

Eastern Kentucky Concentrated Employment Program, Inc.

Hazard, Kentucky

Single Audit

July 1, 2022 through June 30, 2023

Fiscal Year Audited Under GAGAS: 2023



**CAUDILL & ASSOCIATES, CPA, PLLC**

3070 Lake Crest Cir-Ste. 400/267  
Lexington, KY 40513

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Eastern Kentucky Concentrated Employment Program, Inc.  
June 30, 2023 and 2022

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Single Audit

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Eastern Kentucky Concentrated Employment Program, Inc.  
Hazard, Kentucky

### Opinions

We have audited the accompanying financial statements of Eastern Kentucky Concentrated Employment Program, Inc., (a nonprofit organization), which comprise the statement of net position as of June 30, 2023, and the related statements of activities, balance sheet, and statement of revenues, expenditures and changes in fund balance for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and the major fund of the Eastern Kentucky Concentrated Employment Program, Inc. as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Eastern Kentucky Concentrated Employment Program, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EKCEP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Of Eastern Kentucky Concentrated Employment Program, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

## ***Subrecipient Expenditures***

The accompanying financial statements of the governmental activities and the major fund of Eastern Kentucky Concentrated Employment Program, Inc. include subrecipient expenditures identified as "audited" and "unaudited" in the notes to financial statements. EKCEP's system for administering, reporting, and monitoring subrecipient funds was audited by us. Under the Uniform Guidance, Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, federal awards passed through EKCEP to subrecipients are deemed expended when passed through to the subrecipient, regardless of when the subrecipient expends the funds. Accordingly, the amounts disbursed to subrecipients are included in total expenditures. Subrecipient expenditures represent 47 percent of total current year expenditures. The notes to financial statements classify subrecipient expenditures as audited and unaudited based on EKCEP's monitoring of the subrecipient audits. The final resolution and allowability of subrecipient expenditures will be audited by other auditors and reported on by other auditors in future years. Any findings, questioned costs, disallowed costs, or other



matters pertaining to EKCEP's subrecipients is included in EKCEP's report in the year that it receives audit coverage rather than the year it originates. Our opinion is not modified with respect to these matters.

***Required Supplementary information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A-1 – A-5 and other required supplemental information on pages 33-38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying statement of financial position, statement of operations and changes in net assets consolidating schedules and the schedule of expenditures of federal awards, as required by Title 2, *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial states as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024 on our consideration of Eastern Kentucky Concentrated Employment Program, Inc.'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 the Organization's internal control over financial reporting and compliance.

Caudill & Associates, CPA, PLLC

*Caudill & Associates, CPA*

February 29, 2024

**Eastern Kentucky Concentrated Employment Program, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2023**

As management of Eastern Kentucky Concentrated Employment Program, Inc. (EKCEP), we offer readers of the Organization's financial statements this narrative overview and analysis of the Agency's financial performance and activities for the year ended June 30, 2023. Please read it in conjunction with the Organization's financial statements, which follow this section.

**Financial Highlights**

EKCEP is a private nonprofit corporation that receives the vast majority of its funding from grants. Funding sources include: annual statutory federal grant funds passed through the state to EKCEP; federal grants awarded directly to EKCEP for specific purposes and periods; pass-through portions of federal grants awarded to the state for specific purposes and periods; state grants awarded directly to EKCEP for specific purposes and periods; and grants awarded directly to EKCEP by private foundations or organizations. A few of EKCEP's activities generate very small streams of revenue, which, in accordance with federal requirements, appear in EKCEP's accounts as additional dollars added to the funding streams which supported the activities that generated the revenue. Due to its nature and mission, EKCEP rarely reports unrestricted equity amounts.

The Organization expenditures in 2023 were \$23,268,918 compared with expenditures in 2022 of \$18,450,302, an increase of \$4,818,616. The Organization's expenditures relate directly to available funding, while revenue is recognized as grant funds are expended.

**Overview of the Financial Statements**

This discussion and analysis intends to serve as an introduction to EKCEP's basic financial statements. EKCEP's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains certain required supplemental information and other supplemental information in addition to the basic financial statements themselves. The independent auditor's opinion on the financial information as well as their report on internal control and compliance over financial reporting and a report on compliance requirements applicable to our grant award programs are also included in this report.

**Government-wide Financial Statements**

The government-wide financial statements report information about the overall finances of the Organization similar to a private-sector company. These statements combine and consolidate short-term, expendable resources with capital assets and long-term obligations.

As of July 1, 2014, the Organization implemented GASB No. 68. The Organization adopted GASB No. 75 on July 1, 2017. The year ended June 30, 2023 Government-wide statements

**Eastern Kentucky Concentrated Employment Program, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2023**

reflect long-term pension and OPEB liabilities, deferred inflows and deferred outflows related to pensions and OPEB for EKCEP's proportionate share of the State Pension Plan and Insurance Plan (OPEB) it participates in.

The statement of net position presents information on all of the Organization's assets and deferred outflows less the liabilities and deferred inflows, which results in net position. The statement is designed to display the financial position of the Organization. Governmental accounting standards require that the statements show capital assets and depreciation. All of the capital assets owned by EKCEP are furniture and fixtures, office equipment, and training equipment. Additional information on EKCEP's capital assets is in Note 7 on page 18 of this report.

**Net Position**  
**Government-wide Activities**  
**June 30**

	<u>2022</u>	<u>2023</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current and other assets	\$ 2,858,263	\$ 2,221,203
Capital assets, net	<u>294,427</u>	<u>132,346</u>
Total assets	3,152,690	2,353,549
Deferred outflows	<u>2,006,137</u>	<u>1,649,752</u>
Total assets and deferred outflows	<u>\$ 5,158,827</u>	<u>\$ 4,003,301</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		
Liabilities	<u>\$ 10,007,031</u>	<u>\$ 9,473,656</u>
Deferred inflows	<u>1,869,690</u>	<u>1,705,181</u>
<b>Net Position</b>		
Investment in capital assets	294,427	132,346
Unrestricted	<u>(7,012,321)</u>	<u>(7,307,882)</u>
Total net position	<u>(6,717,894)</u>	<u>(7,175,536)</u>
Total liabilities, deferred inflows and net position	<u>\$ 5,158,827</u>	<u>\$ 4,003,301</u>

**Eastern Kentucky Concentrated Employment Program, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2023**

The statement of activities provides information, which shows how the Organization's net assets changed because of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector business. This means that revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The total revenues and expenses for governmental activities are reflected in the following chart:

**Change in Net Position**  
**Government-wide Activities**  
**Year ended June 30**

	<u>2022</u>	<u>2023</u>
Revenues:		
Federal grant funds	\$16,781,844	\$20,717,275
State grant funds	150,000	1,515,125
Contributions	1,171,057	1,169,163
Program income	347,401	277,836
Miscellaneous	<u>61,887</u>	<u>86,042</u>
Total revenues	<u>18,512,189</u>	<u>23,765,441</u>
Expenditures:		
Adult	4,178,712	4,740,074
Youth	7,152,270	6,813,566
Dislocated Worker	1,969,217	2,729,723
Dislocated Worker – COVID	1,282,781	249,148
Dislocated Worker – Addiction Recovery	2,393,774	2,105,448
Eastern Kentucky Flood	-	5,025,732
Program administration	<u>1,888,357</u>	<u>2,559,392</u>
Total expenditures	<u>18,865,111</u>	<u>24,223,083</u>
Change in net position	(352,922)	(457,642)
Net position, beginning of year	<u>(6,364,972)</u>	<u>(6,717,894)</u>
Net position, end of year	<u>\$ (6,717,894)</u>	<u>\$ (7,175,536)</u>

The government-wide financial statements can be found on pages 4 and 5 of this report.

**Eastern Kentucky Concentrated Employment Program, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Fund Financial Statements.**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Organization, like other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. Governmental funds used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on short-term view of the Organization's operations. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The fund financial statements can be found on pages 6 and 7 of this report. The Organization's only fund is classified as a governmental fund. The Organization's budget is based on notices of fund availability received and is presented Organizational-wide in the required supplemental information while other budgeting information can be found in the supplemental information.

**Current Financial Analysis of the Organization and Future Economic Factors**

The level of funding is an important factor in determining the scope and extent of services EKCEP can provide. The consistent core of EKCEP's funding is provided by annual federal awards under the Workforce Innovation and Opportunity Act (WIOA). The amounts of these annual awards to EKCEP are determined by a combination of the budget approved by the U.S. Congress for workforce development activities and the formulas contained in WIOA for allocation of these budgeted funds to local workforce areas (including EKCEP). EKCEP also aggressively pursues additional grant funding—both public and private—to support its mission of “preparing, advancing, and expanding the workforce of Eastern Kentucky.” These additional funds have included Federal National Emergency Grants (NEGs) from the U.S. Department of Labor, grants from the U.S. Department of Agriculture, or other cabinets; grants from the federal Appalachian Regional Commission (ARC); grants from the Commonwealth of Kentucky; and grants from private foundations or organizations.

The need for workforce development services continues to grow in this area of high unemployment and poverty. The Organization continues to reach out to employers, and to direct its resources and services toward expanding or emerging industries where the opportunities for employment, career growth, economic expansion, and advancement are the greatest.

**Eastern Kentucky Concentrated Employment Program, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Request for Information**

This financial report is designed to provide a general overview of EKCEP's finances. In future years, this report will offer additional comparative information for the evaluation of the Organization's performance. Questions concerning any of the information in this report or requests for additional financial information should be addressed to Director of Finance, 100 Airport Gardens Road, Suite 300, Hazard, KY 41701.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

**ASSETS AND DEFERRED OUTFLOWS**

**ASSETS**

Cash	\$ 318,668
Due from grantors	1,902,535
Depreciable capital assets, net	<u>132,346</u>
Total assets	<u>2,353,549</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows related to pensions	880,448
Deferred outflows related to OPEB	<u>769,304</u>
Total deferred outflows	<u>1,649,752</u>
Total assets and deferred outflows	<u><u>\$ 4,003,301</u></u>

**LIABILITIES, DEFERRED INFLOWS AND NET POSITION**

**LIABILITIES**

Accounts payable - program costs	387,581
Accrued payroll and withholdings	42,886
Accrued annual leave	133,838
Due to subcontractors	821,654
Unearned revenue	340,234
Net pension liability	6,086,179
Net OPEB liability	<u>1,661,284</u>
Total liabilities	<u>9,473,656</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to pensions	823,470
Deferred inflows related to OPEB	<u>881,711</u>
Total deferred inflows	<u>1,705,181</u>

**NET POSITION**

Investment in capital assets	132,346
Unrestricted	(7,307,882)
Total net position	(7,175,536)
Total liabilities, deferred inflows, and net position	<u><u>\$ 4,003,301</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expenses) Revenues and Change in Net Position Total Governmental Activities
<b>Governmental activities:</b>			
Adult	\$ 4,740,074	\$ 4,740,074	\$ -
Youth	6,813,566	6,813,566	-
Dislocated workers	2,265,262	2,729,723	464,461
Dislocated workers - COVID-19	249,148	249,148	-
Dislocated workers - Addition Recovery	2,200,338	2,105,448	(94,890)
Eastern Kentucky Flood	5,395,304	5,025,732	(369,572)
Program Administration	2,559,391	2,015,708	(543,683)
	\$ 24,223,083	\$ 23,679,399	\$ (543,684)
<b>General revenues:</b>			
			86,042
			(457,642)
			(6,717,894)
			\$ (7,175,536)

The Notes to the Financial Statements are an integral part of this statement



**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**June 30, 2023**

**ASSETS**

Cash	\$	318,668
Due from grantors		1,902,535
Total assets		\$ 2,221,203

**LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)**

**LIABILITIES**

Accounts payable - program costs	\$	387,581
Accrued payroll and withholdings		42,886
Accrued annual leave		133,838
Due to subcontractors		821,654
Unearned revenue		340,234
Total liabilities		1,726,193

**FUND BALANCE (DEFICIT)**

Nonspendable		3,000
Restricted		492,010
Total fund balance (deficit)		495,010
Total liabilities, deferred inflows, and fund balance (deficit)		\$ 2,221,203

Reconciliation to the statement of net position:

Fund balance (deficit) - governmental fund	\$	495,010
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Amounts for governmental activities in the statement of net position are different because:

Capital assets and related accumulated depreciation are not financial resources or uses and not reported in the fund

Capital assets	\$	1,660,005	
Accumulated depreciation		(1,527,659)	\$ 132,346

Net pension and OPEB liability not recognized in fund		(7,747,463)
Deferred outflows not recognized in the fund		1,649,752
Deferred inflows not recognized in the fund		(1,705,181)
Net position - governmental activities		\$ (7,175,536)

The Notes to the Financial Statements are an integral part of this statement.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**Year Ended June 30, 2023**

REVENUES	
Federal grant funds	\$ 20,717,275
State grant funds	1,515,125
Contributions	1,169,163
Program income	277,836
Miscellaneous income	86,042
Total revenues	<u>23,765,441</u>
EXPENDITURES	
Current:	
Adult	4,740,074
Youth	6,813,566
Dislocated workers	2,265,262
Dislocated workers - COVID-19	249,148
Dislocated workers - Addiction Recovery	2,200,338
Eastern Kentucky Flood	5,395,304
Program administration	1,605,226
Total expenditures	<u>23,268,918</u>
Revenues over expenditures	496,523
FUND BALANCE (DEFICIT), beginning of year	(1,513)
FUND BALANCE (DEFICIT), end of year	<u>\$ 495,010</u>
Reconciliation to the statement of activities	
Net change in fund balance - governmental fund	\$ 496,523
Amounts for governmental activities included in the statement of activities are different because:	
Pension expense recognized in governmental activities not in fund	(535,565)
OPEB expense recognized in governmental activities not in fund	(255,733)
Other retirement and OPEB income recognized in governmental activities	(60,682)
State contributions offset OPEB expense	59,896
Funds do not report current year depreciation	(162,081)
Change in net position - governmental activities	<u>\$ (457,642)</u>

The Notes to the Financial Statements are an integral part of this statement.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies**

**Description of Program:**

Eastern Kentucky Concentrated Employment Program, Inc. (EKCEP), Hazard, Kentucky, was designated and functions as a Local Workforce Development Area (LWDA) in accordance with the Workforce Innovation and Opportunity Act (WIOA) of 2014 which superceded the Workforce Investment Act of 1998. Prior to the enactment of the Workforce Investment Act, EKCEP (the Organization) had administered and provided employment training service under the Job Training Partnership Act. WIOA serves individuals and helps employers meet their workforce needs. WIOA enables workers to obtain good jobs by providing them with job search assistance and training opportunities. It ensures that the unemployed and job seekers have access to high quality workforce services, provides funding assistance in response to significant dislocation events and helps low income youth, between the ages of 14 and 24, acquire the educational and occupational skills, training, and support needed to achieve academic and employment success and successfully transition into careers and productive adulthood.

WIOA continues much of the emphasis of the Workforce Investment Act of 1998 which reformed federal job training programs and created a new comprehensive workforce investment system. The reformed system is customer-focused, helping Americans access the tools they need to manage their careers through information and high-quality services, and helping companies find skilled workers. The Act identifies One-Stop service delivery as a cornerstone of the workforce investment system. A portion of EKCEP's funding supports One-Stop service centers, which have a goal of unifying training, education, and employment programs into a single customer- friendly system so that the participant has access to a seamless system of workforce investment services. In 2019, EKCEP extended the scope of its training services to encompass individuals completing addiction recovery.

EKCEP derives substantially all its support from federal direct, pass-through, or state grant funds and amounts provided through grant (contributions) from non-governmental entities. Due to the nature of EKCEP's establishment, existence and funding, EKCEP is classified as a governmental entity for reporting purposes. EKCEP accounts for its activity through a single governmental fund.

The LWDA provides adult, youth and dislocated workers programs. The adult and dislocated workers programs seek to improve employment, retention, and earnings of participants and increase their educational and occupational skill attainment, thereby improving the quality of the workforce, reducing welfare dependency, and enhancing national productivity and competitiveness. Youth activities seek to increase the attainment of basic skills, work readiness or occupational skills, and secondary diplomas or other credentials.

EKCEP distributes funds to various subrecipients. The majority of funds expended by EKCEP during 2023 were job training and employment funds from the United States Department of Labor. EKCEP received certain federal funds directly while others were passed through the Kentucky Education and Workforce Development Cabinet-Career Development Office as well as other State of Kentucky departments.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (continued)**

**Description of Program: (continued)**

The majority of the funds passed through the state were disbursed under a master contract. In addition to grant funds, EKCEP received contributions from nongovernmental organizations as well as recognizing in-kind contributions from other parties. Subrecipients may receive EKCEP funds from different programs under a single agreement. Accordingly, subrecipient contract numbers may not agree with grant contract numbers for several programs.

The Organization's grants are designed to allow the Organization to provide a cohesive and universal employment and training system throughout the Organization's 23 county workforce investment area. The Organization uses a network, which includes community action agencies and other partners to provide One-Stop centers which, through technology or physical presence, bring together a wide variety of programs to meet the needs of job seekers and employers.

**A. Basic Financial Statements, Presentation, Basis of Accounting, Measurement Focus and Subrecipient Costs:**

In accordance with Governmental Accounting Standards Board, Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities, which are presented on a full accrual basis of accounting. EKCEP's single fund is reported as governmental activities. Fund financial statements are presented on a modified accrual basis of accounting.

Costs incurred by subrecipients of the Organization are reported in the accompanying financial statements in accordance with state and federal guidelines for programmatic reporting. Accordingly, disclosures in the accompanying financial statements related to functional expenditures represent LWDA activity only. Federal awards passed through EKCEP to subrecipients are deemed expensed when passed through to the subrecipient, regardless of when the subrecipient expends the funds. Accordingly, the amounts disbursed to subrecipients are included in total expenditures or due from subrecipients. Expenditures classification at the subrecipient level is required in contracting with the Organization through detail budgeting and reporting. Amounts listed as "unaudited" in the notes, supplemental schedules and exhibits represent expenditures incurred by the subrecipients that have yet to be covered in subrecipient audits. EKCEP monitors subrecipients throughout the year as required by the Uniform Guidance. Subrecipient audits are reviewed for coverage of cost expended by the subrecipient. The status of subrecipient expenditures as reflected in the subrecipient audits is reported as audited or unaudited in the notes, supplemental schedules, and exhibits in the financial statements. Subrecipient expenditures that remain unaudited from years 2019 and prior are reflected as audited in the accompanying exhibits unless the subrecipient has failed to provide audited financial statements. If EKCEP deems such amounts to be material they reserve the right to further monitor those costs.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (continued)**

**A. Basic Financial Statements, Presentation, Basis of Accounting, Measurement Focus and Subrecipient Costs: (continued)**

The financial statements of EKCEP have been prepared in accordance with U.S. generally accepted accounting principles as applied to governmental units. The Organization applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant accounting policies used by EKCEP are described below.

**Government-wide Financial Statements:**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of EKCEP. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. All activities of EKCEP are considered governmental activities.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This means that revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", (EKCEP may act as either provider or recipient), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met should be reported as advances by the provider and unearned revenue by the recipient.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. EKCEP does not allocate indirect expenses to functions or activities in the statement of activities. Program revenues consist of grants and contributions that are restricted to meeting the operational requirements of a particular function or activity.

When both restricted and unrestricted resources are available for use, EKCEP's policy is to use restricted resources first.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (continued)**

**A. Basic Financial Statements, Presentation, Basis of Accounting, Measurement Focus and Subrecipient Costs: (continued)**

**Fund Financial Statements:**

The fund financial statements of the reporting entity organize EKCEP's activity into a single fund. The fund is accounted for by providing a set of self-balancing accounts, which constitute its assets, liabilities, fund balance, revenues, and expenditures.

EKCEP's single fund, which qualifies under GASB No. 34's criteria as a major fund, is reported as a governmental fund. 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.

Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, EKCEP considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. State and federal funding is recognized as revenue in the period EKCEP is entitled to the resources and the amounts are available.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, long-term compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources. All accrued annual leave recorded by EKCEP is expected to be paid with currently available financial resources.

**B. Budgetary information:**

Budgetary information reflects the reported amounts of available funding under the grants for the program year ended June 30, 2023. The original budgetary amounts reflect the unexpended contract awards at July 1, 2022, for all years where an unexpended obligation exists, and additional amounts approved under the grants for 2023. The final budget is adjusted for Notice of Fund Availability (NFA) modifications received. The actual contract period may be a longer period than the year presented, and accordingly obligations that have been expended in a prior period or that are no longer available under the contract are not presented. In addition, original and final budgets do not include amounts available under certain funding where no 2023 activity occurred and no receivable or deferred revenue exist. NFA's pertaining to years where the Organization has not expended or received any funds under a contract are not included in budgetary amounts.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (continued)**

**C. Use of estimates in the preparation of financial statements:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**D. Income taxes:**

EKCEP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

**E. Capital assets:**

In the government-wide financial statements, capital expenditures are accounted for as capital assets. Capital assets are defined by EKCEP as assets with an estimated useful life in excess of one year and an initial individual cost of more than \$5,000. All capital assets are valued at historical cost, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Repairs and maintenance, including the costs of renewals of minor items of property, are recorded as maintenance expenses. EKCEP did not have any infrastructure as of June 30, 2023. Depreciation on capital assets is recorded on the government-wide financial statements as expense to the governmental activity that the capital assets were purchased for initially.

Capital asset depreciation is provided using the straight-line method over the estimated useful lives as follows:

Telephone equipment	Furniture	10 years
and office equipment	Machinery	5 years
and equipment	Software	5-10 years
		5 years

In the fund financial statements, the acquisition of capital assets is accounted for as capital outlay expenditures and depreciation is not reported.

**F. Compensated absences:**

Employees accrue vacation in varying amounts based on their length of employment. The employee is paid for any unused vacation time earned at their current pay rate as of the last date of employment. Accordingly, the financial statements reflect an accrued annual leave liability of \$133,838.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (continued)**

***G. Contributions:***

Amounts received from non-governmental entities are considered contributions for financial statements purposes. Contributions are recognized as revenue when all requirements have been met with the exception of time requirements. These amounts are presented net, either as deferred outflows (receivables) or deferred inflows (received in advance). At June 30, 2023, net deferred inflows of \$0 are reflected in the accompanying financial statements.

***H. Net Position and Fund Balances:***

Net position in government-wide financial statements are classified in three components:

- a. Net investment in capital assets - Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any related debt that is attributable to the acquisition, construction, or improvement of those assets. If there are unspent debt proceeds, these proceeds are not included in the calculation of investment in capital assets, net of related debt.
- b. Restricted net position - Consists of assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Consists of all other assets that do not meet the definition of restricted, or net investment in capital assets.

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported.

EKCEP operates using a single governmental fund which qualifies as the General Fund under GASB No. 54.

Fund balance in the fund financial statements is to be reported in five classifications of fund balances based on the constraints imposed on the use of these resources.

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.



**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 2. Audit Status of Workforce Innovation and Opportunity Act-Adult Program Expenditures**

A summary of the audit status of Workforce Innovation and Opportunity Act - Adult Program expenditures for the year ended June 30, 2023, is as follows:

	<u>Adult</u>	<u>Administration</u>	<u>Total</u>
Audited expenditures:			
LWDA	\$ 2,057,929	\$ 533,087	\$ 2,591,016
Subrecipient (Schedule I)	1,050,548	-	1,050,548
Total audited	<u>3,108,477</u>	<u>533,087</u>	<u>3,641,564</u>
Unaudited expenditures:			
Subrecipient (Schedule I)	1,434,265	-	1,434,265
Total WIOA Adult Program	<u>\$ 4,542,742</u>	<u>\$ 533,087</u>	<u>\$ 5,075,829</u>

Audited and unaudited refers to the audit status in subrecipient audits. The Organization is monitoring the audit status of the unaudited subrecipient expenditures. These unaudited expenditures will be covered in future audits. See Exhibits I, V, VIII, and XI for the status of unaudited Workforce Innovation and Opportunity Act - Adult Program subrecipient expenditures from the 2022 report.

**Note 3. Audit Status of Workforce Innovation and Opportunity Act- Youth Activities Expenditures**

A summary of the audit status of Youth Activities expenditures under Workforce Innovation and Opportunity Act Grants for the year ended June 30, 2023, is as follows:

	<u>In School</u>	<u>Out of School</u>	<u>Administration</u>	<u>Total</u>
Audited expenditures:				
LWDA	\$ 7,384	\$ 1,575,089	\$ 465,874	\$ 2,048,347
Subrecipient (Schedule II)	159,506	2,060,203	-	2,219,709
(Schedule IV)	-	<u>155,015</u>	-	<u>155,015</u>
Total audited	<u>166,890</u>	<u>3,790,307</u>	<u>465,874</u>	<u>4,423,071</u>
Unaudited expenditures:				
Subrecipient (Schedule II)	225,359	2,480,909	-	2,706,268
(Schedule IV)	-	<u>10,683</u>	-	<u>10,683</u>
Total unaudited	<u>225,359</u>	<u>2,491,592</u>	<u>-</u>	<u>2,716,951</u>
Activities	<u>\$ 392,249</u>	<u>\$ 6,281,899</u>	<u>\$ 465,874</u>	<u>\$ 7,140,022</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (continued)**

***H. Net Position and Fund Balances: (continued)***

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolution of the Organization. Those committed amounts cannot be used for any other purpose unless the Organization removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the Organization's "intent" to be used for specific purposes, but are neither restricted nor committed. The Organization has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other funds, if any.

When both restricted and unrestricted resources are available for use, it is EKCEP's policy to use restricted resources first.

When committed, assigned, and unassigned funds are available for expenditure, committed funds should be spent first, then assigned funds, and unassigned funds last.

***I. Retirement Plan:***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the County Employees Retirement System in the Kentucky Retirement System, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the Kentucky Retirement System. Employer contributions to the Plan are calculated based upon creditable compensation for active members reported by employers. Employer contributions are accrued when earned and the employer has made a formal commitment to provide the contributions. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Plan. Investments are reported at fair value.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 3. Audit Status of Workforce Innovation and Opportunity Act- Youth Activities Expenditures (continued)**

Audited and unaudited refers to the audit status in subrecipient audits. The Organization is monitoring the audit status of the unaudited subrecipient expenditures. These unaudited expenditures will be covered in future audits. See Exhibits II, IV, VI, IX, and XII for the status of unaudited Workforce Innovation and Opportunity Act - Youth Activities subrecipient expenditures from the 2022 report.

**Note 4. Audit Status of Dislocated Workers Expenditures**

A summary of the audit status of Dislocated Workers expenditures under various grants for the year ended June 30, 2023, is as follows:

	Dislocated Workers	Administration	Total
Audited expenditures:			
LWDA	\$ 1,015,490	\$ 186,706	\$ 1,202,196
Subrecipient (Schedule I)	591,636	-	591,636
Subrecipient (Schedule III)	1,345,267	-	1,345,267
Subrecipient (Schedule V)	<u>15,009</u>	<u>-</u>	<u>15,009</u>
Total audited	<u>2,967,402</u>	<u>186,706</u>	<u>3,154,108</u>
Unaudited expenditures:			
Subrecipient (Schedule I)	103,253	-	103,253
Subrecipient (Schedule III)	231,982	-	231,982
Subrecipient (Schedule V)	<u>13,814</u>	<u>-</u>	<u>13,814</u>
Total unaudited	<u>139,731</u>	<u>-</u>	<u>139,731</u>
 Total Dislocated Workers	 <u>\$ 3,107,133</u>	 <u>\$ 186,706</u>	 <u>\$ 3,293,839</u>

Audited and unaudited refers to the audit status in subrecipient audits. The Organization is monitoring the audit status of the unaudited subrecipient expenditures. These unaudited expenditures will be covered in future audits. See Exhibits I, III, V, VII, VIII, X, XI, XIII and XIV for the status of unaudited Dislocated Workers subrecipient expenditures from the 2022 report.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Audit Status of Dislocated Workers - COVID - 19 Expenditures**

A summary of the audit status of Dislocated Workers - COVID - 19 expenditures for the year ended June 30, 2023, is as follows:

	<u>COVID-19</u>	<u>Administration</u>	<u>Total</u>
Audited expenditures:			
LWDA	\$ 174,065	\$ 24,882	\$ 198,947
Subrecipient (Schedule III)	<u>49,832</u>	<u>-</u>	<u>49,832</u>
Total audited	<u>223,897</u>	<u>24,882</u>	<u>248,779</u>
Unaudited expenditures:			
Subrecipient (Schedule III)	25,251	-	25,251
Total unaudited	<u>25,251</u>	<u>-</u>	<u>25,251</u>
Total COVID-19	<u>\$ 249,148</u>	<u>\$ 24,882</u>	<u>\$ 274,030</u>

Audited and unaudited refers to the audit status in subrecipient audits. The Organization is monitoring the audit status of the unaudited subrecipient expenditures. These unaudited expenditures will be covered in future audits. See Exhibit III for the status of unaudited Dislocated Workers COVID - 19 subrecipient expenditures from the 2022 report.

**Note 6. Audit Status of Dislocated Workers - Addiction Recovery Expenditures**

A summary of the audit status of Dislocated Workers - Addiction Recovery expenditures for the year ended June 30, 2023, is as follows:

	<u>Addiction Recovery</u>	<u>Administration</u>	<u>Total</u>
Audited expenditures:			
LWDA	\$ <u>2,255,000</u>	\$ <u>148,182</u>	\$ <u>2,403,182</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 7. Capital Assets**

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

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2023</b>
Capital assets:				
Furniture and office equipment	\$ 430,341	\$ -	\$ -	\$ 430,341
Telephone equipment	10,695	-	-	10,695
Machinery and equipment	1,184,186	-	-	1,184,186
Software	34,783	-	-	34,783
Total capital assets	<u>\$ 1,660,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,660,005</u>
Accumulated depreciation:				
Furniture and office equipment	430,341	-	-	430,341
Telephone equipment	10,695	-	-	10,695
Machinery and equipment	889,759	162,081	-	1,051,840
Software	34,783	-	-	34,783
Total accumulated depreciation	<u>1,365,578</u>	<u>162,081</u>	<u>-</u>	<u>1,527,659</u>
Net depreciable capital assets	<u>\$ 294,427</u>	<u>\$ (162,081)</u>	<u>\$ -</u>	<u>\$ 132,346</u>

**Note 8. Cash Deposits**

The Organization does not have a formal deposit policy. Generally, only amounts for planned expenditures are held in bank accounts for short time periods until the expenditure is made. All amounts on deposit are required to be and were covered by federal depository insurance, by collateral held by EKCEP's agent in EKCEP's name or by the Federal Reserve Bank acting as a third-party agent at June 30, 2023.

**Note 9. Retirement Plan**

***Plan Description:***

EKCEP participates in the County Employees Retirement System administered by the Kentucky Retirement System (KRS). All employees of EKCEP are eligible to participate. Under the provisions of Kentucky Revised Statute Section 61.645, the Board of Trustees of KRS (the Board) administers the Kentucky Employees Retirement System (KERS), County Employees Retirement System (CERS), and the State Police Retirement System (SPRS).

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 9. Retirement Plan (continued)**

*Plan Description: (continued)*

Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, and a pro rata share of administrative costs, in accordance with the provisions of Kentucky Revised Statute Sections 16.555, 61.570, and 78.630.

The CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in non-hazardous duty positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the System. The plan provides for retirement, disability, and death benefits to plan members.

The KRS issues a publicly available financial report that can be obtained at [www.kyret.ky.gov](http://www.kyret.ky.gov).

***Benefits Provided:***

Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Prior to July 1, 2009, cost-of-living adjustments (COLA) were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5 percent in any plan year.

Effective July 1, 2009, and on July 1 of each year thereafter, the COLA is limited to 1.5 percent provided the recipient has been receiving a benefit for at least 12 months prior to the effective date of the COLA. The Kentucky General Assembly reserves the right to suspend or reduce cost-of-living adjustments if, in its judgment, the welfare of the Commonwealth so demands.

**Normal Retirement:**

Tier 1 - Members whose participation began on or after 8/1/2004, but before 9/1/2008. Age

Requirement: 65 or any age with 27 years of service or 55 with 5 years of service. Service

Requirement: At least one month of non-hazardous duty service credit.

Amount: If a member has at least 48 months of service, the monthly benefit is 2.00% multiplied by final average compensation, multiplied by years of service. Final compensation is calculated by taking the average of the highest five (5) fiscal years of salary. If the number of months of service credit during the five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used. If a member has less than 48 months of service, the monthly benefit is the actuarial equivalent of two times the member's contributions with interest.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 9. Retirement Plan (continued) Normal**

**Retirement: (continued)**

Tier 2 - Members whose participation began on or after 9/1/2008, but before 1/1/2014.

Age Requirement: 65 with 60 months of non-hazardous duty service credit, or age 57 if age plus service equals at least 87.

Amount: The monthly benefit is the following benefit factor based on service credit at retirement plus 2.00% for each year of service greater than 30 years, multiplied by final average compensation, multiplied by years of service.

<b>Service Credit</b>	<b>Benefit Factor</b>
10 years or less	1.10%
10 - 20 years	1.30
20 - 26 years	1.50
26 - 30 years	1.75
Greater than 30	2.00

Final compensation is calculated by taking the average of the last (not highest) five (5) complete fiscal years of salary. Each fiscal year used to determine final compensation must contain twelve (12) months of service credit.

Tier 3 - Members whose participation began on or after 1/1/2014.

Age Requirement: 65 with 60 months of non-hazardous duty service credit, or age 57 if age plus service equals at least 87.

Amount: Each year that a member is an active contributing member to the System, the member and the member's employer will contribute 5.00% and 6.00% of creditable compensation, respectively, into a hypothetical account. This hypothetical account will earn interest annually on both the member's and employer's contribution at a minimum rate of 4%. If the System's geometric average net investment return for the previous five years exceeds 4%, then the hypothetical account will be credited with an additional amount of interest equal to 75% of the amount of the return which exceeds 4%. All interest credits will be applied to the hypothetical account balance on June 30 based on the account balance as of June 30 of the previous year.

Upon retirement, the hypothetical account which includes member contributions, employer contributions and interest credits may be converted into an annuity based on an actuarial factor.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 9. Retirement Plan (continued)**

**Early Retirement:**

Tier 1 - Members whose participation began on or after 8/1/2004, but before 9/1/2008. Age

Requirement: 55 with 60 months of service or with 25 years of service.

Amount: Normal retirement benefit reduced by 6.5% per year for the first five years and 4.5% per year for the next five years for each year the member's retirement eligibility precedes the members normal retirement date.

Tier 2 - Members whose participation began on or after 9/1/2008, but before 1/1/2014. Age

Requirement: 60 with 10 years of service.

Amount: Normal retirement benefit reduced by 6.5% per year for the first five years and 4.5% per year for the next five years for each year the member's retirement date precedes the member's normal retirement date.

**Disability:**

Members whose participation began before 8/1/2004.

Eligibility: 60 months of service (requirement is waived if in line of duty disability)

Disability Benefit: Disability benefits are calculated in the same manner as the normal retirement benefit with years of service and final compensation determined as of the date of disability, except that service credit shall be added to the person's total service beginning with the last date of paid employment and continuing to the member's 65th birthday, with total service not exceeding 25 years. Total service credit added shall not be greater than the member's actual service at disability. For members with at least 25 years of service on the last day of paid employment but less than 27 years of service, total service shall be 27 years. For members with 27 years or more of service credit, actual service will be used.

Members whose participation began on or after 8/1/2004, but before 1/1/2014. Eligibility: 60 months

of service (requirement is waived if in line of duty disability)

Disability Benefit: The higher of 20% of the member's final monthly rate of pay or the member's normal retirement benefit (without reduction for early retirement) with years and final compensation being determined as of the date of disability.



**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 9. Retirement Plan (continued)**

**Disability: (continued)**

Members whose participation began on or after 1/1/2014.

Eligibility: 60 months of service (requirement is waived if in line of duty disability)

Disability Benefit: The higher of 20% of the member's final monthly rate of pay or the member's retirement benefit calculated at the member's normal retirement date.

Line of Duty Disability Benefit.

Disability Benefit: If the disability is a direct result of an act of the line of duty, the benefit shall not be less than 25% of the member's final monthly rate of pay. Additionally, each eligible dependent child will receive 10% of the member's monthly final rate of pay up to a maximum of 40%.

**Death Benefit:**

Pre-retirement Death Benefit.

Eligibility: Eligible for early or normal requirement; or under age 65 with at least 60 months of service and actively working at the time of death; or at least 144 months of service, if no longer actively working.

Spouse Benefit: The member's retirement benefit calculated in the same manner as if the member had retired on the day of the member's death and elected a 100% joint and survivor benefit. The benefit is actuarially reduced if the member dies prior to their normal retirement age.

Pre-retirement Death Benefit (Death in the Line of Duty). Eligibility:

One month of service credit

Spouse Benefit: A \$10,000 lump sum payment plus a monthly payment of 75% of the deceased member's final monthly rate of pay. A spouse may also elect the non-line of duty death benefit.

Child Benefit: Benefit paid to eligible dependent child will equal 50% of the member's average pay for one child, 65% for two children and 75% of average pay for 3 or more eligible children.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 9. Retirement Plan (continued)**

***Contributions:***

**Member Contributions.**

Tier 1, Participation before 9/1/2008: 5% of creditable compensation. Members who do not receive a retirement benefit are entitled to a full refund of contributions with interest. The annual interest rate is set by the KRS Board, not less than 2.0%.

Tier 2, Participation on or after 9/1/2008 but before 1/1/2014: 5% of creditable compensation plus 1% of creditable compensation, which is deposited into the 401(h) account and is not refundable. Members who do not receive a retirement benefit are entitled to a refund of non- 401(h) contributions with interest. The annual rate is 2.5%.

Tier 3, Participation after 1/1/2014: 5% of creditable compensation plus 1% of creditable compensation, which is deposited into the 401(h) account and is not refundable. Members who do not receive a retirement benefit are entitled to a refund of non-401(h) contributions with interest.

Administrative costs of the KRS are financed through employer contributions and investment earnings. During the year ended June 30, 2023, employees of EKCEP contributed \$116,408, while EKCEP contributed \$530,332 to the plan.

**Pension Liabilities, Pension Expenses (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

***Pension liability.*** At June 30, 2023, EKCEP reported a liability of \$6,086,179 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. EKCEP's proportion of the net pension liability was based on EKCEP's employer contributions to the pension plan during the year ended June 30, 2021, relative to the contributions of all participating employers for the year ended June 30, 2020. At the June 30, 2022, measurement date, EKCEP's proportion was 0.08419 percent. The proportion measured as of June 30, 2021, was 0.08654 percent.

***Pension expense.*** For the year ended June 30, 2023, EKCEP recognized pension expense of \$535,565.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 9. Retirement Plan (continued)**

**Pension Liabilities, Pension Expenses (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2023, EKCEP 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
Differences between expected and actual experience	\$ 6,507	\$ 54,200
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	828,147	672,119
Changes in proportion and differences between employer contributions and proportionate share of contributions	45,794	-
Contributions subsequent to the measurement date of June 30, 2021	-	-
Total	\$ 880,448	\$ 823,470

EKCEP employer contributions of \$530,332 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2024	\$	20,272
2025		44,499
2026		51,145
2027		(172,895)

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

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 9. Retirement Plan (continued)**

*Actuarial assumptions.* The total pension liability was determined based on an actuarial valuation date of June 30, 2022, using the following actuarial assumptions:

Inflation	2.30 percent
Salary increases Investment rate of return	3.30 to 10.30 percent, varies by service 6.25 percent, net of pension plan investment expenses, including inflation

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.

The long-term expected rate of return on plan assets is reviewed as part of the regular experience studies prepared every five years for the System. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated April 30, 2014.

Several factors are considered in evaluating the long-term rate of return assumption including long term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 9. Retirement Plan (continued)**

*Actuarial assumptions. (continued)*

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Combined equity	60.0%	5.86%
Core bonds	10.0	0.28
Specialty Credit/High Yield	10.0	2.28
Real return	13.0	4.07
Real estate	7.0	3.67
Cash equivalent	<u>0</u>	(0.91)
	<u>100%</u>	

Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total pension liability have been updated. The Board adopted actuarial assumptions based on an actuarial valuation date of June 30, 2020, as noted below:

- The assumed investment rate of return was increased from 6.25% to 6.58%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013.
- The mortality table used for healthy retired members and beneficiaries is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females).

**Discount rate.** The discount rate used to measure the total pension liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 25 year amortization period of the unfunded actuarial accrued liability. The actuarial determined contribution rate is adjusted to reflect the phase in of anticipated gains on actuarial value of assets over the first four years of the projection period.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 9. Retirement Plan (continued)**

*Sensitivity of the proportionate share of net pension liability to changes in the discount rate.* The following presents EKCEP's proportionate share of the net pension liability calculated using the discount rate of 6.25 percent, as well as what EKCEP's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.25 percent) or 1 percentage point higher (7.25 percent) than the current rate:

	1% Decrease <u>(5.25%)</u>	Current Discount Rate <u>(6.25%)</u>	1% Increase <u>(7.25%)</u>
EKCEP's proportionate share of the net pension liability	\$ 7,606,968	\$ 6,086,179	\$ 4,828,360

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued Kentucky Retirement System financial report.

**Note 10. Other Postemployment Benefits (OPEB) Insurance**

**Plan**

*Plan description.* The Kentucky Retirement Systems' (KRS) Insurance Fund (Insurance Plan) was established to provide hospital and medical insurance for eligible members receiving benefits from the retirement plan. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. KRS submits the premium payments to DEI. The Board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. The Insurance Plan is provided as a component of the County Employees Retirement Plan through an insurance trust.

*Contributions.* Employees hired after September 1, 2008, are required to contribute 1% to the Insurance Plan. Per Kentucky Revised Statute Section 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last proceeding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. For the year ended June 30, 2023, participating employers contributed 3.39% to the Insurance Plan of each employee's wages, which is equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Retirement System are financed through employer contributions and investment earnings.

During 2022, EKCEP contributed \$97,084 and employees contributed \$12,775 to the Insurance Plan.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 10. Other Postemployment Benefits (OPEB) (continued) Insurance Plan**

(continued)

**Benefits.** Under the Insurance Plan, employees are grouped into three tiers based on hire date:

Tier 1	Participation date Insurance eligibility Benefit	Before July 1, 2003 10 years of service credit required Set percentage of single coverage health insurance based on service credit accrued at retirement
Tier 2	Participation date Insurance eligibility Benefit	Before September 21, 2008, but after July 1, 2003 10 years of service credit required Set dollar amount based on service credit accrued, increased annually
Tier 3	Participation date Insurance eligibility Benefit	After September 1, 2008, and before December 31, 2013 15 years of service credit required Set dollar amount based on service credit accrued, increased annually

**Employees covered by benefit terms.** At June 30, 2019, the following employees were covered by the benefit terms of the Plan:

Inactive plan members currently receiving benefits	31,661
Inactive employees entitled to but not yet receiving benefits	22,861
Active plan members	<u>30,186</u>
	<u>84,708</u>

**Actuarial assumptions.** The collective total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary increases	3.30% to 10.30%, varies by service
Healthcare cost trend rates	Pre 65 - Initial trend starting at 7.00% gradually decreasing to an ultimate rate of 4.05% over a 12 year period. Post 65 - Initial trend starting at 5.00% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation, a weighted average has been used with weights derived from the current distribution of members.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 10. Other Postemployment Benefits (OPEB) (continued) Insurance Plan**

(continued)

*Discount rate.* The discount rate used to measure the total OPEB liability was 5.70%. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, as shown on the Fidelity 20-Year Municipal GO AA index as of June 30, 2022.

**Changes in the collective net OPEB liability (in thousands): Total OPEB**

**liability**

Service cost	\$ 62,548
Interest	190,531
Benefit changes	21,884
Differences between actual and expected experience	(37,249)
Assumption changes	(206,907)
Benefit payments	<u>(153,081)</u>
<b>Net change in total OPEB liability</b>	<b>(122,274)</b>
<b>Total OPEB liability - beginning</b>	<b><u>3,698,804</u></b>
<b>Total OPEB liability - ending</b>	<b>\$ <u>3,576,530</u></b>



**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 10. Other Postemployment Benefits (OPEB) (continued) Insurance Plan**

(continued)

**Plan Fiduciary Net Position**

Contributions - employer	\$ 181,294
Contributions - member	6,547
Benefit payments	(153,081)
Net investment income	(88,998)
Administrative expense	<u>(890)</u>
<b>Net change in plan fiduciary net position</b>	<b>(55,058)</b>
<b>Plan fiduciary net position - beginning Plan</b>	<b><u>1,419,477</u></b>
<b>fiduciary net position - ending</b>	<b>\$ 1,364,419</b>
Net OPEB liability - ending	\$ 2,212,111
Plan fiduciary net position as a percentage of the total OPEB liability	38.15%
Covered-employee payroll	\$ 1,437,132
Net OPEB liability as a percentage of covered-employee payroll	153.93%
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ -
Employer's proportionate share of the collective total OPEB liability	\$ 2,212,111
Employer's proportion of the collective total OPEB liability	0.084179%

***Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate.*** The following presents the proportionate share of the collective total OPEB liability related to the Plan, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate.

	1% Decrease <u>(4.70%)</u>	Discount Rate <u>(5.70%)</u>	1% Increase <u>(6.70%)</u>
Proportionate share of the collective total OPEB liability	\$ 2,220,872	\$ 1,661,284	\$ 1,198,691

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 10. Other Postemployment Benefits (OPEB) (continued) Insurance Plan**

(continued)

**Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate.** The following presents the proportionate share of the collective total OPEB liability related to the Plan, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease (4.68%)	Healthcare Cost Trend Rate (5.68%)	1% Increase (6.68%)
Proportionate share of the collective total OPEB liability	\$ 1,235,128	\$ 1,661,284	\$ 2,173,017

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

**OPEB expense.** For the fiscal year ended June 30, 2023, EKCEP recognized OPEB expense of \$255,733.

**Deferred outflows of resources and deferred inflows of resources.** For 2023, EKCEP reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the Insurance Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability experience	\$ 167,222	\$ 380,971
Changes in assumptions	262,744	216,499
Changes in proportion and difference between amounts paid as benefits came due and proportionate share of certain amounts paid by the employer and nonemployer contributors as the benefits came due	29,990	42,320
Investment experience	309,348	241,921
Payments subsequent to the measurement date	-	-
Total	<u>\$ 769,304</u>	<u>\$ 881,711</u>

The amounts shown above for payments subsequent to the measurement date will be recognized as a reduction to the total OPEB liability in the following measurement period.

**Note 10. Other Postemployment Benefits (OPEB) (continued)**

**Insurance Plan (continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:	
2024	\$ 664
2025	(5,277)
2026	(106,705)
2027	(1,089)

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

**Note 11. Contingencies**

EKCEP receives substantially all of its support from federal and state grants and contributions from non-governmental sources. EKCEP's grants and certain contributions require the fulfillment of certain conditions as set forth in the grant or contribution documents. Failure to fulfill the conditions or continue to fulfill them could result in the return of funds. Although this possibility exists, management deems the contingency remote since, by accepting the grants/contributions and their terms, it has agreed to comply with all provisions of the grant award.

**REQUIRED  
SUPPLEMENTAL INFORMATION**

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
STATEMENT OF REVENUES EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GOVERNMENTAL FUND  
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>REVENUES</b>				
Federal and state grant funds	\$ 20,397,000	\$ 27,857,241	\$ 22,232,400	\$ (5,624,841)
Contributions	1,169,163	1,169,163	1,169,163	-
Program income	363,878	363,878	363,878	-
Total revenues	<u>21,930,041</u>	<u>29,390,282</u>	<u>23,765,441</u>	<u>(5,624,841)</u>
<b>EXPENDITURES</b>				
Adult	6,134,871	6,134,871	4,740,074	1,394,797
Youth	8,818,501	8,818,501	6,813,566	2,004,935
Dislocated workers	10,037,547	10,037,547	7,660,566	2,376,981
Dislocated workers - COVID 19	322,461	322,461	249,148	73,313
Dislocated workers - Addiction Recovery	2,724,989	2,724,989	2,200,338	524,651
Program Administration	3,311,492	3,311,492	1,605,226	1,706,266
Total expenditures	<u>31,349,861</u>	<u>31,349,861</u>	<u>23,268,918</u>	<u>8,080,943</u>
Net changes in fund balance	(9,419,820)	(1,959,579)	496,523	2,456,102
FUND BALANCE (DEFICIT), beginning of year	(1,513)	(1,513)	(1,513)	-
FUND BALANCE (DEFICIT), end of year	<u>\$ (9,421,333)</u>	<u>\$ (1,961,092)</u>	<u>\$ 495,010</u>	<u>\$ 2,456,102</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**SCHEDULE OF PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY**  
**COUNTY EMPLOYEES RETIREMENT SYSTEM**  
**June 30, 2023**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
EKCEP's proportion of the net pension liability	0.05072%	0.05755%	0.07102%	0.08099%	0.08204%	0.08252%	0.08560%	0.08654%	0.08419%
EKCEP's proportionate share of the net pension liability	\$ 1,645,000	\$ 2,474,218	\$ 3,496,816	\$ 4,741,003	\$ 4,996,242	\$ 5,803,668	\$ 6,539,832	\$ 5,517,859	\$ 6,086,179
EKCEP's covered-employee payroll	\$ 1,164,564	\$ 1,348,587	\$ 1,694,181	\$ 2,033,264	\$ 2,081,514	\$ 2,219,455	\$ 2,210,545	\$ 2,328,146	\$ 2,014,158
EKCEP's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	141.25%	183.47%	206.40%	233.17%	240.03%	261.49%	295.85%	237.01%	302.17%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	59.97%	55.50%	53.32%	53.54%	50.45%	47.81%	51.80%	52.42%

Note: The amounts presented were determined as of June 30 of the prior fiscal year

Note: This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**SCHEDULE OF CONTRIBUTIONS**  
**COUNTY EMPLOYEES RETIREMENT SYSTEM**  
**June 30, 2023**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarilly determined contribution (ADC)	\$ 171,813	\$ 201,775	\$ 275,106	\$ 294,416	\$ 337,612	\$ 421,570	\$ 426,635	\$ 493,164	\$ 530,332
Contribution in relation to the actuarially determined contribution	\$ 171,813	\$ 201,775	\$ 275,106	\$ 294,416	\$ 337,612	\$ 421,570	\$ 426,635	\$ 493,164	\$ 530,332
Contributuion deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EKCEP's covered-employee payroll	\$ 1,348,587	\$ 1,694,181	\$ 1,972,087	\$ 2,033,264	\$ 2,081,514	\$ 2,184,304	\$ 2,210,539	\$ 2,329,542	\$ 2,014,158
Contributuions as a percentage of EKCEP's covered employee payroll	12.74%	11.91%	13.95%	14.48%	16.22%	19.30%	19.30%	21.17%	26.33%

Notes to Schedule:

Methods and assumptions used in calculations of actuarially determined contribution:

The actuarially determine contribution rates effective for 2023, are calculated as of June 30, 2022.

The following actuarial methods and assumptions were used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	25 years, closed
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary increases	3.30% to 10.30%, varies by service
Investment rate of return	6.25%

The mortality table used for active members is RP-2000 Combined Mortality Table projected to 2023 with Scale BB. For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Disability Mortality Table projected with Scale BB to 2023 (set-back one year for females).

For disabled members, the RP-2000 Combined Disability Mortality Table projected with Scale BB to 2013 (set-back four yours for males) is used for the period after disability retirement.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedle in future fiscal years until 10 years of information is available.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**SCHEDULE OF CONTRIBUTIONS**  
**COUNTY EMPLOYEES RETIREMENT SYSTEM**  
**June 30, 2023**  
**(continued)**

Changes of benefit terms: The following changes were made by the Kentucky Legislature and relected in the valuation performed as of June 30, as listed below.

2009: A new benefit tier for members who first participate on or after September 1, 2008, was introduced which included the following changes:

1. Tiered structure for benefit accrual rates
2. New retirement eligibility requirements
3. Different rules for the computation of final average compensation

2014: A cash balance plan was introduced for members whose participation date is on or after January 1, 2014.

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

2006: The assumptions were updated as the result of an experience study for the five year period ending June 30, 2005.

2007: Amortization bases have been combined and will be amortied over a single 30 year closed period beginning June 30, 2007

2009: The assumptions were updated as the result of an experience study for the three year period ending June 30, 2008.

2013: The amortization period of the unfunded accrued liability was reset to a closed 30 year period.

- 2015:
- The assumed investment rate of return was decreased from 7.75% to 7.50%
  - The assumed rate of inflation was reduced from 3.5% to 3.25%.
  - The assumed rate of wage inflation was reduced from 1.00% to 0.75%.
  - Payroll growth assumption was reduced from 4.5% to 4.00%.
  - The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
  - For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females.)
  - For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for females) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.
  - The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.
- 2019:
- Investment Return - 6.25%
  - Inflation - 2.30%
  - Salary Increases - 3.30% - 11.55%, varies by service
  - Payroll Growth - 2.00%
  - Mortality - RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females).
  - Healthcare Cost Trent Rates
    - Pre 65 - Initial trend starting at 7.25% on January 1, 2019, 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% at January 1, 2019, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years.



**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**SCHEDULE OF PROPORTIONATE SHARE OF**  
**THE NET OPEB LIABILITY**  
**COUNTRY EMPLOYEES RETIREMENT PLAN**  
**INSURANCE PLAN (OPEB)**  
**June 30, 2023**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
EKCEP's porportion of the net OPEB liability	0.080997%	0.082033%	0.082499%	0.052500%	0.086523%	0.084179%
EKCEP's proportionate share of the net OPEB liability	\$ 1,628,317	\$ 1,456,480	\$ 1,387,596	\$ 2,058,528	\$ 1,656,440	\$ 1,661,284
EKCEP's covered employee payroll	\$ 2,020,340	\$ 2,033,264	\$ 2,081,514	\$ 2,210,545	\$ 2,328,146	\$ 2,014,158
EKCEP's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	80.60%	71.63%	66.66%	93.12%	71.15%	82.48%
Plan fiduciary net position as a percentage of the total OPEB liability	52.39%	57.62%	60.44%	51.67%	58.41%	60.95%

Notes to Schedule

Changes in assumptions: In 2017, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, cost of living, salary growth and mortality improvements.

The amounts presented in this schedule were determined as of June 30, of the prior fiscal year measurement date.

This schedule will present 10 years of information as it becomes available.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**SCHEDULE OF CONTRIBUTIONS**  
**COUNTY EMPLOYEES RETIREMENT PLAN**  
**INSURANCE PLAN (OPEB)**  
**June 30, 2023**

Fiscal Year Ending	Actuarially Determined Contributions	Total Employer Contributions	Contributions Deficiency (Excess)	Covered Employee Payroll	Actual Contributions as a Percentage of Covered Payroll
2018	\$ 94,956	\$ 93,280	\$ 1,676	\$ 2,020,340	4.70%
2019	95,563	95,565	(2)	2,033,264	4.70%
2020	99,080	103,973	(4,893)	2,081,516	4.76%
2021	105,222	105,222	-	2,210,545	4.76%
2022	134,271	134,271	-	2,328,146	5.77%
2023	97,084	97,084	-	2,014,158	4.82%

Notes to Schedule:

Employer contributions do not include the expected implicit subsidy.

The year presented is the financial statement date measured as of the prior year end which is the measurement date. The actuarially determined contribution rates effective for the fiscal year ending 2023 are calculated as of June 30, 2022. Based on the June 2022 actuarial valuation report, the actuarial methods and assumptions used to calculate their contribution rates are below:

Actuarial cost method	Entry age normal
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization method	Level percentage of pay
Amortization period	30 years, closed
Payroll growth rate	2.00%
Investment return	6.25%
Inflation	#
Salary increases	3.30% to 10.30%, varies by service
Mortality	RP-2000 Combined Mortality Table, projected with Scale BB to 2013 (set back 1 year for females)
Healthcare trend rates	Pre 65: Initial trend starting at 6.24% at January 1, 2021, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. Post 65: Initial trend starting at 5.50% at January 1, 2021, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.

The schedule will present 10 years of information as it becomes available.

**SUPPLEMENTAL INFORMATION**

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
WORKFORCE INNOVATION AND OPPORTUNITY ACT - ADULT PROGRAM  
SUBRECIPIENT EXPENDITURES  
Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Audited		Unaudited		Total		Questioned Costs
		Adult	Dislocated Workers	Adult	Dislocated Workers	Adult	Dislocated Workers	
Bell Whitley Community Action Agency, Inc.	DTR-21000	\$ -	\$ -	\$ 238,648	\$ 100,220	\$ 238,648	\$ 100,220	\$ -
Big Sandy Area Community Action Program, Inc.	DTR-21001	443,588	1,738	373,116	132,301	816,704	134,039	-
Daniel Boone Development Council, Inc.	DTR-21002	299,297	195,017	-	-	299,297	195,017	-
Gateway Community Services Organization, Inc.	DTR-21003	168,326	89,726	-	-	168,326	89,726	-
Harlan County Community Action Agency, Inc.	DTR-21005	-	-	244,070	93,544	244,070	93,544	-
Kentucky Communities Economic Opportunity Council, Inc.	DTR-21006	40,003	15,770	299,740	110,742	339,743	126,512	-
L.K.L.P. Community Action Council, Inc.	DTR-21007	22,678	159,828	-	-	22,678	159,828	-
Middle Kentucky River Area Development Council, Inc.	DTR-21008	76,656	129,557	-	-	76,656	129,557	-
Northeast Kentucky Area Development Council, Inc.	DTR-21009	-	-	278,691	103,253	278,691	103,253	-
		<u>\$1,050,548</u>	<u>\$ 591,636</u>	<u>\$1,434,265</u>	<u>\$ 540,060</u>	<u>\$ 2,484,813</u>	<u>\$ 1,131,696</u>	<u>\$ -</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - YOUTH ACTIVITIES  
 SUBRECIPIENT EXPENDITURES  
 Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Audited		Unaudited		Total		Questioned Costs
		In School	Out of School	In School	Out of School	In School	Out of School	
Bell Whitley Community Action Agency, Inc.	DTR-21000	\$ -	\$ -	\$ 63,517	\$ 565,411	\$ 63,517	\$ 565,411	\$ -
Big Sandy Area Community Action Program, Inc.	DTR-21001	30,838	54,363	29,737	325,002	60,575	379,365	-
Daniel Boone Development Council, Inc.	DTR-21002	30,171	605,384	-	-	30,171	605,384	-
Gateway Community Services Organization, Inc.	DTR-21003	-	289,802	-	-	-	289,802	-
Harlan County Community Action Agency, Inc.	DTR-21005	-	-	80,336	763,764	80,336	763,764	-
Kentucky Communities Economic Opportunity Council, Inc.	DTR-21006	41,651	361,121	35,216	484,709	76,867	845,830	-
L.K.L.P. Community Action Council, Inc.	DTR-21007	38,725	452,350	-	-	38,725	452,350	-
Middle Kentucky River Area Development Council, Inc.	DTR-21008	17,791	297,183			17,791	297,183	-
Northeast Kentucky Area Development Council, Inc.	DTR-21009	-	-	16,553	342,023	16,553	342,023	-
		<u>\$ 159,176</u>	<u>\$ 2,060,203</u>	<u>\$ 225,359</u>	<u>\$ 2,480,909</u>	<u>\$ 384,535</u>	<u>\$ 4,541,112</u>	<u>\$ -</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - NATIONAL EMERGENCY GRANTS  
 SUBRECIPIENT EXPENDITURES  
 Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Audited		Unaudited		Total		Questioned Costs
		Dislocated Workers		Dislocated Workers		Dislocated Workers		
		Flood	COVID-19	Flood	COVID-19	Flood	COVID-19	
Bell Whitley Community Action Agency, Inc.	DTR-21000	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -
Big Sandy Area Community Action Program, Inc.	DTR-21001	-	750	231,982	11,713	231,982	12,463	-
Daniel Boone Development Council, Inc.	DTR-21002	305,478	10,000	-	-	305,478	10,000	-
Gateway Community Services Organization, Inc.	DTR-21003	-	-	-	-	-	-	-
Harlan County Community Action Agency, Inc.	DTR-21005	-	-	-	3,538	-	3,538	-
Kentucky Communities Economic Opportunity Council, Inc.	DTR-21006	-	21,591	-	-	-	21,591	-
L.K.L.P. Community Action Council, Inc.	DTR-21007	717,142	17,491	-	-	717,142	17,491	-
Middle Kentucky River Area Development Council, Inc.	DTR-21008	374,079	-	-	-	374,079	-	-
Northeast Kentucky Area Development Council, Inc.	DTR-21009	-	-	-	-	-	-	-
		<u>\$1,396,699</u>	<u>\$ 49,832</u>	<u>\$ 231,982</u>	<u>\$ 25,251</u>	<u>\$ 1,628,681</u>	<u>\$ 75,083</u>	<u>\$ -</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
OUT OF SCHOOL YOUTH ACTIVITIES  
SUBRECIPIENT EXPENDITURES - PROSPER APPALACHIA AND BEREA PFE  
Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Audited		Unaudited		Total		Questioned Costs
		Prosper Appalachia	Berea PFE	Prosper Appalachia	Berea PFE	Prosper Appalachia	Berea PFE	
Bell Whitley Community Action Agency, Inc.	DTR-21000	\$ -	\$ -	\$ 1,155	\$ 24,799	\$ 1,155	\$ 24,799	\$ -
Daniel Boone Development Council, Inc.	DTR-21002	1,160	70,863	-	-	1,160	70,863	-
Harlan County Community Action Agency, Inc.	DTR-21005	-	-	3,031	34,712	3,031	34,712	-
Kentucky Communities Economic Opportunity Council, Inc.	DTR-21006	10,046	72,946	-	-	10,046	72,946	-
L.K.L.P. Community Action Council, Inc.	DTR-21007	-	-	6,497	65,162	6,497	65,162	-
		<u>\$ 11,206</u>	<u>\$ 143,809</u>	<u>\$ 10,683</u>	<u>\$ 124,673</u>	<u>\$ 21,889</u>	<u>\$ 268,482</u>	<u>\$ -</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - DISLOCATED WORKERS ACTIVITIES  
 SUBRECIPIENT EXPENDITURES - H-1B RURAL HEALTHCARE  
 Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Audited	Unaudited	Total	Questioned Costs
Bell Whitley Community Action Agency, Inc.	DTR-21000	\$ -	\$ -	\$ -	\$ -
Big Sandy Area Community Action Program, Inc.	DTR-21001	-	-	-	-
Daniel Boone Development Council, Inc.	DTR-21002	-	-	-	-
Harlan County Community Action Agency, Inc.	DTR-21005	-	-	-	-
Kentucky Communities Economic Opportunity Council, Inc.	DTR-21006	4,420	6,814	11,234	-
L.K.L.P. Community Action Council, Inc.	DTR-21007	10,589	-	10,589	-
Middle Kentucky River Area Development Council, Inc.	DTR-21008	-	-	-	-
Northeast Kentucky Area Development Council, Inc.	DTR-21009	-	7,000	7,000	-
		<u>\$ 15,009</u>	<u>\$ 13,814</u>	<u>\$ 28,823</u>	<u>\$ -</u>



EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - ADULT PROGRAM  
 CFDA NUMBER 17.258 - CONTRACT NUMBER 273AD22  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Adult program	\$ 2,802,249	2,802,249	-	\$ -
Administration	\$ 311,361	-	311,361	\$ -
	<u>\$ 3,113,610</u>	<u>2,802,249</u>	<u>311,361</u>	<u>\$ -</u>
Program income		<u>-</u>		
Cost eligible for reimbursement		<u>2,802,249</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>3,113,610</u>
Unearned revenue from prior year	<u>-</u>
Net payment due to grantor	<u>-</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - ADULT PROGRAM  
 CFDA NUMBER 17.258 - CONTRACT NUMBER 270AD21  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Adult program	\$ -	\$ -	\$ -	\$ -
Administration	\$ 86,171	\$ 86,171	\$ 86,171	\$ -
	<u>\$ 86,171</u>	<u>\$ 86,171.00</u>	<u>\$ 86,171</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 86,171</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 86,171</u>
Unearned revenue from prior year	\$ -
WIOA funds received during the period	\$ 86,171
Program income	<u>\$ -</u>
Total WIOA revenue	\$ 86,171
Total expenditures	<u>\$ -</u>
Excess of revenue over (under) expenditures	\$ 86,171
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due to grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - ADULT PROGRAM  
 CFDA NUMBER 17.258 - CONTRACT NUMBERS 273AD21  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Adult program	\$ -	\$ -	\$ -	\$ -
Administration	\$ 438,220	\$ 438,220	\$ -	\$ -
In-kind	\$ -	\$ -	\$ -	\$ -
	<u>\$ 438,220</u>	<u>\$ 438,220</u>	<u>\$ -</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 438,220</u>		

**STATUS OF FUNDS:**

Contract award available for 2022	<u>\$ 438,220</u>
Unearned revenue from prior year	\$ -
WIOA funds received during the period	\$ 438,220
Program income	<u>\$ -</u>
Total WIOA revenue	\$ 438,220
Total expenditures	<u>\$ 438,220</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due to grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - ADULT PROGRAM  
 CFDA NUMBER 17.258 - CONTRACT NUMBERS 270AD22  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Adult program	\$ -	\$ -	\$ -	\$ -
Administration	\$ 70,309	\$ -	\$ 70,309	\$ -
	<u>\$ 70,309</u>	<u>\$ -</u>	<u>\$ 70,309</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ -</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 70,309</u>
WIOA funds received during the period	\$ -
Program income	<u>\$ -</u>
Total WIOA revenue	\$ -
Total expenditures	<u>\$ -</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - ADULT PROGRAM  
 CFDA NUMBER 17.258 - CONTRACT NUMBERS 270AD23  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Adult program	\$ 734,403	\$ 688,378	\$ 46,025	\$ -
Administration	\$ 81,600	\$ -	\$ 81,600	\$ -
	<u>\$ 816,003</u>	<u>\$ 688,378</u>	<u>\$ 127,625</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 688,378</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 816,003</u>
WIOA funds received during the period	\$ -
Program income	<u>\$ -</u>
Total WIOA revenue	\$ -
Total expenditures	<u>\$ -</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - ADULT PROGRAM  
 CFDA NUMBER 17.258 - CONTRACT NUMBERS 273AD23  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Adult program	\$ 3,339,499	\$ -	\$ 3,339,499	\$ -
Administration	\$ 371,055	\$ -	\$ 371,055	\$ -
	<u>\$ 3,710,554</u>	<u>\$ -</u>	<u>\$ 3,710,554</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ -</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 3,710,554</u>
WIOA funds received during the period	\$ -
Program income	<u>\$ -</u>
Total WIOA revenue	\$ -
Total expenditures	<u>\$ -</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - YOUTH ACTIVITIES  
 CFDA NUMBER 17.259 - CONTRACT NUMBERS 274YT21  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	<u>Budgeted Costs</u>	<u>Expenditures</u>	<u>(Over) Under Budget</u>	<u>Questioned Costs</u>
Youth activities				
In school	\$ -	\$ -	\$ -	\$ -
Out of school	\$ 601,696	\$ -	\$ 601,696	\$ -
Administration	<u>\$ 55,317</u>	<u>\$ 55,317</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 657,013</u>	\$ 55,317	<u>\$ 601,696</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 55,317</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 657,013</u>
WIOA funds received during the period	\$ 55,317
Program income	<u>\$ -</u>
Total WIOA revenue	\$ 55,317
Total expenditures	<u>\$ 55,317</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - YOUTH ACTIVITIES  
 CFDA NUMBER 17.259 - CONTRACT NUMBERS 274YT22  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Youth activities:				
In school	\$ 206,241	\$ 206,241	\$ -	\$ -
Out of school	\$ 3,309,300	\$ 3,309,300	\$ -	\$ -
Administration	\$ 412,144	\$ 410,557	\$ 1,587	\$ -
	<u>\$ 3,927,685</u>	<u>\$ 3,926,098</u>	<u>\$ 1,587</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 3,926,098</u>		

**STATUS OF FUNDS:**

Contract award available for 2022	<u>\$ 3,927,685</u>
WIOA funds received during the period	\$ 3,926,098
Program income	<u>\$ -</u>
Total WIOA revenue	\$ 3,926,098
Total expenditures	<u>\$ 3,926,098</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>



EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - YOUTH ACTIVITIES  
 CODE KENTUCKY  
 CFDA NUMBER 17.259  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Youth - Out of school	\$ 6,326	\$ -	\$ 6,326	\$ -
Administration	\$ -	\$ -	\$ -	\$ -
	<u>\$ 6,326</u>	<u>\$ -</u>	<u>\$ 6,326</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ -</u>		

**STATUS OF FUNDS:**

Contract award available for 2022	<u>\$ 6,326</u>
WIOA funds received during the period	\$ -
Program income	<u>\$ -</u>
Total revenue	\$ -
Total expenditures	<u>\$ -</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - YOUTH ACTIVITIES  
 CFDA NUMBER 17.259 - CONTRACT NUMBER 274YT23  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Youth - In School	\$ 350,000	\$ 185,678	\$ 164,322	
Youth - Out of school	\$ 3,506,794	\$ 2,431,156	\$ 1,075,638	\$ -
Administration	\$ 428,533	\$ -	\$ 428,533	\$ -
	<u>\$ 3,935,327</u>	\$ 2,431,156	<u>\$ 1,504,171</u>	<u>\$ -</u>
Program income		\$ -		
Cost eligible for reimbursement		<u>\$ 2,431,156</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 3,935,327</u>
WIOA funds received during the period	\$ 2,431,156
Program income	<u>\$ -</u>
Total revenue	\$ 2,431,156
Total expenditures	<u>\$ 2,431,156</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - YOUTH ACTIVITIES  
 CFDA NUMBER 17.259 - CONTRACT NUMBER 274YT24  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Youth - In School	\$ 500,000	\$ -	\$ 500,000	
Youth - Out of school	\$ 3,008,869	\$ -	\$ 3,008,869	\$ -
Administration	\$ 389,874	\$ -	\$ 389,874	\$ -
	<u>\$ 3,398,743</u>	\$ -	<u>\$ 3,398,743</u>	<u>\$ -</u>
Program income		\$ -		
Cost eligible for reimbursement		<u>\$ -</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 3,398,743</u>
WIOA funds received during the period	\$ -
Program income	<u>\$ -</u>
Total revenue	\$ -
Total expenditures	<u>\$ -</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - DISLOCATED WORKERS  
 CFDA NUMBER 17.258 - CONTRACT NUMBER 271SR21  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 73,778	\$ 73,778	\$ -	\$ -
Administration	\$ -	\$ -	\$ -	\$ -
	<u>\$ 73,778</u>	<u>\$ 73,778</u>	<u>\$ -</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 73,778</u>		

**STATUS OF FUNDS:**

Contract award available for 2022	<u>\$ 73,778</u>
WIOA funds received during the period	\$ 73,778
Program income	<u>\$ -</u>
Total WIOA revenue	\$ 73,778
Total expenditures	<u>\$ 73,778</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - DISLOCATED WORKERS  
 CFDA NUMBER 17.258 - CONTRACT NUMBER 271DW21  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 807,390	\$ 807,390	\$ -	\$ -
Administration	\$ 127,180	\$ 127,180	\$ -	\$ -
	<u>\$ 934,570</u>	<u>\$ 934,570</u>	<u>\$ -</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 934,570</u>		

**STATUS OF FUNDS:**

Contract award available for 2022	<u>\$ 934,570</u>
Unearned revenue from prior year	\$ -
WIOA funds received during the period	\$ 934,570
Program income	<u>\$ -</u>
Total WIOA revenue	\$ 934,570
Total expenditures	<u>\$ 934,570</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due to grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - DISLOCATED WORKERS  
 CFDA NUMBER 17.258 - CONTRACT NUMBER 272DW21  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 26,621	\$ 26,621	\$ -	\$ -
Administration	\$ 34,326	\$ 34,326	\$ -	\$ -
	<u>\$ 60,947</u>	<u>\$ 60,947</u>	<u>\$ -</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 60,947</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 60,947</u>
Unearned revenue from prior year	\$ -
WIOA funds received during the period	\$ 60,947
Program income	<u>\$ -</u>
Total WIOA revenue	\$ 60,947
Total expenditures	<u>\$ 60,947</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due to grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - DISLOCATED WORKERS  
 CFDA NUMBER 17.258 - CONTRACT NUMBER 272DW22  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 54,429	\$ 54,429	\$ -	\$ -
Administration	\$ 6,048	\$ -	\$ 6,048	\$ -
	<u>\$ 60,477</u>	\$ 54,429	<u>\$ 6,048</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 54,429</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 60,477</u>
WIOA funds received during the period	\$ 54,429
Program income	<u>\$ -</u>
Total WIOA revenue	\$ 54,429
Total expenditures	<u>\$ 54,429</u>
Excess of revenue over (under) expenditures	\$ 2,019
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due to grantor	<u>\$ 2,019</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - DISLOCATED WORKERS  
 CFDA NUMBER 17.277 - CONTRACT NUMBER 271DW22  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 722,107	\$ 610,004	\$ 112,103	\$ -
Adult	\$ 325,000	\$ 325,000	\$ -	
Administration	\$ 118,795	\$ -	\$ 118,795	\$ -
	<u>\$ 1,165,902</u>	<u>\$ 935,004</u>	<u>\$ 230,898</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 935,004</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ -</u>
Receivable from prior year	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>



EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - DISLOCATED WORKERS  
 CFDA NUMBER 17.277 - CONTRACT NUMBER 272DW23  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 223,314	\$ -	\$ 223,314	\$ -
Administration	\$ 24,813	\$ -	\$ 24,813	\$ -
	<u>\$ 248,127</u>	<u>\$ -</u>	<u>\$ 248,127</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ -</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 248,127.00</u>
Receivable from prior year	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - DISLOCATED WORKERS  
 CFDA NUMBER 17.277 - CONTRACT NUMBER 271DW23  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 887,139	\$ -	\$ 887,139	\$ -
Administration	\$ 98,571	\$ -	\$ 98,571	\$ -
	<u>\$ 985,710</u>	<u>\$ -</u>	<u>\$ 985,710</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ -</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 985,710.00</u>
Receivable from prior year	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - DISLOCATED WORKERS  
 CFDA NUMBER 16.812 - CONTRACT NUMBER FAW-174911

Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 675,000	\$ 94,900	\$ 580,100	\$ -
Administration	\$ 75,000	\$ -	\$ 75,000	\$ -
	<u>\$ 750,000</u>	\$ 94,900	<u>\$ 655,100</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 94,900</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 750,000.00</u>
Receivable from prior year	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - DISLOCATED WORKERS - FLOOD  
 CFDA NUMBER 17.277 - CONTRACT NUMBERS 258KT22 & 258KT23  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 9,848,438	\$ 5,395,304	\$ 4,453,134	\$ -
Administration	\$ 633,502	\$ 133,493	\$ 500,009	\$ -
	<u>\$ 10,481,940</u>	<u>\$ 5,528,797</u>	<u>\$ 4,953,143</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 5,528,797</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 10,481,940</u>
Receivable from prior year	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - DISLOCATED WORKERS - COVID-19  
 NATIONAL EMERGENCY GRANT - COVID-19  
 CFDA NUMBER 17.277 - CONTRACT NUMBER 258CV20  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers - COVID-19	\$ 137,204	\$ 137,204	\$ -	\$ -
Administration	\$ 14,519	\$ 14,519	\$ -	\$ -
	<u>\$ 151,723</u>	<u>\$ 151,723</u>	<u>\$ -</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 151,723</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 151,723</u>
Receivable from prior year	\$ -
WIOA funds received during the period	\$ 151,723
Program income	<u>\$ -</u>
Total WIOA revenue	\$ 151,723
Total expenditures	<u>\$ 151,723</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - ADULT PROGRAM  
 NATIONAL EMERGENCY GRANT - COVID-19  
 CFDA NUMBER 17.277 - CONTRACT NUMBER 258CV21  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers - COVID-19	\$ 111,943	\$ 111,943	\$ -	\$ -
Administration	\$ 10,363	\$ 10,363	\$ -	\$ -
	<u>\$ 122,306</u>	<u>\$ 122,306</u>	<u>\$ -</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 122,306</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 122,306</u>
WIOA funds received during the period	\$ 1,175,005
Program income	<u>\$ -</u>
Total WIOA revenue	\$ 1,175,005
Total expenditures	<u>\$ 122,306</u>
Excess of revenue over (under) expenditures	\$ 1,052,699
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 TRADE ADJUSTMENT ASSISTANCE  
 CFDA NUMBER 17.245 - CONTRACT NUMBER 20514BE  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Trade	\$ -	\$ -	\$ -	\$ -
Program income		\$ -		
Cost eligible for reimbursement		\$ -		

**STATUS OF FUNDS:**

Contract award available for 2023	\$ -
Receivable from prior year	\$ (8,586)
Net payment due from grantor	\$ (8,586)

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
RURUAL HEALTHCARE GRANT PROGRAM - H-1B JOB TRAINING GRANT  
CFDA NUMBER 17.268 - CONTRACT NUMBER HG-35883-21-60-A-21  
Schedule of Program Costs and Status of Funds  
Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 1,881,517	\$ 580,430	\$ 1,301,087	\$ -
Administration	\$ 69,825	\$ 25,200	\$ 44,625	\$ -
	<u>\$ 1,951,342</u>	\$ 605,630	<u>\$ 1,345,712</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 605,630</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 1,951,342</u>
Receivable from prior year	\$ -
Funds received during the period	\$ 605,630
Program income	<u>\$ -</u>
Total revenue	\$ 605,630
Total expenditures	<u>\$ 605,630</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>



EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 UNITED STATES DEPARTMENT OF AGRICULTURE  
 RURAL BUSINESS DEVELOPMENT GRANT  
 CFDA NUMBER 10.351 - CONTRACT NUMBER 20-097-610674045  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 22,098	\$ 22,098	\$ -	\$ -
Administration	\$ 4,678	\$ 4,678	\$ -	\$ -
	<u>\$ 26,776</u>	<u>\$ 26,776</u>	<u>\$ -</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 26,776</u>		

**STATUS OF FUNDS:**

Contract award available for 2022	<u>\$ 26,776</u>
Funds received during the period	\$ 76,983
Program income	<u>\$ -</u>
Total revenue	\$ 76,983
Total expenditures	<u>\$ 26,776</u>
Excess of revenue over (under) expenditures	\$ (50,207)
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 ADMINISTRATIVE OFFICE OF THE COURTS  
 FLOYD COUNTY DRUG COURT ENHANCEMENT  
 CFDA NUMBER 93.243 - CONTRACT NUMBER PON22200000308  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers-				
Addiction Recovery	\$ 148,456	\$ 24,713	\$ 123,743	\$ -
Administration	\$ 14,152	\$ 2,064	\$ 12,088	\$ -
	<u>\$ 162,608</u>	<u>\$ 26,777</u>	<u>\$ 135,831</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 26,777</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 162,608</u>
Funds received during the period	\$ 26,777
Program income	<u>\$ -</u>
Total revenue	\$ 26,777
Total expenditures	<u>\$ 26,777</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 KENTUCKY OPIOID RESPONSE EFFORT  
 CFDA NUMBER 93.788 - CONTRACT NUMBER PON27292000001703  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	<u>Budgeted Costs</u>	<u>Expenditures</u>	<u>(Over) Under Budget</u>	<u>Questioned Costs</u>
Dislocated workers- Addiction Recovery Administration	\$ 754,701	\$ 645,409	\$ 109,292	\$ -
	<u>\$ 68,182</u>	<u>\$ 68,182</u>	<u>\$ -</u>	<u>\$ -</u>
	<u><u>\$ 822,883</u></u>	<u>\$ 713,591</u>	<u><u>\$ 109,292</u></u>	<u><u>\$ -</u></u>
Program income		<u>\$ 34,000</u>		
Cost eligible for reimbursement		<u><u>\$ 679,591</u></u>		

**STATUS OF FUNDS:**

Contract award available for 2022	<u><u>\$ 822,883</u></u>
Funds received during the period	\$ 679,591
Program income	<u>\$ 34,000</u>
Total revenue	\$ 713,591
Total expenditures	<u>\$ 713,591</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due from grantor	<u><u>\$ -</u></u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 KENTUCKY AGENCY FOR SUBSTANCE ABUSE POLICY BRANCH  
 CONTRACT NUMBER ODCP-DG-2021  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	<u>Budgeted Costs</u>	<u>Expenditures</u>	<u>(Over) Under Budget</u>	<u>Questioned Costs</u>
Dislocated workers- Addiction Recovery	\$ 1,644,839	\$ 1,435,125	\$ 209,714	\$ -
Administration	\$ 80,000	\$ 80,000	\$ -	\$ -
	<u>\$ 1,724,839</u>	<u>\$ 1,515,125</u>	<u>\$ 209,714</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 1,515,125</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 1,724,839</u>
Unearned revenue from prior year	\$ -
Funds received during the period	\$ 1,515,125
Program income	<u>\$ -</u>
Total revenue	\$ 1,515,125
Total expenditures	<u>\$ 1,515,125</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Net payment due to grantor	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION/CREATE BRIDGES  
 CONTRACT NUMBER 3048113818-19-142  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 173,400	\$ -	\$ 173,400	\$ -
Administration	\$ -	\$ -	\$ -	\$ -
	<u>\$ 173,400</u>	\$ -	<u>\$ 173,400</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ -</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 173,400</u>
Contributions from prior year	\$ -
Funds received during the period	\$ -
Program income	<u>\$ -</u>
Total revenue	\$ -
Total expenditures	<u>\$ -</u>
Excess of revenue over (under) expenditures	\$ - \$ -
Less: Payments to grantor agency	<u>\$ -</u>
Contributions under expenditures for purpose	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 BEREAF PFE  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Youth - Out of school Administration	\$ 326,914	\$ 326,914	\$ -	\$ -
	\$ 281	\$ 281	\$ -	\$ -
	<u>\$ 327,195</u>	<u>\$ 327,195</u>	<u>\$ -</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 327,195</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 327,195</u>
Contributions from prior year	\$ -
Funds received during the period	\$ 327,195
Program income	<u>\$ -</u>
Total revenue	\$ 327,195
Total expenditures	<u>\$ 327,195</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Contributions under expenditures for purpose	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 BEREAS PROSPER APPALACHIA  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Youth - Out of school Administration	\$ 59,422	\$ 59,422	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	<u>\$ 59,422</u>	<u>\$ 59,422</u>	<u>\$ -</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 59,422</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 59,422</u>
Contributions from prior year	\$ -
Funds received during the period	\$ 59,422
Program income	<u>\$ -</u>
Total revenue	\$ 59,422
Total expenditures	<u>\$ 59,422</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Contributions under expenditures for purpose	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 BERE A LEAD FOR AMERICA  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Youth - Out of school Administration	\$ 11,690	\$ 3,710	\$ 7,980	\$ -
	\$ -	\$ -	\$ -	\$ -
	<u>\$ 11,690</u>	<u>\$ 3,710</u>	<u>\$ 7,980</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 3,710</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 11,690</u>
Funds received during the period	\$ 3,710
Program income	<u>\$ -</u>
Total revenue	\$ 3,710
Total expenditures	<u>\$ 3,710</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Contributions under expenditures for purpose	<u>\$ -</u>



EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 BERE A OVR  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 88,084	\$ 88,084	\$ -	\$ -
Administration	\$ -	\$ -	\$ -	\$ -
	<u>\$ 88,084</u>	<u>\$ 88,084</u>	<u>\$ -</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 88,084</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 88,084</u>
Funds received during the period	\$ 88,084
Program income	<u>\$ -</u>
Total revenue	\$ 88,084
Total expenditures	<u>\$ 88,084</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Contributions under expenditures for purpose	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 BERA SUCCESS SUMMIT  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Youth - Out of school Administration	\$ 2,292	\$ -	\$ 2,292	\$ -
	\$ -	\$ -	\$ -	\$ -
	<u>\$ 2,292</u>	<u>\$ -</u>	<u>\$ 2,292</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ -</u>		

**STATUS OF FUNDS:**

Contract award available for 2022	<u>\$ 2,292</u>
Funds received during the period	\$ -
Program income	<u>\$ -</u>
Total revenue	\$ -
Total expenditures	<u>\$ -</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Contributions under expenditures for purpose	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 FOUNDATION FOR APPALACHIAN KENTUCKY - INTERNSHIP PROGRAM  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Youth - Out of school Administration	\$ 26,602	\$ 25,087	\$ 1,515	\$ -
	\$ -	\$ -	\$ -	\$ -
	<u>\$ 26,602</u>	<u>\$ 25,087</u>	<u>\$ 1,515</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 25,087</u>		

**STATUS OF FUNDS:**

Contract award available for 2022	<u>\$ 26,602</u>
Funds received during the period	\$ 25,087
Program income	<u>\$ -</u>
Total revenue	\$ 25,087
Total expenditures	<u>\$ 25,087</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Contributions under expenditures for purpose	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
OVR IPS SUPPORTED EMPLOYMENT  
Schedule of Program Costs and Status of Funds  
Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Dislocated workers	\$ 49,643	\$ 22,530	\$ 27,113	\$ -
Administration	\$ -	\$ -	\$ -	\$ -
	<u>\$ 49,643</u>	<u>\$ 22,530</u>	<u>\$ 27,113</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 22,530</u>		

**STATUS OF FUNDS:**

Contract award available for 2022	<u>\$ 49,643</u>
Funds received during the period	\$ 22,530
Program income	<u>\$ -</u>
Total revenue	\$ 22,530
Total expenditures	<u>\$ 22,530</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Contributions under expenditures for purpose	<u>\$ -</u>

EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 TELEWORKS OUT OF AREA  
 Schedule of Program Costs and Status of Funds  
 Year Ended June 30, 2023

**PROGRAM COSTS:**

	Budgeted Costs	Expenditures	(Over) Under Budget	Questioned Costs
Adult program	\$ 306,384	\$ 178,802	\$ 127,582	\$ -
Administration	\$ -	\$ -	\$ -	\$ -
	<u>\$ 306,384</u>	<u>\$ 178,802</u>	<u>\$ 127,582</u>	<u>\$ -</u>
Program income		<u>\$ -</u>		
Cost eligible for reimbursement		<u>\$ 178,802</u>		

**STATUS OF FUNDS:**

Contract award available for 2023	<u>\$ 306,384</u>
Contributions from prior year	\$ -
Funds received during the period	\$ 178,802
Program income	<u>\$ -</u>
Total revenue	\$ 178,802
Total expenditures	<u>\$ 178,802</u>
Excess of revenue over (under) expenditures	\$ -
Less: Payments to grantor agency	<u>\$ -</u>
Contributions received over expenditures for purpose	<u>\$ -</u>

\*Budgeted cost and contract award based on contracts entered into at June 30, 2023.

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - ADULT PROGRAM  
 STATUS OF UNAUDITED FISCAL YEAR 2022 SUBRECIPIENT EXPENDITURES  
 Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Unaudited FY 2022 Expenditures at Beginning of Year		Expenditures Audited During FY 2023		Unaudited FY 2022 Expenditures at End of Year		Questioned Costs
		Adult	Dislocated Workers	Adult	Dislocated Workers	Adult	Dislocated Workers	
Big Sandy Area Community Action Program, Inc.	DTR-20001	\$ 532,018	\$ 7,722	\$ 532,018	\$ 7,722	\$ -	\$ -	\$ -
Harlan County Community Action Agency, Inc.	DTR-20005	202,941	26,677	202,941	26,677	-	-	-
Kentucky Communities Economic Opportunity Council, Inc.	DTR-20006	251,090	7,667	251,090	7,667	0	(0)	-
Northeast Kentucky Area Development Council, Inc.	DTR-20009	311,916	17,888	311,916	17,888	-	-	-
		<u>\$1,297,965</u>	<u>\$ 59,954</u>	<u>\$1,297,965</u>	<u>\$ 59,954</u>	<u>\$ 0</u>	<u>\$ (0)</u>	<u>\$ -</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - YOUTH ACTIVITIES  
 STATUS OF UNAUDITED FISCAL YEAR 2022 SUBRECIPIENT EXPENDITURES  
 Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Unaudited FY 2022 Expenditures at Beginning of Year		Expenditures Audited During FY 2023		Unaudited FY 2022 Expenditures at End of Year		Questioned Costs
		In School	Out of School	In School	Out of School	In School	Out of School	
Big Sandy Area Community Action Program, Inc.	DTR-20001	\$ 575	\$ 434,426	\$ 575	\$ 434,426	\$ -	\$ -	\$ -
Harlan County Community Action Agency, Inc.	DTR-20005	62,245	696,499	62,245	696,499	-	-	-
Kentucky Communities Economic Opportunity Council, Inc.	DTR-20006	88,752	393,916	88,752	393,916	0	-	-
Northeast Kentucky Area Development Council, Inc.	DTR-20009	12,693	344,070	12,693	344,070	-	-	-
		<u>\$ 164,265</u>	<u>\$ 1,868,911</u>	<u>\$ 164,265</u>	<u>\$ 1,868,911</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ -</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**WORKFORCE INNOVATION AND OPPORTUNITY ACT - NATIONAL EMERGENCY GRANTS**  
**STATUS OF UNAUDITED FISCAL YEAR 2022 SUBRECIPIENT EXPENDITURES**  
**Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Unaudited FY 2022 Expenditures at Beginning of Year		Expenditures Audited During FY 2023		Unaudited FY 2022 Expenditures at End of Year		Questioned Costs
		Dislocated Workers		Dislocated Workers		Dislocated Workers		
		Mining	COVID-19	Mining	COVID-19	Mining	COVID-19	
Big Sandy Area Community Action Program, Inc.	DTR-20001	\$ -	\$ 15,512	\$ 15,512		\$ -	\$ -	\$ -
Harlan County Community Action Agency, Inc.	DTR-20005	42,371	68,567	42,371	68,567	-	-	-
Northeast Kentucky Area Development Council, Inc.	DTR-20009	18,248	45,947	18,248	45,947	-	-	-
		<u>\$ 60,619</u>	<u>\$ 130,026</u>	<u>\$ 60,619</u>	<u>\$ 130,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - PROSPER APPALACHIA  
 STATUS OF UNAUDITED FISCAL YEAR 2022 SUBRECEIPIENT EXPENDITURES  
 Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Unaudited FY 2022 Expenditures at Beginning of Year		Expenditures Audited During FY 2023		Unaudited FY 2022 Expenditures at End of Year		Questioned Costs
		Berea PFE	Berea PFE	Prosper Appalachia	Berea PFE	Prosper Appalachia	Berea PFE	
Harlan County Community Action Agency, Inc.	DTR-20005	\$ 68,099	\$ 26,677	\$ 68,099	\$ 26,677	\$ -	\$ -	\$ -
Kentucky Communities Economic Opportunity Council, Inc.	DTR-20006	82,094	-	82,094	-	-	-	-
		<u>\$ 150,193</u>	<u>\$ 26,677</u>	<u>\$ 150,193</u>	<u>\$ 26,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - NATIONAL EMERGENCY GRANTS  
 STATUS OF UNAUDITED FISCAL YEAR 2022 SUBRECEIPIENT EXPENDITURES H1B - Healthcare  
 Year Ended June 30, 2023**

<u>Subrecipient</u>	<u>Subrecipient Contract Number</u>	<u>Unaudited FY 2022 Expenditures at Beginning of Year</u>	<u>Expenditures Audited During FY 2023</u>	<u>Unaudited FY 2022 Expenditures at End of Year</u>	<u>Questioned Costs</u>
Big Sandy Area Community Action Program, Inc.	DTR-20001	<u>\$ 11,995</u>	<u>\$ 11,995</u>	<u>\$ -</u>	<u>\$ -</u>
Harlan County Community Action Agency, Inc.	DTR-20005	<u>\$ 7,163</u>	<u>\$ 7,163</u>	<u>\$ -</u>	<u>\$ -</u>
		<u><u>\$ 11,995</u></u>	<u><u>\$ 11,995</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - NATIONAL EMERGENCY GRANTS  
 STATUS OF UNAUDITED FISCAL YEAR 2021 SUBRECEIPIENT EXPENDITURES  
 Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Unaudited FY 2021 Expenditures at Beginning of Year		Expenditures Audited During FY 2023		Unaudited FY 2021 Expenditures at End of Year		Questioned Costs
		Dislocated Workers		Dislocated Workers		Dislocated Workers		
		Mining	COVID-19	Mining	COVID-19	Mining	COVID-19	
Kentucky Communities Economic Opportunity Council, Inc.	DTR-19006	\$ -	\$ 12,506	\$ 12,506		\$ -	\$ -	\$ -
		<u>\$ -</u>	<u>\$ 12,506</u>	<u>\$ -</u>	<u>\$ 12,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - PROSPER APPALACHIA  
 STATUS OF UNAUDITED FISCAL YEAR 2021 SUBRECEIPIENT EXPENDITURES  
 Year Ended June 30, 2023**

<u>Subrecipient</u>	<u>Subrecipient Contract Number</u>	<u>Unaudited FY 2021 Expenditures at Beginning of Year</u>	<u>Expenditures Audited During FY 2023</u>		<u>Unaudited FY 2021 Expenditures at End of Year</u>	<u>Questioned Costs</u>
Kentucky Communities Economic Opportunity Council, Inc.	DTR-19006	\$ 2,215			\$ 2,215	\$ -
		<u>\$ 2,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,215</u>	<u>\$ -</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - ADULT PROGRAM  
 STATUS OF UNAUDITED FISCAL YEAR 2020 SUBRECEIPIENT EXPENDITURES  
 Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Unaudited FY 202 Expenditures at Beginning of Year		Expenditures Audited During FY 2023		Unaudited FY 2022 Expenditures at End of Year		Questioned Costs
		Adult	Dislocated Workers	Adult	Dislocated Workers	Adult	Dislocated Workers	
L.K.L.P. Community Action Council, Inc.	DTR-18007	\$ 611	\$ -			\$ 611	\$ -	\$ -
		<u>\$ 611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 611</u>	<u>\$ -</u>	<u>\$ -</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - YOUTH ACTIVITIES  
 STATUS OF UNAUDITED FISCAL YEAR 2020 SUBRECEIPIENT EXPENDITURES  
 Year Ended June 30, 2023**

<u>Subrecipient</u>	<u>Subrecipient Contract Number</u>	<u>Unaudited FY 2022 Expenditures at Beginning of Year Out of School</u>	<u>Expenditures Audited During FY 2023 Out of School</u>	<u>Unaudited FY 2022 Expenditures at End of Year Out of School</u>	<u>Questioned Costs</u>
Harlan County Community Action Agency, Inc.	DTR-18005	\$ 5,801		\$ 5,801	\$ -
		<u>\$ 5,801</u>	<u>\$ -</u>	<u>\$ 5,801</u>	<u>\$ -</u>

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT - NATIONAL EMERGENCY GRANTS  
 STATUS OF UNAUDITED FISCAL YEAR 2020 SUBRECEIPIENT EXPENDITURES  
 Year Ended June 30, 2023**

Subrecipient	Subrecipient Contract Number	Unaudited FY 2020 Expenditures at Beginning of Year		Expenditures Audited During FY 2023		Unaudited FY 2020 Expenditures at End of Year		Questioned Costs
		Community Impact	Mining	Community Impact	Mining	Community Impact	Mining	
Kentucky Communities Economic Opportunity Council, Inc.	18006	\$ 12,125				\$ 12,125	\$ -	\$ -
		<u>\$ 12,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,125</u>	<u>\$ -</u>	<u>\$ -</u>

**SINGLE AUDIT**



**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>Federal Grantor/ Pass-through Grantor/ Program/Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's/Contract Number</b>	<b>Accrued (Unearned) Grant Revenues "July 1, 2022</b>	<b>Grant Revenues Received</b>	<b>Program Income Refunds and Adjustments</b>	<b>Total Federal Expenditures</b>	<b>Accrued (Unearned) Grant Revenues June 30, 2023</b>
<b><u>U. S. Department of Agriculture</u></b>							
Rural Business Development Grant	10.351	20-097-610674045	50,207	\$ 76,983	\$ -	\$ 26,776	-
<b><u>U. S. Department of Justice</u></b>							
Second Chance Act Reentry Initiative	16.812	15PBJA-22-GK-04897	\$ -	\$ 94,890	\$ -	\$ 94,890	-
<b><u>U. S. Department of Labor</u></b>							
Workforce Innovation and Opportunity Act: Passed through KY Education and Workforce Development Cabinet-Career Development Office: WIOA Cluster:							
WIOA Adult Program	17.258	PON2531400002843	(642,679)	3,919,360	2,667	4,757,199	498,328
WIOA Youth Activities	17.259	PON2531400002843	1,655,799	7,482,488	2,334	6,600,581	793,209
WIOA Dislocated Workers	17.278	PON2531400002843	(733,342)	1,437,134	1,667	1,734,556	(123,940)
Passed through Kentuckiana Works:							
WIOA Youth Activities	17.259	N/A	32,420	108,383	-	87,600	11,637
			312,198	12,947,364	\$ 6,667	13,179,936	1,179,234
WIOA National Emergency Grants	17.277	PON2531400002843	6,753	-	-	-	6,753
WIOA National Emergency Grants - Eastern Kentucky Flood	17.277	258KT22	-	5,025,732	-	5,528,796	503,065
COVID 19-WIOA National Emergency Grants	17.277	258CV21	74,816	342,307	-	274,030	6,538
Trade Adjustment Assistance	17.245	PON2531400002820	8,568	-	-	-	8,568
WIOA National Emergency Grant	17.277	DW-30266-17-60-A-21	-	-	-	-	-
Rural Healthcare Grant Program H-1B							
Job Training Grant	17.268	HG-35883-21-60-A-21	42,835	594,866	-	605,630	53,599
			445,170	18,910,270	6,667	19,588,392	1,757,757
<b><u>Appalachian Regional Commission</u></b>							
Appalachian Regional Development - Eastern Kentucky Addiction Recovery and Training Passed through Kentucky Highlands Investment Corporation:							
Kentucky Highlands Empowerment Zone/ Appalachian Area Development Grant	23.001	PW-19483-IM-19	-	-	-	-	-
	23.002	N/A	(65,204)	118,703	-	177,326	(6,581)
			(65,204)	118,703	-	177,326	(6,581)

(Continued)  
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**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/ Pass-through Grantor/ Program/Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's/Contract Number</u>	<u>Accrued (Unearned) Grant Revenues "July 1, 2022</u>	<u>Grant Revenues Received</u>	<u>Program Income Refunds and Adjustments</u>	<u>Total Federal Expenditures</u>	<u>Accrued (Unearned) Grant Revenues June 30, 2023</u>
<u>Federal Grantor/ Pass-through Grantor/ Program/Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's/Contract Number</u>	<u>(Unearned) Grant Revenues "July 1, 2022</u>	<u>Grant Revenues Received</u>	<u>Income Refunds and Adjustments</u>	<u>Total Federal Expenditures</u>	<u>(Unearned) Grant Revenues June 30, 2023</u>
<b><u>Federal Awards (Continued)</u></b>							
<b><u>U.S. Department of Health and Human Services</u></b>							
Passed through Commonwealth of Kentucky Court of Justice:							
Adminstravie Office of the Courts -							
Floyd County Drug Court Enhancement Grant	93.243	PON22200000308	13,664	\$ 40,442	\$ -	\$ 26,777	(0)
State Targeted Response to Opioid Crisis Grant	93.788	PON272920000017032	124,502	817,455	9,500	723,291	20,838
			<u>138,166</u>	<u>857,897</u>	<u>9,500</u>	<u>750,068</u>	<u>20,838</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>568,339</u>	<u>20,058,742</u>	<u>16,167</u>	<u>20,637,452</u>	<u>1,772,014</u>
<b><u>STATE AWARDS</u></b>							
Kentucky Justice and Public Safety Cabinet							
Kentucky Agency for Substance Abuse Policy Branch		ODCP-DG-2021	\$ (99,839)	\$ 1,625,000	\$ 69,875	\$ 1,585,000	\$ (209,713)
<b>TOTAL AWARDS</b>			<u>468,500</u>	<u>21,683,742</u>	<u>86,042</u>	<u>22,222,452</u>	<u>1,562,301</u>

*Note 1. Basis of Presentation:* The Schedule of Expenditures of Federal and State Awards include the Federal and State Awards includes the federal and state grant activity of Eastern kentucky Concentrated Employment Program, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirments of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or ursed in the preparation of the basis financial statements.

*Note 2. Subrecipients:* Of the federal expenditures presented in this schedule, Eastern Kentucky Concentrated Employment Program, Inc. provided pass through federa; awards to subrecipients of \$9,151,545 as presented in the Notes of Financial Statements and in the supplemental information at Schedules I, II, III, V and VI. Amoujtns passed through to subrecipients were provided unde rthe following CFDA numbers:

17.258	2,684,813
17.259	4,925,647
17.278	1,131,697
17.277	1,703,764
17.268	28,823
Total subrecipients	<u>\$10,474,744</u>

*Note 3. Indirect Cost Rate.* Eastern Kentucky Concentrated Employment Program, Inc. has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



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

To the Board of Directors of  
Eastern Kentucky Concentrated Employment Program, Inc.  
Hazard, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Eastern Kentucky Concentrated Employment Program, Inc., (a nonprofit organization), which comprise the consolidated balance sheets, as of June 30, 2023, and the related notes to the financial statements, which collectively comprise EKCEP’s basic financial statements, and have issued our report thereon dated February 29, 2024.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Eastern Kentucky Concentrated Employment Program, Inc.’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 the Eastern Kentucky Concentrated Employment Program, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Caudill & Associates, CPA*

Caudill and Associates, CPA PLLC  
Certified Public Accountant

Lexington, KY  
February 29, 2024



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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Eastern Kentucky Concentrated Employment Program, Inc.  
Hazard, Kentucky

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

#### ***Opinion on Each Major Federal Program***

We have audited the Eastern Kentucky Concentrated Employment Program, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Eastern Kentucky Concentrated Employment Program, Inc.'s major federal programs for the year ended June 30, 2023. The Eastern Kentucky Concentrated Employment Program, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Eastern Kentucky Concentrated Employment Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibility of Management for Compliance***

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

### ***Auditor's Responsibility for the Audit of Compliance***

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

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

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

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

### ***Report on Internal Control over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of 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 Auditor's Responsibilities for the Audit of Compliance section and was not designed identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Caudill & Associates, CPA*

Caudill and Associates, CPA PLLC  
Certified Public Accountant

Lexington, KY  
February 29, 2024

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
HAZARD, KY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

1. The auditor’s report issued an unmodified opinion on the financial statements.
2. No material weakness or significant deficiency not identified as a material weakness was disclosed by the audit of the financial statements.
3. No material noncompliance was disclosed in the audit of the financial statements.
4. No material weakness or significant deficiency not identified as a material weakness was disclosed by the audit in internal control over major programs.
5. The auditor’s report has issued an unmodified opinion on compliance for major programs.
6. The audit did not disclose any audit findings which is required to be reported under section 200.516 of Title 2 U.S. Code of Federal Regulations, Part 200.
7. Eastern Kentucky Concentrated Employment Program, Inc. had the following major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
	Workforce Innovation and Opportunity Act:
WIOA Cluster:	WIOA Cluster:
17.258	Adult Program
17.259	Youth Activities
17.278	Dislocated Workers

8. The dollar threshold used to distinguish between major and non-major programs was \$750,000.
9. Eastern Kentucky Concentrated Employment Program, Inc. qualified as a low risk auditee under section 200.520 of Title 2 U.S. Code of Federal Regulations Part 200.



**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.  
HAZARD, KY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**(CONTINUED)**

**Findings Related to the Financial Statements:**

NONE

**Findings and Questioned Costs for Federal Awards**

NONE

**EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAM, INC.**  
**HAZARD, KY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended June 30, 2023

**No Findings:**