	22,050	18,897	7,281	783	6,436	4,397
Travel	2,372	2,210	1,344	143	570	153
Staff training	-	1,546	1,546	-	-	-
Other	10,847	7,196	5,398	11	1,609	178
Total direct expenses	197,589	196,713	79,859	7,852	65,446	43,556
Indirect expenses	58,907	59,783	23,034	2,477	20,361	13,911
Total expenses	<u>\$ 256,496</u>	<u>\$ 256,496</u>	<u>\$ 102,893</u>	<u>\$ 10,329</u>	<u>\$ 85,807</u>	<u>\$ 57,467</u>
Excess of expenses over revenue received classified as a receivable from grantor agency in the financial statements at June 30, 2020		<u>\$ 37,953</u>	<u>\$ 8,362</u> (1)	<u>\$ 7,109</u> (2)	<u>\$ 7,567</u> (3)	<u>\$ 14,915</u> (1)

- (1) Receivable is all state funds
(2) Receivable is \$3,390 federal funds and \$3,719 state funds
(3) Receivable is \$4,075 federal funds and \$3,492 state funds

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Program Activities (Continued)

Federal Funding Agencies: U. S. Department of Transportation and Federal Transit Administration

Pass-through Grantors/Grantor: Kentucky Transportation Cabinet and Indiana Department of Transportation

Local Funding Agencies: Member Cities and Counties and TARC

Program Title:		Metropolitan Planning Funds			Section 5303 Transit Planning Funds								
Federal CFDA Number:		20.205			20.505								
Period of Grant:					7/1/19-6/30/20	7/1/19-6/30/20	7/1/19-6/30/20	7/1/18-6/30/20 7/1/19-6/30/21	8/1/19-6/19/20	7/1/18-6/30/21 7/1/19-6/30/22	7/1/18-6/30/21 7/1/19-6/30/22	7/1/17-6/30/20 7/1/18-6/30/21 7/1/19-6/30/22	7/1/18-6/30/21 7/1/19-6/30/22
					FHWA KY Planning	FTA KY Planning	Regional Planning	KENTUCKY STBG (STP SLO)	Local Roads Updates	FTA Indiana	FHWA IN-Planning	INDIANA STBG PO 18801222 PO 20001673 PO 20022998	INDIANA CMAQ PO 20001673 PO 20022998
		Budget	Actual	Under budget	PON2 1900001596	PO 30120442	PON2 190001613	PON2 1900000480 PON2 1900002237	PON2 2000000210	PO 20001673 PO 20022998	PO 20001673 PO 20022998	PO 20001673 PO 20022998	PO 20001673 PO 20022998
Revenue received:													
Federal	\$	4,085,232	\$ 1,999,402	\$ 2,085,830	\$ 621,937	\$ 116,925	\$ -	\$ 969,823	\$ -	\$ 18,550	\$ 104,899	\$ 62,191	\$ 105,077
State		102,367	84,976	17,391	-	-	65,847	-	19,129	-	-	-	-
Local match:													
Local Member Contributions		420,233	263,889	156,344	163,502	25,065	8,952	-	-	7,066	59,304	-	-
KY Transportation Cabinet		73,850	38,871	34,979	38,871	-	-	-	-	-	-	-	-
Van Pool Fees		500,000	300,507	199,493	-	-	-	268,232	-	-	-	32,275	-
In-kind/ Other Sources (4)		50,000	48,803	1,197	-	-	-	-	-	-	-	-	48,803
TARC		27,000	27,000	-	-	21,060	-	-	-	5,940	-	-	-
Total revenue	\$	5,258,682	\$ 2,763,448	\$ 2,495,234	\$ 824,310	\$ 163,050	\$ 74,799	\$ 1,238,055	\$ 19,129	\$ 31,556	\$ 164,203	\$ 94,466	\$ 153,880
Expenses (1)													
MPO operations	\$	2,560,654	\$ 1,682,186	\$ 878,468	\$ 1,090,016	\$ 230,623	\$ -	\$ -	\$ -	\$ 65,029	\$ 296,518	\$ -	\$ -
Commuter pool		2,336,709	1,502,533	834,176	-	-	-	1,341,160	-	-	-	161,373	-
Regional planning		89,519	89,519	-	-	-	89,519	-	-	-	-	-	-
APCD-KAIRE (4)		250,000	244,016	5,984	-	-	-	-	-	-	-	-	244,016
Local road update		21,800	18,984	2,816	-	-	-	-	18,984	-	-	-	-
Total expenses	\$	5,258,682	\$ 3,537,238	\$ 1,721,444	\$ 1,090,016	\$ 230,623	\$ 89,519	\$ 1,341,160	\$ 18,984	\$ 65,029	\$ 296,518	\$ 161,373	\$ 244,016
Excess of expenses over revenue received					\$ 265,706	\$ 67,573	\$ 14,720	\$ 103,105	\$ (145)	\$ 33,473	\$ 132,315	\$ 66,907	\$ 90,136
classified as a receivable from grantor					(3)	(2)	(5)	(2)		(2)	(2)	(2)	(2)
agency in the financial statements													
at June 30, 2020													

- (1) For all transportation grants, expenses are allocated to the various grants based upon the relationship of the budgeted revenues for the work element.
- (2) The receivable is all federal funds.
- (3) State portion of receivable is \$15,630 and federal portion of receivable is \$250,076.
- (4) Nonmonetary match of \$48,803 for programs is reported in the schedule at fair market value of services provided by subrecipient.
- (5) Receivable is all state funds.

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Indirect Expenses
Year Ended June 30, 2020

Salaries	\$ 811,984
Fringe benefits	399,217
Internet fees	15,576
Equipment & computer maintenance	2,397
Postage/shipping	3,090
Subscriptions & publications	549
Insurance - other	29,237
Registration fees	1,354
Software maintenance &/or license	40,379
Membership dues	6,639
Legal	11,960
Audit	33,744
Contract services	985
Telephone	10,688
Travel in region	1,506
Board travel	3,115
Travel out of region	3,485
Utilities	22,993
Meeting expense	6,154
Office maintenance	32,653
Equipment rental	4,211
Office rent	76,186
Office supplies	18,495
Printing	1,195
Copying	337
Depreciation	11,192
Minor equipment	5,722
Miscellaneous	20,780
	<hr/>
Total indirect expenses	<u>\$ 1,575,823</u>

Pursuant to a cost allocation plan prepared in accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the above indirect expenses are allocated based on salary and fringe benefits before GASB 68 pension adjustment of \$680,857 and GASB 75 retiree insurance adjustment of (\$42,680) as follows:

	<u>Salary & fringe benefits</u>	<u>Indirect expenses</u>
CED	\$ 185,759	\$ 59,783
Contract work	135,309	43,547
Transportation	1,588,521	511,236
Social services	2,986,832	961,257
	<hr/>	<hr/>
	<u>\$ 4,896,421</u>	<u>\$ 1,575,823</u>

See accompanying independent auditor's report.

Kentuckiana Regional Planning and Development Agency
Schedule of Member Dues
Year Ended June 30, 2020

Bullitt County	\$ 7,167
Charlestown	2,844
Clark County	8,464
Clarksville	9,579
Floyd County	4,597
Henry County	1,675
Louisville/Jefferson County Metro Government	172,310
Jeffersonville	10,549
New Albany	17,543
Oldham County	4,890
Shelby County	2,875
Spencer County	1,073
Trimble County	1,002
	<hr/>
	\$ 244,568
	<hr/>

See accompanying independent auditor's report.

**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
Kentuckiana Regional Planning and Development Agency

We have audited, 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, the financial statements of the governmental activities of the Kentuckiana Regional Planning and Development Agency ("KIPDA") as of June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated January 6, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIPDA'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 KIPDA's internal control. Accordingly, we do not express an opinion on the effectiveness of KIPDA'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 combination of deficiencies, in internal control, such that there is 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 over financial reporting 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 KIPDA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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**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* (Continued)**

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.

MCM CPAs & Advisors LLP

Louisville, Kentucky
January 6, 2021

Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance

Board of Directors
Kentuckiana Regional Planning and Development Agency

Report on Compliance for Each Major Federal Program

We have audited the Kentuckiana Regional Planning and Development Agency ("KIPDA") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget ("OMB") Compliance Supplement* that could have a direct and material effect on each of KIPDA's major federal programs for the year ended June 30, 2020. KIPDA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion of Each Major Federal Program

In our opinion, KIPDA complied, in all material respects, with the 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, 2020.

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**Independent Auditor's Report on Compliance for Each Major Program and
Report on Internal Control over Compliance in Accordance with Uniform Guidance (Continued)**

Report on Internal Control over Compliance

Management of KIPDA 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, we considered KIPDA's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KIPDA'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 that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Louisville, Kentucky
January 6, 2021

Kentuckiana Regional Planning and Development Agency
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? yes Xno

Significant deficiency(ies) identified not considered to be material weaknesses? yes Xnone reported

Noncompliance material to financial statements noted? yes Xno

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes Xno

Significant deficiency(ies) identified not considered to be material weaknesses? yes Xnone reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? yes Xno

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
20.205	Highway Planning and Construction	\$ <u>2,506,466</u>
Total Highway Planning and Construction Cluster		\$ <u>2,506,466</u>
Dollar threshold used to distinguish between Type A and Type B programs:		\$750,000
Auditee qualified as a low-risk auditee?		<u>X</u> yes <u> </u> no

Section II - Financial Statement Findings

None

Section III - Major Federal Award Programs Audit Findings

None

Kentuckiana Regional Planning and Development Agency
Schedule of Prior Year Findings
Year Ended June 30, 2020

There were no prior year findings.