



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
Governor

500 Mero Street
Mayo-Underwood Building, 5th Floor
Frankfort, Kentucky 40601

Jeff Noel
Secretary

MEMORANDUM

TO: KEDFA Board Members

FROM: Kylee Palmer, Deputy Commissioner 
Department for Financial Services

DATE: October 24, 2025

SUBJECT: KEDFA Board Meeting

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **October 30, 2025**, at 10:00 a.m. (ET) through both in person attendance and video conference. The primary location for the meeting where all members can be seen and heard and the public may attend in accordance with KRS 61.826 and 61.810 will be in 133CE Hearing Room on the 1st floor at the Cabinet for Economic Development, Mayo Underwood Building, 500 Mero Street in Frankfort. While participants, media and members of the public may attend the board meeting in person at the primary location, attendees are also encouraged to join the meeting virtually and can access the video teleconference at the following link:

<https://us02web.zoom.us/j/88461831754>

If you have any questions, please feel free to contact our office at any time.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
AGENDA
October 30, 2025

PRIMARY LOCATION:

Where all members can be seen and heard and the public may attend in accordance with KRS 61.826 & 61.840
Hearing Room MUB #133CE 1st Floor
Mayo Underwood Building
500 Mero Street
Frankfort, Kentucky

ALSO AVAILABLE VIA ZOOM: <https://us02web.zoom.us/j/88461831754>

Call to Order
Notification of Press
Roll Call

Minutes

Minutes from September 25, 2025 KEDFA Board Meeting

Reports

Approved/Undisbursed Report	Krista Harrod
Financial Statements/Monitoring Reports	Krista Harrod

KEDFA IRB Project (Final)

CommonSpirit Health	Michelle Elder
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KEIA Projects (Extension)

	Craig Kelly
Heaven Hill Distilleries, Inc.	Nelson
Divine Spirits LLC	Fayette
Nova Steel USA, Inc.	Warren
Pilkington North America	Woodford
Post Glover Lifelink, Inc.	Boone
TKC Distilling Co LLC	Woodford
Whelan Machine & Tool, Inc.	Jefferson

KEIA Projects

Toyota Boshoku Kentucky, LLC	Marion	Malcolm Jollie/Cody Pennington
Advance Ready-Mix Concrete, Inc.	Jefferson	Malcolm Jollie/Cody Pennington

KBI Projects (Preliminary) & KEIA Projects

C&G Motorsports LLC	Scott	Malcolm Jollie/Breanna Dolan
Pan-Oston Co.	Warren	Ashlee Chilton/Breanna Dolan

KBI Projects (Preliminary)

Glovesafe OpCo, Inc.	Jefferson	Malcolm Jollie/Cody Pennington
Packsize, LLC	Jefferson	Ashlee Chilton/Raven Aiken

Midwest Equipment Manufacturing, Inc

Mason

Ashlee Chilton/Breanna Dolan

KBI Projects (Extension)

Raven Aiken

Nova Steel USA, Inc.	Warren
AGRI Financial Group LLC	Jefferson
KPFF, Inc.	Jefferson
UPS Supply Chain Solutions, Inc.	Bullitt
UPS Supply Chain Solutions, Inc.	Jefferson
Double D Group, LLC	Muhlenberg
RFC LLC	Shelby
J & D Distilling Company, LLC	Washington

Kentucky Angel Investment Tax Credits

Tim Back

Steven S. Reed	Bath
Ari Michael Blum	Jefferson
Paul J. Hirn	Jefferson
Herbert Douglas Geddes, Jr.	Fayette
Robert L. Johnson	Jefferson

Kentucky Small Business Tax Credits

Tim Back

Bison Services, LLC	Bracken
Bourke Accounting, LLC	Jefferson
Dark Arts Whiskey House LLC	Fayette
D C Electric of Benton, Inc.	Marshall
Exceptional Accounting PSC	Garrard
Fluid Power Services, Inc.	Hopkins
iDENTity Dental Studio, PLLC	Fayette
Jenkins & Wheatley PLLC	Jefferson
Professional Plumbing, Inc.	Jefferson
Southland Printing, Inc.	Fayette
The Big Green Cow, Inc.	Garrard

Kentucky Selling Farmer Tax Credits

Tim Back

David Coomer, Patricia Coomer, Jon Michael Coomer, and	Adair
Wanda C. Payne Testamentary Trust	Daviess
Charles Bryant, Paul Bryant, Brenda Bryant, Mary Sue	Ohio
Darryl McGaha	Adair
James E. Jones and Peggy S. Jones	LaRue

Other Business

Audit Report & Auditor's Communication	Todd Hamilton, Cherry Bekaert LLP
KSBCI Quarterly Funding Report	Peyton McElmurray
KPDI Extensions Report	Casadi Bramer
Quarterly Amendment	Chad Zimlich

Adjournment

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING September 25, 2025

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened in person and virtually at 10:00 a.m. on September 25, 2025, at the Cabinet for Economic Development, Mayo Underwood Building, Hearing Room 1st floor, 500 Mero Street in Frankfort, Kentucky.

Notification of Press

Jean R. Hale, Chairman, received verification that the media had been notified of the KEDFA regular monthly board meeting.

Roll Call

Jean R. Hale, J. Don Goodin, Executive Director Shandeep Dutta (proxy for Secretary Holly Johnson), Tucker Ballinger, Mike Cowles, Naashom Marx

Staff Present: Raven Aiken, Tim Back, Tim Bates, Joie Bieger, Ashlee Chilton, Brandon Combs, Jeanne Darby, Rachael Dever, Breanna Dolan, Ellen Felix, Joseph Gearon, Molly Green, Jason Harley, Krista Harrod, Kristen Hazlett, Malcolm Jollie, Craig Kelly, Marilyn Lebourveau, Jacob Leigh, Andy Luttner, Shannon MacDonald, Brandon Mattingly, Peyton McElmurray, Gabrielle McGee, Danielle Milbern, Scott Moseley, Nasim Moula, Jeff Noel, Andrew Osborne, Kylee Palmer, Cody Pennington, Corky Peek, Brittany Petty, Dawn Powers, Kristina Slattery, DeeAnna Sova, Brennan Tucker, Matthew Wingate, Dan Wood, Tori Wood, Colin Wright, Ashiq Zaman and Chad Zimlich

Others Present: Nicholas Lococo, Stites & Harbison; Stewart Burch, Logan Burch & Fox; Mike Kalinyak, Embry Merritt Womack Nance, PLLC; Maureen Carpenter, Barren County Economic Authority; Robert Eddington, Patriot Engineering and Environmental, Inc.; Eric Ratliff, Big Sandy Area Development District; John Kuhnash and Mike O'Connor, AI International, Inc.; Mark Carl, PDI Software; Drew Jenkins and Sierra Enlow, Cornerstone Strategies; Qudus Lawal, Anthro Energy, Inc.; Evelina Anderson, City of Scottsville; Jeff O'Brien, Louisville Metro Government; Matthew Glowicki, Courier Journal; Etain Connor, FEAM Aero; Demetria Kimball-Mehlhorn, Resource Environmental Solutions LLC; Annie Baxter, CBRE; Elizabeth Carter, MWM Consulting; Abby Fletcher and Nicole Kaforski, Greater Louisville Inc.; Amy Gerber, Cushman & Wakefield; Melinda Young and Mackenzie Meade, Cherry Bekaert; Danny O'Driscoll and Nick Campisano, Zyzo; Terry Roach, Carrollton Utilities; Erin White, Kentucky Education and Labor Cabinet; Chris Courtney, Northern Kentucky Area Development District; Brad Sowden, Winchester-Clark County Industrial Development Authority; Mohamed Yehia Talaat and Islam Youssef, Union Coating & Chemical Industries; Lonnie Gray, V-Soft Consulting; Cheryl Weiss, Falon McFarland and Gina Greathouse, Commerce Lexington Inc.; Missy Vanderpool, Henderson County Economic Development Corporation; Isai Sanchez, Louisville Economic Development Alliance; Jeff Hodges, Gray Construction; Spencer Cole Stewart, and Casey Bolton, Commonwealth Economics

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from August 28, 2025, regular KEDFA board meeting.

Naashom Marx moved to approve the minutes, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

Approved/Undisbursed Report

Chairman Hale called on Krista Harrod to review the approved/undisbursed report. After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Chairman Hale called on Krista Harrod to review the financial statements and monitoring reports. After review, the Authority accepted the statements and reports as presented.

Tax Increment Financing (TIF) Project (Preliminary)

Chairman Hale called on staff to present the TIF project for preliminary approval to the Authority.

Metro Development Authority, Inc. Jefferson County

Jason Harley

Jason Harley stated NuLu Crossing is a Signature TIF project. The project consists of 29,337 total square feet of Modern Class A office space, 34,848 total square feet of retail space, a parking garage with 587 spots, 390 apartments, 135 medium-term residences and public infrastructure improvements in Jefferson County.

The public infrastructure costs total approximately \$75.2 million and include land preparation, sewers/storm drainage, roads, provision of utilities, environmental remediation and parking. The applicant, Metro Development Authority, Inc., estimates the project will support 215 new jobs and have a combined economic impact to the area of \$1.6 billion over a 30-year period.

By granting preliminary approval, KEDFA would enable staff to begin working with the Office of State Budget Director and the Office of Financial Management to create criteria for which a consultant would review the project feasibility including financing, appropriateness for the use of the TIF program and potential increments, and whether the project represents a net positive impact to the Commonwealth. The Cabinet at its own expense may engage an independent consultant to analyze the project, to determine the potential net new revenues this project may generate for the Commonwealth.

Staff recommended preliminary approval of the TIF project.

Tucker Ballinger moved to approve the staff recommendation, as presented; Naashom Marx seconded the motion. Motion passed; unanimous.

Local Industrial Revenue Bond (IRB) Project

Chairman Hale called on staff to present the Local IRB project to the Authority.

**Mizkan America, Inc.
Daviness County**

Breanna Dolan

Breanna Dolan stated in accordance with KRS 103.210, Daviness County requested KEDFA review to approve a 75% reduction in state ad valorem tax rate. The principal amount of the IRB authorization is up to \$156,778,428 for the term of 10 years. A payment in lieu of the Tax Agreement will be required with Daviness County School District.

The KEDFA board is not making any type of determination as to the legality of the bonds to be issued by the above-referenced issuer but is only approving the reduction on the ad valorem tax rate as provided by KRS 103.200 and KRS 132.020.

Staff recommended approval of the requested percentage reduction in the state ad valorem tax rate on the industrial building and equipment proposed to be financed through the issuance of the industrial revenue bonds.

Don Goodin moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed, unanimous.

Economic Development Fund (EDF) Projects

Chairman Hale called on staff to present the EDF projects to the Authority.

**Mizkan America, Inc.
Daviness County**

Breanna Dolan

Breanna Dolan stated Mizkan America, Inc. is considering expanding its Owensboro facility as the result of the company's business growth. The company seeks to best meet the current and future needs of its customers while maintaining its position as a market leader.

Ms. Dolan stated the City of Owensboro requested the use of \$500,000 in EDF program funds for the benefit of Mizkan America, Inc. The project investment is \$156,778,428, and the proposed EDF grant funds will be used to offset the costs associated with this project. The company will be required to create 44 new, permanent, full-time jobs paying an average hourly wage of \$35.82, including benefits by December 31, 2028, and retain and create the additional jobs and wages for four (4) additional years. Disbursement of the grant funds will occur on a reimbursement basis after collateral is received, and investment begins. Repayment provisions will occur if the company fails to create or maintain jobs as outlined or fails to pay required wages as defined by the annual compliance dates.

In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the EDF for this project. Breanna Dolan stated the Secretary's concurrence had been received.

Staff recommended approval of the EDF request.

Mike Cowles moved to approve the staff recommendation, as presented; Tucker Ballinger seconded the motion. Motion passed, unanimous.

**City of Scottsville
Allen County**

Breanna Dolan

Breanna Dolan stated the City of Scottsville is considering an expansion of natural gas infrastructure to serve the Allen Springs Industrial Park. The city is experiencing unprecedented economic growth, and it is imperative that the community has access to reliable and affordable energy sources to support the development.

Ms. Dolan stated Allen County-Scottsville Industrial Development Authority requested the use of \$2,000,000 in EDF program funds for the benefit of the City of Scottsville. The project investment is \$2,000,000, and the proposed EDF grant funds will be used to offset the costs associated with this project. CED funds will be used to cover the construction cost required for the natural gas project. Staff presented the mechanism established to achieve forgiveness on the project.

In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the EDF for this project. Breanna Dolan stated the Secretary's concurrence had been received.

Staff recommended approval of the EDF request.

Mike Cowles moved to approve the staff recommendation, as presented; Don Goodin seconded the motion. Motion passed, unanimous.

**Anthro Energy, Inc.
Jefferson County**

Breanna Dolan

Breanna Dolan stated Anthro Energy, Inc. is an advanced materials company developing a scalable technology that solves the tradeoff between energy density and safety in today's batteries. The company is considering establishing a manufacturing facility in Louisville that would focus on advanced electrolyte production.

Ms. Dolan stated Louisville/Jefferson County Metro Government requested the use of \$750,000 in EDF program funds for the benefit of Anthro Energy Inc. The project investment is \$38,600,000, and the proposed EDF grant funds will be used to offset the costs associated with this project. Over the five annual compliance dates, the company will be required to create 110 new, permanent, full-time jobs paying an average hourly wage of \$39.32, including benefits. Disbursement of the grant funds will occur on a reimbursement basis after collateral is received, and investment begins. Repayment provisions will occur if the company fails to create or maintain jobs as outlined or fails to pay required wages as defined by the annual compliance dates.

In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the EDF for this project. Breanna Dolan stated the Secretary's concurrence had been received.

Staff recommended approval of the EDF request.

Tucker Ballinger moved to approve the staff recommendation, as presented; Naashom Marx seconded the motion. Motion passed, unanimous.

**Weddington Plaza Partners, LLC
Pike County**

Cody Pennington

Cody Pennington stated Weddington Plaza Partners, LLC, is in the process of renovating and restoring the Weddington Plaza Shopping Center to re-open in the near future. Due to the flooding in February 2025, the shopping center sustained major damage which directly impacted jobs and the lives of individuals in the region. Funds from the grant would be used toward flood wall repair as well as the electrical work needed to get the shopping center up and running again. The funds from this project are critical to provide access for this economic development project as well as to provide more competitive sites and to improve economic growth.

Mr. Pennington stated Big Sandy Area Development District requested the use of \$250,000 in EDF program funds for the benefit of Weddington Plaza Partners, LLC. The project investment is \$5,790,000, and the proposed EDF grant funds will be used to offset the costs associated with this project.

In accordance with the grant agreement, disbursement requests may be submitted no more than monthly, and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the EDF for this project. Cody Pennington stated the Secretary's concurrence had been received.

Staff recommended approval of the EDF request.

Don Goodin moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed, unanimous.

Kentucky Product Development Initiative (KPDI-EDF) Projects

Chairman Hale called on staff to present the KPDI-EDF projects to the Authority.

**City of Carrollton
Carroll County**

**Ashlee Chilton
Cody Pennington**

Ashlee Chilton stated the City of Carrollton and Carrollton Utilities are planning a natural gas extension to the Riverbend project site from the existing gas line on Lock Rd. In addition, the project will include a waterline extension to help increase the capacity at the project site. This will provide Carroll County and Carrollton Utilities the ability to market the property more competitively to industry leaders and will allow Carroll County and Carrollton Utilities to expand its footprint as a leading gas provider in the nation. This is a regional project with support from

Carroll and Trimble counties. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Cody Pennington stated the Northern Kentucky Area Development District, Inc. requested the use of \$3,768,942 in KPDI-EDF program funds for the benefit of the City of Carrollton. The project investment is \$4,287,172 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Cody Pennington stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

Mike Cowles moved to approve the staff recommendation, as presented; Tucker Ballinger seconded the motion. Motion passed, unanimous.

**Paducah McCracken County Industrial Development Authority
McCracken County**

**Malcolm Jollie
Peyton McElmurray**

Malcolm Jollie stated the Paducah McCracken Industrial Development Authority (IDA) is requesting KPDI-EDF funds to construct a 100,000 square foot spec building in Industrial Park West, located in the heart of McCracken County. The Paducah McCracken County Industrial Development Authority (IDA) is the public placeholder for real estate held for economic development purposes within the local community. The organization, Greater Paducah Economic Development (GPED), manages the IDA while proactively recruiting and supporting high-quality companies paying high-quality wages and benefits to the region. One of the sites GPED manages on behalf of the IDA is Industrial Park West (IPW). The park is zoned for light industrial applications, complete with all utilities, due diligence, and is within very close proximity to I-24. The proposed project is to construct a 100,000 square foot speculative building on land owned debt-free by the IDA to attract new industry or expansion of existing industry. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Peyton McElmurray stated the City of Paducah requested the use of \$2,000,000 in KPDI-EDF program funds for the benefit of the Springfield/Washington County Economic Development Authority, Inc. The project investment is \$8,000,000 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Peyton McElmurray stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

Tucker Ballinger moved to approve the staff recommendation, as presented; Don Goodin seconded the motion. Motion passed, unanimous.

**Henderson County Economic Development Corporation
Henderson County**

**Malcolm Jollie
Breanna Dolan**

Malcolm Jollie stated the Henderson County Economic Development Corporation is requesting KPDI funds to conduct a due diligence study on 60 acres of land that is located off the 425 Bypass in Henderson. Completion of the study will help position the property as competitive and ready for future site selection opportunities. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Breanna Dolan stated the City of Henderson requested the use of \$88,000 in KPDI-EDF program funds for the benefit of the Henderson County Economic Development Corporation. The project investment is \$127,800 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Breanna Dolan stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

Mike Cowles moved to approve the staff recommendation, as presented; Naashom Marx seconded the motion. Motion passed, unanimous.

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

Chairman Hale called on staff to present the KEIA extension requests to the Authority.

Craig Kelly stated 6 companies requested additional time to complete the projects and asked that all 6 be presented as one motion.

<u>Company</u>	<u>County</u>	<u>Extension</u>
Augusta Distillery Rickhouses LLC	Bracken	12 months
American Textile Company	Trigg	12 months
Bluegrass Roller Service, Inc.	Shelby	12 months
Martinrea Hopkinsville, LLC	Christian	12 months
Peristyle LLC	Woodford	12 months
Rut 'N Strut Distillery LLC	Shelby	12 months

Staff recommended approval of the KEIA extension requests.

Tucker Ballinger moved to approve the staff recommendation, as presented; Don Goodin seconded the motion. Motion passed, unanimous.

KEIA Project

Chairman Hale called on staff to present the KEIA project to the Authority.

**Wild Flavors, Inc.
Kenton County**

**Danielle Milbern
Raven Aiken**

Danielle Milbern stated Wild Flavors, Inc. is an innovative global provider of natural flavors and ingredient systems. The company is considering expanding operations at its Erlanger facility to modernize the manufacturing process and improve material flow.

Raven Aiken stated the project investment is \$24,000,000, of which \$10,200,000 qualifies as KEIA eligible costs. The approved recovery amount is \$200,000 for construction materials and building fixtures.

Staff recommended the KEIA approved recovery amount of \$200,000.

Don Goodin moved to approve the staff recommendation, as presented; Naashom Marx seconded the motion. Motion passed, unanimous.

KBI (Preliminary) and KEIA Projects

Chairman Hale called on staff to present the KBI preliminary and KEIA projects to Authority.

Infiltrator Water Technologies, LLC Clark County

**Danielle Milbern
Raven Aiken**

Danielle Milbern stated Infiltrator Water Technologies, LLC is the leading provider of engineered plastic chambers, synthetic aggregates, tanks, and accessories for the onsite wastewater and storm water industries. The company is considering expanding operations in Winchester to allow for increased product demand.

Raven Aiken stated the project investment is \$39,000,000, of which \$14,300,000 qualifies as KBI eligible costs and \$8,280,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of \$33.92 including benefits. The state wage assessment participation is 2.4% and Clark County will participate at 1%.

The project will include multiple locations within Winchester/Clark County. Only investment costs incurred at 3100 Corporate Drive will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance. The Company will be required to maintain a base employment equal to the greater of the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$400,000 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

Mike Cowles moved to approve the staff recommendation, as presented; Naashom Marx seconded the motion. Motion passed, unanimous.

Tate Access Floors, Inc. Barren County

**Corky Peek
Raven Aiken**

Corky Peek stated Tate Access Floors, Inc. is a worldwide leader in the design and manufacture of innovative raised access floors, airflow management, and infrastructure solutions for commercial and data center applications. The company is considering locating in Barren County to account for an increase in product demand.

Raven Aiken stated the project investment is \$61,200,000 of which all qualifies as KBI eligible costs and \$6,000,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 400 with an average hourly wage of \$35.00 including benefits. The state wage assessment participation is 4%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$11,000,000 and the KEIA approved recovery amount of \$300,000 for construction materials and building fixtures.

Mike Cowles moved to approve the staff recommendation, as presented; Naashom Marx seconded the motion. Motion passed, unanimous.

**AI International, Inc.
Jefferson County**

**Malcolm Jollie
Cody Pennington**

Malcolm Jollie stated AI International, Inc. is an integration services company for the material handling industry, which designs and builds conveyance systems. The company wants to expand its operations in Jefferson County.

Cody Pennington stated the project investment is \$7,509,333 of which \$7,066,460 qualifies as KBI eligible costs and \$2,257,153 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 92 with an average hourly wage of \$54.40 including benefits. The state wage assessment participation is 2.4% and Metro Louisville will participate at 1%.

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,200,000 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

Don Goodin moved to approve the staff recommendation, as presented; Tucker Ballinger seconded the motion. Motion passed, unanimous.

**Vuteq USA Inc.
Scott County**

**Malcolm Jollie
Breanna Dolan**

Malcolm Jollie stated Vuteq USA Inc., is an automotive parts supplier to various OEM's. Vuteq's KY Division, located in Georgetown, KY, was established in 1987, with glass sub-assembly as their main product. Recently, the KY Division has added additional production lines and as a result the company is planning an expansion to its manufacturing facility in Georgetown.

Breanna Dolan stated the project investment is \$26,876,490 of which \$20,200,000 qualifies as KBI eligible costs and \$12,000,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 117 with an average hourly wage of \$25.20 including benefits. The state wage assessment participation is 2.4%, the City of Georgetown will participate at 0.5% and Scott County Fiscal Court will participate at 0.5%.

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval. Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,250,000 and the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

Tucker Ballinger moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed, unanimous.

**Inked Brands, Inc.
Warren County**

**Malcolm Jollie
Breanna Dolan**

Malcolm Jollie stated Inked Brands, Inc., was founded in 2007 out of a garage with a focus on scrapbooking and crafting products. Today, the company has evolved into a diversified consumer products company with a balanced revenue coming from Mass Retail partnerships. To sustain and accelerate the company's current momentum, the company is looking to relocate to a larger location in Bowling Green.

Breanna Dolan stated the project investment is \$10,784,818 of which \$7,534,818 qualifies as KBI eligible costs and \$2,021,350 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of \$26.93 including benefits. The state wage assessment participation is 4%.

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$300,000 and the KEIA approved recovery amount of \$50,000 for construction materials and building fixtures.

Tucker Ballinger moved to approve the staff recommendation, as presented; Naashom Marx seconded the motion. Motion passed, unanimous.

KBI Projects (Preliminary)

Chairman Hale called on staff to present the KBI preliminary projects to the Authority.

**Strip Tech Solutions LLC
Jackson County**

**Brittany Petty
Cody Pennington**

Brittany Petty stated Strip Tech Solutions LLC is a new innovative paint and powder coat removal company that puts emphasis on being environmentally friendly. The company is considering a location in McKee.

Cody Pennington stated the project investment is \$1,603,171 of which \$1,465,546 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of \$17.50 including benefits. The state wage assessment participation is 4%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000.

Don Goodin moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed, unanimous.

**Union Coating & Chemical Industries
Barren County**

**Scott Moseley
Raven Aiken**

Scott Moseley stated Union Coating & Chemical Industries specializes in the manufacturing of powder coating and master batch materials, serving a wide range of industrial and architectural customers. The company is considering locating in Barren County due to an increase in product demand.

Raven Aiken stated the project investment is \$11,000,000, of which all qualifies as KBI eligible costs. The highest job target over the term of the agreement is 60 with an average hourly wage of \$25.00 including benefits. The state wage assessment participation is 4%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,100,000.

Tucker Ballinger moved to approve the staff recommendation, as presented; Naashom Marx seconded the motion. Motion passed, unanimous.

**RaNDON Auto Parts America LLC
Jefferson County**

**Scott Moseley
Raven Aiken**

Scott Moseley stated RaNDON Auto Parts America LLC is a leader in the sustainable mobility solutions industry. The company is considering opening a new facility in Jefferson County to keep up with an increased product demand.

Raven Aiken stated the project investment is \$14,702,295 of which \$6,131,435 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 10 with an average hourly wage of \$27.50 including benefits. The state wage assessment participation is 2.4% and the Louisville Metro will participate at 1%.

The project will include multiple locations within Jefferson County/Louisville. Only investment costs incurred at 6001 National Turnpike will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$150,000.

Mike Cowles moved to approve the staff recommendation, as presented; Don Goodin seconded the motion. Motion passed, unanimous.

KBI Projects (Extension)

Chairman Hale called on staff to present the KBI extension requests to the Authority.

Raven Aiken stated 5 companies requested additional time to complete the projects and asked that all 5 be presented as one motion.

Company	County	Extension
Flash Steelworks, Inc.	Bell	12 months
Summit Packaging Solutions, LLC	Boone	12 months
River View Coal, LLC	Henderson	12 months
Emerald Energy and Exploration Land Company	Magoffin	12 months
Trader Joe's East, Inc.	Simpson	12 months

Staff recommended approval of the KBI extension requests.

Tucker Ballinger moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed, unanimous.

KBI Projects (Final)

Chairman Hale called on staff to present the KBI final projects to the Authority.

Breanna Dolan stated 5 companies requested KBI final approval, all of which have modifications since preliminary approval. Ms. Dolan asked all 5 to be presented as on motion.

Modifications:

Company	County	Activity
Automotive Service Products, Inc.	Boone	Manufacturing

Total investment and eligible costs have been updated based on the current projections. State wage assessment has been updated to reflect the current rate. All other aspects of the project remain the same.

U.S. Smokeless Tobacco Company LLC	Christian	Manufacturing
Total investment and eligible costs have been updated based on the current projections. State wage assessment has been updated to reflect the current rate. All other aspects of the project remain the same.		

Jackson Purchase Distillery, LLC	Fulton	Manufacturing
Total investment and eligible costs have increased from \$8,760,000 to \$25,782,300. Jobs have increased from 30 to 54. Wages have increased from \$37.00 to \$40.00. Total negotiated tax incentive amount has increased from \$1,000,000 to \$1,800,000. State wage assessment decreased from 5% to 4%. All other aspects of the project remain the same.		

The Fechheimer Brothers Company	LaRue	Service or Technology
State wage assessment has been updated to reflect the current rate. All other aspects of the project remain the same.		

F&E Aircraft Maintenance (Miami) LLC	Boone	Service or Technology
Eligible Costs have increased from \$36,000,000 to \$38,200,000. Average hourly wage target has increased from \$38.50 to \$42.35. The job target has increased from 124 to 400. Total maximum potential incentive amount has increased from \$1,750,000 to \$5,500,000. The state wage assessment has been updated to reflect the current rate. All other aspects of the project remain the same.		

Staff recommended final approval on the KBI resolutions and tax incentive agreements and the authorization to execute and deliver the documents.

Tucker Ballinger moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed, unanimous.

Kentucky Angel Investment Act Project

Chairman Hale called on staff to present the Kentucky Angel Investment Act project to the Authority.

Tim Back stated there is 1 Kentucky Angel Investment Act project representing 1 Kentucky business and 1 investor for a total projected investment of \$50,000 with eligible tax credits of \$12,500. The investor will have 80 calendar days or until December 31, whichever comes first, in which to make the planned investment and submit proof of the investment before receiving the tax credit.

Qualified Investor	Qualified Small Business	County	Projected Investment	Potential Tax Credit
Pattie Dale Tye	Kyndly Technologies Inc	Jefferson	\$50,000	\$12,500

Don Goodin moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed, unanimous.

Kentucky Small Business Tax Credit (KSBTC) Projects

Chairman Hale called on staff to present the KSBTC projects to the Authority.

Tim Back stated there are 9 Kentucky small businesses, from 6 counties with qualifying tax credits of \$108,500. The 9 businesses created 31 jobs and invested \$367,557 in qualifying equipment and/or technology.

Mr. Back requested the following tax credits be presented as one motion.

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/Technology	Tax Credit Amount
Bluehorse, LLC	Fayette	0	1	\$20.80	\$16,000	\$3,500
Brock Family Therapy Center Inc	Jefferson	12	3	\$40.00	\$13,909	\$10,500
Dukes A&W Enterprises, LLC	Jefferson	17	4	\$22.21	\$17,280	\$14,000

Hurd Aviation LLC	Scott	20	7	\$57.35	\$64,214	\$24,500
iDS Smile Lab, LLC	Fayette	2	1	\$28.85	\$9,995	\$3,500
Inside Out Design, LLC	Franklin	11	2	\$20.61	\$119,473	\$7,000
Kenny Jones Automotive, Inc.	Jefferson	1	1	\$32.00	\$24,896	\$3,500
L&M Deliveries Inc.	Hardin	7	7	\$19.86	\$83,800	\$24,500
Northern Kentucky Home Health Care, LLC	Kenton	14	5	\$16.59	\$17,990	\$17,500

Staff recommended approval of the tax credits.

Tucker Ballinger moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed, unanimous.

Adjournment

There being no further business, Chairman Hale entered a motion to adjourn.

Mike Cowles moved to adjourn the September KEDFA board meeting; Tucker Ballinger seconded the motion. Motion passed; unanimous.

The meeting adjourned at 10:55 a.m.

**APPROVED
PRESIDING OFFICER:**

Jean R. Hale, Chairman

KEDFA APPROVED AND NOT DISBURSED

9/30/2025

Approved and Undisbursed KEDFA Projects
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Applicant	Form #	County	Date Approved	Commitment Expires	Project Amount
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KEDFA LOANS

None

KEDFA GRANTS

Bardstown Industrial Development Corporation(BIDC)	120059	Nelson	Aug-25	Dec-26	\$250,000
Madison County Fiscal Court	120074	Madison	Aug-25	Dec-26	\$119,158

SMALL BUSINESS LOANS

None

TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)-FUND E \$369,158

RURAL HOSPITAL LOANS

Trigg County Hospital, Inc.	119187	Trigg	Oct-24	Oct-25	\$1,000,000
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TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)-KRHLP FUND \$1,000,000

Approved and Partially Disbursed KEDFA Projects
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Applicant	Form #	County	Date Approved	Closing Date	Project Amount	Disbursed to Date	Remaining Balance
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KEDFA LOANS

Envision AESC Bowling Green, LLC	117498	Warren	Dec-22	Dec-29	\$116,800,000	(\$105,120,000)	\$11,680,000
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KEDFA GRANTS

None

TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)-FUND E \$11,680,000

ARC Health Systems, LLC d/b/a Bellefonte Hospital and Recovery Center	119490	Boyd	Feb-25	Feb-26	\$1,000,000	(\$251,994.43)	\$748,006
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TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)-KRHLP FUND \$748,006

TOTAL KEDFA APPROVED AND NOT DISBURSED-FUND E	<u><u>\$12,049,158</u></u>
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TOTAL KEDFA APPROVED AND NOT DISBURSED-KRHLP FUND	<u><u>\$1,748,006</u></u>
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KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF NET POSITION
9/30/2025

	FUND A	BOND FUND	Small Bus. Loan Pool	KRHLP FUND	GENERAL FUND	KEDFA 9/30/25	OOE 9/30/25	COMBINED 9/30/25
ASSETS								
Cash & Accounts Receivable								
Operating Account	91,132.09	0.00	0.00	0.00	0.00	91,132.09	0.00	91,132.09
Cash	40,185,215.54	12,200,672.41	472,032.00	3,726,476.81	0.00	56,584,396.76	0.00	56,584,396.76
Cash - Restricted	15,000,000.00	0.00	0.00	0.00	0.00	15,000,000.00	0.00	15,000,000.00
High Tech Construction Pool	0.00	0.00	0.00	0.00	0.00	0.00	137,500.00	137,500.00
High Tech Investment Pool	0.00	0.00	0.00	0.00	0.00	0.00	2,529,130.64	2,529,130.64
High Tech LGEDF Pool	0.00	0.00	0.00	0.00	0.00	0.00	4,043.88	4,043.88
Investment Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	3,087.50	0.00	0.00	0.00	3,087.50	0.00	3,087.50
Intergovernment Receivable	12,076,633.98	0.00	0.00	0.00	0.00	12,076,633.98	0.00	12,076,633.98
Total Cash & Accounts Receivable	67,352,981.61	12,203,759.91	472,032.00	3,726,476.81	0.00	83,755,250.33	2,670,674.52	86,425,924.85
Accrued Interest Receivable								
Loans	71,675.51	57.50	0.00	33,945.10	0.00	105,678.11	0.00	105,678.11
Investments	176,429.75	38,988.26	1,509.66	11,691.71	0.00	228,619.38	0.00	228,619.38
Total Accrued Interest Receivable	248,105.26	39,045.76	1,509.66	45,636.81	0.00	334,297.49	0.00	334,297.49
Notes Receivable								
Loans Receivable	358,956,114.67	34,498.75	0.00	7,979,868.20	0.00	364,970,481.62	0.00	364,970,481.62
(Allowance for Doubtful Accounts)		0.00	0.00	0.00	0.00	(2,092,153.60)	0.00	(2,092,153.60)
Total Notes Receivable	358,956,114.67	34,498.75	0.00	7,979,868.20	0.00	362,878,328.02	0.00	362,878,328.02
TOTAL ASSETS	424,557,201.54	12,277,304.42	473,541.66	11,751,981.82	0.00	448,967,875.84	2,670,674.52	449,638,550.36
DEFERRED OUTFLOWS OF RESOURCES:								
<i>Deferred Outflows Pension</i>						892,000.00	0.00	892,000.00
<i>Deferred Outflows OPEB</i>						291,000.00	0.00	291,000.00
LIABILITIES								
Accrued Salaries & Compensated Absences						389,037.79	0.00	389,037.79
Accounts Payable						33,665.56	0.00	33,665.56
Intergovernment Payable								0.00
Grants Payable						0.00	0.00	0.00
Pension Liability						9,341,000.00	0.00	9,341,000.00
OPEB Liability						550,000.00	0.00	550,000.00
TOTAL LIABILITIES						10,313,703.35	0.00	10,313,703.35
DEFERRED INFLOWS OF RESOURCES								
<i>Deferred Inflows Pension</i>						230,000.00	0.00	230,000.00
<i>Deferred Inflows OPEB</i>						586,000.00	0.00	586,000.00
NET POSITION								
Beginning Balance						436,483,653.63	2,670,674.52	439,154,328.15
Current Year Undivided Profits						537,518.86	0.00	537,518.86
TOTAL NET POSITION						437,021,172.49	2,670,674.52	439,691,847.01

NOTE 1 The Small Business Loan Pool is presented separately only for internal tracking purposes.

NOTE 2 The Office of Entrepreneurship (OOE) operating transactions are no longer under the direction of KEDFA and are not reflected above.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH ENDING AND FISCAL YTD September 30, 2025

	FUND A	BOND FUND	Small Bus Loan Pool	KRHLP FUND	GENERAL FUND	OOE FUND	FY 2024-2025 YEAR TO DATE	FY 2023-2024 YEAR TO DATE
Operating Revenues - KEDFA								
Interest Income/Loans	2,047.82	57.50	0.00	6,439.88	0.00	0.00	26,880.59	26,413.90
Interest Income/ Investments	176,429.75	38,988.26	1,509.66	11,691.71	0.00	0.00	710,125.78	792,643.70
Late Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Application Fees	76,940.77	0.00	0.00	0.00	0.00	0.00	145,272.22	254,821.38
Miscellaneous income	27,258.46	0.00	0.00	0.00	0.00	0.00	54,511.23	133,335.92
Total Operating Revenues - KEDFA	282,676.80	39,045.76	1,509.66	18,131.59	0.00	0.00	938,789.82	1,207,214.90
Operating Expenses - KEDFA								
Salaries	143,155.47						413,501.52	401,553.01
Employee benefits	93,385.81						273,706.88	284,953.71
Pension Liability Adjustment	0.00						0.00	0.00
OPEB Liability Adjustment	0.00						0.00	0.00
Other Personnel Costs	0.00						0.00	0.00
Contracted Personal Services	1,323.24						30,203.88	45,615.52
Maintenance and Repairs	0.00						0.00	0.00
Computer Services	0.00						0.00	0.00
Supplies	0.00						0.00	0.00
Miscellaneous Services	0.00						0.00	0.00
Travel	34.40						103.20	0.00
Dues	0.00						0.00	0.00
Commodities Expense	0.00						0.00	0.00
Bad Debt Expense	0.00						0.00	2,951.05
Grant Disbursement	0.00						0.00	0.00
Total Operating Expenses - KEDFA	237,898.92	0.00	0.00	0.00	0.00	0.00	717,515.48	737,238.62
Income (Loss) from Operations - KEDFA	44,777.88	39,045.76	1,509.66	18,131.59	0.00	0.00	219,274.34	469,976.28
Non-Operating Revenues (Expenses) - KEDFA								
Operating Transfer Out - General Fund							0.00	0.00
Operating Transfer Out - BSSC							0.00	0.00
Transfer Due from Bonds							0.00	0.00
Repayments Received from Projects							0.00	0.00
Grants Disbursed	(27,475.98)						(50,913.48)	(392,158.87)
Operating Transfer In - General Fund							369,158.00	1,024,505.73
Operating Transfer In - Economic Dev	0.00						0.00	0.00
Unrealized Gains/(Losses) on Investment	0.00						0.00	0.00
Realized Gains/(Losses) on Investment	0.00						0.00	0.00
Total Non-Operating Revenues (Expenses) -	(27,475.98)	0.00	0.00	0.00	0.00	0.00	318,244.52	632,346.86
CHANGE IN NET POSITION - KEDFA	17,301.90	39,045.76	1,509.66	18,131.59	0.00	0.00	537,518.86	1,102,323.14
Operating Revenues (Expenses) - OOE								
Interest Income - Loans					0.00	0.00	0.00	0.00
Misc Income					0.00	0.00	0.00	0.00
Disbursements, Projects (Note 1)							0.00	0.00
Repayments received from Projects							0.00	0.00
Non-Operating Revenues (Expenses) - OOE								
Operating Transfer in - OOE							0.00	0.00
Transfer Due from Bonds							0.00	0.00
Operating Transfer Out - OOE					0.00	0.00	0.00	0.00
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHANGE IN NET POSITION - COMBINED	17,301.90	39,045.76	1,509.66	18,131.59	0.00	0.00	537,518.86	1,102,323.14

NOTE 1 Represents disbursements for projects from OOE Funds (See OOE listings for detail of approved projects)

NOTE 2 Statement does not include interest income for OOE that is swept monthly to OOE's operating account

NOTE 3 The Small Business Loan Pool is presented separately only for internal tracking purposes

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CASH POSITION STATEMENT
9/30/2025

	<u>9/30/2024</u>	<u>9/30/2025</u>
Fund A Cash Balance	\$48,524,210.35	\$55,185,215.54
Less: Approved/Undisbursed	(12,202,691.13)	(12,076,633.98)
Total Unobligated Balance	<u>\$36,321,519.22</u>	<u>\$43,108,581.56</u>
2003 Bond Fund Cash Balance	\$12,781,449.67	\$12,200,672.41
Less: Approved/Undisbursed		
Total Unobligated Balance	<u>\$12,781,449.67</u>	<u>\$12,200,672.41</u>
Small Business Loan Fund Cash Balance	\$452,970.72	\$472,032.00
Less: Approved/Undisbursed		
Total Unobligated Balance	<u>\$452,970.72</u>	<u>\$472,032.00</u>
Kentucky Rural Hospital Loan Fund Cash Balance	\$3,455,144.01	\$3,726,476.81
Less: Approved/Undisbursed	(2,365,801.06)	(1,748,005.57)
Total Unobligated Balance	<u>\$1,089,342.95</u>	<u>\$1,978,471.24</u>
Bond Funds to be Provided for Loans		
Less: Approved/Undisbursed	0.00	0.00
Total Unobligated Balance	<u>\$0.00</u>	<u>\$0.00</u>
Budget: Cash to be Transferred to Other CED Programs	<u>\$11,680,000.00</u>	<u>\$11,680,000.00</u>
CASH AVAILABLE	<u><u>\$62,325,282.56</u></u>	<u><u>\$69,439,757.21</u></u>
OCI Fund Cash Balance		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	\$0.00
High Tech Investment Pool	\$2,529,130.64	\$2,529,130.64
Less: Approved/Undisbursed	\$0	\$0
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects		
Bond Funds Available for Projects		
Total Unobligated Balance	<u>\$2,670,675</u>	<u>\$2,670,675</u>
TOTAL ALL FUNDS	<u><u>\$64,995,957.08</u></u>	<u><u>\$72,110,431.73</u></u>

the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion (UNESCO 2003).

There are many reasons for the increase in illiteracy. One of the reasons is that the population growth rate is higher than the literacy rate. Another reason is that the quality of education is low. In many countries, the quality of education is so low that it does not help people to become literate.

There are many ways to reduce illiteracy. One way is to improve the quality of education. Another way is to provide more opportunities for people to learn. For example, people can learn through the Internet or through community centers.

It is important to reduce illiteracy because it is a barrier to economic development. Literate people can find better jobs and earn more money. They can also participate in community activities and make a difference in their communities.

There are many organizations that work to reduce illiteracy. For example, UNESCO has a program called the Global Education First Initiative. This program aims to improve the quality of education in all countries.

There are many things we can do to help reduce illiteracy. We can support organizations that work to improve education. We can also help people learn by providing them with resources and opportunities.

Reducing illiteracy is a challenge, but it is one that we must face if we want to create a better world for all people. We must work together to improve education and provide more opportunities for people to learn.

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Reducing illiteracy is a challenge, but it is one that we must face if we want to create a better world for all people. We must work together to improve education and provide more opportunities for people to learn.

**Kentucky Enterprise Initiative Act (KEIA) Projects
Fiscal Year 2026**

KEDFA Meeting date	10/30/2025
Total Projects Approved Fiscal Year-to-Date	12
Number of Proposed Projects for Current Month	4

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$6,310,000
Committed Amount	\$0
Balance Available for Current Month	\$13,690,000
Proposed Approval for Current Month	\$290,000
Balance Available for Remainder of Fiscal Year	<u>\$13,400,000</u>

Research & Development and Electronic Processing Equipment, Flight Simulation Equipment

Fiscal Year Cap	\$5,000,000
Approved Fiscal Year-to-Date	\$90,000
Committed Amount	<u> </u>
Balance Available for Current Month	\$4,910,000
Proposed Approval for Current Month	\$100,000
Balance Available for Remainder of Fiscal Year	<u>\$4,810,000</u>

KBI Summary

Updated October 14, 2025

Fiscal Year End Reporting

Year	Number of Projects	Jobs			Wages		
		Jobs Reported	Job Target	% Achieved	Average Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	\$11.42	\$11.00	104%
2011	5	269	257	105%	\$35.00	\$28.90	121%
2012	18	1,264	1,154	110%	\$25.30	\$23.23	109%
2013	58	5,908	5,395	110%	\$24.85	\$23.35	106%
2014	94	10,024	9,525	105%	\$24.85	\$22.98	108%
2015	143	14,617	13,193	111%	\$25.32	\$22.32	113%
2016	196	21,251	18,648	114%	\$25.05	\$21.79	115%
2017	245	26,094	22,070	118%	\$26.81	\$21.93	122%
2018	290	31,594	25,658	123%	\$26.24	\$21.77	121%
2019	331	35,397	29,323	121%	\$27.88	\$22.38	125%
2020	350	39,128	32,872	119%	\$29.39	\$22.96	128%
2021	363	38,092	34,419	111%	\$30.48	\$23.50	130%
2022	377	39,762	35,682	111%	\$30.60	\$23.64	129%
2023	359	40,032	33,222	120%	\$32.95	\$24.30	136%
2024	311	30,249	27,097	112%	\$34.90	\$24.47	143%
2025	59	6,644	4,536	146%	\$38.25	\$25.42	150%

Annual Maximums and Incentives Claimed

Year	Approved Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	\$5,182,833	\$4,914,663	\$2,104,094	43%
2013	\$15,611,951	\$13,992,639	\$6,601,085	47%
2014	\$27,405,836	\$23,759,875	\$13,131,631	55%
2015	\$45,896,940	\$39,276,598	\$18,084,965	46%
2016	\$40,149,248	\$35,302,751	\$20,566,525	58%
2017	\$44,952,034	\$38,751,699	\$24,998,373	65%
2018	\$52,213,284	\$44,187,234	\$30,792,479	70%
2019	\$63,643,319	\$54,223,721	\$31,005,389	57%
2020	\$57,902,165	\$50,341,228	\$30,645,775	61%
2021	\$38,108,118	\$36,698,639	\$34,991,077	95%
2022	\$32,252,377	\$31,746,160	\$35,480,384	112%
2023	\$31,370,315	\$30,216,601	\$36,139,028	120%
2024	\$31,316,914	\$29,982,048	\$21,231,478	71%
2025	\$23,826,998	\$24,453,631	\$1,608,454	7%
Grand Total	\$509,832,331	\$457,847,486	\$307,380,736	

*Notes on incentives claimed: Data is based on information provided by the Kentucky Department of Revenue

**Due to taxpayer confidentiality, years 2010-2012 were combined.

Project Update Report

October 2025

PROJECT UPDATES – PRELIMINARY APPROVAL

The following update(s) have occurred to project(s) that received preliminary approval. Please note the project(s) were not eligible for incentives because final approval did not occur.

Program	Project	County	Preliminary Approval Date	Status Update
KBI	Elevate Windows and Doors LLC	Christian	9/29/2022	Email received from Southwestern KY notifying the team that the company decided to locate elsewhere.
KBI	PPD Global Central Labs, LLC	Campbell	10/27/2022	Consultant sent an email stating that the company no longer wants to pursue KBI in Campbell County.
KBI	Western Pacific Storage Solutions Inc.	Bourbon	1/25/2024	Company sent email stating that the company no longer wants to pursue KBI in Bourbon County.

PROJECT UPDATES – FINAL APPROVAL

The following update(s) have occurred to project(s) that received final approval. Please note projects would not qualify for incentives if the project did not meet initial requirements, such as job creation, wages, investment or other, as required by the program.

Program	Project	County	Final Approval Date	Did the Project Qualify for Incentives?	Status Update
KEI	Reborn	Hopkins	3/27/2025	Yes	Withdrawn – Project Moved Elsewhere

the 1990s, the number of people with a mental health problem has increased in the UK (Mental Health Act 1983).

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a strategy for mental health care in the UK. The strategy is based on the following principles:

- People with mental health problems should be treated as individuals.
- People with mental health problems should be given the opportunity to participate in decisions about their care.
- People with mental health problems should be given the opportunity to live in their own homes.
- People with mental health problems should be given the opportunity to work and to contribute to society.

The strategy also sets out a number of objectives for the mental health services in the UK:

- To reduce the number of people with mental health problems who are admitted to hospital.
- To reduce the number of people with mental health problems who are detained in hospital.
- To reduce the number of people with mental health problems who are admitted to residential care.
- To reduce the number of people with mental health problems who are admitted to prison.

The strategy also sets out a number of actions that should be taken to achieve these objectives:

- To improve the early identification and diagnosis of mental health problems.
- To improve the treatment and care of people with mental health problems.
- To improve the support and services available to people with mental health problems.
- To improve the training and education of mental health professionals.

The strategy also sets out a number of actions that should be taken to improve the lives of people with mental health problems:

- To improve the housing of people with mental health problems.
- To improve the employment of people with mental health problems.
- To improve the social inclusion of people with mental health problems.
- To improve the quality of life of people with mental health problems.

The strategy also sets out a number of actions that should be taken to improve the mental health services in the UK:

- To improve the funding of mental health services.
- To improve the leadership and management of mental health services.
- To improve the quality of mental health services.
- To improve the research and development of mental health services.

MEMORANDUM

TO: KEDFA Board

FROM: Michelle P. Elder 
Incentive Administration Division

DATE: October 30, 2025

SUBJECT: Revenue Bonds, Series 2011B-3 (CommonSpirit Health – \$72,500,000)
– Final Resolution

Attached is a draft New Bond Issue Report related to KEDFA's proposed issuance of revenue bonds in an aggregate principal amount not to exceed \$72,500,000 on behalf of CommonSpirit Health.

The bond proceeds will be used (i) to refinance a portion of a taxable loan that refinanced on an interim basis the Authority's Revenue Bonds (Catholic Health Initiatives) Series 2011B-3 (the "2011 Bonds"); (ii) to finance the costs of the acquisition, construction, renovation, and installation of certain additions and improvements to and equipment at health care and health related facilities ("Health Care Facilities") owned and/or operated by CommonSpirit, Saint Joseph Health System, Inc., Flaget Healthcare, Inc., and/or their subsidiaries or affiliates (collectively, the "System Affiliates") and located in or near Lexington, London, and Mt. Sterling, Kentucky (collectively, the "2025 Projects"); (iii) to pay costs of issuance; and (iv) to fund a debt service reserve fund for and/or capitalized interest on, such bonds, if CommonSpirit determines it is necessary and desirable. The proceeds of the 2011 Bonds were used to pay or reimburse certain System Affiliates for, or to refinance (including the refinancing of certain commercial paper notes the proceeds of which were used to refinance on an interim basis the Authority's Variable Rate Revenue Bonds (Catholic Health Initiatives) Series 2004D), the costs of acquisition, construction, renovation and installation of certain additions and improvements to and equipment at certain Health Care Facilities owned and/or operated by certain System Affiliates and located in or near Lexington, Bardstown, London, and Mt. Sterling, Kentucky (collectively, the "Prior Projects" and together with the 2025 Projects, the "Projects").

CommonSpirit has applied to and received the legislative bodies of each of the local jurisdictions where the Health Care Facilities are or will be located a resolution or municipal order (collectively, the "Referral Resolutions") requesting the Authority to issue its industrial building revenue bonds pursuant to the Act to finance and/or refinance the Projects undertaken at the Health Care Facilities located within its respective boundaries.

If the financing is approved, KEDFA would serve as the conduit issuer of the bonds. The bonds would not constitute a general obligation of KEDFA and KEDFA would not be obligated to pay principal or interest for the bonds from its own funds.

Staff recommends KEDFA's adoption of this final resolution.

MEMORANDUM

TO: KEDFA Board Members

FROM: Craig Kelly, Senior Compliance Manager *CK*
Compliance Division

DATE: October 30, 2025

SUBJECT: KEIA Extensions

The following companies have requested additional time to complete the projects:

Company	County	Extension
Heaven Hill Distilleries, Inc.	Nelson	6 Months
Divine Spirits LLC	Fayette	12 Months
Nova Steel USA, Inc.	Warren	12 Months
Pilkington North America	Woodford	12 Months
Post Glover Lifelink, Inc.	Boone	12 Months
TKC Distilling Co LLC	Woodford	12 Months
Whelan Machine & Tool, Inc.	Jefferson	12 Months

Staff recommends approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: October 30, 2025
Approved Company: Toyota Boshoku Kentucky, LLC
City: Lebanon **County:** Marion
Activity: Manufacturing **Resolution #:** KEIA-26-120216
Bus. Dev. Contact: M. Jollie **DFS Staff:** C. Pennington

Project Description: Toyota Boshoku Kentucky, LLC is a premier manufacturer of automotive interior systems delivering world-class quality and innovation. The company is considering an expansion of its facility in Marion County.

Facility Details: Expanding existing operations

Anticipated Project Investment

Land
 Building Construction
 Electronic Processing Equipment
 Research & Development Equipment
 Flight Simulation Equipment
 Other Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$280,000
\$4,361,600	\$9,280,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$1,965,000
\$0	\$1,092,000
\$4,361,600	\$12,617,000

Ownership (20% or more):

Toyota Boshoku America, Inc. Erlanger, KY

Other State Participation:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Dec 10, 2015	KBI	Monitor	\$5,000,000

Unemployment Rate:

County: 4.8% Kentucky: 4.3%

Existing Presence in Kentucky:

Marion, Mercer, and Nelson Counties

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$150,000

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: October 30, 2025
Approved Company: C&G Motorsports LLC
City: Georgetown **County:** Scott
Activity: Manufacturing **Prelim Resolution #:** KBI-I-25-120212
Bus. Dev. Contact: C. Dodd **DFS Staff:** B. Dolan

Project Description: C&G Motorsports LLC, located in Georgetown, KY, is a growing business that focuses on building high-performance engines and superchargers for competitive motorsports - including drag racing, monster trucks, and truck and tractor pulling. To meet growing demand the company is looking to expand its operations in Georgetown.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
Land	\$124,750	\$124,750
Building/Improvements	\$1,150,000	\$1,150,000
Equipment	\$200,000	\$250,000
Other Start-up Costs	\$50,000	\$50,000
TOTAL	\$1,524,750	\$1,574,750

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$32.50	
1	10	\$32.50	\$11,000
2	10	\$32.50	\$11,000
3	10	\$32.50	\$11,000
4	10	\$32.50	\$11,000
5	10	\$32.50	\$11,000
6	10	\$32.50	\$11,000
7	10	\$32.50	\$11,000
8	10	\$32.50	\$11,000
9	10	\$32.50	\$11,000
10	10	\$32.50	\$11,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$110,000**

Incentive Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

Jason Gibson Georgetown, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 2.4%

Local: Scott County Fiscal Court 0.5%

City of Georgetown 0.5%

Unemployment Rate:

County: 3.6%

Kentucky: 4.3%

Existing Presence in Kentucky:

Scott County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval. The company reported 6 full-time employees subject to Kentucky income tax as of the application date.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: October 30, 2025
Approved Company: C&G Motorsports LLC
City: Georgetown **County:** Scott
Activity: Manufacturing **Resolution #:** KEIA-26-120214
Bus. Dev. Contact: C. Dodd **DFS Staff:** B. Dolan

Project Description: C&G Motorsports LLC, located in Georgetown, KY, is a growing business that focuses on building high-performance engines and superchargers for competitive motorsports - including drag racing, monster trucks, and truck and tractor pulling. To meet growing demand the company is looking to expand its operations in Georgetown.

Facility Details: Expanding existing operations

Anticipated Project Investment

	Eligible Costs	Total Investment
Land	\$0	\$124,750
Building Construction	\$690,000	\$1,150,000
Electronic Processing Equipment	\$0	\$0
Research & Development Equipment	\$0	\$0
Flight Simulation Equipment	\$0	\$0
Other Equipment	\$0	\$250,000
Other Start-up Costs	\$0	\$50,000
TOTAL	\$690,000	\$1,574,750

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$40,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$40,000**

See KBI file (KBI-I-25-120212) for Ownership, Other State Participation and Unemployment Rate.

the 1990s, the number of people with a mental health problem has increased in the UK (Mental Health Act 1983, 1990).

There is a growing awareness of the need to improve the lives of people with mental health problems. The UK Government has set out a strategy for mental health care in the 1990s (Department of Health 1990). The strategy is based on the following principles:

• The promotion of the mental health of the general population, and the prevention of mental illness.

• The provision of a range of services to meet the needs of people with mental health problems, including the provision of day care, residential care, and hospital care.

• The provision of services to help people with mental health problems to live in their own homes and communities.

• The provision of services to help people with mental health problems to improve their social and economic circumstances.

• The provision of services to help people with mental health problems to improve their physical health.

• The provision of services to help people with mental health problems to improve their quality of life.

• The provision of services to help people with mental health problems to improve their self-esteem.

• The provision of services to help people with mental health problems to improve their self-help skills.

• The provision of services to help people with mental health problems to improve their self-reliance.

• The provision of services to help people with mental health problems to improve their self-respect.

• The provision of services to help people with mental health problems to improve their self-worth.

• The provision of services to help people with mental health problems to improve their self-fulfilment.

• The provision of services to help people with mental health problems to improve their self-actualisation.

• The provision of services to help people with mental health problems to improve their self-identity.

• The provision of services to help people with mental health problems to improve their self-image.

• The provision of services to help people with mental health problems to improve their self-perception.

• The provision of services to help people with mental health problems to improve their self-concept.

• The provision of services to help people with mental health problems to improve their self-esteem.

• The provision of services to help people with mental health problems to improve their self-worth.

• The provision of services to help people with mental health problems to improve their self-fulfilment.

• The provision of services to help people with mental health problems to improve their self-actualisation.

• The provision of services to help people with mental health problems to improve their self-identity.

• The provision of services to help people with mental health problems to improve their self-image.

• The provision of services to help people with mental health problems to improve their self-perception.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL**

Date: October 30, 2025
Approved Company: Pan-Oston Co.
City: Bowling Green **County:** Warren
Activity: Manufacturing **Prelim Resolution #:** KBI-ID-25-120226
Bus. Dev. Contact: A. Chilton **DFS Staff:** B. Dolan

Project Description: Pan-Oston Co. has been proudly manufacturing high-quality fixtures and displays for over 50 years. The company specializes in custom metal manufacturing and fabrication, offering its partners the flexibility to design and build fixtures that perfectly fit its store environment. The company is considering an expansion of one of its Warren County locations.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

	Eligible Costs	Total Investment
Land	\$0	\$0
Building/Improvements	\$0	\$0
Equipment	\$6,000,000	\$6,000,000
Other Start-up Costs	\$0	\$0
TOTAL	\$6,000,000	\$6,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$38.68	
1	12	\$38.68	\$20,000
2	14	\$38.68	\$25,000
3	16	\$38.68	\$35,000
4	18	\$38.68	\$35,000
5	20	\$38.68	\$35,000
6	20	\$38.68	\$35,000
7	20	\$38.68	\$35,000
8	20	\$38.68	\$35,000
9	20	\$38.68	\$35,000
10	20	\$38.68	\$35,000
11	20	\$38.68	\$15,000
12	20	\$38.68	\$15,000
13	20	\$38.68	\$15,000
14	20	\$38.68	\$15,000
15	20	\$38.68	\$15,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$400,000**

the 1990s, the number of people with a diagnosis of schizophrenia has increased in many countries (1).

There is a growing awareness of the need to improve the quality of life of people with schizophrenia, and the need to address the social and psychological consequences of the illness (2).

One of the main goals of the World Health Organization (WHO) is to improve the quality of life of people with mental illness (3).

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**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: October 30, 2025
Approved Company: Pan-Oston Co.
City: Bowling Green **County:** Warren
Activity: Manufacturing **Resolution #:** KEIA-26-120229
Bus. Dev. Contact: A. Chilton **DFS Staff:** B. Dolan

Project Description: Pan-Oston Co. has been proudly manufacturing high-quality fixtures and displays for over 50 years. The company specializes in custom metal manufacturing and fabrication, offering its partners the flexibility to design and build fixtures that perfectly fit its store environment. The company is considering an expansion of one of its Warren County locations.

Facility Details: Expanding existing operations

Anticipated Project Investment

Land
 Building Construction
 Electronic Processing Equipment
 Research & Development Equipment
 Flight Simulation Equipment
 Other Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$0	\$0
\$1,812,380	\$1,812,380
\$0	\$0
\$0	\$0
\$0	\$4,187,620
\$0	\$0
\$1,812,380	\$6,000,000

Approved Recovery Amount:

R&D and/or Electronic Processing Equipment: \$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$100,000

See KBI file (KBI-ID-25-120226) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: October 30, 2025
Approved Company: Glovesafe OpCo, Inc.
City: Louisville **County:** Jefferson
Activity: Manufacturing **Prelim Resolution #:** KBI-IL-25-120211
Bus. Dev. Contact: M. Jollie **DFS Staff:** C. Pennington

Project Description: Glovesafe OpCo, Inc. (GLVUS) is a company dedicated to manufacturing premium sterile surgical gloves for the U.S. healthcare market. The mission is to become the first US domestic producer of high-quality sterile surgical gloves, strengthening the national PPE supply chain and reducing costs for healthcare providers. The company is considering a location in Louisville.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased
 Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$2,522,050	\$5,044,100
\$0	\$0
\$200,000	\$750,000
\$50,000	\$50,000
\$2,772,050	\$5,844,100

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$28.94	
1	42	\$28.94	\$50,000
2	62	\$28.94	\$80,000
3	85	\$28.94	\$110,000
4	100	\$28.94	\$130,000
5	110	\$28.94	\$150,000
6	120	\$28.94	\$180,000
7	140	\$28.94	\$200,000
8	160	\$28.94	\$220,000
9	180	\$28.94	\$240,000
10	200	\$28.94	\$240,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,600,000

Incentive Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

Matthew Griffin
Byron R Lewis

Andover, England
Louisville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 2.4%
Local: 1% Metro Louisville

Unemployment Rate:

County: 4.1%

Kentucky: 4.3%

Existing Presence in Kentucky: None

Special Conditions: None

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL**

Date: October 30, 2025
Approved Company: Packsize, LLC
City: Louisville **County:** Jefferson
Activity: Manufacturing **Prelim Resolution #:** KBI-IL-25-120228
Bus. Dev. Contact: S. Moseley **DFS Staff:** R. Aiken

Project Description: Packsize, LLC is a market leader in sustainable, right-sized, on-demand packaging. The company is considering expanding operations at its Jefferson County facility to meet increased market demand.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
Rent	\$9,372,065	\$18,744,130
Building/Improvements	\$8,462,004	\$8,462,004
Equipment	\$220,000	\$850,946
Other Start-up Costs	\$1,877,709	\$1,877,709
TOTAL	\$19,931,778	\$29,934,790

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	11	\$39.86	
1	11	\$39.86	\$22,000
2	21	\$39.86	\$42,000
3	21	\$39.86	\$42,000
4	21	\$39.86	\$42,000
5	21	\$39.86	\$42,000
6	21	\$39.86	\$42,000
7	21	\$39.86	\$42,000
8	21	\$39.86	\$42,000
9	21	\$39.86	\$42,000
10	21	\$39.86	\$42,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$400,000**

Incentive Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

Ralf Hanko Kiessner Salt Lake City, Utah
Laura Kiessner Salt Lake City, Utah

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 2.4%
Local: 1% Louisville Metro

Unemployment Rate:

County: 4.1% Kentucky: 4.3%

Existing Presence in Kentucky:

Jefferson County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval. The company reported 99 full-time employees subject to Kentucky income tax as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: October 30, 2025
Approved Company: Midwest Equipment Manufacturing, Inc
City: Maysville **County:** Mason
Activity: Manufacturing **Prelim Resolution #:** KBI-I-25-120227
Bus. Dev. Contact: A. Chilton **DFS Staff:** B. Dolan

Project Description: Midwest Equipment Manufacturing, Inc. is a growing, family-owned enterprise that is committed to producing high-quality, American-made equipment. The company is looking to expand into Kentucky and establishing a manufacturing facility in Maysville.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

	Eligible Costs	Total Investment
Land	\$0	\$0
Building/Improvements	\$2,500,000	\$2,500,000
Equipment	\$12,300,000	\$12,300,000
Other Start-up Costs	\$200,000	\$200,000
TOTAL	\$15,000,000	\$15,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	15	\$21.87	
1	22	\$21.87	\$30,000
2	35	\$21.87	\$50,000
3	42	\$21.87	\$50,000
4	51	\$21.87	\$50,000
5	53	\$21.87	\$60,000
6	55	\$21.87	\$60,000
7	57	\$21.87	\$60,000
8	59	\$21.87	\$80,000
9	61	\$21.87	\$80,000
10	66	\$21.87	\$80,000
11	66	\$21.87	\$80,000
12	66	\$21.87	\$80,000
13	66	\$21.87	\$80,000
14	66	\$21.87	\$80,000
15	66	\$21.87	\$80,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$1,000,000**

Incentive Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Ownership (20% or more):

Dan Kallevig Humacao, Puerto Rico
Renee Kallevig Humacao, Puerto Rico

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 4.0%

Unemployment Rate:

County: 5.6%

Kentucky: 4.3%

Existing Presence in Kentucky: None

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval. The company reported 16 full-time employees subject to Kentucky income tax as of the application date.

MEMORANDUM

TO: KEDFA Board Members
FROM: Raven Aiken *RA*
Program Administration Division
DATE: October 30, 2025
SUBJECT: KBI Extensions

The following companies have previously received KBI preliminary approval and are requesting approval of a time extension:

Company	COUNTY	EXTENSION
Nova Steel USA, Inc.	Warren	3 Month
AGRI Financial Group LLC	Jefferson	3 Month
KPFF, Inc.	Jefferson	12 Month
UPS Supply Chain Solutions, Inc.	Bullitt	12 Month
UPS Supply Chain Solutions, Inc.	Jefferson	12 Month
Double D Group, LLC	Muhlenberg	12 Month
RFC LLC	Shelby	12 Month
J & D Distilling Company, LLC	Washington	12 Month

Staff recommends approval.

Extension Chart - KBI Prelim

Generated By:

Raven Aiken

Kentucky Cabinet for Economic Development

9/14/2025 9:23 AM

Program: Program Name	FI County	Location Type	New Jobs Projected	Preliminary Approval Date	Prelim Incentive Amount	Prelim Total Estimated Costs
UPS Supply Chain Solutions, Inc.	Bullitt		121	10/27/2022	\$ 3,500,000	\$ 178,509,210
AGRI Financial Group LLC	Jefferson	Existing	245	10/28/2021	\$ 1,800,000	\$ 2,709,482
UPS Supply Chain Solutions, Inc.	Jefferson		315	10/27/2022	\$ 9,500,000	\$ 155,509,210
KPFF, Inc.	Jefferson	New	20	10/27/2022	\$ 300,000	\$ 2,770,500
Double D Group, LLC	Muhlenberg		200	10/27/2022	\$ 3,000,000	\$ 41,500,000
RFC LLC	Shelby	Existing	50	10/28/2021	\$ 1,290,000	\$ 34,600,000
Nova Steel USA, Inc.	Warren	New	110	10/29/2020	\$ 2,000,000	\$ 70,000,000
J & D Distilling Company, LLC	Washington	New	25	10/27/2022	\$ 450,000	\$ 30,404,000
Grand Total (8 records)						

the 1990s, the number of people with a mental health problem has increased in the UK (Mental Health Act 1983).

There is a growing awareness of the need to improve the lives of people with mental health problems. The UK Government has set out a strategy for mental health care in the 21st century (Department of Health 1999). The strategy is based on the following principles:

- People with mental health problems should be given the opportunity to live as fully as possible in their own homes and communities.
- People with mental health problems should be given the opportunity to participate in decisions about their care and treatment.
- People with mental health problems should be given the opportunity to live a normal life.

The strategy is based on the following principles: people with mental health problems should be given the opportunity to live as fully as possible in their own homes and communities.

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Kentucky Angel Investment Tax Credit Projects Report

October 2025

Qualified Investor	Qualified Small Business	County	Projected Investment	Potential Tax Credit
Steven S. Reed	BlackBox Energy Systems, LLC	Bath	\$200,000	\$80,000
Ari Michael Blum	Immersive Audiology, Inc	Jefferson	\$50,000	\$12,500
Paul J. Hirn	Immersive Audiology, Inc	Jefferson	\$50,000	\$12,500
Herbert Douglas Geddes, Jr.	Parasight System Inc.	Fayette	\$350,000	\$87,500
Robert L. Johnson	Prevail Wellbeing, Inc.	Jefferson	\$35,000	\$8,750
5 Projects	4	3	\$685,000	\$201,250
5 Investors				

Note: For each calendar year, the total amount of tax credits available for the Kentucky Angel Investment Act program shall not exceed \$3,000,000. The total amount of tax credits approved for an individual Qualified Investor in a calendar year shall not exceed \$200,000 in aggregate.

Projected Credits - To Date	(\$1,842,500)
Reclaimed Credits	\$62,500
Net Obligated Credits	(\$1,780,000)
Credit Limit	\$3,000,000
Net Obligated Credits	(\$1,780,000)
Remaining Credits	\$1,220,000

Kentucky Small Business Tax Credit (KSBTC) Projects Report October 2025

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/Technology	Tax Credit Amount
Bison Services, LLC	Bracken	11	1	\$26.00	\$12,860	\$3,500
Bourke Accounting, LLC	Jefferson	9	1	\$23.07	\$6,733	\$3,500
Dark Arts Whiskey House LLC	Fayette	0	3	\$37.20	\$19,274	\$10,500
D C Electric of Benton, Inc.	Marshall	32	4	\$21.77	\$39,564	\$14,000
Exceptional Accounting PSC	Garrard	0	2	\$19.43	\$8,132	\$7,000
Fluid Power Services, Inc.	Hopkins	20	2	\$30.75	\$33,254	\$7,000
iDENTity Dental Studio, PLLC	Fayette	6	2	\$48.10	\$249,000	\$7,000
Jenkins & Wheatley PLLC	Jefferson	3	1	\$28.85	\$5,135	\$3,500
Professional Plumbing, Inc.	Jefferson	16	2	\$21.75	\$44,879	\$7,000
Southland Printing, Inc.	Fayette	16	3	\$18.83	\$12,835	\$10,500
The Big Green Cow, Inc.	Garrard	16	6	\$15.43	\$148,082	\$21,000
11	6		27	Total	\$579,748	\$94,500

Note: The tax credit amount will be equal to the lesser of \$3,500 per eligible position or the total eligible qualifying equipment/technology amount, with a maximum tax credit of \$25,000 per applicant for each calendar year. Per KRS 154.60-020, the total sum of tax credits awarded for Kentucky Small Business Tax Credit (KSBTC) and Kentucky Selling Farmer Tax Credit (KSFTC) projects in each state fiscal year shall be capped at \$3,000,000.

Fiscal Year Credit Limit	\$3,000,000
FYTD KSBTC Approvals	\$257,000
FYTD KSFTC Approvals	\$0
Current KSBTC Request	\$94,500
Current KSFTC Request	\$133,215
Remaining FY Credits	\$2,515,285

the 1990s, the number of people in the world who are illiterate has increased from 1.1 billion to 1.2 billion.

It is not surprising that the illiterate population has increased in the last decade. The reason is that the population of the world has increased by 1.2 billion people in the last decade.

The illiterate population has increased in the last decade because the population of the world has increased by 1.2 billion people in the last decade.

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Kentucky Selling Farmer Tax Credit (KSFTC) Projects Report October 2025

Selling Farmer	County	Buyer Type	Qualifying Agricultural Assets	Tax Credit Amount
David Coomer, Patricia Coomer, Jon Michael Coomer, and Parrish Paul	Adair	Beginning Farmer	\$644,300	\$32,215
Wanda C. Payne Testamentary Trust	Daviess	Beginning Farmer	\$4,106,162	\$50,000
Charles Bryant, Paul Bryant, Brenda Bryant, Mary Sue Pauley, and Randolph Pauley	Ohio	Beginning Farmer	\$380,000	\$19,000
Darryl McGaha	Adair	Actively Engaged Farmer	\$140,000	\$7,000
James E. Jones and Peggy S. Jones	LaRue	Actively Engaged Farmer	\$1,200,000	\$25,000
5	4		\$6,470,462	\$133,215

Note: The tax credit amount will be equal to 5% of the total qualifying agricultural assets amount, with a maximum tax credit of \$25,000 per applicant for each calendar year and \$100,000 lifetime for sales to Actively Engaged Farmers, and \$50,000 per applicant for each calendar year and \$200,000 lifetime for sales to Beginning Farmers. Per KRS 154.60-020, the total sum of tax credits awarded for Kentucky Small Business Tax Credit (KSBTC) and Kentucky Selling Farmer Tax Credit (KSFTC) projects in each state fiscal year shall be capped at \$3,000,000.

Fiscal Year Credit Limit	\$3,000,000
FYTD KSBTC Approvals	\$257,000
FYTD KSFTC Approvals	\$0
Current KSBTC Request	\$94,500
Current KSFTC Request	\$133,215
Remaining FY Credits	\$2,515,285

the 1990s, the number of people in the world who are living in poverty has increased from 1.1 billion to 1.5 billion (World Bank 2000).

There are a number of reasons for this increase in poverty. One of the main reasons is the rapid population growth in the developing countries. The population of the world is expected to reach 8 billion by the year 2025 (United Nations 2000). This rapid population growth is putting a tremendous pressure on the natural resources of the world.

Another reason for the increase in poverty is the rapid technological change in the developed countries. The rapid technological change is creating a large number of jobs in the developed countries, but it is also creating a large number of jobs in the developing countries. The rapid technological change is also creating a large number of jobs in the developing countries, but it is also creating a large number of jobs in the developed countries.

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Kentucky Economic Development
Finance Authority
Audit Executive Summary

October 1, 2025



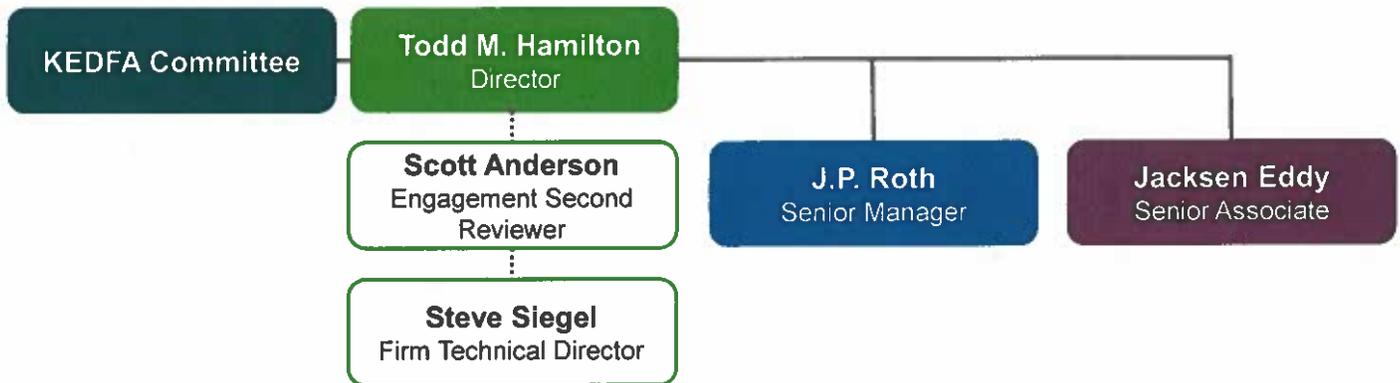
Agenda

- ▶ Client Service Team
- ▶ Results of the Audit
- ▶ Internal Control Communication
- ▶ Corrected and Uncorrected Misstatements
- ▶ Qualitative Aspects of Accounting Practices
- ▶ Independence Considerations
- ▶ Other Required Communications
- ▶ Other Matters

This information is intended solely for the Kentucky Economic Development Finance Authority Committee and management, and is not intended to be, and should not be, used by anyone other than these specified parties.



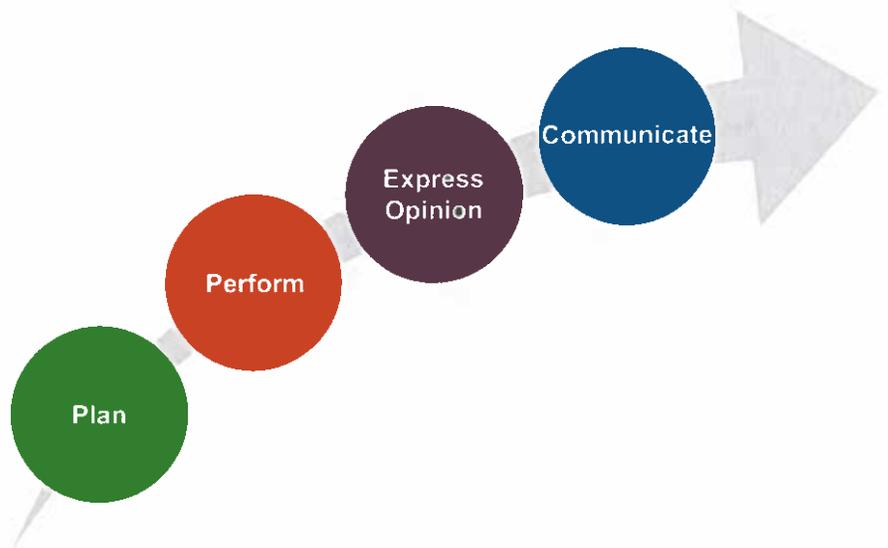
Client Service Team



Results of the Audit

We have audited the financial statements of the Kentucky Economic Development Finance Authority ("KEDFA" or the "Authority") as of and for the year ended June 30, 2025, and we have issued our report thereon dated October 1, 2025.

We have issued an unmodified opinion on the financial statements.



Internal Control Communication

In planning and performing our audit, we considered internal control over financial reporting ("internal control") as a basis for designing 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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.



Internal Control Communication

Material Weakness

- ▶ 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 Authority's financial statements will not be prevented, or detected and corrected, on a timely basis.

Significant Deficiency

- ▶ 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.

We did not identify any control deficiencies that we believe to be material weaknesses.



Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Corrected Misstatements

▶ No corrected misstatements identified in conjunction with our 2025 audit engagement.

Uncorrected Misstatements

▶ No uncorrected misstatements identified in conjunction with our 2025 audit engagement.

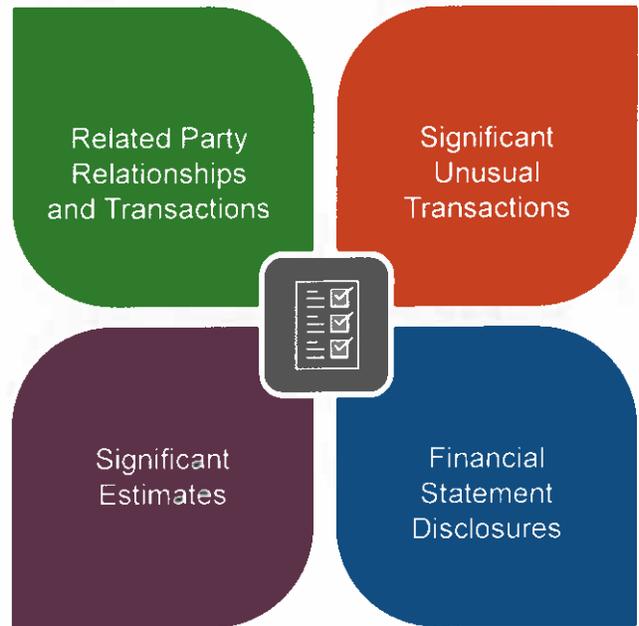


Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements.

The Authority adopted Governmental Accounting Standards Board Statement No. 1, *Compensated Absences*, effective July 1, 2024.

Otherwise, no new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no inappropriate accounting policies or practices.

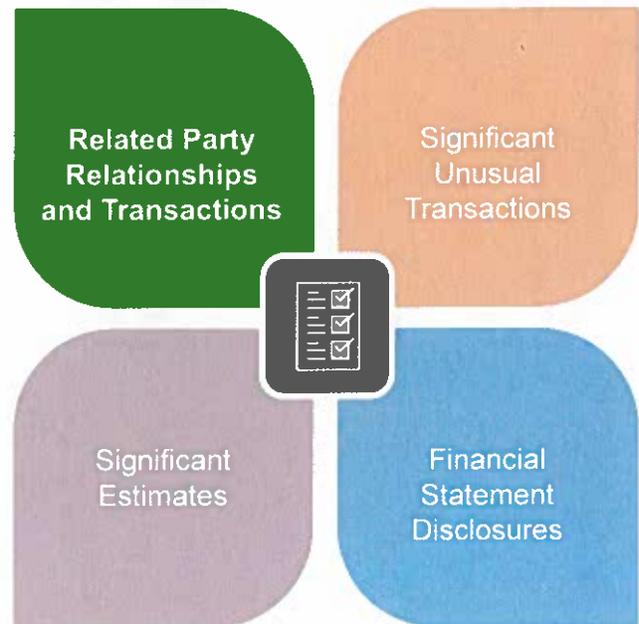


Qualitative Aspects of Accounting Practices

As part of our audit, we evaluated the Authority's identification of, accounting for, and disclosure of the Authority's relationships and transactions with related parties as required by professional standards.

We noted none of the following:

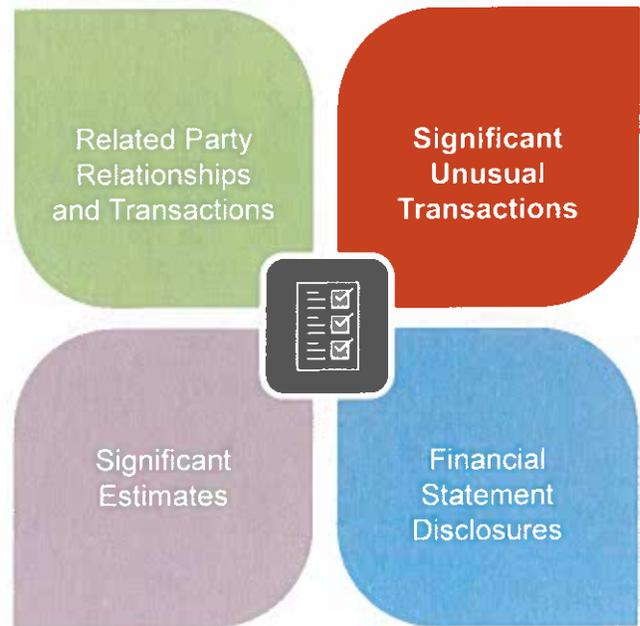
- Related parties or related party relationships or transactions that were previously undisclosed to us;
- Significant related party transactions that have not been approved in accordance with the Authority's policies or procedures or for which exceptions to the Authority's policies or procedures were granted;
- Significant related party transactions that appeared to lack a business purpose;
- Non-compliance with applicable laws or regulations prohibiting or restricting specific types of related party transactions; and
- Difficulties in identifying the party that ultimately controls the Authority.



Qualitative Aspects of Accounting Practices

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

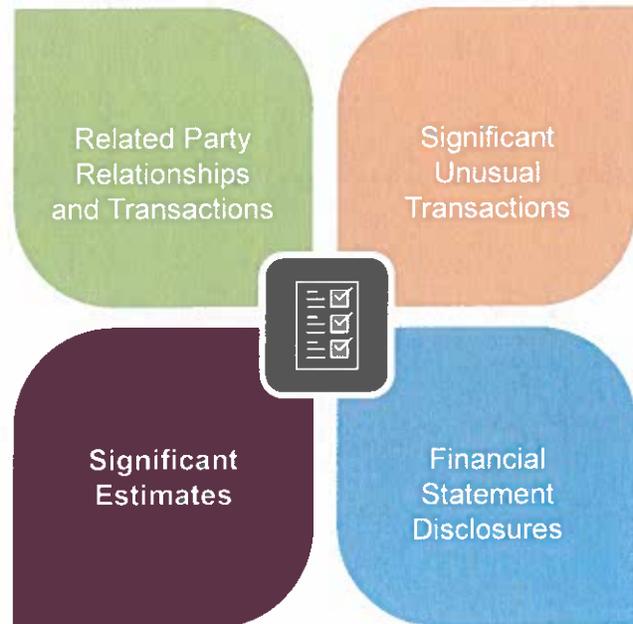
For purposes of this presentation, professional standards define significant unusual transactions as transactions that are outside the normal course of business for the Authority or that otherwise appear to be unusual due to their timing, size, or nature. We noted no significant unusual transactions during our audit.



Qualitative Aspects of Accounting Practices

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements relate to the following:

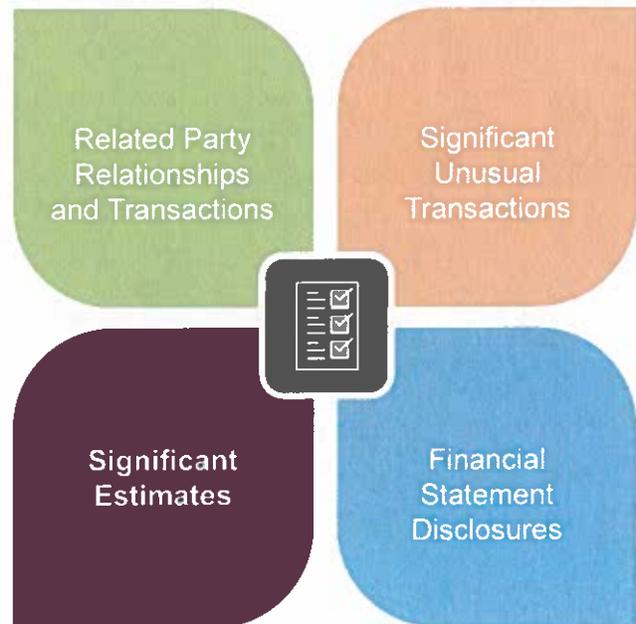
- The Authority provides a valuation allowance for estimated losses on loans receivable when any significant impairment in the realization of the respective loan has occurred. Each of the respective loans are reviewed by the Authority on a regular basis and placed on non-accrual status when the loan is 90 days or more past due and/or the collection of principal or interest is unlikely.
- The June 30, 2025 net pension liability has been measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's liability with respect to its estimated proportionate share of the collective net pension liability has been estimated at .08% (as rounded).



Qualitative Aspects of Accounting Practices

- The June 30, 2025 net other postemployment benefits ("OPEB") liability has been measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's liability with respect to its estimated proportionate share of the collective net OPEB liability has been estimated at .08% (as rounded).

We evaluated the key factors and assumptions used to develop the accounting estimates in determining that such estimates are reasonable in relation to the financial statements taken as a whole.

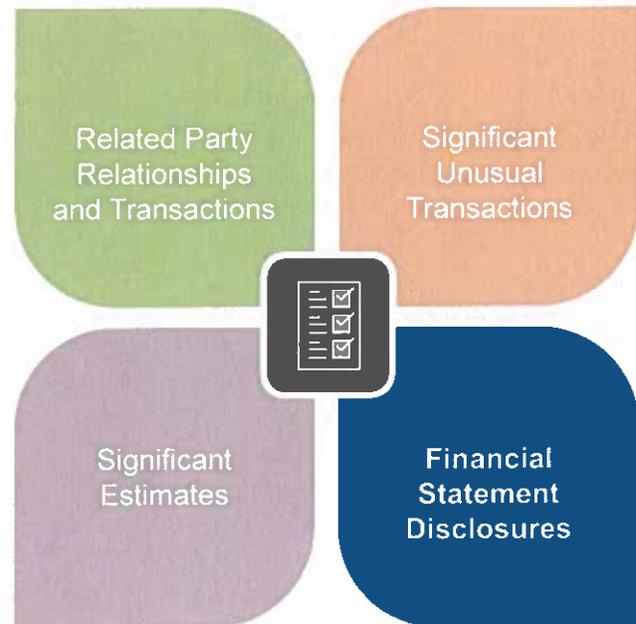


Qualitative Aspects of Accounting Practices

The financial statement disclosures are neutral, consistent, and clear.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements relate to the following:

- Loans receivable (Note 5)
- Compensated absences (Note 6)
- Restricted net position (Note 7)
- Payments from the Commonwealth (Note 8)
- Retirement plans (Note 9)
- Other postemployment benefits (Note 10)
- Commitments (Note 11)



Independence Considerations

Non-attest Services

- ▶ We facilitated the preparation of (assisted with drafting) the financial statements, the notes to the financial statements, and the required supplemental information.
- ▶ For all non-attest services we perform, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.

Independence Conclusion

- ▶ We are not aware of any other circumstances or relationships that create threats to auditor independence.
- ▶ We are independent of the Authority and have met our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.



Other Required Communications

Difficulties Encountered

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements With Management

Includes disagreements on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Auditor Consultations

We noted no matters that are difficult or contentious for which the auditor consulted outside the engagement team.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 1, 2025.



Other Required Communications

Management Consultations

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations.

To our knowledge, there were no such consultations with other accountants.

Other Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year.

These discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Fraud, Illegal Acts, and Violations

No fraud, illegal acts, or violations of laws or regulations noted.

Going Concern

No events or conditions noted that indicate substantial doubt about the Authority's ability to continue as a going concern.



Other Matters

Required Supplementary Information

We have applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.



Questions

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Director

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502.882.4458

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KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Years Ended June 30, 2025 and 2024

And Report of Independent Auditor

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
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Report of Independent Auditor

To the Committee Members
Kentucky Economic Development Finance Authority
Frankfort, Kentucky

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Kentucky Economic Development Finance Authority (the Authority), a component unit of the Commonwealth of Kentucky, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as of June 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 and *Government 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 the Authority'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 the Authority'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the other required supplementary information, as listed in the table of contents, 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2025, on our consideration of the Authority'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Louisville, Kentucky
October 1, 2025

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Kentucky Economic Development Finance Authority (Authority), a component unit of the Commonwealth of Kentucky (Commonwealth), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial performance of the Authority for the fiscal years ended June 30, 2025 and 2024. We encourage readers to read it in conjunction with the Authority's financial statements and the accompanying notes thereto.

Financial Highlights

- Cash and cash equivalents increased \$8,643,207 (13.1%)
- Intergovernment receivables decreased \$1,041,419 (8.1%)
- Net loans receivable decreased \$7,015,143 (1.9%)
- Net pension liability decreased \$999,000 (9.7%)
- Net other postemployment benefits liability decreased \$81,000 (12.8%)
- Net position increased \$2,112,627 (0.5%)
- Operating revenues increased \$202,220 (20.0%)
- Operating expenses increased \$38,802 (0.6%)
- Loss from operations decreased \$163,418 (3.0%)
- Net non-operating revenues increased \$861,708 (13.1%)

Overview of the Financial Statements

This financial report consists of three parts: Management's Discussion and Analysis (this section), the financial statements, and the accompanying notes to the financial statements. The Kentucky Economic Development Finance Authority (Authority) is a self-supporting entity and follows enterprise fund reporting. Accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The enterprise fund statements offer short and long-term financial information about the activities and operations of the Authority. Such statements are presented in a manner similar to those of a private business.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows provides relevant information about the cash receipts and cash payments of the Authority during the fiscal year. The statement of cash flows should help users assess the Authority's ability to generate future net cash flows, meet future obligations/commitments as they become due, the Authority's need for future external financing, the reasons for differences in operating and related cash receipts and cash payments, and the effects on financial position of cash and non-cash investing, capital, non-capital, and financing activities.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13-35.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Authority

Condensed Financial Information (in thousands) Statement of Net Position June 30

	2025	Percentage Increase (Decrease)	2024	Percentage Increase (Decrease)	2023
Current assets	\$ 78,921	0.5%	\$ 78,541	-16.5%	\$ 94,020
Non-current assets	370,181	0.1%	369,950	4.3%	354,764
Total Assets	449,102	0.1%	448,491	-0.1%	448,784
Deferred outflows of resources	1,183	-15.8%	1,405	-17.2%	1,697
Current liabilities	336	48.0%	227	7.1%	212
Non-current liabilities	9,979	-9.9%	11,071	-18.8%	13,639
Total Liabilities	10,315	-8.7%	11,298	-18.4%	13,851
Deferred inflows of resources	816	-47.6%	1,556	130.2%	676
Restricted	28,855	17.0%	24,667	3.8%	23,771
Unrestricted	410,299	-0.5%	412,375	0.0%	412,183
Total Net Position	\$ 439,154	0.5%	\$ 437,042	0.2%	\$ 435,954

Total assets consist primarily of cash/cash equivalents, intergovernment receivables, and net loans receivable.

During 2025, the Authority's cash/cash equivalents increased \$8,643,207 largely as a result of the repayment of program loans (\$5,253,324) and the amounts received from the Commonwealth (\$5,693,437). During 2024, the Authority's cash/cash equivalents increased \$9,637,555 largely as a result of the repayment of program loans (\$6,321,592) and the additional cash flows from income from investments (\$1,387,103). During 2023, the Authority's cash/cash equivalents increased \$18,550,856 largely as a result of the portion of the payments from the Commonwealth (\$15,000,000) attributable to the funding returned to the Authority during 2023 to facilitate a private sector "investment" pursuant to 2017 Regular Session House Bill 482.

As of June 30, 2025, 2024, and 2023, the Authority had approved program loans, grants, and High-Tech Construction and Investment Pool projects, funding for which had not yet been received as of year-end from prior authorizations made available by the Kentucky legislature. Accordingly, the accompanying statements of net position reflect intergovernment receivables as of year-end. See Notes 7 and 8 to the financial statements for additional information.

During 2025, 2024, and 2023, repayments of program loans totaled \$5,253,324, \$6,321,592, and \$4,947,096, respectively. During 2025, the Authority issued program loans totaling \$2,605,272. During 2024, the Authority issued program loans totaling \$25,394,728, \$25,000,000 of which relates to potentially forgivable loans. During 2023, the Authority issued program loans totaling \$334,353,097, \$330,120,000 of which relates to potentially forgivable loans. At June 30, 2025, 2024, 2023, the allowance for loan losses totaled \$2,092,153.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Authority (Continued)

Total liabilities generally consist of accounts payable attributable to general operating expenses, accrued payroll expenses, compensated absences (classified between the current and non-current portions), the net pension liability (a non-current liability), and the net other postemployment benefits liability (a non-current liability).

Accrued payroll expenses remained relatively consistent between 2025 and 2024 (decreased \$2,158). Accrued payroll expenses also remained relatively consistent between 2024 and 2023 (increased \$11,805) and between 2023 and 2022 (decreased \$722).

Compensated absences increased \$67,611 between 2025 and 2024 principally due to the impact of the liability for accrued sick leave at June 30, 2025 (\$87,537) pursuant to the adoption of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, effective July 1, 2024. Compensated absences remained relatively consistent between 2024 and 2023 (increased \$7,320). The \$38,363 decrease in compensated absences between 2023 and 2022 is principally attributable to the fact that one employee's balance of annual and compensatory leave totaled \$48,666 at June 30, 2022 (at June 30, 2023, that employee was no longer on the Authority's payroll).

The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, as of and for the year ended June 30, 2015. At June 30, 2025, 2024, and 2023, the Authority's liability with respect to its estimated proportionate share of the collective net pension liability totals \$9,341,000, \$10,340,000, and \$11,662,000, respectively. The \$999,000 decrease in the net pension liability from 2024 to 2025 largely represents the impact of the decrease in the Authority's estimated proportionate share from .083936% at June 30, 2024 to .077525% at June 30, 2025. The \$1,322,000 decrease in the net pension liability from 2023 to 2024 largely represents the impact of the decrease in the Authority's estimated proportionate share from .087904% at June 30, 2023 to .083936% at June 30, 2024. The \$279,000 decrease in the net pension liability from 2022 to 2023 largely represents the impact of the decrease in the Authority's estimated proportionate share from .089664% at June 30, 2022 to .087904% at June 30, 2023.

The Authority adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Statement No. 75)*, as of and for the year ended June 30, 2018. At June 30, 2025, 2024, and 2023, the Authority's liability with respect to its estimated proportionate share of the collective net other postemployment benefits (OPEB) liability totals \$550,000, \$631,000, and \$1,880,000, respectively. The \$81,000 decrease in the net OPEB liability from 2024 to 2025 largely represents the impact of the decrease in the Authority's estimated proportionate share from .080367% at June 30, 2024 to .076179% at June 30, 2025. The \$1,249,000 decrease in the net OPEB liability from 2023 to 2024 largely represents the impact of the decrease in the Commonwealth's collective net OPEB liability between years (decreased from approximately \$2,212,000,000 at June 30, 2024 to approximately \$785,000,000 at June 30, 2023). The \$153,000 decrease in the net OPEB liability from 2022 to 2023 largely represents the impact of the decrease in the Authority's estimated proportionate share from .089175% at June 30, 2022 to .084973% at June 30, 2023.

Deferred outflows and inflows of resources relate entirely to the pension and OPEB liabilities.

The 2025 change (increase) in net position is principally attributable to the additional (\$990,301) 2025 payments from the Commonwealth. The 2024 change (increase) in net position is principally attributable to the additional (\$1,223,861) 2024 income from investments (non-operating revenue). The 2023 change (increase) in net position is principally attributable to the fact that total net non-operating revenues increased \$383,188,772 between 2023 and 2022.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Authority (Continued)

See Note 7 to the financial statements for additional information with respect to restricted net position (net position of the Authority restricted to [1] the Kentucky Rural Hospital Loan Program, [2] the Office of Entrepreneurship and Innovation High-Tech Construction and Investment Pools, and [3] a private sector "investment"). Restricted net position increased \$4,188,278 between 2025 and 2024 principally as a result of the Kentucky Rural Hospital Loan Program related funding received during 2025. Restricted net position increased \$895,167 between 2024 and 2023 principally as a result of the Kentucky Rural Hospital Loan Program related funding received during 2024. Restricted net position increased \$18,106,377 between 2023 and 2022 principally as a result of the \$15,000,000 returned to the Authority during 2023 to facilitate a private sector "investment."

Condensed Financial Information (in thousands) Statement of Revenues, Expenses, and Changes in Net Position Years Ended June 30

	2025	Percentage Increase (Decrease)	2024	Percentage Increase (Decrease)	2023
Operating Revenues:					
Application and issuance fees	\$ 1,098	23.2%	\$ 891	11.8%	\$ 797
Interest on loans	116	-4.1%	121	-5.5%	128
Total Operating Revenues	1,214	20.0%	1,012	9.4%	925
Operating Expenses:					
Compensation and related benefits	1,100	-12.8%	1,261	-9.9%	1,399
Grants	822	61.2%	510	410.0%	100
Contracted services	220	-10.6%	246	29.5%	190
Other	2	-33.3%	3	-40.0%	5
Provision for loan losses	10	-89.5%	95	-84.5%	614
Forgiveness of loan receivable	4,375	0.0%	4,375	0.0%	4,375
Total Operating Expenses	6,529	0.6%	6,490	-2.9%	6,683
Loss from Operations	(5,315)	-3.0%	(5,478)	-4.9%	(5,758)
Non-operating revenues	7,427	13.1%	6,566	-98.3%	387,031
Change in net position	2,112	94.1%	1,088	-99.7%	381,273
Net position, beginning of year	437,042	0.2%	435,954	697.3%	54,681
Net position, end of year	\$ 439,154	0.5%	\$ 437,042	0.2%	\$ 435,954

Application and issuance fees represent the fees earned on program loans and the various tax incentive projects applied for and/or "closed" throughout the fiscal year.

Application and issuance fees increased \$207,677 between 2025 and 2024. This increase is principally the result of the additional 2025 revenues attributable to the incremental amount of application and administrative fees generated under the Kentucky Entertainment Incentive Program (23 additional applicants during 2025; 29 additional projects "closed" during 2025).

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Authority (Continued)

Application and issuance fees increased \$92,784 between 2024 and 2023. This increase is principally the result of the additional 2024 revenues attributable to the incremental amount of application and administrative fees generated under the Kentucky Entertainment Incentive Program (15 additional projects "closed" during 2024).

Application and issuance fees increased \$188,156 between 2023 and 2022. This increase is principally the result of the additional 2023 revenues attributable to the incremental amount of application and administrative fees generated under the Kentucky Entertainment Incentive Program (35 additional projects "closed" during 2023).

Interest on program loans represents the interest earned on program loans during the fiscal year. The interest on program loans remains comparable across the years ended June 30, 2025, 2024, and 2023.

Compensation and related benefits consist primarily of salaries and wages, employer payroll taxes, and employee benefits such as retirement and insurance.

Compensation and related benefits remained relatively consistent between 2025 and 2024 (decreased \$162,114) and between 2024 and 2023 (decreased \$137,262). Compensation and related benefits decreased \$2,420,781 between 2023 and 2022. The additional 2022 compensation and related benefits expense is largely attributable to the \$1,104,000 net decrease in the pension and OPEB liabilities and related deferred outflows and inflows of resources from 2022 to 2023.

Grants are representative of the disbursements made relative to the projects funded from the High-Tech Construction and Investment Pools, as well as with respect to projects funded under the Authority's grant program.

Grants increased \$311,445 from 2024. The additional 2025 grants expense is largely attributable to two specific 2025 grants (\$457,559 in total). Grants increased \$410,050 from 2023. The additional 2024 grants expense is largely attributable to one specific 2024 grant (\$310,050). Grants remained consistent between 2023 and 2022 (\$100,000 for each year).

Contracted services generally consist of the monthly fees paid for banking services, amounts paid to external legal counsel for services pertaining to the development, preparation, and review of financing agreements, bond issues, trust indentures, and other documents necessary to facilitate the administration of Economic Development incentives, and all other professional fees.

Contracted services remained relatively consistent between 2025 and 2024 (decreased \$25,286). Contracted services increased \$55,200 between 2024 and 2023. The additional 2024 contracted services expense is largely attributable to the incremental amount (\$55,515) of amounts paid to external legal counsel related to the various programs the Authority administers. Contracted services increased \$39,493 between 2023 and 2022. The additional 2023 contracted services expense is largely attributable to the incremental amount (\$28,405) of the monthly fees paid for banking services.

Other operating expenses, which are generally relatively insignificant, represent all other operating expenses of the Authority such as travel and other miscellaneous expenses.

See Note 5 to the financial statements for additional information related to the \$4,375,000 of forgiveness of loan receivable expense for 2025 and 2024 (and 2023), which is specific to one loan.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Authority (Continued)

Non-operating revenues consist primarily of payments from the Commonwealth and intergovernment revenue or expense (as applicable). See Note 8 to the financial statements for a summary of the non-capital financing activities comprising the 2025 and 2024 balances with respect to payments from the Commonwealth. The 2025 payments from the Commonwealth are largely attributable to \$4,000,000 which funded the Kentucky Rural Hospital Loan Program. The 2024 payments from the Commonwealth are largely attributable to \$995,386 and \$1,150,000 which funded the Kentucky Rural Hospital Loan Program and the Authority's grant program, respectively. The additional 2023 payments from the Commonwealth are largely attributable to the \$366,800,000 appropriated during 2023 to fund forgivable loans with respect to economic development projects with a minimum investment by the loan recipient of \$2,000,000 pursuant to 2021 Special Session Senate Bill 5 and 2022 Regular Session House Bill 1, and the \$15,000,000 returned to the Authority during 2023 to facilitate a private sector "investment" pursuant to 2017 Regular Session House Bill 482.

Condensed Financial Information (in thousands) Statement of Cash Flows Years Ended June 30

	2025	Percentage Increase (Decrease)	2024	Percentage Increase (Decrease)	2023
Cash flows from:					
Operating activities	\$ 171	-100.8%	\$ (21,484)	-93.5%	\$ (331,322)
Non-capital financing activities	5,616	-79.9%	27,988	-92.0%	348,708
Investing activities	<u>2,856</u>	-8.9%	<u>3,134</u>	169.0%	<u>1,165</u>
Net change in cash and cash equivalents	8,643	-10.3%	9,638	-48.0%	18,551
Cash and cash equivalents, beginning of year	<u>66,181</u>	17.0%	<u>56,543</u>	48.8%	<u>37,992</u>
Cash and cash equivalents, end of year	<u>\$ 74,824</u>	13.1%	<u>\$ 66,181</u>	17.0%	<u>\$ 56,543</u>

The net change in cash and cash equivalents totals \$8,643,207 for the year ended June 30, 2025, which is principally representative of the amount of repayments of program loans (\$5,235,324) in 2025 and the amounts received from the Commonwealth (\$5,615,846) in 2025.

The net change in cash and cash equivalents totals \$9,637,555 for the year ended June 30, 2024, which is principally representative of the amount of repayments of program loans (\$6,321,592) in 2024 and 2024 income from investments (\$2,862,666).

The net change in cash and cash equivalents totals \$18,550,856 for the year ended June 30, 2023, which is principally representative of the amount (\$15,000,000) attributable to the funding returned to the Authority during 2023 to facilitate a private sector "investment" pursuant to 2017 Regular Session House Bill 482.

Currently Known Facts, Decisions, or Conditions

No such significant currently known facts, decisions, or conditions specifically identified.

Contacting the Authority's Financial Management

If there are any questions concerning the information provided herein, or if you need additional information, contact Kentucky Cabinet for Economic Development, Mayo-Underwood Building, 500 Mero Street, 5th Floor, Frankfort, Kentucky, 40601. The Cabinet can also be reached by telephone at 502.564.7670 or by email at econdev@ky.gov.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENTS OF NET POSITION

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 74,823,940	\$ 66,180,733
Accounts receivable	950	7,775
Intergovernment receivables	77,172	1,118,591
Accrued interest receivable, investments	233,521	259,175
Loans receivable, net	3,683,491	10,907,292
Accrued interest receivable, loans	102,038	67,058
Total Current Assets	<u>78,921,112</u>	<u>78,540,624</u>
Non-current Assets:		
Intergovernment receivables	11,680,000	11,680,000
Investments	266,457	244,414
Loans receivable, net	358,234,411	358,025,753
Total Non-current Assets	<u>370,180,868</u>	<u>369,950,167</u>
Total Assets	<u>449,101,980</u>	<u>448,490,791</u>
Deferred Outflows of Resources	<u>1,183,000</u>	<u>1,405,000</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	34,614	3,505
Accrued payroll expenses	120,905	123,063
Compensated absences	180,400	100,300
Total Current Liabilities	<u>335,919</u>	<u>226,868</u>
Non-current Liabilities:		
Compensated absences	87,733	100,222
Net pension liability	9,341,000	10,340,000
Net other postemployment benefits liability	550,000	631,000
Total Non-current Liabilities	<u>9,978,733</u>	<u>11,071,222</u>
Total Liabilities	<u>10,314,652</u>	<u>11,298,090</u>
Deferred Inflows of Resources	<u>816,000</u>	<u>1,556,000</u>
NET POSITION		
Restricted	28,854,892	24,666,614
Unrestricted	410,299,436	412,375,087
Total Net Position	<u>\$ 439,154,328</u>	<u>\$ 437,041,701</u>

The accompanying notes to the financial statements are an integral part of these financial statements.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues:		
Application and issuance fees	\$ 1,098,084	\$ 890,407
Interest on program loans	115,910	121,092
Other	-	275
Total Operating Revenues	<u>1,213,994</u>	<u>1,011,774</u>
Operating Expenses:		
Compensation and related benefits	1,099,302	1,261,416
Grants	821,495	510,050
Contracted services	220,340	245,626
Other	2,404	2,572
Provision for loan losses	10,091	95,166
Forgiveness of loan receivable	4,375,000	4,375,000
Total Operating Expenses	<u>6,528,632</u>	<u>6,489,830</u>
Loss from Operations	<u>(5,314,638)</u>	<u>(5,478,056)</u>
Non-operating Revenues:		
Payments from the Commonwealth	4,574,427	3,661,717
Income from investments	2,852,838	2,903,840
Total Non-operating Revenues	<u>7,427,265</u>	<u>6,565,557</u>
Change in net position	2,112,627	1,087,501
Net position, beginning of year	<u>437,041,701</u>	<u>435,954,200</u>
Net position, end of year	<u>\$ 439,154,328</u>	<u>\$ 437,041,701</u>

The accompanying notes to the financial statements are an integral part of these financial statements.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Principal collected on program loans	\$ 5,235,324	\$ 6,321,592
Interest collected on program loans	80,930	95,735
Application and issuance fees collected	1,104,909	893,317
Other receipts collected	-	275
Program loans issued	(2,605,272)	(25,394,728)
Cash payments for grants	(821,495)	(510,050)
Cash payments for personnel expenses	(2,631,849)	(2,641,291)
Cash payments for goods and services	(191,635)	(249,191)
Net cash flows from operating activities	<u>170,912</u>	<u>(21,484,341)</u>
Cash flows from non-capital financing activities:		
Payments from the Commonwealth	<u>5,615,846</u>	<u>27,987,995</u>
Cash flows from investing activities:		
Income from investments	2,878,492	2,862,666
Net (purchases) maturities of investments	(22,043)	271,235
Net cash flows from investing activities	<u>2,856,449</u>	<u>3,133,901</u>
Net change in cash and cash equivalents	8,643,207	9,637,555
Cash and cash equivalents, beginning of year	66,180,733	56,543,178
Cash and cash equivalents, end of year	<u>\$ 74,823,940</u>	<u>\$ 66,180,733</u>

The accompanying notes to the financial statements are an integral part of these financial statements.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of loss from operations to net cash flows from operating activities:		
Loss from operations	\$ (5,314,638)	\$ (5,478,056)
Provision for loan losses	10,091	95,166
Forgiveness of loan receivable	4,375,000	4,375,000
Non-cash pension and other postemployment benefits liabilities adjustments	(347,325)	(1,649,093)
(Increase) decrease in assets:		
Accounts receivable	6,825	2,910
Loans receivable	2,630,052	(19,073,136)
Accrued interest receivable, loans	(34,980)	(25,357)
Decrease in deferred outflows	222,000	292,000
Increase (decrease) in liabilities:		
Accounts payable	31,109	(993)
Accrued payroll expenses	(2,158)	11,805
Compensated absences	67,611	7,320
Pension and other postemployment benefits liabilities	(732,675)	(921,907)
Increase (decrease) in deferred inflows	(740,000)	880,000
Net cash flows from operating activities	<u>\$ 170,912</u>	<u>\$ (21,484,341)</u>

The accompanying notes to the financial statements are an integral part of these financial statements.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1—Nature of operations

The Kentucky Development Finance Authority was established in 1958 as an independent agency of State government, in close cooperation with the Secretary of the Kentucky Cabinet for Economic Development (the Cabinet), to promote economic development in Kentucky. Effective July 14, 1992, the Kentucky Economic Development Finance Authority (the Authority), a component unit of the Commonwealth of Kentucky (the Commonwealth), was established, having all the powers, duties, and responsibilities delegated to it by the Kentucky Economic Development Partnership or as otherwise provided by law, including all programs, powers, duties, rights, and obligations of the Kentucky Development Finance Authority and the Kentucky Rural Economic Development Authority. The legislation enacted provides that the Authority consist of a Committee of six persons appointed by the Kentucky Economic Development Partnership, at least one of which shall have experience and expertise in agriculture, plus the Secretary of the Kentucky Finance and Administration Cabinet.

Pursuant to Kentucky Revised Statutes 154.20-033, the Authority is granted the powers necessary to carry out and effectuate the purposes and provisions of Kentucky Revised Statutes 154.20 through 27, 30 through 32, 34, 60, and 61 including the administration of various tax incentive programs consisting of the Kentucky Angel Investment Act Program, the Kentucky Business Investment Program, the Kentucky Enterprise Initiative Act Program, the Kentucky Entertainment Incentive Program, the Kentucky Industrial Revitalization Act Program, the Kentucky Investment Fund Act Program, the Kentucky Jobs Retention Act Program, the Kentucky Reinvestment Act Program, the Kentucky Rural Economic Development Act Program, the Kentucky Selling Farmer Tax Credit Program, the Kentucky Small Business Tax Credit Program, the Incentives for Energy Independence Act Program, the Incentives for Energy Related Business Act Program, and the Tax Increment Financing Program. Certain of these tax incentive programs abate tax revenues of the Commonwealth. The abated tax revenues do not otherwise directly impact the Authority's financial position and/or results of operations.

The Authority is responsible for administering three loan programs, the Direct Loan Program, the Small Business Loan Program, and the Kentucky Rural Hospital Loan Program, two credit enhancement programs under the Kentucky Small Business Credit Initiative Program, and a loan risk assistance program under the Western Kentucky Risk Assistance Fund Program. The purpose of the Direct Loan Program is to provide, in conjunction with other financial institutions and agencies, the long-term financing needed to encourage the growth of new or expanding businesses throughout Kentucky, helping to promote and support the economic development efforts of Kentucky in cooperation with other State agencies. The purpose of the Small Business Loan Program, while similar in its objectives to the Direct Loan Program, is centered around helping Kentucky small businesses acquire the funding necessary to start or grow such businesses. The purpose of the Kentucky Rural Hospital Loan Program is to assist rural hospitals in providing the needed direct health care services for the citizens of the Commonwealth. The two credit enhancement programs, the Kentucky Collateral Support Program and the Kentucky Loan Participation Program, are designed to generate jobs and increase the availability of credit to small businesses by reducing the risk assumed by participating lenders, credit unions, or community development financial institutions. The purpose of the Western Kentucky Risk Assistance Fund Program is to provide support and relief efforts by providing an inducement to lenders on losses incurred on commercial loans as a part of the recovery from the December 2021 storms and tornadoes in western Kentucky.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 1—Nature of operations (continued)

The Authority is also responsible for administering a grant program, the Kentucky Product Development Initiative Program, the Cabinet's Economic Development Funds Program, and the High-Tech Construction and Investment Pools of the Office of Entrepreneurship and Innovation.

The Authority also acts as the issuing agent for Kentucky Economic Development Finance Authority Revenue Bonds in accordance with the statutes regarding the issuance of Industrial Revenue Bonds and Taxable Economic Development Revenue Bonds. Such bonds do not constitute a general debt, liability, or moral obligation of the Authority. Accordingly, the accompanying financial statements do not include any assets or liabilities related to the issuance of these bonds. See Note 12.

Note 2—Summary of significant accounting policies

Basis of Presentation – The Authority is a component unit of the Commonwealth of Kentucky. The Authority's financial statements are included in the Commonwealth's Annual Comprehensive Financial Report (ACFR) as a discretely presented component unit.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The activities of the Authority are accounted for as an enterprise fund on the accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized when the liability is incurred, regardless of the timing of related cash flows.

Reclassification – The Authority reclassified \$11,680,000 of intergovernment receivables as of June 30, 2024 from current assets to non-current assets for consistency with the current year presentation. This reclassification had no effect on the previously reported net assets as of June 30, 2024 or the previously reported change in net assets for the year ended June 30, 2024.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Authority considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments – Investments are reported at fair value. The equity position of the Authority in the State cash and investment pool of the Commonwealth of Kentucky (the Commonwealth's general depository) is reported as assets of the Authority.

Allowance for Losses on Loans Receivable – Loans receivable are presented net of an allowance for uncollectible amounts. The Authority provides a valuation allowance for estimated losses on loans receivable when any significant impairment in the realization of the respective asset has occurred or is otherwise probable. Additions to the allowance are charged to operations in the period in which the asset becomes impaired.

Accrued Interest Receivable, Loans – Interest income is accrued on the respective outstanding loan receivable balances. Each of the respective loans are reviewed by the Authority on a regular basis and placed on non-accrual status when the loan is 90 days or more past due and/or the collection of principal or interest is unlikely. When a loan is placed on non-accrual status, any uncollected interest accrued in the current year is charged against current income. Subsequent interest on non-accrual loans is recognized as income only when collected.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 2—Summary of significant accounting policies (continued)

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net assets by the Authority that is applicable to a future reporting period. At June 30, 2025 and 2024, deferred outflows of resources relate to the following:

	<u>2025</u>	<u>2024</u>
Pension liability (see Note 9)	\$ 892,000	\$ 1,028,000
Other postemployment benefits liability (see Note 10)	<u>291,000</u>	<u>377,000</u>
Total deferred outflows of resources	<u>\$ 1,183,000</u>	<u>\$ 1,405,000</u>

Compensated Absences – The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, effective July 1, 2024. GASB Statement No. 101 requires liabilities for compensated absences to be recognized for (1) leave that has not been used and (2) leave that has been used, but not yet paid in cash or settled through non-cash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time-off or otherwise paid in cash or settled through non-cash means.

All annual and compensatory leave pay is accrued for when incurred. Sick leave benefits are accrued for when incurred and when such benefits are more likely than not to be used for time-off or otherwise paid in cash or settled through non-cash means. The current portions of the respective liabilities are estimated based on an allocation of the hours used during the fiscal year to the total hours remaining as of year-end.

Pension Liability – For purposes of measuring the Authority’s estimated proportionate share of the collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense information regarding the Authority’s participation in the Kentucky Employees Retirement System has been determined on the same basis as reported by the Kentucky Public Pensions Authority. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Other Postemployment Benefits (OPEB) Liability – For purposes of measuring the Authority’s estimated proportionate share of the collective net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense information regarding the Authority’s participation in the Kentucky Employees Retirement System (the Insurance Fund) has been determined on the same basis as reported by the Kentucky Public Pensions Authority. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net assets by the Authority that is applicable to a future reporting period. At June 30, 2025 and 2024, deferred inflows of resources relate to the following:

	<u>2025</u>	<u>2024</u>
Pension liability (see Note 9)	\$ 230,000	\$ 495,000
Other postemployment benefits liability (see Note 10)	<u>586,000</u>	<u>1,061,000</u>
Total deferred inflows of resources	<u>\$ 816,000</u>	<u>\$ 1,556,000</u>

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 2—Summary of significant accounting policies (continued)

Net Position – Net position is displayed in three components (if and when applicable):

- Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. At June 30, 2025 and 2024, there is no such net investment in capital assets.
- Restricted Net Position – Consists of net position with constraints placed on the use thereof 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.
- Unrestricted Net Position – All other net position that does not meet the definition of net investment in capital assets or restricted.

The Authority has not otherwise adopted a formal policy which would govern (if and when applicable) the order of priority relative to the use of net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Operating Revenues and Expenses – Operating revenues and expenses for enterprise funds are those that result from providing services. It also includes all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities.

Intergovernment Revenue and Expense – During the course of operations, transactions occur with other State agencies (including the Commonwealth of Kentucky in general) that may result in non-operating revenues from/expenditures to. See Note 8 for the details of such transactions.

Note 3—Cash and cash equivalents

The Kentucky Revised Statutes authorize the Authority to invest money subject to its control, at its discretion, in the permitted types of investments indicated in Note 4. In addition, the Authority is allowed to participate in a cash and investment pool maintained by the Commonwealth of Kentucky.

As of June 30, 2025 and 2024, cash and cash equivalents consist of the following:

	<u>2025</u>	<u>2024</u>
Money market funds	\$ 74,771,241	\$ 66,148,557
State cash and investment pool	52,699	32,176
Total cash and cash equivalents	<u>\$ 74,823,940</u>	<u>\$ 66,180,733</u>

As of June 30, 2025 and 2024, the Authority’s funds on deposit with the trustee are invested in a Fidelity Investments Money Market Government Portfolio money market mutual fund. Such funds are uninsured. This particular money market mutual fund is, however, comprised of investments in securities of the United States government and its agencies (obligations backed by the full faith and credit of the United States government) and repurchase agreements for such securities.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 4—Investments

As of June 30, 2025 and 2024, investments consist entirely of the Authority's equity position in the State cash and investment pool (the portion that has not been classified as cash/cash equivalents). Such investments are valued at the net asset value of the Authority's equity position at year-end, a Level 2 fair value measurement (see below).

The fair value measurements framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as described below:

- *Level 1* – Quoted prices in active markets for identical assets or liabilities.
- *Level 2* – Observable inputs such as quoted prices in active markets for similar assets or liabilities or quoted prices for identical or similar assets or liabilities in markets that are not active or unobservable inputs that are derived principally from or corroborated by observable market data.
- *Level 3* – Unobservable inputs that are based on the Authority's own assumptions as to how knowledgeable parties would price assets or liabilities that are not corroborated by market data.

There have been no changes in the methodologies used to determine fair value at June 30, 2025 and 2024.

Valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the Authority believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Credit Risk – Under State statutes, the Authority, subject to certain limitations, is permitted to invest in the following:

- Obligations backed by the full faith and credit of the United States or a United States government agency
- Obligations of any corporation of the United States government or government sponsored enterprise
- Securities issued by a state or local government, or any instrumentality or agency thereof
- Collateralized or uncollateralized certificates of deposit or other interest-bearing accounts
- Bankers' acceptances
- Commercial paper
- Mutual funds
- Asset-backed securities
- United States dominated corporate, Yankee, and Eurodollar securities, excluding corporate stocks, issued by foreign and domestic issuers, including sovereign and supranational governments
- State and local delinquent property tax claims, which upon purchase, shall become certificates of delinquency secured by interests in real property

Concentration of Credit Risk – With the exception of certain limitations under State statutes, there is no limit on the amount the Authority may invest in any one issuer. The Authority's trustee consults with the Office of Financial Management (within the Kentucky Finance and Administration Cabinet) to determine suitable investments.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 4—Investments (continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As indicated above, as of June 30, 2025 and 2024, the Authority’s investments do not consist of any investments held outside of the State cash and investment pool.

Interest Rate Risk – The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As previously indicated (see *Concentration of Credit Risk*), the Authority’s trustee consults with the Office of Financial Management (within the Kentucky Finance and Administration Cabinet) to determine suitable investments.

Foreign Currency Risk – As indicated above, as of June 30, 2025 and 2024, the Authority’s investments do not consist of any investments held outside of the State cash and investment pool. Accordingly, the Authority’s investments are not otherwise believed to be subject to foreign currency risk.

Note 5—Loans receivable

As of June 30, 2025 and 2024, business and industrial park loans receivable consist of the following:

	<u>2025</u>	<u>2024</u>
Loans on real estate and equipment secured by:		
Parent company guarantees	\$ 355,120,000	\$ 355,120,000
First mortgages/liens	3,382,108	10,872,020
Letters of credit/certificates of deposit	3,512,955	2,689,076
Other security/collateral	<u>1,994,992</u>	<u>2,344,102</u>
Total loans receivable	364,010,055	371,025,198
Allowance for loan losses	<u>(2,092,153)</u>	<u>(2,092,153)</u>
Loans receivable, net	361,917,902	368,933,045
Current maturities	<u>(3,683,491)</u>	<u>(10,907,292)</u>
Long-term portion	<u>\$ 358,234,411</u>	<u>\$ 358,025,753</u>

In fiscal year 2020, pursuant to 2020 Regular Session House Bill 99, the Commonwealth appropriated \$35,000,000 of bond proceeds (bonds issued by the State Property and Buildings Commission) to create and fund the Direct Health Care Services and Research Facilities Operations Loan to UofL Health-Louisville, Inc. (UofL Health-Louisville), the proceeds of which is to be used to provide direct health care services and research operations facilities. In fiscal year 2022, pursuant to the First Amendment to the Loan Agreement, the loan agreement was amended to accelerate the repayment of the loan. Accordingly, the loan is non-interest bearing and annual principal payments of \$8,750,000 are due each April 1st beginning April 2022 through the April 2025 maturity date of the loan. The loan is secured by mortgages and an assignment of rents/leases with respect to four specific properties and is guaranteed by the University of Louisville, UofL Health, Inc., and UofL Health-Shelbyville, Inc. The loan is subject to certain covenants, including, but not limited to, the requirement that at any time before March 31, 2025, UofL Health-Louisville shall have received at least \$25,000,000 in total from the Jewish Heritage Fund for Excellence and/or the Jewish Hospital & St. Mary’s Healthcare Foundation, matching funds UofL Health-Louisville shall not have an obligation to repay.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 5—Loans receivable (continued)

Up to 50% of the loan may be forgiven if UofL Health-Louisville, at all times on or after December 31, 2021, satisfies (a) certain job and wage requirements as defined and/or (b) the Medically Underserved Operational Requirements as defined. On December 31st of each year beginning on December 31, 2021, the Authority will determine whether UofL Health-Louisville has complied with the debt forgiveness requirements as of such calendar year-end. If UofL Health-Louisville has complied with the debt forgiveness requirements, 50% of the principal payment due on April 1st of the next calendar year will be forgiven. UofL Health-Louisville met the forgiveness requirements as of December 31, 2024 and 2023. As a result, UofL Health-Louisville paid \$4,375,000 of the \$8,750,000 annual principal payments due April 1, 2025 and 2024, while \$4,375,000 was forgiven (\$4,375,000 each fiscal year reflected as forgiveness of loan receivable per the accompanying statements of revenues, expenses, and changes in net position). As of June 30, 2025 and 2024, the balance of the loan receivable from UofL Health-Louisville is \$-0- and \$8,750,000, respectively.

As of June 30, 2023, pursuant to 2021 Special Session Senate Bill 5 and 2022 Regular Session House Bill 1, the Authority had received \$330,120,000 of the \$366,800,000 (in total between the respective legislation) appropriated by the Commonwealth to fund forgivable loans with respect to economic development projects with a minimum investment by the loan recipient of \$2,000,000,000.

In fiscal year 2023, pursuant to 2021 Special Session Senate Bill 5, the Authority approved a loan for an amount up to \$250,000,000 to BlueOval SK, LLC (BlueOval). The last 10% of the loan proceeds (\$25,000,000) were disbursed during fiscal year 2024 once BlueOval provided to the Authority the Capital Investment Certificate substantiating the minimum \$2,000,000,000 investment by BlueOval. The maturity date of the non-interest bearing loan is March 2038. There exists the possibility the loan in its entirety may be forgiven if BlueOval, at all times on or after December 31, 2026, satisfies certain job and wage requirements as defined. On December 31st of each year beginning on December 31, 2026, the Authority will determine whether BlueOval has complied with the debt forgiveness requirements as of such calendar year-end. If BlueOval has complied with the debt forgiveness requirements, the principal payment due on March 31st of the next calendar year (the annual principal payments range from \$10,000,000 due March 2027 to \$25,000,000 due March 2038) will be forgiven in its entirety. The loan is secured by Collection Guaranty Agreements under which BlueOval's two parent companies (BlueOval is a joint venture) provided guarantees (\$125,000,000 each). As of June 30, 2025 and 2024, the balance of the loan receivable from BlueOval is \$250,000,000.

In fiscal year 2023, pursuant to 2021 Special Session Senate Bill 5 and 2022 Regular Session House Bill 1, the Authority approved a loan for an amount up to \$116,800,000 to Envision AESC Bowling Green, LLC (AESC). The last 10% of the loan proceeds (\$11,680,000) will not be disbursed until the Authority receives from AESC the Capital Investment Certificate substantiating the minimum \$2,000,000,000 investment by AESC. The maturity date of the non-interest bearing loan is March 2044. There exists the possibility the loan in its entirety may be forgiven if AESC, at all times on or after December 31, 2029, satisfies certain job and wage requirements as defined. On December 31st of each year beginning on December 31, 2029, the Authority will determine whether AESC has complied with the debt forgiveness requirements as of such calendar year-end. If AESC has complied with the debt forgiveness requirements, the principal payment due on March 31st of the next calendar year (the annual principal payments range from \$3,000,000 due March 2030 to \$8,400,000 due March 2044) will be forgiven in its entirety. The loan is secured by a Collection Guaranty Agreement under which AESC's parent company provided a guarantee. As of June 30, 2025 and 2024, the balance of the loan receivable from AESC is \$105,120,000.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 5—Loans receivable (continued)

In previous years, the terms of certain industrial park loans were restructured. Under the restructuring agreements, loan payments and/or interest rates were adjusted and maturity dates were extended. In addition, in lieu of the required periodic payments of principal and interest, the restructured agreements stated that amounts were due to the Authority upon the sale of the industrial park land with the Authority receiving a defined percentage of the sales price with any outstanding balance due at maturity. During fiscal year 2024, the terms of an industrial park loan with an outstanding balance of approximately \$1,267,000 as of June 30, 2024 were restructured. No such industrial park or other loans were restructured during fiscal year 2025.

Note 6—Compensated absences

Employees may accumulate earned but unused annual leave, compensatory leave, and sick leave benefits.

Annual and Compensatory Leave – Annual leave accumulates at a range of 7.50 to 15.00 hours per month, determined by length of service, with maximum accumulations ranging from 30 to 60 days. At June 30, 2025 and 2024, the Authority's estimated liability for accrued annual leave totals approximately \$154,100 and \$162,600, respectively.

Compensatory leave is granted to authorized employees. At June 30, 2025 and 2024, the Authority's estimated liability for accrued compensatory leave totals approximately \$26,500 and \$37,900, respectively.

Sick Leave – Sick leave is granted to employees depending on the Tier 1, Tier 2, and Tier 3 classification of each employee (at June 30, 2025, the Authority does not have any Tier 2 employees). Tier 1 (an unlimited amount of unused sick leave hours) and Tier 2 (up to a maximum of 12 months of unused sick leave hours) employees can accumulate and convert unused sick leave hours into service credit at retirement. Tier 3 employees are not eligible for sick leave credit (cannot convert unused sick leave hours into service credit at retirement). Generally, sick leave (earned one day or 7.50 hours per month with unlimited accumulation) is paid only when an employee is absent due to illness, injury, or family death. At June 30, 2025 (the Authority adopted GASB Statement No. 101 effective July 1, 2024), the Authority's estimated liability for accrued sick leave totals approximately \$87,500.

The activity relative to the liability for compensated absences for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Balance, beginning of the year	\$ 200,522	\$ 193,202
Additions	237,711	120,720
Reductions	(170,100)	(113,400)
Balance, end of the year	\$ 268,133	\$ 200,522

At June 30, 2025 and 2024, the estimated amount of annual leave, compensatory leave, and sick leave due within one year totals approximately \$180,400 and \$100,300, respectively.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 7—Restricted net position

During the 2000 Regular Session, the General Assembly passed House Bill 572 creating the Office of the Commissioner for the New Economy (now referred to as the Office of Entrepreneurship and Innovation) within the Cabinet. House Bill 572 also created a High-Tech Construction Pool and a High-Tech Investment Pool (Pools). The duties of the Office of Entrepreneurship and Innovation include the recommendation of projects to the Authority for approval and funding through the Pools which are maintained by the Authority.

The below table provides a history of the funding of the Pools.

<u>Legislation</u>	<u>Fiscal Year(s)</u>	<u>Funding Source</u>	<u>Amount</u>
2000 Regular Session House Bill 502	2001	Authority	\$ 40,000,000
2003 Regular Session House Bill 269	2003	Authority	10,000,000
2003 Regular Session House Bill 269	2003	Local Gov. Econ. Develop. Fund	1,035,000
2003 Regular Session House Bill 269	2004	bond proceeds (bonds issued by the State Prop. and Build. Comm.)	15,000,000
2003 Regular Session House Bill 269	2004	Commonwealth's General Fund	5,000,000
2003 Regular Session House Bill 269	2004	Local Gov. Econ. Develop. Fund	1,250,000
2005 Regular Session House Bill 267	2005	Authority	7,950,000
2005 Regular Session House Bill 267	2005	bond proceeds (bonds issued by the State Prop. and Build. Comm.)	2,750,000
2005 Regular Session House Bill 267	2005	Local Gov. Econ. Develop. Fund	3,625,000
2005 Regular Session House Bill 267	2006	Authority	7,485,000
2005 Regular Session House Bill 267	2006	Local Gov. Econ. Develop. Fund	3,500,000
2006 Regular Session House Bill 380	2007	Cabinet	5,000,000
2006 Regular Session House Bill 380	2008	Cabinet	5,000,000
2006 Regular Session House Bill 380/ 2010 Special Session House Bill 1/ 2017 Regular Session House Bill 482	2007-2025	bond proceeds (bonds issued by the State Prop. and Build. Comm.)	19,854,802

Through June 30, 2025, in total, the Authority has funded the High-Tech Construction and Investment Pools in the amount of \$65,435,000. Additionally, during fiscal years 2003 through 2025, the Pools have been funded through intergovernment revenues (including payments from the Commonwealth) totaling \$62,014,802.

During the 2020 Regular Session of the General Assembly, legislation was approved which established the Kentucky Rural Hospital Loan Program. Funding for this program was appropriated to the Authority during fiscal year 2021 pursuant to 2021 Regular Session House Bill 556.

During the 2017 Regular Session of the General Assembly, legislation was approved which appropriated funding to the Authority to facilitate a private sector "investment" pursuant to 2017 Regular Session House Bill 482. The funding was returned to the Authority during fiscal year 2023 due to a specific private sector "investment" that failed to materialize. The recaptured funding will be maintained by the Authority until another project meeting the private sector "investment" requirement is identified and subsequently approved.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 7—Restricted net position (continued)

As of June 30, 2025 and 2024, the net position of the Authority restricted to the Kentucky Rural Hospital Loan Program, the High-Tech Construction and Investment Pools, and a private sector "investment" consists of the following:

	2025	2024
Kentucky Rural Hospital Loan Program:		
Cash and cash equivalents	\$ 4,714,781	\$ 2,529,131
Loans receivable, net	6,433,191	4,439,242
Accrued interest receivable, loans	36,245	19,549
	11,184,217	6,987,922
High-Tech Construction and Investment Pools:		
Cash and cash equivalents	2,555,879	2,557,188
Investments	114,796	121,504
	2,670,675	2,678,692
Private sector "investment:"		
Cash and cash equivalents	15,000,000	15,000,000
Total restricted net position	\$ 28,854,892	\$ 24,666,614

Note 8—Payments from the Commonwealth

The below table provides a history of the funding made available for certain loans, grants, and High-Tech Construction and Investment Pool projects, some of which may ultimately be shared with the Cabinet's Economic Development Funds Program (no impact to the Authority's financial statements of funds made available with respect to the Cabinet's Economic Development Funds Program). Such funding, which is accessed from the oldest available authorization/appropriation, is provided for the loans, grants, and/or projects approved by the Authority.

Legislation	Amount
2005 Regular Session House Bill 267	\$ 10,000,000
2006 Regular Session House Bill 380	37,500,000
2010 Special Session House Bill 1	37,500,000
2014 Regular Session House Bill 235	2,250,000
2016 Regular Session House Bill 303	21,000,000
2017 Regular Session House Bill 482	15,000,000
2019 Regular Session House Bill 268	25,000,000
2020 Regular Session House Bill 99	35,000,000
2021 Regular Session House Bill 192	7,500,000
2021 Regular Session House Bill 556	20,000,000
2021 Special Session Senate Bill 5	350,000,000
2022 Regular Session House Bill 1	46,800,000
2022 Regular Session Senate Bill 150	25,000,000

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 8—Payments from the Commonwealth (continued)

Payments from the Commonwealth, which principally represent the net impact of certain loans, grants, and/or projects for which the funding is to be provided by the legislation as described above, total \$4,574,427 and \$3,661,717 for the years ended June 30, 2025 and 2024, respectively.

The accompanying statements of net position as of June 30, 2025 and 2024 reflect \$11,757,172 and \$12,798,591 of intergovernment receivables, respectively (\$11,680,000 of which is reflected as a non-current asset as of June 30, 2025 and 2024). Such intergovernment receivables principally consist of the funding due to the Authority with respect to the loans, grants, and High-Tech Construction and Investment Pool projects approved during the respective fiscal years, funding for which had not yet been received as of year-end (from the previously authorized/appropriated funding as summarized above).

Note 9—Retirement plans

General Information

Plan Description

All employees who average 100 or more hours per month over a calendar or fiscal year participate in the Kentucky Employees Retirement System (KERS) of the Commonwealth of Kentucky, which is a cost-sharing, multiple employer defined benefit pension plan. Under the provisions of Kentucky Revised Statutes 61.645, the Kentucky Public Pensions Authority (KPPA) Board of Trustees administers the KERS. The KPPA is the successor to Kentucky Retirement Systems.

Ten-year historical trend information showing the KERS' progress in accumulating sufficient assets to pay benefits when due (as well as financial statements and other required supplementary information) is presented in the KERS' Annual Financial Report (which is a matter of public record). The most recent actuarial valuation is as of June 30, 2024. Such report may be obtained by writing to the Kentucky Public Pensions Authority, 1260 Louisville Road, Perimeter Park West, Frankfort, Kentucky 40601. KPPA can also be reached by telephone at 502.696.8800 or by email at kppa.mail@kyret.ky.gov. The Commonwealth's ACFR should also be referred to for additional disclosures related to the KERS.

In addition to the KERS, the Authority's employees are also eligible to participate in two deferred compensation plans sponsored by the Commonwealth. These plans are organized as a Section 457 plan and as a Section 401(k) plan under the Internal Revenue Code. Both plans permit employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The Kentucky Public Employees' Deferred Compensation Authority (KPEDCA) issues a publicly available report that includes financial statements and other required supplementary information relative to the deferred compensation plans. Such report may be obtained by writing to the Kentucky Public Employees' Deferred Compensation Authority, 501 High Street, 2nd Floor, Frankfort, Kentucky 40601. The KPEDCA can also be reached by telephone at 502.573.7925 or by email at kydcp@nationwide.com. The Commonwealth's ACFR should also be referred to for additional disclosures related to the two deferred compensation plans.

Benefits Provided

The KERS provides retirement, as well as health care, disability, and death benefits to plan members. The KERS provides for cost-of-living adjustments at the discretion of the Kentucky legislature. Benefits are established by State statute. The below information summarizes the significant benefits related provisions of the KERS non-hazardous plan. The below is not intended to be, nor should it be interpreted as, a complete account of all such provisions.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 9—Retirement plans (continued)

	Tier 1 employees Participation prior to September 1, 2008	Tier 2 employees Participation from September 1, 2008 to December 31, 2013	Tier 3 employees Participation on or after January 1, 2014
Covered employees	Substantially all regular, full-time members employed in non-hazardous duty positions of any State department, board, or any agency directed by Executive Order to participate in the KERS		
Benefit formula	Final compensation X benefit factor X years of service		Cash Balance Plan - hybrid plan with characteristics of both a defined benefit plan and a defined contribution plan
Final compensation	Average of the highest 5 fiscal years (must contain at least 48 months); includes lump-sum compensation payments (before and at retirement)	5 complete fiscal years immediately preceding retirement; each year must contain 12 months; lump-sum compensation payments (before and at retirement) are not to be included in creditable compensation	No final compensation
Benefit factor	1.97% - if you do not have 12 months credit for January 1, 1998 - January 1, 1999 2.00% - if you have 13 months credit for January 1, 1998 - January 1, 1999	10 years or less - 1.10% Greater than 10 years, but no more than 20 years - 1.30% Greater than 20 years, but no more than 26 years - 1.50% Greater than 26 years, but no more than 30 years - 1.75% Additional years above 30 years - 2.00% (2.00% benefit factor only applies to service earned in excess of 30 years)	No benefit factor; a life annuity can be calculated in accordance with actuarial assumptions and a method adopted by the KPPA Board of Trustees based on the member's accumulated account balance
Cost of living adjustment	No cost of living adjustment unless authorized by the legislature with specific criteria; if authorized, the cost of living adjustment is limited to 1.50%		

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 9—Retirement plans (continued)

	Tier 1 employees Participation prior to September 1, 2008	Tier 2 employees Participation from September 1, 2008 to December 31, 2013	Tier 3 employees Participation on or after January 1, 2014
Unreduced retirement benefits	Any age with 27 years of service Age 65 with 48 months of service Money purchase for age 65 with less than 48 months based on contributions and interest	Member must be at least 57 and age plus earned service must equal 87 years at retirement to retire under the Rule of 87 Provision Age 65 with 5 years of earned service; no money purchase calculations	
Reduced retirement benefits	Any age with 25 years of service Age 55 with 5 years of service	Age 60 with 10 years of service (excludes purchased service with certain exceptions)	No reduced retirement benefits

Contributions

Contribution rates are established by State statute. Pursuant to the provisions of Kentucky Revised Statutes 61.645, contribution requirements of active employees and participating employers are established and may be amended by the KPPA Board of Trustees.

The proportionate share of the collective pension amount for employers that participate in the non-hazardous plan is based upon the employer's allocation of the amortization cost, as specified under State statutes, plus the employer's allocation of the normal cost portion of the required contribution based on the employer's payroll. The total proportionate share of the collective pension amount, which represents an employer's share of the long-term contribution effort, assumes the amortization cost portion is approximately 90% of the aggregate required employer contribution.

The Authority, for the years ended June 30, 2025 and 2024, was required to contribute a total of 78.00% of the covered employees' salaries between the pension plan and the KPPA Insurance Fund (see Note 10). The actuarially determined employer contribution represents the amount, that when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, the costs of administration, and an amortized portion of any unfunded liability. The below information summarizes the significant employee contributions related provisions of the KERS non-hazardous plan. The below is not intended to be, nor should it be interpreted as, a complete account of all such provisions.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 9—Retirement plans (continued)

Tier 1 employees	Contributions equal 5.00% of all creditable compensation
Tier 2 employees	Contributions equal 6.00%, with 5.00% being credited to the member's account and 1% to fund the KPPA Insurance Fund (see Note 10) Interest is paid each June 30 th on members' accounts at a rate of 2.50% The member is entitled to a full refund of contributions and interest if employment is terminated, however, the 1.00% contribution to the KPPA Insurance Fund is non-refundable
Tier 3 employees	Contributions equal 6.00%, with 5.00% being credited to the member's account and 1% to fund the KPPA Insurance Fund (see Note 10) Employee accounts are also credited with a 4.00% employer pay credit At the end of each fiscal year, interest is paid into each employee's account The account is guaranteed the 4.00% interest credit on the employee's account balance as of June 30 of the previous fiscal year-end The employee's account may be credited with additional interest if the five-year average investment return exceeds 4.00% If an employee terminates his/her employment, the employee, if fully vested (fully vested upon reaching 5 years of service), is eligible to either take a refund of his/her accumulated account balance or, if the employee is eligible for retirement benefits, he/she may annuitize the account balance If an employee terminates his/her employment prior to being fully vested and requests a refund, the employee is only eligible to receive his/her contributions plus the interest thereon, forfeiting the employer pay credit and the associated interest The 1.00% contribution to the KPPA Insurance Fund is non-refundable

Retired employees receive certain health care benefits depending on length of service. In accordance with State statutes, such benefits are provided and advanced-funded on an actuarially determined basis through the KERS. As indicated above, covered employees hired on or after September 1, 2008 are required by State statute to contribute an additional 1.00% of their salary to fund the KPPA Insurance Fund (see Note 10). The related employer contribution is included in the required employer contribution rates reflected above.

The Authority's contributions (specific to the pension portion) for the years ended June 30, 2025 and 2024 total approximately \$615,000 and \$723,000, respectively.

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2025, the Authority's liability with respect to its estimated proportionate share of the collective net pension liability is \$9,341,000 (\$10,340,000 as of June 30, 2024). The June 30, 2025 net pension liability has been measured as of June 30, 2024 (the June 30, 2024 net pension liability has been measured as of June 30, 2023), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's estimated proportionate share of the collective net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all employer participants, as actuarially determined. At June 30, 2025 and 2024, the Authority's estimated proportionate share (as rounded) is .08%.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 9—Retirement plans (continued)

The Authority's estimate of pension expense (a benefit) with respect to the year ended June 30, 2025 totals \$1,128,000 (a \$962,000 benefit with respect to the year ended June 30, 2024).

At June 30, 2025, deferred outflows and inflows of resources related to pensions consist of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the total pension liability	\$ 176,000	\$ -
Changes to the assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	101,000	180,000
Changes in the proportionate share and differences between the Authority's contributions and its proportionate share of the contributions	-	50,000
Subsequent to measurement date contributions	615,000	-
	<u>\$ 892,000</u>	<u>\$ 230,000</u>

The \$615,000 of deferred outflows of resources as of June 30, 2025 (per the above table) attributable to the subsequent to measurement date contributions will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

The other amounts reflected as net deferred outflows and inflows of resources related to pensions as of June 30, 2025 will be recognized within pension expense as follows:

<u>Year Ending June 30,</u>	
2026	\$ 84,000
2027	19,000
2028	(32,000)
2029	(24,000)
	<u>\$ 47,000</u>

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 9—Retirement plans (continued)

At June 30, 2024, deferred outflows and inflows of resources related to pensions consist of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the total pension liability	\$ 128,000	\$ -
Changes to the assumptions	-	284,000
Net difference between projected and actual earnings on pension plan investments	175,000	164,000
Changes in the proportionate share and differences between the Authority's contributions and its proportionate share of the contributions	2,000	47,000
Subsequent to measurement date contributions	723,000	-
	\$ 1,028,000	\$ 495,000

Actuarial Assumptions

The total pension liability per the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate – 2.50%

Projected salary increases – 3.30% to 15.30%; varies by service

Investment rate of return – 5.25%

Mortality rates –

- Active members – Pub-2010 General Mortality Table projected with the ultimate rates from the MP-2014 Mortality Improvement Scale using a base year of 2010
- Healthy retired members and beneficiaries – system-specific mortality table based on mortality experience from 2013-2022 projected with the ultimate rates from the MP-2020 Mortality Improvement Scale using a base year of 2023
- Disabled members (the period after disability retirement) – Pub-2010 Disabled Mortality Table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 Mortality Improvement Scale using a base year of 2010

The actuarial assumptions used in the June 30, 2024 and 2023 actuarial valuations were based on the results of an actuarial experience study performed with respect to the period ended June 30, 2022.

The long-term expected rate of return on pension plan assets is determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed by the investment consultant for each major asset class (see below). The ranges are 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.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 9—Retirement plans (continued)

The target asset allocations and best estimates of the arithmetic long-term expected real rate of return for each major asset class are as follows (with respect to the June 30, 2024 actuarial valuation):

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity:		
Public	30.00%	4.15%
Private	6.00%	9.10%
Fixed Income:		
Core fixed income	27.00%	2.85%
Specialty credit	20.00%	3.82%
Cash	2.00%	1.70%
Inflation Protected:		
Real return	10.00%	5.35%
Real estate	5.00%	4.90%
	100.00%	

The long-term expected rate of return on pension plan assets, which is established by the KPPA Board of Trustees, was 5.25% with respect to the June 30, 2024 actuarial valuation.

Discount Rate

The discount rate used to measure the total pension liability per the June 30, 2024 actuarial valuation was 5.25% (also 5.25% with respect to the total pension liability per the June 30, 2023 actuarial valuation). The projection of cash flows used to determine the discount rate assumed the employers would contribute the actuarially determined contribution rate of projected compensation over the 30-year (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate.

Sensitivity of the Authority's Estimated Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate

The following table presents the Authority's estimated proportionate share of the collective net pension liability as of June 30, 2025 calculated using the discount rate of 5.25%, as well as what the Authority's estimated proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.25%) or one percentage point higher (6.25%) than the current discount rate.

	1.00% Decrease (4.25%)	Current Discount Rate (5.25%)	1.00% Increase (6.25%)
Authority's estimated proportionate share of the collective net pension liability	\$ 10,813,000	\$ 9,341,000	\$ 8,122,000

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 9—Retirement plans (continued)

The following table presents the Authority's estimated proportionate share of the collective net pension liability as of June 30, 2024 calculated using the discount rate of 5.25%, as well as what the Authority's estimated proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.25%) or one percentage point higher (6.25%) than the current discount rate.

	1.00% Decrease (4.25%)	Current Discount Rate (5.25%)	1.00% Increase (6.25%)
Authority's estimated proportionate share of the collective net pension liability	\$ 11,885,000	\$ 10,340,000	\$ 9,060,000

Liability to KERS

At June 30, 2025, the liability to KERS, which represents the amount of employer contributions required to be funded as of year-end, totals approximately \$34,000, approximately \$28,000 of which relates to pensions. At June 30, 2024, the liability to KERS totals approximately \$43,000, approximately \$34,000 of which relates to pensions. Such amounts are included within accrued payroll expenses per the accompanying statements of net position.

Note 10—Other postemployment benefits

General Information

Plan Description

All eligible employees receiving benefits under the KERS are provided hospital and medical insurance through the KPPA Insurance Fund, a cost-sharing multiple employer defined benefit other postemployment benefits (OPEB) plan. Under the provisions of Kentucky Revised Statutes 61.645, the KPPA Board of Trustees administers the KERS, including the Insurance Fund. The KPPA is the successor to Kentucky Retirement Systems.

Ten-year historical trend information showing the KERS' progress in accumulating sufficient assets to pay benefits when due (as well as financial statements and other required supplementary information) is presented in the KERS' Annual Financial Report (which is a matter of public record). The most recent actuarial valuation is as of June 30, 2024. Such report may be obtained by writing to the Kentucky Public Pensions Authority, 1260 Louisville Road, Perimeter Park West, Frankfort, Kentucky 40601. KPPA can also be reached by telephone at 502.696.8800 or by email at kppa.mail@kyret.ky.gov. The Commonwealth's ACFR should also be referred to for additional disclosures related to the KERS and the Insurance Fund.

Benefits Provided

The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance for eligible employees. The Insurance Fund provides health insurance benefits to employees and certain beneficiaries under prescribed circumstances. As a result of 2004 Regular Session House Bill 290, medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003. The below information summarizes the significant benefits related provisions of the OPEB plan. The below is not intended to be, nor should it be interpreted as, a complete account of all such provisions.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 10—Other postemployment benefits (continued)

Participation prior to July 2003		Participation between July 2003 and August 2008		Participation on or after September 2008	
Months of service	Percent of premium	Months of service	Percent of premium	Months of service	Percent of premium
< 48	0%	Greater than or equal to 120 months	\$10 per month for each year of service without regard to a maximum dollar adjusted by 1.5% annually	Greater than or equal to 180 months	\$10 per month for each year of service without regard to a maximum dollar adjusted by 1.5% annually
48 to 119 inclusive	25%				
120 to 179 inclusive	50%				
180 to 239 inclusive	75%				
240 or more	100%				

This benefit is not protected under the inviolable contract provisions of State statutes. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

Contributions

Pursuant to the provisions of Kentucky Revised Statutes 61.645, contribution requirements of participating employers are established and may be amended by the KPPA Board of Trustees. The Authority, for the years ended June 30, 2025 and 2024, was required to contribute a total of 78.00% of the covered employees' salaries between the KERS pension plan (see Note 9) and the Insurance Fund. Covered employees hired prior to September 1, 2008 are not required to contribute to the Insurance Fund. Covered employees hired after September 1, 2008 are required by State statute to contribute an additional 1.00% of their salary to fund the Insurance Fund. Such contributions are deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (Kentucky Administrative Regulation 105 KAR 1:420E).

The Authority's contributions to the Insurance Fund for the years ended June 30, 2025 and 2024 total approximately \$127,000 and \$199,000, respectively.

Net OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2025, the Authority's liability with respect to its estimated proportionate share of the collective net OPEB liability is \$550,000 (\$631,000 as of June 30, 2024). The June 30, 2025 net OPEB liability has been measured as of June 30, 2024 (the June 30, 2024 net OPEB liability has been measured as of June 30, 2023), and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's estimated proportionate share of the collective net OPEB liability was based on a projection of the Authority's long-term share of contributions to the OPEB plan relative to the projected contributions of all employer participants, as actuarially determined. At June 30, 2025 and 2024, the Authority's estimated proportionate share (as rounded) is .08%.

The Authority's estimate of OPEB expense (a benefit) with respect to the year ended June 30, 2025 totals \$470,000 (a \$437,000 benefit with respect to the year ended June 30, 2024).

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 10—Other postemployment benefits (continued)

At June 30, 2025, deferred outflows and inflows of resources related to OPEB consist of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the total OPEB liability	\$ 43,000	\$ 456,000
Changes to the assumptions	34,000	20,000
Net difference between projected and actual earnings on OPEB plan investments	54,000	95,000
Changes in the proportionate share and differences between the Authority's contributions and its proportionate share of the contributions	12,000	15,000
Subsequent to measurement date contributions	148,000	-
	<u>\$ 291,000</u>	<u>\$ 586,000</u>

The \$148,000 of deferred outflows of resources as of June 30, 2025 (per the above table) attributable to the subsequent to measurement date contributions will be recognized as a reduction of the collective net OPEB liability in the year ending June 30, 2026.

The other amounts reflected as net deferred outflows and inflows of resources related to OPEB as of June 30, 2025 will be recognized within OPEB expense as follows:

<u>Year Ending June 30,</u>	
2026	\$ (337,000)
2027	(89,000)
2028	(6,000)
2029	(11,000)
	<u>\$ (443,000)</u>

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 10—Other postemployment benefits (continued)

At June 30, 2024, deferred outflows and inflows of resources related to OPEB consist of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the total OPEB liability	\$ -	\$ 858,000
Changes to the assumptions	62,000	70,000
Net difference between projected and actual earnings on OPEB plan investments	94,000	94,000
Changes in the proportionate share and differences between the Authority's contributions and its proportionate share of the contributions	-	39,000
Subsequent to measurement date contributions	221,000	-
	<u>\$ 377,000</u>	<u>\$ 1,061,000</u>

Actuarial Assumptions

The total OPEB liability per the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions:

- Inflation rate – 2.50%
- Projected salary increases – 3.30% to 15.30%; varies by service
- Investment rate of return – 6.50%
- Health care cost trend rates –
 - Pre-65 - Initial trend starting at 7.10% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years
 - Post-65 - Initial trend starting at 8.00% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 10 years
- Mortality rates –
 - Active members - Pub-2010 General Mortality Table projected with the ultimate rates from the MP-2020 Mortality Improvement Scale using a base year of 2010
 - Healthy retired members and beneficiaries - system-specific mortality table based on mortality experience from 2013-2022 projected with the ultimate rates from the MP-2020 Mortality Improvement Scale using a base year of 2023
 - Disabled members (the period after disability retirement) - Pub-2010 Disabled Mortality Table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 Mortality Improvement Scale using a base year of 2010

The actuarial assumptions used in the June 30, 2024 and 2023 actuarial valuations were based on the results of an actuarial experience study performed with respect to the period ended June 30, 2022.

The long-term expected rate of return on OPEB plan assets is determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed by the investment consultant for each major asset class (see below). The ranges are 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.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 10—Other postemployment benefits (continued)

The target asset allocations and best estimates of the arithmetic long-term expected real rate of return for each major asset class are as follows (with respect to the June 30, 2024 actuarial valuation):

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity:		
Public	40.00%	4.15%
Private	8.00%	9.10%
Fixed Income:		
Specialty credit	25.00%	3.82%
Core fixed income	10.00%	2.85%
Cash	2.00%	1.70%
Inflation Protected:		
Real return	8.00%	5.35%
Real estate	7.00%	4.90%
	100.00%	

The long-term expected rate of return on OPEB plan assets, which is established by the KPPA Board of Trustees, was 6.50% with respect to the June 30, 2024 actuarial valuation.

Discount Rate

The discount rate used to measure the total OPEB liability per the June 30, 2024 actuarial valuation was 6.00% (5.94% with respect to the total OPEB liability per the June 30, 2023 actuarial valuation). The discount rate is based on the long-term expected rate of return on OPEB plan investments of 6.50% and a long-term municipal bond rate of 3.97% (fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2024).

Sensitivity of the Authority's Estimated Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate

The following table presents the Authority's estimated proportionate share of the collective net OPEB liability as of June 30, 2025 calculated using the discount rate of 6.00%, as well as what the Authority's estimated proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.00%) or one percentage point higher (7.00%) than the current discount rate.

	1.00% Decrease (5.00%)	Current Discount Rate (6.00%)	1.00% Increase (7.00%)
Authority's estimated proportionate share of the collective net pension liability	\$ 761,000	\$ 550,000	\$ 373,000

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 10—Other postemployment benefits (continued)

The following table presents the Authority's estimated proportionate share of the collective net OPEB liability as of June 30, 2024 calculated using the discount rate of 5.94%, as well as what the Authority's estimated proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.94%) or one percentage point higher (6.94%) than the current discount rate.

	1.00% Decrease (4.94%)	Current Discount Rate (5.94%)	1.00% Increase (6.94%)
Authority's estimated proportionate share of the collective net pension liability	<u>\$ 848,000</u>	<u>\$ 631,000</u>	<u>\$ 448,000</u>

Sensitivity of the Authority's Estimated Proportionate Share of the Collective Net OPEB Liability to Changes In the Health Care Cost Trend Rates

The following table presents the Authority's estimated proportionate share of the collective net OPEB liability as of June 30, 2025 calculated using the discount rate of 6.00%, as well as what the Authority's estimated proportionate share of the collective net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current health care cost trend rate.

	1.00% Decrease	Current Health Care Cost Trend Rate	1.00% Increase
Authority's estimated proportionate share of the collective net pension liability	<u>\$ 409,000</u>	<u>\$ 550,000</u>	<u>\$ 716,000</u>

The following table presents the Authority's estimated proportionate share of the collective net OPEB liability as of June 30, 2024 calculated using the discount rate of 5.94%, as well as what the Authority's estimated proportionate share of the collective net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current health care cost trend rate.

	1.00% Decrease	Current Health Care Cost Trend Rate	1.00% Increase
Authority's estimated proportionate share of the collective net pension liability	<u>\$ 462,000</u>	<u>\$ 631,000</u>	<u>\$ 834,000</u>

Liability to KERS

At June 30, 2025, the liability to KERS, which represents the amount of employer contributions required to be funded as of year-end, totals approximately \$34,000, approximately \$6,000 of which relates to OPEB. At June 30, 2024, the liability to KERS totals approximately \$43,000, approximately \$9,000 of which relates to OPEB. Such amounts are included within accrued payroll expenses per the accompanying statements of net position,

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025 AND 2024

Note 11—Commitments

As of June 30, 2025, the Authority's Committee Members had approved loans and grants totaling approximately \$15,000,000 for which funds had yet to be disbursed.

Note 12—Conduit debt

As indicated in Note 1, the Authority has acted as the issuing agent for Kentucky Economic Development Finance Authority Revenue Bonds in accordance with the statutes regarding the issuance of Industrial Revenue Bonds and Taxable Economic Development Revenue Bonds. Such bonds do not constitute a general debt, liability, or moral obligation of the Authority. Accordingly, the accompanying financial statements do not include any assets or liabilities related to the issuance of these bonds. Through June 30, 2025, the Authority has acted as the issuing agent for approximately \$3,600,000,000 of Kentucky Economic Development Finance Authority Revenue Bonds (those bonds with outstanding balances as of year-end). As of June 30, 2025, the balances outstanding on these bonds total approximately \$2,500,000,000.

Note 13—Related party transactions

The Authority received the benefit of accounting and administrative services, utilities, and office space from the Cabinet during fiscal years 2025 and 2024 for which no fees were assessed.

Note 14—Risk management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. The Authority utilizes the Commonwealth of Kentucky's Risk Management Fund to cover the exposure to these potential losses. The Commonwealth's ACFR should be referred to for additional disclosures related to the Risk Management Fund.

REQUIRED SUPPLEMENTARY INFORMATION

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
SCHEDULES OF THE AUTHORITY'S ESTIMATED PROPORTIONATE SHARE
OF THE COLLECTIVE NET PENSION LIABILITY AND RELATED RATIOS
BASED ON THE AUTHORITY'S PARTICIPATION IN THE KERS

YEARS ENDED JUNE 30, 2016 THROUGH JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total collective net pension liability for the Kentucky Employees Retirement System (KERS) non-hazardous employees	\$ 12,049,666,000	\$ 12,318,726,000	\$ 13,267,343,000	\$ 13,316,967,000	\$ 14,164,653,000	\$ 14,123,002,000	\$ 13,603,775,000	\$ 13,388,337,000	\$ 11,369,489,000	\$ 10,031,890,000
Authority's estimated portion (percentage) of the total collective net pension liability	0.08%	0.08%	0.09%	0.09%	0.08%	0.07%	0.07%	0.07%	0.07%	0.05%
Authority's estimated portion (amount) of the total collective net pension liability	\$ 9,341,000	\$ 10,340,000	\$ 11,862,000	\$ 11,941,000	\$ 11,405,000	\$ 10,070,000	\$ 9,481,000	\$ 8,914,000	\$ 7,430,000	\$ 5,959,000
Authority's estimated portion of the covered employees payroll	\$ 1,483,000	\$ 1,384,000	\$ 1,280,000	\$ 1,292,000	\$ 1,188,000	\$ 1,059,000	\$ 1,052,000	\$ 1,066,000	\$ 1,083,000	\$ 917,000
Authority's estimated proportionate share of the total collective net pension liability as a percentage of the Authority's estimated portion of the covered employees payroll	63%	747%	926%	924%	960%	951%	901%	836%	869%	650%
KERS' non-hazardous employees total fiduciary net position	\$ 4,223,936,000	\$ 3,539,943,000	\$ 3,013,845,000	\$ 3,016,680,000	\$ 2,308,080,000	\$ 2,233,672,000	\$ 2,004,448,000	\$ 2,056,870,000	\$ 1,980,292,000	\$ 2,327,782,000
KERS' non-hazardous employees total pension liability	\$ 16,273,602,000	\$ 15,856,699,000	\$ 16,261,168,000	\$ 16,336,657,000	\$ 16,472,733,000	\$ 16,356,674,000	\$ 15,608,221,000	\$ 15,445,207,000	\$ 13,379,761,000	\$ 12,359,672,000
KERS' non-hazardous employees total fiduciary net position as a percentage of the total pension liability	26%	22%	19%	18%	14%	14%	13%	13%	15%	19%

See the note to the required supplementary information.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
SCHEDULES OF THE AUTHORITY'S PENSION CONTRIBUTIONS BASED
ON THE AUTHORITY'S PARTICIPATION IN THE KERS

YEARS ENDED JUNE 30, 2016 THROUGH JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution amount	\$ 616,000	\$ 669,000	\$ 822,000	\$ 847,000	\$ 844,000	\$ 753,000	\$ 442,000	\$ 415,000	\$ 334,000	\$ 309,000
Contribution amount in relation to the actuarially determined contribution amount	1,004,000	1,070,000	952,000	1,017,000	764,000	738,000	480,000	504,000	334,000	309,000
Excess (deficiency)	\$ 186,000	\$ 201,000	\$ 80,000	\$ 70,000	\$ (80,000)	\$ (15,000)	\$ 38,000	\$ 89,000	\$ -	\$ -
Authority's estimated portion of the covered employees payroll	\$ 1,483,000	\$ 1,304,000	\$ 1,280,000	\$ 1,292,000	\$ 1,188,000	\$ 1,059,000	\$ 1,052,000	\$ 1,068,000	\$ 1,083,000	\$ 917,000
Contribution amount as a percentage of the Authority's estimated portion of the covered employees payroll	68%	77%	78%	78%	64%	70%	46%	47%	31%	34%

See the note to the required supplementary information.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

The actuarial methods and assumptions used to calculate the actuarially determined pension contribution rate are as follows:

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	30 years; closed
Asset valuation method	20% of the difference between the market value of the assets and the expected actuarial value of the assets is recognized
Inflation rate	2.30%
Projected salary increases	3.30% to 15.30%, varies by service
Investment rate of return	5.25%

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
SCHEDULES OF THE AUTHORITY'S ESTIMATED PROPORTIONATE SHARE OF
THE COLLECTIVE NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND
RELATED RATIOS BASED ON THE AUTHORITY'S PARTICIPATION IN THE KERS

YEARS ENDED JUNE 30, 2018 THROUGH JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total collective net other postemployment benefits (OPEB) liability for the Kentucky Employees Retirement System (KERS) non-hazardous employees	\$ 723,049,000	\$ 784,592,000	\$ 2,212,110,000	\$ 2,279,327,000	\$ 2,538,908,000	\$ 2,222,896,000	\$ 2,370,912,000	\$ 2,535,962,000
Authority's estimated portion (percentage) of the total collective net OPEB liability	0.08%	0.08%	0.08%	0.09%	0.08%	0.07%	0.07%	0.07%
Authority's estimated portion (amount) of the total collective net OPEB liability	\$ 590,000	\$ 631,000	\$ 1,880,000	\$ 2,033,000	\$ 2,044,000	\$ 1,585,000	\$ 1,651,000	\$ 1,688,000
Authority's estimated portion of the covered employees payroll	\$ 1,468,000	\$ 1,329,000	\$ 1,221,000	\$ 1,295,000	\$ 1,194,000	\$ 1,081,000	\$ 1,096,000	\$ 1,061,000
Authority's estimated proportionate share of the total collective net OPEB liability as a percentage of the Authority's estimated portion of the covered employees payroll	38%	47%	154%	157%	171%	147%	151%	159%
KERS' non-hazardous employees total fiduciary net position	\$ 1,765,729,000	\$ 1,532,752,000	\$ 1,364,420,000	\$ 1,419,477,000	\$ 1,080,649,000	\$ 995,089,000	\$ 891,205,000	\$ 817,370,000
KERS' non-hazardous employees total OPEB liability	\$ 2,488,778,000	\$ 2,317,344,000	\$ 3,578,530,000	\$ 3,698,804,000	\$ 3,599,557,000	\$ 3,217,985,000	\$ 3,282,117,000	\$ 3,353,332,000
KERS' non-hazardous employees total fiduciary net position as a percentage of the total OPEB liability	71%	66%	38%	38%	29%	31%	27%	24%

Note - This schedule is intended to present 10 years of information. Additional years of information will be presented as such information becomes available for subsequent years.

See the note to the required supplementary information.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
SCHEDULES OF THE AUTHORITY'S OTHER POSTEMPLOYMENT BENEFITS
CONTRIBUTIONS BASED ON THE AUTHORITY'S PARTICIPATION IN THE KERS

YEARS ENDED JUNE 30, 2018 THROUGH JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution amount	\$ 99,000	\$ 100,000	\$ 115,000	\$ 144,000	\$ 148,000	\$ 134,000	\$ 92,000	\$ 89,000
Contribution amount in relation to the actuarially determined contribution amount	104,000	105,000	120,000	166,000	141,000	128,000	95,000	108,000
Excess (deficiency)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 22,000	\$ (7,000)	\$ (6,000)	\$ 3,000	\$ 18,000
Authority's estimated portion of the covered employees payroll	\$ 1,466,000	\$ 1,329,000	\$ 1,221,000	\$ 1,295,000	\$ 1,194,000	\$ 1,081,000	\$ 1,096,000	\$ 1,061,000
Contribution amount as a percentage of the Authority's estimated portion of the covered employees payroll	7%	8%	10%	13%	12%	12%	9%	10%

Note - This schedule is intended to present 10 years of information. Additional years of information will be presented as such information becomes available for subsequent years.

See the note to the required supplementary information.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

The actuarial methods and assumptions used to calculate the actuarially determined other postemployment benefits contribution rate are as follows:

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	30 years; closed
Asset valuation method	20% of the difference between the market value of the assets and the expected actuarial value of the assets is recognized
Inflation rate	2.30%
Projected salary increases	3.30% to 15.30%; varies by service
Investment rate of return	6.25%
Health care cost trend rates (pre-65)	Initial trend starting at 6.30% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Health care cost trend rates (post-65)	Initial trend starting at 6.30% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years

**Report of Independent Auditor 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 Committee Members
Kentucky Economic Development Finance Authority
Frankfort, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Kentucky Economic Development Finance Authority (Authority) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing 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 Authority's internal control. Accordingly, we do not express an opinion of the effectiveness of the Authority'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance 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 result of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Louisville, Kentucky
October 1, 2025

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
SCHEDULE OF FINDINGS

YEAR ENDED JUNE 30, 2025

Schedule of Auditor's Results

We have issued an unmodified opinion, dated October 1, 2025, on the financial statements of the Kentucky Economic Development Finance Authority as of and for the year ended June 30, 2025.

Our audit disclosed no instances of non-compliance which are material to the Kentucky Economic Development Finance Authority's financial statements.

Findings Relating to the Financial Statements

Our audit disclosed no findings which are required to be reported in accordance with *Government Auditing Standards*.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
SCHEDULE OF PRIOR AUDIT FINDINGS AND THEIR RESOLUTION

YEAR ENDED JUNE 30, 2025

The audit as of and for the year ended June 30, 2024 disclosed no findings which were required to be reported in accordance with *Government Auditing Standards*.

the 1990s, the number of people with a disability has increased in all countries, and this is expected to continue in the future.

There are a number of reasons for this increase. One of the main reasons is the increase in the life expectancy of people with a disability. This is due to the fact that people with a disability are now living longer than ever before. This is due to the fact that people with a disability are now living longer than ever before.

Another reason for the increase is the increase in the number of people with a disability who are living in poverty. This is due to the fact that people with a disability are often unable to work and therefore have a low income. This is due to the fact that people with a disability are often unable to work and therefore have a low income.

A third reason for the increase is the increase in the number of people with a disability who are living in poor health. This is due to the fact that people with a disability are often unable to access the services they need to maintain their health. This is due to the fact that people with a disability are often unable to access the services they need to maintain their health.

There are a number of ways in which we can help to reduce the number of people with a disability. One of the main ways is to improve the health of people with a disability. This can be done by providing them with the services they need to maintain their health.

Another way is to provide people with a disability with the services they need to live a better quality of life. This can be done by providing them with the services they need to live a better quality of life.

A third way is to provide people with a disability with the services they need to work. This can be done by providing them with the services they need to work.

There are a number of other ways in which we can help to reduce the number of people with a disability. These include providing them with the services they need to live a better quality of life, providing them with the services they need to work, and providing them with the services they need to maintain their health.

It is important that we continue to work towards reducing the number of people with a disability. This is because people with a disability are often unable to live a better quality of life, and this is often due to the fact that they are unable to access the services they need.

There are a number of ways in which we can help to reduce the number of people with a disability. These include providing them with the services they need to live a better quality of life, providing them with the services they need to work, and providing them with the services they need to maintain their health.

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There are a number of ways in which we can help to reduce the number of people with a disability. These include providing them with the services they need to live a better quality of life, providing them with the services they need to work, and providing them with the services they need to maintain their health.

It is important that we continue to work towards reducing the number of people with a disability. This is because people with a disability are often unable to live a better quality of life, and this is often due to the fact that they are unable to access the services they need.

KSBCI 1.0 Quarterly Funding Report

September 30, 2025



	Participating Bank	KSBCI Program	Total Project Amount	KSBCI Support Amount
Closed				
Frontier Veterinary Services, LLC	United Southern Bank	KYCSP	\$ 300,000.00	\$ 37,498.55
Posh Academy, LLC	Paducah Bank & Trust	KYCSP	\$ 358,250.00	\$ 49,000.00
Quality Tire & Access, Inc.	SKED	KYCSP	\$ 150,000.00	\$ 22,500.00
Critchfield Meats, Inc.	Traditional Bank	KYCSP	\$ 1,607,905.79	\$ 211,543.20
PMAK, LLC (project #1)	Fifth Third Bank	KYCSP	\$ 725,000.00	\$ 72,500.00
KJKJ, LLC	Fifth Third Bank	KYCSP	\$ 578,106.63	\$ 91,306.00
Mahalaxmi Host, LLC and Radha Ventures, LLC	Traditional Bank	KYCSP	\$ 1,250,000.00	\$ 250,000.00
Hicks-Blaydes Farm, LLC	Kentucky Bank	KYCSP	\$ 600,913.40	\$ 58,930.00
McClure's Auto Parts, Inc.	Mountain Association	KYCSP	\$ 560,000.00	\$ 112,000.00
GBC Enterprises, LLC	Republic Bank & Trust	KYCSP	\$ 2,822,500.00	\$ 360,000.00
Addiction Recovery Care, LLC (project #1)	Mountain Association	KYCSP	\$ 150,000.00	\$ 16,000.00
5454 LLC	First Harrison Bank	KYCSP	\$ 144,100.00	\$ 15,851.00
Faith Holdings LLC	First Harrison Bank	KYCSP	\$ 3,120,000.00	\$ 456,000.00
SNEAK Properties, LLC	Stock Yards Bank	KYCSP	\$ 4,200,000.00	\$ 798,000.00
Addiction Recovery Care, LLC (project #2)	Mountain Association	KYCSP	\$ 500,000.00	\$ 100,000.00
Capitol Brewing Company, PBC	Traditional Bank	KYCSP	\$ 130,000.00	\$ 26,000.00
Affordable Granite & Marble Co. LLC	First Harrison Bank	KYCSP	\$ 230,000.00	\$ 45,000.00
Sav's Grill, LLC	Traditional Bank	KYCSP	\$ 525,000.00	\$ 96,200.00
Pearly Gates JV L.L.C.	First Harrison Bank	KYCSP	\$ 939,964.00	\$ 120,000.00
Unstoppable Faith LLC	First Harrison Bank	KYCSP	\$ 843,755.00	\$ 166,751.00
Parker Farm Supply, LLC	United Citizens Bank & Trust	KYCSP	\$ 472,000.00	\$ 25,400.00
OC Brannon Crossing, LLC	Fifth Third Bank	KYCSP	\$ 1,500,000.00	\$ 150,000.00
153 LLC	First Harrison Bank	KYCSP	\$ 496,764.00	\$ 97,853.00
Green Solutions Landcare, LLC	Monticello Banking Company	KYCSP	\$ 1,309,000.00	\$ 250,000.00
340 North Buckman, LLC (Pink Door Wreaths)	First Harrison Bank	KYCSP	\$ 726,400.00	\$ 127,000.00
BlueGrass Taproot, LLC	First Harrison Bank	KYCSP	\$ 786,150.00	\$ 135,000.00
PJJAM Enterprises, Inc. (real estate loan)	Stock Yards Bank & Trust	KYCSP	\$ 450,000.00	\$ 90,000.00
PJJAM Enterprises, Inc. (equipment loan)	Stock Yards Bank & Trust	KYCSP	\$ 1,250,000.00	\$ 250,000.00
Thind & Manak Investment, LLC	Traditional Bank	KYCSP	\$ 2,630,908.00	\$ 396,082.00
Still Lake Properties I, LLC (real estate)	South Central Bank	KYCSP	\$ 712,500.00	\$ 135,000.00
TJ Dillow Properties LLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 1,000,000.00	\$ 90,000.00
McReynolds Physical Therapy, PLLC	First Financial Bank, N.A.	KYCSP	\$ 214,000.00	\$ 21,400.00
DE/TAC Properties Limited Liability Partnership	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 928,000.00	\$ 83,520.00
Chambers Investments, LLC & Chambers Dentistry, P	Traditional Bank	KYCSP	\$ 1,400,000.00	\$ 250,000.00
GGML Holdings LLC	Stock Yards Bank & Trust	KYCSP	\$ 1,685,000.00	\$ 207,360.00
TOTAL CLOSED FUNDS			\$ 35,296,216.82	\$ 5,413,694.75
Paid Off/Recyclable Funds				
NucSafe, Inc. / NucSafe Instruments, Inc.	SKED	KYCSP	\$ 2,000,000.00	\$ 100,000.00
M&M Partners (project #2)	Community Trust Bank	KYCSP	\$ 51,442.00	\$ 10,000.00
Eastern Telephone & Technologies	Mountain Association	KYCSP	\$ 275,000.00	\$ 9,500.00
OB Holdings, LLC (Ocean Breeze)	Community Trust Bank	KYCSP	\$ 386,086.50	\$ 47,250.00
The RF Group, LLC DBA Simply the Best Sports Bar & Grill	The Commercial Bank of Grayson	KYCSP	\$ 151,274.27	\$ 30,000.00
Indatus	PNC Bank	KYCSP	\$ 8,700,000.00	\$ 1,000,000.00
Sunny Deals, LLC	First Financial Bank	KYCSP	\$ 25,000.00	\$ 5,000.00
Wreck-A-Mend Auto Restoration, LLC	United Southern Bank	KYCSP	\$ 94,500.00	\$ 14,250.00
Vest Fabrication & Certified Welding, LLC	Kentucky Bank	KYCSP	\$ 40,000.00	\$ 4,000.00
Grace Coffee, Café, Bakery, LLC	Community Ventures Corporation	KYCSP	\$ 75,000.00	\$ 15,000.00
Land of Tomorrow Productions, LLC	South Central Bank	KYCSP	\$ -	\$ 326.05
Lincoln Manufacturing USA, LLC	Commercial Bank	KYCSP	\$ 7,245,000.00	\$ 449,000.00
Lincoln Manufacturing USA, LLC	Commercial Bank	KYCSP	\$ 2,800,000.00	\$ 280,000.00
H & S Distributing, LLC	Wilson & Muir Bank & Trust Co.	KYCSP	\$ 104,000.00	\$ 19,400.00

BCM JR WR LLC/Elevation Management Group, LLC	United Southern Bank	KYCSP	\$ 480,000.00	\$ 96,000.00
J and L Lyle, Inc. Project #2	Kentucky Bank	KYCSP	\$ 29,000.00	\$ 5,220.00
Carnage Outdoor Gear, LLC	Paducah Bank & Trust	KYCSP	\$ 90,522.00	\$ 18,000.00
K&G Bear Creek Retreat/Montgomery Wildness/KY Antler	Kentucky Farmers Bank	KYCSP	\$ -	\$ 11,582.47
Tim and Bonita Butler	Citizens First Bank	KYCSP	\$ 140,000.00	\$ 26,000.00
ROR, LLC/Stepping Stones For Children, Inc.	Kentucky Bank	KYCSP		\$ 151,969.11
Maynard Studios	Community Trust Bank	KYCSP	\$ 165,750.00	\$ 24,862.50
Benjamin Watts/William & Kathy Watts/Wattsy's House of Iron	United Citizens Bank & Trust	KYCSP	\$ 50,000.00	\$ 10,000.00
J and L Lyle, Inc. Project #1	Kentucky Bank	KYCSP	\$ 35,000.00	\$ 6,300.00
Fit Bodies, Inc.	Fifth Third Bank	KYCSP	\$ 211,000.00	\$ 26,954.00
Big Red Burritos, LLC	Fifth Third Bank	KYCSP	\$ 25,000.00	\$ 5,000.00
Walnut Specialists Incorporated	KHIC	KYCSP	\$ 150,000.00	\$ 30,000.00
JSB Industrial Solutions, Inc.	Mountain Association	KYCSP	\$ 550,000.00	\$ 50,000.00
Lee's Ford Wine & Spirit Shoppe, LLC	Community Trust Bank	KYCSP	\$ 350,000.00	\$ 70,000.00
Palate Restaurant Group, LLC	Traditional Bank	KYCSP	\$ 1,175,000.00	\$ 120,000.00
Grace Community Health Center	Forcht Bank	KYCSP	\$ -	\$ 21,000.00
Geoffrey & Angel Knight/Knights Transportation Services	South Central Bank	KYCSP	\$ 225,000.00	\$ 45,000.00
H.B. Molding	Huntington Bank	KYCAP	\$ 40,000.00	\$ 1,200.00
Skidaddles, Inc.	Huntington National	KYCAP	\$ 65,306.12	\$ 1,902.12
LES Workout, LLC	Citizens First Bank	KYCSP	\$ 1,098,920.00	\$ 49,672.00
JC Brewer Construction, Inc.	Citizens First Bank	KYCSP	\$ 251,200.00	\$ 50,000.00
Clark County Veterinary Clinic, INC, Jeff and Kim Castle	Kentucky Bank	KYCSP	\$ 680,823.58	\$ 24,800.00
Austin Enterprises Incorporated	Kentucky Bank	KYCSP	\$ 242,000.00	\$ 48,400.00
HC Matthews	Citizens First Bank	KYCSP	\$ 444,900.00	\$ 69,101.00
212 Wayne Drive LLC, dba LaFontaine Preparatory School, LLC	Mountain Association	KYCSP	\$ 355,000.00	\$ 69,000.00
All Type Supply, LLC	Citizens Deposit Bank	KYCSP	\$ 181,868.00	\$ 36,000.00
CGS Machine & Tool, Inc.	Franklin Bank & Trust Company	KYCSP	\$ 1,440,000.00	\$ 248,000.00
Stardust Holdings, LLC & Stardust Ventures, LLC	KHIC	KYCSP	\$ 1,800,000.00	\$ 250,000.00
Godi Corporation	Fifth Third Bank	KYCSP	\$ 908,000.00	\$ 60,000.00
Cosmic Cheer and Tumble LLC	First National Bank of Grayson	KYCSP	\$ 239,000.00	\$ 29,850.00
Superior Expeditors LLC (project #1)	SKED	KYCSP	\$ 75,000.00	\$ 13,800.00
AU Associates, Inc.	Community Ventures Corporation	KYCSP	\$ 471,919.11	\$ 45,855.00
Eastman Law Office, PSC	First Financial Bank	KYCSP	\$ 91,000.00	\$ 18,200.00
Mountain Music Exchange, LLC	Mountain Association	KYCSP	\$ 50,000.00	\$ 10,000.00
J & H Mcglone LLC dba Kees Farm Services & Supply, LLC - project #1	First National Bank of Grayson	KYCSP	\$ 366,000.00	\$ 26,700.00
J & H Mcglone LLC dba Kees Farm Services & Supply, LLC - project #2	First National Bank of Grayson	KYCSP	\$ 50,000.00	\$ 10,000.00
Empress Properties, LLC	Republic Bank & Trust	KYCSP	\$ 1,200,000.00	\$ 150,000.00
D & M Contracting, Inc.	Mountain Association	KYCSP	\$ 100,000.00	\$ 16,000.00
Tilted Tulip, LLC	Mountain Association	KYCSP	\$ 305,000.00	\$ 49,000.00
Purley Enterprises, Inc. (project #1)	Kentucky Bank	KYCSP	\$ 147,500.00	\$ 29,500.00
Purley Enterprises, Inc. (project #2)	Kentucky Bank	KYCSP	\$ 317,355.00	\$ 57,471.00
Miller Insulation, LLC/Andrew & Eli Miller	South Central Bank of Hardin County, Inc.	KYLPP	\$ 85,000.00	\$ 17,000.00
My Visual Package, LLC	South Central Bank	KYCSP	\$ 30,000.00	\$ 3,000.00
Paducah Pizza Bakers, LLC	Paducah Bank & Trust	KYCSP	\$ 1,660,000.00	\$ 132,800.00
Country Boy Brewing, LLC & CBB Properties, LLC (construction loan)	Traditional Bank	KYCSP	\$ 2,950,000.00	\$ 250,000.00
G&M Investments, LLC	Paducah Bank & Trust	KYCSP	\$ 350,000.00	\$ 35,000.00
Best Tyler, LLC	Wilson & Muir Bank & Trust Co.	KYCSP	\$ 279,000.00	\$ 48,000.00
Mike Combs, Inc. dba Concrete Craft of Lexington	Community Ventures Corporation	KYCSP	\$ 20,000.00	\$ 4,000.00
Auto Wash USA, LLC	Whitaker Bank	KYCSP	\$ 1,331,688.00	\$ 60,000.00
Hospitality Resources, LLC	United Cumberland Bank	KYCSP	\$ 5,705,000.00	\$ 342,300.00
Women First, PLLC	First National Bank of Grayson	KYCSP	\$ 335,000.00	\$ 67,000.00

Durbin Super Bowl, LLC	Fifth Third Bank	KYCSP	\$ 2,125,000.00	\$ 285,000.00
Invictus 2468, LLC	Fifth Third Bank	KYCSP	\$ 875,000.00	\$ 175,000.00
breathe, LLC	Community Ventures Corporation	KYCSP	\$ 57,000.00	\$ 10,000.00
M&M Partners (project #1)	Community Trust Bank	KYCSP	\$ 95,612.00	\$ 18,800.00
Trackside Butcher Shoppe, LLC - Request #1	United Citizens Bank & Trust	KYCSP	\$ 50,000.00	\$ 10,000.00
Steamer Seafood Concessions & Catering, LLC	Franklin Bank & Trust Company	KYCSP	\$ -	\$ 7,974.97
Land Shark Shredding, LLC (Project #1)	Franklin Bank & Trust Company	KYCSP	\$ 455,000.00	\$ 91,000.00
Land Shark Shredding, LLC (Project #2)	Franklin Bank & Trust Company	KYCSP	\$ 120,000.00	\$ 24,000.00
S & K Farms LLC/S & K Powder Coating, LLC	Franklin Bank & Trust Company	KYCSP	\$ 203,133.00	\$ 40,000.00
Bader's Food Mart, Inc.	First Financial Bank	KYCSP	\$ 286,000.00	\$ 57,200.00
Latonia Star, LLC (project #1)	First Financial Bank	KYCSP	\$ 548,000.00	\$ 45,000.00
Latonia Star, LLC (project #2)	First Financial Bank	KYCSP	\$ 40,000.00	\$ 8,000.00
ROR, LLC/Stepping Stones For Children, Inc.	Kentucky Bank	KYCSP	\$ 1,300,000.00	\$ 98,030.89
Dalton Development Company Limited Liability Company (project #1)	Fifth Third Bank	KYCSP	\$ 243,000.00	\$ 27,000.00
Hildreth Brothers, LLC	Franklin Bank & Trust Company	KYCSP	\$ 400,000.00	\$ 80,000.00
Michael A. Green and Vipavee T. Green (Crank and Boom)	Community Ventures Corporation	KYCSP	\$ 410,500.00	\$ 33,656.00
RuffleGirl Inc.	First Harrison Bank	KYCSP	\$ 1,450,000.00	\$ 290,000.00
CFO Advantage, LLC - Travel Guide - Kentucky	First Financial Bank	KYCSP	\$ 99,086.76	\$ 19,817.35
Marikka's Restaurant, Inc.	Traditional Bank	KYCSP	\$ 3,641,565.00	\$ 461,140.00
Steamer's Seafood Bowling Green LLC	Franklin Bank & Trust Company	KYCSP	\$ 700,000.00	\$ 100,000.00
Trackside Butcher Shoppe, LLC - Request #2	United Citizens Bank & Trust	KYCSP	\$ 376,000.00	\$ 75,200.00
Optimum Fitness, LLC	United Citizens Bank & Trust	KYCSP	\$ 50,000.00	\$ 10,000.00
Ruby Concrete, Inc.	Farmers Bank of Marion	KYLPP	\$ 5,675,000.00	\$ 80,000.00
Discernity, LLC	First Financial Bank	KYCSP	\$ 100,000.00	\$ 20,000.00
Gaunce's Café and Deli LLC	Kentucky Bank	KYCSP	\$ 200,000.00	\$ 28,000.00
Parkview Pharmacy, Inc.	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 260,000.00	\$ 52,000.00
Bradley Ebelhar and Angela Ebelhar dba The Crown	Community Ventures Corporation	KYCSP	\$ 435,000.00	\$ 27,000.00
TVC Holdings LLC	First Harrison Bank	KYCSP	\$ 610,000.00	\$ 120,000.00
Canewood Homeowners Association, Inc. & Canewood HOA GC, LLC	Kentucky Bank	KYCSP	\$ 1,230,000.00	\$ 184,500.00
Atlas Development Group, LLC	First Citizens Bank	KYCSP	\$ 2,590,000.00	\$ 440,000.00
Nicholas D. Ring & Maren B. Ring / Rotolamento Forno LLC	Kentucky Bank	KYCSP	\$ 95,000.00	\$ 10,500.00
Casey's Foods, Inc. dba Happy IGA	Mountain Association	KYCSP	\$ 176,810.00	\$ 34,800.00
HRS Brooks, Inc.	First Citizens Bank	KYCSP	\$ 4,364,000.00	\$ 450,000.00
Malibu Jack's 2, LLC	Community Ventures Corporation	KYCSP	\$ 1,604,500.00	\$ 60,000.00
Taylor Tot Child Center, Inc.	Community Ventures Corporation	KYCSP	\$ 177,110.00	\$ 15,750.00
Dalton Development Company Limited Liability Company (project #2)	Fifth Third Bank	KYCSP	\$ 375,208.00	\$ 75,041.60
Dalton Development Company Limited Liability Company (project #3)	Fifth Third Bank	KYCSP	\$ 338,500.00	\$ 67,700.00
Parker Lilly Holdings, LLC	Fifth Third Bank	KYCSP	\$ 690,000.00	\$ 69,000.00
Wellness Care, LLC	Fifth Third Bank	KYCSP	\$ 470,000.00	\$ 70,500.00
Kentucky River Community Care, Inc. (project #1)	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 525,000.00	\$ 105,000.00
The Law Offices of John Thompson, PLLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 78,662.00	\$ 15,732.00
Kentucky River Community Care, Inc. (project #3)	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 673,000.00	\$ 134,600.00
Eddie Eugene Shelton and Charlotte Shelton	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 149,000.00	\$ 29,800.00
Sterling Physical Therapy & Associates, P.S.C.	The Citizens Bank	KYCSP	\$ 467,000.00	\$ 75,000.00

Alley Land Company	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 768,000.00	\$ 88,200.00
B & B Contracting, LLC	Mountain Association	KYCSP	\$ 100,000.00	\$ 20,000.00
Double D's Ice Cream Distribution, Inc.	Cumberland Valley National Bank	KYCSP	\$ 505,354.00	\$ 85,424.00
Burgess Steel Services, Inc.	Citizens Deposit Bank	KYCSP	\$ 75,173.47	\$ 14,000.00
FireFresh Bar-B-Q, Blakenbaker, LLC	First Financial Bank	KYCSP	\$ 175,000.00	\$ 26,250.00
Country Boy Brewing, LLC & CBB Properties, LLC (equipment loan)	Traditional Bank	KYCSP	\$ 2,997,438.00	\$ 346,716.00
Miracle Lawn and Landscaping, Inc.	KHIC	KYCSP	\$ 150,000.00	\$ 25,600.00
Hillview Property Management, LLC	German American Bank	KYCSP	\$ 488,000.00	\$ 96,000.00
America's Finest Filters, Inc.	First Financial Bank	KYCSP	\$ 170,500.00	\$ 34,100.00
Miles Away, Inc.	Community Ventures Corporation	KYCSP	\$ 290,000.00	\$ 10,000.00
Against The Grain, LLC	Wilson & Muir Bank & Trust Co.	KYCSP	\$ 1,100,000.00	\$ 200,000.00
BBY Management Group LLC	Traditional Bank	KYCSP	\$ 2,017,000.00	\$ 188,000.00
Lee's Ford Dock, Inc.	Community Trust Bank	KYCSP	\$ 974,000.00	\$ 194,800.00
Kenneth A Bell, Inc.	Fifth Third Bank	KYCSP	\$ 334,988.36	\$ 66,997.00
Kentucky River Community Care, Inc. (project # 3)	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 1,000,000.00	\$ 200,000.00
Downtown Fitness Paducah, LLC	Community Financial Services Bank	KYCSP	\$ 468,230.78	\$ 88,000.00
Cane Run Properties, LLC	First Financial Bank	KYCSP	\$ 285,000.00	\$ 57,000.00
The B Hive Child Care Academy Limited Liability Company	United Citizens Bank & Trust	KYCSP	\$ 97,380.00	\$ 9,738.00
Kentucky Rural Health Information Technology Network, Inc. (dba Horizon Health)	Forcht Bank	KYCSP	\$ 50,000.00	\$ 10,000.00
Whitaker Group, LLC (project #1)	Mountain Association	KYCSP	\$ 175,000.00	\$ 35,000.00
Whitaker Group II, LLC (project #1)	Mountain Association	KYCSP	\$ 175,000.00	\$ 35,000.00
Whitaker Group, LLC (project #1)	Mountain Association	KYCSP	\$ 655,000.00	\$ 105,000.00
Whitaker Group II, LLC (project #2)	Mountain Association	KYCSP	\$ 262,000.00	\$ 52,400.00
BWH Land Company, LLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 205,000.00	\$ 41,000.00
Tackett Enterprises, LLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 232,000.00	\$ 46,400.00
Christon Enterprises, Inc. d/b/a Isom IGA	Mountain Association	KYCSP	\$ 468,000.00	\$ 83,600.00
Heritage Millworks, LLC d/b/a Powell Valley Millwork	Mountain Association	KYCSP	\$ 425,000.00	\$ 80,000.00
Heritage Millworks, LLC	Mountain Association	KYCSP	\$ 4,500,000.00	\$ 150,000.00
Hopland Ventures, LLC	South Central Bank	KYCSP	\$ 99,000.00	\$ 15,600.00
Whitaker Group, LLC	KHIC	KYCSP	\$ 270,000.00	\$ 54,000.00
Whitaker Group II, LLC	KHIC	KYCSP	\$ 5,535,000.00	\$ 108,000.00
Cunningham Golf Car Co., Inc.	First Financial Bank	KYCSP	\$ 700,000.00	\$ 140,000.00
Philip Sharp LLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 300,000.00	\$ 53,000.00
Starfite, LLC	Kentucky Bank	KYCSP	\$ 1,777,000.00	\$ 250,000.00
Narrow Gate Properties, LLC	Fifth Third Bank	KYCSP	\$ 3,625,000.00	\$ 360,000.00
Robert Leon Allen	Monticello Banking Company	KYCSP	\$ 87,500.00	\$ 17,500.00
Great Flood Holdings, LLC	Republic Bank & Trust	KYCSP	\$ 500,000.00	\$ 100,000.00
Library Holdings, LLC	Fifth Third Bank	KYCSP	\$ 2,530,000.00	\$ 249,000.00
Highland Property Group LLC	Fifth Third Bank	KYCSP	\$ 1,400,000.00	\$ 200,000.00
Howard Law Firm, PLC	KHIC	KYCSP	\$ 250,000.00	\$ 10,000.00
May and Lee Management, LLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 1,100,000.00	\$ 220,000.00
High Performance Computer Services LLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 338,080.00	\$ 62,500.00
East End Foot, LLC	First Harrison Bank	KYCSP	\$ 615,000.00	\$ 108,309.00
DHN Midland, LLC	First Harrison Bank	KYCSP	\$ 1,167,500.00	\$ 225,000.00
Crum Funeral Home LLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 750,000.00	\$ 150,000.00
Beaver Creek Vet.	Mountain Association	KYLPP	\$ 410,000.00	\$ 68,000.00
Zinky's Dog Care, LLC	Citizens First Bank	KYCSP	\$ 189,230.00	\$ 37,000.00
Bluegrass Tool & Industrial, LLC	German American Bank	KYCSP	\$ 1,250,000.00	\$ 250,000.00
Two Martini's LLC	Community Ventures Corporation	KYCSP	\$ 540,027.00	\$ 37,801.00

CKW Physical Therapy, Inc.	Commercial Bank of West Liberty	KYCSP	\$ 272,900.92	\$ 54,580.00
RHLasher/BGC Properties, LLC (The Big Green Cow, Inc.)	Traditional Bank	KYCSP	\$ 1,322,840.00	\$ 132,284.00
Eliezer Transport, Inc.	South Central Bank	KYCSP	\$ 465,506.12	\$ 93,101.00
Logan Corporation	SKED	KYCSP	\$ 575,000.00	\$ 80,000.00
Wente Holdings, LLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$ 845,953.00	\$ 169,190.00
True North Properties, LLC	Fifth Third Bank	KYCSP	\$ 120,000.00	\$ 24,000.00
Print My Threads, LLC	Mountain Association	KYCSP	\$ 230,000.00	\$ 40,000.00
Affordable Signs & Apparel, LLC	United Citizens Bank & Trust	KYCSP	\$ 48,000.00	\$ 9,000.00
DC Logistics, Inc.	United Citizens Bank & Trust	KYCSP	\$ 350,000.00	\$ 18,750.00
PEARCE Group LLC	Fifth Third Bank	KYCSP	\$ 230,000.00	\$ 46,000.00
TS Montgomery, LLC	Traditional Bank	KYCSP	\$ 623,560.00	\$ 104,968.00
F&B Properties LLC	Traditional Bank	KYCSP	\$ 1,600,000.00	\$ 142,500.00
Marshall T. West d/b/a West & Jones Funeral Home	Mountain Association	KYCSP	\$ 225,000.00	\$ 40,000.00
Prosigns LLC	Mountain Association	KYCSP	\$ 150,000.00	\$ 30,000.00
AAA CNC Milling Center LLC	First Harrison Bank	KYCSP	\$ 330,000.00	\$ 36,000.00
JAKLAK LLC	First Financial Bank	KYLPP	\$ 550,147.16	\$ 106,029.40
Drs. Burch, Renshaw, Wix & Associates, P.S.C.	Republic Bank & Trust	KYCSP	\$ 1,907,637.00	\$ 250,000.00
Amett Dental Practice, PLLC/Sheila's Property, LLC	First National Bank of Grayson	KYCSP	\$ 580,000.00	\$ 104,400.00
Mirissia Duncil and Miles Duncil	First National Bank of Grayson	KYCSP	\$ 205,000.00	\$ 41,000.00
Still Lake Properties I, LLC (equipment)	South Central Bank	KYCSP	\$ 187,500.00	\$ 30,000.00
Shooting Star Properties, LLC/Paladin, Inc.	Community Trust Bank	KYCSP	\$ 705,000.00	\$ 40,125.00
Miles Exterminating Co., Inc.	First National Bank of Grayson	KYCSP	\$ 80,000.00	\$ 16,000.00
Phillips Diversified Manufacturing, Inc.	KHIC	KYCSP	\$ 1,200,000.00	\$ 240,000.00
Grace Community Health Center	Forcht Bank	KYCSP	\$ 600,000.00	\$ 99,000.00
AEK Transport Services LLC	Community Ventures Corporation	KYCSP	\$ 85,000.00	\$ 17,000.00
M & M Newspapers, LLC	Traditional Bank	KYCSP	\$ 500,000.00	\$ 90,000.00
PMAK, LLC (project #3)	Fifth Third Bank	KYCSP	\$ 624,500.00	\$ 62,450.00
DE/TAC Properties Limited Liability Partnership	Commercial Bank	KYCSP	\$ 210,000.00	\$ 26,350.00
Christian Academy of Lawrenceburg, Kentucky, Inc.	First Financial Bank	KYCSP	\$ 707,000.00	\$ 131,400.00
Stapleton Holdings, LLC	First Financial Bank	KYCSP	\$ 457,000.00	\$ 91,400.00
Carey Technologies, Inc. dba Pine Mountain Canopy Tours	KHIC	KYCSP	\$ 550,000.00	\$ 50,000.00
Julep Pets, Inc.	Kentucky Bank	KYCSP	\$ 155,000.00	\$ 23,250.00
TOTAL PAID OFF/RECYCLABLE FUNDS			\$ 143,367,487.15	\$ 16,700,620.46

Transfer of Paid Off/Recyclable Funds

KEDFA Grant Program	7/27/2017	\$ 1,330,000.00
KEDFA Grant Program	12/8/2022	\$ 2,400,000.00
KEDFA Grant Program	12/7/2023	\$ 2,000,000.00
KEDFA Grant Program	8/28/2025	\$ 500,000.00
		\$ 6,230,000.00

Claims Paid

Land of Tomorrow Productions, LLC	South Central Bank	KYCSP	\$ 250,000.00	\$ 49,673.95
K&G Bear Creek Retreat/Montgomery Wildness/KY Antler	Kentucky Farmers Bank	KYCSP	\$ 3,353,745.85	\$ 388,417.53
Steamer Seafood Concessions & Catering, LLC	Franklin Bank & Trust Company	KYCSP	\$ 148,000.00	\$ 12,025.03
B&D Cleaning, LLC	Community Ventures Corporation	KYCSP	\$ 37,500.00	\$ 7,500.00
TOTAL CLAIMS PAID			\$ 3,789,245.85	\$ 457,616.51

Approved

TOTAL APPROVED FUNDS	\$ 178,663,703.97	\$ 22,114,315.21
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TOTAL CLOSED, PAID OFF/RECYCLABLE, CLAIMS PAID & APPROVED \$ 182,452,949.82 \$ 22,571,931.72

Approved but Withdrawn

Corinth Christian Bookstore / Frankfort, KY	Community Trust Bank	KYCSP	\$ 120,000.00	\$ 20,750.00
Champion Chevrolet/Oldham Co.	The Bank - Oldham County	KYLPP	\$ 1,264,934.00	\$ 250,000.00
Carty-Vicars, Inc. dba Carty-Polly & Craft Funeral Home	SKED	KYCSP	\$ 790,000.00	\$ 120,000.00
E & R Enterprises, PLLC d/b/a Advantage Physical Therapy	Community Trust Bank	KYCSP	\$ 123,541.00	\$ 24,708.20
Marrowbone Family Pharmacy, LLC	Mountain Association	KYCSP	\$ 100,000.00	\$ 20,000.00
	Community Ventures			
Brown's Fresh Meats and Produce, LLC	Corporation	KYCSP	\$ 20,000.00	\$ 4,000.00
Bethlehem Fabrication, LLC	Traditional Bank	KYCSP	\$ 48,000.00	\$ 9,600.00
Walnut Specialists Incorporated	KHIC	KYCSP	\$ 980,000.00	\$ 20,000.00
Cumberland Manor Rest Home, Inc.	Mountain Association	KYCSP	\$ 250,000.00	\$ 50,000.00
Barnhill Enterprises - Request #2	Kentucky Bank	KYCSP	\$ 150,000.00	\$ 30,000.00
PMAK, LLC (project #2)	Fifth Third Bank	KYCSP	\$ 700,000.00	\$ 63,000.00
Grassroots Pharmacy, PLLC - Project #2	Central Bank & Trust	KYCSP	\$ 75,000.00	\$ 15,000.00
Grassroots Pharmacy, PLLC - Project #1	Central Bank & Trust	KYCSP	\$ 170,000.00	\$ 34,000.00
	Community Ventures			
Robby Shell and Renae Shell	Corporation	KYCSP	\$ 299,000.00	\$ 12,000.00
	Community Ventures			
2nd Star, LLC dba Something 2 Do	Corporation	KYCSP	\$ 50,000.00	\$ 10,000.00
Melissa J Stamper and Thomas Stamper dba Got Roots Hair Salon	Community Ventures			
	Corporation	KYCSP	\$ 30,300.00	\$ 4,000.00
SGCE LLC	Fifth Third Bank	KYCSP	\$ 162,000.00	\$ 16,200.00
Fairview Eye Care Real Estate, LLC	Republic Bank & Trust	KYCSP	\$ 2,500,000.00	\$ 100,000.00
	Franklin Bank & Trust			
Hickory & Oak , LLC	Company	KYCSP	\$ 750,000.00	\$ 150,000.00
Robert Leon Allen - Project #1	Monticello Banking Company	KYCSP	\$ 92,500.00	\$ 18,500.00
Haney Enterprises LLC	Citizens Deposit Bank	KYCSP	\$ 59,864.52	\$ 11,972.00
Superior Expeditors LLC (project #2)	SKED	KYCSP	\$ 150,000.00	\$ 27,000.00
ShellTech LLC - project #1	SKED	KYCSP	\$ 650,000.00	\$ 117,000.00
JCSB LLC (William M Cornett Inc.)	First Harrison Bank	KYCSP	\$ 197,000.00	\$ 34,400.00
Revelry Boutique Gallery, LLC	First Harrison Bank	KYCSP	\$ 685,000.00	\$ 135,000.00
ShellTech LLC (project #2)	KHIC	KYCSP	\$ 1,875,000.00	\$ 184,005.00
Thomson Properties, LLC	Traditional Bank	KYCSP	\$ 650,000.00	\$ 65,000.00
TOTAL APPROVED BUT WITHDRAWN			\$ 12,942,139.52	\$ 1,546,135.20

Closed, Paid Off/Recyclable Funds, Claims Paid & Approved Projects By Program

Fund Used By Program	Total Project Amounts	KSBCI Support Amount
KYLPP	\$ 6,720,147.16	\$ 271,029.40
KYCSP	\$ 175,627,496.54	\$ 22,297,800.20
KYCAP	\$ 105,306.12	\$ 3,102.12
	\$ 182,452,949.82	\$ 22,571,931.72

KSBCI 2.0 Quarterly Funding Report

September 30, 2025



	Participating Bank	KSBCI Program	Total Project Amount	KSBCI Support Amount
Closed				
Curry Grant, LLC	Traditional Bank	KYCSP	\$ 392,772.00	\$ 119,874.00
Green Acres Fencing LLC	Bank of Columbia	KYCSP	\$ 115,678.29	\$ 48,664.29
Jay Shree Goga LLC	Citizens Bank of KY	KYCSP	\$ 2,474,352.84	\$ 462,500.00
Redwood Cooperative School	Traditional Bank	KYCSP	\$ 4,627,451.00	\$ 671,000.00
Highland Diversified Services, Inc.	KHIC	KYCSP	\$ 1,200,000.00	\$ 600,000.00
Cumberland Steel Company, LLC	KHIC	KYCSP	\$ 250,000.00	\$ 112,500.00
Cornett Farm Fresh, LLC	KHIC	KYCSP	\$ 950,000.00	\$ 185,000.00
Freedom Ninety LLC	Traditional Bank	KYCSP	\$ 602,653.00	\$ 40,253.00
AAA Granite, LLC	American Bank & Trust	KYCSP	\$ 957,500.00	\$ 85,000.00
Ekadashi Inc	Field & Main Bank	KYCSP	\$ 300,000.00	\$ 150,000.00
Corto Lima, LLC	Traditional Bank	KYCSP	\$ 1,300,000.00	\$ 260,000.00
J&K Heavy Truck Haul	KHIC	KYCSP	\$ 515,000.00	\$ 202,500.00
Kormell LLC	Field & Main Bank	KYCSP	\$ 1,050,000.00	\$ 223,426.00
Lester Earthworks	KHIC	KYCSP	\$ 582,000.00	\$ 250,000.00
Elite Downtown Bridal	Field & Main Bank	KYCSP	\$ 93,000.00	\$ 40,245.00
William Gray Haberdashery LLC	Field & Main Bank	KYCSP	\$ 100,000.00	\$ 50,000.00
Woman 2 Woman Obstetrics & Gynecology, PSC	Traditional Bank	KYCSP	\$ 420,000.00	\$ 74,250.00
Pipe Eyes, LLC	Traditional Bank	KYCSP	\$ 866,000.00	\$ 204,499.00
Big Trucks and Toys, LLC	Traditional Bank	KYCSP	\$ 1,103,984.00	\$ 109,813.00
DTS Industries	KHIC	KYCSP	\$ 500,000.00	\$ 200,000.00
B&B Powdercoating and Sandblasting, LLC	Republic Bank	KYCSP	\$ 3,997,470.00	\$ 1,580,000.00
Interpreting Service of the Commonwealth, LLC	KHIC	KYCSP	\$ 210,000.00	\$ 105,000.00
Cumberland Mountain Express, Inc.	KHIC	KYCSP	\$ 750,000.00	\$ 356,250.00
Freedom Select Foodservices, LLC	Traditional Bank	KYCSP	\$ 325,794.00	\$ 90,000.00
Blackridge Roofing, LLC	KHIC	KYLPP	\$ 155,000.00	\$ 50,000.00
TNT Paving, LLC	KHIC	KYLPP	\$ 350,000.00	\$ 150,000.00
Mrs. Vons Learning Academy, LLC	Republic Bank	KYCSP	\$ 312,000.00	\$ 79,300.00
Brewtanicals, LLC	Mountain Association	KYCSP	\$ 71,082.00	\$ 34,463.00
Utilities Plus, Inc.	KHIC	KYCSP	\$ 900,337.00	\$ 427,500.00
Harbor Cottage, LLC	Community Trust Bank	KYCSP	\$ 2,000,000.00	\$ 1,000,000.00
Pops Coin Laundry, LLC.	American Bank & Trust	KYCSP	\$ 485,000.00	\$ 185,385.00
Lacrosse Enclosures, Inc.	American Bank & Trust	KYCSP	\$ 550,000.00	\$ 275,000.00
Black Diamond Pest Control of Central KY, LLC.	American Bank & Trust	KYCSP	\$ 115,000.00	\$ 40,375.00
Rail House Grill, LLC.	KHIC	KYCSP	\$ 280,000.00	\$ 140,000.00
Small Batch Concrete, LLC.	Park National Bank	KYCSP	\$ 266,450.00	\$ 53,850.00
TOTAL CLOSED FUNDS			\$ 29,168,524.13	\$ 8,656,647.29

Paid Off/Recyclable Funds

TOTAL PAID OFF/RECYCLABLE FUNDS \$ - \$ -

Claims Paid

TOTAL CLAIMS PAID \$ - \$ -

Approved

The Coffee Hut, LLC	KYCSP	\$ 100,000.00	\$ 48,537.00
TOTAL APPROVED FUNDS			\$ 100,000.00

TOTAL CLOSED, PAID OFF/RECYCLABLE, CLAIMS PAID & APPROVED \$ 29,268,524.13 \$ 8,705,184.29

Approved but Withdrawn

Wicked World Productions, LLC	Traditional Bank	KYCSP	\$ 750,000.00	\$ 120,000.00
TOTAL APPROVED BUT WITHDRAWN			\$ 750,000.00	\$ 120,000.00

Closed, Paid Off/Recyclable Funds, Claims Paid & Approved Projects By Program

Fund Used By Program	Total Project Amounts	KSBCI Support Amount
KYLPP	\$ 505,000.00	\$ 200,000.00
KYCSP	\$ 28,763,524.13	\$ 8,505,184.29
	<u>\$ 29,268,524.13</u>	<u>\$ 8,705,184.29</u>

KSBCI 2.0 Quarterly Funding Report



September 30, 2025

Company Name	Venture Capital	KSBCI Program	EOT Amount
NX Prenatal Inc.	KSTC	KYMFV	\$ 1,500,000.00
PowerTech Water, Inc.	KSTC	KYMFV	\$ 749,998.70
Personal Medicine Plus Inc.	KSTC	KYMFV	\$ 228,688.00
Resound, Corp	KSTC	KYMFV	\$ 250,000.00
Healthcare Asset Network, Inc.	KSTC	KYMFV	\$ 752,468.25
Beltways, Inc.	KSTC	KYMFV	\$ 499,999.57
VividCharts Inc.	KSTC	KYMFV	\$ 249,995.66
GoWild Alpha Inc.	KSTC	KYMFV	\$ 250,000.00
DesiCorp Inc	KSTC	KYMFV	\$ 750,000.00
Bexion Pharmaceuticals, Inc.	KSTC	KYMFV	\$ 1,500,000.00
Victory Foods Holdings PBC	KSTC	KYMFV	\$ 500,000.00
FreshFry Inc.	KSTC	KYMFV	\$ 499,999.91
Untitled Holding Company	KSTC	KYMFV	\$ 474,610.50
GoWild Alpha Inc.	KSTC	KYMFV	\$ 130,000.00
Louisville Vegan Jerky Co. L.L.C.	KSTC	KYMFV	\$ 500,000.00
Yornest, Inc	KSTC	KYMFV	\$ 250,000.00
Personal Medicine Plus Inc.	KSTC	KYMFV	\$ 99,998.90
WearWare, Inc.	KSTC	KYMFV	\$ 75,000.00
To The Market/Survivor Made Goods, Inc.	KSTC	KYMFV	\$ 249,999.12
Avana Health, Inc.	KSTC	KYMFV	\$ 250,000.00
Purchase Inc	KSTC	KYMFV	\$ 449,999.70
PowerTech Water, Inc.	KSTC	KYMFV	\$ 350,000.00
Narratize Inc.	KSTC	KYMFV	\$ 250,000.00
Ujon Inc.	KSTC	KYMFV	\$ 175,000.00
Fibonacci LLC	KSTC	KYMFV	\$ 225,000.00
DesiCorp Inc	KSTC	KYMFV	\$ 500,000.00
DGB Tenn LLC	KSTC	KYMFV	\$ 250,000.00
GoodMaps Inc.	KSTC	KYMFV	\$ 550,000.00
Innovative Therapeutix, Inc.	KSTC	KYMFV	\$ 250,000.00
Forecastr Inc.	KSTC	KYMFV	\$ 1,000,000.00
IribaMaps Inc.	KSTC	KYMFV	\$ 450,000.00
ADEM Technologies, Inc.	KSTC	KYMFV	\$ 249,999.97
Virtual Peaker Inc.	KSTC	KYMFV	\$ 500,000.00
Personal Medicine Plus Inc.	KSTC	KYMFV	\$ 299,999.80
AboutBit Inc	KSTC	KYMFV	\$ 500,000.00
Parasight System Inc.	KSTC	KYMFV	\$ 500,000.00
Bexion Pharmaceuticals, Inc.	KSTC	KYMFV	\$ 1,000,000.00
WearWare, Inc.	KSTC	KYMFV	\$ 300,000.00
Fibonacci LLC	KSTC	KYMFV	\$ 275,000.00
PCC Hydrogen Inc.	KSTC	KYMFV	\$ 250,000.00
Flamel AI, Inc.	KSTC	KYMFV	\$ 250,000.00
Fixle, Inc.	KSTC	KYMFV	\$ 250,000.00
Sage Health Labs, Inc.	KSTC	KYMFV	\$ 500,000.00
Fooji, Inc.	KSTC	KYMFV	\$ 500,000.00
Value Buddy Inc.	KSTC	KYMFV	\$ 400,000.00
IribaMaps Inc.	KSTC	KYMFV	\$ 400,000.00
Wicked Sheets, LLC	KSTC	KYMFV	\$ 300,000.00
PowerTech Water, Inc.	KSTC	KYMFV	\$ 1,400,000.00
Beltways, Inc.	KSTC	KYMFV	\$ 1,950,000.00
Bert Thin Films, Inc.	KSTC	KYMFV	\$ 499,999.12

DesiCorp Inc	KSTC	KYMFV	\$ 250,000.00
Gun Media Holdings, Inc.	KSTC	KYMFV	\$ 476,828.91
Narratize Inc.	KSTC	KYMFV	\$ 1,000,000.00
Stucco Inc.	KSTC	KYMFV	\$ 250,000.00
Sunflower Fuels, Inc.	KSTC	KYMFV	\$ 250,000.00
To The Market/Survivor Made Goods, Inc.	KSTC	KYMFV	\$ 999,996.45
Valent Systems Inc.	KSTC	KYMFV	\$ 250,000.00
Kyndly Technologies	KSTC	KYMFV	\$ 300,000.00
Untitled Holding Company	KSTC	KYMFV	\$ 649,999.33
RedLeaf Biologics, Inc.	KSTC	KYMFV	\$ 999,996.10
Aquisense Inc.	KSTC	KYMFV	\$ 750,000.00
ParkPay USA, Inc.	KSTC	KYMFV	\$ 250,000.00
GoodMaps Inc.	KSTC	KYMFV	\$ 1,000,000.00
Revolution RE, Inc.	KSTC	KYMFV	\$ 999,998.37
Resonate Recordings, LLC	KSTC	KYMFV	\$ 250,000.00
SoFab Inks Inc.	KSTC	KYMFV	\$ 250,000.00
ToddCares, Inc	KSTC	KYMFV	\$ 334,995.00
Verity Technologies, Inc.	KSTC	KYMFV	\$ 250,000.00
Kanbol, Inc.	KSTC	KYMFV	\$ 420,823.78
Liberate Medical, Inc.	KSTC	KYMFV	\$ 1,549,999.29
Another Nine Holdings, Inc.	KSTC	KYMFV	\$ 250,000.00

TOTAL CLOSED FUNDS \$ 36,268,394.43

	KSBCI Support
Fund Used By Program	Amount
KY Loan Participation Program	\$ 200,000.00
KY Collateral Support Program	\$ 8,505,184.29
KY Matching Venture Fund Program	\$ 36,268,394.43
	\$ 44,973,578.72

MEMORANDUM

TO: KEDFA Board Members

FROM: Casadi Bramer, Compliance Specialist
Compliance Division

DATE: October 30, 2025

SUBJECT: KPDI Extensions

The following entities have requested and been granted a 6-month extension to complete their projects under the KPDI Program of 2022 Round 2. The end of term has been extended to June 30, 2026.

<u>Requesting Entity</u>	<u>County</u>
Princeton-Caldwell County Industrial Development Authority	Caldwell
Clinton County Industrial Development Authority	Clinton
Hickman-Fulton County Riverport Authority	Fulton
Graves County Economic Development, Inc.	Graves
Green Economic Team, Inc.	Green
Hickman County Industrial Development Authority	Hickman
Eddyville Riverport and Industrial Development Authority, Inc.	Lyon
City of Georgetown	Scott

MEMORANDUM

TO: Kentucky Economic Development Finance Authority

FROM: Chad Zimlich
Deputy General Counsel

RE: Quarterly Amendment Resolution

DATE: October 30, 2025

The following company is the subject of the quarterly amendment resolution for October 30, 2025:

Kentucky Business Investment Act ("KBI")

Fort Dearborn Company
to MCC Manufacturing, Inc.

Letter Amendment

Company name change