

**REPORT OF THE AUDIT OF THE  
LINCOLN TRAIL AREA  
DEVELOPMENT DISTRICT**

**For The Year Ended  
June 30, 2023**



**MIKE HARMON  
AUDITOR OF PUBLIC ACCOUNTS  
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**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

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 financial statements of the governmental activities and each major fund of the Lincoln Trail Area Development District, as of and for the year ended June 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Lincoln Trail Area Development District, as of June 30, 2023, 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 (GAAS) 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 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***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.



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

### ***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 GAAS 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 GAAS, 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 Lincoln Trail Area Development District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 5 through 10, the Budgetary Comparison Schedule on page 43, the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions on page 47 and Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions on page 49 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.

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

*Required Supplementary Information (Continued)*

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 the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 5, 2023, 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 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 the Lincoln Trail Area Development District's internal control over financial reporting and compliance.

Respectfully submitted,



Mike Harmon  
Auditor of Public Accounts  
Frankfort, Ky

December 5, 2023

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
BOARD OF DIRECTORS**

**For The Year Ended June 30, 2023**

Breckinridge County

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

Grayson County

Kevin Henderson, County Judge/Executive  
Harold Miller, Mayor of Leitchfield  
Becky Miller, Citizen Member, Secretary  
Vivian Decker, Citizen Member  
Trish Niles, WDB Chair

Hardin County

Keith Taul, County Judge/Executive  
Jeff Gregory, Mayor of Elizabethtown, Treasurer  
JJ Duvall, Major of Radcliff  
Pam Ogden, Mayor of Vine Grove  
Richard Ciresi, Mayor of West Point  
Scott Alicna, Citizen Member  
Debbie Howell, Citizen Member  
Darrin Howell, Citizen Member  
TW Shortt, Citizen Member  
Kyle Souleyrette, Citizen Member  
Kendra Scott, Citizen Member

Larue County

Blake Durrett, County Judge/Executive  
Jim Phelps, Mayor of Hodgenville, Second Vice Chair  
Tom Claycomb, Citizen Member  
Tommy Turner, Citizen Member

Marion County

David Daugherty, County Judge/Executive, Chairman  
Gary Crenshaw, Mayor of Lebanon  
Jerry Evans, Citizen Member  
Stanley Gaddie, Citizen Member  
George Spragens, Citizen Member

Meade County

Troy Kok, County Judge/Executive  
Bryan Claycomb, Mayor of Brandenburg  
Joseph Noon, Mayor of Muldraugh  
Janet Hobbs, Aging Advisory Council Chair  
Alex Richardson, Citizen Member

Nelson County

Tim Hutchins, County Judge/Executive  
Dick Heaton, Mayor of Bardstown  
Chris Dudgeon, Mayor of Bloomfield

Washington County

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

Fort Knox

Jason Root, Director of Public Works

Legislative Representative

Representative Brandon Reed  
Senator Stephen Meredith



**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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, 2023. Please read it in conjunction with the District's basic financial statements, which begin on page 13.

**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 (\$2,232,133). The ending net position for the LTADD was (\$1,127,880). LTADD's total net position increased by \$1,104,253 or 49.47%, from this period last year. In the prior year net position increased by \$22,021. The LTADD is in the ninth year of implementation of GASB Statement No. 68 "*Accounting and Financial Reporting for Pensions*" and the sixth 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.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023 (Continued)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Government-wide Financial Statements (Continued)**

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.

**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**

**Condensed Statement of Net Position:**

	<b>Government Activities</b>		<b>Dollar Change</b>	<b>Percent Change</b>
	<b>2023</b>	<b>2022</b>		
<b>Assets</b>				
Current Assets	\$ 4,556,510	\$ 3,004,088	\$ 1,552,422	51.68%
Right-To-Use Leased Assets, Net	16,865		16,865	100.00%
Capital Assets, Net	638,937	142,394	496,543	348.71%
Revolving Loan Funds Cash And Receivables, Net	655,415	653,011	2,404	0.37%
Total Assets	<u>5,867,727</u>	<u>3,799,493</u>	<u>2,068,234</u>	<u>54.43%</u>
Deferred Outflows of Resources	<u>1,828,160</u>	<u>1,780,483</u>	<u>47,677</u>	<u>2.68%</u>
<b>Liabilities</b>				
Current Liabilities	1,699,773	989,351	710,422	71.81%
Non-Current Liabilities	5,396,375	5,188,391	207,984	4.01%
Total Liabilities	<u>7,096,148</u>	<u>6,177,742</u>	<u>918,406</u>	<u>14.87%</u>
Deferred Inflows of Resources	<u>1,727,619</u>	<u>1,634,367</u>	<u>93,252</u>	<u>5.71%</u>
<b>Net Position</b>				
Invested in Capital Assets	638,937	142,394	496,543	348.71%
Restricted	655,415	653,011	2,404	0.37%
Unrestricted	(2,422,232)	(3,027,538)	605,306	-19.99%
Total Net Position	<u>\$ (1,127,880)</u>	<u>\$ (2,232,133)</u>	<u>\$ 1,104,253</u>	<u>-49.47%</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023 (Continued)**

**FINANCIAL ANALYSIS OF LTADD AS A WHOLE (CONTINUED)**

LTADD's net position increased \$1,104,253, or 49.47%, for the year ended June 30, 2023. The FY23 ending ratio of current assets to current liabilities is 2.7 times. The most significant increases and decreases in net position are as follows: cash increased \$111,282, grant receivables increased \$729,308, other receivables increased \$862,318, capital assets increased \$496,543, accounts payable increased \$514,736, accrued wages increased \$157,266, and deferred revenue increased \$159,354 in comparison to the prior year. The \$862,318 increase in other receivables is principally due to the sale of contributed assets sold prior to year-end, but collected shortly after year end. The \$496,543 increase in capital assets was due to purchases of equipment in the amount of \$290,279, of which \$200,649 was funded by JFA CARES Act funds, leasehold improvements in progress in the amount of \$266,558, less current year depreciation of \$60,294. Other significant increases and decreases are the result of routine operations. The general fund cash account decreased by \$47,539 which is a result of the operational needs of the District.

**Condensed Statement of Revenues, Expenses, and Change In Net Position:**

	<b>Government Activities</b>		<b>Dollar Change</b>	<b>Percent Change</b>
	<b>2023</b>	<b>2022</b>		
<b>Revenues</b>				
<b>Program Revenues</b>				
Operating Grants and Contributions	\$ 15,137,753	\$ 10,352,778	\$ 4,784,975	46.22%
Charges for Services	34,944	33,414	1,530	4.58%
<b>General Revenues</b>				
Member Dues	101,638	90,959	10,679	11.74%
Interest	13,278	1,631	11,647	714.10%
Other Non-Budgeted Revenue	53,244	7,398	45,846	619.71%
<b>Total Revenues</b>	<b>15,340,857</b>	<b>10,486,180</b>	<b>4,854,677</b>	<b>46.30%</b>
<b>Expenses</b>				
General Government	123,412	65,115	58,297	89.53%
Community and Economic Development	575,747	473,436	102,311	21.61%
Revolving Loan Funds	15,336	10,408	4,928	47.35%
Employment and Training	2,047,101	1,448,332	598,769	41.34%
Social Services	12,034,844	8,186,278	3,848,566	47.01%
Transportation	280,164	280,590	(426)	-0.15%
<b>Total Expenses</b>	<b>15,076,604</b>	<b>10,464,159</b>	<b>4,612,445</b>	<b>44.08%</b>
<b>Other Financing Source (Uses):</b>				
Sale Of Contributed Assets	840,000		840,000	100.00%
Increase (Decrease) in Net Position	1,104,253	22,021	1,082,232	4914.55%

LTADD recognized a \$4,854,677, or 46.30% increase in revenue in FY 2023 when compared to revenue recognized in the FY 2022 period. The current year's increase can be attributed to an increase of \$3,918,758 in Social Services funding mostly due to a \$3,121,706 increase in Participant Directed Services program due to continued growth in client base. Title III funded services saw combined reduction of \$357,824 over prior year while Personal Care Attendant Program saw a decrease of \$216,833 from the prior period due to the State taking over management of the program on January 1, 2023. Furthermore, in Aging Services, in FY23 LTADD was awarded \$1,365,413 in federal funds for a new Expanded Senior Meals Program. Community Development and Transportation funds increased by \$298,108 mainly due to expenditures in the JFA CARES Act program and an increase of \$133,543 in traditional JFA funding. The estimated allowance for loan loss is zero the RLF Legacy and a provision of \$5,662 has been made for a loan in default in the RLF CARES Act program. We are working through an attorney to collect on the outstanding debt and are in the process of working out a payment plan. At June 30, 2023, seven RLF Legacy loans and seven RLF CARES Act loans were paid through an ACH Authorized direct deposit program.

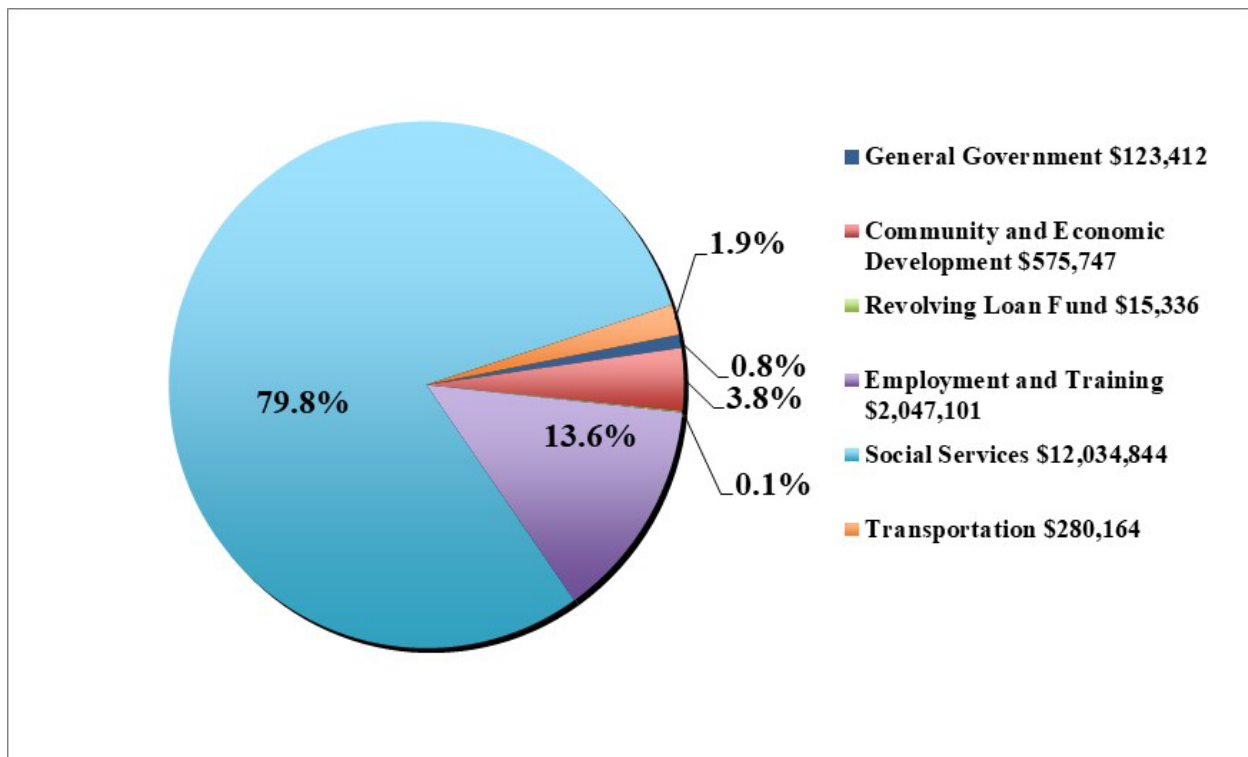
**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023 (Continued)**

**FINANCIAL ANALYSIS OF LTADD AS A WHOLE (CONTINUED)**

**Expenses:**

LTADD recognized a \$4,612,445, or 44.08% increase in expenses in FY 2023 in comparison to the prior period. Social Services expenditures increased \$3,848,566 principally due to an increase of \$3,104,203 in Participant Directed Services program for client base services. Workforce expenditures increased by \$598,769 due to contractual obligations and an increase in direct services provided to clients.

LTADD expenses cover a range of services. The following pie chart outlines the percentages and amounts expended by activity. Social Services makes up 79.8% of the expenditures; which is a 1.6% increase over last year's percentage. Community Development saw a 0.7% decrease and Transportation a 0.8% decrease when compared to the prior year. Employment and Training activities make up 13.6% of expenditures, which is down 0.2% from its FY 2022 share. General Government saw a slight increase of 0.2% in FY 2023.



**AGENCY HIGHLIGHTS**

LTADD had another very successful year. The agency achieved \$15,340,857 in revenues for FY23. This is an increase of \$4,854,677 or 46.30% from the prior year. This increase represents great confidence from the Commonwealth of Kentucky agencies and local governments in the ADD's ability to positively impact the region.

LTADD will continue to be called on to meet the needs of our eight-county region. Within the fiscal year, BlueOval SK, a joint venture between Ford Motor Company and SK On based in South Korea, announced a \$5.8 billion dollar and 5,000 employee investment. In addition, the Bourbon Industry expanded by \$2.1 billion and 700 new jobs, mostly within LTADD's region. Nucor Steel added another \$1.7 billion and 700 jobs (originally estimated at 400) in Meade County. As a result of these investments, we expect our mission of planning infrastructure and developing the workforce to increase significantly over the next several years.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023 (Continued)**

**AGENCY HIGHLIGHTS (Continued)**

Our aging program grew significantly (over 47%) 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 29, representing an approximate 20% increase over FY22. We estimate another 10% increase next FY and each year thereafter for the foreseeable future.

Additionally, we strengthened our controls. We revamped our Personnel Policies and Procedures to require everyone in management and fiscal positions to take five (5) consecutive days of leave comparable to policies financial institutions have in place. In addition, for the first time in the ADD's history, we worked with department directors to draft very strong and detailed Financial Policies and Procedures to guide the agency's every financial move.

Finally, we engaged in a review of all programs to find efficiencies and use those efficiencies to fund a move to a new location. Our new location will cost \$156,000 for the first year; the team was able to find savings exceeding this amount thus zeroing out our new lease liability.

It is my opinion the ADD is on its best financial and operational footing in history due to the work of the entire team! Everyone is rowing in the same direction with a focus on our strategic goals to ensure a better and brighter future for the region.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At year-end 2023, LTADD had invested \$976,186 in capital assets, including vehicles, office furniture, office equipment and computers. Overall, investment in capital assets, net of depreciation, increased by \$496,543 from the prior year. More detailed information about LTADD's capital assets is presented in Note 8 to the financial statements.

**Long-term Liabilities**

Long-term liabilities consisting of compensated absences, lease liabilities, net pension liability and net OPEB liability increased \$166,856 from the prior year. More detailed information about LTADD's long-term liabilities is presented in Note 10 to the financial statements.

**CURRENT AND NEXT YEAR'S BUDGETS**

LTADD's FY23 amended budget was based on actual information received from the federal, state and local government contracts as of May 2023. The District's budget is based on the grant's management basis of accounting. More detailed information about LTADD's budget basis is presented in Note 1 of the budgetary comparison schedule. Revenues and expenditures were budgeted at \$15,175,419. FY23 revenues of \$15,367,506 exceeded budgeted amounts by \$192,087, or 1.25%. The most significant variance in actual to budget is the \$840,000 proceeds from the sale of contributed assets, which was not budgeted. FY23 expenditures of \$15,519,310 exceed budgeted amounts by \$343,891, or 2.3%. Expenditures in excess of budget were funded by current year's revenue in excess of budget and prior years' carryover funds.

LTADD's FY24 revenues and expenditures are budgeted at \$16,911,863. Budgeted amounts reflect an increase of approximately \$1,736,000 over FY 23 budgeted. Revenues are budgeted at approximately \$704,000 over FY23 actual, with expenditures budgeted at approximately \$1,393,000 over FY 23 actual.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023 (Continued)**

**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 S. Provident Way, Elizabethtown, KY 42701.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
BASIC FINANCIAL STATEMENTS**

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**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 2,146,885
Grant Receivables	1,508,930
Other Receivables	55,628
Other Receivable - Contributed Asset Sale	840,000
Prepaid Expenses	5,067
<b>Total Current Assets:</b>	<b>4,556,510</b>
<b>Non-Current Assets:</b>	
Right to Use Leased Assets, Net of Amortization	16,865
Capital Assets, Net of Depreciation	638,937
<b>Total Non-Current Assets:</b>	<b>655,802</b>
<b>Restricted Assets:</b>	
Cash - Revolving Loan Fund - Legacy	306,927
Cash - Revolving Loan Fund - CARES Act Funds	126,978
Revolving Loan Funds Receivable, Net Of Allowance - Legacy	180,652
Revolving Loan Funds Receivable, Net Of Allowance - CARES Act	40,858
<b>Total Restricted Assets:</b>	<b>655,415</b>
<b>Total Assets</b>	<b>5,867,727</b>
<b>Deferred Outflows of Resources:</b>	
Deferred Outflows Related to Pensions	1,167,174
Deferred Outflows Related to OPEB	660,986
<b>Total Deferred Outflows of Resources:</b>	<b>1,828,160</b>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts Payable	887,273
Advanced From Grantors	197,504
Unearned Grant Revenue Due To Grantor	46,548
Accrued Wages	473,340
Payroll Withholdings and Accruals	76,256
Compensated Absences, Current	10,465
Lease Liabilities, Current	8,387
<b>Total Current Liabilities:</b>	<b>1,699,773</b>
<b>Noncurrent Liabilities:</b>	
Compensated Absences, Net of Current Portion	117,221
Lease Liabilities, Net of Current Portion	8,478
Net Pension Liability	4,139,695
Net OPEB Liability	1,130,981
<b>Total Noncurrent Liabilities:</b>	<b>5,396,375</b>
<b>Total Liabilities</b>	<b>7,096,148</b>
<b>Deferred Inflows of Resources:</b>	
Deferred Inflows Related to Pensions	702,208
Deferred Inflows Related to OPEB	721,254
Deferred Revenue	304,157
<b>Total Deferred Inflows of Resources:</b>	<b>1,727,619</b>
<b>NET POSITION</b>	
Net Invested In Capital Assets	638,937
Restricted For Revolving Loan Fund	655,415
Unrestricted	(2,422,232)
<b>Total Net Position</b>	<b>\$ (1,127,880)</b>

The accompanying notes are an integral part of the financial statement.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2023**

<b>Functions/Programs</b>	<u>Program Revenues</u>				<b>Net (Expenses) Revenues and Changes in Net Position</b>
	<b>Direct Expenses</b>	<b>Indirect Cost Allocated</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
Governmental Activities:					
General Government	\$ 98,556	\$ 24,856	\$ 34,944	\$ 49,216	\$ (39,252)
Community And Economic Development	458,521	117,226		703,156	127,409
Revolving Loan Fund	13,584	1,752			(15,336)
Employment And Training	1,921,284	125,817		2,027,380	(19,721)
Social Services	11,584,178	450,666		12,084,119	49,275
Transportation	217,355	62,809		273,882	(6,282)
Total Governmental Activities	<u>14,293,478</u>	<u>783,126</u>	<u>34,944</u>	<u>15,137,753</u>	<u>96,093</u>
 Total Primary Government	 <u>\$ 14,293,478</u>	 <u>\$ 783,126</u>	 <u>\$ 34,944</u>	 <u>\$ 15,137,753</u>	 <u>96,093</u>
			General Revenues:		
			Member Dues		101,638
			Interest		13,278
			Other Income		53,244
			Total General Revenues		<u>168,160</u>
			Other Financing Sources (Uses):		
			Sale Of Contributed Asset		840,000
			Change in Net Position		<u>1,104,253</u>
			Net Position - Beginning Of Year		<u>(2,232,133)</u>
			Net Position - End Of Year		<u>\$ (1,127,880)</u>

The accompanying notes are an integral part of the financial statement.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2023**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,367,774	\$ 1,213,016	\$ 2,580,790
Interfund Receivables	1,076,651		1,076,651
Grant Receivables		1,508,930	1,508,930
Other Receivables		55,628	55,628
Other Receivables - Contributed Asset Sale		840,000	840,000
Prepaid Expenses	1,700	3,367	5,067
<b>TOTAL ASSETS</b>	<u>\$ 2,446,125</u>	<u>\$ 3,620,941</u>	<u>\$ 6,067,066</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable		\$ 887,273	\$ 887,273
Interfund Payables		1,076,651	1,076,651
Advances From Grantors		197,504	197,504
Unearned Grant Revenue Due To Grantor		46,548	46,548
Deferred Revenue		304,157	304,157
Accrued Wages		473,340	473,340
Payroll Withholdings And Accruals		76,256	76,256
<b>TOTAL LIABILITIES</b>	<u>\$ 0</u>	<u>\$ 3,061,729</u>	<u>3,061,729</u>
<b>FUND BALANCES</b>			
Nonspendable	\$ 5,067		\$ 5,067
Restricted		\$ 429,825	429,825
Committed		129,387	129,387
Unassigned	2,441,058		2,441,058
<b>TOTAL FUND BALANCES</b>	<u>\$ 2,446,125</u>	<u>\$ 559,212</u>	<u>\$ 3,005,337</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,446,125</u>	<u>\$ 3,620,941</u>	<u>\$ 6,067,066</u>

The accompanying notes are an integral part of the financial statement.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
RECONCILIATION OF THE BALANCE SHEET  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
June 30, 2023**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position:**

Total Fund Balances - Total Governmental Funds		\$ 3,005,337
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	\$ 709,628	
Accumulated Depreciation	(337,249)	
Leasehold Improvements In Progress	<u>266,558</u>	638,937
Right to use leased assets used in governmental activities are financed resources and therefore are not reported in the fund financial statements:	16,865	
	<u>(16,865)</u>	
Long-term restricted assets are not available to pay for current period expenditures:		
Revolving Loan Fund Receivables - Legacy	180,652	
Revolving Loan Fund Receivables - CARES Act	46,520	
Revolving Loan Fund Bad Debt Allowance - CARES Act	<u>(5,662)</u>	221,510
Deferred outflows and inflows of resources related to pensions are applicable to future periods, therefore, are not reported in the fund statements:		
Deferred Outflows Related to Pensions	1,167,174	
Deferred Inflows Related to Pensions	<u>(702,208)</u>	464,966
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	660,986	
Deferred Inflows of Resources Related to OPEB	<u>(721,254)</u>	(60,268)
Long-term liabilities, including net pension liability are not due and payable in the current period, and therefore are not reported as liabilities in the governmental funds.		
Compensated Absences	(127,686)	
Net Pension Liability	(4,139,695)	
Net OPEB Liability	<u>(1,130,981)</u>	(5,398,362)
Net Position Of Governmental Activities		<u><u>\$ (1,127,880)</u></u>

The accompanying notes are an integral part of the financial statement.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Federal Revenue	\$ 34,216	\$ 5,108,832	\$ 5,143,048
State Revenue		9,579,862	9,579,862
Local Revenue	151,582	41,373	192,955
Transfer of Local Funds	(45,983)	45,983	
Cash Match		198,093	198,093
Program Income		22,577	22,577
Interest Income	1,934	11,344	13,278
Other Revenues	38,737	14,507	53,244
In-Kind Contributions		137,800	137,800
Total Revenues	<u>180,486</u>	<u>15,160,371</u>	<u>15,340,857</u>
<b>EXPENDITURES</b>			
General Government	464,949		464,949
Community and Economic Development		739,887	739,887
Social Services		11,983,017	11,983,017
Employment and Training		2,035,551	2,035,551
Transportation		271,871	271,871
Revolving Loan Fund		9,472	9,472
Total Expenditures	<u>464,949</u>	<u>15,039,798</u>	<u>15,504,747</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>(284,463)</u>	<u>120,573</u>	<u>(163,890)</u>
<b>Other Financing Sources (Uses)</b>			
Sale of Contributed Asset	840,000		840,000
RLF Principal Received (Disbursed), net		139,094	139,094
Transfers From Other Funds	78,925		78,925
Transfers To Other Funds		(78,925)	(78,925)
Total Other Financing Sources (Uses)	<u>918,925</u>	<u>60,169</u>	<u>979,094</u>
Net Change in Fund Balances	634,462	180,742	815,204
Fund Balances - Beginning	<u>1,811,663</u>	<u>378,470</u>	<u>2,190,133</u>
Fund Balances - Ending	<u>\$ 2,446,125</u>	<u>\$ 559,212</u>	<u>\$ 3,005,337</u>

The accompanying notes are an integral part of the financial statement.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2023**

**Reconciliation to the Statement of Activities:**

Net Change in Fund Balances - Total Governmental Funds \$ 815,204

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	\$ 290,279	
Depreciation Expense	(60,294)	
Leasehold Improvements In Progress	<u>266,558</u>	496,543

Payments received on long-term revolving loan fund receivables are reported as other financing sources in the governmental funds, but reduce the receivable 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	(82,007)	
Change In Revolving Loan Fund Receivable, Net Of Allowance - RLF Cares Act	<u>(62,750)</u>	(144,757)

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		(37,872)
--	--	----------

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.

55,659

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.

(80,524)

**Change in Net Position of Governmental Activities**

\$ 1,104,253

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**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

**Note 1. 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 2. 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.

**A. Basis of Presentation**

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.



**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 2. Summary of Significant Accounting Policies (Continued)**

**A. Basis of Presentation (Continued)**

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.

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

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 2. Summary of Significant Accounting Policies (Continued)**

**B. 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.

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 are 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.

**C. 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.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 2. Summary of Significant Accounting Policies (Continued)**

**D. Cash Equivalents**

For purposes of financial statement presentation, LTADD considers all cash on hand, demand deposits and certificates of deposit as cash equivalents.

**E. 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.

**F. 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:

<u>Description</u>	<u>Estimated Lives</u>
Vehicles and Equipment	3-7 Years
Equipment - Grant Purchas	5 Years

**G. 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.

**H. 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.

**I. 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 FY23 is on page 53. In management's judgment LTADD is in conformity with 2 CFR 200.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 2. Summary of Significant Accounting Policies (Continued)**

**J. 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 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.

**K. Fund Balance Classification**

(1) 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.

**L. Income Taxes**

LTADD is exempt from federal and state income taxes by virtue of being a unit of local government and, accordingly, the financial statements include no provision for such taxes.

**M. 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.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 3. 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 4. 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 Statutes 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 chartered 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.

The District's policy is to have all deposits covered by depository insurance or secured by pledged securities. At June 30, 2023, the carrying amounts of the District's deposits were \$2,580,790 and the bank balances were \$2,634,792. Of the bank balances, \$500,000 was covered by FDIC insurance, and \$2,134,792 was covered by collateral held by the pledging financial institution in the District's name.

**Note 5. Interfund Receivables and Payables**

Receivables and payables between funds included on the Balance Sheet – Governmental Funds at June 30, 2023 are as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 1,076,651

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.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 6. Federal And State Administered 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, 2023 consisted of the following:

Cabinet For Health & Family Services - Aging	\$ 286,437
Transportation Cabinet	79,443
Kentucky Energy & Environment Cabinet	627
Department for Defense - Office Of Local Community Cooperation	8,262
Division of Aging Services - Participant Directed Services	558,108
KY Cabinet for Workforce Development	<u>576,053</u>
Total Federal And State Administered Grant Receivables	<u><u>\$1,508,930</u></u>

**Note 7. 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, 2023, there were seven active loans with an outstanding principal balance of \$180,652. In October 2021, these funds were de-federalized.

In FY 2021, LTADD received a direct federal award from the EDA 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, 2023, there were seven RLF CARES Act loans with an outstanding balance of \$46,520, six are current loans and one loan is in default. Of the \$500,000, \$169,300 was loaned out and \$330,700 was de-obligated.

All loans for both the RLF Legacy were current and RLF CARES Act programs had six current and one in default at June 30, 2023. LTADD is working with an attorney to recover funds due on the loan in default.

The revolving loan fund receivables at June 30, 2023 are summarized as follows:

	<u>RLF Legacy</u>	<u>RLF Cares Act</u>
Principal Balance Of Loans Outstanding	\$ 180,652	\$ 46,520
Allowance For Loan Losses		<u>(5,662)</u>
Total Revolving Loan Fund Receivables, Net Of Allowance	<u>\$ 180,652</u>	<u>\$ 40,858</u>

Recoveries and provisions are recorded in the government-wide financial statements. In management's opinion, all known and anticipated loan losses have been either previously written off, or adequately provided for in the allowance for loan losses.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 8. Capital Assets**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
Vehicles and Equipment	\$ 340,061	\$ 76,606	\$ 63,456	\$ 353,211
Equipment - Grant Purchased	164,261	213,673	21,517	356,417
Leasehold Improvements In Progress		266,558		266,558
Total Cost	<u>504,322</u>	<u>556,837</u>	<u>84,973</u>	<u>976,186</u>
Less Accumulated Depreciation				
Vehicles and Equipment	239,390	26,649	63,456	202,583
Equipment - Grant Purchased	<u>122,538</u>	<u>33,645</u>	<u>21,517</u>	<u>134,666</u>
Total Accumulated Depreciation	<u>361,928</u>	<u>60,294</u>	<u>84,973</u>	<u>337,249</u>
Net Capital Assets	<u>\$ 142,394</u>	<u>\$ 496,543</u>	<u>\$ 0</u>	<u>\$ 638,937</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 26,649
Community And Economic Development	22,941
Employment And Training	3,486
Social Services	6,195
Transportation	<u>1,023</u>
Total Depreciation Expense	<u>\$ 60,294</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 9. Unearned Grant Revenue Due To Grantor**

At June 30, 2023 unearned grant revenue of \$46,548 includes revenues received but not earned, from District grant agreements, and is as follows:

<b>Contract/Billing Name</b>	<b>FY23 Revenue</b>	<b>FY23 Expenditures</b>	<b>Amount Due to Grantor</b>
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	17,629	16,329	1,300
Aging - MIPPA/SHIP	21,053	20,087	966
Aging -Title VII Elder Abuse	4,969	4,961	8
Participant Directed Services			5,738
Prescription Assistance Program			3,814
Regional Transportation			2,753
			<u>\$ 46,548</u>

**Note 10. Long-Term Liabilities**

A summary of the changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Payments/ Reductions	Ending Balance	Amount Due Within One Year
Compensated Absences	\$ 89,814	\$ 37,872	\$	\$ 127,686	\$ 10,465
Lease Liabilities	26,525		9,660	16,865	8,387
Net Pension Liability	3,947,121	192,574		4,139,695	
Net OPEB Liability	1,184,911		53,930	1,130,981	
Total Long-term Liabilities	<u>\$ 5,248,371</u>	<u>\$ 230,446</u>	<u>\$ 63,590</u>	<u>\$ 5,415,227</u>	<u>\$ 18,852</u>

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



**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 10. Long-Term Liabilities (Continued)**

The District has entered into two lease agreements to lease 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.

- a. The first agreement was executed on May 30, 2019, to lease a postage meter and requires 48 quarterly payments of \$539. There are no variable payment components of the lease. The lease liability is calculated at an annual percentage rate of 10.43% 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 \$8,326. The unamortized net book value of the lease is \$1,120 at June 30, 2023.
- b. The second 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 at 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 \$15,745 at June 30, 2023.

An increase to long-term debt of \$192,574 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 \$53,930 to net OPEB liability.

**Note 11. 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 \$1,167,174 and the other post-employment benefit deferred outflows of \$660,986 at June 30, 2023. The pension deferred outflows are described in Note 12 to the financial statements. The other post-employment benefit deferred outflows are described in Note 13.

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 qualified for reporting in this category: the pension deferred inflows of \$702,208, other post-employment benefit deferred inflows of \$721,254 and deferred revenue of \$304,157 at June 30, 2023. The pension deferred inflows are described in Note 12 to the financial statements. The other post-employment benefit deferred inflows are described in Note 13.

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 STATEMENT  
June 30, 2023  
(Continued)**

**Note 11. Deferred Outflows/Inflows of Resources (Continued)**

Deferred revenue at June 30, 2023 is as follows:

<b>Funding Source</b>	<b><u>Amount</u></b>
ADRC - Medicaid Federal Funds	\$ 60,333
City of Bloomfield FY24 Local Contributions	371
City of Irvington FY24 Local Contributions	1,972
Breckinridge County FY24 Local Contributions	1,972
Hazard Mitigation Match - ADF Funds	6,123
Participant Directed Services	227,048
Service Providers	4,242
Washington County Match	39
Workforce Investment and Opportunity Act	<u>2,057</u>
	<u>\$304,157</u>

**Note 12. 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 Pensions Authority (KPPA) was created by KRS 61.505 to provide staffing and daily administrative needs for CERS and Ky. Ret. Sys. 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 (502) 564-4646.

*Benefits provided.* Kentucky Revised Statute Section 61.645 establishes the benefit terms and can be amended only by the Kentucky General Assembly. The chief legislative body may adopt the benefit terms permitted by statute, 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.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
NOTES TO FINANCIAL STATEMENT  
June 30, 2023  
(Continued)**

**Note 12. Pension Plan (Continued)**

**General Information about the Pension Plan (Continued)**

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 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, 2023, total employer contributions for the District were \$485,990 based on a rate of 26.79% for Non-Hazardous members through covered payroll. The contribution rate of 26.79% for Non-Hazardous is comprised of amounts for pension and insurance benefits; 23.40% or \$424,493 was dedicated to pensions and 3.39% or \$61,497 was allocated to insurance.

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 2022. This method is expected to be reflective of the employers' long term contribution effort. At June 30, 2022, the District's proportion was .057265 percent, which was a decrease of .004643 percent from its proportion measured at June 30, 2022.

**Net Pension Liability**

For financial reporting, the actuarial valuation as of June 30, 2022 was performed by Gabriel Roeder Smith (GRS). The total pension liability, net pension liability, and sensitivity information as of June 30, 2022 were based on an actuarial valuation date as of June 30, 2021. The total pension liability was rolled-forward from the valuation date (June 30, 2021) to the plan's fiscal year ending June 30, 2022, using generally accepted actuarial principles.

*Actuarial Assumptions.* There have been no actual assumption or method changes since June 30, 2021.

The assumptions are:

Inflation	2.30 percent
Payroll Growth Rate	2.00 percent
Salary Increases	3.30 percent to 10.30% (varies by service)
Investment rate of return	6.25 percent

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 12. Pension Plan (Continued)**

**Net Pension Liability (Continued)**

During the 2018 legislative session, House Bill 185 was recommended, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children.

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 bases. 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. There were no other material plan provision changes.

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 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2020. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The long-term expected 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
<b>Equity Growth</b>	<b>60.00%</b>	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
<b>Fixed Income</b>	<b>20.00%</b>	
Core Bonds	10.00%	0.28%
Specialty Credit/High Yield	10.00%	2.28%
Cash	0.00%	-0.91%
<b>Inflation Protected</b>	<b>20.00%</b>	
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
<b>Expected Real Return</b>	<b>100.00%</b>	<b>4.28%</b>
<b>Long Term Inflation Assumption</b>		<b>2.30%</b>
<b>Expected Nominal Return for Portfolio</b>		<b>6.58%</b>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 12. Pension Plan (Continued)**

**Net Pension Liability (Continued)**

*Discount rate.* The projection of cash flows used to determine the discount rate of 6.25% for CERS Non-hazardous assumes that the funds receive the 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 29 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 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 6.25 percent, as well as the net pension liability (asset) if calculated using a discount rate that is 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current rate:

1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
\$ 5,174,105	\$ 4,139,695	\$ 3,284,152

*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, 2023, the District recognized pension expense (income) of \$368,834 (calculated).

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2022, 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	\$ 563,288	\$ 457,162
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	4,426	36,866
Changes in proportion and difference between employer contributions and proportionate share of plan contributions	174,967	208,180
Employer Contributions subsequent to the measurement date	424,493	
Total	<u>\$ 1,167,174</u>	<u>\$ 702,208</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 12. Pension Plan (Continued)**

**Net Pension Liability (Continued)**

The amount shown above for “Contributions subsequent to the measurement date” will be recognized as a reduction to net pension liability in the following measurement period.

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

Years Ended	Pension Expense
<u>June 30,</u>	<u>Amount</u>
2024	\$ 46,183
2025	(88,522)
2026	(34,788)
2027	<u>117,599</u>
Total	<u>\$ 40,472</u>

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

**Note 13. 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 statute 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 (502) 564-4646.

*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 member 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 when the members applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 13. Other Post-Employment Benefit Plans (Continued)**

*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, 2023, was 3.39 percent of annual creditable compensation. Contributions to the Insurance Fund from the District were \$61,497 for the year ended June 30, 2023. 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 2022. This method is expected to be reflective of the employers' long-term contribution effort. At June 30, 2022 the District's proportion was .057308 percent, which is a decrease of .004585 percent from its proportion measured as of June 30, 2021.

**Net OPEB Liability**

For financial reporting, the actuarial valuation as of June 30, 2021 was performed by Gabriel Roeder Smith (GRS). The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2022 were based on an actuarial valuation date as of June 30, 2021. The total OPEB liability was rolled-forward from the valuation date (June 30, 2021) to the plan's fiscal year ending June 30, 2022, using generally accepted actuarial principles.

*Actuarial Assumptions.* The total OPEB liability as of June 30, 2022 was determined using the updated assumptions as follows:

Inflation	2.30 percent
Payroll Growth Rate	2.00 percent
Salary Increases	3.30 percent to 10.30% (varies by service)
Investment rate of return	6.25 percent
Historical Trend Rate:	
Pre-65	Initial trend starting at 6.20% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post 64	Initial trend starting at 9.0% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.

Senate Bill 169 passed during 2021 legislative session and changed the disability benefits for certain qualifying members who become "totally and permanently disable" in the line of duty or as a result of a duty-related disability. The total OPEB liability as of June 30, 2021, is determined using these updated benefit provisions. There were no other material plan provision changes.

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 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 13. Other Post-Employment Benefit Plans (Continued)**

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
<b>Equity Growth</b>	<b>60.00%</b>	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
<b>Fixed Income</b>	<b>20.00%</b>	
Core Bonds	10.00%	0.28%
Specialty Credit/High Yield	10.00%	2.28%
Cash	0.00%	-0.91%
<b>Inflation Projected</b>	<b>20.00%</b>	
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
<b>Expected Real Return</b>	<b>100.00%</b>	<b>4.28%</b>
<b>Long Term Inflation Assumption</b>		<b>2.30%</b>
<b>Expected Nominal Return for Portfolio</b>		<b>6.58%</b>

*Discount rate.* The single discount rate used to measure the total OPEB liability was 5.70% for the Non-Hazardous employees. The single discount rate is based on the expected rate of return on OPEB plan investments of 6.25%, and a municipal bond rate of 3.69%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2022. 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 plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plan's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plan trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

The projection of cash flows used to determine the single discount rate must include an assumption regarding future employer contributions made each 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.



**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 13. Other Post-Employment Benefit Plans (Continued)**

**Changes in the Net OPEB Liability**

*Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the discount rate.* The following presents the District's proportionate share of the collective net OPEB liability as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.70%) or 1-percentage-point higher (6.70%) than the current rate:

1% Decrease (4.70% Nonhazardous)	Current Discount (5.70% Nonhazardous)	1% Increase (6.70% Nonhazardous)
\$ 1,511,941	\$ 1,130,981	\$ 816,054

*Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates.* The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability 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
\$ 840,859	\$ 1,130,981	\$ 1,479,363

*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.* For the year ended June 30, 2023, the District recognized OPEB of \$142,021 (calculated).

*Deferred outflows of resources and deferred inflows of resources.* At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources on the following table:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual liability experience	\$ 113,843	\$ 259,360
Changes of assumptions	178,873	147,390
Net difference between projected and actual earnings on plan investments	210,600	164,697
Changes in proportion and difference between employer contributions and proportionate share of plan contributions	96,173	149,807
Employer contributions subsequent to the measurement date	61,497	
Total	<u>\$ 660,986</u>	<u>\$ 721,254</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 13. Other Post-Employment Benefit Plans (Continued)**

The amount shown above for “Contributions subsequent to the measurement date”, will be recognized as a reduction to net OPEB liability in the following measurement period.

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

Years Ended	OPEB Expense	
<u>June 30,</u>	<u>Amount</u>	
2024	\$	(20,712)
2025		(18,113)
2026		(72,137)
2027		(10,803)
Total	\$	<u>(121,765)</u>

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

**Note 14. Deferred Compensation**

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 15. Related Party Transactions and Rental Commitments**

The District has entered into a lease agreement, which is a cancelable operating lease agreement for office and storage space for the District’s operations, with Lincoln Trail Development Foundation, Inc. (a related party). The lease agreement is on an annual basis. The rental charge is computed based on the actual cost of providing the space. The annual rental cost totaled \$18,037 for the year ended June 30, 2023. The Foundation was dissolved May 25, 2023 and all assets were donated to LTADD.

The District has two lease agreements for career centers for the WIOA program. The agreements are cancelable operating lease agreements, renewable on an annual basis and correlate to the District’s fiscal year. The rental charge for facility use is \$6,848 per quarter for one location and \$915 per month for the second location. The annual rental cost for the two agreements is \$38,366 for the year ended June 30, 2023.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 16. 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 17. Concentration of Risk**

During the year ended June 30, 2023, the District received 93.7% 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.

**Note 18. Impact of Recently Issued Accounting Principles**

Recently Issued Accounting Pronouncements

*GASB No. 100 Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*

In June of 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100 to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement is effective for accounting changes and error corrections made in fiscal years beginning after June 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.

*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 disclosures. 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.

*GASB No. 96 Subscription-Based Information Technology Arrangements*

Implemented in FY 23, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. LTADD has evaluated current SBITA contracts and determined no contracts meet the capitalization criteria.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 19. Disaggregation of Accounts Payable**

At June 30, 2023, the District had an accounts payable balance of \$887,273. The majority of payables were related to program or operational expenses. The breakdown of payables are as follows:

<u>Current Account Payables</u>	<u>Governmental Activities</u>
Trust/General Fund	\$ 194,368
Community / Economic Development	3,109
Aging and Independent Living Services	256,990
Cost Pool and Miscellaneous	53,477
Workforce and Innovation Opportunity Act	<u>379,329</u>
	<u>\$ 887,273</u>

**Note 20. Unused Line of Credit**

The district has an unused line of credit with a local bank in the amount of \$300,000 as of June 30, 2023. The line of credit was released October 26, 2023.

**Note 21. Fund Balances**

Fund balances at June 30, 2023 are classified as follows: Nonspendable in the amount of \$5,067 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 \$429,825; Committed for the purpose of funding compensated absences in the amount of \$129,387. Committed fund balance classifications are determined by action of the Board of Directors.

**Note 22. Subsequent Event**

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 for partial occupancy of the facility. The landlord added 3,000 additional square feet which was complete in September 2023. Furthermore, the District spent \$358,700 in FY's 2023 and 2024 to convert 4,800 square feet of warehouse space into office space. The annual rent for the premises shall be as follows:

Fiscal Year	
Ending June 30	Annual Rent
2024	\$ 139,300
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	<u>1,076,633</u>
Totals	<u>\$ 4,763,037</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
Required Supplementary Information – Budgetary Basis**

**For The Year Ended June 30, 2023**

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**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
Required Supplementary Information - Budgetary Basis**

**For The Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Federal Revenue	\$ 4,509,739	\$ 4,235,527	\$ 5,143,048	\$ 907,521
State Revenue	8,287,322	10,275,459	9,579,862	(695,597)
Local Revenue	188,744	189,029	192,955	3,926
Other Income	352,532	475,404	451,641	(23,763)
Total Revenues	13,338,337	15,175,419	15,367,506	192,087
<b>EXPENDITURES</b>				
Salaries	1,865,555	1,996,394	1,935,104	61,290
Fringe Benefits	1,128,077	1,103,083	1,077,116	25,967
Direct Workers Comp	14,857	17,632	20,183	(2,551)
Advertising & Printing	24,591	20,718		20,718
Professional Services (Consultants)	317,696	529,344		529,344
Maintenance and Repairs	50,255	58,288	67,982	(9,694)
Telephone	16,795	17,675	35,446	(17,771)
Cell Phone	26,730	17,300		17,300
Building Rent & Leases	111,125	112,516	131,877	(19,361)
Building Improvement		118,600	266,558	(147,958)
Insurance & Bonds	16,200	16,097	16,016	81
Supplies & Postage	43,150	74,166	85,315	(11,149)
Other (Including Depreciation Expense)	86,495	101,674	91,317	10,357
Contracts-Aging Services (Includes Match)	3,137,237	2,910,008	4,305,639	(1,395,631)
Contracts-WIOA Services	1,137,824	995,467		995,467
Other-Aging Direct Client Support	4,600,708	6,328,083	7,165,273	(837,190)
Other-WIOA Direct Client Support	170,000	344,453		344,453
Expenses Not Yet Obligated	440,887	86,274		86,274
Dues & Subscriptions	35,955	41,241	61,019	(19,778)
Conferences & Registrations	10,625	16,103		16,103
Travel	19,894	16,765	32,964	(16,199)
Staff Vehicles	32,409	18,204		18,204
Training	25,066	21,446	13,827	7,619
Materials - Grant Purchased Equipment	26,206	213,888	213,674	214
Total Expenditures	\$ 13,338,337	\$ 15,175,419	\$ 15,519,310	\$ (343,891)
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)			(151,804)	(151,804)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Contributed Asset			840,000	840,000
Total Other Financing Sources (Uses)			840,000	840,000
Net Changes in Fund Balance			688,196	688,196
Fund Balance - Beginning			2,567,257	2,567,257
Fund Balance - Ending	\$ 0	\$ 0	\$ 3,255,453	\$ 3,255,453

Note: The LTADD budget is prepared on the grants management basis of accounting for the General Fund and the Special Revenue Fund combined, as approved by the Board of Directors.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2023**

**Note 1. Budgetary 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 on page 79.

**Note 2. Excess of Disbursements Over Appropriations**

Total disbursements exceeded budgeted amounts by \$343,891.



**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
PENSION AND OPEB SCHEDULES  
Required Supplementary Information**

**June 30, 2023**

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**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
Required Supplementary Information**

**June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
The District's proportionate percentage of the net pension liability					
Non-Hazardous	0.057265%	0.061908%	0.055363%	0.051568%	0.061190%
The District's proportionate share of the net pension liability					
Non-Hazardous	\$ 4,139,695	\$ 3,947,121	\$ 4,246,296	\$ 3,626,800	\$ 3,726,658
The District's covered-employee payroll					
Non-Hazardous	\$ 1,814,709	\$ 1,588,418	\$ 1,586,048	\$ 1,418,230	\$ 1,300,765
The District's proportionate share of the net pension liability as a percentage of its covered-employee payroll					
Non-Hazardous	228.12%	248.49%	267.73%	255.73%	286.50%
Plan fiduciary net position as a percentage of the total pension liability					
Non-Hazardous	52.42%	57.33%	47.81%	50.45%	53.54%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
The District's proportionate percentage of the net pension liability					
Non-Hazardous	0.064250%	0.069540%	0.070682%	0.070132%	
The District's proportionate share of the net pension liability					
Non-Hazardous	\$ 3,760,750	\$ 3,423,862	\$ 3,038,979	\$ 2,275,000	
The District's covered-employee payroll					
Non-Hazardous	\$ 1,516,807	\$ 1,562,646	\$ 1,658,723	\$ 1,644,544	
The District's proportionate share of the net pension liability as a percentage of its covered-employee payroll					
Non-Hazardous	247.94%	219.11%	183.21%	138.34%	
Plan fiduciary net position as a percentage of the total pension liability					
Non-Hazardous	53.30%	55.50%	59.97%	66.80%	

\*Fiscal year 2015 was the first year of implementation; therefore, only nine years are shown

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS**  
**Required Supplementary Information**

**June 30, 2023**

<u>Nonhazardous</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily Required Contributions (Actuarially Determined) Non-Hazardous	\$ 424,493	\$ 336,256	\$ 306,122	\$ 273,732	\$ 210,978
Contributions in Relation to the Contractually Required Contribution Non-Hazardous	<u>(424,493)</u>	<u>(336,256)</u>	<u>(306,122)</u>	<u>(273,732)</u>	<u>(210,978)</u>
Control Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll Non-Hazardous	1,814,709	1,588,418	1,586,048	1,418,230	1,300,765
Contributions as a Percentage of Covered Payroll Non-Hazardous	23.40%	21.17%	19.30%	19.30%	16.22%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Statutorily Required Contributions (Actuarially Determined) Non-Hazardous	\$ 219,624	\$ 217,963	\$ 206,015	\$ 214,320	
Contributions in Relation to the Contractually Required Contribution Non-Hazardous	<u>(219,624)</u>	<u>(217,963)</u>	<u>(206,015)</u>	<u>(214,320)</u>	
Control Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	
Covered Employee Payroll Non-Hazardous	1,516,807	1,562,646	1,658,723	1,644,544	
Contributions as a Percentage of Covered Payroll Non-Hazardous	14.48%	13.95%	12.42%	13.03%	

\*Fiscal year 2015 was the first year of implementation; therefore, only nine years are shown

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE  
NET OPEB LIABILITY  
Required Supplementary Information**

**June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's Proportionate Share of the Net OPEB Liability Nonhazardous	0.057308%	0.061893%	0.055355%	0.051555%	0.061196%	0.064250%
District's Proportion of the Net OPEB Liability Nonhazardous	1,130,981	1,184,911	1,336,655	867,132	1,086,523	1,291,645
Covered Payroll Nonhazardous	1,814,709	1,588,418	1,586,048	1,418,230	1,300,765	1,516,807
District's Share of the Net OPEB Liability as a Percentage of its Covered Payroll Nonhazardous	62.32%	74.60%	84.28%	61.14%	83.53%	85.16%
Total Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability Nonhazardous	60.95%	62.91%	51.67%	60.44%	57.62%	52.39%

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

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
SCHEDULE OF CONTRIBUTIONS  
Required Supplementary Information**

**June 30, 2023**

<u>Nonhazardous</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily Required Contributions (Actuarially Determined)	\$ 61,497	\$ 91,823	\$ 75,481	\$ 67,494	\$ 68,426	\$ 71,287
Contributions in Relation to the Contractually Required Contribution	<u>(61,497)</u>	<u>(91,823)</u>	<u>(75,481)</u>	<u>(67,494)</u>	<u>(68,426)</u>	<u>(71,287)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	1,814,709	1,588,418	1,586,048	1,418,230	1,300,765	1,516,807
Contributions as a Percentage of Covered Payroll	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%

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

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PENSION PLAN**

**June 30, 2023**

Changes of benefit terms: There were no changes in benefit terms for plan years 2014 through 2022

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

- No changes

2022

- No changes

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION OPEB PLAN**

**June 30, 2023**

Changes of benefit terms : There were no changes in benefit terms for plan years 2017 to 2022

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 to 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

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.



**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
SCHEDULE OF SHARED COSTS**

**For The Fiscal Year Ended June 30, 2023**

	<u>Operational</u>	<u>Indirect</u>	<u>Common</u>	<u>Total</u>
Salaries	\$ 146,268	\$ 146,850	\$ 53,483	\$ 346,601
Fringe benefits	67,423	82,259	29,946	179,628
Contractual services	15,731	46,107		61,838
Travel	9,215	2,301	57	11,573
Training	572	138		710
Ads, printing, publications & copies	2,373	1,172	3,567	7,112
Equipment rent and maintenance	1,146	3,522	4,037	8,705
Supplies and postage	8,916	3,490	4,993	17,399
Phone	3,806	1,285	649	5,740
Dues and registrations	14,497	971	614	16,082
Other costs	8,750	2,118	7,343	18,211
Rent	6,409	7,669	79,433	93,511
Insurance & bond expenses	14,482	1,534		16,016
	<u>\$ 299,588</u>	<u>\$ 299,416</u>	<u>\$ 184,122</u>	<u>\$ 783,126</u>

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**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For The Fiscal Year Ended June 30, 2023**

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**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For The Fiscal Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Sub-recipient	Total Federal Expenditures
<b><u>U. S. Department of Commerce</u></b>				
<i>Passed-Through Kentucky Department for Local Government, Economic Development Administration</i>				
Economic Development - Support for Planning Organizations	11.302	PON21122200004726	\$	\$ 66,666
<b>Economic Development Cluster:</b>				
<i>Direct Program</i>				
COVID-19 - Economic Adjustment Assistance - RLF CARES Act	11.307	04-79-07523		174,329
<i>Passed-Through Kentucky Department for Local Government, Economic Development Administration</i>				
COVID-19 - Economic Adjustment Assistance - JFA CARES Act	11.307	PON21122100000402		229,663
<b>Total Economic Development Cluster</b>				<u>403,992</u>
<b>Total U.S. Department of Commerce</b>			<u>\$</u>	<u>\$ 470,658</u>
<b><u>U. S. Department of Defense</u></b>				
<i>Direct Program</i>				
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	HQ00052210018	\$	\$ 39,956
<b>Total U.S. Department of Defense</b>			<u>\$</u>	<u>\$ 39,956</u>
<b><u>U. S. Department of Housing and Urban Development (HUD)</u></b>				
<i>Passed-Through Kentucky Department for Local Government, Community Planning and Development</i>				
Community Development Block Grant - JFA	14.228	PON21122200004726	\$	\$ 5,503
<i>Passed-Through Local Sources</i>				
Community Development Block Grant - State Program	14.228	N/A		46,273
<b>Total U.S. Department of Housing and Urban Development (HUD)</b>			<u>\$</u>	<u>\$ 51,776</u>
<b><u>U. S. Department of Labor</u></b>				
<i>Passed-Through Kentucky Education Cabinet Department for Workforce Investment Office of Employment &amp; Training Administration</i>				
Trade Adjustment Assistance	17.245	205BE20	\$ 2,597	\$ 2,597
Trade Adjustment Assistance	17.245	205BE21		2,048
			<u>2,597</u>	<u>4,645</u>
<b>WIOA Cluster:</b>				
<i>Passed-Through Kentucky Education Cabinet Department for Workforce Investment Office of Employment &amp; Training Administration</i>				
WIOA Adult Program	17.258	270AD22	71,504	158,705
WIOA Adult Program	17.258	270AD23		106,611
WIOA Adult Program	17.258	273AD22	216,858	517,714
WIOA Adult Program	17.258	273AD23	209,663	325,930
			<u>498,025</u>	<u>1,108,960</u>
WIOA Youth Activities	17.259	274YT21	79,728	105,499
WIOA Youth Activities	17.259	274YT22	75,439	108,498
WIOA Youth Activities	17.259	274YT23	7,078	7,078
			<u>162,245</u>	<u>221,075</u>
WIOA Dislocated Worker Formula Grants	17.278	271DW21	137,338	172,934
WIOA Dislocated Worker Formula Grants	17.278	271DW22	225,103	490,018
WIOA Dislocated Worker Formula Grants	17.278	272DW22	15,355	29,748
			<u>377,796</u>	<u>692,700</u>
<b>Total WIOA Cluster</b>			<u>1,038,066</u>	<u>2,022,735</u>
<b>Total U.S. Department of Labor</b>			<u>\$ 1,040,663</u>	<u>\$ 2,027,380</u>

The accompanying notes are an integral part of this schedule.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Fiscal Year Ended June 30, 2023  
(Continued)**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Sub-recipient	Total Federal Expenditures
<b><u>U. S. Department of Transportation</u></b>				
<i>Passed-Through Kentucky Transportation Cabinet</i>				
Highway Planning and Construction Metropolitan Planning Organization - Unified Planning Work Programs	20.205	2200001398	\$	\$ 131,200
Metropolitan Transportation Planning - Section 5303	20.505	P033021442		<u>1,609</u>
<b>Total U.S. Department of Transportation</b>			<u>\$</u>	<u>\$ 132,809</u>
<b><u>U. S. Department of Treasury</u></b>				
<i>Passed-Through Local Sources</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund - ARPA Fund:	21.027	N/A	\$	\$ 1,650
<i>Passed-Through Kentucky Cabinet for Health and Family Services</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund - Expanded Senior Meal Program - ARPA Funds	21.027	PON37252200000036	<u>931,591</u>	<u>1,219,196</u>
<b>Total U.S. Department of Treasury</b>			<u>\$ 931,591</u>	<u>\$ 1,220,846</u>
<b><u>U. S. Department of Health and Human Services</u></b>				
<b>Aging Cluster:</b>				
<i>Passed-Through Kentucky Cabinet for Health and Family Services, Administration for Community Living</i>				
Special Programs for the Aging -				
Title III-B Supportive Services	93.044	PON37252200000036	\$ 266,102	\$ 385,759
Title III-C Nutrition Services	93.045	PON37252200000036	<u>447,233</u>	<u>542,707</u>
Nutrition Services Incentive Program (NSIP)	93.053	PON27252100003024	16,265	16,265
Nutrition Services Incentive Program (NSIP)	93.053	PON37252200000038	<u>62,649</u>	<u>62,649</u>
<b>Total Aging Cluster</b>			<u>78,914</u>	<u>78,914</u>
			<u>792,249</u>	<u>1,007,380</u>
<i>Passed-Through Kentucky Cabinet for Health and Family Services, Administration for Community Living</i>				
Special Programs for the Aging -				
Title VII Elder Abuse Prevention	93.041	PON37252200000019		<u>3,927</u>
Title VII Ombudsman Services	93.042	PON37252200000019	4,483	4,579
COVID-19 - Title VII Ombudsman Services	93.042	PON37252200000019	<u>3,319</u>	<u>3,390</u>
			<u>7,802</u>	<u>7,969</u>
Title III-D Disease Prevention - Health Promotion	93.043	PON37252200000036	9,050	28,172
Title III-E National Family Caregiver Support	93.052	PON37252200000036	136,272	230,381
Medicare Enrollment Assistance Program -				
MIPPA AAA	93.071	PON37252200003015		7,885
MIPPA AAA	93.071	PON37252200000037		11,511
MIPPA ADRC	93.071	PON37252200003015		32
MIPPA ADRC	93.071	PON37252200000037		3,151
MIPPA SHIP	93.071	PON37252200003015		7,030
MIPPA SHIP	93.071	PON37252200000037		<u>13,057</u>
				<u>42,666</u>
State Health Insurance Assistance Program	93.324	PON37252000000040		31,000
<i>Passed-Through Kentucky Cabinet for Health and Family Services, Centers for Medicare and Medicaid Services</i>				
Medical Assistance Program -				
Aging & Disability Resource Center	93.778	PON37252200000065		729
COVID-19 - CDC	93.778	PON37252200000065		1,676
COVID-19 - No Wrong Door	93.778	PON37252200000065		<u>7,906</u>
				<u>10,311</u>

The accompanying notes are an integral part of this schedule.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Fiscal Year Ended June 30, 2023  
(Continued)**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Sub-recipient	Total Federal Expenditures
<i>Passed-Through Kentuckiana Regional Planning &amp; Development Agency (KIPDA), Health Resource and Services Administration</i>				
PPHF Geriatric Education Centers	93.969	N/A	\$ _____	\$ 1,000
<b>Total U. S. Department of Health and Human Services</b>			<b>\$ 945,373</b>	<b>\$ 1,362,806</b>
<b><u>U. S. Department of Homeland Security</u></b>				
<i>Passed-Through Kentucky Division of Emergency Management, Passed-Through Marion County Fiscal Court, Kentucky</i>				
Hazard Mitigation Grant	97.039	N/A		\$ 24,383
<i>Passed-Through Kentucky Division of Energy Policy</i>				
BRIC: Building Resilient Infrastructure and Communities	97.047	PON21412300001622	_____	470
<b>Total U. S. Department of Homeland Security</b>			<b>\$ _____</b>	<b>\$ 24,853</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 2,917,627</b>	<b>\$ 5,331,084</b>

The accompanying notes are an integral part of this schedule.

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2023**

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Lincoln Trail Area Development District under programs of the federal government for the year ended June 30, 2023, and is presented on the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the 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). 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 Schedule are reported on the modified accrual basis of the 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**

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The District uses a Cost Allocation Plan methodology as defined in Appendix VII, Part 200, Section F3.

**Note 4. EDA Cares Act Revolving Loan Fund**

The district was awarded a CARES Act revolving loan fund grant. The grant was awarded on July 24, 2020 for \$550,000. \$500,000 was to be used for loans and \$50,000 for administrative services. From July 2, 2021 through June 30, 2023, the district 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	\$ 46,521
Cash and investment balance at year end	126,978
Administrative expenses paid out of RLF income during year	
Administrative expenses paid out of Award funds during year	<u>830</u>
Total	174,329
Multiply federal share of RLF	<u>100%</u>
Federal expenditures for SEFA reporting ALN 11.307 RLF Loan	<u><u>\$ 174,329</u></u>

**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.



**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**June 30, 2023**  
**(Continued)**

**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 \$ 5,143,048

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 ALN 11.307	174,329
Programs with timing differences in revenue/expenditure recognition for grant administration services passed through local sources:	
Community Development Block Grants - State Program ALN 14.228	15,807
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund - ARPA Funds ALN 21.027	<u>(2,100)</u>

Total Schedule of Expenditures of Federal Awards \$ 5,331,084

**Note 7. Subrecipients**

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

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Sub-Recipient</u>	<u>Amount Provided</u>
Workforce Innovation & Opportunity Act:			
Trade Adjustment Assistance	17.245	Career Team One-Stop Operator	\$ 2,597
Adult Program	17.258	Career Team One-Stop Operator	268,890
Adult Program	17.258	Heartland Communication Consultants, Inc.	91,155
Adult Program	17.258	Hightower Workforce Initiative One-Stop Operator	137,980
Dislocated Workers Program	17.278	Akebono Brake	10,000
Dislocated Workers Program	17.278	Career Team One-Stop Operator	289,024
Dislocated Workers Program	17.278	Heartland Communication Consultants, Inc.	26,237
Dislocated Workers Program	17.278	Hightower Workforce Initiative One-Stop Operator	52,535
Youth Program	17.259	Career Team One-Stop Operator	114,633
Youth Program	17.259	Heartland Communication Consultants, Inc.	40,749
Youth Program	17.259	Hightower Workforce Initiative One-Stop Operator	<u>6,863</u>
Total Workforce Innovation & Opportunity Act - U.S. Department of Labor			<u>\$ 1,040,663</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**June 30, 2023**  
**(Continued)**

**Note 7. Subrecipients (Continued)**

Program Title	Federal Assistance Listing Number	Sub-Recipient	Amount Provided
Aging:			
Expanded Senior Meal Program	21.027	Central KY Community Action Council	\$ 524,010
Expanded Senior Meal Program	21.027	Purfoods, LLC	<u>407,581</u>
Total Aging - U.S. Department of Treasury			<u>931,591</u>
Title III-B Supportive Services	93.044	Catholic Charites of Louisville	9,167
Title III-B Supportive Services	93.044	Central KY Community Action Council	94,585
Title III-B Supportive Services	93.044	Lifeline Homecare, Inc.	148,209
Title III-B Supportive Services	93.044	Legal Aid Society Inc.	14,141
Title III-C1 Nutrition Services	93.045	Central KY Community Action Council	219,816
Title III-C1 Nutrition Services	93.045	Assisted Dining Solutions, LLC	5,592
Title III-C2 Nutrition Services	93.045	Central KY Community Action Council	50,408
Title III-C2 Nutrition Services	93.045	Purfoods, LLC	171,417
Nutrition Service Incentive Program	93.053	Central KY Community Action Council	78,914
Title VII Ombudsman	93.042	Catholic Charites of Louisville	7,802
Title III-D Health Prevention	93.043	Central KY Community Action Council	9,050
Title III-E Caregiver	93.052	Central KY Community Action Council	<u>136,272</u>
Total Aging - U. S. Department of Health and Human Services			<u>945,373</u>
Total Aging			<u>\$ 1,876,964</u>
Total Provided to Sub-recipient per Schedule of Expenditures of Federal Awards			<u>\$ 2,917,627</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**

**SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2023**

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**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**

**For The Year Ended June 30, 2023**

	Joint Funding Agreement	Joint Funding Agreement - EDA CARES Act	Kentucky Infrastructure Authority	OLDCC - Compatible Use Plan	FEMA Hazard Mitigation Plan
<b>Revenues</b>					
Federal revenue	\$ 72,169	\$ 229,663	\$	\$ 39,956	\$ 24,383
Federal revenue - ARPA (other)					
Federal revenue - CARES (aging)					
Federal revenue - COVID (aging)					
Federal revenue - ARPA (aging)					
State revenue	262,230		66,000		8,128
Local revenue					
Transfer of local cash	4,435	4,997	27,834	5,291	
Contractor cash match					
Program income					
Workforce Third Party Contribution					
Interest Income					
Other income					
In-kind contributions					
<b>Total Revenues</b>	<u>338,834</u>	<u>234,660</u>	<u>93,834</u>	<u>45,247</u>	<u>32,511</u>
<b>Expenditures</b>					
Personnel	155,847	1,554	43,141	21,704	15,125
Fringe Benefits	88,192	880	24,414	12,286	8,559
Contractual services					
Client services / program costs					
Travel	229		244	34	
Training	4,931		219		1,237
Ads, printing, publications & copies	151		9	12	
Lease, maintenance & software licensing	2,388	3,525	2,850	84	128
Capital Outlay:					
Grant Purchased Equipment		200,649			
Leasehold Improvements In Progress					
Supplies and postage	1,498	26,911	126		
Phone	4,292		1,019		
Dues and Registrations	4,064	399	305	418	
Other costs	362		225		
WIB Board Meeting Expenditures					
Rent					
Insurance & Bond Expense					
	<u>261,954</u>	<u>233,918</u>	<u>72,552</u>	<u>34,538</u>	<u>25,049</u>
Shared costs applied:					
Operational costs	29,413	326	8,142	4,097	2,855
Indirect administration costs	29,392	230	8,136	4,094	2,853
Shared costs	18,075	186	5,004	2,518	1,754
<b>Total Expenditures</b>	<u>338,834</u>	<u>234,660</u>	<u>93,834</u>	<u>45,247</u>	<u>32,511</u>
Revenues over (under) expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other financing sources (uses):					
Operating transfers in (out)					
RLF principal received (disbursed), net					
Sale of contributed asset					
Net change in fund balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, beginning of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	Building Resilient Infrastructure & Communities (BRIC)	COMMUNITY & ECONOMIC DEVELOPMENT TOTAL	KTC Regional Transportation	KTC Metropolitan Planning Organization	Federal Transit Administration
<b>Revenues</b>					
Federal revenue	\$ 470	\$ 366,641	\$	\$ 131,200	\$ 1,609
Federal revenue - ARPA (other)					
Federal revenue - CARES (aging)					
Federal revenue - COVID (aging)					
Federal revenue - ARPA (aging)					
State revenue	157	336,515	80,701	8,200	
Local revenue			8,967	24,600	405
Transfer of local cash	29	42,586		803	
Contractor cash match					
Program income					
Workforce Third Party Contribution					
Interest Income					
Other income					
In-kind contributions					
<b>Total Revenues</b>	<u>656</u>	<u>745,742</u>	<u>89,668</u>	<u>164,803</u>	<u>2,014</u>
<b>Expenditures</b>					
Personnel	304	237,675	40,904	76,450	978
Fringe Benefits	172	134,503	23,146	43,263	553
Contractual services					
Client services / program costs					
Travel	29	536	293	80	
Training		6,387	75	25	
Ads, printing, publications & copies		172	39	191	
Lease, maintenance & software licensing		8,975	1,778	1,907	
Capital Outlay:					
Grant Purchased Equipment		200,649			
Leasehold Improvements In Progress					
Supplies and postage		28,535	928	113	
Phone		5,311	1,019	1,509	
Dues and Registrations		5,186	1,172	3,553	
Other costs		587	135		
WIB Board Meeting Expenditures					
Rent					
Insurance & Bond Expense					
	<u>505</u>	<u>628,516</u>	<u>69,489</u>	<u>127,091</u>	<u>1,531</u>
Shared costs applied:					
Operational costs	58	44,891	7,720	14,428	185
Indirect administration costs	58	44,763	7,714	14,418	185
Shared costs	35	27,572	4,745	8,866	113
<b>Total Expenditures</b>	<u>656</u>	<u>745,742</u>	<u>89,668</u>	<u>164,803</u>	<u>2,014</u>
Revenues over (under) expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other financing sources (uses):					
Operating transfers in (out)					
RLF principal received (disbursed), net					
Sale of contributed asset					
Net change in fund balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, beginning of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, end of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	KTC Local Road Updates Centerline	TRANSPORTATION TOTAL	EDA RLF Administration	RLF - EDA	EDA CARES Act RLF Administration
<b>Revenues</b>					
Federal revenue	\$	\$ 132,809	\$	\$	\$
Federal revenue - ARPA (other)					
Federal revenue - CARES (aging)					
Federal revenue - COVID (aging)					
Federal revenue - ARPA (aging)					
State revenue	18,200	107,101			
Local revenue	-	33,972			
Transfer of local cash	323	1,126			1,877
Contractor cash match	-				
Program income					
Workforce Third Party Contribution					
Interest Income				9,774	
Other income			4,887	(4,887)	854
In-kind contributions					
<b>Total Revenues</b>	<u>18,523</u>	<u>275,008</u>	<u>4,887</u>	<u>4,887</u>	<u>2,731</u>
<b>Expenditures</b>					
Personnel	9,010	127,342	2,707		858
Fringe Benefits	5,077	72,039	1,512		484
Contractual services			150		
Client services / program costs					
Travel	1	374			
Training		100			
Ads, printing, publications & copies		230	151		
Lease, maintenance & software licensing		3,685	843		843
Capital Outlay:					
Grant Purchased Equipment					
Leasehold Improvements In Progress					
Supplies and postage		1,041	18		9
Phone		2,528			
Dues and Registrations		4,725			
Other costs		135	118		114
WIB Board Meeting Expenditures					
Rent					
Insurance & Bond Expense					
	<u>14,088</u>	<u>212,199</u>	<u>5,499</u>	<u>-</u>	<u>2,308</u>
Shared costs applied:					
Operational costs	1,741	24,074	508		162
Indirect administration costs	1,673	23,990	508		162
Shared costs	1,021	14,745	313		99
<b>Total Expenditures</b>	<u>18,523</u>	<u>275,008</u>	<u>6,828</u>	<u>-</u>	<u>2,731</u>
Revenues over (under) expenditures	\$ 0	\$ 0	\$ (1,941)	\$ 4,887	\$ 0
Other financing sources (uses):					
Operating transfers in (out)					
RLF principal received (disbursed), net					
Sale of contributed asset					
Net change in fund balances	\$ 0	\$ 0	\$ (1,941)	\$ 4,887	\$ 0
Fund balances, beginning of year	\$ 0	\$ 0	3,642	478,673	\$ 0
Fund balances, end of year	\$ 0	\$ 0	\$ 1,701	\$ 483,560	\$ 0

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	EDA CARES Act RLF	REVOLVING LOAN FUND TOTAL	Workforce Innovation & Opportunity Act	EMPLOYMENT & TRAINING TOTAL	Title III Aging Planning & Admin
<b>Revenues</b>					
Federal revenue	\$	\$	\$ 2,027,380	\$ 2,027,380	\$ 132,588
Federal revenue - ARPA (other)					
Federal revenue - CARES (aging)					
Federal revenue - COVID (aging)					
Federal revenue - ARPA (aging)					
State revenue					77,389
Local revenue					
Transfer of local cash		1,877	60	60	
Contractor cash match					
Program income					
Workforce Third Party Contribution			14,393	14,393	
Interest Income	1,570	11,344			
Other income	(740)	114			
In-kind contributions					
<b>Total Revenues</b>	<u>830</u>	<u>13,335</u>	<u>2,041,833</u>	<u>2,041,833</u>	<u>209,977</u>
<b>Expenditures</b>					
Personnel		3,565	260,767	260,767	93,951
Fringe Benefits		1,996	138,613	138,613	53,030
Contractual services		150	1,040,663	1,040,663	
Client services / program costs			394,898	394,898	
Travel			1,393	1,393	2,314
Training			250	250	3,177
Ads, printing, publications & copies		151	1,153	1,153	1,822
Lease, maintenance & software licensing		1,686	15,629	15,629	150
Capital Outlay:					
Grant Purchased Equipment			6,493	6,493	
Leasehold Improvements In Progress					
Supplies and postage		27	12,799	12,799	288
Phone			2,852	2,852	2,458
Dues and Registrations			918	918	5,450
Other costs		232	1,222	1,222	1,033
WIB Board Meeting Expenditures					
Rent			38,366	38,366	
Insurance & Bond Expense				-	
	<u>\$ 0</u>	<u>7,807</u>	<u>1,916,016</u>	<u>1,916,016</u>	<u>163,673</u>
Shared costs applied:					
Operational costs		670	48,136	48,136	17,715
Indirect administration costs		670	48,102	48,102	17,703
Shared costs		412	29,579	29,579	10,886
<b>Total Expenditures</b>	<u>\$ 0</u>	<u>9,559</u>	<u>2,041,833</u>	<u>2,041,833</u>	<u>209,977</u>
Revenues over (under) expenditures	\$ 830	\$ 3,776	\$ 0	\$ 0	\$ 0
Other financing sources (uses):					
Operating transfers in (out)					
RLF principal received (disbursed), net					
Sale of contributed asset					
Net change in fund balances	\$ 830	\$ 3,776	\$ 0	\$ 0	\$ 0
Fund balances, beginning of year	<u>172,608</u>	<u>654,923</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances, end of year	<u>\$ 173,438</u>	<u>\$ 658,699</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	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
<b>Revenues</b>					
Federal revenue	\$ 346,922	\$ 9,167	\$ 234,823	\$ 228,371	\$ 28,172
Federal revenue - ARPA (other)					
Federal revenue - CARES (aging)					
Federal revenue - COVID (aging)					
Federal revenue - ARPA (aging)					
State revenue	135,995	18,334	38,703	1,880	
Local revenue					
Transfer of local cash					
Contractor cash match	60,485			30,365	
Program income	1,486		20,523	150	
Workforce Third Party Contribution					
Interest Income					
Other income					
In-kind contributions			42,209	8,929	
<b>Total Revenues</b>	<u>544,888</u>	<u>27,501</u>	<u>336,258</u>	<u>269,695</u>	<u>28,172</u>
<b>Expenditures</b>					
Personnel	47,289				792
Fringe Benefits	27,430				459
Contractual services	428,531	27,501	322,776	268,826	20,050
Client services / program costs	4,903		13,482	869	
Travel	898				
Training					
Ads, printing, publications & copies	17				1
Lease, maintenance & software licensi	11,468				
Capital Outlay:					
Grant Purchased Equipment					
Leasehold Improvements In Progress					
Supplies and postage	749				4,140
Phone	65				
Dues and Registrations					2,295
Other costs					40
WIB Board Meeting Expenditures					
Rent					
Insurance & Bond Expense					
	<u>521,350</u>	<u>27,501</u>	<u>336,258</u>	<u>269,695</u>	<u>27,777</u>
Shared costs applied:					
Operational costs	9,005				151
Indirect administration costs	8,999				151
Shared costs	5,534				93
<b>Total Expenditures</b>	<u>544,888</u>	<u>27,501</u>	<u>336,258</u>	<u>269,695</u>	<u>28,172</u>
Revenues over (under) expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other financing sources (uses):					
Operating transfers in (out)					
RLF principal received (disbursed), net					
Sale of contributed asset					
Net change in fund balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, beginning of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	Title III-E Caregiver	Title VII Elder Abuse	Title VII Ombudsman	Nutrition Services Incentive Program "NSIP"	Expanded Senior Meals Admin
<b>Revenues</b>					
Federal revenue	\$ 207,976	\$ 3,927	\$ 4,579	\$ 78,914	\$
Federal revenue - ARPA (other)					
Federal revenue - CARES (aging)					
Federal revenue - COVID (aging)					
Federal revenue - ARPA (aging)			3,390		75,600
State revenue	94,363	1,034	14,479		
Local revenue					
Transfer of local cash					11
Contractor cash match					
Program income					
Workforce Third Party Contribution					
Interest Income					
Other income					
In-kind contributions					
<b>Total Revenues</b>	<u>302,339</u>	<u>4,961</u>	<u>22,448</u>	<u>78,914</u>	<u>75,611</u>
<b>Expenditures</b>					
Personnel	45,321	2,403	229		36,707
Fringe Benefits	26,288	1,370	129		20,790
Contractual services	196,688		21,977	78,914	
Client services / program costs	8,037				
Travel	593				
Training	45				
Ads, printing, publications & copi	530				
Lease, maintenance & software li	500				
Capital Outlay:					
Grant Purchased Equipment					
Leasehold Improvements In Progress					
Supplies and postage	836				
Phone	302				
Dues and Registrations	379				
Other costs	262				
WIB Board Meeting Expenditures					
Rent					
Insurance & Bond Expense					
	<u>279,781</u>	<u>3,773</u>	<u>22,335</u>	<u>78,914</u>	<u>57,497</u>
Shared costs applied:					
Operational costs	8,630	455	43		6,930
Indirect administration costs	8,625	454	43		6,925
Shared costs	5,303	279	27		4,259
<b>Total Expenditures</b>	<u>302,339</u>	<u>4,961</u>	<u>22,448</u>	<u>78,914</u>	<u>75,611</u>
Revenues over (under) expenditu	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other financing sources (uses):					
Operating transfers in (out)					
RLF principal received (disbursed), net					
Sale of contributed asset					
Net change in fund balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, beginning of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	Expanded Senior Meals Program	Homecare Administration	Homecare Social Services	CMS-SHIP	PCAP Administration
<b>Revenues</b>					
Federal revenue	\$	\$	\$	\$ 31,000	\$
Federal revenue - ARPA (other)					
Federal revenue - CARES (aging)					
Federal revenue - COVID (aging)					
Federal revenue - ARPA (aging)	1,143,596				
State revenue		65,056	754,624		29,674
Local revenue					
Transfer of local cash	10	80			
Contractor cash match	59,534		47,709		
Program income			30		
Workforce Third Party Contribution					
Interest Income					
Other income					
In-kind contributions	86,662				
<b>Total Revenues</b>	<u>1,289,802</u>	<u>65,136</u>	<u>802,363</u>	<u>31,000</u>	<u>29,674</u>
<b>Expenditures</b>					
Personnel	57,330	31,290	173,075		14,244
Fringe Benefits	33,199	17,709	99,298		8,013
Contractual services	1,167,252		398,486	31,000	
Client services / program costs			10,327		
Travel	1,279		2,628		22
Training		661	315		
Ads, printing, publications & copies	53	13	5,612		4
Lease, maintenance & software licen	1,000		11,655		59
Capital Outlay:					
Grant Purchased Equipment					
Leasehold Improvements In Progress					
Supplies and postage	509	27	5,884		104
Phone	138		6,442		249
Dues and Registrations	280		2,138		
Other costs	243		700		61
WIB Board Meeting Expenditures					
Rent					
Insurance & Bond Expense					
	<u>1,261,283</u>	<u>49,700</u>	<u>716,560</u>	<u>31,000</u>	<u>22,756</u>
Shared costs applied:					
Operational costs	10,911	5,906	32,827		2,974
Indirect administration costs	10,903	5,901	32,803		2,219
Shared costs	6,705	3,629	20,173		1,725
<b>Total Expenditures</b>	<u>1,289,802</u>	<u>65,136</u>	<u>802,363</u>	<u>31,000</u>	<u>29,674</u>
Revenues over (under) expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other financing sources (uses):					
Operating transfers in (out)					
RLF principal received (disbursed), net					
Sale of contributed asset					
Net change in fund balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, beginning of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	PCAP Subsidy & Coordination	ADRC No Wrong Door Funds	ADRC CDC Funds	ADRC Medicaid Federal Funding	ACA MIPPA/AAA
<b>Revenues</b>					
Federal revenue	\$	\$ 7,906	\$ 1,676	\$ 729	\$ 19,396
Federal revenue - ARPA (other)					
Federal revenue - CARES (aging)					
Federal revenue - COVID (aging)					
Federal revenue - ARPA (aging)					
State revenue	126,137		90		
Local revenue					
Transfer of local cash					
Contractor cash match					
Program income					
Workforce Third Party Contribution					
Interest Income					
Other income					
In-kind contributions					
<b>Total Revenues</b>	<u>126,137</u>	<u>7,906</u>	<u>1,766</u>	<u>729</u>	<u>19,396</u>
<b>Expenditures</b>					
Personnel	9,328	3,820	848	354	
Fringe Benefits	5,377	2,192	487	200	
Contractual services					13,600
Client services / program costs	106,367				
Travel	45				
Training	45				
Ads, printing, publications & copies	2		3		192
Lease, maintenance & software licen	70				118
Capital Outlay:					
Grant Purchased Equipment					1,934
Leasehold Improvements In Progress					
Supplies and postage	40		7		2,680
Phone	251				757
Dues and Registrations	42				15
Other costs					100
WIB Board Meeting Expenditures					
Rent					
Insurance & Bond Expense					
	<u>121,567</u>	<u>6,012</u>	<u>1,345</u>	<u>554</u>	<u>19,396</u>
Shared costs applied:					
Operational costs	1,965	724	161	67	
Indirect administration costs	1,466	725	161	67	
Shared costs	1,139	445	99	41	
<b>Total Expenditures</b>	<u>126,137</u>	<u>7,906</u>	<u>1,766</u>	<u>729</u>	<u>19,396</u>
Revenues over (under) expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other financing sources (uses):					
Operating transfers in (out)					
RLF principal received (disbursed), net					
Sale of contributed asset					
Net change in fund balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, beginning of year	0	0	0	0	0
Fund balances, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	ACA MIPPA/ADRC	ACA MIPPA/SHIP	State LTC Ombudsman	Home & Community Based PDS	Service Providers & Elder Abuse Coalition
<b>Revenues</b>					
Federal revenue	\$ 3,183	\$ 20,087	\$	\$	\$
Federal revenue - ARPA (other)					
Federal revenue - CARES (aging)					
Federal revenue - COVID (aging)					
Federal revenue - ARPA (aging)					
State revenue			38,128	7,686,340	
Local revenue					7,401
Transfer of local cash					
Contractor cash match					
Program income				388	
Workforce Third Party Contribution					
Interest Income					
Other income					
In-kind contributions					
<b>Total Revenues</b>	<u>3,183</u>	<u>20,087</u>	<u>38,128</u>	<u>7,686,728</u>	<u>7,401</u>
<b>Expenditures</b>					
Personnel		4		390,410	
Fringe Benefits				224,975	
Contractual services	3,150	19,350	38,128	115,960	
Client services / program costs				6,626,373	
Travel				9,364	
Training				420	
Ads, printing, publications & copies				2,796	62
Lease, maintenance & software licensing				1,354	
Capital Outlay:					
Grant Purchased Equipment				4,598	
Leasehold Improvements In Progress					
Supplies and postage	30	699		5,802	782
Phone				8,053	
Dues and Registrations	3	2		2,419	6,557
Other costs		30		21,413	
WIB Board Meeting Expenditures					
Rent					
Insurance & Bond Expense					
	<u>3,183</u>	<u>20,085</u>	<u>38,128</u>	<u>7,413,937</u>	<u>7,401</u>
Shared costs applied:					
Operational costs		1		74,170	
Indirect administration costs		1		74,118	
Shared costs				45,578	
<b>Total Expenditures</b>	<u>3,183</u>	<u>20,087</u>	<u>38,128</u>	<u>7,607,803</u>	<u>7,401</u>
Revenues over (under) expenditures	\$ 0	\$ 0	\$ 0	\$ 78,925	\$ 0
Other financing sources (uses):					
Operating transfers in (out)				(78,925)	
RLF principal received (disbursed), net					
Sale of contributed asset					
Net change in fund balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, beginning of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	Prescription Assistance Program (KPAP)	<b>SOCIAL SERVICES TOTAL</b>	<b>SPECIAL REVENUE FUND TOTAL - GRANTS MANAGEMENT BASIS</b>	Trust General Fund
<b>Revenues</b>				
Federal revenue	\$	\$ 1,359,416	\$ 3,886,246	\$
Federal revenue - ARPA (other)		-	-	
Federal revenue - CARES (aging)		-	-	
Federal revenue - COVID (aging)		-	-	
Federal revenue - ARPA (aging)		1,222,586	1,222,586	
State revenue	54,020	9,136,246	9,579,862	
Local revenue		7,401	41,373	101,638
Transfer of local cash	233	334	45,983	(45,983)
Contractor cash match		198,093	198,093	
Program income		22,577	22,577	
Workforce Third Party Contribution		-	14,393	
Interest Income		-	11,344	1,934
Other income		-	114	65,386
In-kind contributions		137,800	137,800	
<b>Total Revenues</b>	<b>54,253</b>	<b>12,084,453</b>	<b>15,160,371</b>	<b>122,975</b>
<b>Expenditures</b>				
Personnel	1,727	909,122	1,538,471	14,372
Fringe Benefits	977	521,923	869,074	8,233
Contractual services	47,199	3,199,388	4,240,201	3,600
Client services / program costs		6,770,358	7,165,256	-
Travel	1,345	18,488	20,791	94
Training	1,717	6,380	13,117	-
Ads, printing, publications & copies	14	11,121	12,827	244
Lease, maintenance & software licensing		26,374	56,349	435
Capital Outlay:		-	-	-
Grant Purchased Equipment		6,532	213,674	-
Leasehold Improvements In Progress		-	-	266,558
Supplies and postage	420	22,997	65,399	2,500
Phone		18,715	29,406	-
Dues and Registrations	2	19,582	30,411	14,526
Other costs		23,882	26,058	32,048
WIB Board Meeting Expenditures		-	-	-
Rent		-	38,366	
Insurance & Bond Expense		-	-	
	<b>53,401</b>	<b>11,554,862</b>	<b>14,319,400</b>	<b>342,610</b>
Shared costs applied:				
Operational costs	326	172,961	290,732	2,165
Indirect administration costs	326	171,590	289,115	3,575
Shared costs	200	106,115	178,423	1,564
<b>Total Expenditures</b>	<b>54,253</b>	<b>12,005,528</b>	<b>15,077,670</b>	<b>349,914</b>
Revenues over (under) expenditures	\$ 0	\$ 78,925	\$ 82,701	\$ (226,939)
Other financing sources (uses):				
Operating transfers in (out)		(78,925)	(78,925)	79,629
RLF principal received (disbursed), net		-	-	
Sale of contributed asset		-	-	840,000
Net change in fund balances	\$ 0	\$ 0	\$ 3,776	\$ 692,690
Fund balances, beginning of year	\$ 0	\$ 0	654,924	1,899,842
Fund balances, end of year	\$ 0	\$ 0	\$ 658,700	\$ 2,592,532

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
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**(Continued)**

	Breckinridge County Reapportionment	Meade County Reapportionment	Marion County Reapportionment	LaRue County Reapportionment	Nelson County Reapportionment	Washington County Reapportionment	City of Bradfordsville CDBG #19-022
<b>Revenues</b>							
Federal revenue	\$	\$	\$	\$	\$	\$	\$ 2,500
Federal revenue - ARPA (other)							
Federal revenue - CARES (aging)							
Federal revenue - COVID (aging)							
Federal revenue - ARPA (aging)							
State revenue							
Local revenue	675	1,275	375	375	1,312	937	
Transfer of local cash							
Contractor cash match							
Program income							
Workforce Third Party Contribution							
Interest Income							
Other income							
In-kind contributions							
<b>Total Revenues</b>	<u>675</u>	<u>1,275</u>	<u>375</u>	<u>375</u>	<u>1,312</u>	<u>937</u>	<u>2,500</u>
<b>Expenditures</b>							
Personnel	316	674	208	207	726	519	3,966
Fringe Benefits	179	382	117	118	411	293	2,245
Contractual services							
Client services / program costs							
Travel	20	11		13	34	34	21
Training							
Ads, printing, publications & copies							
Lease, maintenance & software licensing							
Capital Outlay:							
Grant Purchased Equipment							
Leasehold Improvements In Progress							
Supplies and postage							
Phone							
Dues and Registrations							
Other costs							
WIB Board Meeting Expenditures							
Rent							
Insurance & Bond Expense							
	<u>515</u>	<u>1,067</u>	<u>325</u>	<u>338</u>	<u>1,171</u>	<u>846</u>	<u>6,232</u>
Shared costs applied:							
Operational costs	59	128	39		137	98	749
Indirect administration costs	60	127	39	39	137	98	748
Shared costs	<u>37</u>	<u>78</u>	<u>24</u>	<u>24</u>	<u>84</u>	<u>60</u>	<u>460</u>
<b>Total Expenditures</b>	<u>671</u>	<u>1,400</u>	<u>427</u>	<u>401</u>	<u>1,529</u>	<u>1,102</u>	<u>8,189</u>
Revenues over (under) expenditures	\$ 4	\$ (125)	\$ (52)	\$ (26)	\$ (217)	\$ (165)	\$ (5,689)
Other financing sources (uses):							
Operating transfers in (out)							2,318
RLF principal received (disbursed), net							
Sale of contributed asset							
Net change in fund balances	\$ 4	\$ (125)	\$ (52)	\$ (26)	\$ (217)	\$ (165)	\$ (3,371)
Fund balances, beginning of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,371
Fund balances, end of year	<u>\$ 4</u>	<u>\$ (125)</u>	<u>\$ (52)</u>	<u>\$ (26)</u>	<u>\$ (217)</u>	<u>\$ (165)</u>	<u>\$ 0</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
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**For The Year Ended June 30, 2023**  
**(Continued)**

	City of Caneyville CDBG #19-028	City of Lebanon CDBG #20-011	Isaiah House (Bluegrass ADD) CDBG	City of LaRue CDBG #21-022	City of Muldraugh CDBG #20-029	City of New Haven CDBG #14-023	City of Lebanon Comp Plan/ Zoning Ordinance
<b>Revenues</b>							
Federal revenue	\$ 10,000	\$	\$ 2,966	\$	\$ 15,000	\$	\$
Federal revenue - ARPA (other)							
Federal revenue - CARES (aging)							
Federal revenue - COVID (aging)							
Federal revenue - ARPA (aging)							
State revenue							
Local revenue		15,000					5,587
Transfer of local cash							
Contractor cash match							
Program income							
Workforce Third Party Contribution							
Interest Income							
Other income							
In-kind contributions							
<b>Total Revenues</b>	<u>10,000</u>	<u>15,000</u>	<u>2,966</u>		<u>15,000</u>		<u>5,587</u>
<b>Expenditures</b>							
Personnel	3,990	2,335	308	3,940	6,473		2,071
Fringe Benefits	2,258	1,321	175	2,230	3,663		1,172
Contractual services							
Client services / program costs							
Travel	149	18			140		
Training							
Ads, printing, publications & copies							
Lease, maintenance & software licensing							
Capital Outlay:							
Grant Purchased Equipment							
Leasehold Improvements In Progress							
Supplies and postage							
Phone							
Dues and Registrations							
Other costs						7,500	
WIB Board Meeting Expenditures							
Rent							
Insurance & Bond Expense							
	<u>6,397</u>	<u>3,674</u>	<u>483</u>	<u>6,170</u>	<u>10,276</u>	<u>7,500</u>	<u>3,243</u>
Shared costs applied:							
Operational costs	753	440	58	743	1,222		391
Indirect administration costs	753	441	58	743	1,221		390
Shared costs	463	271	36	457	751		240
<b>Total Expenditures</b>	<u>8,366</u>	<u>4,826</u>	<u>635</u>	<u>8,113</u>	<u>13,470</u>	<u>7,500</u>	<u>4,264</u>
Revenues over (under) expenditures	\$ 1,634	\$ 10,174	\$ 2,331	\$ (8,113)	\$ 1,530	\$ (7,500)	\$ 1,323
Other financing sources (uses):							
Operating transfers in (out)		(11,643)	(2,331)			7,500	(1,323)
RLF principal received (disbursed), net							
Sale of contributed asset							
Net change in fund balances	\$ 1,634	\$ (1,469)	\$ 0	\$ (8,113)	\$ 1,530	\$ 0	\$ 0
Fund balances, beginning of year	<u>3,339</u>	<u>1,469</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,680</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances, end of year	<u>\$ 4,973</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,113)</u>	<u>\$ 4,210</u>	<u>\$ 0</u>	<u>\$ 0</u>



**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
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**(Continued)**

	Land of Lincoln Comp Plan/ Zoning Ordinance	Leitchfield/ Grayson Co IDC RF DC	Marion Co. IF RF	City of Bradfordville ARPA Fund Assistance	City of Clarkson ARPA Fund Assistance	City of Cloverport ARPA Fund Assistance	City of New Haven ARPA Fund Assistance
<b>Revenues</b>							
Federal revenue	\$	\$	\$	\$	\$	\$	\$
Federal revenue - ARPA (other)					500		
Federal revenue - CARES (aging)							
Federal revenue - COVID (aging)							
Federal revenue - ARPA (aging)							
State revenue							
Local revenue	7,425	2,000	2,500				
Transfer of local cash							
Contractor cash match							
Program income							
Workforce Third Party Contribution							
Interest Income							
Other income							
In-kind contributions							
<b>Total Revenues</b>	<u>7,425</u>	<u>2,000</u>	<u>2,500</u>		<u>500</u>		
<b>Expenditures</b>							
Personnel	2,643	263	327	362		177	19
Fringe Benefits	1,495	149	185	204		100	11
Contractual services							
Client services / program costs							
Travel						25	
Training							
Ads, printing, publications & copies							
Lease, maintenance & software licensing							
Capital Outlay:							
Grant Purchased Equipment							
Leasehold Improvements In Progress							
Supplies and postage							
Phone							
Dues and Registrations							
Other costs							
WIB Board Meeting Expenditures							
Rent							
Insurance & Bond Expense							
	<u>4,138</u>	<u>412</u>	<u>512</u>	<u>566</u>	<u>-</u>	<u>302</u>	<u>30</u>
Shared costs applied:							
Operational costs	499	50	62	69		33	4
Indirect administration costs	499	50	61	68		33	4
Shared costs	306	30	38	42		20	2
<b>Total Expenditures</b>	<u>5,442</u>	<u>542</u>	<u>673</u>	<u>745</u>	<u>-</u>	<u>388</u>	<u>40</u>
Revenues over (under) expenditures	\$ 1,983	\$ 1,458	\$ 1,827	\$ (745)	\$ 500	\$ (388)	\$ (40)
Other financing sources (uses):							
Operating transfers in (out)	(1,983)	(1,458)	(1,827)				
RLF principal received (disbursed), net							
Sale of contributed asset							
Net change in fund balances	\$ 0	\$ 0	\$ 0	\$ (745)	\$ 500	\$ (388)	\$ (40)
Fund balances, beginning of year	\$ 0	\$ 0	\$ 0	\$ 47	\$ 265	\$ 626	\$ 380
Fund balances, end of year	\$ 0	\$ 0	\$ 0	\$ (698)	\$ 765	\$ 238	\$ 340

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	City of Irrington ARPA Fund Assistance	LaRue County ARPA Fund Assistance	City of West Point ARPA Fund Assistance	City of Brandenbur g KIA- IEDF	City of Irrington Zoning Map Update	Internet Service DC	GENERAL FUND TOTAL - GRANTS MANAGEMENT BASIS
<b>Revenues</b>							
Federal revenue	\$	\$	\$	\$	\$	\$	\$ 30,466
Federal revenue - ARPA (other)	750	2,500					3,750
Federal revenue - CARES (aging)							0
Federal revenue - COVID (aging)							0
Federal revenue - ARPA (aging)							0
State revenue							0
Local revenue					3,750	8,733	151,582
Transfer of local cash							(45,983)
Contractor cash match							0
Program income							0
Workforce Third Party Contribution							0
Interest Income							1,934
Other income							65,386
In-kind contributions							0
<b>Total Revenues</b>	<u>750</u>	<u>2,500</u>			<u>3,750</u>	<u>8,733</u>	<u>207,135</u>
<b>Expenditures</b>							
Personnel	186	39			1,325	4,586	50,032
Fringe Benefits	106	22			750	2,595	28,414
Contractual services							3,600
Client services / program costs						17	17
Travel	13					28	600
Training							0
Ads, printing, publications & copies							244
Lease, maintenance & software licensing						2,493	2,928
Capital Outlay:							0
Grant Purchased Equipment							0
Leasehold Improvements In Progress							266,558
Supplies and postage						17	2,517
Phone						300	300
Dues and Registrations							14,526
Other costs				7,500			47,048
WIB Board Meeting Expenditures							0
Rent							0
Insurance & Bond Expense							0
	<u>305</u>	<u>61</u>	<u>-</u>	<u>7,500</u>	<u>2,075</u>	<u>10,036</u>	<u>416,784</u>
Shared costs applied:							
Operational costs	35	7			250	865	8,856
Indirect administration costs	35	7			250	865	10,301
Shared costs	22	5			153	532	5,699
<b>Total Expenditures</b>	<u>397</u>	<u>80</u>	<u>-</u>	<u>7,500</u>	<u>2,728</u>	<u>12,298</u>	<u>441,640</u>
Revenues over (under) expenditures	\$ 353	\$ 2,420	\$ 0	\$ (7,500)	\$ 1,022	\$ (3,565)	\$ (234,505)
Other financing sources (uses):							
Operating transfers in (out)				\$ 7,500	\$ (1,022)	3,565	78,925
RLF principal received (disbursed), net							
Sale of contributed asset							840,000
Net change in fund balances	\$ 353	\$ 2,420	\$ 0	\$ 0	\$ 0	\$ 0	\$ 684,420
Fund balances, beginning of year	\$ 664	\$ (451)	\$ 100	\$ 0	\$ 0	\$ 0	1,912,333
Fund balances, end of year	<u>\$ 1,017</u>	<u>\$ 1,969</u>	<u>\$ 100</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,596,753</u>

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT**  
**COMBINING SCHEDULE OF OPERATIONS BY PROGRAM AND SUPPORTING SERVICES**  
**Supplementary Information**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	GRANTS MANAGEMENT BASIS TOTAL	SHARED COST ALLOCATION	GRANTS MANAGEMENT BASIS WITH SHARED COSTS ALLOCATED	GRANTS MANAGEMENT BASIS TO FUND BASIS CONVERSION	GOVERNMENTAL FUNDS TOTAL (after conversion)
<b>Revenues</b>					
Federal revenue	\$ 3,916,712	\$	\$ 3,916,712	\$	\$ 3,916,712
Federal revenue - ARPA (other)	3,750		3,750		3,750
Federal revenue - CARES (aging)	0		0		0
Federal revenue - COVID (aging)	0		0		0
Federal revenue - ARPA (aging)	1,222,586		1,222,586		1,222,586
State revenue	9,579,862		9,579,862		9,579,862
Local revenue	192,955		192,955		192,955
Transfer of local cash	0		0		0
Contractor cash match	198,093		198,093		198,093
Program income	22,577		22,577		22,577
Workforce Third Party Contribution	14,393		14,393		14,393
Interest Income	13,278		13,278		13,278
Other income	65,500		65,500	(26,649)	38,851
In-kind contributions	137,800		137,800		137,800
<b>Total Revenues</b>	<u>15,367,506</u>		<u>15,367,506</u>	<u>(26,649)</u>	<u>15,340,857</u>
<b>Expenditures</b>					
Personnel	1,588,503	346,601	1,935,104	(37,873)	1,897,231
Fringe Benefits	897,488	179,628	1,077,116		1,077,116
Contractual services	4,243,801	61,838	4,305,639		4,305,639
Client services / program costs	7,165,273	0	7,165,273		7,165,273
Travel	21,391	11,573	32,964		32,964
Training	13,117	710	13,827		13,827
Ads, printing, publications & copies	13,071	7,112	20,183		20,183
Lease, maintenance & software licensing	59,277	8,705	67,982		67,982
Capital Outlay:	0		0		0
Grant Purchased Equipment	213,674		213,674		213,674
Leasehold Improvements In Progress	266,558		266,558		266,558
Supplies and postage	67,916	17,399	85,315		85,315
Phone	29,706	5,740	35,446		35,446
Dues and Registrations	44,937	16,082	61,019		61,019
Other costs	73,106	18,211	91,317	23,310	114,627
WIB Board Meeting Expenditures	0	0	0		0
Rent	38,366	93,511	131,877		131,877
Insurance & Bond Expense	-	16,016	16,016		16,016
	<u>14,736,184</u>	<u>783,126</u>	<u>15,519,310</u>	<u>(14,563)</u>	<u>15,504,747</u>
Shared costs applied:					
Operational costs	299,588	(299,588)	0		
Indirect administration costs	299,416	(299,416)	0		
Shared costs	184,122	(184,122)	0		
<b>Total Expenditures</b>	<u>15,519,310</u>	<u>-</u>	<u>15,519,310</u>	<u>(14,563)</u>	<u>15,504,747</u>
Revenues over (under) expenditures	\$ (151,804)	\$ 0	(151,804)	\$ (12,086)	\$ (163,890)
Other financing sources (uses):					
Operating transfers in (out)	\$ 0				\$ 0
RLF principal received (disbursed), net	0			139,095	139,095
Sale of contributed asset	840,000		840,000		\$ 840,000
Net change in fund balances	\$ 688,196	\$ 0	\$ 688,196	\$ 127,009	\$ 815,205
Fund balances, beginning of year	<u>2,567,257</u>	<u>\$ 0</u>	<u>2,567,257</u>	<u>(377,125)</u>	<u>\$ 2,190,132</u>
Fund balances, end of year	<u>\$ 3,255,453</u>	<u>\$ 0</u>	<u>\$ 3,255,453</u>	<u>\$ (250,116)</u>	<u>\$ 3,005,337</u>

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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MIKE HARMON  
AUDITOR OF PUBLIC ACCOUNTS

Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of The Financial  
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

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 and each major fund of the Lincoln Trail Area Development District as of and for the year ended June 30, 2023, 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 5, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the Lincoln Trail Area Development District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lincoln Trail Area Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report On Internal Control Over Financial Reporting  
And On Compliance And Other Matters Based On An Audit Of The Financial  
Statement Performed In Accordance With *Government Auditing Standards*  
(Continued)

***Report on Compliance And Other Matters***

As part of obtaining reasonable assurance about whether the 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.

Respectfully submitted,

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Mike Harmon  
Auditor of Public Accounts  
Frankfort, Ky

December 5, 2023



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

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**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

Report On Compliance For Each Major Federal Program  
And Report On Internal Control Over Compliance  
In Accordance With The Uniform Guidance

Independent Auditor's Report

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 the Lincoln Trail Area Development District's compliance with the types of compliance requirements identified as subject to audit in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Lincoln Trail Area Development District's major federal programs for the year ended June 30, 2023. The 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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.



Report On Compliance For Each Major Federal Program  
And Report On Internal Control Over Compliance  
In Accordance With Uniform Guidance  
(Continued)

***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 GAAS, *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 GAAS, *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 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.

Report On Compliance For Each Major Federal Program  
And Report On Internal Control Over Compliance  
In Accordance With Uniform Guidance  
(Continued)

**Report on Internal Control over Compliance (Continued)**

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 have not been 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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

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Mike Harmon  
Auditor of Public Accounts  
Frankfort, Ky

December 5, 2023

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**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For The Year Ended June 30, 2023**

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**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For The Year Ended June 30, 2023**

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

***Financial Statement***

Type of report auditor issued on whether the financial statements audited were prepared in accordance with GAAP:  
Unmodified on GAAP Basis

Internal control over financial reporting:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any noncompliances material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

***Federal Awards***

Internal control over major programs:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Type of auditor’s report issued on compliance for major federal programs: Unmodified		
Are any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000	
Auditee qualified as a low-risk auditee?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**LINCOLN TRAIL AREA DEVELOPMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2023  
(Continued)**

**Section II: Financial Statement Findings**

None noted.

**Section III: Federal Award Findings And Questioned Costs**

None noted.

**Section IV: Summary Schedule of Prior Audit Findings**

None noted.