

Bluegrass State Skills Corporation

Board of Directors Meeting

December 5, 2018

THINK KENTUCKY

Cabinet for Economic Development

Bluegrass State Skills Corporation

AGENDA



The Bluegrass State Skills Corporation
Board of Directors Meeting
Cabinet for Economic Development
300 West Broadway
Frankfort, Kentucky
AGENDA
December 5, 2018

Call to Order
Notification of Press
Roll Call

Bluegrass State Skills Audit Report

Todd Hamilton, CPA
John Hill, CPA

Minutes

Wednesday, September 26, 2018

Reports

Katie Smith

Financial Report

GIA Applications

Brooklyn Leep/Kate Greenwell

Bio-Medical Applications of Kentucky, Inc., Jackson
Bio-Medical Applications of Kentucky, Inc., Hazard
Bio-Medical Applications of Kentucky, Inc., Somerset
Senture, LLC, Annville
Senture, LLC, Monticello
KIRIU USA Corporation
Riken Americas Corporation
Logan Aluminum Inc.

GIA Applications

Elizabeth Bishop/Christy Wingate

Bluegrass Training Consortium, Inc.
Kentucky Alliance Training Consortium, Inc.
Fresenius Medical Care Stanford, LLC
Taylor County Hospital District Health Facilities Corporation
Fresenius Medical Care NAK Campbellsville, LLC
Florida Tile, Inc., Lexington
Graham Packaging Pet Technologies Inc.
McKechnie Vehicle Components USA, Inc.
Fresenius Medical Care NAK Berea, LLC

GIA Commitment Applications

Kristina Slattery/Christy Wingate

Alorica, Inc.
Smart Wood USA, LLC
Takigawa Corporation America
More Than a Bakery, LLC, Versailles

STIC Applications

Kristina Slattery/Christy Wingate

A.O. Smith Corporation
Perfetti Van Melle USA Inc.
J.M. Smucker LLC

STIC Applications

Brooklyn Leep/Kate Greenwell

Tractor Supply Company

STIC Applications

Elizabeth Bishop/Christy Wingate

Florida Tile, Inc., Lawrenceburg

STIC Finals

Tim Back

Carl Zeiss Vision Inc.
American Woodmark Corporation
WireCrafters, LLC
N.S.U. Corporation
Montplast of North America, Inc.
Strong Tower Construction, LLC
Jackson WWS, Inc.

Metropolitan College Tax Credit

Christy Wingate

United Parcel Service (UPS)

New Business

Sarah Butler

2018 Bluegrass State Skills Annual Report

Next Board Meeting

Ellen Felix

January 30, 2019

Adjournment

Randy Fox

Bluegrass State Skills Corporation

MINUTES



**Bluegrass State Skills Corporation Board of Directors Meeting
Kentucky Cabinet for Economic Development,
300 West Broadway, Frankfort, Kentucky 40601
September 26, 2018 – 1:00 PM**

Members present – Brenda Bankston, Rita Combs-Sterrett, Randy Fox, Eston Glover, Carl Lay, Tom Lund, Doris Moody and Jeff Whitehead.

Proxies present – Katie Smith, Proxy for Secretary Terry R. Gill; Jaqueline Korengel, Proxy for Dr. Robert King; Josh Benton, Proxy for Secretary Derrick Ramsey.

Members absent – Commissioner Ray Leathers, Secretary David Dickerson, Dr. Jay Box, John Kuzuoka and Torsten Langguth.

CED Staff present – Tim Back, Elizabeth Bishop, Jessica Burke, Sarah Butler, Ellen Felix, Kate Greenwell, Tonya Lee, Brooklyn Leep, Kristina Slattery and Christy Wingate.

Guests present –

Cheryl H. Juhasz (Workforce Education Consultant) – representing the Bluegrass Business Consortium in Berea.

Call to Order – Randy Fox

Roll Call – Ellen Felix

Notification of Press – Ellen Felix

Randy Fox, Chairman, received verification that the media had been notified of the BSSC Board of Directors meeting.

Approval of Minutes – Randy Fox

A motion was made by Eston Glover and seconded by Tom Lund to approve the August 29, 2018 minutes. Motion carried.

Approval of Financial Report – Tonya Lee

Brenda Bankston made a motion to approve the Financial Report for September 26, 2018. Rita Combs-Sterrett seconded the motion. Motion carried.

Applications for Review – Sarah Butler

BSSC Staff - Kristina Slattery and Christy Wingate recommended the following Grant-in-Aid (GIA) applications to the BSSC Board for approval:

G19-22199 – Bluegrass Business Consortium, Inc., Berea	\$ 75,000.00
G19-22211 – Summit Biosciences Inc., Lexington	\$ 75,000.00

G19-22181 – Nestle USA, Inc., Mt. Sterling	\$ 75,000.00
G19-22180 – Trilogy Management Services, LLC, Louisville	\$ 75,000.00
G19-22182 – International Business Machines Corporation, Louisville	\$ 34,455.00

A motion was made by Carl Lay to approve these applications. Doris Moody seconded the motion. Motion carried.

BSSC Staff – Brooklyn Leep and Kate Greenwell recommended the following Grant-in-Aid (GIA) applications to the BSSC Board for approval:

G19-22218 – NRA-Princeton, Kentucky, LLC, Princeton	\$ 15,744.00
G19-22216 – Home Dialysis of Muhlenberg County, Inc., Central City	\$ 11,551.00
G19-22204 – Marquette Transportation Company, LLC, Paducah	\$ 75,000.00
G19-22177 – Domtar Paper Company, LLC, Hawesville	\$ 75,000.00
G19-22183 – Franklin Precision Industry Incorporated, Franklin	\$ 67,379.00

A motion was made by Rita Combs-Sterrett to approve these applications. Eston Glover seconded the motion. Ms. Doris Moody abstained. Motion carried.

BSSC Staff – Elizabeth Bishop and Christy Wingate recommended the following Grant-in-Aid (GIA) applications to the BSSC Board for approval:

G19-22215 – Bio-Medical Applications of Kentucky, Inc., Ashland	\$ 16,000.00
G19-22219 – Lyons Magnus East, LLC, Walton	\$ 75,000.00
G19-22217 – Kentucky Renal Care Group, LLC, Lexington	\$ 21,715.00

A motion was made by Jeff Whitehead to approve these applications. Carl Lay seconded the motion. Motion carried.

BSSC Staff – Elizabeth Bishop and Christy Wingate recommended the following Grant-in-Aid (GIA) and Skills-Training-Investment-Credit (STIC) applications to the BSSC Board for approval:

G19-22197 – Zotefoams Inc., Walton	\$ 75,000.00
T19-22198 – Zotefoams Inc., Walton	\$ 26,000.00

A motion was made by Brenda Bankston to approve these applications. Josh Benton seconded the motion. Motion carried.

BSSC Staff – Kristina Slattery and Christy Wingate recommended the following Commitment Grant-in-Aid application to the BSSC Board for approval:

G19-22239 – Webasto Roof Systems, Inc., Lexington

\$ 100,000.00

A motion was made by Eston Glover to approve this application. Doris Moody seconded the motion. Motion carried.

BSSC Staff - Tim Back recommended 2 Skills-Training-Investment-Credit (STIC) Resolutions for Final Approval.

T17-21298 – Perfetti van Melle USA Inc., Erlanger

\$ 48,985.94

T17-21517 – Kenlake Foods, Murray

\$ 27,940.61

A motion was made by Rita Combs-Sterrett and seconded by Tom Lund to approve these projects for final approval. Motion carried.

New Business

Kentucky Work Ready Communities – Kristina Slattery

A Kentucky Work Ready Community certification is a measurement of a county's workforce quality. The certification is an assurance to business and industry that the community is committed to providing the highly skilled workforce required in today's competitive global economy. Through this effort, Kentucky communities can assess their own workforce strengths and follow a process to become certified as Work Ready or Work Ready in Progress. The Work Ready Communities Program is supported by staff at both the Kentucky Education and Workforce Cabinet and the Economic Development Cabinet.

There is a Work Ready Communities panel that reviews all applications and in August this year, the Kentucky Workforce Investment Board approved Clay and Livingston counties as Work Ready in progress.

Next Board Meeting – Ellen Felix

The next meeting of the Bluegrass State Skills Corporation Board of Directors will be held on December 5, 2018, at 1:00 p.m. at the Cabinet for Economic Development, Old Capitol Annex, 1st Floor Conference Room, 300 West Broadway, Frankfort, Kentucky.

Adjournment – Randy Fox

A motion to adjourn the meeting was made by Carl Lay and second by Tom Lund. Motion carried.

Sincerely submitted,



Sarah C. Butler

Director, Incentive Administration Division

Bluegrass State Skills Corporation

FINANCIAL REPORT



BSSC FUNDS REPORT

11/30/2018

RESOURCES AVAILABLE

Regular Appropriation	4,311,800
Continued Appropriation	2,567,382
HB265 -2012 Session Add'l Funds Available*	3,542,600
OET Rapid Response Funds	1,481,956
TOTAL RESOURCES	11,903,738

EXPENDITURES YTD

Total as of 11/30/18	1,454,015
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OBLIGATIONS REMAINING

Regular/Commitment/OET Grants	5,777,774
Ford Commitment	0
Commitments	650,000
Proposals	0
TOTAL OBLIGATIONS	6,427,774

TOTAL FUNDS AVAILABLE

FOR ADDITIONAL OBLIGATIONS THIS FISCAL YEAR

4,021,950

Secretary's Funds 1,241,844

Regular Grant Funds 2,774,240

OET Rapid Response Funds 5,867

TOTAL FUNDS AVAILABLE

FOR ADDITIONAL OBLIGATIONS THIS FISCAL YEAR

4,021,950

*\$9,500,000 lapsed to General Fund, per HB 265, 2012 Session.

Two draws were made in FY 2013 of \$1,200,000 and \$600,000.

One draw was made in FY 2015 of \$750,000.

Two draws were made in FY 2018 for \$2,950,000 and \$457,400

BSSC FUNDS REPORT

11/30/2018

Base Amount	\$	678,696
Recaps (Oct/Nov)		<u>59,455</u>
Amount Available for December 2018 Meeting		738,151

Bluegrass State Skills Corporation

APPLICATIONS - GIA



Grant-In-Aid (GIA) Projects

December 2018

Score	Qualified Company	City	Number of Trainees	<u>Incentive Amount</u>
85	Bluegrass Training Consortium, Inc.	Georgetown	208	\$75,000
85	Bio-Medical Applications of Kentucky, Inc.	Jackson	10	\$6,614
85	Kentucky Alliance Training Consortium, Inc.	Georgetown	507	\$75,000
82	KIRIU USA Corporation	Bowling Green	57	\$75,000
82	Bio-Medical Applications of Kentucky, Inc.	Hazard	18	\$15,110
82	Fresenius Medical Care Stanford, LLC	Stanford	5	\$9,593
81	Taylor Regional Hospital	Campbellsville	318	\$75,000
80	Bio-Medical Applications of Kentucky, Inc.	Somerset	22	\$18,545
80	Fresenius Medical Care NAK Campbellsville, LLC	Campbellsville	8	\$6,326
79	Riken Americas Corporation	Hopkinsville	8	\$16,000
78	Senture, LLC	Annnville	25	\$34,860
78	Senture, LLC	Monticello	50	\$32,420
77	Florida Tile, Inc.	Lexington	28	\$16,241

75	Graham Packaging Pet Technologies Inc.	Florence	117	\$75,000
75	Logan Aluminum Inc.	Russellville	1150	\$75,000
75	McKechnie Vehicle Components USA, Inc.	Nicholasville	75	\$75,000
75	Fresenius Medical Care NAK Berea, LLC	Berea	10	\$6,814
17 Companies			2616	\$687,523

Note: The Grant-In-Aid amount will be equal to \$2,000 per trainee, not to exceed the maximum approved amount of \$75,000 per company location for each fiscal year. The total amount of Grant-In-Aid incentives available for the entire program shall not exceed \$4,300,000 in any fiscal

Regular Grant Fund Balance	\$2,714,785
Recaptured Amount	\$59,455
2018 FY Projected/Approved Grant	(\$687,523)
Remaining Regular Grant Funds	\$2,086,717

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018

Company: Bio-Medical Applications of Kentucky, Inc.

City: Jackson **County:** Breathitt

Industry Sector: Healthcare **BSSC #:** G19-22292

Bus. Devp. Contact: B. Leep **OFS Staff:** C. Wingate

Training Description:

Bio-Medical Applications of Kentucky, Inc. (BMAK) in Jackson, provides hemodialysis, Kidney365 classes, and at-home peritoneal dialysis for individuals with kidney failure. BMAK's proposed training plan includes 11 internal courses on topics such as infection control, hemodialysis equipment and systems, patient treatment innovations, and vascular therapies.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 13,228	\$ 6,614
Classroom/OJT - Consultant/Educational Institution	\$ -	\$ -
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 13,228	\$ 6,614

Number of Trainees 10

Employment & Wage Information:

Existing Employment	Projected New Employment
9	1

Average Hourly Wage	Total Hourly Compensation
\$ 22.03	\$ 25.33

Requirements:

Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval \$6,614

Application Score 85

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018

Company: Bio-Medical Applications of Kentucky, Inc.

City: Hazard **County:** Perry

Industry Sector: Healthcare **BSSC #:** G19-22293

Bus. Devp. Contact: B. Leep **OFS Staff:** C. Wingate

Training Description:

Bio-Medical Applications of Kentucky, Inc. (BMAK) in Hazard, provides hemodialysis services for individuals with kidney disease. In addition to in-center hemodialysis and kidney care classes, BMAK provides at-home hemodialysis and peritoneal dialysis. The proposed training plan will be implemented internally through a customized learning platform on healthcare topics such as infection control, hemodialysis equipment and systems, patient treatment innovations, and vascular therapies.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 30,221	\$ 15,110
Classroom/OJT - Consultant/Educational Institution	\$ -	\$ -
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 30,221	\$ 15,110

Number of Trainees 18

Employment & Wage Information:

Existing Employment	Projected New Employment
16	2

Average Hourly Wage	Total Hourly Compensation
\$ 29.34	\$ 33.74

Requirements:

Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval \$15,110

Application Score 82

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018

Company: Bio-Medical Applications of Kentucky, Inc.

City: Somerset **County:** Pulaski

Industry Sector: Healthcare **BSSC #:** G19-22294

Bus. Devp. Contact: B. Leep **OFS Staff:** C. Wingate

Training Description:

Bio-Medical Applications of Kentucky, Inc. (BMAK) in Somerset, provides vital services to individuals with kidney disease including KidneyCare classes, in-center and at-home hemodialysis, and at-home peritoneal dialysis. The training plan will be taught internally on topics such as infection control, hemodialysis procedures and devices, and patient safety to ensure our employees gain the updated knowledge and skills needed to practice and perform tasks in the scope of hemodialysis.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 37,091	\$ 18,545
Classroom/OJT - Consultant/Educational Institution	\$ -	\$ -
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 37,091	\$ 18,545

Number of Trainees 22

Employment & Wage Information:

Existing Employment	Projected New Employment
19	3

Average Hourly Wage	Total Hourly Compensation
\$ 24.54	\$ 28.22

Requirements:

Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval \$18,545

Application Score 80

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018
Company: Senture, LLC
City: Annville **County:** Jackson
Industry Sector: Nonretail Service or Technology **BSSC #:** G19-22284
Bus. Devp. Contact: B. Leep **OFS Staff:** K. Greenwell

Training Description:

Senture, LLC in Annville, Kentucky provides customer contact services and data management services. The training plan includes in-house, new hire training consisting of engaging, hands on learning, as well as, self paced interactive modules and some instructor led courses. Job shadowing, on the job training, and multiple forms of assessment are also part of the new hire training course.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 69,360	\$ 34,680
Classroom/OJT - Consultant/Educational Institution	\$ -	\$ -
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 69,360	\$ 34,680

Number of Trainees 25

Employment & Wage Information:

Existing Employment	Projected New Employees
151	25

Average Hourly Wage	Total Hourly Compensation
\$ 15.34	\$ 15.34

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval \$34,680

Application Score 78

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018
Company: Senture, LLC
City: Monticello **County:** Wayne
Industry Sector: Nonretail Service or Technology **BSSC #:** G19-22285
Bus. Devp. Contact: B. Leep **OFS Staff:** K. Greenwell

Training Description:

Senture, LLC in Monticello, Kentucky provides customer contact services and data management services. The includes in-house, new hire training consisting of engaging hands on learning, as well as, self paced interactive modules and some instructor led courses as well. Job shadowing, on the job training, and multiple forms of assessment are also part of the new hire training course.

Training Details:

Classroom/OJT - In-House
 Classroom/OJT - Consultant/Educational Institution
 Instructional Materials & Supplies
 Registered Apprenticeships
Total Costs

Total Costs	50% of Total Costs
\$ 64,840	\$ 32,420
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ 64,840	\$ 32,420

Number of Trainees

50

Employment & Wage Information:

Existing Employment	Projected New Employees
374	50

Average Hourly Wage	Total Hourly Compensation
\$ 15.21	\$ -

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval

\$32,420

Application Score

78

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018
Company: KIRIU USA Corporation
City: Bowling Green **County:** Warren
Industry Sector: Manufacturing **BSSC #:** G19-22289
Bus. Devp. Contact: B. Leep **OFS Staff:** K. Greenwell

Training Description:

KIRIU USA Corporation in Bowling Green, Kentucky is an automotive brake rotor manufacturer. The training plan includes new hire training, basic machinery and maintenance, troubleshooting, On-the-Job training, and complex troubleshooting over the machines.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 390,213	\$ 195,106
Classroom/OJT - Consultant/Educational Institution	\$ 17,194	\$ 8,597
Instructional Materials & Supplies	\$ 1,140	\$ 570
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 408,546	\$ 204,273

Number of Trainees

57

Employment & Wage Information:

Existing Employment	Projected New Employees
130	20

Average Hourly Wage	Total Hourly Compensation
\$ 16.23	\$ 22.23

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval

\$75,000

Application Score

82

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018
Company: Riken Americas Corporation
City: Hopkinsville **County:** Christian
Industry Sector: National/Regional Headquarters **BSSC #:** G19-22252
Bus. Devp. Contact: B. Leep **OFS Staff:** K. Greenwell

Training Description:

Riken Americas Corporation is a custom compounder of flexible and rigid PVC along with TPE for a variety of industries. The training plan includes In-House training Handbook Training and Policies Training. With the implementations of a new Enterprise Resource Planning (ERP) system, all employees will be trained by a consultant on operation of the new software as required each position.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 15,499	\$ 7,749
Classroom/OJT - Consultant/Educational Institution	\$ 17,637	\$ 8,819
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 33,136	\$ 16,568

Number of Trainees

Employment & Wage Information:

Existing Employment	Projected New Employees
7	1

Average Hourly Wage	Total Hourly Compensation
\$ 42.99	\$ 55.89

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval

Application Score

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018
Company: Logan Aluminum Inc.
City: Russellville **County:** Logan
Industry Sector: Manufacturing **BSSC #:** G19-22268
Bus. Devp. Contact: B. Leep **OFS Staff:** K. Greenwell

Training Description:

Logan Aluminum, Inc. is a manufacturer of flat rolled aluminum sheet, primarily for use in the beverage can market. The training plan includes both technical and soft skills training to upgrade the skills of the employees.

Training Details:

Classroom/OJT - In-House
 Classroom/OJT - Consultant/Educational Institution
 Instructional Materials & Supplies
 Registered Apprenticeships
Total Costs

	Total Costs	50% of Total Costs
\$	95,968	\$ 47,984
\$	57,858	\$ 28,929
\$	-	\$ -
\$	-	\$ -
\$	153,826	\$ 76,913

Number of Trainees

1,150

Employment & Wage Information:

Existing Employment	Projected New Employees
1,150	125

Average Hourly Wage	Total Hourly Compensation
\$ 28.20	\$ 47.92

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval

\$75,000

Application Score

75

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018

Company: Bluegrass Training Consortium, Inc.

City: Georgetown **County:** Scott

Industry Sector: Consortia **BSSC #:** G19-22291

Bus. Devp. Contact: E. Bishop **OFS Staff:** C. Wingate

Training Description:

The training plan for the Bluegrass Training Consortium(BTC) members includes continuous improvement, Lean Manufacturing, ISO, project management, Growth, 5S , Growth and other manufacturing needs identified by the BTC manufacturing Board and members. The training will involve multiple small and micro-sized manufacturers sharing trainers time and resources allowing the members to share the costs of training.

Training Details:

Classroom/OJT - In-House
Classroom/OJT - Consultant/Educational Institution
Instructional Materials & Supplies
Registered Apprenticeships
Total Costs

	Total Costs	50% of Total Costs
\$	-	\$ -
\$	220,930	\$ 110,465
\$	-	\$ -
\$	-	\$ -
\$	220,930	\$ 110,465

Number of Trainees

208

Employment & Wage Information:

(Average of all member companies)

Existing Employment	Projected New Employees
70	0

Average Hourly Wage	Total Hourly Compensation
\$ 18.05	\$ 25.41

Requirements:

Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval

\$75,000

Application Score

85

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018
Company: Kentucky Alliance Training Consortium, Inc.
City: Georgetown **County:** Scott
Industry Sector: Consortia **BSSC #:** G19-22300
Bus. Devp. Contact: E. Bishop **OFS Staff:** C. Wingate

Training Description:

Training to be provided to Kentucky Alliance Training Consortium, Inc. (KyATC) members in continuous improvement, ISO, Growth and other manufacturing needs identified by the KyATC manufacturing Board and members. Types of training include Lean Manufacturing, ISO, project management, Growth, 5S. Multiple small and micro-sized manufacturers sharing trainers' time and resources allows the members to share the costs of training.

Training Details:

Classroom/OJT - In-House
 Classroom/OJT - Consultant/Educational Institution
 Instructional Materials & Supplies
 Registered Apprenticeships
Total Costs

	Total Costs	50% of Total Costs
\$	-	\$ -
\$	216,466	\$ 108,233
\$	-	\$ -
\$	-	\$ -
\$	216,466	\$ 108,233

Number of Trainees

507

Employment & Wage Information:

(Average of all member companies)

Existing Employment	Projected New Employees
62	0

Average Hourly Wage	Total Hourly Compensation
\$ 16.81	\$ 22.26

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval

\$75,000

Application Score

85

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018

Company: Fresenius Medical Care Stanford, LLC

City: Stanford **County:** Lincoln

Industry Sector: Healthcare **BSSC #:** G19-22298

Bus. Devp. Contact: E. Bishop **OFS Staff:** C. Wingate

Training Description:

Fresenius Medical Care Stanford, LLC (FMCS) in Stanford provides in-center hemodialysis and KidneyCare classes for individuals with kidney disease. The proposed training plan will include nephrology skills about healthcare topics such as environment and infection control, patient care interventions, and evaluations of dialysis equipment and supplies.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 19,186	\$ 9,593
Classroom/OJT - Consultant/Educational Institution	\$ -	\$ -
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 19,186	\$ 9,593

Number of Trainees

Employment & Wage Information:

Existing Employment	Projected New Employment
3	2

Average Hourly Wage	Total Hourly Compensation
\$ 25.75	\$ 29.61

Requirements:

Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval

Application Score

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018

Company: Taylor County Hospital District Health Facilities Corporation

City: Campbellsville **County:** Taylor

Industry Sector: Healthcare **BSSC #:** G19-22248

Bus. Devp. Contact: E. Bishop **OFS Staff:** C. Wingate

Training Description:

Taylor Regional Hospital District Health Facilities Corporation in Campbellsville, will provide training to employees that includes obtaining certifications to advance careers, increase wages and provide an increase in quality care for patients. Training will include college courses, mandatory safety courses, health education courses/training, new team member orientation/training and medical updates.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 138,684	\$ 69,342
Classroom/OJT - Consultant/Educational Institution	\$ 16,000	\$ 8,000
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 154,684	\$ 77,342

Number of Trainees 318

Employment & Wage Information:

Existing Employment	Projected New Employees
318	3

Average Hourly Wage	Total Hourly Compensation
\$ 22.09	\$ 31.11

Requirements:

Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval \$75,000

Application Score 81

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS
BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT**

Date: December 5, 2018
Company: Fresenius Medical Care NAK Campbellsville, LLC
City: Campbellsville **County:** Taylor
Industry Sector: Healthcare **BSSC #:** G19-22295
Bus. Devp. Contact: E. Bishop **OFS Staff:** C. Wingate

Training Description:

Fresenius Medical Care NAK Campbellsville, LLC provides in-center hemodialysis and Kidney Care classes as well as at-home peritoneal dialysis. The proposed training plan will be implemented internally and will cover topics such as infection control, state-of-the-art hemodialysis equipment and systems, patient nutrition and support, and best practices to improve patient care, implement treatment advancements, and increase facility efficiency.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 12,653	\$ 6,326
Classroom/OJT - Consultant/Educational Institution	-	-
Instructional Materials & Supplies	-	-
Registered Apprenticeships	-	-
Total Costs	\$ 12,653	\$ 6,326

Number of Trainees 8

Employment & Wage Information:

Existing Employment	Projected New Employment
8	1

Average Hourly Wage	Total Hourly Compensation
\$ 21.99	\$ 25.29

Requirements:

Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval \$6,326

Application Score 80

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018
Company: Florida Tile, Inc.
City: Lexington **County:** Fayette
Industry Sector: National/Regional Headquarters **BSSC #:** G19-22278
Bus. Devp. Contact: E. Bishop **OFS Staff:** C. Wingate

Training Description:

Florida Tile, Inc.'s location in Lexington, Kentucky, is the headquarters operation for the mid to high-end segment of the tile and stone market. The training plan includes topics such as supply chain management, process control and quality assurance, new supervisor concepts, workforce integrity, marketing prospective, and effective communication.

Training Details:

Classroom/OJT - In-House
 Classroom/OJT - Consultant/Educational Institution
 Instructional Materials & Supplies
 Registered Apprenticeships
Total Costs

	Total Costs	50% of Total Costs
\$	32,483	\$ align="right">16,241
\$	-	\$ align="right">-
\$	-	\$ align="right">-
\$	-	\$ align="right">-
\$	32,483	\$ align="right"> 16,241

Number of Trainees

28

Employment & Wage Information:

Existing Employment	Projected New Employment
60	0

Average Hourly Wage	Total Hourly Compensation
\$ align="right">37.58	\$ align="right">43.22

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval

\$16,241

Application Score

77

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018
Company: GRAHAM PACKAGING PET TECHNOLOGIES INC.
City: Florence **County:** Kenton
Industry Sector: Manufacturing **BSSC #:** G19-22257
Bus. Devp. Contact: E. Bishop **OFS Staff:** C. Wingate

Training Description:

GRAHAM PACKAGING PET TECHNOLOGIES INC. is a design, engineering and manufacturer of bottles and containers for food, beverage, household, automotive, personal care and healthcare industries. The training plan consists of On-the-job training for new hires and existing employees to learn skills on new and plant equipment.

Training Details:

Classroom/OJT - In-House
 Classroom/OJT - Consultant/Educational Institution
 Instructional Materials & Supplies
 Registered Apprenticeships
Total Costs

	Total Costs	50% of Total Costs
\$	224,683	\$ align="right">112,342
\$	-	\$ align="right">-
\$	-	\$ align="right">-
\$	-	\$ align="right">-
\$	224,683	\$ align="right"> 112,342

Number of Trainees

117

Employment & Wage Information:

Existing Employment	Projected New Employment
127	20

Average Hourly Wage	Total Hourly Compensation
\$ align="right">22.29	\$ align="right">31.24

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval

\$75,000

Application Score

75

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018
Company: McKechnie Vehicle Components USA, Inc.
City: Nicholasville **County:** Jessamine
Industry Sector: Manufacturing **BSSC #:** G19-22290
Bus. Devp. Contact: E. Bishop **OFS Staff:** C. Wingate

Training Description:

McKechnie Vehicle Components USA, Inc. (MVC) is a manufacturer of automotive and commercial truck related components including plastic trim, wheels and other interior/exterior trim components. The training plan includes basic safety, basic molding operations, MSDS training, PPE training, basic forklift safety training and OSHA regulations regarding forklifts. Training also will consist of electrical skills, troubleshooting and general maintenance practices for mold and factory maintenance technicians. Molding operators and supervisors will learn EDART Training and programming for automated robotic tools using in molding production.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 119,642	\$ 59,821
Classroom/OJT - Consultant/Educational Institution	\$ 35,841	\$ 17,921
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 155,483	\$ 77,742

Number of Trainees 75

Employment & Wage Information:

Existing Employment	Projected New Employees
320	40

Average Hourly Wage	Total Hourly Compensation
\$ 14.25	\$ 17.81

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval \$75,000

Application Score 75

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMPETITIVE GRANT-IN-AID PROJECT REPORT

Date: December 5, 2018
Company: Fresenius Medical Care NAK Berea, LLC
City: Berea **County:** Madison
Industry Sector: Healthcare **BSSC #:** G19-22296
Bus. Devp. Contact: E. Bishop **OFS Staff:** C. Wingate

Training Description:

Fresenius Medical Care NAK Berea, LLC provides in-center hemodialysis and Kidney Care classes for individuals with kidney disease. The proposed training plan includes internal courses to cover topics such as environment and infection control, patient care interventions, and evaluations of dialysis equipment and supplies.

Training Details:

Classroom/OJT - In-House
 Classroom/OJT - Consultant/Educational Institution
 Instructional Materials & Supplies
 Registered Apprenticeships
Total Costs

	Total Costs	50% of Total Costs
\$	13,628	\$ 6,814
\$	-	\$ -
\$	-	\$ -
\$	-	\$ -
\$	13,628	\$ 6,814

Number of Trainees

10

Employment & Wage Information:

Existing Employment	Projected New Employment
9	1

Average Hourly Wage	Total Hourly Compensation
\$ 23.10	\$ 26.56

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Grant Recommended for Approval

\$6,814

Application Score

75

Bluegrass State Skills Corporation

APPLICATIONS - COMMITMENT

THINK KENTUCKY

Cabinet for Economic Development

**Commitment Grant-In-Aid (GIA) Project
December 2018**

Qualified Company	City	Number of Trainees	Incentive Amount
Alorica Inc.	Owensboro	252	\$150,000.00
Smart Wood USA, LLC	Corbin	90	\$100,000.00
Takigawa Corporation America	Bardstown	180	\$100,000.00
More Than a Bakery, LLC	Versailles	310	\$180,600.00
4 Projects	4	832	\$530,600.00

Commitment Balance	\$650,000.00
Current Approved Grant Amount	\$530,600.00
Remaining Commitment Balance	\$119,400.00

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMMITMENT GRANT IN AID PROJECT REPORT

Date: December 5, 2018

Company: Alorica Inc.

City: Owensboro **County:** Daviess

Industry Sector: Nonretail Service or Technology **BSSC #:** G19-22226

Bus. Devp. Contact: K. Slattery **OFS Staff:** C. Wingate

Training Description:

Alorica Inc. provides customer management and back office support for clients in the automotive, energy, financial services, government, healthcare and telecommunications industries. the training plan includes Employees receive 5 weeks of class room training learning customer service, computer, and technology skills. Employees transitioning from agricultural and industrial careers learn how to work in the service sector with high tech equipment including computers and smart phones in a modern office environment. Additionally, employees learn valuable and transferrable customer service skills positioning them for advancement within Alorica or elsewhere in the community.

Training Details:

Classroom/OJT - In-House
Classroom/OJT - Consultant/Educational Institution
Instructional Materials & Supplies
Train-the-Trainer Travel
Registered Apprenticeships
Total Costs

	Total Costs	50% of Total Costs
	\$ 694,800	\$ 347,400
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ 694,800	\$ 347,400

Number of Trainees

252

Employment & Wage Information:

Existing Employment	Projected New Employment
296	534

Average Hourly Wage	Total Hourly Compensation
\$ 12.00	\$ 14.72

Requirements:

Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Commitment Grant Recommended for Approval

150,000

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMMITMENT GRANT IN AID PROJECT REPORT

Date: December 5, 2018

Company: Smart Wood USA, LLC

City: Corbin **County:** Knox

Industry Sector: Manufacturing **BSSC #:** G19-22315

Bus. Devp. Contact: K. Slattery **OFS Staff:** C. Wingate

Training Description:

Smart Wood USA, LLC is a manufacturer of wooden coffee and popsicle sticks. The training plan includes new hire orientations, Harassment/Ethical Trade Initiative/Ethics, Emergency Action Plan, Class VII lift, Lift Truck, Personal Protection, Risk Assessment, On the Job Training, GMP/HACCP, FSSC 22000, ISO 9001, ISO 14001, OHSAS 18001, Food Defense, Environmental Monitoring, Essentials of Interpersonal Communication, How to Deal with Difficult People, Communication & Coaching at Work, Leading a Team, Avoiding Litigation, 5 S in the Workplace, Accident Avoidance in the Workplace, Stress Management Techniques, Quality Control, and ERP computer system training.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 212,108	\$ 106,054
Classroom/OJT - Consultant/Educational Institution	\$ 11,340	\$ 5,670
Instructional Materials & Supplies	\$ -	\$ -
Train-the-Trainer Travel	\$ 2,249	\$ 1,124
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 225,697	\$ 112,848

Number of Trainees

Employment & Wage Information:

Existing Employment	Projected New Employment
28	62

Average Hourly Wage	Total Hourly Compensation
\$ 15.00	\$ 18.75

Requirements: Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Commitment Grant Recommended for Approval

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMMITMENT GRANT IN AID PROJECT REPORT

Date: December 5, 2018
Company: Takigawa Corporation America
City: Bardstown **County:** Nelson
Industry Sector: Manufacturing **BSSC #:** G19-22316
Bus. Devp. Contact: K. Slattery **OFS Staff:** C. Wingate

Training Description:

Takigawa pioneered the production of polyethylene tubes in 1953 and started manufacturing high-grade gravure printed bags in 1967. Takigawa also produces the laminations, films and proprietary color printing processes for cutting-edge flexible packaging. A few of the extensive list of innovative features include re-sealable and slide-lock packaging. The training plan includes onboarding and training of up to 180 new employees, including technical and soft skills training. Training will occur at the new facility in Nelson County once constructed, and at Takigawa locations in Vietnam and Japan.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 317,360	\$ 158,680
Classroom/OJT - Consultant/Educational Institution	\$ -	\$ -
Instructional Materials & Supplies	\$ -	\$ -
Train-the-Trainer Travel	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 317,360	\$ 158,680

Number of Trainees 180

Employment & Wage Information:

Existing Employment	Projected New Employment
1	179

Average Hourly Wage	Total Hourly Compensation
\$ 29.50	\$ 36.87

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Commitment Grant Recommended for Approval 100,000

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC COMMITMENT GRANT IN AID PROJECT REPORT

Date: December 5, 2018

Company: More Than a Bakery, LLC

City: Versailles **County:** Woodford

Industry Sector: Manufacturing **BSSC #:** G19-22372

Bus. Devp. Contact: K. Slattery **OFS Staff:** C. Wingate

Training Description:

More Than a Bakery, LLC is a food processor and distribution facility in Versailles, Kentucky. The training plan includes equipment operation, technical, and maintenance training to the Maintenance, Engineering, Supervisory, and Production staff. In addition, all new employees must learn Food and Workplace Safety, Good Manufacturing Practices, and Standard Operating Procedures.

Training Details:

Classroom/OJT - In-House
 Classroom/OJT - Consultant/Educational Institution
 Instructional Materials & Supplies
 Train-the-Trainer Travel
 Registered Apprenticeships
Total Costs

	Total Costs	50% of Total Costs
\$	561,016	\$ align="right">280,508
\$	78,150	\$ align="right">39,075
\$	-	\$ align="right">-
\$	-	\$ align="right">-
\$	-	\$ align="right">-
\$	639,166	\$ align="right"> 319,583

Number of Trainees

310

Employment & Wage Information:

Existing Employment	Projected New Employment
89	310

Average Hourly Wage	Total Hourly Compensation
\$ align="right">16.98	\$ align="right">22.92

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Commitment Grant Recommended for Approval

180,600

Bluegrass State Skills Corporation

APPLICATIONS - STIC



Skills Training Investment Credit (STIC) Projects December 2018

Score	Eligible Company	City	Number of Trainees	Incentive Amount
84	A.O. Smith Corporation	Florence	34	\$17,000
74	Florida Tile, Inc.	Lawrenceburg	185	\$19,448
74	Tractor Supply Company	Franklin	466	\$75,000
70	Perfetti Van Melle USA Inc.	Erlanger	135	\$75,000
69	J.M. Smucker LLC	Lexington	28	\$75,000
5			848	\$261,448

FY 2018-19 Tax Credit Limit	\$ 2,500,000
Current FY Projected/ Approved Credits	\$ 951,684
Remaining Tax Credits	\$ 1,548,316

Note: The tax credit amount will be equal to \$500 per employee, not to exceed the maximum approved tax credit of \$75,000 per company for each fiscal year. Per KRS 154.12-207, the maximum amount of credits that may be committed in each state fiscal year shall be capped at \$2,500,000.

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS
BSSC SKILLS TRAINING INVESTMENT CREDIT REPORT**

Date: December 5, 2018
Company: A.O. Smith Corporation
City: Florence **County:** Kenton
Industry Sector: Manufacturing **BSSC #:** T19-22237
Bus. Devp. Contact: K. Slattery **OFS Staff:** C. Wingate

Training Description:

A.O. Smith Corporation is a manufacturer of protective coatings located in Florence, KY. The company updated to a SAP ERP system and most of the processes and procedures were changed therefore employees need to be trained in the new process. The training plan includes equipment and safety training as well as active shooter training.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 85,169	\$ 42,585
Classroom/OJT - Consultant/Educational Institution	\$ 312	\$ 156
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 85,481	\$ 42,740

Number of Trainees 34

Employment & Wage Information:

Existing Employment	Projected New Employees
34	6

Average Hourly Wage	Total Hourly Compensation
\$ 25.88	\$ 33.63

Requirements: Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Tax Credit Recommended for Approval \$17,000

Application Score 84

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC SKILLS TRAINING INVESTMENT CREDIT REPORT

Date: December 5, 2018
Company: Perfetti Van Melle USA Inc.
City: Erlanger **County:** Boone
Industry Sector: Manufacturing **BSSC #:** T19-22288
Bus. Devp. Contact: K. Slattery **OFS Staff:** C. Wingate

Training Description:

Perfetti Van Melle USA Inc. is a confectionary manufacturer located in Erlanger, KY. The training plan includes on-the-job training, new employee orientation, safety training and management training for driving performance and development of team members.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 159,394	\$ 79,697
Classroom/OJT - Consultant/Educational Institution	\$ -	\$ -
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 159,394	\$ 79,697

Number of Trainees

135

Employment & Wage Information:

Existing Employment	Projected New Employees
240	20

Average Hourly Wage	Total Hourly Compensation
\$ 26.69	\$ 35.16

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Tax Credit Recommended for Approval

\$75,000

Application Score

70

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC SKILLS TRAINING INVESTMENT CREDIT REPORT

Date: December 5, 2018
Company: J.M. Smucker LLC
City: Lexington **County:** Fayette
Industry Sector: Manufacturing **BSSC #:** T19-22299
Bus. Devp. Contact: K. Slattery **OFS Staff:** C. Wingate

Training Description:

J.M. Smucker LLC is a manufacturer located in Lexington, KY. The training plan includes on-the-job training for their specific skill, quality, job shadowing, safety, and sanitation training. Teams members are trained to be self-sufficient; meaning they own their equipment, surrounding area, quality, safety and sanitation.

Training Details:

Classroom/OJT - In-House
 Classroom/OJT - Consultant/Educational Institution
 Instructional Materials & Supplies
 Registered Apprenticeships
Total Costs

	Total Costs	50% of Total Costs
	\$ 396,483	\$ 198,242
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ 396,483	\$ 198,242

Number of Trainees

28

Employment & Wage Information:

Existing Employment	Projected New Employees
286	0

Average Hourly Wage	Total Hourly Compensation
\$ 22.89	\$ 33.20

Requirements:

Total Hourly Compensation: \$12.51
 Base Hourly Wage: \$10.88

BSSC Tax Credit Recommended for Approval

\$75,000

Application Score

69

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC SKILLS TRAINING INVESTMENT CREDIT REPORT

Date: December 5, 2018
Company: Tractor Supply Company
City: Franklin **County:** Simpson
Industry Sector: Nonretail Service or Technology **BSSC #:** T19-22282
Bus. Devp. Contact: B. Leep **OFS Staff:** K. Greenwell

Training Description:

Tractor Supply Company ("TSCO") provides training and development to both new and experienced employees at the Franklin distribution center. TSCO training programs result in employees learning specific knowledge and/or skill to improve performance in their current roles. Additionally, company developmental programs focus on employee growth and future performance. Tractor Supply has several developmental programs for their employees to advance their careers within the organization by developing communication and management skills.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 916,860	\$ 458,430
Classroom/OJT - Consultant/Educational Institution	\$ 49,560	\$ 24,780
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 966,420	\$ 483,210

Number of Trainees 466

Employment & Wage Information:

Existing Employment	Projected New Employees
310	156

Average Hourly Wage	Total Hourly Compensation
\$ 19.40	\$ 21.30

Requirements: Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Tax Credit Recommended for Approval \$75,000

Application Score 74

**BLUEGRASS STATE SKILLS CORPORATION
BOARD OF DIRECTORS**

BSSC SKILLS TRAINING INVESTMENT CREDIT REPORT

Date: December 5, 2018

Company: Florida Tile, Inc.

City: Lawrenceburg **County:** Anderson

Industry Sector: Manufacturing **BSSC #:** T19-22279

Bus. Devp. Contact: E. Bishop **OFS Staff:** C. Wingate

Training Description:

Florida Tile, Inc. manufactures tile products from its state-of-the-art facility in Lawrenceburg, KY. This facility has a production line for large-format through-body porcelain tiles. The training plan includes internal courses on topics such as specialized equipment and maintenance, workplace integrity, environmental and safety training.

Training Details:

	Total Costs	50% of Total Costs
Classroom/OJT - In-House	\$ 35,474	\$ 17,737
Classroom/OJT - Consultant/Educational Institution	\$ 3,421	\$ 1,710
Instructional Materials & Supplies	\$ -	\$ -
Registered Apprenticeships	\$ -	\$ -
Total Costs	\$ 38,895	\$ 19,448

Number of Trainees 185

Employment & Wage Information:

Existing Employment	Projected New Employees
185	0

Average Hourly Wage	Total Hourly Compensation
\$ 20.01	\$ 23.01

Requirements: Total Hourly Compensation: \$12.51
Base Hourly Wage: \$10.88

BSSC Tax Credit Recommended for Approval \$19,448

Application Score 74

Bluegrass State Skills Corporation

APPLICATIONS – STIC FINAL



**Skills Training Investment Credit (STIC) Final Projects
December 2018**

Eligible Company	City	Number of Trainees	Approved Incentive Amount	Final Incentive Amount
Carl Zeiss Vision Inc.	Hebron	70	\$40,500.00	\$4,691.53
American Woodmark Corporation	Monticello	356	\$100,000.00	\$84,149.18
WireCrafters	Louisville	29	\$52,000.00	\$13,283.74
N.S.U. Corporation	Sonora	45	\$18,330.00	\$3,704.34
Montaplast of North America, Inc.	Frankfort	390	\$100,000.00	\$77,689.24
Strong Tower Construction, LLC	Louisville	26	\$16,500.00	\$4,262.50
Jackson WWS, Inc.	Gray	9	\$43,144.00	\$13,565.92
Total		925	\$370,474.00	\$201,346.45

Bluegrass State Skills Corporation

METROPOLITAN COLLEGE



Metropolitan College Tax Credit Final

United Parcel Service (UPS)

MC-009

Metropolitan College Tax Credit for Final Approval:

\$4,009,970.48

December 5, 2018

The Metropolitan College Tax Credit includes costs for 2257 students who attended the Fall 2016, Spring 2017, Summer 2017, Fall 2017, Spring 2018 and Summer 2018 semesters. All costs for were billed and paid in 2018. The following are the semester totals including textbooks:

- Fall 2016 \$ 3,801.00**
- Spring 2017 \$ 3,723.00**
- Summer 2017 \$ 4,400.00**
- Fall 2017 \$ 1,964,780.67**
- Spring 2018 \$ 1,634,354.30**
- Summer 2018 \$ 398,911.52**

Bluegrass State Skills Corporation

Financial Statements

Year Ended June 30, 2018



**Bluegrass State Skills Corporation
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Year Ended June 30, 2018**

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Independent Auditor's Report

To the Board of Directors
Bluegrass State Skills Corporation
Frankfort, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the governmental fund of Bluegrass State Skills Corporation, a component unit of the Commonwealth of Kentucky, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Bluegrass State Skills Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Kentucky
Indiana
Ohio

MCM CPAs & Advisors LLP
P 502.749.1900 | F 502.749.1930
2600 Meidinger Tower | 462 South Fourth Street | Louisville, KY 40202
www.mcmcpa.com | 888.587.1719
A Member of PrimeGlobal – An Association of Independent Accounting Firms

Independent Auditor's Report (Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the governmental fund of Bluegrass State Skills Corporation as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9 and the required supplemental information on pages 19 and 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2018 on our consideration of Bluegrass State Skills Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Bluegrass State Skills Corporation's internal control over financial reporting and compliance.



MCM CPAs & Advisors LLP
Louisville, Kentucky
November 28, 2018

BLUEGRASS STATE SKILLS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Bluegrass State Skills Corporation (Corporation) was established in 1984 by the General Assembly of the Commonwealth of Kentucky (Commonwealth) as an independent, de jure corporation to stimulate economic development through programs of skills training to meet the needs of business and industry. The Corporation, in cooperation with other State employment and training organizations, provides for customized comprehensive programs of skills training services for new, expanding, and existing industries. The Corporation, for administrative purposes, operates under the Kentucky Cabinet for Economic Development, in recognition of the relationship between economic development and skills training efforts.

As management of the Corporation, a governmental fund type component unit of the Commonwealth, we offer the readers of the Corporation's financial statements this narrative overview and analysis of the financial performance of the Corporation for the fiscal year ended June 30, 2018. We encourage readers to read it in conjunction with the Corporation's financial statements and the accompanying notes thereto.

FINANCIAL HIGHLIGHTS

- The assets of the Corporation exceeded its liabilities as of the close of the most recent fiscal year by \$1,481,956
- As of the close of the most recent fiscal year, the Corporation's governmental fund reported an ending fund balance of \$1,481,956
- Total expenses decreased \$329,043 (4.0%) between fiscal years
- Total general revenues increased \$1,231,943 (15.0%) between fiscal years

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of three parts: Management's Discussion and Analysis (this section), the combined government-wide and fund financial statements, and the accompanying notes to the financial statements. For special-purpose governments engaged in a single governmental program, the government-wide financial statements and the fund financial statements may be combined using a columnar format that reconciles individual line items of fund financial data to government-wide data. Accordingly, the Corporation has elected to present combined financial statements as such. The perspectives of the government-wide financial statements and the fund financial statements are discussed below.

The Corporation has established a fund to account for appropriations from the Commonwealth to be used for the purpose for which the Corporation was created. The activities of the Corporation are accounted for as a governmental fund on the modified accrual basis of accounting.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Corporation'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 Corporation is improving or deteriorating.

BLUEGRASS STATE SKILLS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements (Continued)

The statement of activities presents information showing how the Corporation'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 years.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation, like other State and local governments, uses fund accounting to ensure legal requirements. The Corporation is accounted for as a single governmental fund.

The Corporation's single governmental fund is used to account for essentially the same function as that which is reported within the government-wide financial statements, however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of the fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the fund financial statements with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Corporation's near-term financial decisions.

The governmental fund balance sheet and the government-wide statement of net position are presented on page 10 with an adjustments column to provide a reconciliation between the two sets of financial statements. The governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities are presented on page 11 and contain a similar reconciliation. See Note C to the financial statements for an additional discussion of the adjustment amounts.

Notes to the Financial Statements

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 12-18.

BLUEGRASS STATE SKILLS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL ANALYSIS OF THE CORPORATION

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Corporation, assets exceeded liabilities by \$1,481,956 as of the close of the most recent fiscal year.

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

	<u>2018</u>	<u>2017</u>	Percentage Increase (Decrease)
Current assets	\$ 2,475	\$ 733	237.7%
Non-current assets	<u>1,256</u>	<u>-</u>	100.0%
Total assets	<u>3,731</u>	<u>733</u>	409.0%
Deferred outflows of resources	<u>-</u>	<u>72</u>	-100.0%
Current liabilities	2,249	733	206.8%
Non-current liabilities	<u>-</u>	<u>706</u>	-100.0%
Total liabilities	<u>2,249</u>	<u>1,439</u>	56.3%
Net position	<u>\$ 1,482</u>	<u>\$ (634)</u>	333.8%

Current assets generally consist of cash/cash equivalents (the equity position of the Corporation in the State cash and investment pool of the Commonwealth of Kentucky not otherwise classified as investments) and intergovernment receivables appropriated from the General Fund of the Commonwealth to cover the Corporation's **current liabilities** (see also **current liabilities** and **General Fund appropriations** below). The equity position of the Corporation in the State cash and investment pool at June 30, 2018 represents unexpended intergovernment grant funds (see also **intergovernment grant revenue** below). At June 30, 2017, the Corporation did not have any funds on deposit in the State cash and investment pool.

Non-current assets at June 30, 2018 consist of investments representative of the equity position of the Corporation in the State cash and investment pool not otherwise classified as cash/cash equivalents.

Deferred outflows of resources at June 30, 2017 related to the pension liability. See also **transfer** below.

Current liabilities consist primarily of grants payable. Grants payable as of year-end are representative of active **grant awards** (see also **grant awards**) for which the requests for reimbursements reflect expenditures incurred by the grantees prior to June 30, 2018, but for which the Corporation had not reimbursed the grantees until after year-end. At June 30, 2017, **current liabilities** also consisted of accrued payroll expenses (\$14,347) and the current portion of compensated absences (\$5,800). See also **transfer** below.

BLUEGRASS STATE SKILLS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL ANALYSIS OF THE CORPORATION (CONTINUED)

Government-wide Financial Analysis (Continued)

Grants payable increased approximately \$1,536,000 (215.6%) between fiscal years, approximately \$670,000 of which consists of amounts payable to one specific grantee. Grants payable will be paid from the intergovernment receivables (appropriated from the General Fund of the Commonwealth) due to the Corporation at June 30, 2018 (see also **current assets** above).

Non-current liabilities typically represent the non-current portion of compensated absences (\$21,407 at June 30, 2017) and the pension liability (\$685,000 at June 30, 2017). See also **transfer** below.

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

	<u>2018</u>	<u>2017</u>	<u>Percentage Increase (Decrease)</u>
Expenses			
Grant awards	\$ 7,940	\$ 8,042	-1.3%
Compensation and related benefits	5	236	-97.9%
Other	25	20	25.0%
Total expenses	<u>7,970</u>	<u>8,298</u>	-4.0%
Deficiency of revenues over expenses	<u>(7,970)</u>	<u>(8,298)</u>	-4.0%
General revenues			
General Fund appropriations	7,964	8,214	-3.0%
Intergovernment grant revenue	1,482	-	100.0%
Total general revenues	<u>9,446</u>	<u>8,214</u>	15.0%
Transfer	<u>640</u>	<u>-</u>	100.0%
Change in net position	2,116	(84)	2619.0%
Net position, beginning of the year	<u>(634)</u>	<u>(550)</u>	-15.3%
Net position, end of the year	<u>\$ 1,482</u>	<u>\$ (634)</u>	333.8%

BLUEGRASS STATE SKILLS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL ANALYSIS OF THE CORPORATION (CONTINUED)

Government-wide Financial Analysis (Continued)

Grant awards represent grants-in-aid, with matching requirements, to businesses to improve and promote employment opportunities for the residents of the Commonwealth. Such **grant awards** are typically funded primarily by **General Fund appropriations**. **Grant awards** are reported net of refunds. Refunds of **grant awards** represent the repayment of grant funds (prorated according to employment) by the recipient if grant requirements are not met (i.e. the employment threshold). **Grant awards** remained relatively consistent between fiscal years (decreased approximately \$103,000 or 1.3%).

Compensation and related benefits typically consist of regular salaries and wages, compensated absences (both the current and non-current portions), employer payroll taxes, and employee benefits such as retirement and health insurance. **Compensation and related benefits** with respect to fiscal year 2018 only consists of per-diem amounts paid to the individual members of the Corporation's Board of Directors. Effective July 1, 2017, the Executive Director position (the payroll expenses related thereto) was transferred to another department of State government.

Other expenses represent all other operating expenses of the Corporation such as professional fees, travel, and various office related expenses. **Other expenses** remained relatively consistent between fiscal years.

General Fund appropriations from the Commonwealth are typically the primary funding source for the activities of the Corporation. Fiscal year 2017 **General Fund appropriations** exceed fiscal year 2018 **General Fund appropriations** by approximately \$250,000 (3.0%). This decrease between fiscal years generally goes hand-in-hand with the above noted decrease in **grant awards** and **compensation and related benefits** expense.

Fiscal year 2018 **intergovernment grant revenue** consists of funding received from the Kentucky Education and Workforce Development Cabinet. Such grant funds are restricted for "grants, loans, and benefits" related to training incumbent Kentucky employees in skill and occupational upgrade training so that employers and employees can enhance productivity, improve performance, retain employment, and integrate new technologies with the goal of business retention, expansion, and growth within the Commonwealth. **Net position** at June 30, 2018 is restricted pursuant to the unexpended Kentucky Education and Workforce Development Cabinet grant funds.

The fiscal year 2018 **transfer** in the amount of \$640,207 represents the July 1, 2017 transfer of employee related liabilities as follows: (1) the current (\$5,800) and non-current (\$21,407) portions of compensated absences, and (2) the pension liability (\$685,000), including the related deferred outflows of resources (\$72,000). As discussed above, effective July 1, 2017, the Executive Director position was transferred to another department of State government.

Governmental Fund Financial Analysis

As noted earlier, the Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Corporation's fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Corporation's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for program purposes at the end of the fiscal year.

BLUEGRASS STATE SKILLS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL ANALYSIS OF THE CORPORATION (CONTINUED)

Government Fund Financial Analysis (Continued)

Condensed Financial Information (in thousands)
Balance Sheet
June 30

	<u>2018</u>	<u>2017</u>	Percentage Increase (Decrease)
Assets	<u>\$ 3,731</u>	<u>\$ 733</u>	409.0%
Liabilities	\$ 2,249	\$ 733	206.8%
Fund balance	<u>1,482</u>	<u>-</u>	100.0%
Total liabilities and fund balance	<u>\$ 3,731</u>	<u>\$ 733</u>	409.0%

See the above discussions of **current assets** and **current liabilities** within the Government-wide Financial Analysis section.

As of the close of the fiscal year ended June 30, 2018, the balance sheet reflects an ending **fund balance** of \$1,481,956 which is restricted pursuant to the unexpended Kentucky Education and Workforce Development Cabinet grant funds (see also **intergovernment grant revenue** above).

Condensed Financial Information (in thousands)
Statement of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30

	<u>2018</u>	<u>2017</u>	Percentage Increase (Decrease)
Expenditures			
Grant awards	\$ 7,940	\$ 8,042	-1.3%
Compensation and related benefits	5	152	-96.7%
Other	<u>25</u>	<u>20</u>	25.0%
Total expenditures	<u>7,970</u>	<u>8,214</u>	-3.0%
Deficiency of revenues over expenditures	<u>(7,970)</u>	<u>(8,214)</u>	-3.0%
General revenues			
General Fund appropriations	7,964	8,214	-3.0%
Intergovernment grant revenue	<u>1,482</u>	<u>-</u>	100.0%
Total general revenues	<u>9,446</u>	<u>8,214</u>	15.0%
Transfer	<u>6</u>	<u>-</u>	100.0%
Change in fund balance	1,482	-	100.0%
Fund balance, beginning of the year	<u>-</u>	<u>-</u>	0.0%
Fund balance, end of the year	<u>\$ 1,482</u>	<u>\$ -</u>	100.0%

BLUEGRASS STATE SKILLS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL ANALYSIS OF THE CORPORATION (CONTINUED)

Government Fund Financial Analysis (Continued)

See the above discussions within the Government-wide Financial Analysis section.

The fiscal year 2018 transfer in the amount of \$5,800 represents the July 1, 2017 transfer of the current portion of compensated absences.

BUDGETARY HIGHLIGHTS

During fiscal year 2018, the Corporation's budgeted appropriations as allotted for "personnel" expenses decreased \$143,900 from what had been originally budgeted. As discussed above, effective July 1, 2017, the Executive Director position (the payroll expenses related thereto) was transferred to another department of State government.

Additionally, during fiscal year 2018, the Corporation's budgeted appropriations as allotted for "operating expenses" increased \$5,100 from what had been originally budgeted.

See the budgetary comparison schedule on page 19 (and the related note thereto on page 20) for additional information.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

Notwithstanding KRS 154-12.278, if the unexpended allotments designated for "grants, loans, and benefits" are not sufficient to fund obligations to disburse both active and prospective grant awards, "Restricted Funds" (funding which would be provided by the Kentucky Economic Development Finance Authority, a separate component unit of the Commonwealth of Kentucky) in an amount up to \$4,950,000 may be available to the Corporation, while an amount not to exceed \$2,000,000 may also be appropriated to the Corporation from the Commonwealth's General Fund Surplus Account and/or the Budget Reserve Trust Fund Account (a total of \$6,950,000 potentially available supplemental funding). During fiscal year 2018, \$3,407,400 of the supplemental funding was made available to the Corporation. Accordingly, at June 30, 2018, \$3,542,600 of such supplemental funding is potentially still available.

Unexpended "personnel" and "operating expenses" allotments will lapse to the extent such allotments have not been appropriated to pay accounts payable as of year-end (if applicable).

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Corporation's finances for all of those with an interest. If you have any questions concerning the information provided in this report or need additional financial information, contact Bluegrass State Skills Corporation, Kentucky Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway, Frankfort, Kentucky 40601.

Bluegrass State Skills Corporation
Balance Sheet/Statement of Net Position
June 30, 2018

	Balance Sheet	Adjustments (Note C)	Statement of Net Position
Assets			
Current assets			
Cash and cash equivalents	\$ 226,056	\$ -	\$ 226,056
Intergovernment receivables	2,248,807	-	2,248,807
Total current assets	<u>2,474,863</u>	<u>-</u>	<u>2,474,863</u>
Non-current assets			
Investments	<u>1,255,900</u>	<u>-</u>	<u>1,255,900</u>
Total assets	<u>\$ 3,730,763</u>	<u>-</u>	<u>3,730,763</u>
Liabilities			
Current liabilities			
Grants payable	<u>\$ 2,248,807</u>	<u>-</u>	<u>2,248,807</u>
Fund Balance/Net Position			
Restricted	<u>1,481,956</u>	<u>\$ -</u>	<u>\$ 1,481,956</u>
Total liabilities and fund balance	<u>\$ 3,730,763</u>		

Bluegrass State Skills Corporation
Statement of Revenues, Expenditures, and Changes
in Fund Balance/Statement of Activities
Year Ended June 30, 2018

	Statement of Revenues, Expenditures, and Changes in Fund Balance	Adjustments (Note C)	Statement of Activities
Expenditures/expenses			
Grant awards	\$ 7,939,575	\$ -	\$ 7,939,575
Compensation and related benefits	5,275	-	5,275
Professional fees	17,050	-	17,050
Miscellaneous	7,981	-	7,981
Total expenditures/expenses	<u>7,969,881</u>	<u>-</u>	<u>7,969,881</u>
Deficiency of revenues over expenditures/ expenses	<u>(7,969,881)</u>	<u>-</u>	<u>(7,969,881)</u>
General revenues			
General Fund appropriations	7,964,081	-	7,964,081
Intergovernment grant revenue	1,481,956	-	1,481,956
Total general revenues	<u>9,446,037</u>	<u>-</u>	<u>9,446,037</u>
Change in fund balance/net position before transfer	1,476,156	-	1,476,156
Transfer	<u>5,800</u>	<u>634,407</u>	<u>640,207</u>
Change in fund balance/net position	1,481,956	634,407	2,116,363
Fund balance/net position			
Beginning of the year	<u>-</u>	<u>(634,407)</u>	<u>(634,407)</u>
End of the year	<u>\$ 1,481,956</u>	<u>\$ -</u>	<u>\$ 1,481,956</u>

Bluegrass State Skills Corporation
Notes to the Financial Statements
Year Ended June 30, 2018

Note A--Nature of Activities

Bluegrass State Skills Corporation (Corporation) was established in 1984 by the General Assembly of the Commonwealth of Kentucky (Commonwealth) as an independent, de jure corporation to stimulate economic development through programs of skills training to meet the needs of business and industry. The Corporation, in cooperation with other State employment and training related entities, provides for customized comprehensive programs of skills training services for new, expanding, and existing industries. The Corporation, for administrative purposes, operates under the Kentucky Cabinet for Economic Development (Cabinet), in recognition of the relationship between economic development and skills training efforts.

The Corporation's three main functions are:

- To administer and fund customized business and industry specific training through agreements for Grant-in-Aid (Grant-in-Aid Program) and Skills Training Investment Credit incentives (Skills Training Investment Credit Act Program);
- To act as a broker by coordinating the resources of providers of skills upgrade training, occupational upgrade training, and employment services; and
- To facilitate the creation of public/private partnerships through education and training programs designed to meet training needs of individual and multiple company (consortia) training projects.

Additionally, the Corporation, pursuant to Kentucky Revised Statutes 141.381, is responsible for approving tax credits under the Metropolitan College Tax Credit Program, the purpose of which is to encourage an employer to provide educational opportunities to employees through a program that combines employment with post-secondary education. The tax credits are approved on behalf of a qualified tax payer under the terms of the related Metropolitan College Agreement.

The Skills Training Investment Credit Act Program and the Metropolitan College Tax Credit Program abate tax revenues of the Commonwealth. The abated tax revenues do not otherwise directly impact the Corporation's financial position and/or results of operations. The Commonwealth's Comprehensive Annual Financial Report (CAFR) should be referred to for additional disclosures related to the Skills Training Investment Credit Act Program and the Metropolitan College Tax Credit Program, including the disclosures required by Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*.

The Corporation is an instrumentality of the Commonwealth of Kentucky and is exempt from income taxation.

Bluegrass State Skills Corporation
Notes to the Financial Statements (Continued)
Year Ended June 30, 2018

Note B--Summary of Significant Accounting Policies

1. Basis of Presentation

The Corporation is a component unit of the Commonwealth of Kentucky. The Corporation's financial statements are included in the Commonwealth's CAFR 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 Corporation is a governmental fund. Accordingly, the Corporation presents two sets of financial statements; government-wide financial statements and governmental fund financial statements.

The government-wide financial statements of the Corporation (the statement of net position and the statement of activities) report information on all of the activities of the Corporation. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements (the balance sheet and the statement of revenues, expenditures, and changes in fund balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting, however, certain expenditures, such as those related to compensated absences, are recorded only when payment is due.

An adjustments column is presented within the financial statements to provide a reconciliation between the government-wide and governmental fund financial statements. See Note C for a discussion of the adjustment amounts.

In accordance with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, the financial statements include a Management's Discussion and Analysis (MD&A) section providing an analysis of the Corporation's overall financial position and results of operations.

2. Use of Estimates

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

3. Cash, Cash Equivalents, and Investments

The equity position of the Corporation in the State cash and investment pool of the Commonwealth of Kentucky (the Commonwealth of Kentucky's general depository) is reported as assets of the Corporation. The Corporation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Investments are reported at fair market value.

Bluegrass State Skills Corporation
Notes to the Financial Statements (Continued)
Year Ended June 30, 2018

Note B--Summary of Significant Accounting Policies (Continued)

4. Intergovernment Transactions

During the course of operations, transactions occur with other State agencies (including the Commonwealth of Kentucky in general) that may result in amounts due to/from and revenues from/expenditures to. See Note E for details of such transactions.

5. Fund Balance/Net Position

Governmental fund equity is classified as fund balance and is displayed in the following classifications which depict the relative strength of the spending constraints placed on the purposes for which resources can be used (when applicable; see Note H):

- a. Non-spendable - Consists of amounts that are not in a spendable form or are required to be maintained intact.
- b. Restricted - Consists of amounts 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.
- c. Committed - Consists of amounts constrained to specific purposes by the entity itself, using its highest level of decision-making authority (the Board of Directors).
- d. Assigned - Consists of amounts the entity intends to use for a specific purpose (such purposes do not meet the criteria to be classified as restricted or committed).
- e. Unassigned - Consists of spendable amounts that are otherwise available for any purpose.

Government-wide equity is classified as net position and is displayed in the following classifications (when applicable):

- a. 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.
- b. 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.
- c. Unrestricted net position - All other net position that does not meet the definition of net investment in capital assets or restricted.

6. Expenditures/Expenses

Expenditures and expenses are both classified by natural or object classification in the statement of revenues, expenditures, and changes in fund balance/statement of activities.

**Bluegrass State Skills Corporation
Notes to the Financial Statements (Continued)
Year Ended June 30, 2018**

**Note C--Explanation of the Difference Between the Government-wide and the Governmental Fund
Financial Statements**

Long-term liabilities applicable to the Corporation's governmental activities are not due and payable in the current period, and accordingly are not reported as fund liabilities. When applicable, the non-current portion of compensated absences, the pension liability, and related deferred outflows and inflows of resources are therefore not reported in the governmental fund balance sheet. The expenses associated with the non-current portion of compensated absences, the pension liability, and the deferred outflows and inflows of resources does not require the use of current financial resources and, therefore, are not reported in the governmental fund statement of revenues, expenditures, and changes in fund balance. All liabilities, both current and long-term, are reported in the government-wide statement of net position. Accordingly, when applicable, the expenses associated with the non-current portion of compensated absences, the pension liability, and the deferred outflows and inflows of resources are reported in the government-wide statement of activities.

The \$634,407 within the adjustments column (adjustment to the transfer amount; see Note E) of the statement of revenues, expenditures, and changes in fund balance/statement of activities (statement) is reflective of the fiscal year 2018 net impact of adjusting the non-current portion of compensated absences (\$21,407) and the pension liability (\$685,000) and the related deferred outflows of resources (\$72,000) to \$0 (see Note E). The \$634,407 adjustment to the beginning fund balance/net position per the statement is reflective of the net of the \$72,000 of deferred outflows of resources as of June 30, 2017, the \$21,407 non-current portion of compensated absences as of June 30, 2017, and the \$685,000 pension liability as of June 30, 2017.

Note D--Cash, Cash Equivalents, and Investments

The Kentucky Revised Statutes (Statutes) authorize the Corporation to invest deposits subject to its control, at its discretion, in the types of permitted investments as outlined within the Statutes. In addition, the Corporation is also allowed to participate in a cash and investment pool maintained by the Commonwealth of Kentucky. At June 30, 2018, cash and cash equivalents consist entirely of the Corporation's equity position in the State cash and investment pool (the portion that has not otherwise been classified as investments).

At June 30, 2018, investments consist entirely of the Corporation's equity position in the State cash and investment pool (the portion that has not otherwise been classified as cash and cash equivalents). Such investments are valued at the net asset value of the Corporation'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 Corporation's own assumptions as to how knowledgeable parties would price assets or liabilities that are not corroborated by market data.

Bluegrass State Skills Corporation
Notes to the Financial Statements (Continued)
Year Ended June 30, 2018

Note D--Cash, Cash Equivalents, and Investments (Continued)

There have been no changes from June 30, 2017 in the methodologies used to determine fair value at June 30, 2018. 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 Corporation 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.

The Commonwealth's CAFR should be referred to for additional disclosures required by GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, and GASB Statement No. 40, *Deposit and Investment Risk Disclosures (an Amendment of GASB Statement No. 3)*.

Note E--Intergovernment Transactions

At June 30, 2018, intergovernment receivables reported in the accompanying balance sheet/statement of net position consist of General Fund appropriations due to the Corporation in the amount of \$2,248,807.

Intergovernment grant revenue (\$1,481,956) per the accompanying statement of revenues, expenditures, and changes in fund balance/statement of activities for the year ended June 30, 2018 consists of funding received from the Kentucky Education and Workforce Development Cabinet. Such grant funds are restricted for "grants, loans, and benefits" related to training incumbent Kentucky employees in skill and occupational upgrade training so that employers and employees can enhance productivity, improve performance, retain employment, and integrate new technologies with the goal of business retention, expansion, and growth within the Commonwealth. Fund balance/net position at June 30, 2018 is thus restricted pursuant to the unexpended Kentucky Education and Workforce Development Cabinet grant funds.

The \$640,207 transfer amount per the accompanying statement of revenues, expenditures, and changes in fund balance/statement of activities for the year ended June 30, 2018 represents, effective July 1, 2017, the transfer of employee related liabilities as follows: (1) the current (\$5,800) and non-current (\$21,407) portions of compensated absences, and (2) the pension liability (\$685,000), including the related deferred outflows of resources (\$72,000). Effective July 1, 2017, the Executive Director position was transferred to another department of State government. As a result, effective July 1, 2017, the Corporation's payroll only consists of per-diem amounts paid to the individual members of the Corporation's Board of Directors.

Note F--General Fund Appropriations

The primary funding source for the activities of the Corporation is through legislative General Fund appropriations from the Commonwealth. The Corporation may, subject to appropriations from the Commonwealth or from funds made available to it from any other public or private source, provide grant awards restricted only to the extent of its remaining unexpended funds.

Bluegrass State Skills Corporation
Notes to the Financial Statements (Continued)
Year Ended June 30, 2018

Note F--General Fund Appropriations (Continued)

The regular General Fund appropriations are made available to the Corporation in quarterly allotments. House Bill 200, enacted during the 2018 Regular Session of the Kentucky legislature, generally authorized the Corporation's unexpended allotments designated for "grants, loans, and benefits" to carry forward for fiscal years 2017-2018 and 2018-2019 (the 2018-2020 biennium) and not lapse to the Commonwealth's General Fund Surplus Account, notwithstanding Kentucky Revised Statutes (KRS) 45.229. Unexpended "personnel" and "operating expenses" allotments will lapse to the extent such allotments have not been appropriated to pay accounts payable as of year-end (if applicable).

During fiscal year 2016, pursuant to House Bill 235 enacted during the 2014 Regular Session of the Kentucky legislature, \$15,000,000 was appropriated to the Corporation from the Commonwealth's General Fund. Such amount was designated for "grants, loans, and benefits" to support a specific manufacturing-related investment in the Commonwealth. Such amount, to the extent not expended, was to lapse on June 30, 2018. The appropriations were expended during fiscal year 2018.

Notwithstanding KRS 154-12.278, if the unexpended allotments designated for "grants, loans, and benefits" are not sufficient to fund obligations to disburse both active and prospective grant awards, "Restricted Funds" (funding which would be provided by the Kentucky Economic Development Finance Authority, a separate component unit of the Commonwealth of Kentucky) in an amount up to \$4,950,000 may be available to the Corporation, while an amount not to exceed \$2,000,000 may also be appropriated to the Corporation from the Commonwealth's General Fund Surplus Account and/or the Budget Reserve Trust Fund Account (a total of \$6,950,000 potentially available supplemental funding). During fiscal year 2018, \$3,407,400 of the supplemental funding was made available to the Corporation. Accordingly, at June 30, 2018, \$3,542,600 of such supplemental funding is potentially still available.

The Corporation's unexpended allotments are maintained by the Kentucky Finance and Administration Cabinet. At June 30, 2018, unexpended allotments (includes those allotments already appropriated to pay accounts payable or certain grants payable as of year-end) consist of the following:

	Beginning Unexpended Balance	Inflows	Outflows	Ending Unexpended Balance
"Personnel"	\$ -	\$ 22,400	\$ 22,325	\$ 75
"Operating expenses"	-	8,000	7,982	18
"Grants, loans, and benefits"	<u>3,251,422</u>	<u>5,719,226</u>	<u>6,403,265</u>	<u>2,567,383</u>
	<u>\$ 3,251,422</u>	<u>\$ 5,749,626</u>	<u>\$ 6,433,572</u>	<u>\$ 2,567,476</u>

Bluegrass State Skills Corporation
Notes to the Financial Statements (Continued)
Year Ended June 30, 2018

Note G--Grant Awards

The Corporation awards grants-in-aid, with matching requirements, to businesses to improve and promote employment opportunities for the residents of the Commonwealth. Such grant awards are funded primarily by General Fund appropriations.

Grants payable as of year-end represent active grant awards for which the requests for reimbursements reflect expenditures incurred by the grantees prior to year-end; however, the Corporation had not reimbursed the grantees for such expenditures until after year-end. These grants will be paid from the intergovernment receivables (General Fund appropriations) due to the Corporation at year-end (see Note E).

At June 30, 2018, obligations to disburse both active and prospective grant awards total approximately \$5,207,000 (includes the approximately \$2,249,000 of grants payable at June 30, 2018). The Corporation may not however ultimately fund these grants due to certain factors. The Corporation cannot make such disbursements in excess of its available funds ("grants, loans, and benefits") which total approximately \$7,592,000 at June 30, 2018 (includes the approximately \$1,482,000 and \$3,543,000 amounts discussed in Notes E and F, respectively).

Note H--Fund Balance Classification Policies and Procedures

The Board of Directors is the Corporation's highest level of decision-making authority. Commitments of fund balance (if and when applicable) must be formally approved through a vote by the Board of Directors. When warranted, the Board of Directors has the authority to assign amounts to a specific purpose utilizing the same policy established for committing funds to a specific purpose. The Corporation has not adopted formal policies which would govern (1) the order of priority relative to the use of fund balance when an expenditure is incurred for purposes for which both restricted or unrestricted fund balance is available and (2) whether committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts classified as committed, assigned, or unassigned fund balance may be used.

Note I--Related Party Transactions

The Corporation received the benefit of management, accounting, and administrative services, as well as utilities and office space, from the Cabinet during fiscal year 2018 for which no fees were assessed.

Note J--Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. The Corporation purchases commercial insurance coverage for errors and omissions and directors' and officers' liability. The Corporation also utilizes the Commonwealth of Kentucky's Risk Management Fund to cover the exposure to any remaining potential losses. The Commonwealth's CAFR should be referred to for additional disclosures related to the Risk Management Fund.

**Bluegrass State Skills Corporation
Budgetary Comparison Schedule
Year Ended June 30, 2018**

	Original Budgeted Amounts			Final Budgeted Amounts			Difference Between Original and Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budgeted Amounts
	Beginning Unexpended Balance July 1, 2017	2018 Allotments	Total	Beginning Unexpended Balance July 1, 2017	2018 Allotments	Total			
Resources (inflows)									
General Fund appropriations	\$ 3,251,422	\$ 2,481,000	\$ 5,732,422	\$ 3,251,422	\$ 5,749,626	\$ 9,001,048	\$ 3,268,626	\$ 9,001,048	\$ -
Charges to appropriations (outflows)									
*Personnel	-	166,300	166,300	-	22,400	22,400	(143,900)	22,325	(75)
*Operating expenses	-	2,900	2,900	-	8,000	8,000	5,100	7,982	(18)
*Grants, loans and benefits	3,251,422	2,311,800	5,563,222	3,251,422	5,719,226	8,970,648	3,407,426	6,403,265	(2,567,383)
Total charges to appropriations (outflows)	3,251,422	2,481,000	5,732,422	3,251,422	5,749,626	9,001,048	3,268,626	6,413,572	(2,567,476)
Excess of resources (inflows) over charges to appropriations (outflows)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,567,476	\$ 2,567,476

See accompanying independent auditor's report
and note to the budgetary comparison schedule

Bluegrass State Skills Corporation
Note to the Budgetary Comparison Schedule
Year Ended June 30, 2018

Budgetary Basis Versus GAAP

The accompanying budgetary comparison schedule presents comparisons of the legally adopted budget with actual data on the budgetary basis. Accounting principles applied for purposes of developing data on the budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles (GAAP). An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with GAAP follows:

Total resources (inflows) per the budgetary comparison schedule	\$ 9,001,048
Intergovernment grant revenue for the year ended June 30, 2018	1,481,956
Unexpended allotments as of June 30, 2018	(2,567,476)
General Fund appropriations receivable (intergovernment) as of June 30, 2018	2,248,807
General Fund appropriations receivable (intergovernment) as of June 30, 2017 less accrued payroll expenses as of June 30, 2017	<u>(718,298)</u>
Total general revenues per the statement of revenues, expenditures, and changes in fund balance	<u>\$ 9,446,037</u>
Total charges to appropriations (outflows) per the budgetary comparison schedule	\$ 6,433,572
Grants payable as of June 30, 2018	2,248,807
Grants payable as of June 30, 2017	<u>(712,498)</u>
Total expenditures per the statement of revenues, expenditures, and changes in fund balance	<u>\$ 7,969,881</u>



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Bluegrass State Skills Corporation
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 Bluegrass State Skills Corporation as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Bluegrass State Skills Corporation's basic financial statements, and have issued our report thereon dated November 28, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Kentucky
Indiana
Ohio

MCM CPAs & Advisors LLP
P 502.749.1900 | F 502.749.1930
2600 Meidinger Tower | 462 South Fourth Street | Louisville, KY 40202
www.mcmcpa.com | 888.587.1719
A Member of PrimeGlobal – An Association of Independent Accounting Firms

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Continued)

Purpose of this Report

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

MCM CPAs & Advisors LLP

MCM CPAs & Advisors LLP
Louisville, Kentucky
November 28, 2018

**Bluegrass State Skills Corporation
Schedule of Findings
June 30, 2018**

Schedule of Auditor's Results

We have issued an unmodified opinion, dated November 28, 2018, on the financial statements of Bluegrass State Skills Corporation as of and for the year ended June 30, 2018.

Our audit disclosed no instances of noncompliance which are material to Bluegrass State Skills Corporation'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*.

Bluegrass State Skills Corporation
Schedule of Prior Audit Findings and Their Resolution
June 30, 2018

The audit as of and for the year ended June 30, 2017 disclosed no findings which were required to be reported in accordance with *Government Auditing Standards*.



BLUEGRASS STATE SKILLS CORPORATION

2018 Annual Report



CABINET FOR ECONOMIC DEVELOPMENT

Matthew G. Bevin
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601
ThinkKentucky.com

Terry R. Gill, Jr.
Secretary

Vivek K. Sarin
Executive Officer

October 31, 2018

The Cabinet for Economic Development (CED) is pleased to present the Fiscal Year 2018 Annual Report of the Bluegrass State Skills Corporation (BSSC). BSSC plays a significant role in keeping Kentucky's business and industry competitive in today's global economy by assisting them in providing quality training for their workforce.

Through the hard work of the BSSC board and staff, the Cabinet has built a strong reputation for providing customized, flexible and industry-driven skills training opportunities, and companies continue to place a high value on the programs offered by BSSC. This past year, the BSSC Board of Directors approved 62 grant-in-aid applications for companies and training consortia to train 10,426 Kentucky-resident employees and tax credit applications for 38 companies to train over 14,674 Kentucky-resident employees.

In addition, CED continues to work closely with our Kentucky Skills Network partners to provide quality training opportunities to our business clients across the Commonwealth in order to maximize the resources available to help them achieve their workforce development goals. We appreciate the support of Governor Matt Bevin, the Kentucky General Assembly, the Kentucky Economic Development Partnership Board, the Bluegrass State Skills Corporation Board, as well as our many workforce development partners to ensure that Kentucky's workforce is prepared for the jobs of the future.

Sincerely,

Terry R. Gill, Jr.
Secretary

Vivek K. Sarin
Executive Officer

INTRODUCTION



BSSC grants are extremely valuable in developing our workforce, and provides us, and Kentucky, a competitive edge in the marketplace.

JAMES ATKINSON TRAINING & DEVELOPMENT LEADER

Ford Motor Company

The Bluegrass State Skills Corporation (BSSC) has built a strong reputation for meeting and exceeding industry needs for customized, flexible and industry-driven skills training. It partners with other employment and training organizations to tailor a comprehensive program of skills training services for new, expanding and existing companies.

The BSSC plays a significant role in keeping Kentucky's business and industry competitive in the global economy by helping provide the necessary workforce training in the following ways:

Administering and funding Kentucky's customized business and industry-specific training efforts through Grant-in-Aid and Skills Training Investment Credit projects that are approved by the BSSC Board of Directors;

Acting as a broker by coordinating the resources of skills training providers;

Facilitating the creation of public/private partnerships through education and training programs designed to meet training needs of individual and multiple-company projects, and

Administering any special state appropriation for customized business and industry-specific training.

The BSSC represents the consolidated efforts of the Kentucky Cabinet for Economic Development and the Education and Workforce Development Cabinet, and is attached to the Cabinet for Economic Development for administrative purposes. An 18 member board of directors made up of public and private sector officials govern the BSSC. Private-sector representatives comprise more than half of the board membership.

BLUEGRASS STATE SKILLS CORPORATION BOARD OF DIRECTORS FY 2016-2017

BSSC EXECUTIVE COMMITTEE MEMBERS AT LARGE:

BSSC Board Chair

Randall Fox, Senior Partner
Capstone HR Services Inc.
Benton, KY

BSSC Vice-Chair

Doris Moody, Human Resources Team Leader
Logan Aluminum Inc.
Russellville, KY

BSSC Treasurer

Eston Glover, President/CEO
Pennsylvia Rural Electric Coop
Elkton, KY

BSSC Secretary

Brenda Bankston, Director of Grants and Dev.
Big Brothers Big Sisters of Kentuckiana
Louisville, KY

BSSC Executive Committee Member at Large

Tom Lund, Economic Development Director
Marion County Economic Development
Lebanon, KY

Ray Leathers, Commissioner

Department of Workforce Investment
(Prev. - Andri Hightower, Anna Larson)

Jay Box, Ph.D. (Prev. - Dr. Rhonda Feltz, Dr. Keith

Stephens)
KCICS
Versailles, KY

Jerry R. Gill, Jr., Secretary (Executive Officer

Vicki Sarno, Prev. Kate Smith)
Cabinet for Economic Development
Frankfort, KY

Rita Combs-Sterrett, President

RCS Associates
Louisville, KY

Robert L. King, President (Prev. Revlon Stagnola

Jacqueline Koenzel, Sharon Johnson, Coe, Davidson)
Council on Postsecondary Education
Frankfort, KY

David Dickerson, Secretary

Kentucky Dept. of Labor
(Prev. - Mike Hennes)
Frankfort, KY

John Y. Kuzuoaka, School Administrator

Sheet Metal Workers #110
Louisville, KY

Torsten Langguth, Plant Manager

Dr. Schneider Automotive Systems, Inc.
Russell Springs

Derrick Ramsey, Secretary

Education and Workforce Development Cabinet
(Prev. - Brad Norton II, Josh Benton)
Frankfort, KY

Jeff Whitehead, Executive Director

ERCEP, Inc.
Hazard, KY

William "Carl" Lay, President

Human Resource Management Professionals
Retired - VP of Corporate Relations, Aflac
Briar Corporation North America
Elizabethtown, KY

GRANT-IN-AID (GIA)

The Grant-in-Aid (GIA) program provides reimbursement funds for training employees of Kentucky's new and expanding companies and for skills upgrade training.

Listed below is a summary of the GIA projects approved during FY 2018 by the BSSC Board of Directors:

62 grants valued at \$2,486,756 to provide skills training services to individual companies and training consortia; training 10,426 Kentucky residents at an average cost of \$238.51 per trainee; as follows:

843 Kentucky residents trained for **new** industry at a cost of \$250,000 or an average of \$296.56 per trainee;

6,638 Kentucky residents trained for **expanding** industry at a cost of \$1,761,756 or an average of \$161.29 per trainee; and

2,945 Kentucky residents trained for **existing** industry at a cost of \$475,000 or an average of \$161.29 per trainee.

GIA applications in the amount of \$361,820 for 15 companies were received and processed by the BSSC but were not approved due to insufficient funds.

GIA net disbursements for skills training projects during FY 2018 totaled \$6,403,265.11 and were received by 50 companies and training consortia.

“ The BSSC program provided vital support to implement healthcare leadership training, improving the skills of healthcare professionals in our community. ”

NICK BASTIN

CHIEF FINANCIAL OFFICER, ROCKCASTLE REGIONAL HOSPITAL AND RESPIRATORY CARE CENTER

“ The utilization of the BSSC grant allows us to train our employees, which leads to employee retention, customer satisfaction and a skilled workforce. ”

PATTY SWEASY

TRAINING COORDINATOR, ROLL FORMING CORPORATION.

SKILLS TRAINING INVESTMENT CREDIT (STIC)



The BSSC program is a fantastic program that assists companies in Kentucky with their training budgets. This is a good way for companies to see their state tax dollars at reinvesting in Kentucky people and Kentucky jobs.

GREG HODGE
HR DIRECTOR

Tenmast Software Company

The Skills Training Investment Credit (STIC) program provides tax credits to offset a portion of approved costs to support skills upgrade training to qualified companies.

Listed below is a summary of the STIC projects approved during FY 2018 by the BSSC Board of Directors:

38 companies received preliminary approval for investment credits valued at \$2,500,000, training 14,674 Kentucky residents at an average cost of \$170.37 per trainee; and

35 companies received final approval of \$1,365,544.86 in tax credits through the STIC program for 5,222 trainees at a cost of \$261.50 per trainee.

By statute KRS 154.12-2086(6), a minimum of 30 percent of companies receiving preliminary approval for tax credits by the BSSC Board of Directors must be "high performance companies."

A high performance company is one that has met and maintained a certified quality standards program. Examples of such programs are International Organization for Standardization (ISO), Certified Quality Inspector Certification and Failure Mode and Effects Analysis (FMEA) Certification.

In FY 2018, approximately 58 percent of the preliminarily approved tax credit applications were for "high performance companies."



PUBLIC-PRIVATE PARTNERSHIPS

Metropolitan College Tax Credit (MCTC)

In 2009, the BSSC was given the authority to approve tax credits on behalf of a qualified tax payer that is a party to the "Metropolitan College Agreement." Its purpose is to encourage employers to provide educational opportunities to employees through a program that combines work with postsecondary education.

In Louisville, a partnership that includes United Parcel Service (UPS), the University of Louisville, Jefferson Community and Technical College provides eligible Kentucky residents access to a tuition-free post-secondary education and outstanding employment opportunities.

To ensure the program's ongoing success, the BSSC approved its fourth Metropolitan College Tax Credit to UPS during FY 2018 in the amount of \$4,517,912.

Kentucky Federation for Advanced Manufacturing Education (KY FAME)

The Kentucky Federation for Advanced Manufacturing Education (KY FAME) is a partnership of regional manufacturers whose purpose is to utilize dual-track, apprenticeship-style training to create a pipeline of highly skilled workers.

The primary method to achieve the goal of creating a highly skilled workforce is through partnerships with local educational institutions to implement the Advanced Manufacturing Technician Program (AMT). AMT is an integrated career pathway provided in partnership with the Kentucky Community and Technical College System. The AMT program is a dual-track, five semester program within an Associate in Applied Science Degree providing a multi-disciplinary technical foundation coupled with continuous real-world working experience with a leading manufacturer (company sponsor). AMT combines proven workplace components of apprenticeship with the earn-and-learn model in subjects including electricity, fluid power, mechanics, fabrication, and robotics. This paid work experience introduces hands-on application and the best practices of the world class manufacturer.

For FY 2018, KY FAME currently reports over 210 member companies statewide from 11 chapters.

COLLABORATIVE PARTNERSHIPS

Kentucky Skills Network

In early 2014, the Kentucky Skills Network was formed as a collaboration between Kentucky workforce partners, whose goal is to provide ease of service, professionalism, quality resources and results that will enhance the workforce delivery system in the Commonwealth. The Kentucky Skills Network brings together the solutions that individuals, employers and workforce professionals need to prosper in the global economy. Resources provided by the Kentucky Skills Network include:

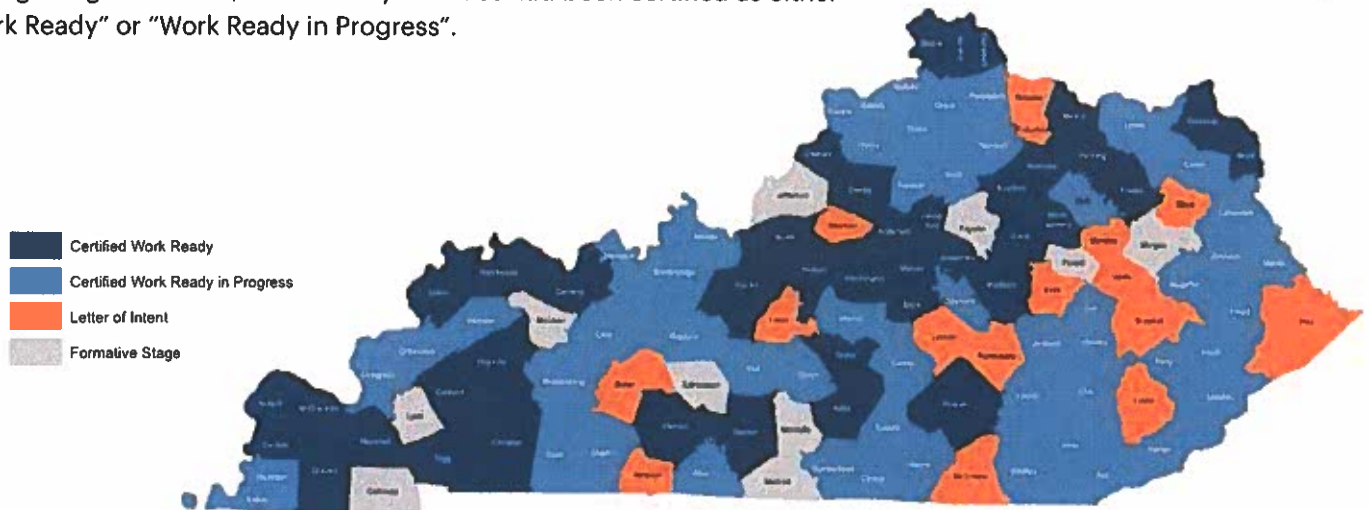
- > Grants and tax credits for training, tuition and certification
- > Safety and health training
- > Pre-employment recruitment, assessment and training
- > Customized training
- > Labor market research

The Kentucky Skills Network is a collaborative partnership between the Cabinet for Economic Development, the Kentucky Community & Technical College System, the Labor Cabinet and the Education and Workforce Development Cabinet.

Work Ready Communities

In 2011, to ensure companies a skilled workforce, the Kentucky Workforce Investment Board (KWIB) initiated the Work Ready Communities initiative. Kentucky counties are certified as “Work Ready” based upon the quality of their workforce as measured by criteria established by the steering committee and approved by the KWIB board of directors.

Through August of 2018, 85 Kentucky counties had been certified as either “Work Ready” or “Work Ready in Progress”.



COLLABORATIVE PARTNERSHIPS (continued)

Kentucky Work Ready Skills Initiative

In 2016, Governor Bevin and the Education and Workforce Development Cabinet announced the launch of the Kentucky Work Ready Skills Initiative. Kentucky has awarded \$100 million in statewide bonds to 40 applicants through the Kentucky Work Ready Skills Initiative (KWRSI) to build a highly trained, modernized workforce to meet the needs of employers and promote sustainable incomes for Kentuckians. The locally driven projects were awarded during two rounds of competition in 2016 and 2017 and include all regions of Kentucky. In addition to the State's \$100 million investment, local communities and industry have banded together to invest an additional \$100 million to support local training facilities. These facilities will be better equipped to meet business needs both today, and in the future.

The initiative is overseen by a nine-member board, which includes the secretary of the Education and Workforce Development Cabinet, the secretary of the Cabinet for Economic Development, the secretary of the Labor Cabinet, the chair of the Kentucky Workforce Innovation Board, three employers nominated by the Governor, one member nominated by the Speaker of the Kentucky House of Representatives and one nominated by the President of the Kentucky Senate. Technical support is provided by the staff of the Kentucky Economic Development Finance Authority.

Work Ready Scholarship Program

The Commonwealth is committed to increasing the workforce participation rate by expanding the skilled, competitive workforce necessary to attract new businesses to the state. The Work Ready Scholarship Program will provide free tuition to eligible Kentucky students getting a two-year degree that could be used in "high-demand" industries including healthcare, advanced manufacturing, transportation/logistics, business services/IT, and construction. Students will be able to use the scholarship to attend a school in the Kentucky Community and Technical College system, one of Kentucky's 4-year public universities or any other accredited school in the state.

COLLABORATIVE PARTNERSHIPS (continued)

Kentucky Future Skills Report

In 2015, the Kentucky Workforce Investment Board commissioned the Kentucky Education and Workforce Development Cabinet, Kentucky Cabinet for Economic Development, and Kentucky Department of Education to identify Kentucky's high-growth industry sectors and study occupational requirements within those sectors.

The result of this study has produced in the first annual Kentucky Future Skills Report. The Report is an in-depth analysis focused on identify Kentucky's supply and demand for occupations in sustainable, high-wage sectors. Additionally, the Report examines enrollment and graduation data from Kentucky's K-12 and post-secondary degree programs to measure alignment to the identified high-demand occupations. Finally, the Report will align K-20 credentials and degrees that match sector and occupational demands.

This report has identified almost 300,000 jobs that will need to be filled over the next five years, in the industries of Healthcare, Business & Technical Services, Manufacturing, Transportation and Construction.

Kentucky Trained. Kentucky Built.

In 2016, Governor Bevin and the Labor Cabinet announced the launch of the "Kentucky Trained. Kentucky Built." apprenticeship campaign. The initiative signals Kentucky's recommitment of new energy and resources toward strengthening apprenticeships across Kentucky. Currently, there are over 3,000 apprentices in Kentucky in nearly 240 different programs, representing 109 different occupations.

BSSC supports registered apprenticeship by reimbursing \$2,000 per year for registered apprenticeship training.

NEW GRANT-IN-AIDS FOR FISCAL YEAR 2017-2018

The BSSC Board of Directors approves new grant-in-aid projects based upon the availability of funds for each board meeting. Once the board approves a grant-in-aid project, training may commence and documentation submitted for reimbursement.

COMPANY	CITY	TRAINEES	FUNDING AMT
A.C.E. Compressor Parts & Service, Inc.	Mayfield	25.00	\$25,000
AGC Automotive Americas Co.	Elizabethtown	750.00	\$50,000
AGC Glass Company North America	Richmond	167.00	\$25,000
Aleris Rolled Products, LLC	Lewisport	200.00	\$200,000
Alorica Inc.	Owensboro	250.00	\$50,000
Appalachian Regional Healthcare, Inc.	Lexington	1,180.00	\$75,000
Balluff, Inc.	Florence	98.00	\$25,000
Bendix Spicer Foundation Brake LLC	Bowling Green	35.00	\$21,750
Bluegrass Business Consortium, Inc.	Berea	437.00	\$75,000
Bluegrass Training Consortium, Inc.	Georgetown	175.00	\$75,000
C & C Press Repair, LLC	Bowling Green	6.00	\$12,000
Carmeuse Lime & Stone, Inc.	Butler	46.00	\$25,000
Carmeuse Lime & Stone, Inc.	Maysville	40.00	\$25,000
Constellium-UACJ ABS LLC	Bowling Green	75.00	\$25,000
Continental Building Products Operating Company, LLC	Silver Grove	50.00	\$25,000
Cox Interior, Inc.	Campbellsville	420.00	\$13,450
CTA Acoustics, Inc.	Corbin	576.00	\$50,000
CTI - Clinical Trial Services, Inc.	Covington	118.00	\$200,000
CTI - Clinical Trial Services, Inc.	Covington		\$100,000
Daramic, LLC	Owensboro	30.00	\$6,136
Ellison Surface Technologies, Inc.	Hebron	60.00	\$25,000
Essity HMS North America Inc.	Bowling Green	156.00	\$25,000
Ethos Holding Corp.	Newport	33.00	\$25,000
Florida Tile, Inc.	Lawrenceburg	15.00	\$25,000
Galerie, Inc.	Hebron	35.00	\$50,000
Indelac Controls, Inc.	Florence	35.00	\$25,000
Kentucky Alliance Training Consortium	Georgetown	950.00	\$75,000
Kentucky Cooperage LP, Ltd.	Lebanon	400.00	\$25,000
Kentucky Fresh Harvest, LLC	Stanford	75.00	\$25,000
Lakeshore Learning Materials	Midway	262.00	\$200,000
LexPlastics, Inc.	Lexington	31.00	\$25,000
Metalsa Structural Products, Inc.	Owensboro	204.00	\$25,000
Metalsa Structural Products, Inc.	Hopkinsville	638.00	\$50,000
Mouser Custom Cabinetry, LLC	Elizabethtown	32.00	\$25,000
Mubea North-America Shared Services, Inc.	Florence	64.00	\$25,000

NEW GRANT-IN-AIDS FOR FISCAL YEAR 2017-2018

The BSSC Board of Directors approves new grant-in-aid projects based upon the availability of funds for each board meeting. Once the board approves a grant-in-aid project, training may commence and documentation submitted for reimbursement.

...CONTINUED...

COMPANY	CITY	TRAINEES	FUNDING AMT
Mubea Precision Springs, Inc.	Florence	30.00	\$25,000
Mubea Tailor Rolled Blanks, LLC	Florence	30.00	\$25,000
Mubea, Inc.	Florence	31.00	\$25,000
New Flyer of America Inc.	Shepherdsville	550.00	\$25,000
Niemco Fabricators, Inc.	Louisville	23.00	\$25,000
PMC Organometallix, Inc.	Carrollton	20.00	\$25,000
Post Glover Resistors Inc.	Erlanger	65.00	\$25,000
Riken Elastomers Corporation	Hopkinsville	35.00	\$25,000
RKW North America, Inc.	Franklin	40.00	\$25,000
Sabert Corporation	Shepherdsville	120.00	\$25,000
Shelby County Associated Industries, Inc.	Shelbyville	269.00	\$75,000
Software Information Systems, LLC	Lexington	55.00	\$25,000
Southeast Kentucky Regional Training Consortium, Inc.	Corbin	492.00	\$75,000
Steinhauser, Incorporated	Newport	19.00	\$11,420
STOBER Drives Inc.	Maysville	95.00	\$25,000
Sumitomo Electric Wiring Systems, Inc.	Edmonton	302.00	\$25,000
The Advisory Team, LLC	Bellevue	6.00	\$12,000
The Corken Steel Products Company	Elizabethtown	5.00	\$10,000
The Corken Steel Products Company	Florence	35.00	\$25,000
The Corken Steel Products Company	Covington	24.00	\$25,000
Total Quality Logistics, LLC	Louisville	73.00	\$25,000
Total Quality Logistics, LLC	Erlanger	90.00	\$25,000
Total Quality Logistics, LLC	Lexington	148.00	\$25,000
Treehouse Private Brands, Inc.	Princeton	60.00	\$25,000
Vanderbilt Chemicals, LLC	Murray	96.00	\$25,000
V-Soft Consulting Group, Inc.	Louisville	15.00	\$25,000
Worldwide Technologies, LLC	Franklin	30.00	\$25,000
TOTALS		10,426	\$2,486,756

EXPENDITURES FOR FISCAL YEAR 2017-2018

Reimbursements made to Kentucky companies in FY 2017-2018 to offset the costs of Kentucky resident employee training.

COMPANY	CITY	TRAINEES	EXPENSES PAID
Aleris Rolled Products, LLC	Lewisport	130	\$200,000.00
Alorica Inc.	Owensboro	69	\$50,000.00
American Woodmark Corporation	Monticello	117	\$50,000.00
Apace Packaging LLC	Fountain Run	115	\$25,000.00
Benda-Lutz Corporation	Independence	15	\$25,000.00
Bluegrass Business Consortium, Inc.	Berea	174	\$75,000.00
Bonfiglioli USA Inc.	Hebron	27	\$25,000.00
Bowling Green Metalforming L.L.C.	Bowling Green	504	\$108,589.38
Champion Petfoods USA Inc	Auburn	131	\$69,971.75
Computershare Inc.	Louisville	121	\$25,000.00
Creform Corporation	Georgetown	13	\$20,000.00
FD Alpha Acquisition Co. LLC	Bowling Green	73	\$22,960.94
Fives Machining Systems, Inc.	Hebron	25	\$25,000.00
Flottweg Separation Technology, Inc.	Independence	49	\$25,000.00
Ford Motor Company	Louisville	4,131	\$200,000.00
Ford Motor Company	Louisville	4131	\$200,000.00
Ford Motor Company	Louisville	4131	\$200,000.00
Ford Motor Company	Louisville	4131	\$200,000.00
Ford Motor Company	Louisville	4,131	\$200,000.00
Ford Motor Company	Louisville	4,131	\$200,000.00
Ford Motor Company	Louisville	4,131	\$200,000.00
Ford Motor Company	Louisville	4,131	\$200,000.00
Ford Motor Company	Louisville	3,141	\$200,000.00
Ford Motor Company	Louisville	3,822	\$200,000.00
Ford Motor Company	Louisville	3,822	\$200,000.00
Ford Motor Company	Louisville	3,822	\$92,000.00
Ford Motor Company	Louisville	3,822	\$200,000.00
Ford Motor Company	Louisville	3,822	\$200,000.00
Ford Motor Company	Louisville	3822	\$152,500.00
Ford Motor Company	Louisville	3,822	\$200,000.00
Ford Motor Company	Louisville	3,822	\$200,000.00
Ford Motor Company	Louisville	3,822	\$200,000.00
Ford Motor Company	Louisville	3,822	\$108,000.00
Ford Motor Company	Louisville	3,822	\$200,000.00
Ford Motor Company	Louisville	3,822	\$200,000.00
Ford Motor Company	Louisville	3,822	\$200,000.00
Ford Motor Company	Louisville	3,822	\$200,000.00

EXPENDITURES FOR FISCAL YEAR 2017-2018

Reimbursements made to Kentucky companies in FY 2017-2018 to offset the costs of Kentucky resident employee training.

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COMPANY	CITY	TRAINEES	EXPENSES PAID
Ford Motor Company	Louisville	3,822	\$200,000.00
Ford Motor Company	Louisville	3822	\$130,887.50
Fuel Total Systems Kentucky Corporation	Lebanon	82	\$25,000.00
Global Aviation Navigator, Inc.	Louisville	16	\$10,856.52
Grayson County Hospital Foundation, Inc.	Leitchfield	198	\$25,000.00
Hahn Automation Inc	Hebron	23	\$25,000.00
Hogan Lovells US LLP	Louisville	100	\$116,000.00
INOAC Packaging Group Inc	Bardstown	94	\$25,000.00
Int. Automotive Components Group North America, Inc.	Madisonville	45	\$25,000.00
iPay Technologies, LLC	Elizabethtown	186	\$79,625.00
	Elizabethtown	243	\$3,700.00
iPay Technologies, LLC	Louisville	35	\$25,357.41
Kentucky Alliance Training Consortium, Inc.	Georgetown	405	\$75,000.00
Kentucky Cooperage LP, Ltd.	Lebanon	35	\$25,000.00
Kentucky Rebuild Corp.	Independence	19	\$25,000.00
Lyons Magnus East, Inc.	Walton	121	\$25,000.00
Mubea, Inc.	Florence	205	\$19,791.03
NELCO Training, Inc.	Bardstown	24	\$14,861.20
	Bardstown	24	\$1,057.80
Nestle USA, Inc.	Mt. Sterling	86	\$150,000.00
Nexigen Communications, L.L.C.	Newport	23	\$1,497.85
Niemco Fabricators, Inc	Louisville	14	\$25,000.00
Norton Healthcare, Inc.	Louisville	2,209	\$75,000.00
Pioneer Plastics, Inc.	Dixon	18	\$11,628.00
RB Distribution, Inc.	Warsaw	38	\$25,000.00
Rockcastle Regional Hospital and Respiratory Care Center	Mount Vernon	327	\$19,626.04
Roll Forming Corporation	Shelbyville	94	\$20,497.61
Shelby County Associated Industries, Inc.	Shelbyville	136	\$31,897.57
	Shelbyville	136	\$39,471.33
SourceHOV	Mount Vernon	28	\$25,000.00
Southeast Kentucky Regional Training Consortium, Inc.	Corbin	21	\$7,904.50
Summit Biosciences Inc.	Lexington	78	\$25,000.00
Taica Cubic Printing Kentucky, LLC	Winchester	8	\$8,301.00
Taylor Regional Hospital	Campbellsville	495	\$47,931.00

EXPENDITURES FOR FISCAL YEAR 2017-2018

Reimbursements made to Kentucky companies in FY 2017-2018 to offset the costs of Kentucky resident employee training.

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COMPANY	CITY	TRAINEES	EXPENSES PAID
Tenmast Software Company	Lexington	65	\$25,000.00
The Corken Steel Products Company	Elizabethtown	6	\$10,000.00
The Corken Steel Products Company	Louisville	13	\$25,000.00
The Corken Steel Products Company	Lexington	13	\$25,000.00
TWB Company, LLC dba TWB Company of Michigan, LLC	Albany	5	\$3,351.68
Zotefoams, Inc.	Walton	38	\$25,000.00
TOTALS		18,363	\$6,403,265.11

STIC PRELIMINARY APPROVALS FOR FISCAL YEAR 2017-2018

Companies must first receive preliminary approval by the BSSC Board of Directors for STIC projects.
Once companies receive preliminary approval training may commence.

COMPANY	CITY	TRAINEES	STIC AMOUNT
Jackson Purchase Medical Center	Mayfield	269	\$100,000.00
Lake Cumberland Regional Hospital	Somerset	906	\$100,000.00
RKW North America, Inc.	Franklin	61	\$30,500.00
AGC Glass Company North America	Richmond	159	\$79,500.00
Ellison Surface Technologies, Inc.	Hebron	65	\$32,500.00
Montaplast of North America	Frankfort	502	\$100,000.00
The Sherwin-Williams Company	Richmond	506	\$100,000.00
Strong Tower Construction, LLC	Louisville	33	\$16,500.00
United Parcel Service, Inc.	Louisville	2,266	\$83,658.00
UPS Worldwide Forwarding, Inc.	Louisville	1,218	\$54,640.00
United Parcel Service Co. (Air)	Louisville	2,178	\$100,000.00
Mubea Precision Springs, Inc.	Florence	237	\$100,000.00
Mubea Tailor Rolled Blanks, LLC	Florence	68	\$34,000.00
Mubea North-America Shared Services, Inc.	Florence	99	\$49,500.00
Mubea, Inc.	Florence	430	\$100,000.00
Jackson WWS, Inc.	Gray	148	\$43,144.00
PMC Organometallics, Inc.	Carrollton	108	\$54,000.00
Fleming County Hospital	Flemingsburg	81	\$40,500.00
Metalsa Structural Products, Inc.	Elizabethtown	1,787	\$100,000.00
Carmeuse Lime & Stone, Inc.	Maysville	320	\$100,000.00
Commercial Specialty Truck Holdings	Cynthiana	112	\$56,000.00
STOBER Drives Inc.	Maysville	95	\$47,500.00
Balluff, Inc.	Florence	88	\$44,000.00
CTA Acoustics, Inc.	Corbin	394	\$100,000.00
Bluegrass Community Hospital	Versailles	63	\$31,500.00
Logan Memorial Hospital	Russellville	110	\$23,662.00
LORD Corporation	Bowling Green	10	\$5,000.00
Spring View Hospital	Lebanon	140	\$59,616.00
Meadowview Regional Medical Center	Maysville	216	\$62,645.00
Bourbon Community Hospital	Paris	150	\$75,000.00
Clark Regional Medial Center	Winchester	370	\$100,000.00
Mouser Custom Cabinetry, LLC	Elizabethtown	202	\$100,000.00
Post Glover Resistors Inc.	Erlanger	57	\$28,500.00
Ingevity Virginia Corporation	Wickliffe	65	\$32,500.00
Ingram Barge Company LLC	Paducah	334	\$100,000.00
Sister Schuberts Homemade Rolls, Inc.	Horse Cave	145	\$72,500.00

STIC PRELIMINARY APPROVALS FOR FISCAL YEAR 2017-2018

Companies must first receive preliminary approval by the BSSC Board of Directors for STIC projects.
Once companies receive preliminary approval training may commence.

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COMPANY	CITY	TRAINEES	STIC AMOUNT
W. Frank Harshaw and Associates, Inc.	Louisville	194	\$97,000.00
TreeHouse Private Brands, Inc.	Princeton	488	\$46,135.00
	TOTALS	14,674	\$2,500,000.00

“ The BSSC program allows us to increase the skills of, and motivate our employees, and invest in their personal and professional growth. We feel the program is a strong asset of the State of Kentucky.

CHATANA CAMPBELL

COMPLIANCE COORDINATOR, *Bowling Green Metalforming, LLC*

“ Through BSSC, we were able to have employees attend a version of Leadership Owensboro that was provided and facilitated through the local Chamber of Commerce. Our employees were able to see and experience the interworkings of the city and supporting community organizations which was invaluable to building our community first mentality and driving awareness and support to local organizations in need.

JOHN MALLOY

SENIOR SITE DIRECTOR, *Alorica, Inc.*

STIC FINAL PROJECTS FOR FISCAL YEAR 2017-2018

After preliminarily approved companies complete training and submit documentation to verify training, a final tax credit is determined and reported to the Kentucky Department of Revenue

COMPANY	CITY	PRELIMINARY APPROVAL	FINAL AMOUNT	TRAINEES
Country Oven Bakery	Bowling Green	\$19,000.00	\$16,500.00	30
R.C. Bigelow, Inc.	Louisville	\$31,500.00	\$15,989.50	53
The Standard Group, LLC	Louisville	\$24,287.00	\$896.31	8
Best Buy Stores, L.P.	Brooks	\$100,000.00	\$67,948.72	477
AGC Glass Company North America	Richmond	\$69,000.00	\$66,000.00	118
Domtar Paper Company, LLC	Hawesville	\$100,000.00	\$84,769.64	305
Hearthside Food Solutions, LLC	London	\$100,000.00	\$67,857.08	528
Charter Communications (DE), Inc.	Louisville	\$100,000.00	\$31,798.40	305
Paul B. Hall Regional Medical Center	Paintsville	\$92,000.00	\$77,126.94	156
Kenlake Foods	Murray	\$83,854.00	\$54,723.40	51
Logan Memorial Hospital	Russellville	\$17,415.00	\$15,178.21	91
Bourbon Community Hospital	Paris	\$68,000.00	\$30,004.99	116
Georgetown Community Hospital	Georgetown	\$100,000.00	\$40,992.81	190
The Corken Steel Products Company	Florence	\$48,000.00	\$42,500.00	85
Bluegrass Community Hospital	Versailles	\$33,000.00	\$6,801.85	56
Clark Regional Medical Center	Winchester	\$100,000.00	\$69,677.70	232
Spring View Hospital	Lebanon	\$40,464.00	\$12,253.73	112
Three Rivers Medical Center	Louisa	\$14,500.00	\$9,538.06	24
Kentucky River Medical Center	Jackson	\$48,922.00	\$7,828.70	119
Meadowview Regional Medical Center	Maysville	\$58,718.00	\$31,163.51	151
Concept Displays, Inc.	Louisville	\$7,500.00	\$6,426.25	13
Post Glover Resistors Inc.	Erlanger	\$27,500.00	\$19,341.28	49
Stupp Bridge Company	Bowling Green	\$26,921.00	\$20,290.00	18
Bonfiglioli USA Inc.	Hebron	\$20,000.00	\$15,500.00	17
A.O. Smith Corporation	Florence	\$17,000.00	\$13,267.09	29
Zeon Chemicals Limited Partnership	Louisville	\$7,500.00	\$6,500.00	13
Link-Belt Construction Equipment Company, L.P., LLLP	Lexington	\$100,000.00	\$90,828.92	231
Logan Aluminum Inc.	Russellville	\$100,000.00	\$91,718.43	63
Country Oven Bakery	Bowling Green	\$100,000.00	\$50,345.94	438
Signature Healthcare, LLC	Louisville	\$75,000.00	\$15,500.00	27
W. Frank Harshaw and Associates, Inc.	Louisville	\$91,162.00	\$76,900.13	76
Perdue Foods, LLC	Beaver Dam	\$100,000.00	\$10,212.88	100
Trilogy Management Services, LLC	Louisville	\$100,000.00	\$88,980.26	443
Catlettsburg Refining, LLC	Catlettsburg	\$100,000.00	\$87,676.77	428
Marathon Petroleum Company LP	Catlettsburg	\$38,500.00	\$22,507.36	70
TOTALS		\$1,365,544.86	5,222	