LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

(With Independent Auditor's Report Thereon)

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

CONTENTS

Clauson, Mouser & Co., PSC
CERTIFIED PUBLIC ACCOUNTANTS

KENNETH D. CLAUSON, CPA
SUSAN C. MOUSER, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lincoln Trail Area Development District
Elizabethtown, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincoln Trail Area Development District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Lincoln Trail Area Development District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincoln Trail Area Development District, as of June 30, 2024, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lincoln Trail Area Development District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lincoln Trail Area Development District's internal control. Accordingly, no such opinion is expressed.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lincoln Trail Area Development District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, budgetary comparison information on page 37, and pension and OPEB schedules and notes on pages 38-45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln Trail Area Development District's basic financial statements. The accompanying schedule of shared costs, the combining schedule of operations by program and supporting services and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of shared costs, the combining schedule of operations by program and supporting services, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2024, on our consideration of the Lincoln Trail Area Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lincoln Trail Area Development District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lincoln Trail Area Development District's internal control over financial reporting and compliance.

Clauson Mouser & Co.

Certified Public Accountants

December 30, 2024

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

BOARD OF DIRECTORS

June 30, 2024

Breckinridge County
Maurice Lucas, County Judge/Executive
Candy Weatherholt, Mayor of Cloverport
Wayne Macy, Mayor of Hardinsburg
David Bollinger, City of Irvington, Designated Representative
Charles Douglas Lucas, Mayor of Irvington
Gwan Bickett, Citizen Member
Ted Brown, Citizen Member

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Harold Miller, Mayor of Leitchfield
Becky Miller, Citizen Member, Secretary
Vivian Decker, Citizen Member

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Debbie Howell, Citizen Member
Darrin Powell, Citizen Member
Kendra Scott, Citizen Member
TW Shortt, Citizen Member
Kyle Souleyrette Citizen Member

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George Spragens, Citizen Member

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Anthony Lee, Mayor of Muldraugh
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Alex Richardson, Citizen Member

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Tim Hutchins, County Judge/Executive
Dick Heaton, Mayor of Bardstown
Chris Dudgeon, Mayor of Bloomfield
Lance Blanford, WDB Chair

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Timothy Graves, County Judge/Executive, First Vice Chair
Chris Essex, Mayor of Springfield
Dorthy Logsdon, Citizen Member
Annmarie Lloyd, Citizen Member

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Jason Root, Director of Public Works

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Representative Samara Heavrin
Senator Stephen Meredith

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSSION AND ANALYSIS

June 30, 2024

As management of the Lincoln Trail Area Development District (LTADD), we present readers of the LTADD's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the District's basic financial statements, which begins on page 10.

NATURE OF THE ORGANIZATION AND REPORTING ENTITY

LTADD was created in 1968 through articles of incorporation and Kentucky state law, for the purpose of economic development, planning and public administration services in an eight county region in North Central Kentucky. The agency is a voluntary association of local governmental units funded via contributions from member counties and cities, federal and state grant awards, and contractual arrangements for services.

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

FINANCIAL HIGHLIGHTS

The beginning net position for LTADD was ($1,127,880). The ending net position for the LTADD was ($659,083). LTADD's total net position increased by $468,797 or 41.56%, from this period last year. In the prior year net position increased by $1,104,253. The LTADD is in the tenth year of implementation of GASB Statement No. 68 "*Accounting and Financial Reporting for Pensions"* and the seventh year of implementation of GASB 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions",* both have become more stable with regards to their effect on reporting, and contribute significantly to LTADD's deficit net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts (A) management's discussion and analysis (this section), (B) the financial statements and related notes, (C) required supplementary information, and (D) a supplementary information section. The basic financial statements include two kinds of statements that present different views of LTADD:

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

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

Government-wide Financial Statements

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

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

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSSION AND ANALYSIS, Continued

June 30, 2024

Fund Financial Statements

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

LTADD has two kinds of funds:

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

- Special Revenue fund – Includes all grant programs and services operated by LTADD that are restricted for a special purpose.

FINANCIAL ANALYSIS OF LTADD AS A WHOLE

Table 1: Condensed Statement of Net Position

	2024	2023	Dollar Change	Percent Change
Assets				
Current assets	4,520,895	4,556,510	-35,615	-0.78%
Right-to-use leased assets , net	4,641,047	16,865	4,624,182	27418.81%
Capital assets, net	828,724	638,937	189,787	29.70%
Revolving Loan Funds				
Cash & receivables, net	1,019,816	655,415	364,401	55.60%
Other assets	86,917	-	86,917	100.00%
Total Assets	11,097,399	5,867,727	5,229,672	89.13%
Deferred Outflows of Resources	1,949,608	1,828,160	121,448	6.64%
Liabilities				
Current liabilities	2,082,046	1,699,773	382,273	22.49%
Non-current liabilities	8,632,140	5,396,375	3,235,765	59.96%
Total Liabilities	10,714,186	7,096,148	3,618,038	50.99%
Deferred Inflows of Resources	3,117,058	1,727,616	1,389,442	80.43%
Net Position				
Invested in Capital Assets	828,724	638,937	189,787	29.70%
Restricted	1,019,816	655,415	364,401	55.60%
Unrestricted	-2,507,623	-2,422,232	-85,391	3.53%
Total Net Position	$ (659,083)	$ (1,127,880)	$ 468,797	-41.56%

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSSION AND ANALYSIS, Continued

June 30, 2024

LTADD's net position increased $468,797, or 41.56%, for the year ended June 30, 2024. The FY24 ending ratio of current assets to current liabilities is 2.2 times. Cash increased by $627,923, grant receivables increased by $279,550, accounts payable decreased by $373,551, funds due to grantor increased by $1,244 and deferred revenue increased by $211,967 in comparison to the prior year. Right-to-use leased assets and corresponding lease liabilities increased $4,624,182 due primarily to the long term lease of land and office space in FY 24. The $189,797 increase in capital assets was primarily due to leasehold improvements to the building. The General Fund cash account decreased by $117,920 which was caused by building improvements and the operational needs of the LTADD.

Table 2: Condensed Statement of Revenues, Expenses and Change in Net Position

	2024	2023	Dollar Change	Percent Change
Revenues				
Operating grants and contributions	$ 20,872,179	$ 15,137,753	$5,734,426	37.88%
Charges for services	46,100	34,944	11,156	31.93%
Member dues	108,333	101,638	6,695	6.59%
Interest	16,290	13,278	3,012	22.68%
Other non-budget revenue	6,990	53,244	-46,254	-86.87%
Sale of contributed assets	-	840,000	-840,000	-100.00%
Total Revenues	**$21,049,892**	**$16,180,857**	**$4,869,035**	**30.09%**
Expenses				
General government	126,808	123,412	3,396	2.75%
Community and economic development	571,957	575,747	-3,790	-0.66%
Revolving loan funds	2,419	15,336	-12,917	-84.23%
Employment and training	2,393,940	2,047,101	346,839	16.94%
Social services	17,062,237	12,034,844	5,027,393	41.77%
Transportation	408,701	280,164	128,537	45.88%
Loss on disposal of capital assets	15,033	-	15,033	100.00%
Total Expenses	**$ 20,581,095**	**$ 15,076,604**	**$ 5,504,491**	**36.51%**
(Decrease) Increase in net positon	**$468,797**	**$1,104,253**	**-$635,456**	**-57.55%**

Revenues:

LTADD recognized a $4,869,035, or 30.09% increase in revenue in FY 2024 when compared to revenue recognized in the FY 2023 period. The current year's increase can be attributed to an increase of $5,327,396 in Social Services funding mostly due to a $4,726,428 increase in Participant Directed Services program due to continued growth in client base. Title III funded services saw a combined increase of $713,668 over prior year while the end of Personal Care Attendant Program on January 1, 2023 saw a reduction of $155,811 from the prior period. The Expanded Senior Meals Program saw a decrease of $255,182 from the prior period. Decreases in Community Development of $153,432 were offset by an increase of $150,789 in Transportation funds due to the start of the Safe Streets for All program and a Transportation Study. The estimated allowance for loan loss is zero the RLF Legacy and RLF CARES Act program. We worked through an attorney to collect on the outstanding debt and with one loan being paid in full and the other restricted with a lower payment amount in our RLF CARE Act program. At June 30, 2024, all six RLF Legacy loans and both RLF CARES Act loans were paid through an ACH Authorized direct deposit program.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

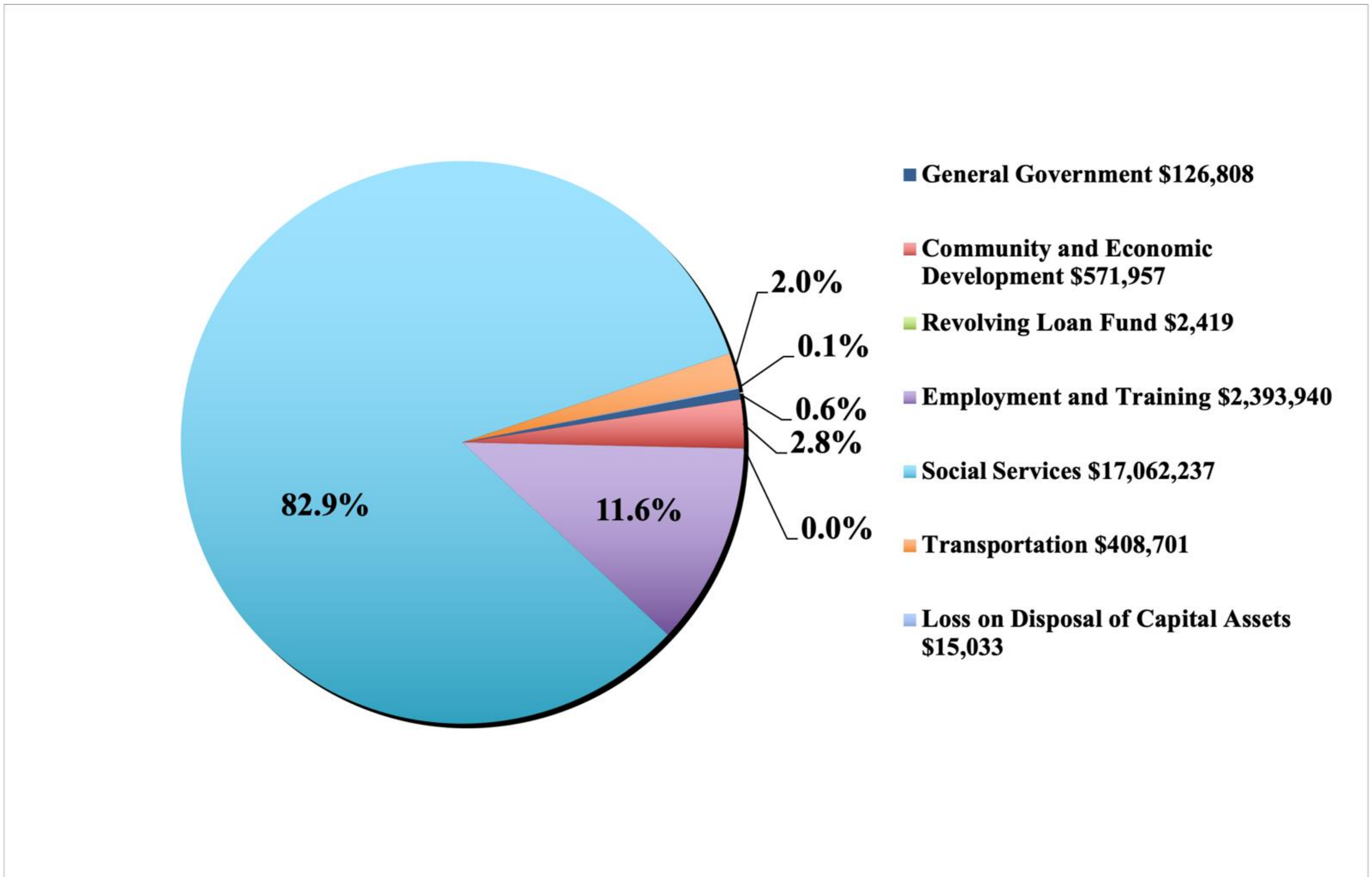
MANAGEMENT'S DISCUSSSION AND ANALYSIS, Continued

June 30, 2024

Expenses:

LTADD recognized an 36.51% increase in expenses in FY 2024 in comparison to the prior period. Social Services expenditures increased $5,027,393 principally due to an increase of $4,659,692 in Participant Directed Services program for client base services. Transportation expenditures increased by $128,537 due the startup of the Safe Streets for All program and a new transportation study. Workforce expenditures increased by $346,839 due to contractual obligations and the completion of a privately funded childcare study.

LTADD expenses cover a range of services. The following pie chart outlines the percentages and amounts expended by activity. Social Services makes up 82.9% of the expenditures; which is a 3.1% increase over last year's percentage. Community Development saw a 1.0% decrease and Transportation 0.1% increase when compared to the prior period. Employment and Training activities made up 11.6% of expenditures, which is down 2.0% from its FY 2023 share. General Government saw a decrease of 0.2% in FY 2024.



LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSSION AND ANALYSIS, Continued

June 30, 2024

AGENCY HIGHLIGHTS

LTADD had another very successful year. The agency achieved $21,049,892 in revenues for FY24. This is an increase of $4,869,035 or 30.09% from the prior year. This increase represents great confidence from the Commonwealth of Kentucky agencies, local governments and stakeholders in the ADD's ability to positively impact the region.

The District had many achievements in the FY24 fiscal year, including the startup of a local government revolving loan program, unprecedented program growth that aided citizens and communities in our region and completion of the District's first ever State Audit. The local government revolving loan program earned the District the National Association of Development Organizations' 2024 Impact Award. This is a testament to the talent and work of the entire Lincoln Trail ADD team.

Its next most important achievement was development and approval of the district's first strategic plan. Typically, a strategic plan is set for five (5) years; however, with this team's vast abilities, aggressiveness and desire to accomplish big things, we set it for three (3) years. This strategic plan will continue to move the district into the next sphere of success and future proof it from any strategic threats.

Our aging program once again grew significantly (over 44%) in revenue due to the aging population's continued growth. With the over 60 population exceeding 20%, it's estimated to grow to 25% in the near future, which will result in continued growth of this program. Authorized personnel for the Aging and Social Services department is 33, representing an approximate 14% increase over the prior FY. We anticipate continued increases of 10% or more each year for the foreseeable future.

LTADD will continue to be called upon to meet the needs of our eight-county region. The district is currently the economic development capitol of the world with BlueOval SK (BOSK) beginning production while continuing construction on Kentucky Plant #2, with suppliers for BOSK locating within the region and the bourbon industry planning to spend billions in improvements and additional hiring within the next five years. As a result of these investments, we expect our mission of planning infrastructure and developing the workforce to continue increasing significantly over the next several years.

The District will continue its ground breaking efforts with innovative solutions to solve problems in our community. We are in the process of starting an engineering department which will assist Cities and Counties with decisions and project management in their communities. As we implement our strategic plan and follow our mission statement, we will KEEP the District on a tract for success.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year-end 2024, LTADD had invested $1,194,653 in capital assets, including vehicles, office furniture, office equipment and computers, and leasehold improvements. Overall, investment in capital assets increased by $218,467 from last year. More detailed information about LTADD's capital assets is presented in Note H to the financial statements.

Long-term Liabilities

Long-term liabilities consisting of compensated absences, lease liabilities and net pension and OPEB liabilities decreased $1,216,291 from the prior year. The most significant decrease was the result of the net OPEB liability classification to non-current assets in the current year. More detailed information about LTADD's long-term liabilities is presented in Note J to the financial statements.

CURRENT AND NEXT YEAR'S BUDGETS

LTADD's FY 2024 amended budget was based on actual information received from the federal, state and local government contracts as of May 2024. The District's budget is based on the grant's management basis of accounting for the General Fund and the Special Revenue Fund combined, as approved by the Board of Directors. In the FY24 amended budget, Revenues and Expenditures were projected to be $22,547,581. FY24 actual revenues of $21,078,904 were $1,468,677 or 6.5% below targeted amounts. The most significant variances in actual to budget were due to a slow start to the Safe Streets for All program and Compatible Use Plan as well as underspending Title III-C1, Title III-C2 and Title III-E federal funds which will carry-over into FY25. FY24 expenditures of 21,074,042 were $1,473,539 or 6.5% under the amended budgeted figures.

LTADD's FY25 revenues and expenditures are budgeted at $23,411,783. Budget amounts reflect an increase of approximately $864,202 or 3.8% over FY24 amended budgeted figures. FY25 revenue and expenditures budget is $2,337,741 or 11.1% over FY24 actual expenditures which expected to be in the Social Services programs.

FUTURE OPERATIONS

Federal, state, and local governments fund the majority of all programs and projects administered by LTADD. A significant reduction in federal, state or local funding, if this were to occur, would have a significant, material effect on LTADD's future operation.

REQUEST FOR ADDITIONAL INFORMATION

This report is intended to provide readers with a general overview of LTADD's finances and to provide information regarding the receipts and uses of funds. If you need clarification regarding a statement(s) made in this report or need additional information please contact the Lincoln Trail Area Development District, Attention: Finance Director, 750 Provident Way, Elizabethtown, KY 42701.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

STATEMENT OF NET POSITION

June 30, 2024

ASSETS	
Current Assets:	
Cash and cash equivalents	$ 2,685,248
Grant receivables	1,788,480
Other receivables	25,741
Prepaid expenses	21,426
Total current assets	4,520,895
Non-Current Assets:	
Right to use leased assets, net of amortization	4,641,047
Net OPEB asset	86,917
Capital assets, net of depreciation	828,724
Total Non-Current Assets:	5,556,688
Restricted Assets:	
Cash - Revolving Loan Fund - Legacy	349,977
Cash - Revolving Loan Fund - CARES Act funds	163,480
Cash - Local Government Revolving Loan Fund	10,008
Revolving loan funds receivable, net of allowance - Legacy	138,700
Revolving loan funds receivable, net of allowance - CARES Act	10,342
Revolving loan funds receivable, net of allowance - Local Government	347,309
Total restricted assets	1,019,816
Total Assets	11,097,399
Deferred Outflows of Resources:	
Deferred outflows related to pensions	1,406,416
Deferred outflows related to OPEB	543,192
Total deferred outflows of resources	1,949,608
LIABILITIES	
Current Liabilities:	
Accounts payable	513,722
Advanced from grantors	197,504
Unearned grant revenue due to grantor	47,792
Accrued wages	934,944
Payroll withholdings and accruals	72,397
Compensated absences, current	17,587
Lease liabilities, current	172,946
Total current liabilities	1,956,892
Noncurrent liabilities:	
Compensated absences, net of current portion	124,334
Net pension liability	4,039,705
Lease liabilities, net of current portion	4,468,101
Total noncurrent liabilities	8,632,140
Total Liabilities	10,589,032
Deferred Inflows of Resources:	
Deferred inflows related to pensions	971,337
Deferred inflows related to OPEB	1,629,597
Deferred revenue	516,124
Total deferred inflows of resources	3,117,058
NET POSITION	
Net investment in capital assets	828,724
Restricted for Revolving Loan Fund	1,019,816
Unrestricted	(2,507,623)
Total Net Position	**$ (659,083)**

See notes to financial statements.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

			Program Revenues		Net (Expense)
		Indirect		Operating	Revenue and
	Direct	Cost	Charges for	Grants and	Changes in
	Expenses	Allocated	Services	Contributions	Net Position
Functions/Programs					
Governmental activities:					
General government	$ 100,704	$ 26,104	$ 46,100	$ 34,733	$ (45,975)
Community and economic development	423,993	147,964	-	576,649	4,692
Revolving loan fund	1,359	1,060	-	-	(2,419)
Employment and training	2,241,167	152,773	-	2,426,238	32,298
Social services	16,481,418	580,819	-	17,410,619	348,382
Transportation	332,267	76,434	-	423,940	15,239
Total Governmental Activities	**19,580,908**	**985,154**	**46,100**	**20,872,179**	**352,217**

General revenues:	
Member dues	108,333
Interest	16,290
Other income	6,990
Total general revenues	131,613
Loss on disposal of fixed assets	(15,033)
Change in Net Position	468,797
Net position, beginning of year	(1,127,880)
Net position, end of year	$ (659,083)

See notes to financial statements.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2024

	General Fund	Special Revenue Fund	Total
ASSETS			
Cash and cash equivalents	$ 1,249,854	$ 1,958,859	$ 3,208,713
Interfund receivables	841,995	191,587	1,033,582
Grant receivables	-	1,788,480	1,788,480
Other receivables	-	25,741	25,741
Prepaid expenses	15,910	5,516	21,426
Total Assets	$ 2,107,759	$ 3,970,183	$ 6,077,942
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Accounts payable	$ -	$ 513,722	$ 513,722
Interfund payables	1,593	1,031,989	1,033,582
Advances from grantors	-	197,504	197,504
Unearned grant revenue due to grantor	-	47,792	47,792
Deferred revenue	-	516,124	516,124
Accrued wages	-	934,944	934,944
Payroll withholdings and accruals	-	72,397	72,397
Total Liabilities	1,593	3,314,472	3,316,065
Fund Balances:			
Nonspendable	21,426	-	21,426
Restricted	8,691	512,154	520,845
Committed	-	143,557	143,557
Unassigned	2,076,049	-	2,076,049
Total Fund Balances	2,106,166	655,711	2,761,877
Total Liabilities and Fund Balances	$ 2,107,759	$ 3,970,183	$ 6,077,942

See notes to financial statements.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2024

Reconcilation of the Governmental Funds Balance Sheet to the Statement of Net Position:

Total Fund Balances - Total Governmental Funds		$ 2,761,877
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in the governmental funds:		
Cost	$ 1,194,653	
Accumulated depreciation	(365,929)	828,724
Right to use leased asset used in governmental activities are financed resources and therefore are not reported in the	4,641,047	
fund financial statements	(4,641,047)	-
Long-term restricted assets are not available to pay for current period expenditures:		
Revolving loan fund receivables - Legacy	138,700	
Revolving loan fund receivables - CARES Act	10,342	
Revolving loan fund receivables - Local Government	347,309	496,351
Deferred outflows and inflows of resources related to pensions are applicable to a future period, therefore, are not reported in the fund statements:		
Deferred outflows related to pension	1,406,416	
Deferred inflows related to pension	(971,337)	435,079
Deferred outflows and inflows of resources related to other post employment benefits (OPEB) are applicable to future periods, therefore, are not reported in the fund statements:		
Deferred outflows related to OPEB	543,192	
Deferred inflows related to OPEB	(1,629,597)	(1,086,405)
Long-term liabilities including net pension liability are not due and payable in the current period, and therefore are not reported as liabilities in governmental funds:		
Compensated absences	(141,921)	
Net pension liability	(4,039,705)	
Net OPEB asset	86,917	(4,094,709)
Net Position of Governmental Activities		$ (659,083)

See notes to financial statements.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues:			
Federal revenue	$ 27,575	$ 5,924,864	$ 5,952,439
State revenue	-	14,305,309	14,305,309
Local revenue	154,433	44,437	198,870
Transfer of local funds	(22,815)	22,815	-
Cash match	-	233,553	233,553
Program income	-	109,987	109,987
Interest income	7,919	8,371	16,290
Other income	14,121	46,629	60,750
In-kind contributions	-	172,694	172,694
Total Revenues	181,233	20,868,659	21,049,892
Expenditures:			
General government	119,880	-	119,880
Community and economic development	-	560,941	560,941
Revolving loan fund	-	8,315	8,315
Employment and training	-	2,423,972	2,423,972
Social services	-	17,177,573	17,177,573
Transportation	-	424,661	424,661
Capital outlay	218,035	90,796	308,831
Total Expenditures	337,915	20,686,258	21,024,173
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(156,682)	182,401	25,719
Other Financing Sources (Uses)			
RLF principal received/(disbursed), net	(347,309)	78,130	(269,179)
Transfer funds from other funds	164,032	-	164,032
Transfer funds to other funds	-	(164,032)	(164,032)
Total Other Financing Sources (Uses)	(183,277)	(85,902)	(269,179)
Net Change in Fund Balances	(339,959)	96,499	(243,460)
Fund Balances, beginning of year	2,446,125	559,212	3,005,337
Fund Balances, end of year	$ 2,106,166	$ 655,711	$ 2,761,877

See notes to financial statements.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - Total Governmental Funds		$ (243,460)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays and right-to-use leased assets as expenditures, However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlays	$ 308,831	
Depreciation expense	(104,011)	
Loss on disposal of property	(15,033)	189,787
Payments received on long-term revolving loan fund receivables are reported as other financing sources in the governmental funds, but reduced the in the government-wide financial statements. Also bad debt allowances are not reported in the governmental funds:		
Change in revolving loan fund receivable, net of allowance - Legacy	(41,952)	
Change in revolving loan fund receivable, net of allowance - RLF CARES Act	(30,516)	
Change in revolving loan fund receivable, net of allowance - Local Government	347,309	274,841
Certain expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds:		
Increase in compensated absences liability		(14,235)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions are reported as pension expense.		70,103
Governmental funds report other post employee benefit (OPEB) contributions as expenditures. However, in the statement of activities, the cost of OPEB benefits earned net of employee contributions are reported as OPEB expense.		191,761
Change in net position of governmental activities		$ 468,797

See notes to financial statements.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A – REPORTING ENTITY

The Lincoln Trail Area Development District (LTADD) (the District) was established under the laws of the Commonwealth of Kentucky by KRS 147A.050(4). The Attorney General in OAG 78-534 held that Area Development Districts are political subdivisions of the Commonwealth of Kentucky. As an Area Development District, the Lincoln Trail Area Development District has entered into various grant agreements, all of which are subject to the financial management policies of the District.

The District receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since members of the District's Board of Directors are elected officials, or are appointed by elected officials, and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Lincoln Trail Area Development District have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

(1) <u>Basis of Presentation</u> – Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. All of the District's activities are governmental and thus the statements reflect no business-type activities.

The government-wide statements are prepared using the economic resources measurements focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service program or department and are, therefore, clearly identifiable to a particular program. Indirect costs are expenses that are not specifically identifiable to a particular program and are therefore allocated to the various programs. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of program expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

LTADD classifies net position in the government-wide financial statements as follows:

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

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The District has neither nonmajor funds nor fiduciary funds.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the changes in fund balances.

The District has the following governmental funds:

The General Fund is the main operating fund of the District. It accounts for financial resources used for general types of operations. Any fund balances are considered as resources available for use. This is a major fund of the District.

The Special Revenue Fund accounts for proceeds of specific revenue sources that is legally restricted to disbursements for special purposes. It includes federal financial programs where unused balances may be returned to the grantor at the close of the special project periods, as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.

(2) Basis of Accounting – Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year end.

Non-Exchange Transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Non-Exchange Transactions must also be available before it can be recognized.

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the costs have been earned and eligibility requirements are met would be recorded as deferred revenue.

Unearned Grant Revenue Due to Grantor – Unearned grant revenue due to grantor includes grant revenues received but not earned for District grants, contracts, and MOA’s for which expenditure time limitations have expired.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses and changes in net position as an expense with a like amount reported as donated commodities revenue. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to first apply restricted resources.

The measurement focus on governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

(3) Budgetary Principles – The District is not legally required to adopt a budget; however, a budget is prepared using the grants management basis of accounting for each fiscal year and is approved by the Board of Directors.

(4) Cash Equivalents – For purposes of financial statement presentation, LTADD considers all cash on hand, demand deposits and certificates of deposit as cash equivalents.

(5) Allowance for Loan Losses – The allowance for loan losses for the revolving loan fund is maintained at a level, considered by management, to be adequate to provide for loan losses inherent in the loan portfolio. Management determines the adequacy of the allowance based upon a review of individual credits, recent loss experience and current economic conditions. The allowance is increased by the provision for loan losses and reduced by net charge-offs.

(6) Capital Assets – Capital assets are reported in the government-wide financial statements. Capital assets are defined by LTADD as assets with an initial, individual cost of more than $500. Such assets are recorded at historical costs. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Description	Estimated Lives
Vehicles and equipment	3 – 7 years
Equipment – grants	5 years
Leasehold improvements	25 years

(7) Compensated Absences – The compensated absences liability included in the balance sheet represents earned vacation available to employees, up to a maximum of 200 hours, at current compensation rates.

(8) Recognition of Revenue – Grant revenue is recognized to the extent that expenditures are incurred in the manner specified by the grants and matching requirements are met.

(9) Cost Allocation – LTADD is required by the Department of Local Government, to operate under a cost allocation plan (CAP) that conforms with 2 CFR Part 200. LTADD drafts the CAP using 2 CFR 200. A schedule of shared costs for FY24 is on page 45. In management's judgment LTADD is in conformity with 2 CFR 200.

(10) Pension and OPEB Plans – For purposes of measuring the (1) net pension liability, (2) net OPEB liability, (3) deferred outflows and deferred inflows of resources related to pensions and OPEB, and (4) pension and OPEB expense, information about the fiduciary net position of the County Employee Retirement System (CERS) and additions to/deductions from CERS's fiduciary net position have been determined on the same basis as they

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

are reported by CERS. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

(11) Fund Balance Classification – In accordance with GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, fund balances are reported in the classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following are the fund balance categories and the distinctions between each:

a. Nonspendable – amounts that are not in a spendable form (such as inventory or prepaid expenses) or that are required to be maintained intact.

b. Restricted – amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

c. Committed – amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority, such as a Board of Directors. Amounts committed cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

d. Assigned – are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

e. Unassigned – is the residual classification for the government.

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

(13) Subsequent Events – Management has evaluated subsequent events through the date of the independent auditor’s report, which is the date the financial statements were available to be issued.

NOTE C – 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.

NOTE D – DEPOSITS / CASH AND CASH EQUIVALENTS

Custodial credit risk for deposits is the risk that in the event of a bank failure, a government’s deposits may not be returned to it.

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

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE D – DEPOSITS / CASH AND CASH EQUIVALENTS, Continued

The District's policy is to have all deposits covered by depository insurance or secured by pledged securities. At June 30, 2024, the carrying amounts of the District's deposits were $3,208,713 and the bank balances were $3,369,249. Of the bank balances, $500,000 was covered by FDIC insurance, $2,670,437 was covered by collateral held by the pledging financial institution in the District's name, with remaining deposits covered by an irrevocable, unconditional, non-transferable letter of credit.

NOTE E – INTERFUND RECEIVABLES AND PAYABLES

Receivables and payables between funds included on the Balance Sheet – Governmental Funds at June 30, 2024 are as follows:

Due To	Due From	Amount
General Fund	SRF-Operational	$ 840,695
General Fund	General Fund RLF - Local Government	1,300
GENERAL FUND INTERFUND RECEIVABLES		841,995
Special Revenue Funds:		
Participant Directed Services	General Fund	277
Operational	General Fund RLF - Local Government	16
Revolving Loan Fund - Legacy	SRF-Operational	700
Operational	SRF-Participant Directed Services	145,179
Operational	SRF-Workforce Innovation and Opportunity Act	44,774
Operational	SRF-Revolving Loan Fund - Legacy	353
Operational	SRF-Revolving Loan Fund - CARES Act	14
Participant Directed Services	SRF-Operational	274
SPECIAL REVENUE INTERFUND RECEIVABLES		191,587
TOTAL INTERFUND RECEIVABLES AND PAYABLES		$ 1,033,582

All routine operating expenditures are paid by the operational account. The due to/from between the various special revenue fund accounts are for routine receivables and payables and are expected to be paid within one year. The special revenue fund borrows from the general fund to finance day to day operations. The amount due from operational to the general fund is not expected to be paid within one year due to the reimbursement nature of grant agreements and the continual corresponding grant receivables.

NOTE F – FEDERAL AND STATE ADMINISTRED GRANT RECEIVABLES

Federal and state administered grant receivables consist of receivables for reimbursements of expenditures under various programs and grants. All amounts are expected but not guaranteed to be collected within the next year. The amount of non-collectible receivables, if any, could be significant. Grant receivables at June 30, 2024 consisted of the following:

FY24	
Cabinet for Health & Family Services - Aging	$ 350,975
Department for Defense - Office of Local Community Coorperation	39,853
Division of Aging Services - Participant Directed Services	1,030,041
KY Cabinet for Workforce Development	210,269
Other	41,212
Transportation Cabinet	116,130
	$ 1,788,480

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE G – REVOLVING LOAN FUND RECEIVABLES

The Revolving Loan - Legacy program was established in 1987 with 75% or $500,000 of the funding coming from a Special Economic Development and Assistance grant from the Economic Development Administration (EDA) and a 25% or $166,667 match provided by the LTADD. As of June 30, 2024, there were six active loans with an outstanding principal balance of $138,700. In October 2021, these funds were de-federalized.

In FY 2021 LTADD received a direct federal award from the Economic Development Administration for Revolving Loan CARES Act funds for $550,000. $500,000 to be loaned out to small business and $50,000 for administration of the loans. As of June 30, 2024, there were two RLF CARES Act loans with an outstanding balance of $10,342, one of the loans was current and one loan is in default at June 30, 2024. The loan in default was paid in full in August 2024 and therefore no provisions for loan loss was recorded in the Audit. Of the $500,000 awarded, $169,300 was loaned and $330,700 was de-obligated by the Economic Development Administration.

All loans for RLF Legacy were current, RLF CARES Act programs had one current and one in default and both Local Government RLF loans were current at June 30, 2024. LTADD is working with an attorney to recover funds due and Attorney fees on the RLF Cares loan in default. The RLF CARES loan in default was paid in full in August 2024.

The revolving loan fund receivables at June 30, 2024, are summarized as follows:

	RLF Legacy	RLF CARES Act	RLF Local Government
Principal balance of loans outstanding	$ 138,700	$ 10,342	$ 347,309
Allowance for loan losses	-	-	-
Revolving loan fund receivables, net of allowance	$ 138,700	$ 10,342	$ 347,309

Recoveries and provisions are recorded in the statement of activities. In management's opinion, all known and anticipated loan losses have been previously written off, and there are no anticipated loan losses requiring provision.

NOTE H – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Vehicles and equipment	$ 353,211	$ 110,891	$ 77,276	$ 386,826
Equipment - grant purchased	356,417	98,942	13,088	442,271
Leasehold improvements	266,558	98,998	-	365,556
Total cost	976,186	308,831	90,364	1,194,653
Less accumulated depreciation				
Vehicles and equipment	202,583	40,548	62,243	180,888
Equipment - grant purchased	134,666	63,183	13,088	184,761
Leasehold improvements	-	280	-	280
Total accumulated depreciation	202,583	104,011	75,331	365,929
Net capital assets	$ 773,603	$ 204,820	$ 15,033	$ 828,724

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE H – CAPITAL ASSETS, Continued

Depreciation expense was charged to governmental functions as follows:

General government	$	41,643
Community and economic development		43,857
Revolving loan fund		-
Employment and training		3,878
Social services		13,610
Transportation		1,023
Total depreciation expense	$	104,011

NOTE I – UNEARNED GRANT REVENUE DUE TO GRANTOR

At June 30, 2024 unearned grant revenue of $47,792 includes revenues received but not earned, from District grant agreements, and is as follows:

Contract/Billing Name	FY24 Revenue Received	FY24 Expenditures	Amount Due to Grantor
FY07 and prior - all sources	$ -	$ -	$ 5,352
FY09			
DOE-JAG	-	-	2,465
Participant Directed Services	-	-	3,091
FY10			
DOE-JAG	-	-	56
Participant Directed Services	-	-	18,550
FY12			
Workforce Innovation & Opportunity Act	-	-	1,970
FY18			
Cumberlands WD Board Support - KY Health	-	-	385
FY22			
Title III-C2 Home Delivered Meals			100
FY23			
Aging - ADRC	-	-	1,300
Participant Directed Services	-	-	5,738
Prescription Assistance Program	-	-	3,814
Regional Transporation	-	-	2,753
FY24			
Aging - Title III-E	344,821	344,681	140
Participant Directed Services	-	-	2,078
			$ 47,792

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE J – LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Payments/ Reductions	Ending Balance	Amount Due Within One Year
Compensated absences	$ 127,686	$ 14,235	$ -	$ 141,921	$ 17,587
Lease liabilities	16,865	4,624,182		4,641,047	172,946
Net pension liability	4,139,695	-	99,990	4,039,705	-
Net OPEB liability	1,130,981	-	1,130,981	-	-
Total long-term liabilities	$ 5,415,227	$ 4,638,417	$ 1,230,971	$ 8,822,673	$ 190,533

Additions to compensated absences represent the net change in compensated absences for the fiscal year.

The District has entered into three lease agreements to lease land, office space and certain equipment that meet the requirements of other than short term leases under GASB Statement 87; and therefore, have been recorded at the present value of the future minimum payments as of the date of the lease agreement. The leases are further described in Note P to the financial statements.

A decrease to long-term debt of $99,990 for net pension liability is a result of the reporting requirements, of GASB 68, *Accounting and Financial Reporting for Pensions*. GASB 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"* resulted in a decrease of $1,130,981 to net OPEB liability.

NOTE K – DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. LTADD has two items that qualify for reporting in this category: The pension deferred outflows of $1,406,416 and the other post-employment benefit deferred outflows of $543,192 at June 30, 2024. The pension deferred outflows are described in Note L to the financial statements. The other post-employment benefit deferred outflows are described in Note M.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. LTADD has three items that qualify for reporting in this category: the pension deferred inflows of $971,337, other post-employment benefit deferred inflows of $1,629,597 and deferred revenue of $516,124 at June 30, 2024. The pension deferred inflows are described in Note L to the financial statements. The other post-employment benefit deferred outflows are described in Note M.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the costs have been earned and eligibility requirements are met would be recorded as deferred revenue. LTADD reports deferred revenue in its financial statements as deferred inflows of resources.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE K – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, Continued

Deferred revenue at June 30, 2024 is as follows:

Funding Source	Amount
ADRC - Medicaid Federal Funds	$ 66,736
City of Cloverport FY25 Local Contributions	2,038
City of Hardinsburg FY25 Local Contributions	2,038
Hazard Mitigation Match - ADF Funds	5,576
Participant Directed Services	389,185
Safe Streets for All Match	42,820
Service Providers	5,674
Workforce Investment and Opportunity Act	2,057
	$ 516,124

NOTE L – PENSION PLAN

General Information about the Pension Plan

Plan description. Employees of Lincoln Trail Area Development District are provided a defined benefit pension plan through the County Employees Retirement System (CERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Public Pensions Authority (KPPA). The CERS pension plan has two categories: Non-Hazardous and Hazardous. Lincoln Trail Area Development District employees participate in Non-Hazardous. Effective April 1, 2021, the Kentucky Public Pension Authority (KPPA) was created by KRS 61.505 to provide staffing and daily administrative needs for CERS and the Kentucky Retirement System. The KPPA CERS Board of Trustees is responsible for the proper operation and administration of the CERS. The KPPA issues a publicly available financial report that can be obtained by writing to Kentucky Public Pension Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or by telephone at (800) 928-4646.

Benefits provided. Kentucky Revised Statute Section 61.645 establishes the benefit terms and can be amended only by the Kentucky General Assembly. The chief legislative body may adopt the benefit terms permitted by statute, there are currently three benefit Tiers. Tier 1 members are those participating in the plan before 9/1/2008, Tier 2 are those that began participation 9/1/2008 through 12/31/2013, and Tier 3 are those members that began participation on or after 1/1/2014.

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

Prior to July 1, 2009, cost-of-living adjustments (COLA) were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. Effective July 1, 2009, and on July 1 of each year thereafter, the COLA is limited to 1.5% provided the recipient has been receiving a benefit for at least 12 months prior to the effective date of the COLA. If the recipient has been receiving a benefit for less than 12 months prior to the effective date of the COLA, the increase shall be reduced on a pro-rata basis for each month the recipient has not been receiving benefits in the 12 months preceding

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE L – PENSION PLAN, Continued

General Information about the Pension Plan

the effective date of the COLA. The Kentucky General Assembly reserves the right to suspend or reduce cost-of-living-adjustments if, in its judgement, the welfare of the Commonwealth so demands. No COLA has been granted since July 1, 2011.

*Contributions***.** Contributions for employees are established in the statutes governing the KPPA and may only be changed by the Kentucky General Assembly. Non-hazardous employees contribute 5% of salary if they were plan members prior to September 1, 2008. Non-hazardous employees that entered the plan after September 1, 2008 are required to contribute 6% of their annual creditable compensation. The additional 1% is deposited into to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E). The District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, total employer contributions for the District were $495,309 based on a rate of 23.34% for Non-Hazardous members through covered payroll. The contribution rate of 23.34% for Non-Hazardous was applied to pensions. The contribution rate for insurance benefits was zero percent in FY24.

By law, employer contributions are required to be paid. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability. The District's proportion of the collective net pension liability and pension expense was determined using the employer's actual contributions for Fiscal Year 2023. This method is expected to be reflective of the employers' long term contribution effort. At June 30, 2023, the District's proportion was .062958 percent, which was an increase of .005693 percent from its proportion measured at June 30, 2022.

Net Pension Liability

For financial reporting, the actuarial valuation as of June 30, 2023 was performed by Gabriel Roeder Smith (GRS). The total pension liability, net pension liability, and sensitivity information as of June 30, 2023 were based on an actuarial valuation date as of June 30, 2022. The total pension liability was rolled-forward from the valuation date (June 30, 2022) to the plan's fiscal year ending June 30, 2023, using generally accepted actuarial principles.

The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023. These assumptions are documented in the report titled "2022 Actuarial Experience Study for the Period Ending June 20, 2022", and include a change in the investment return assumption from 6.25% to 6.50%. The Total Pension Liability as of June 30, 2023, is determined using these updated assumptions.

House Bill 506 passed during the 2023 legislative session reinstated the Partial Lump-Sum Optional Form of payment for members who retire on and after January 1, 2024, with the lump-sum payment options expanded to include 48 or 60 times the member's monthly retirement allowance. Since this optional form of payment results in a reduced, actuarial equivalent, monthly retirement allowance for members who elect a partial payment lump-sum options, this provision does not have a fiscal impact to the total pension liability.

House Bill 506 also adjusted the minimum required separation period before a retiree may become reemployed and continue to receive their retirement allowance to one month under all circumstances. This is a relatively small change for future retirees under Non-Hazardous plans. But as the minimum separation period was previously three months in almost every circumstance, GRS assumed that there would be a one percent (1%) increase in the rate of retirement for each of the first two years a Non-Hazardous member becomes retirement eligible under the age of 65 in order to reflect a shift in the retirement pattern. The Total Pension Liability as of June 30, 2023, for the Non-Hazardous plan is determined using these update benefits provisions.

There have been no other plan provision changes that would materially impact the Total Pension Liability since June 30, 2022.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE L – PENSION PLAN, Continued

Net Pension Liability

Actuarial Assumptions. The Total Pension Liability as of the measurement date of June 30, 2023 was determined using the following actuarial assumptions, applied to all periods included in the measurement.

The assumptions are:

- Inflation – 2.50%
- Payroll growth rate – 2.00%
- Salary increases – 3.30% to 10.30%, varies by service
- Investment rate of return – 6.50%

The mortality table used for active members was a PUB-2010 General Mortality table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates form the MP-2020 mortality improvement scale using a base year of 2010.

The long-term expected return was determined by using a building block method in which best estimate ranges of expected future real rates of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table on the following page. The current long-term inflation assumption is 2.50% per annum for both the non-hazardous and hazardous plan.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	**60.00%**	
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Fixed Income	**20.00%**	
Core Fixed Income	10.00%	2.45%
Specility Credit	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protected	**20.00%**	
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
Expected Real Return	**100.00%**	**5.75%**
Long Term Inflation Assumption		**2.50%**
Expected Nominal Return for Portfolio		**8.25%**

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE L – PENSION PLAN, Continued

Net Pension Liability

Discount rate. The projection of cash flows used to determine the discount rate of 6.50% for CERS Non-Hazardous assumes the local employers would contribute with required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018), over the remaining 28 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the KPPA Annual Comprehensive Financial Report (ACFR).

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the District calculated using the discount rate of 6.50 percent, as well as the net pension liability (asset) if calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
$ 5,100,372	$ 4,039,705	$ 3,158,251

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued KPPA financial report.

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

Pension expense (income). For the year ended June 30, 2024, the District recognized pension expense (income) of $425,206 (calculated).

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following table:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability experience	$ 209,128	$ 10,977
Changes of assumptions	-	370,242
Difference between projected and actual earnings on pension plan investments	436,403	491,506
Changes in proportion and differences between employer contributions and proportionate share of plan contributions	265,576	98,612
Contributions subsequent to the measurement date of June 30, 2023	495,309	-
Total	$ 1,406,416	$ 971,337

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2023" will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

NOTE L – PENSION PLAN, Continued

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Pension Expense
2025	$ (77,022)
2026	(34,284)
2027	90,183
2028	(39,107)
	$ (60,230)

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

NOTE M - OTHER POST-EMPLOYMENT BENEFIT PLANS

General Information about the OPEB Plan

Plan description. Employees of the District are provided hospital and medical insurance through the Kentucky Public Pension Authority's County Employees' Retirement Insurance Fund (Insurance Fund), a cost-sharing multiple-employer defined benefit OPEB plan. The KPPA was created by State statue under Kentucky Revised Statute Section 61.645. The CERS Board of Trustees is responsible for the proper operation and administration of the CERS. The KPPA issues a publicly available financial report that can be obtained by writing to Kentucky Public Pension Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or by telephone at (800) 928-4646.

Benefits Provided. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. The Insurance Fund pays the same proportion of hospital and medical insurance premiums for the spouse and dependents of retired hazardous members killed in the line of duty. As a result of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003. Once members reach a minimum vesting period of 10 years, non-hazardous employees whose participation began on, or after, July 1, 2003, earn $10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Senate Bill 209 passed during the 2022 legislative session and increased the insurance dollar contributions for members hired on or after July 1, 2003 by $5 for each year of service a member attains over certain thresholds, depending on a member's eligibility requirements. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicaid retirees. It is only payable went the members applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023.

Contributions. Contribution requirements of the participating employers are established and may be amended by the CERS Board of Trustees. The District's contractually required contribution rate for the year ended June 30, 2024, was zero percent of annual creditable compensation. Contributions to the Insurance Fund from the District was zero for the year ended June 30, 2024. Employees that entered the plan prior to September 1, 2008, are not required to contribute to the Insurance Fund. Employees that entered the plan after September 1, 2008, are required to contribute 1% of their annual creditable compensation which is deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E).

The District's proportion of the collective net OPEB liability and OPEB expense was determined using the employers' actual contributions for Fiscal Year 2023. This method is expected to be reflective of the employers' long-term contribution effort. At June 30, 2023 the District's proportion was .062953 percent, which is an increase of .005645 percent from its proportion measured as of June 30, 2022.

NOTE M – OTHER POST-EMPLOYMENT BENEFIT PLANS, Continued

Net OPEB Liability

For financial reporting, the actuarial valuation as of June 30, 2023 was performed by Gabriel Roeder Smith (GRS). The total OPEB liability (asset), net OPEB liability (asset), and sensitivity information as of June 30, 2023 were based on an actuarial valuation date as of June 30, 2022. The total OPEB liability (asset) was rolled-forward from the valuation date (June 30, 2022) to the plan's fiscal year ending June 30, 2023, using generally accepted actuarial principles.

Actuarial Assumptions. The total OPEB liability (asset) as of June 30, 2023 was determined using the updated assumptions as follows:

Inflation	2.50%
Payroll growth rate	2.00%
Salary increases	3.30% to 10.30%, varies by service
Investment rate of return	6.50%
Healthcare Trend Rate:	
Pre-65	Initial trend starting at 6.80% at January 1, 2025, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post-65	Initial trend starting at 8.50% at January 1, 2025, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.

The mortality table used for active members was a PUB-2010 General Mortality table, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates form the MP-2020 mortality improvement scale using a base year of 2010.

The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023. These assumptions are documented in the report titled "2022 Actuarial Experience Study for the Period Ending June 30, 2022". Additionally, the single discount rates used to calculate the total OPEB liability (asset) within the retirement plan changed since the prior year. Additional information regarding the single discount rates is provided below. The total OPEB liability (asset) as of June 30, 2023 is determined using these updated assumptions.

House Bill 506 passed during the 2023 legislative session reinstated the Partial Lump Sum Option form of payment for members who retire on and after January 1, 2024 and adjusted the minimum required separation period before a retiree may become reemployed and continue to receive their retirement allowance to one month for all circumstances.

This is a relatively small change for future retirees in the Non-Hazardous plan. But as the minimum separation period was previously three months in almost every circumstance, GRS assumed that there would be a one percent (1%) increase in the rate of retirement for each of the first two years a Non-Hazardous member becomes retirement eligible under the age of 65, in order to reflect a shift in the retirement pattern. The total OPEB liability (asset) as of June 30, 2023 is determined using these updated benefit provisions.

There have been no other plan provision changes that would materially impact the total OPEB liability (asset) since June 30, 2022.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE M – OTHER POST-EMPLOYMENT BENEFIT PLANS, Continued

Net OPEB Liability

The long-term expected return was determined by using a building block method in which best estimate ranges of expected future real rates of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	**60.00%**	
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Fixed Income	**20.00%**	
Core Fixed Income	10.00%	2.45%
Speciality Credit	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protection	**20.00%**	
Real Estate	7.00%	4.99%
Real Return	13.00%	2.50%
Expected Real Return	**100.00%**	**5.75%**
Long Term Inflation Assumption		**2.50%**
Expected Nominal Return for Portfolio		**8.25%**

Discount rate. The discount rate used to measure the total OPEB liability (asset) was 5.93% for the Non-Hazardous employees. The discount rate is based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.86%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2023. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the plan's fiduciary net position and future contributions were projected to be sufficient to finance future benefit payments of current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the retirement system.

However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the plan's actuarial determined contributions, and it is our understanding that any costs associated with the implicit subsidy will not be paid out of the plan's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the KPPA financial report.

The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30, 2028.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE M – OTHER POST-EMPLOYMENT BENEFIT PLANS, Continued

Changes in the Net OPEB Liability (Asset)

Sensitivity of the District's proportionate share of the collective net OPEB liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the collective net OPEB liability (asset) as well as what the District's proportionate share of the collective net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.93%) or 1-percentage-point higher (6.93%) than the current rate:

1% Decrease (4.93%)	Current Discount Rate (5.93%)	1% Increase (6.93%)
$ 163,110	$ (86,917)	$ (296,284)

Sensitivity of the District's proportionate share of the collective net OPEB liability (asset) to changes in the healthcare cost trend rates. The following presents the District's proportionate share of the collective net OPEB liability (asset), as well as what the District's proportionate share of the collective net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
$ (278,585)	$ (86,917)	$ 148,528

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

OPEB Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB expense (income). For the year ended June 30, 2024, the District recognized pension expense (income) of ($191,761) (calculated).

Deferred outflows of resources and deferred inflows of resources. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources on the following table:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual liability experience	$ 60,594	$ 1,234,136
Changes of assumptions	171,047	119,202
Difference between projected and actual earnings on OPEB plan investments	162,662	182,834
Changes in proportion and differences between employer contributions and proportionate share of contributions	148,889	93,425
Total	$ 543,192	$ 1,629,597

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE M – OTHER POST-EMPLOYMENT BENEFIT PLANS, Continued

OPEB Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

Year Ending June 30	OPEB Expense
2025	$ (272,190)
2026	(332,403)
2027	(263,896)
2028	(217,916)
	$ (1,086,405)

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

DEFERRED COMPENSTATION

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457, 401(k) and 403(b). The Plans, available to all employees, permit employees to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, allows entities with little or no administrative involvement who do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The District, therefore, does not show these assets and liabilities on these financial statements. LTADD makes no contributions to these plans.

NOTE N – DISAGGREGATION OF ACCOUNTS PAYABLE

At June 30, 2024, the District has an accounts payable balance of $513,722. The majority of payable were related to program or operational expenses. The breakdown of payable are as follows:

Current Accounts Payable	Governmental Activities
Community/Economic Development	$ 29,692
Aging and Independent Living Services	265,840
Cost Pool and Miscellaneous	50,992
Workforce Innovation and Opportunity Act	167,198
	$ 513,722

NOTE O – FUND BALANCES

Fund balances at June 30, 2024 are classified as follows: Nonspendable in the amount of $21,426 represents amounts that cannot be spent due to form and correspond to prepaid expenses; Restricted by contractual provisions for the Revolving Loan Funds in the amount of $520,845; Committed for the purpose of funding compensated absences in the amount of $143,557. Committed fund balance classifications are determined by action of the Board of Directors.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE P – LONG TERM LEASES and OTHER RENTAL COMMITMENTS

LONG TERM LEASES

On March 27, 2023, the District entered into a 25-year lease for land and office space located at 750 S. Provident Way, Elizabethtown, KY 42701. The commencement date of the lease was August 1, 2023. Annual rent expense was $139,300 for FY 24. No interest is imputed on the operating lease, annual payments are charged to rent expense. As a result of the lease, the District has recorded a right to use leased asset with an initial book value of $4,763,037. The unamortized net book value of the lease is $4,623,737 at June 30, 2024.The future annual rent for the premises shall be as follows:

Fiscal Year Ending June 30	Annual Rent
2025	$ 163,800
2026	171,990
2027	171,990
2028	171,990
2029 - 2033	894,348
2034 - 2038	957,576
2039 - 2043	1,015,410
2044 - 2048	1,076,633
	$ 4,623,737

The District has two additional long term leases for office equipment described as follows:

The first agreement was executed on August 10, 2021, to lease copiers and requires 48 monthly payments of $607. There are no variable payment components of the lease. The lease liability is measured as a discount rate of 3.25%, which is the prime rate as of the agreement date. As a result of the lease, the District has recorded a right to use leased asset with an initial book value of $27,371. The unamortized net book value of the lease is $8,478 at June 30, 2024.

The second agreement was executed November 22, 2023, to lease a postage meter and requires 20 quarterly payments of $682. There are no variable payment components of the lease. The lease liability is calculated at an annual percentage rate of 10.429% per the lease agreement. As a result of the lease, the District has recorded a right to use leased asset with an initial book value of $10,528. The unamortized net book value of the lease is $8,832 at June 30, 2024.

OTHER RENTAL COMMITMENTS

The District has two other rental agreements for career centers for the WIOA program. The agreements are cancelable operating lease agreements, renewable on an annual basis and correlated to the District’s fiscal year. The rental charge for facility use is $12,057 per quarter for one location and $1,239 per month for the second location. The annual rental cost for the two agreements is $63,096 for the year ended June 30, 2024. The operating leases are short-term in nature and are therefore not capitalized as right to use leased assets.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE Q – BUDGET BASIS REVENUES AND EXPENDITURES

The District maintains accounting records utilizing the grants management (budget) basis of accounting for grant and financial reporting purposes. Certain differences exist between the grants management (budget) basis of accounting and the governmental fund basis of accounting reported in the fund financial statements. The amounts reported are reconciled as follows:

Grants Management (Budget) Basis Revenues	$ 21,078,904
Agency owned assets are depreciated for budget basis but expensed in fund financial statements:	
Agency depreciation allocation - equipment and vehicles	(29,012)
Fund Financial Statement Revenues	$ 21,049,892
Grants Management (Budget) Basis Expenditures	$ 21,074,042
Change in compensated absences liability not recognized in fund financial statements	(14,235)
Agency owned assets are depreciated for budget basis but expensed in fund financial statements:	
Agency depreciation allocation - vehicles	(505)
Depreciation expense, net of capital asset additions	(35,129)
Fund Financial Statement Expenses	$ 21,024,173

NOTE R – RISK MANAGEMENT

LTADD is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. LTADD participates in the Kentucky Association of Counties All Lines Fund (KALF), a public entity risk pool currently operating as a common risk management and insurance program for the Counties of Kentucky and their sub agencies. LTADD pays an annual premium to KALF for insurance coverage for certain risks of loss, including workers' compensation and general liability. The Coverage Agreement provides that KALF will be self-sustaining through member contributions, premiums and assessments and will reinsure through commercial companies for property related claims in excess of $250,000 for each insured event.

NOTE S – CONCENTRATION OF RISK

During the year ended June 30, 2024, the District received 99.0% of its revenue from federal, state and local grants, and the related in-kind match and program income. These funds are to be used for designated purposes only. For government agency grants, if based upon the grantor's review, it is determined that funds have not been used for the intended purpose, the grantor may request a refund of monies advanced, or refuse to reimburse the District for its expenditures. The amount of such future refunds and unreimbursed expenditures, if any, could be significant. Continuation of the District's grant programs is predicated upon the grantor's satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE T – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

(1) SBITA – ESRI

In July 2023, the District entered into a subscription-based technology arrangement for the GIS mapping software in the Community and Economic Development department. The District paid $6,600 for a one-year subscription for the right to use the software (intangible asset). As of June 30, 2024, the value of the subscription liability was $0.

(2) SBITA – GRANTS MANAGEMENT SYSTEMS (GMS)

In July 2023, the District entered into a subscription-based technology arrangement for accounting software for the finance department. The District paid $9,453 for a one-year subscription for the right to use the software (intangible asset). As of June 30, 2024, the value of the subscription liability was $0.

(3) SBITA – TRANSFER INC.

In July 2023, the District entered into a subscription-based technology arrangement for virtual based career exploration for the Workforce Innovation and Opportunity Act department. The District paid $35,000 for a one-year subscription for the right to use the software (intangible asset). As of June 30, 2024, the value of the subscription liability was $0.

(4) SBITA – WELLSKY

In May 2023, the District entered into a subscription-based technology arrangement for the aging reporting software of the Aging and Independent Living department. The District paid $24,017 for a one-year subscription for the right to use the software (intangible asset). As of June 30, 2024, the value of the subscription liability was $0.

NOTE U – IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES

<u>Recently Issued Accounting Pronouncements</u>

GASB No 101 Compensated Absences

In June of 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101 to better meet the needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosure. The Statement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The District is currently evaluating the impact that the standard will have on its financial statements.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUNDS - GRANTS MANAGEMENT BASIS

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable Unfavorable
Revenues:				
Federal revenue	$ 4,738,322	$ 7,448,447	$ 5,952,439	$ (1,496,008)
State revenue	10,555,715	14,230,404	14,305,309	74,905
Local revenues	147,027	147,028	198,870	51,842
Cash match	217,473	267,368	233,553	(33,815)
Program income	102,414	125,911	109,987	(15,924)
In-kind contributions	74,332	87,853	172,694	84,841
Interest income	13,280	16,165	16,290	125
Other income	41,900	224,405	89,762	(134,643)
Sale of property	840,000	-	-	-
Debt services	181,400	-	-	-
Total Revenue	$ 16,911,863	$ 22,547,581	$ 21,078,904	$ (1,468,677)
Expenditures:				
Salaries	$ 2,086,355	$ 2,227,169	$ 2,169,028	$ 58,141
Fringe	1,232,150	1,144,905	1,111,638	33,267
Contractual services	5,150,636	6,525,521	5,359,167	1,166,354
Client services/program costs	6,691,495	11,735,417	11,418,836	316,581
Travel	46,789	50,231	35,543	14,688
Training	20,625	14,832	14,731	101
Ads, printing, publishing and copies	21,589	27,004	42,030	(15,026)
Lease, maintenance & software licensing	51,768	73,559	102,060	(28,501)
Capital outlay (equipment)	129,000	39,540	98,942	(59,402)
Supplies and postage	54,420	59,679	65,893	(6,214)
Phone and internet	15,702	34,572	36,863	(2,291)
Dues and registrations	67,892	57,183	77,139	(19,956)
Other costs	92,677	86,798	84,586	2,212
Building expenses	79,500	48,244	46,790	1,454
Rent	208,125	219,134	216,000	3,134
Building improvements	181,400	182,000	172,891	9,109
Insurance	18,203	21,793	21,905	(112)
Debt services	303,537	-	-	-
Investments - certificate of deposits	460,000	-	-	-
Total Expenditures	16,911,863	22,547,581	$21,074,042	$1,473,539
Excess Revenue over Expenditures	$ -	$ -	4,862	$ 4,862
Fund balance, beginning of year			3,210,532	
Fund balance, end of year			$ 3,215,394	

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

June 30, 2024

Last 10 Years

	2024	2023	2022	2021	2020
Proportion of net pension liability	0.062958%	0.057265%	0.061908%	0.055363%	0.051568%
Proportionate share of the net pension liability	$ 4,039,705	$ 4,139,695	$ 3,947,121	$ 4,246,296	$ 3,626,800
Covered employee payroll	$ 2,122,147	$ 1,814,709	$ 1,588,418	$ 1,586,048	$ 1,418,230
Proportionate share of the net pension liability as a percentage of covered payroll	190.36%	228.12%	248.49%	267.73%	255.73%
Plan fiduciary net position as a percentage of the total pension liability	57.48%	52.42%	57.33%	47.81%	50.45%

	2019	2018	2017	2016	2015
Proportion of net pension liability	0.061190%	0.064250%	0.069540%	0.070682%	0.070132%
Proportionate share of the net pension liability	$ 3,726,658	$ 3,760,750	$ 3,423,862	$ 3,038,979	$ 2,275,000
Covered employee payroll	$ 1,300,765	$ 1,516,807	$ 1,562,646	$ 1,658,723	$ 1,644,544
Proportionate share of the net pension liability as a percentage of covered payroll	286.50%	247.94%	219.11%	183.21%	138.34%
Plan fiduciary net position as a percentage of the total pension liability	53.54%	53.32%	55.50%	59.97%	66.80%

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY

June 30, 2024

Last 10 Years*

	2024	2023	2022	2021
Proportion of net OPEB liability	0.062953%	0.057308%	0.061893%	0.055355%
Proportionate share of the net OPEB liability	$ (86,917)	$ 1,130,981	$ 1,184,911	$ 1,336,655
Covered employee payroll	$ 2,122,147	$ 1,814,709	$ 1,588,418	$ 1,586,048
Proportionate share of the net OPEB liability as a percentage of covered payroll	-4.10%	62.32%	74.60%	84.28%
Plan fiduciary net position as a percentage of the total OPEB liability	104.23%	60.95%	62.91%	51.67%

	2020	2019	2018
Proportion of net OPEB liability	0.051555%	0.061196%	0.064250%
Proportionate share of the net OPEB liability	$ 867,132	$ 1,086,523	$ 1,291,645
Covered employee payroll	$ 1,418,230	$ 1,300,765	$ 1,516,807
Proportionate share of the net OPEB liability as a percentage of covered payroll	61.14%	83.53%	85.16%
Plan fiduciary net position as a percentage of the total OPEB liability	60.44%	57.62%	52.39%

* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

SCHEDULE OF CONTRIBUTIONS TO PENSION

June 30, 2024

Last 10 Years

	2024	2023	2022	2021	2020
Contractually required contribution (actuarially determined)	$ 495,309	$ 424,493	$ 336,256	$ 306,122	$ 273,732
Contributions in relation to the actuarially determined contribution	(495,309)	(424,493)	(336,256)	(306,122)	(273,732)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 2,122,147	$ 1,814,709	$ 1,588,418	$ 1,586,048	$ 1,418,230
Contributions as a percentage of covered employee payroll	23.34%	23.40%	21.17%	19.30%	19.30%

	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 210,978	$ 219,624	$ 217,963	$ 206,015	$ 214,320
Contributions in relation to the actuarially determined contribution	(210,978)	(219,624)	(217,963)	(206,015)	(214,320)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 1,300,765	$ 1,516,807	$ 1,562,646	$ 1,658,723	$ 1,644,544
Contributions as a percentage of covered employee payroll	16.22%	14.48%	13.95%	12.42%	13.03%

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

SCHEDULE OF CONTRIBUTIONS TO OPEB

June 30, 2024

Last 10 Years*

	2024	2023	2022	2021
Contractually required contribution (actuarially determined)	$ -	$ 61,497	$ 91,823	$ 75,481
Contributions in relation to the actuarially determined contribution	-	(61,497)	(91,823)	(75,481)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered employee payroll	$ 2,122,147	$ 1,814,709	$ 1,588,418	$ 1,586,048
Contributions as a percentage of covered employee payroll	0.00%	3.39%	5.78%	4.76%

	2020	2019	2018
Contractually required contribution (actuarially determined)	$ 67,494	$ 68,426	$ 71,287
Contributions in relation to the actuarially determined contribution	(67,494)	(68,426)	(71,287)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered employee payroll	$ 1,418,230	$ 1,300,765	$ 1,516,807
Contributions as a percentage of covered employee payroll	4.76%	5.26%	4.70%

* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION

June 30, 2024

CERS PENSION

Changes of benefit terms: There were no changes in benefit terms for plan years 2014 through 2023

Changes of assumptions (as of June 30 for the year of the measurement date):

2014:
- The assumed investment rate of return was decreased from 7.75% to 7.50%.
- The assumed rate of inflation was reduced from 3.50% to 3.25%.
- The assumed rate of wage inflation was reduced from 1.00% to 0.75%.
- Payroll growth assumption was reduced from 4.50% to 4.00%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.
- The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

2015 and 2016:
- No changes

2017:
- The assumed investment return was changed from 7.50% to 6.25%
- The price inflation assumption was changed from 3.25% to 2.30% which also resulted in a 0.95% decrease in the salary increase assumption at all years of service.
- The payroll growth assumption (applicable for the amortization of unfunded actuarial accrued liabilities) was changed from 4.00% to 2.00%

2018:
- No changes

2019:
- Salary increase was changed from 3.05% to a range from 3.30% to 11.55% which varies by service

2020:
- Salary increase was changed from a range of 3.3% to 11.55% to a range from 3.30% to 10.30% which varies by service year
- Senate Bill 249 passed during the 2020 legislative session changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurred in future years will be amortized over separate 20-year amortization basis. This change does not impact the calculation of the total pension liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020

2021 and 2022:
- No changes

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION

June 30, 2024

CERS PENSION, Continued

Changes of assumptions (as of June 30 for the year of the measurement date) continued:

2023:
- The rate of inflation was increased from 2.30 to 2.50%
- The salary productivity assumption was reduced by .20%, resulting in no change in the salary increase assumption for long-service employees of 3.3% in the non-hazardous funds.
- The individual rates of salary increases were increased during the select periods for the CERS funds
- The investment return assumption for CERS pension funds and all insurances funds was increased from 6.25 to 6.50%
- The Tier 3 cash balance interest crediting rate assumption was increased to 6.75% for CERS pension funds
- Post-retirement mortality rates were updated based on KPPA experience
- Mortality improvements assumption was updated to the ultimate rates of the MP-2020 mortality improvement scale
- Rates of termination prior to retirement were increased
- Rates of disability incidents for the CERS funds were decreased

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB

June 30, 2024

CERS OPEB

Changes of benefit terms : There were no changes in benefit terms for plan years 2017 to 2021

Changes of assumptions (as of June 30 for the year of the measurement date):

2017:
- The assumed investment return was changed from 7.50% to 6.25%
- The price inflation assumption was changed from 3.25% to 2.30% which also resulted in a 0.95% decrease in the salary increase assumption at all years of service
- The payroll growth assumption (applicable for the amortization of unfunded actuarial accrued liabilities) was changed from 4.00% to 2.00%
- For the Non-Hazardous Plan, the single discount rate changed from 6.89% to 5.84%
- For the Hazardous Plan, the single discount rate changed from 7.37% to 5.96%

2018:
- No changes

2019:
- Salary increase was changed from 3.05% to a range from 3.30% to 11.55% which varies by service
- Health care trends for Pre-65 initial trend changed from 7.00% to 7.25% on January 1, 2019, the period was increased by 1 year to 13 years
- Health care trends for Post-65 initial trend changed from 5.00% to 5.10% on January 1, 2019, the period was increased by 1 year to 11 years

2020:
- For the Non-Hazardous Plan, the single discount rate changed from 5.68% to 5.24%
- Salary increase was changed from a range of 3.30% to 11.55% to a range of 3.30% to 10.30% which varies by service
- Health care trends for Pre-65 initial trend changed from 7.25% to 6.4% on January 1, 2022, the period was decreased by 1 year to 14 years
- Health care trends for Post-65 initial trend changed from 5.10% to 2.9% on January 1, 2022 and Increasing to 6.30% in 2023. The period was increased by 1 year t 14 years.
- Senate Bill 249 passed during the 2020 legislative session changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurred in future years will be amortized over separate 20-year amortization basis. This change does not impact the calculation of the total OPEB liability and only impacts the Calculation of the contribution rates that would be payable starting July 1, 2020
- The assumption load on pre-Medicare premiums to reflect the cost of the Cadillac Tax was removed and the Medicare premiums were reduced by 11% to reflect the repeal of the Health Insurer Fee

2021:
- Health care trends for Pre-65 initial trend changed from 6.40% to 6.30% on January 1, 2023, the period was decreased by 1 year to 13 years
- Health care trends for Post-64 initial trend changed from 2.90% to 6.30% on January 1, 2023, the period was decreased by 1 year to 13 years

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION

June 30, 2024

CERS OPEB, Continued

Changes of assumptions (as of June 30 for the year of the measurement date) continued:

2022:
- Senate Bill 209, passed during the 2022 legislative session, increased the insurance dollar contribution for members hired on or after July 1, 2023, by $5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. Senate Bill 209 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans other than those administered by KPPA.

2023:
- The rate of inflation was increased from 2.30 to 2.50%
- The salary productivity assumption was reduced by .20%, resulting in no change in the salary increase assumption for long-service employees of 3.3% in the non-hazardous funds.
- The individual rates of salary increases were increased during the select periods for the CERS funds
- The investment return assumption for CERS pension funds and all insurances funds was increased from 6.25 to 6.5%
- Post-retirement mortality rates were updated based on KPPA experience
- Mortality improvements assumption was updated to the ultimate rates of the MP-2020 mortality improvement scale
- Rates of termination prior to retirement were increased
- Rates of disability incidents for the CERS funds were decreased

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

SCHEDULE OF SHARED COSTS

Year Ended June 30, 2024

	Operational	Indirect	Common	Total
Salaries	$ 157,161	$ 173,353	$ 65,289	$ 395,803
Fringe benefits	77,230	88,450	33,458	199,138
Contractual services	17,463	53,161	-	70,624
Travel	8,764	37	56	8,857
Training	3,232	808	-	4,040
Ads, printing, publications & copies	4,145	1,325	3,070	8,540
Lease, maintenance & software license	1,943	3,649	7,940	13,532
Supplies and postage	9,029	3,278	8,554	20,861
Phone	11,363	129	-	11,492
Dues and registrations	11,238	339	176	11,753
Other costs	4,272	3,345	17,257	24,874
Building expenses	2,673	3,522	34,637	40,832
Rent	10,010	13,188	129,706	152,904
Insurance & bond expenses	20,407	1,498	-	21,905
	$ 338,930	$ 346,082	$ 300,143	$ 985,155

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

COMBINING SCHEDULE OF OPERATIONS BY
PROGRAM AND SUPPORTING SERVICES

Year Ended June 30, 2024

	Joint Funding Agreement	Kentucky Infrastructure Authority	OLDCC - Compatible Use Plan	Broadband Deployment BEAD Challenge	FEMA Hazard Mitigation Plan	Building Resilient infrastructure & Communities (BRIC)	**COMMUNITY & ECONOMIC DEVELOPMENT TOTAL**	KTC Regional Transportation	KTC Metropolitan Planning Organization	KTC MPO Transportation Study	Federal Transit Administration	Safe Streets for All (SS4A)
Revenues												
Federal revenue	$ 103,261	$ -	$ 90,102	$ -	$ 3,153	$ 10,853	**$ 207,369**	$ -	$ 130,647	$ 89,198	$ 12,867	$ 34,497
Federal revenue - ARPA (other)	-	-	-	-	-	-	**-**	-	-	-	-	-
Federal revenue - ARPA (aging)	-	-	-	-	-	-	**-**	-	-	-	-	-
State revenue	262,229	66,000	-	40,000	1,051	-	**369,280**	83,454	8,166	-	-	8,624
Local revenue	-	-	-	-	-	-	**-**	9,273	24,496	-	3,218	-
Transfer of local cash	5,140	510	10,011	-	-	-	**15,661**	942	-	-	-	-
Contractor cash match	-	-	-	-	-	-	**-**	-	-	-	-	-
Program income	-	-	-	-	-	-	**-**	-	-	-	-	-
Interest income	-	-	-	-	-	-	**-**	-	-	-	-	-
Other income	-	-	-	-	-	-	**-**	-	-	-	-	-
In-kind contributions	-	-	-	-	-	-	**-**	-	-	-	-	-
Total revenues	**370,630**	**66,510**	**100,113**	**40,000**	**4,204**	**10,853**	**592,310**	**93,669**	**163,309**	**89,198**	**16,085**	**43,121**
Expenditures												
Personnel	172,601	29,928	48,064	8,939	2,025	5,191	**266,748**	42,210	76,282	-	7,775	1,704
Fringe benefits	88,358	15,351	24,648	4,584	1,033	2,662	**136,636**	21,649	39,122	-	3,988	874
Contractual services	-	-	-	-	-	-	**-**	-	-	89,198	-	32,172
Client services / program costs	-	-	-	-	-	-	**-**	-	-	-	-	-
Travel	1,058	568	121	101	-	-	**1,848**	963	107	-	-	-
Training	721	45	-	-	-	-	**766**	168	45	-	-	-
Ads, printing, publications & copies	959	78	9	-	-	45	**1,091**	8	124	-	-	-
Lease, maintenance & software licensing	1,503	2,320	515	-	-	-	**4,338**	2,027	2,243	-	-	658
Grant purchased equipment	948	-	-	3,045	-	-	**3,993**	409	409	-	-	5,992
Supplies and postage	2,298	50	50	-	-	74	**2,472**	378	389	-	6	-
Phone	1,931	641	-	-	-	-	**2,572**	641	907	-	-	-
Dues and registrations	4,531	920	35	-	25	-	**5,511**	1,792	1,349	-	-	776
Other costs	-	-	-	-	-	-	**-**	-	-	-	-	-
Building Expenses	-	-					**-**	-	-	-		
Rent	-	-	-	-	-	-	**-**	-	-	-	-	-
Trust - Building Renovations	-	-	-	-	-	-	**-**	-	-	-	-	-
Insurance & bond expense	-	-	-	-	-	-	**-**	-	-	-	-	-
	274,908	**49,901**	**73,442**	**16,669**	**3,083**	**7,972**	**425,975**	**70,245**	**120,977**	**89,198**	**11,769**	**42,176**
Shared costs applied:												
Operational costs	32,932	5,714	9,176	1,707	390	991	**50,910**	8,059	14,564	-	1,485	325
Indirect administration costs	33,627	5,835	9,369	1,742	359	1,012	**51,944**	8,229	14,871	-	1,516	332
Shared costs	29,163	5,060	8,126	1,511	372	878	**45,110**	7,136	12,897	-	1,315	288
Total expenditures	**370,630**	**66,510**	**100,113**	**21,629**	**4,204**	**10,853**	**573,939**	**93,669**	**163,309**	**89,198**	**16,085**	**43,121**
Revenues over (under) expenditures	-	-	-	18,371	-	-	**18,371**	-	-	-	-	-
Other financing sources (uses):												
Operating transfers in (out)	-	-	-	(18,371)	-	-	**(18,371)**	-	-	-	-	-
RLF principal received (disbursed), net	-	-	-	-	-	-	**-**	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	**-**	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	**-**	-	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -	$ -	$ -	$ -	$ -

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

COMBINING SCHEDULE OF OPERATIONS BY
PROGRAM AND SUPPORTING SERVICES

Year Ended June 30, 2024

	KTC Local Road Updates Centerline	**TRANSPORTATION TOTAL**	EDA RLF Administration	RLF - EDA	EDA CARES Act RLF Administration	EDA CARES Act RLF	**REVOLVING LOAN FUND TOTAL**	Workforce Innovation & Opportunity Act	Thomas P Miller Child Care Study	**EMPLOYMENT & TRAINING TOTAL**	Title III Aging Planning & Admin
Revenues											
Federal revenue	$ -	**$ 267,209**	$ -	$ -	$ -	$ -	**$ -**	$ 2,380,196		**$ 2,380,196**	$ 129,708
Federal revenue - ARPA (other)	-	**-**	-	-	-	-	**-**	-		**-**	-
Federal revenue - ARPA (aging)	-	**-**	-	-	-	-	**-**	-		**-**	107,268
State revenue	19,500	**119,744**	-	-	-	-	**-**	-		**-**	81,009
Local revenue	-	**36,987**	-	-	-	-	**-**	-		**-**	-
Transfer of local cash	915	**1,857**	-	-	4,067	-	**4,067**	-		**-**	-
Contractor cash match	-	**-**	-	-	-	-	**-**	-		**-**	-
Program income	-	**-**	-	-	-	-	**-**	42		**42**	-
Interest income	-	**-**	-	7,656	-	715	**8,371**	-		**-**	-
Other income	-	**-**	3,828	(3,828)	371	(344)	**27**	-	46,000	**46,000**	-
In-kind contributions	-	**-**	-	-	-	-	**-**	-		**-**	-
Total revenues	**20,415**	**425,797**	**3,828**	**3,828**	**4,438**	**371**	**12,465**	**2,380,238**	**46,000**	**2,426,238**	**317,985**
Expenditures											
Personnel	9,942	**137,913**	1,258	-	652	-	**1,910**	278,185	-	**278,185**	104,059
Fringe benefits	5,056	**70,689**	644	-	333	-	**977**	138,307	-	**138,307**	53,474
Contractual services	-	**121,370**	-	-	2,112	-	**2,112**	1,380,784	46,000	**1,426,784**	135
Client services / program costs	-	**-**	-	-	-	-	**-**	313,617	-	**313,617**	-
Travel	-	**1,070**	-	-	-	-	**-**	1,842	-	**1,842**	3,217
Training	-	**213**	-	-	-	-	**-**	998	-	**998**	3,470
Ads, printing, publications & copies	-	**132**	-	-	-	-	**-**	1,241	-	**1,241**	954
Lease, maintenance & software licensing	-	**4,928**	1,162	-	843	-	**2,005**	36,925	-	**36,925**	5,537
Grant purchased equipment	-	**6,810**	-	-	-	-	**-**	-	-	**-**	59,976
Supplies and postage	-	**773**	9	-	-	-	**9**	10,532	-	**10,532**	3,278
Phone	-	**1,548**	-	-	-	-	**-**	1,455	-	**1,455**	140
Dues and registrations	-	**3,917**	5	-	10	-	**15**	483	-	**483**	24,847
Other costs	-	**-**	117	-	126	-	**243**	-	-	**-**	1,113
Building Expenses		**-**					**-**	-	-	**-**	-
Rent	-	**-**	-	-	-	-	**-**	63,096	-	**63,096**	-
Trust - Building Renovations	-	**-**	-	-	-	-	**-**	-	-	**-**	-
Insurance & bond expense	-	**-**	-	-	-	-	**-**	-	-	**-**	-
	14,998	**349,363**	**3,195**	**-**	**4,076**	**-**	**7,271**	**2,227,465**	**46,000**	**2,273,465**	**260,200**
Shared costs applied:											
Operational costs	1,894	**26,327**	240	-	125	-	**365**	52,559	-	**52,559**	19,880
Indirect administration costs	1,836	**26,784**	245	-	127	-	**372**	53,669	-	**53,669**	20,300
Shared costs	1,687	**23,323**	213	-	110	-	**323**	46,545	-	**46,545**	17,605
Total expenditures	**20,415**	**425,797**	**3,893**	**-**	**4,438**	**-**	**8,331**	**2,380,238**	**46,000**	**2,426,238**	**317,985**
Revenues over (under) expenditures	-	**-**	(65)	3,828	-	371	**4,134**	-	-	**-**	-
Other financing sources (uses):											
Operating transfers in (out)	-	**-**	-	-	-	-	**-**	-	-	**-**	-
RLF principal received (disbursed), net	-	**-**	-	-	-	-	**-**	-	-	**-**	-
Net change in fund balances	-	**-**	(65)	3,828	-	371	**4,134**	-	-	**-**	-
Fund balances, beginning of year	-	**-**	1,701	483,560	-	173,438	**658,699**	-	-	**-**	-
Fund balances, end of year	$ -	**$ -**	$ 1,636	$ 487,388	$ -	$ 173,809	**$ 662,833**	$ -	$ -	**$ -**	$ -

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

COMBINING SCHEDULE OF OPERATIONS BY
PROGRAM AND SUPPORTING SERVICES

Year Ended June 30, 2024

	Title III-B Support Services	Title III-B Ombudsman	Title III-C1 Congregate Meals	Title III-C2 Home Delivered Meals	Title III-D Preventive Health	Title III-E Caregiver	Title VII Elder Abuse	Title VII Ombudsman	Nutrition Services Incentive Program "NSIP"	Vaccine Support	Suicide Prevention	Expanded Senior Meals Admin	Expanded Senior Meals Prog
Revenues													
Federal revenue	$ 158,329	$ 21,990	$ 287,880	$ 180,421	$ 33,238	$ 131,443	$ 6,991	$ 7,189	$ 88,501	$ 77,000	$ 4,302	$ -	$ -
Federal revenue - ARPA (other)	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal revenue - ARPA (aging)	230,187	-	59,597	364,004	16,202	91,123	-	20,341	-	-	-	67,779	903,716
State revenue	147,750	-	27,000	5,000	-	50,000	1,285	3,797	-	-	-	-	-
Local revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of local cash	-	-	-	-	-	-	-	-	-	109	291	270	-
Contractor cash match	62,244	-	4,142	53,959	-	-	-	-	-	-	-	-	49,971
Program income	1,630	-	11,097	13,745	-	72,115	-	-	-	-	-	-	7,218
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
In-kind contributions	-	-	53,155	38,262	-	-	-	-	-	-	-	-	81,277
Total revenues	**600,140**	**21,990**	**442,871**	**655,391**	**49,440**	**344,681**	**8,276**	**31,327**	**88,501**	**77,109**	**4,593**	**68,049**	**1,042,182**
Expenditures													
Personnel	61,295	-	-	-	11,508	20,486	2,680	-	-	23,942	1,619	32,889	52,278
Fringe benefits	32,011	-	-	-	6,027	10,758	1,391	-	-	12,317	843	16,897	27,316
Contractual services	463,235	21,990	442,871	649,609	23,025	288,462	-	31,327	88,501	-	-	-	928,573
Client services / program costs	5,494	-	-	5,782	250	11,359	-	-	-	-	-	-	-
Travel	487	-	-	-	210	425	35	-	-	310	60	-	825
Training	322	-	-	-	-	36	-	-	-	-	1,176	-	33
Ads, printing, publications & copies	21	-	-	-	899	279	1,219	-	-	19,362	-	1	76
Lease, maintenance & software licensing	273	-	-	-	-	101	-	-	-	150	-	-	3,219
Grant purchased equipment	2,619	-	-	-	-	-	-	-	-	-	-	-	-
Supplies and postage	158	-	-	-	1,000	758	457	-	-	6,554	-	-	126
Phone	-	-	-	-	-	482	-	-	-	-	-	-	517
Dues and registrations	-	-	-	-	-	50	1,000	-	-	-	-	-	24
Other costs	-	-	-	-	89	25	-	-	-	1,300	-	-	-
Building Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Trust - Building Renovations	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance & bond expense	-	-	-	-	-	-	-	-	-	-	-	-	-
	565,915	**21,990**	**442,871**	**655,391**	**43,008**	**333,221**	**6,782**	**31,327**	**88,501**	**63,935**	**3,698**	**49,787**	**1,012,987**
Shared costs applied:													
Operational costs	11,775	-	-	-	2,212	3,942	514	-	-	4,633	315	6,283	10,044
Indirect administration costs	12,023	-	-	-	2,260	4,026	525	-	-	4,454	302	6,415	10,256
Shared costs	10,427	-	-	-	1,960	3,492	455	-	-	4,087	278	5,564	8,895
Total expenditures	**600,140**	**21,990**	**442,871**	**655,391**	**49,440**	**344,681**	**8,276**	**31,327**	**88,501**	**77,109**	**4,593**	**68,049**	**1,042,182**
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses):													
Operating transfers in (out)	-	-	-	-	-	-	-	-	-	-	-	-	-
RLF principal received (disbursed), net	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

COMBINING SCHEDULE OF OPERATIONS BY
PROGRAM AND SUPPORTING SERVICES

Year Ended June 30, 2024

	Homecare Administration	Homecare Social Services	KY Caregiver Support Grandparent Admin	KY Caregiver Support Grandparent	CMS-SHIP	ADRC Medicaid Federal Funding	ACA MIPPA/AAA	ACA MIPPA/ADRC	ACA MIPPA/SHIP	State LTC Ombudsman	Home & Community Based PDS	Service Providers & Elder Abuse Coalition
Revenues												
Federal revenue	$ -	$ -	$ -	$ -	$ 46,000	$ 9,848	$ 13,466	$ 2,348	$ 11,219	$ -	$ -	$ -
Federal revenue - ARPA (other)	-	-	-	-	-	-	-	-	-	-	-	-
Federal revenue - ARPA (aging)	-	-	-	-	-	-	-	-	-	-	-	-
State revenue	65,961	850,011	8,984	101,188	-	-	-	-	-	38,490	12,408,414	-
Local revenue	-	-	-	-	-	-	-	-	-	-	-	7,450
Transfer of local cash	511	-	49	-	-	-	-	-	-	-	-	-
Contractor cash match	-	63,237	-	-	-	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-	-	-	4,139	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	603	-
In-kind contributions	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	**66,472**	**913,248**	**9,033**	**101,188**	**46,000**	**9,848**	**13,466**	**2,348**	**11,219**	**38,490**	**12,413,156**	**7,450**
Expenditures												
Personnel	32,145	164,161	4,368	33,278	-	2,388	-	-	-	-	493,723	18
Fringe benefits	16,487	84,936	2,240	17,492	-	1,254	-	-	-	-	257,843	9
Contractual services	-	520,784	-	-	46,000	-	7,585	2,348	11,219	38,490	149,106	-
Client services / program costs	-	-	-	29,299	-	70	-	-	-	-	11,052,965	-
Travel	-	2,671	-	442	-	46	-	-	-	-	11,323	6
Training	-	1,518	-	35	-	-	-	-	-	-	2,039	-
Ads, printing, publications & copies	1	2,077	-	362	-	-	1,814	-	-	-	3,742	1
Lease, maintenance & software licensing	-	27,708	-	-	-	-	111	-	-	-	1,650	-
Grant purchased equipment	-	10,345	-	-	-	4,754	-	-	-	-	2,299	-
Supplies and postage	-	2,680	-	1,582	-	-	2,896	-	-	-	8,209	456
Phone	-	4,060	-	-	-	-	911	-	-	-	4,772	-
Dues and registrations	-	198	-	75	-	-	49	-	-	-	268	6,387
Other costs	-	739	-	-	-	-	100	-	-	-	3,875	563
Building Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-
Trust - Building Renovations	-	-	-	-	-	-	-	-	-	-	-	-
Insurance & bond expense	-	-	-	-	-	-	-	-	-	-	-	-
	48,633	**821,877**	**6,608**	**82,565**	**46,000**	**8,512**	**13,466**	**2,348**	**11,219**	**38,490**	**11,991,814**	**7,440**
Shared costs applied:												
Operational costs	6,137	31,435	834	6,407	-	460	-	-	-	-	94,844	3
Indirect administration costs	6,267	32,098	852	6,542	-	469	-	-	-	-	96,846	4
Shared costs	5,435	27,838	739	5,674	-	407	-	-	-	-	83,991	3
Total expenditures	**66,472**	**913,248**	**9,033**	**101,188**	**46,000**	**9,848**	**13,466**	**2,348**	**11,219**	**38,490**	**12,267,495**	**7,450**
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-	-	145,661	-
Other financing sources (uses):												
Operating transfers in (out)	-	-	-	-	-	-	-	-	-	-	(145,661)	-
RLF principal received (disbursed), net	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

COMBINING SCHEDULE OF OPERATIONS BY
PROGRAM AND SUPPORTING SERVICES

Year Ended June 30, 2024

	Prescription Assistance Program (KPAP)	**SOCIAL SERVICES TOTAL**	**SPECIAL REVENUE FUND TOTAL - GRANTS MANAGEMENT BASIS**	Trust General Fund	Local Gov Revolving Loan Fund Admin	Local Gov Revolving Loan Fund	District Contracts	**GENERAL FUND TOTAL - GRANTS MANAGEMENT BASIS**	**GRANTS MANAGEMENT BASIS TOTAL**	**SHARED COST ALLOCATION**
Revenues										
Federal revenue	$ -	**$ 1,209,873**	$ 4,064,647	$ -	$ -	$ -	$ 26,075	$ 26,075	$ 4,090,722	$ -
Federal revenue - ARPA (other)	-	**-**	-	-	-	-	1,500	1,500	1,500	-
Federal revenue - ARPA (aging)	-	**1,860,217**	1,860,217	-	-	-	-	-	1,860,217	-
State revenue	27,396	**13,816,285**	14,305,309	-	-	-	-	-	14,305,309	-
Local revenue	-	**7,450**	44,437	108,332	-	-	46,101	154,433	198,870	-
Transfer of local cash	-	**1,230**	22,815	(377,515)	-	354,700	-	(22,815)	-	-
Contractor cash match	-	**233,553**	233,553	-	-	-	-	-	233,553	-
Program income	-	**109,945**	109,987	-	-	-	-	-	109,987	-
Interest income	-	**-**	8,371	3,794	-	4,125	-	7,919	16,290	-
Other income	-	**602**	46,629	33,832	4,968	(2,825)	7,158	43,133	89,762	-
In-kind contributions	-	**172,694**	172,694	-	-	-	-	-	172,694	-
Total revenues	**27,396**	**17,411,849**	**20,868,659**	**(231,557)**	**4,968**	**356,000**	**80,834**	**210,245**	**21,078,904**	**-**
Expenditures										
Personnel	1,105	**1,041,942**	1,726,698	13,774	1,681	-	31,072	46,527	1,773,225	395,803
Fringe benefits	564	**541,859**	888,468	7,231	861	-	15,940	24,032	912,500	199,138
Contractual services	25,017	**3,738,277**	5,288,543	-	-	-	-	-	5,288,543	70,624
Client services / program costs	-	**11,105,219**	11,418,836	-	-	-	-	-	11,418,836	-
Travel	-	**20,057**	24,817	1,612	14	-	243	1,869	26,686	8,857
Training	85	**8,714**	10,691	-	-	-	-	-	10,691	4,040
Ads, printing, publications & copies	-	**30,808**	33,272	218	-	-	-	218	33,490	8,540
Lease, maintenance & software licensing	1	**38,750**	86,946	129	1,453	-	-	1,582	88,528	13,532
Grant purchased equipment	-	**79,993**	90,796	-	-	-	8,146	8,146	98,942	-
Supplies and postage	10	**28,164**	41,950	2,281	-	-	801	3,082	45,032	20,861
Phone	-	**10,882**	16,457	8,914	-	-	-	8,914	25,371	11,492
Dues and registrations	2	**32,900**	42,826	22,560	-	-	-	22,560	65,386	11,753
Other costs	-	**7,804**	8,047	50,889	26	-	750	51,665	59,712	24,874
Building Expenses	-	**-**	-	5,958	-	-	-	5,958	5,958	40,832
Rent	-	**-**	63,096	-	-	-	-	-	63,096	152,904
Trust - Building Renovations	-	**-**	-	172,891	-	-	-	172,891	172,891	-
Insurance & bond expense	-	**-**	-	-	-	-	-	-	-	21,905
	26,784	**16,685,369**	**19,741,443**	**286,457**	**4,035**	**-**	**56,952**	347,444	20,088,887	985,155
Shared costs applied:										
Operational costs	213	**199,931**	330,092	2,582	321	-	5,935	8,838	338,930	(338,930)
Indirect administration costs	196	**203,835**	336,604	3,091	328	-	6,059	9,478	346,082	(346,082)
Shared costs	203	**177,053**	292,354	2,252	284	-	5,253	7,789	300,143	(300,143)
Total expenditures	**27,396**	**17,266,188**	**20,700,493**	**294,382**	**4,968**	**-**	**74,199**	**373,549**	**21,074,042**	**-**
Revenues over (under) expenditures	-	**145,661**	168,166	(525,939)	-	356,000	6,635	(163,304)	4,862	**-**
Other financing sources (uses):										
Operating transfers in (out)	-	**(145,661)**	(164,032)	169,968	-	-	(5,936)	164,032	-	**-**
RLF principal received (disbursed), net	-	**-**	-	-	-	-	-	-	-	**-**
Net change in fund balances	-	**-**	4,134	(355,971)	-	356,000	699	728	4,862	**-**
Fund balances, beginning of year	-	**-**	658,700	2,547,611	-	-	4,221	2,551,832	3,210,532	**-**
Fund balances, end of year	$ -	**$ -**	$ 662,834	$ 2,191,640	$ -	$ 356,000	$ 4,920	$ 2,552,560	$ 3,215,394	**$ -**

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES

Year Ended June 30, 2024

	GRANTS MANAGEMENT BASIS WITH SHARED COSTS ALLOCATED	GRANTS MANAGEMENT BASIS TO FUND BASIS CONVERSION	GOVERNMENTAL FUNDS TOTAL (after conversion)
Revenues			
Federal revenue	$ 4,090,722	$ -	**$ 4,090,722**
Federal revenue - ARPA (other)	1,500	-	**1,500**
Federal revenue - ARPA (aging)	1,860,217	-	**1,860,217**
State revenue	14,305,309	-	**14,305,309**
Local revenue	198,870	-	**198,870**
Transfer of local cash	-	-	**-**
Contractor cash match	233,553	-	**233,553**
Program income	109,987	-	**109,987**
Interest income	16,290	-	**16,290**
Other income	89,762	(29,012)	**60,750**
In-kind contributions	172,694	-	**172,694**
Total revenues	**21,078,904**	**(29,012)**	**21,049,892**
Expenditures			
Personnel	2,169,028	(14,235)	**2,154,793**
Fringe benefits	1,111,638	-	**1,111,638**
Contractual services	5,359,167	-	**5,359,167**
Client services / program costs	11,418,836	-	**11,418,836**
Travel	35,543	(505)	**35,038**
Training	14,731	-	**14,731**
Ads, printing, publications & copies	42,030	-	**42,030**
Lease, maintenance & software licensing	102,060	-	**102,060**
Grant purchased equipment	98,942	-	**98,942**
Supplies and postage	65,893	-	**65,893**
Phone	36,863	-	**36,863**
Dues and registrations	77,139		**77,139**
Other costs	84,586	(35,129)	**49,457**
Building Expenses	46,790	-	**46,790**
Rent	216,000	-	**216,000**
Trust - Building Renovations	172,891	-	**172,891**
Insurance & bond expense	21,905	-	**21,905**
	21,074,042	(49,869)	**21,024,173**
Shared costs applied:			
Operational costs	-	-	**-**
Indirect administration costs	-	-	**-**
Shared costs	-	-	**-**
Total expenditures	**21,074,042**	**(49,869)**	**21,024,173**
Revenues over (under) expenditures	**4,862**	20,857	**25,719**
Other financing sources (uses):			
Operating transfers in (out)	**-**	-	**-**
RLF principal received (disbursed), net	**-**	**(269,179)**	**(269,179)**
Net change in fund balances	**4,862**	(248,322)	**(243,460)**
Fund balances, beginning of year	**3,210,532**	-	**3,005,337**
Fund balances, end of year	**$ 3,215,394**	**$ (248,322)**	**$ 2,761,877**

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2024

	Assistance Listing Number	Grant Number	Federal Award Expended	Expenditures To Subrecipients
U.S. Department of Commerce				
Economic Development Administration				
Passed-through State Department: Economic Development Administration				
Economic Development - Support for Planning Organizations	11.302	PON2 112 2300003222	$ 92,847	$ -
Direct Received Funds				
COVID 19 - Economic Adjustment Assistance - RLF CARES Act	11.307	04-79-07523	174,194	-
Total U.S. Department of Commerce			**267,041**	**-**
U.S. Department of Defense				
Office of Local Defense Community Cooperation				
Direct Received Funds				
Community Economic Adjustment Assistance for Compatible Use & Joint Land Use Studies	12.610	HQ00052210018	90,102	-
Total U.S. Department of Defense			**90,102**	**-**
U.S. Department of Housing and Urban Development				
Assistant Secretary for Community Planning and Development				
Passed-through State Department: Community Planning and Development				
Community Development Block Grant - JFA	14.228	PON2 112 2300003222	10,414	-
Passed-through Local Sources				
Community Development Block Grants - State Program	14.228	n/a	8,424	-
Total U.S. Department of Housing and Urban Development			**18,838**	**-**
U.S. Department of Labor				
Employment and Training Administration				
Passed-through Kentucky Education Cabinet: Department for Workforce Investment				
Office of Employment & Training Administration				
WIOA Adult Program	17.258 a	270AD24	63,233	24,515
WIOA Adult Program	17.258 a	273AD23	144,478	54,453
WIOA Adult Program	17.258 a	273AD24	226,572	110,721
			434,283	189,689
WIOA Youth Activities	17.259 a	274YT22	345,174	224,252
WIOA Youth Activities	17.259 a	274YT23	527,358	379,390
WIOA Youth Activities	17.259 a	274YT24	207,584	168,372
			1,080,116	772,014
WIOA Dislocated Worker Formula Grants	17.278 a	271DW22	74,265	34,761
WIOA Dislocated Worker Formula Grants	17.278 a	271DW23	505,330	251,590
WIOA Dislocated Worker Formula Grants	17.278 a	271DW24	25,894	10,530
WIOA Dislocated Worker Formula Grants	17.278 a	272DW22	102,854	25,919
WIOA Dislocated Worker Formula Grants	17.278 a	272DW23	122,090	53,927
WIOA Dislocated Worker Formula Grants	17.278 a	272DW24	35,364	28,853
			865,797	405,580
a - Department of Labor - Workforce Investment Act Cluster $2,380,196				
Total U.S. Department of Labor			**2,380,196**	**1,367,283**
U.S. Department of Transportation				
Federal Highway Administration				
Passed-through Kentucky Transportation Cabinet				
Highway Planning and Construction:				
Metropolitan Planning Organization - Unified Planning Work Programs	20.205	2300001368	130,647	-
Metropolitan Planning Organization - Study	20.205	SC 625-2300001788	89,198	89,198
			219,845	89,198
Federal Transit Administration				
Passed-through Kentucky Transportation Cabinet				
Metropolitan Transportation Planning - Section 5303	20.505	P033021442	12,867	-
Office of the Secretary				
Direct Received Funds				
Safe Streets and Roads for All	20.939	693JJ32340507	34,497	25,738
Total U.S. Department of Transportation			**267,209**	**114,936**

See notes to Schedule of Expenditures of Federal Awards.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued

Year ended June 30, 2024

	Assistance Listing Number	Grant Number	Federal Award Expended	Expenditures To Subrecipients
U.S. Department of Treasury				
Departmental Offices				
Passed-through Local Sources				
COVID 19 - Coronavirus State and Local Fiscal Recovery Fund - ARPA Funds	21.027	n/a	906	-
State Department: Kentucky Infrastructure Authority				
Passed-through Local Sources				
COVID 19 - Coronavirus State and Local Fiscal Recovery Fund Cleaner Water State Revolving Fund - ARPA Funds	21.027	n/a	6,075	-
Pass-through Kentucky Cabinet for Health and Family Services				
COVID 19 - Coronavirus State and Local Fiscal Recovery Fund Expanded Senior Meal Program - ARPA Funds	21.027	PON3 725 2200000036	971,495	896,818
Total U.S. Department of Treasury			**978,476**	**896,818**
U.S. Department of Health and Human Services				
Administration for Community Living				
Passed-through Kentucky Cabinet for Health and Family Services				
Special Programs for the Aging:				
Title VII Elder Abuse Prevention	93.041	PON3 725 2200000019	6,991	-
Title VII Ombudsman Services	93.042	PON3 725 2200000019	7,189	7,189
COVID 19 - Title VII Ombudsman Services - ARPA Funds	93.042	PON3 725 2200000019	20,341	20,341
			27,530	27,530
Title III-D Disease Prevention-Health Promotion	93.043	PON3 725 2200000036	33,238	15,278
COVID 19 - Title III-D Disease Prevention-Health Promotion - ARPA Funds	93.043	PON3 725 2200000036	16,202	7,447
			49,440	22,725
Title III-B Supportive Services	93.044 b	PON3 725 2200000036	209,992	185,742
COVID 19 - Title III-B Supportive Services - ARPA Funds	93.044 b	PON3 725 2200000036	266,059	164,344
			476,051	350,086
Title III-C Nutrition Services	93.045 b	PON3 725 2200000036	550,374	524,523
COVID 19 - Title III-C Nutrition Services - ARPA Funds	93.045 b	PON3 725 2200000036	483,838	492,668
			1,034,212	1,017,191
US Aging Vaccine	93.048	PON3 725 2300000130	77,000	-
INNU Suicide Prevention	93.048	PON3 725 2400000017	4,302	-
			81,302	-
Title III-E National Family Caregiver Support	93.052	PON3 725 2200000036	149,405	139,116
COVID 19 - Title III-E National Family Caregiver Support - ARPA Funds	93.052	PON3 725 2200000036	102,282	96,442
			251,687	235,558
Nutrition Services Incentive Program (NSIP)	93.053 b	PON2 725 2400000006	88,501	88,501
b - Department of Health and Human Services - Aging Cluster $1,598,764				
Administration for Community Living				
Passed-through Kentucky Cabinet for Health and Family Services				
Medicare Enrollment Assistance Program - MIPPA AAA	93.071	PON3 725 2200000037	6,000	-
Medicare Enrollment Assistance Program - MIPPA AAA	93.071	PON3 725 2400000007	7,466	-
Medicare Enrollment Assistance Program - MIPPA ADRC	93.071	PON3 725 2200000037	848	-
Medicare Enrollment Assistance Program - MIPPA ADRC	93.071	PON3 725 2400000007	1,500	-
Medicare Enrollment Assistance Program - MIPPA SHIP	93.071	PON3 725 2200000037	2,491	-
Medicare Enrollment Assistance Program - MIPPA SHIP	93.071	PON3 725 2400000007	8,728	-
			27,033	-
State Health Insurance Assistance Program	93.324	PON3 725 2200000040	46,000	-
Centers for Medicare and Medicaid Services				
Passed-through Kentucky Cabinet for Health and Family Services				
Medical Assistance Program - Aging & Disability Resource Center	93.778	PON3 725 2200000065	9,848	-
Total U.S. Department of Health and Human Services			**2,098,595**	**1,741,591**
U.S. Department of Homeland Security				
Federal Emergency Management Agency				
Passed-through Kentucky Division of Emergency Management				
Passed-through Marion County Fiscal Court				
Hazard Mitigation Grant	97.039	n/a	3,153	-
Passed-through Kentucky Division of Energy Policy				
BRIC: Building Resilient Infrastructure and Communities	97.047	PON2 141 2300001622	10,853	-
Total U.S. Department of Homeland Security			**14,006**	**-**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 6,114,463**	**$ 4,120,628**

See notes to Schedule of Expenditures of Federal Awards.

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the Lincoln Trail Area Development District under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of 2CRF Part 200 U*niform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards,* Subpart F - *Audit Requirements.* Therefore some amounts presented in this schedule may differ from amounts in or used in the preparation of the financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

Lincoln Trail Area Development District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - EDA CARES Act - Revolving Loan Fund

The District was awarded a CARES Act Revolving Loan Fund grant. The grant was award on July 24, 2020 for $550,000. $500,000 to be used for loans and $50,000 for administrative services. From July 1, 2023 though June 30, 2024, LTADD had no approved loans. Loan values, RLF cash balance, current year administrative expenses and loans written off, in lieu of expenditures, are used in determining major program status, and are as follows:

Balance of RLF loans outstanding at year end	$	10,343
Cash and investment balance at year end		163,480
Administrative expenses paid out of RLF income during year		-
Administrative expenses paid out of Award funds during year		371
Total		174,194
Multiply federal share of RLF		100%
Federal expenditures for SEFA reporting	$	174,194

Note 5 - Data Universal Numbering System (DUNS) Number

The District is registered in Dun & Bradstreet's Data Universal Numbering System database under the name Lincoln Trail Area Development District. The DUNS number assigned to our organization is 07-102-3808

Note 6 - Reconciliation of Federal Revenue to Schedule of Expenditures of Federal Awards

Total Federal Revenue - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$	5,952,439
Amounts reported in the schedule of expenditures of federal awards are different because:		
Economic Development Administration - Revolving Loan Fund CARES program included on SEFA **but has no current year revenue activity**		174,194
Programs with timing differences in revenue/expenditure recognition for grant administration services passed through local sources:		
Community Development Bock Grants - State program		(12,170)
Total Expenditures of Federal Awards	$	6,114,463

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2024

Note 7 - Sub-Recipients

Of the federal expenditures presented in the schedule, Lincoln Trail Area Development District provided federal awards to the following sub-recipients:

Program Title	Sub Recipient	Amount Provided
Aging		
Title III-B Supportive Services	Assisted Dining Solutions, LLC	$ 3,224
Title III-B Supportive Services	Catholic Charites of Louisville	22,003
Title III-B Supportive Services	Central KY Community Action Council	56,983
Title III-B Supportive Services	Legal Aid Society Inc.	7,200
Title III-B Supportive Services	Lifeline Homecare, Inc.	96,332
		185,742
Title III-B Supportive Services - ARPA	Assisted Dining Solutions, LLC	3,236
Title III-B Supportive Services - ARPA	Catholic Charites of Louisville	13
Title III-B Supportive Services - ARPA	Central KY Community Action Council	57,189
Title III-B Supportive Services - ARPA	Legal Aid Society Inc.	7,226
Title III-B Supportive Services - ARPA	Lifeline Homecare, Inc.	96,680
		164,344
Title III-C1 Nutrition Services	Catholic Charites of Louisville	25
Title III-C1 Nutrition Services	Central KY Community Action Council	312,357
Title III-C2 Nutrition Services	Catholic Charites of Louisville	16
Title III-C2 Nutrition Services	Central KY Community Action Council	88,278
Title III-C2 Nutrition Services	Purfoods, LLC	123,847
		524,523
Title III-C1 Nutrition Services - ARPA	Catholic Charites of Louisville	5
Title III-C1 Nutrition Services - ARPA	Central KY Community Action Council	64,664
Title III-C2 Nutrition Services - ARPA	Catholic Charites of Louisville	32
Title III-C2 Nutrition Services - ARPA	Central KY Community Action Council	178,103
Title III-C2 Nutrition Services - ARPA	Purfoods, LLC	249,864
		492,668
Title III-D Health Prevention	Central KY Community Action Council	15,278
Title III-D Health Prevention - ARPA	Central KY Community Action Council	7,447
Title III-E Caregiver	Catholic Charites of Louisville	8
Title III-E Caregiver	Lifeline Homecare, Inc.	139,108
		139,116
Title III-E Caregiver - ADRC	Catholic Charites of Louisville	5
Title III-E Caregiver - ADRC	Lifeline Homecare, Inc.	96,437
		96,442
Title VII Ombudsman	Catholic Charites of Louisville	7,189
Title VII Ombudsman - ARPA	Catholic Charites of Louisville	20,341
Expanded Senior Meal Program - ARPA	Central KY Community Action Council	549,064
Expanded Senior Meal Program - ARPA	Purfoods, LLC	347,754
		896,818
Nutrition Service Incentive Program	Central KY Community Action Council	88,501
Total Aging		**2,638,409**
Transportation		
Metropolitan Planning Org - Study	Michael Baker International	89,198
Safe Streets and Road for All	University of Kentucky Research Foundation	25,738
Total Transportation		**114,936**
Workforce Innovation & Opportunity Act		
270AD24 Adult	Heartland Communication Consultants, Inc.	24,515
273AD23 Adult	Career Team One-Stop Operator	22,890
273AD23 Adult	Heartland Communication Consultants, Inc.	12,014
273AD23 Adult	Hightower Workforce Initiative One-Stop Operator	19,549
		54,453
273AD24 Adult	Career Team One-Stop Operator	40,634
273AD24 Adult	Hightower Workforce Initiative One-Stop Operator	70,087
		110,721
271DW22 Dislocated Workers	Career Team One-Stop Operator	28,119
271DW22 Dislocated Workers	Heartland Communication Consultants, Inc.	1,680
271DW22 Dislocated Workers	Hightower Workforce Initiative One-Stop Operator	4,962
		34,761

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2024

Note 7 - Sub-Recipient, Continued

Program Title	Sub Recipient	Amount Provided
271DW23 Dislocated Workers	Career Team One-Stop Operator	182,032
271DW23 Dislocated Workers	Heartland Communication Consultants, Inc.	32,084
271DW23 Dislocated Workers	Hightower Workforce Initiative One-Stop Operator	35,875
271DW23 Dislocated Workers	Your Recruiting Company Inc	1,599
		251,590
271DW24 Dislocated Workers	Heartland Communication Consultants, Inc.	1,366
271DW24 Dislocated Workers	Hightower Workforce Initiative One-Stop Operator	3,530
271DW24 Dislocated Workers	Your Recruiting Company Inc	5,634
		10,530
272DW22 Dislocated Workers	Career Team One-Stop Operator	12,313
272DW22 Dislocated Workers	Heartland Communication Consultants, Inc.	3,165
272DW22 Dislocated Workers	Hightower Workforce Initiative One-Stop Operator	6,760
272DW22 Dislocated Workers	Your Recruiting Company Inc	3,681
		25,919
272DW23 Dislocated Workers	Career Team One-Stop Operator	39,298
272DW23 Dislocated Workers	Heartland Communication Consultants, Inc.	2,006
272DW23 Dislocated Workers	Hightower Workforce Initiative One-Stop Operator	6,287
272DW23 Dislocated Workers	Your Recruiting Company Inc	6,336
		53,927
272DW24 Dislocated Workers	Career Team One-Stop Operator	19,797
272DW24 Dislocated Workers	Heartland Communication Consultants, Inc.	1,151
272DW24 Dislocated Workers	Hightower Workforce Initiative One-Stop Operator	2,713
272DW24 Dislocated Workers	Your Recruiting Company Inc	5,192
		28,853
274YT22 Youth	Career Team One-Stop Operator	192,618
274YT22 Youth	Heartland Communication Consultants, Inc.	16,103
274YT22 Youth	Hightower Workforce Initiative One-Stop Operator	6,011
274YT22 Youth	Your Recruiting Company Inc	9,520
		224,252
274YT23 Youth	Career Team One-Stop Operator	298,141
274YT23 Youth	Heartland Communication Consultants, Inc.	38,029
274YT23 Youth	Hightower Workforce Initiative One-Stop Operator	36,180
274YT23 Youth	Your Recruiting Company Inc	7,040
		379,390
274YT24 Youth	Career Team One-Stop Operator	142,239
274YT24 Youth	Heartland Communication Consultants, Inc.	5,794
274YT24 Youth	Hightower Workforce Initiative One-Stop Operator	12,947
274YT24 Youth	Your Recruiting Company Inc	7,392
		168,372
	Total Workforce Innovation & Opportunity Act	**1,367,283**
	Total Funds Passed Thru to Subrecipients	**$ 4,120,628**

Clauson, Mouser & Co., PSC
CERTIFIED PUBLIC ACCOUNTANTS

KENNETH D. CLAUSON, CPA
SUSAN C. MOUSER, CPA

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
Lincoln Trail Area Development District
Elizabethtown, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincoln Trail Area Development District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Lincoln Trail Area Development District's basic financial statements, and have issued our report thereon dated December 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lincoln Trail Area Development District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lincoln Trail Area Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lincoln Trail Area Development District'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 were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Clauson, Mouser & Co

Certified Public Accountants

December 30, 2024

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Clauson, Mouser & Co., PSC
CERTIFIED PUBLIC ACCOUNTANTS

KENNETH D. CLAUSON, CPA
SUSAN C. MOUSER, CPA

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Lincoln Trail Area Development District
Elizabethtown, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lincoln Trail Area Development District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lincoln Trail Area Development District's major federal programs for the year ended June 30, 2024. Lincoln Trail Area Development District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lincoln Trail Area Development District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lincoln Trail Area Development District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Clauson, Mouser & Co.

Certified Public Accountants

December 30, 2024

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS and PRIOR AUDIT FINDINGS

Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

<u>WIOA Cluster</u>
17.258 – WIOA Adult Program
17.259 – WIOA Youth Activities
17.278 – WIOA Dislocated Worker Formula Grants

Dollar threshold used to distinguish between type A and type B programs: $750,000.

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

Section IV - Prior Audit Findings

There were no prior audit findings.