

# NOTICE AND AGENDA OF PUBLIC MEETING OF THE TRANSIT AUTHORITY OF LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (LEXTRAN) BOARD OF DIRECTORS

Pursuant to KRS 96.A, the Lextran Board of Directors is to meet monthly. The next meeting will be: **October 23, 2024, at 10:00 a.m. EST.**

Meeting location:

**Lextran – Room 110  
200 West Loudon Avenue  
Lexington, KY 40508**

Pursuant to KRS 61.810, the Board may enter into Closed Session, but shall not take any action in a Closed Session.

Pursuant to the Americans with Disabilities Act, persons with a disability may request a reasonable accommodation for assistance with the meeting or meeting materials. Please contact Emily Elliott at 859-255-7756. Requests made as early as possible will allow time to arrange accommodation.

## MEETING INSTRUCTIONS

The October 2024 Board of Directors meeting will be held in person.

The livestream is available on YouTube at:

<http://bit.ly/lextranmeeting>

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**LEXTRAN BOARD OF DIRECTORS MEETING**

October 23, 2024

10:00 a.m.

**MEETING AGENDA**

I.	Call to Order & Roll Call	10:00
II.	Public Comment on Agenda Items	10:00 – 10:05
III.	Approval of Minutes	10:05 – 10:10
	A. August 2024	
	B. September 2024	
	C. September Special Meeting 2024	
IV.	Chair’s Report (Dowell)	10:10 – 10:15
V.	Finance Committee Report (Ward)	10:15 – 10:30
	A. Review of Fiscal Year 2024 Audited Financial Statements	
VI.	Lextran Monthly Performance Report & Financials – September	10:30 – 10:45
VII.	Action Items	10:45 – 11:05
	A. Board Resolution 2024-25 Collective Bargaining Agreement	
	B. Board Resolution 2024-26 Purchase of Solar Lighting for Bus Stops	
	C. Board Resolution 2024-27 Task Order for Installation of Solar Lighting	
	D. Board Resolution 2024-28 Fixed-Route Bus Purchase	
	E. Board Resolution 2024-29 On-Board Camera Systems	
	F. Board Resolution 2024-30 Establishing a Strategic Planning Committee	
	G. Board Resolution 2024-31 Fifth-Third Account Update	
VIII.	Change Order Report	11:05
IX.	Old Business	11:05
X.	New Business	11:05
XI.	Proposed Agenda Items	11:05 – 11:10
XII.	Closed Session	11:10
XIII.	Adjournment	11:10

The next business meeting of the Board of Directors is scheduled for November 20, 2024, at 10:00 a.m.

## BOARD OF DIRECTORS MEETING MINUTES

August 28, 2024

August 2024 Board Meeting Livestream: <https://www.youtube.com/watch?v=9X4lIDoXu1A>

### MEMBERS PRESENT

Harding Dowell, Board Chair  
Jamie Rodgers, Vice Chair  
Dr. Koffi Akakpo  
Judge Lindsay Hughes Thurston  
Jessica Berry (Virtual)  
Paul Schoninger  
George Ward (Virtual)

### ABSENT

Leidy Borges-Gonzalez

### STAFF PRESENT

Fred Combs, General Manager  
Randolph Williams, Assistant General Manager  
Chris Withrow, Director of Maintenance  
Nikki Falconbury, Director of Finance and Human Resources  
Emily Elliott, Director of Planning and Community Development  
Alan Jones, IT Manager  
Deanna Istre, Purchasing Manager  
Becky Lane, Purchasing Coordinator  
Jessica Pence, Executive Administrative Assistant  
Gregory Butler, Planning and Community Development Manager  
Allie Jones, Finance Manager  
Jason Dyal, Director of Operations  
Catherine Moran, Compliance Specialist  
Sarah Roach, Transit Analyst

### OTHERS PRESENT

Addison Lowry, Lextran Counsel  
Audrey Deines, RATP Dev  
Derwin Blake, RATP Dev  
Adam Jones, BUILD  
Linda Froehlich, Week Without Driving  
Ford McElroy, Week Without Driving  
Alice Hilton, Week Without Driving  
Gail Swanson, BUILD

Jane Meadows, BUILD  
Kat Goetz, BUILD

## **I. CALL TO ORDER**

Mr. Harding Dowell called the meeting to order at 10:00 a.m. and performed roll call.

## **II. PUBLIC COMMENT**

Mr. Adam Jones made a public comment, on behalf of the BUILD organization. He was seeking to get an update on the Microtransit Feasibility Study with Lextran. He reported that he wanted to bring it to the Board's attention knowing that an answer might not be available that day. BUILD was looking to get an update to provide to other members and in other community meetings. Mr. Jones comments start at 3:35 on the Livestream for verbatim reference.

## **III. APPROVAL OF MINUTES**

The minutes were reviewed for the June, July, and August Special Meetings. Judge Thurston made the first motion to approve minutes as a block. Mr. Paul Schoninger seconded that motion for approval. The motion passed.

## **IV. CHAIR'S REPORT**

There was no chair's report.

## **V. LEXTRAN PERFORMANCE REPORT & FINANCIALS**

Mr. Combs shared the following announcements:

- Thank you to everyone who joined for the 15<sup>th</sup> annual Roadeo and congratulations to the winners, Michael Burnett (1<sup>st</sup>), Philip Segar (2<sup>nd</sup>) and Theresa McConnon (3<sup>rd</sup>).
- America Walks is celebrating the upcoming "Week without Driving" from September 30<sup>th</sup> – October 6<sup>th</sup> and to focus on alternative transportation, what it means to be a driver, and what it looks like to use other forms of transportation in local areas.
- There is a new format to the Performance report that will have Emily Elliott reporting on Lextran Fixed-Route bus performance and Randolph Williams reporting on Lextran Wheels paratransit performance.

Ms. Emily Elliott presented the Monthly Performance Report for July 2024, which can be found on pages 13-18 of the August 2024 board packet.

### **HIGHLIGHTS FOR JULY 2024:**

- On July 8<sup>th</sup>, Lextran welcomed 17 trainees, marking the largest training class in recent history.

Lextran Board of Directors Meeting – August 2024

- Currently 9 of those trainees are on track to transition to revenue service in early September. Next class will start in September.
- The emphasis on hiring continued with 43 open interviews for the month and 11 new employees scheduled to join the team.
- Lextran hosted four paratransit listening sessions during the second week of July with a total of 60 participants.
- We celebrated summer with a cookout for employees on July 26<sup>th</sup>.
- A total of 42 employees received an FY23 attendance award for their dedication to our mission.

The board asked which routes were performing best and Ms. Elliott shared that Route 5-Nicholasville Rd continued to be a best performing route. On-time performance was discussed, including issues with construction causing delays. Some of the ways that detours are managed and reviewed, and information is shared within Lextran, and the public were also discussed. Preventable accidents were reviewed as far as a national standard data point and what constitutes preventable versus non-preventable.

Mr. Randolph Williams presented the Lextran Wheels Paratransit performance report including ridership and factors that impact those numbers. The variances in ridership and revenue miles were discussed showing that longer trips are occurring. Mr. Williams covered the safety numbers for Wheels. He reviewed a brief summary of the paratransit listening sessions from July including increased engagement, and successes like creation of relationships and training opportunities, and correction of a “front” door issue at a Senior Living Facility.

The board asked if some additional information could be shared including the most frequently used locations, unique riders, and the spikes in service demand times. Mr. Randolph discussed some of those peak times for the service, some of the known frequently used locations, and how the listening session locations were chosen.

## FINANCIAL REPORT

Ms. Nikki Falconbury presented the July Financial Report which can be found on pages 19-20 of the July 2024 Board of Directors Meeting Packet. The revenue looked low for the month of July because all property tax money that comes in for July was actually for June. Passenger revenue was over budget by \$30,000. Advertising revenue was budgeted for \$300,000, however under the new advertising contract the revenue payment was \$320,000. There was also an increase based on the new contract.

Wages and fringe were up from this time last year due to an increase in health insurance. Diesel fuel is looking good for the year, with an average cost of \$2.61 for July. The utilities line item was over budget in July due to the hot weather for most of the month. Property and liability were over budget because the actual cost came in higher than the budgeted amount for the year. Overtime was

discussed and higher for July related to coverage and training. Ms. Rodgers asked about the number of new hires for the classes in July. Ms. Falconbury and Mr. Combs replied that several trainees dropped out of that class and operator hiring was continuous. Ms. Rodgers also asked if we budget for all positions to be filled. Ms. Falconbury stated that the budget was built to consider the turnover.

## VI. ACTION ITEMS

### A. Board Resolution 2024-21 Electric Motors

Mr. Combs presented Resolution 2024-21 for Electric Motors. An RFP 2024-08 was issued May 17, 2024, with proposals received on July 02, 2024. A staff evaluation committee reviewed and approved the proposals for compliance and responsiveness. A responsive proposal was received from three (3) qualified proposers:

- Kirks Automotive
- Muncie Transit Supply
- The Aftermarket Parts Company

The proposal from Kirks Automotive received the highest evaluation score and is recommended to provide Electric Motors for Transit Buses for Lextran. The term of the contract awarded will be for two (2) years with two (2) options to extend for 1 year each, for a total of four (4) possible contract years. The source of funding is Federal Section 5307 Formula – Preventative Maintenance.

Mr. Schoninger made a motion to approve, it was seconded by Judge Thurston and it passed without opposition.

### B. Board Resolution 2024-22 Fuel for Buses

Mr. Combs presented Resolution 2024-22 for Fuel for Buses. An RFP 2024-09 was issued May 20, 2024, with proposals received on July 11, 2024. A staff evaluation committee reviewed and approved the proposals for compliance and responsiveness.

A responsive proposal was received from six (6) qualified proposers:

- Colonial Oil Industries, Inc.
- Mansfield Oil Company of Gainesville, Inc
- Petroleum Traders Corporation
- Keystops LLC (Key Oil Company/Southern Kentucky Maintenance)
- Sunoco LP
- World Fuel Services, Inc.

The proposal from Petroleum Traders Corporation received the highest evaluation score and is recommended to provide diesel and gasoline fuel for Lextran. The terms of the contract awarded will be for three (3) years with two (2) options to extend for 1 year each, for a total of five (5) possible contract years. The source of funding is local Mass Transit funds.

Judge Thruston made a motion to approve. Ms. Rodgers seconded the motion, and it passed without opposition.

#### **C. Board Resolution 2024-23 Paratransit Vehicles**

Mr. Combs presented Resolution 2024-23 to purchase paratransit vehicles. The Kentucky Public Transit Association (KPTA) published Bid #11 for the purchase of paratransit vehicles for multiple agencies that was awarded to Tesco on March 7, 2024. Lextran was not named in the original bid for purchases, however we have requested options from other named agencies for seven (7) 2 X 8 seat cutaway vehicles, and a named agency has agreed to provide these options to Lextran. This purchase is contingent upon the receipt of an approval letter from the Kentucky Transportation Cabinet. Lextran has submitted the necessary paperwork for this approval and is awaiting response at this time.

The source of funding for these paratransit vehicles is as follows:

- FFY24 Section 5339 Grant \$553,533.00
- Local Mass Transit funds \$227,715.00
- FFY24 Section 5310 Grant \$ 44,479.00

A motion for approval was made by Ms. Rodgers and seconded by Dr. Akakpo and passed without opposition.

#### **VII. CHANGE ORDER REPORT**

No change of order report.

#### **VIII. OLD BUSINESS**

There was no old business.

#### **IX. NEW BUSINESS**

There was no new business.

#### **X. CLOSED SESSION**

There was no closed session.

#### **XI. PROPOSED AGENDA ITEMS**

- A. Review of Fiscal Year 2024 Audited Financial Statements**
- B. Resolution – Fixed Route Bus Purchase**

**XII. ADJOURNMENT**

Mr. Dowell declared the meeting adjourned at 10:44 a.m.



## **SPECIAL BOARD OF DIRECTORS MEETING MINUTES**

September 27, 2024

September 2024 Special Board Meeting Livestream:

[https://www.youtube.com/live/tgFYygXuHsY?si=R6qTTeV0yk\\_ZHGrD](https://www.youtube.com/live/tgFYygXuHsY?si=R6qTTeV0yk_ZHGrD)

### **MEMBERS PRESENT**

Judge Lindsay Hughes Thurston (Virtual)

Paul Schoninger (Virtual)

Leidy Borges-Gonzalez (Virtual)

Dr. Koffi Akakpo, (Virtual)

George Ward (Virtual)

### **ABSENT**

Harding Dowell, Board Chair

Jamie Rodgers, Vice Chair

### **STAFF PRESENT**

Fred Combs, General Manager

Randolph Williams, Assistant General Manager

Alan Jones, IT Manager

### **OTHERS PRESENT**

Addison Lowry, Lextran Counsel

## **I. CALL TO ORDER**

Mr. Fred Combs called the meeting to order at 3:30 p.m. and a roll call was performed. Quorum was achieved.

## **II. PUBLIC COMMENT**

There was no public comment.

## **III. ACTION ITEMS**

### **A. Resolution 2024-27 - Task Order with Kersey and Kersey Architects - Microtransit Feasibility Study**

Mr. Fred Combs presented the Resolution 2024-27, requests approval to proceed with a task for Kersey and Kersey Architects and their subcontractor, Nelson/Nygaard, for a Microtransit Feasibility Study.

Lextran Board of Directors Meeting – Special Meeting –September 2024

Lextran published RFP 1904 Architectural and Engineering Services on May 6, 2019. In September of 2019, the Board of Directors approved Resolution 2019-22, awarding a contract to Kersey and Kersey Architects for Architectural and Engineering Services. The contract with Kersey and Kersey outlined the following general deliverable related to this project:

- Case studies of microtransit services in similar cities
- Existing conditions analysis and microtransit assessment in Lexington
- Service guidelines, design, and delivery recommendations
- Funding and implementation strategies

The Microtransit Feasibility Study will consist of case studies of successful and unsuccessful microtransit programs of agencies and communities similar to Lextran and Lexington, and compile the data gathered into a comprehensive report on the feasibility of a microtransit program within Lexington/Fayette County. The work to be performed will be scheduled to start in October 2024 with a target completion date of April 2025 (approximately 30 weeks). The lump-sum price for the completion of this task order is \$74,985.

The source of funding for this procurement is as follows:

- Section 5307 federal grant funds (80%): \$59,988
- State funding match (20%): \$14,997

Mr. Ward asked if there were any other respondents. Mr. Combs explained this was a task order from our architecture and engineering contract, the project could be completed as a task order.

Mr. Ward made a motion to approve the resolution 2024-27. Judge Thurston seconded; the motion passed.

#### **IV. CLOSED SESSION**

There was no closed session.

#### **V. ADJOURNMENT**

Mr. Combs declared the meeting adjourned at 3:38 p.m.



## LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (LEXTRAN) BOARD OF DIRECTORS MEETING MINUTES

September 25, 2024

September 2024 Board Meeting Livestream: [https://www.youtube.com/watch?v=AO\\_9AC57JBY](https://www.youtube.com/watch?v=AO_9AC57JBY)

### MEMBERS PRESENT

Harding Dowell, Board Chair (Virtual)  
Judge Lindsay Hughes Thurston (Virtual)  
Paul Schoninger  
George Ward

### MEMBERS ABSET

Leidy Borges-Gonzalez  
Jamie Rodgers, Vice Chair  
Dr. Koffi Akakpo

### STAFF PRESENT

Fred Combs, General Manager  
Randolph Williams, Assistant General Manager  
Jason Dyal, Director of Operations  
Emily Elliott, Director of Planning and Community Development  
Nikki Falconbury, Director of Finance and Human Resources  
Chris Withrow, Director of Maintenance  
Gregory Butler, Planning and Community Development Manager  
Deanna Istre, Purchasing Manager  
Alan Jones, IT Manager  
Allie Jones, Finance Manager  
Jessica Pence, Executive Administrative Assistant  
Catherine Moran, Compliance Specialist

### OTHERS PRESENT

Joey David, Lexington Area MPO  
Addison Lowry, Lextran Counsel  
Robin Osgood, Lextran Bus Rider  
Byron Robinson, RATP Dev

## I. CALL TO ORDER & ROLL CALL

Mr. George Ward called the meeting to order at 10:00 a.m. and performed a roll call. Due to a lack of quorum, no official actions could be taken.

## II. PUBLIC COMMENT ON AGENDA ITEMS

Ms. Robin Osgood, a Lextran rider, raised several concerns during public comment. She highlighted that the shortage of bus drivers is causing significant service disruptions, particularly on Nicholasville Road. She explained that drivers often "deadhead" back to the Transit Center without passengers when routes end prematurely due to a lack of drivers, leaving people stranded. Ms. Osgood emphasized that these service disruptions are particularly problematic for passengers with personal obligations, such as picking up children from daycare or meeting babysitters.

Ms. Osgood proposed a temporary solution: notifying the public when routes would end without passengers, as opposed to leaving passengers confused and frustrated. This would help manage expectations and reduce the number of complaints directed at drivers.

In addition, she shared an incident where a driver's refusal to allow a passenger to place a cart under a bus seat caused a delay and inconvenience for others. Ms. Osgood also expressed concern over the frequency of runs on Nicholasville Road, stating that Lextran needs more frequent service during both weekdays and weekends, especially when students are back in session. Finally, she suggested that Lextran explore implementing a service similar to Wheels to better accommodate passengers with disabilities, providing more accessible travel options.

Mr. George Ward assured Ms. Osgood that her concerns were noted and would be reviewed for possible improvements.

## III. APPROVAL OF MINUTES

The approval of the previous meeting's minutes was tabled due to a lack of quorum.

## IV. CHAIR'S REPORT

Chair Harding Dowell provided an update regarding the strategic planning efforts of the Board. He noted that previous attempts to schedule a full strategic planning session for the Board were unsuccessful due to scheduling conflicts. As a solution, he proposed the formation of a smaller strategic planning committee. This committee will meet in the fall to assess and develop long-term strategies to guide Lextran's services over the next 5 to 20 years. The committee's findings will be reported back to the full board, and the input from all Board members will be solicited.

Mr. Dowell emphasized the importance of this planning effort, which will include support from Lextran's partners at Transdev. A facilitator from Transdev will assist with the process. Mr. Fred Combs confirmed that a resolution will be required to formalize the establishment of this committee, and the resolution will be prepared for the October Board Meeting.

## V. LEXTRAN MONTHLY PERFORMANCE REPORTS AND FINANCIALS

Mr. Fred Combs provided updates on several key initiatives. The Lexington-Fayette Urban County Government (LFUCG) has partnered with CivicLex to conduct an evaluation of the city's boards and commissions. Lextran directors will receive a survey regarding their experiences and opinions, and CivicLex is expected to attend a future board meeting to present findings.

Additionally, Lextran recently hosted the Public Transit Sub-Committee of Kentuckians for Better Transportation. The sub-committee's agenda focused on the upcoming 2025 General Assembly, with discussions centered on funding strategies, including a presentation from the Transit Authority of River City (TARC) regarding its funding initiatives.

Finally, Mr. Combs reminded the board of the Week Without Driving Challenge, which begins on September 30, 2024. The purpose of the challenge is to encourage Lexington residents to consider the experience of living without reliance on a personal vehicle. Mr. Combs urged the board and the public to use transit and other alternative modes of transportation, such as walking or biking, to gain a better understanding of the non-driver experience in Lexington.

### LEXTRAN PERFORMANCE REPORT

Ms. Emily Elliott presented the Lextran Performance Report for August 2024. The month was highlighted by the 15th Annual Bus Roadeo, held on August 24th. Congratulations were extended to Michael Burnett, who won his sixth Roadeo, with Phillip Segar placing second and Theresa McConnon securing third place.

Ridership for August showed a slight decrease from the previous month. However, weekend ridership saw an increase, as expected. On-time performance was down due to the disruptions caused by the start of Fayette County Schools and the University of Kentucky's move-in week. Lextran is actively reviewing data to assess whether these issues are temporary or indicative of broader trends. The data analysis will help determine steps for improving on-time performance, particularly on routes most affected by these disruptions.

In terms of safety, Lextran reported five preventable accidents in August, and the number of days without a preventable accident decreased. Lextran is actively reviewing these incidents to identify trends and potential areas for improvement. On a positive note, the maintenance team achieved 100% on its preventative maintenance inspections, and Lextran operated 14,984 miles between road calls. Maintenance continues to play a crucial role in ensuring operational efficiency and safety.

Mr. George Ward inquired about the increase in customer commendations for August, asking whether anything specific triggered the rise. Ms. Elliott explained that while no specific event led to the increase, Lextran has been proactive in encouraging passenger feedback over the last few months by distributing flyers on vehicles. The increase in feedback has allowed Lextran to address community needs more directly.

## PARATRANSIT PERFORMANCE REPORT

Mr. Randolph Williams presented the Paratransit Ridership Report for August 2024. Ridership numbers were consistent with expectations, with a slight 2% decrease compared to August 2023. Total ridership for the month was 14,668, with 12,342 trips on weekdays, 1,362 on Saturdays, and 964 on Sundays. Paratransit services traveled a total of 94,358 revenue miles with 7,164 revenue hours logged.

Mr. Williams reported one preventable accident during the month, equivalent to one accident per 100,000 miles, and emphasized the continued safety improvements within the Paratransit services. He also provided data on peak usage times for FY24, noting that the highest demand occurred between 10:00 a.m. and 11:00 a.m. Additionally, there were 1,132 unique riders using the service, 152 of whom were registered with the mobility app by Ecolane.

Mr. Ward asked for clarification on the differences in usage between the Senior Center and the Fresenius Dialysis Center on Leestown Road. Mr. Williams explained that the numbers were quite close, with only a 700-trip difference.

## FINANCIAL REPORT

Ms. Nikki Falconbury presented the August 2024 Financial Report. Property tax revenues were approximately \$90,000 higher than at the same point last year, and passenger fares increased by \$10,000 compared to the previous year. The delay in receiving federal funds remains a timing issue, but Lextran expects to resolve this in the coming months. State funds are expected soon, as invoices have already been sent.

Materials and supplies expenses were over budget due to the unanticipated need for low-emission bus parts, which totaled \$48,000. This caused expenses to exceed expectations early in the fiscal year. Additionally, insurance costs for property and liability came in higher than projected, but other expenses remained under budget.

Diesel fuel usage was lower than this time last year, with an average cost of \$245 per gallon, down from \$308. The use of compressed natural gas remained steady, which is a positive sign for controlling fuel costs.

Mr. Ward inquired about the status of federal funds, asking if they were being recorded as receivables. Ms. Falconbury explained that since the grant had not yet reached final obligation, the funds could not be recorded as receivables. However, once the process is complete, last year's funds will be added to this year's total, amounting to approximately \$4 million.

## VI. ACTION ITEMS

The following resolutions were tabled due to lack of quorum:

### A. Board Resolution 2024-24: Purchase of Solar Lighting for Bus Stops



- B. Board Resolution 2024-25: Task Order for Installation of Solar Lighting
- C. Board Resolution 2024-26: Fixed-Route Bus Purchase
- D. Board Resolution 2024-27: Task Order for Microtransit Feasibility Study

## **VII. CHANGE ORDER REPORT**

No change orders were reported.

## **VIII. OLD BUSINESS**

No old business was discussed.

## **IX. NEW BUSINESS**

No new business was discussed.

## **X. PROPOSED ACTION ITEMS**

The following items are proposed for upcoming Lextran Board of Directors meetings

- A. Review of the annual audit.
- B. Resolutions for strategic planning subcommittee appointments.
- C. Task order for the micro-transit feasibility study.

## **XI. CLOSED SESSION**

The Board was unable to enter closed Session due to lack of quorum.

## **XII. ADJOURNMENT**

Mr. George Ward adjourned the meeting at 10:29 A.M.



**TRANSIT AUTHORITY**  
**THE LEXINGTON-FAYETTE URBAN**  
**COUNTY GOVERNMENT**  
Lexington, Kentucky

A Component Unit of the Lexington-Fayette  
Urban County Government

**FINANCIAL STATEMENTS**  
June 30, 2024



TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN  
COUNTY GOVERNMENT  
Lexington, Kentucky

FINANCIAL STATEMENTS  
June 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Transit Authority of the Lexington-Fayette Urban County Government  
Lexington, Kentucky

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the financial statements of the business-type activities of the Transit Authority of the Lexington-Fayette Urban County Government (the Authority), a component unit of Lexington-Fayette Urban County Government, as of and for the year ended June 30, 2024, and the fiduciary activities as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of June 30, 2024, and the fiduciary activities as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

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(Continued)

## ***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 and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the Authority's Net Pension Liability (Asset), the Schedule of Employer Contributions – Pension Plan, and the Schedule of Annual Money-Weighted Rate of Return on Pension Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Crowe LLP

Lexington, Kentucky  
September 25, 2024

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

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The following Management's Discussion and Analysis (MD&A) of the Transit Authority of the Lexington-Fayette Urban County Government (the Authority) activities and financial performance provides the reader with an introduction to, and overview of, the financial statements of the Authority for the fiscal year ended June 30, 2024.

The Authority is a component unit of the Lexington-Fayette Urban County Government and serves the public transportation needs of Lexington-Fayette Urban County including the University of Kentucky campus and surrounding areas. In a previous year, the Authority participated in the New Market Tax Credits (NMTC) Program, administered by the United States Treasury Department and the New Markets Development Program administered by the Kentucky Department of Revenue (the NMTC Programs), to assist with financing of the new facility constructed at 200 West Loudon Avenue. To facilitate the NMTC transaction, the Authority formed two new legal entities, Lextran Real Properties, Inc. (Lextran Real Properties) and Lextran Foundation, Inc. (the Foundation). These entities are considered blended component units of the Authority and their activities are included in the Authority's financial statements. As of June 30, 2024, neither entity had any activity or balances.

### **Introduction to the Basic Financial Statements**

This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority presents its basic financial statements using the economic resources measurement focus and accrual basis of accounting. As a special purpose government engaged in business-type activities, the Authority's basic financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows as a Proprietary Fund. The Authority also reports on a Fiduciary Fund net position and changes in net position for its defined benefit pension plan as of the preceding December 31<sup>st</sup> of each year. The Fiduciary Fund is not part of the government-wide financial statements. Notes to the basic financial statements, supplementary information, and required supplementary information, including this section, support these statements. All sections must be considered together to obtain a complete understanding of the financial position and results of operations of the Authority.

**Statement of Net Position:** The Statement of Net Position includes all assets and deferred outflows and liabilities and deferred inflows of resources of the Authority, with the difference between the two reported as net position. Activity and balances are reported on an accrual basis. This statement also identifies major categories of restrictions on net position as applicable.

**Statement of Revenues, Expenses, and Changes in Net Position:** The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year ended June 30, 2024, on an accrual basis.

**Statement of Cash Flows:** The Statement of Cash Flows presents the changes in cash and cash equivalents for the year ended June 30, 2024 summarized by operating, capital and noncapital financing, and investing activities. The statement is prepared using the direct method of reporting cash flows.

The Authority's basic financial statements can be found on pages 12 - 16 of this report. The notes to basic financial statements provide additional information that is essential to a better understanding of the data provided in the financial statements. The notes can be found on pages 17 - 29 of this report, and required supplementary information, other supplementary information, and Uniform Grant Guidance reporting is provided after the notes as identified in the table of contents.

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

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**AUTHORITY ACTIVITIES AND FINANCIAL HIGHLIGHTS**

- The net position of the Authority decreased by \$960,000 during the year to \$82,097,000.
- Total revenues earned by the Authority was approximately \$34,716,000.
- Total expenses incurred by the Authority was approximately \$35,676,000.
- Common operating statistical data is shown below:

	<u>2024</u>	<u>Change</u>	<u>2023</u>
Unlinked passenger trips	3,952,969	285,438	3,667,531
Vehicle revenue miles	3,043,023	(14,114)	3,057,137
Vehicle revenue hours	282,456	(5,609)	288,965

**FINANCIAL POSITION SUMMARY – PROPRIETARY FUND**

Net position may serve over time as a useful indicator of the Authority's financial position. The Authority's assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$82,097,000 at June 30, 2024, an approximately \$959,000 decrease from June 30, 2023.

	<u>2024</u>	<u>2023</u>	<u>Change from 2023</u>	<u>% Change from 2023</u>
<b>ASSETS</b>				
Current assets	\$ 37,841,000	\$ 45,618,000	\$ (7,778,000)	(17)%
Noncurrent assets:				
Net capital assets	43,917,000	37,465,000	6,452,000	17
Net pension asset	<u>3,799,000</u>	<u>621,000</u>	<u>3,178,000</u>	<u>512</u>
Total assets	<u>85,557,000</u>	<u>83,704,000</u>	<u>1,852,000</u>	<u>2</u>
Deferred outflows of resources	<u>1,057,000</u>	<u>2,472,000</u>	<u>(1,415,000)</u>	<u>(57)</u>
Total assets and deferred outflows of resources	<u>\$ 86,614,000</u>	<u>\$ 86,176,000</u>	<u>\$ 438,000</u>	<u>1%</u>

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

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**FINANCIAL POSITION SUMMARY – PROPRIETARY FUND (Continued)**

	<u>2024</u>	<u>2023</u>	<u>Change from 2023</u>	<u>% Change from 2023</u>
<b>LIABILITIES</b>				
Current liabilities	\$ 2,010,000	\$ 1,391,000	\$ 619,000	45%
Noncurrent liabilities	<u>338,000</u>	<u>360,000</u>	<u>(22,000)</u>	<u>(6)</u>
Total liabilities	<u>2,348,000</u>	<u>1,751,000</u>	<u>597,000</u>	<u>34</u>
Deferred inflows of resources	<u>2,169,000</u>	<u>1,369,000</u>	<u>800,000</u>	<u>58</u>
Total liabilities and deferred Inflows of resources	<u>\$ 4,517,000</u>	<u>\$ 3,120,000</u>	<u>\$ 1,397,000</u>	<u>45%</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 43,917,000	\$ 37,465,000	\$ 6,452,000	17
Unrestricted	<u>38,180,000</u>	<u>45,591,000</u>	<u>(7,412,000)</u>	<u>(16)</u>
Total net position	<u>\$ 82,097,000</u>	<u>\$ 83,056,000</u>	<u>\$ (959,000)</u>	<u>(1)%</u>

Total assets increased approximately \$1,852,000 due in part to the following:

- Current assets decreased primarily due to timing of grant receivables and decrease in cash related to capital asset expenditures.
- Increase in net pension asset of approximately \$3,178,000.
- Increase in net capital assets of approximately \$6,452,000

Total liabilities increased approximately \$597,000 due in part to the following:

- Current liabilities increased primarily due to timing of accounts payable and pension.

Deferred outflows and inflows of resources changed based on changes in the pension plan during the year.

**NET POSITION – PROPRIETARY FUND**

Net investment in capital assets (approximately 53% at June 30, 2024) represents the Authority's investment in capital and other related assets (e.g., land, buildings, improvements, and equipment). The Authority uses these capital assets to provide services to its passengers and visitors. Consequently, these assets are not available for future spending.

The remaining unrestricted net position (approximately 47% at June 30, 2024) may be used to meet any of the Authority's ongoing obligations.

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

**CAPITAL ASSETS**

At June 30, 2024, the Authority had approximately \$43,917,036 invested in capital and other related assets, an increase of approximately \$6,452,000 or 17% from 2023. At June 30, 2023, the Authority had approximately \$37,464,786 invested in capital and other related assets. Major additions for the past two years include:

For the year ended June 30, 2024:	
• Bus and charger purchases	\$ 8,714,000
• Buildings	15,000
• Radio & equipment purchases	<u>1,372,000</u>
	<u>\$ 10,101,000</u>
For the year ended June 30, 2023:	
• Bus and charger purchases	\$ 2,463,000
• Paratransit vehicles	471,000
• Bus shelters	249,000
• Radio & equipment purchases	<u>34,000</u>
	<u>\$ 3,217,000</u>

The majority of funding for the above projects was through capital contributions obtained from Federal Department of Transportation agencies with the remainder coming from local and state government matching contributions. More detail about the Authority's capital and other related assets is presented in Note 3 to the basic financial statements.

A summary of changes in capital assets as of June 30, 2024 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 1,705,700	\$ -	\$ -	\$ -	\$ 1,705,700
Transit Center easement	2,873,162	-	-	-	2,873,162
Construction in process	-	<u>316,568</u>	-	-	<u>316,568</u>
Total capital assets not being depreciated	<u>4,578,862</u>	<u>316,568</u>	<u>-</u>	<u>-</u>	<u>4,895,430</u>
Depreciable capital assets:					
Motor coaches and vans	37,256,321	8,713,673	(1,691,359)	-	44,278,635
Buildings	27,928,478	14,763	-	-	27,943,241
Paratransit vehicles	471,227	-	-	-	471,227
Equipment and fixtures	<u>7,699,933</u>	<u>1,371,777</u>	<u>-</u>	<u>-</u>	<u>9,071,710</u>
Total depreciable capital assets	73,355,959	10,100,213	(1,691,359)	-	81,764,813
Less accumulated depreciation	<u>(40,470,085)</u>	<u>(3,964,481)</u>	<u>1,691,359</u>	<u>-</u>	<u>(42,743,207)</u>
Total capital assets being depreciated	<u>32,885,924</u>	<u>6,135,732</u>	<u>-</u>	<u>-</u>	<u>39,021,606</u>
Net capital assets	<u>\$ 37,464,786</u>	<u>\$ 6,452,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,917,036</u>

(Continued)



TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

**CAPITAL ASSETS (Continued)**

A summary of changes in capital assets as of June 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 1,705,671	\$ -	\$ -	\$ -	\$ 1,705,700
Transit Center easement	2,873,162	-	-	-	2,873,162
Construction in process	<u>402,409</u>	<u>-</u>	<u>-</u>	<u>(402,409)</u>	<u>-</u>
Total capital assets not being depreciated	<u>4,981,242</u>	<u>-</u>	<u>-</u>	<u>(402,409)</u>	<u>4,578,862</u>
Depreciable capital assets:					
Motor coaches and vans	34,797,852	2,463,090	-	(4,620)	37,256,321
Buildings	27,920,486	14,879	(6,886)	-	27,928,478
Paratransit vehicles	-	471,227	-	-	471,227
Equipment and fixtures	<u>7,617,801</u>	<u>268,322</u>	<u>(186,192)</u>	<u>-</u>	<u>7,699,933</u>
Total depreciable capital assets	70,336,139	3,217,518	(193,078)	(4,620)	73,355,959
Less accumulated depreciation	<u>37,347,928</u>	<u>(3,308,349)</u>	<u>186,192</u>	<u>-</u>	<u>(40,470,085)</u>
Total capital assets being depreciated	<u>32,988,211</u>	<u>(90,831)</u>	<u>(6,886)</u>	<u>(4,620)</u>	<u>32,885,924</u>
Net capital assets	<u>\$ 37,969,453</u>	<u>\$ (90,831)</u>	<u>\$ (6,886)</u>	<u>\$ (407,029)</u>	<u>\$ 37,464,786</u>

**SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION – PROPRIETARY FUND**

	<u>2024</u>	<u>2023</u>	<u>Change from 2023</u>	<u>% Change from 2023</u>
Operating revenues	\$ 4,270,000	\$ 4,247,000	\$ 23,000	1%
Operating expenses	<u>(31,711,000)</u>	<u>(31,729,000)</u>	<u>18,000</u>	<u>-</u>
Loss before depreciation and non-operating revenue and expense	(27,441,000)	(27,482,000)	41,000	-
Depreciation	<u>(3,964,000)</u>	<u>(3,308,000)</u>	<u>(656,000)</u>	<u>20</u>
Loss before non-operating revenue and expense	(31,405,000)	(30,790,000)	(615,000)	2
Non-operating revenue and expense	<u>26,593,000</u>	<u>50,572,000</u>	<u>(23,979,000)</u>	<u>(47)</u>
Gain (loss) before capital contributions	(4,812,000)	19,782,000	(24,594,000)	(124)
Capital contributions	<u>3,853,000</u>	<u>1,405,000</u>	<u>2,448,000</u>	<u>174</u>
Change in net position	<u>\$ (959,000)</u>	<u>\$ 21,187,000</u>	<u>\$ (22,146,000)</u>	<u>(105)%</u>

(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

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**REVENUE – PROPRIETARY FUND**

A summary of revenues for the year ended June 30, 2024, and the amount and percentage of change in relation to prior year amounts is as follows:

	<u>2024</u>	<u>2023</u>	<u>Change from 2023</u>	<u>% of Total</u>	<u>% Change from 2023</u>
Operating:					
Passenger fares	\$ 3,777,000	\$ 3,627,000	\$ 150,000	11%	4%
Advertising	322,000	355,000	(33,000)	1	(9)
Other	<u>171,000</u>	<u>265,000</u>	<u>(94,000)</u>	<u>-</u>	<u>(35)</u>
Total operating	4,270,000	4,247,000	23,000	12	1
Non-operating revenues:					
Property taxes	24,114,000	22,738,000	1,376,000	70	6
Federal assistance	720,000	22,356,000	(21,636,000)	2	(97)
State assistance	1,759,000	1,560,000	199,000	5	13
Other gain from NMTC	<u>-</u>	<u>3,916,000</u>	<u>(3,916,000)</u>	<u>-</u>	<u>(100)</u>
Total non-operating	<u>26,593,000</u>	<u>50,570,000</u>	<u>(23,977,000)</u>	<u>77</u>	<u>(47)</u>
Capital contributions	<u>3,853,000</u>	<u>1,405,000</u>	<u>2,448,000</u>	<u>11</u>	<u>174</u>
Total revenues	<u>\$ 34,716,000</u>	<u>\$ 56,222,000</u>	<u>\$(21,506,000)</u>	<u>100%</u>	<u>(38)%</u>

Non-operating revenues decreased approximately \$23,977,000 due in part to the following:

- Federal assistance decreased approximately \$21,636,000 due to the use of ARPA funding and timing of other federal grant execution an expenditures.
- Property tax revenues received from the mass transit tax increased approximately \$1,376,000.

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

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**EXPENSES – PROPRIETARY FUND**

A summary of expenses for the year ended June 30, 2024, and the amount and percentage of change in relation to prior year amounts is as follows:

	<u>2024</u>	<u>2023</u>	<u>Change from 2023</u>	<u>% of Total</u>	<u>% Change from 2023</u>
Operating					
Operations	\$ 21,494,000	\$ 22,136,000	\$ (642,000)	60%	(3)%
Maintenance	5,019,000	4,932,000	87,000	14	2
General and administrative	4,845,000	4,247,000	598,000	14	14
Non-vehicle	353,000	414,000	(61,000)	1	(15)
Depreciation and amortization	<u>3,964,000</u>	<u>3,308,000</u>	<u>656,000</u>	<u>11</u>	<u>20</u>
Total operating	<u>35,675,000</u>	<u>35,037,000</u>	<u>646,000</u>	<u>100</u>	<u>2</u>
Non-operating:					
Gain from sale of capital assets	-	(2,000)	(2,000)	0	(100)
Total non-operating	-	(2,000)	(2,000)	0	(100)
Total expenses	<u>\$ 35,676,000</u>	<u>\$ 35,028,000</u>	<u>648,000</u>	<u>100%</u>	<u>2%</u>

Operating expenses increased approximately \$646,000 due in part to the following:

- Expense related to operations decreased by approximately \$642,000 mostly due to reduced diesel prices.
- Expense related to general and administrative increased by approximately \$598,000 due to increased professional service expense related to ongoing projects, increased paratransit expense due to increased ridership, and increase in advertising expense due to the 50<sup>th</sup> anniversary celebration during the fiscal year.
- Depreciation expense increased by approximately \$656,000 due to the increase in capital assets during the year.

The decrease in net position for fiscal year 2024 was approximately \$959,000 as compared to an increase of approximately \$21,187,000 in 2023.

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

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**SUMMARY OF CASH FLOW ACTIVITIES – PROPRIETARY FUND**

The following shows a summary of the major sources and uses of cash for the past two years.

	<u>2024</u>	<u>2023</u>	<u>Change from 2023</u>	<u>% Change from 2023</u>
Operating activities	\$ (27,549,000)	\$ (27,235,000)	\$ (314,000)	1%
Noncapital financing activities	27,581,000	42,220,000	(14,639,000)	(35)
Capital and related financing activities	<u>(6,563,000)</u>	<u>(1,799,000)</u>	<u>(4,764,000)</u>	<u>265</u>
Net change in cash	(6,531,000)	13,186,000	(19,717,000)	(150)
Cash, beginning of year	<u>38,270,000</u>	<u>25,084,000</u>	<u>13,186,000</u>	<u>53</u>
Cash, end of year	<u>\$ 31,739,000</u>	<u>\$ 38,270,000</u>	<u>\$ (6,531,000)</u>	<u>(17)%</u>

Cash from capital and related financing activities decreased due to the expenditures related to capital asset additions in the current fiscal year.

**CURRENT OUTLOOK**

Due to the COVID-19 pandemic and an in effort to protect operators by limiting close contact with customers, Lextran temporarily suspended collecting passenger fares in March 2020, similar to many transit agencies nationwide. The temporary suspension of fares ended in January 2021. Fiscal year 2023 began to see an increase in ridership; however, it remained well below ridership in previous years. In fiscal 2024, ridership continued to inch upward, though still below pre-pandemic levels. Several unknowns remain - such as the likelihood of increased ridership moving forward, the impacts of the rising cost of diesel fuel and the increased cost of a new paratransit contractor.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to the Director of Finance, Transit Authority of the Lexington-Fayette Urban County Government, 200 West Loudon Avenue, Lexington, Kentucky 40508.

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
June 30, 2024

**ASSETS**

Unrestricted current assets:	
Cash	\$ 31,738,878
Receivables	
Trade	21,135
Federal and local grants	2,425,381
Commonwealth of Kentucky	2,501,529
Property taxes	246,911
Inventories of repair parts and fuel	878,975
Prepaid expenses	<u>27,460</u>
Total current assets	37,840,269
Unrestricted noncurrent assets:	
Nondepreciable capital assets	4,895,430
Depreciable capital assets	81,764,813
Accumulated depreciation	<u>(42,743,207)</u>
Depreciable capital assets, net	39,021,606
Net pension asset	<u>3,799,383</u>
Total noncurrent assets	<u>47,716,419</u>
Total assets	85,556,688
Deferred outflows of resources - pension	<u>1,057,764</u>
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 86,614,452</u></b>

**LIABILITIES**

Current liabilities:	
Trade accounts payable	\$ 1,451,614
Accrued expenses	421,915
Compensated absences	<u>137,229</u>
Total current liabilities	2,010,758
Noncurrent liabilities:	
Compensated absences	<u>337,966</u>
Total noncurrent liabilities	<u>337,966</u>
Total liabilities	2,348,724
Deferred inflows of resources - pension	<u>2,168,628</u>
<b>Total liabilities and deferred inflows of resources</b>	<b>4,517,352</b>

**NET POSITION**

Net investment in capital assets	43,917,036
Unrestricted	<u>38,180,064</u>
Total net position	<u>82,097,100</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b><u>\$ 86,614,452</u></b>

See accompanying notes to financial statements.

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
Year ended June 30, 2024

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<b>Operating revenues</b>	
Passenger fares	\$ 3,777,356
Advertising	321,914
Fuel tax refunds and other	<u>171,496</u>
Total operating revenues	<u>4,270,766</u>
<b>Operating expenses</b>	
Operations	21,494,402
Maintenance	5,018,561
General and administrative	4,845,186
Non-vehicle	353,058
Depreciation and amortization	<u>3,964,481</u>
Total operating expenses	<u>35,675,688</u>
<b>Operating loss</b>	(31,404,922)
<b>Non-operating revenues</b>	
Property taxes	24,114,118
Federal assistance	719,661
State assistance	1,758,474
Gain on sale of capital assets	<u>100</u>
Total non-operating revenues	<u>26,592,353</u>
<b>Loss before capital contributions</b>	(4,812,569)
<b>Capital contributions:</b>	
Federal contributions	<u>3,853,033</u>
Total capital contributions	<u>3,853,033</u>
<b>Change in net position</b>	(959,536)
Net position, beginning of year	<u>83,056,637</u>
<b>Net position, end of year</b>	<u>\$ 82,097,100</u>

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See accompanying notes to financial statements.

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
Year ended June 30, 2024

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<b>Cash flows from operating activities</b>	
Cash received from passengers and service contracts	\$ 4,570,844
Cash payment to suppliers for goods and services	(15,237,744)
Cash payments to employees for services	<u>(16,882,248)</u>
Net cash flows from operating activities	(27,549,148)
 <b>Cash flows from noncapital financing activities</b>	
Federal assistance	2,397,794
State assistance	1,112,640
Property taxes	<u>24,070,874</u>
Net cash flows from noncapital financing activities	27,581,308
 <b>Cash flows from capital and related financing activities</b>	
Capital contributions	3,853,033
Proceeds from sale of capital assets	38
Purchases of capital assets	<u>(10,416,670)</u>
Net cash flows from capital and related financing activities	<u>(6,563,599)</u>
<b>Net change in cash</b>	(6,531,439)
Cash, beginning of year	<u>38,270,317</u>
<b>Cash, end of year</b>	<u>\$ 31,738,878</u>
 <b>Operating loss</b>	
Adjustments to reconcile loss from operations to cash used in operating activities:	
Depreciation and amortization	3,964,481
Change in assets and liabilities:	
Trade receivables	300,078
Inventories of maintenance parts and fuel	(44,163)
Net pension asset	(3,177,928)
Deferred outflows of resources	1,414,893
Accounts payable	580,203
Accrued expenses	56,634
Compensated absences	(38,349)
Deferred inflows of resources	<u>799,925</u>
Net cash flows from operating activities	<u>\$ (27,549,148)</u>

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See accompanying notes to financial statements.

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
December 31, 2023

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**ASSETS**

Cash and cash equivalents	\$ 1,462,730
Interest and dividends receivable	55,148
Contributions receivable	90,848
Investments, at fair value	
U.S. government obligations	1,370,112
Corporate bonds	3,341,364
Corporate stocks	10,104,873
Mutual funds	<u>4,630,356</u>
Total investments, at fair value	<u>19,446,705</u>
Total assets	<u>\$ 21,055,431</u>

**NET POSITION**

Net position restricted for pensions	<u>\$ 21,055,431</u>
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See accompanying notes to financial statements.



TRANSIT AUTHORITY OF  
 THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
 Year ended December 31, 2023

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**Additions**

Contributions		
Employer		\$ 385,444
Plan members		<u>447,850</u>
Total contributions		833,294
Investment earnings		
Net appreciation in fair value of investments		3,245,071
Interest and dividend income		<u>383,814</u>
Total investment income		<u>3,628,885</u>
Total additions		<u>4,462,179</u>

**Deductions**

Benefit payments		1,024,965
Administrative expenses		<u>5,000</u>
Total deductions		<u>1,029,965</u>

**Net increase in net position** 3,432,214

Plan net position, beginning of the year 17,623,217

**Plan net position, end of the year** \$ 21,055,431

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See accompanying notes to financial statements.

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity: The Authority is a special-purpose district organized to provide public transportation services for Fayette County, Kentucky and provides fixed route public transportation services. The Authority, which began operations in December 1973, was organized in accordance with the provisions of Kentucky Revised Statutes Chapter 96A by the City of Lexington and Fayette County, Kentucky. An eight-member board appointed by the Lexington-Fayette Urban County Government directs the business activities and affairs of the Authority. The financial statements include the Transit Authority of the Lexington-Fayette Urban County Government (“Lextran”), Lextran Foundation, Inc. (the “Foundation”) and Lextran Real Properties, Inc. (“Lextran Real Properties”).

Lextran Foundation, Inc. and Lextran Real Properties, Inc.: The Foundation and Lextran Real Properties were formed for the purpose of participating in the Federal and Kentucky New Market Tax Credit Programs and are considered blended component units of the Authority. Both entities are 501(c)(3) non-profit corporations. The boards of directors of the Foundation and Lextran Real Properties are appointed by the Lextran board of directors, and the organizations are set up for exclusive benefit of the Authority. The Foundation and Lextran Real Properties do not issue stand-alone financial statements. As of June 30, 2024 and 2023, neither the Foundation or Lextran Real Properties have any assets or liabilities.

The Authority is a component unit of the Lexington-Fayette Urban County Government (LFUCG), and the Authority’s financial statements are included as a discretely presented component unit in LFUCG’s comprehensive annual financial report.

Basis of Presentation and Accounting: The financial statements are prepared on the basis of Governmental Accounting Standards Board (GASB) pronouncements. The accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. All of the activities are accounted for as an enterprise fund for financial reporting purposes. The Authority uses methods prescribed by the Federal Transit Administration (FTA) as guidance. The authority for FTA to prescribe an accounting and reporting system is found in Section 15 of the Federal Transit Act of 1992, as amended.

Proprietary Fund: The Authority is a single-enterprise proprietary fund and uses the accrual basis of accounting. Proprietary funds are used to account for operations that are financed in a manner similar to a private business enterprise and that a periodic determination of revenues earned, expenses incurred and/or change in net position is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Authority activities are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recognized as soon as they result in liabilities for the benefits provided. Proprietary funds distinguish operating revenues and expenses from non-operating items:

- Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds’ principal ongoing operations. The principal operating revenues of the Authority are charges to customers in the form of bus fares and reimbursement by sponsors of subsidized routes.
- Operating expenses include the cost of providing transit service, administrative expenses and depreciation and amortization on capital assets.
- Property taxes, federal, state, and local assistance used to finance operations and expenses not related to the provision of transit service are reported as non-operating revenues and expenses.

It is the Authority’s policy to apply restricted resources first when an obligation is incurred for which both restricted and unrestricted net position are available for use.

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

Fiduciary Fund: The Authority's defined benefit pension trust funds are presented in a fiduciary fund in the accompanying financial statements. These assets are being held for the benefit of pension participants and cannot be used for the activities or obligations of the Authority. The Fiduciary Fund has been presented as of its year end of December 31, 2023.

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. Non-exchange transactions are transactions in which the Authority receives value without directly giving equal value in return. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include the following: (1) timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; (2) matching requirements, in which the Authority must provide local resources to be used for a specified purpose; and (3) expenditure requirements, in which resources are provided to the Authority on a reimbursement basis.

Federal, State and Local Funding: The Authority receives a variety of funding from FTA and other sources including:

- *Capital contributions* - As part of the capital program, the Authority has received grants from the FTA as well as matching contributions from the State and Local governments as required in the grant agreements. All federal and state capital grants and contributions are in the form of cash, which is then used to purchase capital assets. These grants and contributions are reported as capital contributions when all eligibility requirements have been met.
- *Non-operating assistance* - The Authority receives non-operating subsidies each year from the FTA. In addition, the FTA requires local matching of the non-operating subsidy to be provided by the Kentucky Transportation Cabinet or local sources. The local matching requirement can also be fulfilled with certain operating revenues, such as contract services, and by direct operating subsidies. The Authority also receives toll credits from the Kentucky Transportation Cabinet for certain grants that provide for up to an additional 20% match against federal subsidies.
- *UK Partnership Agreement* - In addition to normal passenger fare revenue, the Authority has an agreement with the University of Kentucky for a direct operating subsidy. The subsidy is recorded as passenger fare revenue. Payments are received monthly and for the year ended June 30, 2024, total revenue recognized by the Authority was \$2,521,937.
- *Property Taxes* - Property tax is levied based on the assessed valuation of property. All taxable property located within the Authority's taxing district is assessed annually on January 1. Taxes are payable to the Fayette County Sherriff on or before December 31 of the year of assessment. The Fayette County Sherriff remits collections monthly to Lextran. Lextran received 0.06% of all property taxes collected.

Concentration of Funding: The Authority relies on federal assistance for operations and capital acquisitions. Federal revenues represented approximately 13% of total 2024 revenues. The Authority relies on property taxes for operations and capital acquisitions. Property tax revenues represented approximately 70% of total revenues in 2024.

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

Cash and Cash Equivalents: The Authority's cash and cash equivalents are considered to be cash-on-hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Tax Assessments: During November 2004, a referendum was passed to increase the ad valorem tax by six cents per one-hundred-dollar valuation for the purpose of funding mass transportation. The property tax is levied in September on the assessed valuation of property located in Fayette County as of the preceding January 1, lien date. As of June 30, 2024, the accompanying financial statements reflect property taxes receivable of \$246,911. Property taxes receivable represents amounts collected by local taxing authorities that are not remitted to the Authority until after year end.

Receivables: Management considers its receivables to be fully collectible. Accordingly, no allowance for credit losses has been recorded.

Inventory: Inventory consists of fuel, tires, repair parts and supplies. No general administrative expenses are included in the inventory valuation. Expenses are recorded as the materials are consumed. Inventory is valued on the moving, weighted average cost method.

Prepaid Expenses: Prepaid expenses consist of normal operating expenses for which payment is due in advance, such as insurance, and are expensed when the benefit is received.

Capital and Other Related Assets: Capital and other related assets, which include property, facilities and equipment are capitalized at total acquisition cost, provided such cost exceeds \$5,000 and the expected useful life of the asset is more than one year. Depreciation is recorded on all depreciable capital assets on a straight-line basis over the estimated useful lives of the assets, which range from three to forty years. The Authority has acquired certain assets with funding provided by federal assistance from the FTA grant programs along with local matching funds. The Authority holds title to these assets; however, the federal government retains an interest in these assets should the Authority no longer use the assets for mass transit purposes. At times, the Authority may receive donated capital or other related assets from other organizations or governments. Those assets are initially reported at their acquisition value, which approximates their appraised value, and are depreciated over their remaining useful lives.

Deferred Inflows of Resources and Deferred Outflows of Resources: Deferred outflows of resources represent a consumption of net position that applies to a future period(s). Deferred inflows of resources represent an acquisition of net position that applies to a future period(s). These amounts will not be recognized as expense or revenue until the applicable period.

Compensated Absences: The Authority's policy permits employees to accumulate earned but unused vacation. Employees with at least 10 years of service are entitled to receive 1/3 of their earned but unused sick leave upon separation of service. Eligible employees can receive payment for earned but unused personal leave up to 240 hours upon separation from service. All earned vacation and the vested portions of sick and personal leave are expensed as incurred.

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

Changes in compensated absences are summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 513,544	\$ 1,044,633	\$ (1,082,982)	\$ 475,195	\$ 137,229

The total non-vested portion of sick leave amounted to \$475,809 as of June 30, 2024.

Net Pension Asset: The Authority has recorded a net pension asset reflecting the difference between the total pension liability and the fiduciary net position of the single employer defined benefit plan.

Pensions: For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Lextran Employees Contributory Pension Plan and Trust (the “Plan”) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position: The net position classifications are defined as follows:

- *Net investment in capital assets* - This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.
- *Unrestricted net position* - This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Estimates in Preparation of Financial Statements: 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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk Management: The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; general liability claims; and natural disasters. The Authority manages these risks through the purchase of insurance. There have been no reductions in insurance coverage during the year ended June 30, 2024. Settlements have not exceeded insurance coverage for the three years ended June 30, 2024. The Authority carries the following insurance policies with the indicated limits of coverage:

Workers’ Compensation & Employers’ Liability	\$ 4,000,000
General Liability	5,000,000
Automobile Liability	5,000,000

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

Contingencies: As of June 30, 2024, the Authority had not received the final project closeout for all grants for the year ended June 30, 2024. A final project closeout represents that the project has been completed and totally funded with final approval by the Federal Transit Administration. Management does not believe that there will be any material audit adjustments to the grants by the Inspector General; therefore, no provision for such has been reflected in the financial statements.

The Authority is involved in various claims and arbitrations involving former employees and certain other matters. Since the possibility of loss is not probable or measurable in management's current estimation, no loss has been recorded in the Authority's financial statements.

Adoption of New Accounting Pronouncements: For the year ended June 30, 2024, the Authority adopted the following accounting pronouncements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections*, was adopted with no impact on the financial statements.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

As of June 30, 2024, the Authority had cash balances totaling \$31,738,878, all of which is unrestricted.

As of June 30, 2024, the Authority held no investments, as all deposits were classified as cash and cash equivalents.

Custodial Credit Risk: All of the Authority's deposits are either insured or collateralized. At June 30, 2024, the carrying amount of the Authority's deposits was approximately \$31,739,000 and the bank balance was approximately \$32,693,000. The difference between the bank balances and the carrying amounts represents outstanding checks and deposits in transit.

Investment Policy: Statutes authorize the Authority to invest in various instruments. These are obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, obligations of any corporation of the United States government, collateralized and uncollateralized certificates of deposit issued by any bank or savings and loan institution rated in one of the three highest categories by a nationally recognized rating agency, Commercial Paper rated in the highest category by a nationally recognized rating agency, bonds, or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and instrumentalities, and securities issued by a state or local government in the United States rated in one of the three highest categories by a nationally recognized rating.

Authority to manage the investment program is granted to the Director of Finance, referred to in the policy as the investment officer. The investment officer is responsible for all transactions undertaken and establishes a system of controls to regulate the activities of subordinate officials. No person may engage in an investment transaction except as provided under the terms of the policy and the procedures established by the investment officer. The investment officer and the Authority may elect to use a broker and/or investment advisor to implement the investment policy. All brokers, advisors, and financial institutions initiating transactions with the Authority must acknowledge their agreement to abide by the content of the Authority's investment policy.

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 3 – CAPITAL AND OTHER RELATED ASSETS**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 1,705,700	\$ -	\$ -	\$ -	\$ 1,705,700
Transit Center easement	2,873,162	-	-	-	2,873,162
Construction in process	-	316,568	-	-	316,568
Total capital assets not being depreciated	<u>4,578,862</u>	<u>316,568</u>	<u>-</u>	<u>-</u>	<u>4,895,430</u>
Depreciable capital assets:					
Motor coaches and vans	37,256,321	8,713,673	(1,691,359)	-	44,278,635
Buildings	27,928,478	14,763	-	-	27,943,241
Paratransit vehicles	471,227	-	-	-	471,227
Equipment and fixtures	<u>7,699,933</u>	<u>1,371,777</u>	<u>-</u>	<u>-</u>	<u>9,071,710</u>
Total depreciable capital assets	73,355,959	10,100,213	(1,691,359)	-	81,764,813
Less accumulated depreciation	<u>(40,470,085)</u>	<u>(3,964,481)</u>	<u>1,691,359</u>	<u>-</u>	<u>(42,743,207)</u>
Total capital assets being depreciated	<u>32,885,924</u>	<u>6,135,732</u>	<u>-</u>	<u>-</u>	<u>39,021,606</u>
Net capital assets	<u>\$ 37,464,786</u>	<u>\$ 6,452,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,917,036</u>

**NOTE 4 – FUEL AVAILABILITY AND COST**

The Authority is dependent upon the availability of diesel fuel. Increases in the cost of fuel may, in the future, adversely affect the profitability of the Authority. There is no assurance that diesel fuel prices will not increase. To alleviate possible fuel cost increases, the Authority periodically enters into contracts with local fuel suppliers to purchase fuel at or below current market prices. In September 2018, and the Authority entered into a five year agreement to provide fuel at a firm fixed price based on the daily rack average Oil Price Information Service's (OPIS) for the Lexington, Kentucky region. OPIS is an independent third-party that provides daily spot price assessments for refined oil products. In September 2023, a one-year extension was executed with no changes to the contract. Subsequent to year end in September 2024, the Authority executed a three year contract with two one year extension options with the same fuel supplier and same terms.

**NOTE 5 – LEASES**

In January of 2016, the Authority entered into a lease agreement with The Goodyear Tire and Rubber Company to supply tires for the vehicle fleet through December 2020. The payment terms for both leases are variable and are based on monthly revenue vehicle mileage. Upon expiration, a new lease agreement with The Goodyear Tire and Rubber Company was entered into effective January 2021 through December 2025 with two one-year extension options and is also variable and based upon monthly revenue vehicle mileage. For the year ended June 30, 2024, total tire lease expense was \$79,052. GASB Statement No. 87, *Leases*, is not applicable for this lease since the payments are variable.

(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 6 – FIDUCIARY FUND**

The Authority’s pension trust funds are presented as a fiduciary fund. The pension plan is not audited separately. Information regarding the pension plan is included in Note 7. Additional information follows:

Basis of Accounting and Presentation: The financial statements are prepared using the accrual basis of accounting. Contributions from the employees and the Authority are recognized as revenue in the period in which employees provide service and expenses are recorded when incurred regardless of when payment is made. Benefit payments are recognized when due and payable in accordance with the terms of the Plan.

Fair Value of Investments: Investments are presented at fair value or estimated fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporate and government fixed income securities not traded on a national or international exchange are based on equivalent values of comparable securities with similar yield and risk. Other investments not having an established market are recorded at estimated fair value.

The Plan categorizes its fair value measurements within the fair value hierarchy established by GAAP. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2:* Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

*Level 3:* Significant unobservable inputs that reflect the reporting entity’s own assumptions about the fair value of an asset or liability.

The Authority has the following recurring fair value measurements as of December 31, 2023:

	Fair Value Measurements as of		
	December 31, 2023		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments at fair value			
U.S. government obligations	\$ -	\$ 1,370,112	\$ -
Corporate bonds	-	3,341,364	-
Corporate stocks	10,104,873	-	-
Mutual funds	<u>4,630,356</u>	<u>-</u>	<u>-</u>
 Total investments by fair value level	 <u>\$ 14,735,229</u>	 <u>\$ 4,711,476</u>	 <u>\$ -</u>

(Continued)



TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 6 – FIDUCIARY FUND (Continued)**

Investment Policy: The Plan's investment policy permits the following investments:

- Any corporate bond or asset backed security, which is assigned one of the four highest grades assigned by Standard & Poor's Rating Group or Moody's Investor Services, Inc.
- Obligations of, guaranteed by, or insured by the U.S. Government, its agencies or instrumentalities.
- Preferred stock which has an investment grade rating by Standard & Poor's or Moody's.
- Obligations of U.S. Banks or Savings and Loan Associations (including certificates of deposit and bankers' acceptances) which are fully insured by the Federal Deposit Insurance Corporation.
- Commercial paper variable amount master notes issued by companies which have an issue of outstanding debt securities rated as investment grade by Standard & Poor's or Moody's or commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's.
- Fully collateralized repurchase agreements with respect to obligations which the Plan is authorized to invest.
- A portion may be invested in interest bearing cash equivalents.

Interest Rate Risk: The Plan's policy does not limit the investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: The Plan's policy limits investments in U.S. obligations and corporate bonds to debt rated in one of the four highest categories by a nationally recognized agency.

Custodial Credit Risk: All of the Authority's cash deposits are either insured or collateralized. At December 31, 2023, the carrying amount and bank balance of the Authority's deposits was approximately \$1,463,000.

For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the Plan will be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2023, the Plan's investments are either insured or held by the Plan's counterparty in the Authority's name.

Concentration of Credit Risk: The Plan's policy limits the concentration of credit risk as follows:

- No more than 80%, nor less than 50%, of the total should be invested in equities or stock funds.
- No more than 50%, nor less than 20% of the total should be invested in bonds and other fixed income obligations.
- No more than 10% of the total should be invested in cash or cash equivalents.
- No more than 5% of the total should be invested in obligations of one obligor unless that obligor is the United States government or agencies thereof.
- Equity investment in international mutual funds shall be limited to 10% of the total portfolio.
- Equity investments in small company mutual funds shall be limited to 10% of the total portfolio.

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 6 – FIDUCIARY FUND (Continued)**

As of December 31, 2023, the Plan held no investments from a single issuer that exceeded 5% or more of the total investments.

A summary of the maturity dates for U.S. government obligations and corporate bonds, and a summary of credit ratings of corporate bonds, that the Authority was invested in as of December 31, 2023 are listed below:

<u>Investment</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>	<u>More Than 10 Years</u>	<u>S&amp;P Rating</u>	<u>Fair Value</u>
U.S. government obligations	\$ 1,370,112	\$ -	\$ -	\$ -	\$ 1,370,112	AA+	\$ 121,903
Corporate bonds	<u>3,341,364</u>	<u>751,236</u>	<u>2,323,139</u>	<u>-</u>	<u>266,989</u>	AA-	-
	<u>\$ 4,711,476</u>	<u>\$ 751,236</u>	<u>\$ 2,323,139</u>	<u>\$ -</u>	<u>\$ 1,637,101</u>	A+	-
						A	195,785
						A-	1,017,151
						BBB+	821,128
						BBB	918,408
						BBB-	266,989
						NR	<u>1,370,112</u>
							<u>\$ 4,711,476</u>

**NOTE 7 – RETIREMENT PLANS**

**Single Employer Defined Benefit Pension Plan**

General Information about the Pension Plan: The Authority's Employees Contributory Pension Plan and Trust (the Plan) is a single employer plan that is administered by its Retirement Committee. The defined benefit pension plan provides a definite amount of monthly pension for each participant at retirement. Plan contributions are pursuant to the collective bargaining agreement and the Retirement Committee determines benefits.

At June 30, 2024, the following employees were covered by the benefit terms:

- Inactive employees or beneficiaries currently receiving benefits
- Inactive employees entitled to but not yet receiving benefits
- Active employees

Benefits Provided: The Transit Authority of the Lexington-Fayette Urban County Government Board is the authority under which benefit terms of the Plan are established or amended. The Plan is open to new participants. An employee becomes eligible to participate in the Plan upon completion of a probationary period. A participant who leaves the employment of the Authority, before retirement age, is entitled, at that time, to his or her contributions plus 2% interest on each contribution compounded annually. Vested benefits are payable to participants upon reaching their normal retirement age with completion of at least 5 years of continuous service. Effective October 1, 2011, the monthly amount of a normal pension is equal to \$50 for each year of continuous service. The Plan does not provide for automatic cost of living adjustments. Benefit payments are recognized when due and payable in accordance with the benefit terms.

(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 7 – RETIREMENT PLANS (Continued)**

Contributions: The Transit Authority of the Lexington-Fayette Urban County Government Board is the authority under which obligations to contribute to the Plan are established or amended. Effective October 1, 2011 and after, the employee contribution is \$1.22 per hour. Effective October 1, 2011, the Authority contributed \$.95 per hour for full-time participants. Effective July 1, 2017, the employer contribution rate increased to \$1.05 per hour for full time participants. The projection of benefits does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Net Pension Asset: The Authority's net pension asset was measured as of January 1, 2024 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the actuarial valuation was determined used the following actuarial assumptions, applied to all periods included in the measurement:

Cost method	Entry Age Normal Cost
Investment rate of return	6.0%
Assumed hours contributed on	320,000
Mortality rates	PubG-2010 Table with MP-2019
Salary growth rate	Not applicable
Inflation rate	None

Changes in Assumptions: Since the prior measurement date there have been no changes in assumptions.

Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic fixed income	35%	2.0%
Domestic equity	60	5.5
Cash	<u>5</u>	0.0
Total	<u>100%</u>	

Annual Money-Weighted Rate of Return: The annual money-weighted rate of return on pension plan investments calculated as the internal rate of return on pension plan investments, net of pension plan investment expense, is 20.7%.

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(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 7 – RETIREMENT PLANS (Continued)**

Discount Rate: The discount rate used to measure the total pension asset was 6.0 percent. Based on projected future contributions, benefit payments and investment returns, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
<b>Balances at January 1, 2023</b>	\$ 17,001,762	\$ 17,623,217	\$ (621,455)
<b>Changes for the year:</b>			
Service cost	672,469	-	672,469
Interest	1,009,531	-	1,009,531
Differences between expected and actual experience	(402,749)	-	(402,749)
Contributions – employer	-	385,444	(385,444)
Contributions – employee	-	447,850	(447,850)
Net investment income	-	3,628,885	(3,628,885)
Benefit payments, including refunds of employee contributions	(1,024,965)	(1,024,965)	-
Assumption change	-	-	-
Administrative expense	-	(5,000)	5,000
Net changes	<u>254,286</u>	<u>3,432,214</u>	<u>(3,177,928)</u>
<b>Balance at December 31, 2023</b>	<u>\$ 17,256,048</u>	<u>\$ 21,055,431</u>	<u>\$ (3,799,383)</u>

Sensitivity of the Net Pension Asset to Changes in the Discount Rate: The following presents the net pension liability or asset of the Authority, calculated using the discount rate of 6.0 percent, as well as what the Authority’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.0 percent) or 1-percentage point higher (7.0 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority’s net pension asset	\$ (1,717,326)	\$ (3,799,383)	\$ (5,538,325)

Pension Plan Fiduciary Net Position: The net position of the fiduciary fund was \$21,055,431 at December 31, 2023. More detailed information about the fiduciary fund is included Note 7 of the financial statements. The plan does not present separately audited financial statements.

(Continued)

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 7 – RETIREMENT PLANS (Continued)**

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2024, the Authority recognized pension expense of \$(605,848). At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,407,843
Changes of assumptions	865,122	-
Net difference between projected and actual earnings on pension plan investments	-	760,784
Total to be amortized over time	865,122	2,168,628
 Authority contributions subsequent to the measurement date	 192,642	 -
Total deferred amounts	<u>\$ 1,057,764</u>	<u>\$ 2,168,628</u>

Deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date of \$192,642 will be recognized as a reduction of the net pension asset in the year ended June 30, 2024. A twelve-year average remaining services life is used to amortize the remaining deferred inflows and outflows of resources. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ (439,408)
2026	(225,360)
2027	129,810
2028	(594,919)
2029	(116,075)
Thereafter	(57,554)
	<u>\$ (1,303,506)</u>

**Defined Contribution Plan**

In addition to the defined benefit pension plan, the Authority's administrative employees are also eligible to participate in the Transit Authority of Lexington-Fayette Urban County Government 401(a) Plan, a defined contribution plan. For each administrative employee in the plan, the Authority is required to contribute 50 percent of Participant's elective deferrals, not to exceed 5% of participant's compensation, to an individual employee account. Participants are permitted to make contributions to the pension plan, up to applicable Internal Revenue Code limits. For the year ended June 30, 2024, employee contributions totaled \$230,883, and the Authority recognized employer contribution expense of \$38,519. At June 30, 2024, the Authority had no outstanding liability for employer contributions.

Participants are immediately vested in their own contributions and earnings on those contributions and become vested in employer contributions and earnings on employer contributions after completion of 60 months of creditable service with the Authority. Non-vested Authority contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the employer contributions.

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY (ASSET)  
Plan year ended December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>									
Service cost	\$ 672,469	\$ 702,733	\$ 659,443	\$ 652,170	\$ 610,201	\$ 598,783	\$ 578,460	\$ 571,542	\$ 603,766
Interest	1,009,531	978,401	976,720	930,055	868,215	848,669	820,605	782,444	754,084
Differences between expected and actual experience	(402,749)	(216,443)	(436,863)	(115,175)	(468,265)	(460,853)	(331,676)	(182,823)	(386,269)
Changes of assumptions	-	-	893,912	-	600,852	-	-	-	-
Benefit payments, including refunds of employee	(1,024,965)	(836,554)	(832,726)	(672,786)	(688,445)	(694,764)	(596,909)	(578,152)	(460,082)
Net change in total pension liability	254,286	628,137	1,260,486	794,264	922,558	291,835	470,480	593,011	511,499
Total pension liability – beginning	17,001,762	16,373,585	15,113,099	14,318,835	13,396,277	13,104,442	12,633,962	12,040,951	11,529,452
Total pension liability – ending	\$ 17,256,048	\$ 17,001,762	\$ 16,373,585	\$ 15,113,099	\$ 14,318,835	\$ 13,396,277	\$ 13,104,442	\$ 12,633,962	\$ 12,040,951
<b>Plan fiduciary net position</b>									
Contributions – employee	\$ 447,850	\$ 444,429	\$ 448,149	\$ 474,073	\$ 439,917	\$ 399,577	\$ 379,082	\$ 450,724	\$ 471,580
Contributions – employer	385,444	382,501	385,702	408,013	378,617	464,270	464,167	350,973	367,214
Net investment income	3,628,885	(2,489,510)	2,899,560	2,055,075	2,553,637	(1,060,752)	1,838,678	739,691	(89,256)
Benefit payments, including refunds of employee	(1,024,965)	(816,554)	(832,726)	(672,786)	(688,445)	(694,764)	(596,909)	(578,152)	(460,082)
Administrative expense	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(7,063)	(6,813)	(14,331)	(13,335)
Net change in plan fiduciary net position	3,432,214	(2,504,134)	2,895,685	2,259,375	2,678,726	(898,732)	2,078,205	948,905	276,121
Plan fiduciary net position – beginning	17,623,217	20,127,351	17,231,666	14,972,291	12,293,565	13,192,297	11,114,092	10,165,187	9,889,066
Plan fiduciary net position – ending	\$ 21,055,431	\$ 17,623,217	\$ 20,127,351	\$ 17,231,666	\$ 14,972,291	\$ 12,293,565	\$ 13,192,297	\$ 11,114,092	\$ 10,165,187
Authority's net pension liability (asset) - ending	\$ (3,799,383)	\$ (621,455)	\$ (3,753,766)	\$ (2,118,567)	\$ (653,456)	\$ 1,102,712	\$ (87,855)	\$ 1,519,870	\$ 1,875,764
Plan fiduciary net position as a percentage of the total pension liability	122.02%	103.66%	122.93%	114.02%	104.56%	91.77%	100.67%	87.97%	84.42%
Covered payroll	\$ 12,096,455	\$ 11,848,368	\$ 10,581,410	\$ 10,059,904	\$ 10,351,028	\$ 9,680,930	\$ 9,228,639	\$ 8,718,644	\$ 8,521,947
Authority's net pension liability as a percentage of covered payroll	(31.41)%	(5.25)%	(35.48)%	(21.06)%	(6.31)%	11.39%	(.95)%	17.43%	22.01%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available. The amounts presented for each fiscal year were determined as of December 31 that occurred within the fiscal year.

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION PLAN  
Year ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 224,619	\$ 258,344	\$ 211,294	\$ 178,097	\$ 309,321	\$ 134,513	\$ 285,714	\$ 322,476	\$ 301,322
Contributions in relation to the actuarially determined contribution	<u>346,134</u>	<u>412,305</u>	<u>362,824</u>	<u>376,702</u>	<u>408,084</u>	<u>365,977</u>	<u>407,903</u>	<u>357,456</u>	<u>362,626</u>
Contribution excess	<u>\$ (121,515)</u>	<u>\$ (153,961)</u>	<u>\$ (151,530)</u>	<u>\$ (198,605)</u>	<u>\$ (98,763)</u>	<u>\$ (231,464)</u>	<u>\$ (122,189)</u>	<u>\$ (34,980)</u>	<u>\$ (61,304)</u>
Covered payroll	\$ 12,096,455	\$ 11,848,358	\$ 10,581,410	\$ 10,059,904	\$ 10,351,028	\$ 9,680,930	\$ 9,228,639	\$ 8,718,644	\$ 8,521,947
Contributions as a percentage of covered payroll	2.86%	3.48%	3.43%	3.74%	3.94%	3.78%	4.42%	4.10%	4.26%

**Notes to Schedule**

Valuation date: Actuarially determined contribution rates are calculated as of January 1.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar over 20 years
Remaining amortization period	9 years
Asset valuation method	Market value
Inflation	None
Salary increases	Not applicable, as benefits are not related to salary.
Investment rate of return	6.00%
Retirement Age	Earlier of age 65, or age 62 with 10 years of service.
Mortality	PubG-2010 Table with MP-2019

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN  
ON PENSION PLAN  
Year ended December 31, 2023

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<u>Year Ending December 31</u>	<u>Annual Money-Weighted Rate of Return</u>
2014	4.6%
2015	(0.9%)
2016	7.2%
2017	16.4%
2018	(8.0%)
2019	20.7%
2020	13.6%
2021	16.8%
2022	(12.4%)
2023	20.7%



TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2024

<u>Federal Grantor/ Program or Cluster Title</u>	<u>ALN Number</u>	<u>Pass-through or Federal Grant Number</u>	<u>Expenditures</u>
<b>Department of Transportation Federal Transit Administration</b>			
Direct Programs:			
Federal Transit Cluster:			
Federal Transit Formula Grants	20.507	KY-2019-010	\$ 71,335
Federal Transit Formula Grants	20.507	KY-2020-005	37,894
Federal Transit Formula Grants	20.507	KY-2021-013	68,205
Federal Transit Formula Grants	20.507	KY-2021-015	1,388,800
COVID-19 - Federal Transit Formula Grants	20.507	KY-2021-016	786,356
Low or No Emissions Discretionary Grants	20.526	KY-2022-014	230,672
Low or No Emissions Discretionary Grants	20.526	KY-2018-003	923,176
Federal Transit Formula Grants	20.507	KY-2023-001	342,246
Federal Transit Formula Grants	20.507	KY-2023-002	<u>137,627</u>
<b>Total Federal Transit Cluster</b>			<u>3,986,311</u>
Direct Programs:			
Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program	20.513	KY-2022-020	<u>500,459</u>
Direct Programs:			
Section 5312 Research, Development, Demonstration and Deployment Projects Program	20.530	KY-2021-007	<u>85,924</u>
			<u>586,383</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 4,572,694</u>

See accompanying notes to schedule of expenditures of federal awards.

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2024

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs received by the Transit Authority of Lexington-Fayette Urban County Government (the Authority). The Authority's reporting entity is defined in Note 1 to the audited financial statements. There were no subrecipient expenditures, noncash assistance or loan payments during 2024.

**NOTE 2 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the 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).

The Authority has elected not to use the 10% de minimus indirect cost rate as allowed under Uniform Guidance.

Some amounts presented in this schedule may differ from amounts presented in or used in preparation of the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

Board of Directors  
Transit Authority of the Lexington-Fayette  
Urban County Government  
Lexington, 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 business-type activities of the Transit Authority of the Lexington-Fayette Urban County Government (the Authority), a component unit of the Lexington-Fayette Urban County Government, as of and for the year ended June 30, 2024 and the fiduciary activities as of and for the year ended December 31, 2023, respectively, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 25, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

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(Continued)

## Report on Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

  
Crowe LLP

Lexington, Kentucky  
September 25, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
Transit Authority of the Lexington-Fayette-Urban County Government  
Lexington, Kentucky

**Report on Compliance for Major Federal Program**

***Opinion on Major Federal Program***

We have audited the Transit Authority of the Lexington-Fayette-Urban County Government (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2024. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

***Basis for Opinion on 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 the Authority 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 the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

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(Continued)

## **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 the Authority'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 the Authority's compliance with the requirements of the 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 the Authority'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 the Authority'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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control Over Compliance**

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

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

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(Continued)

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

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the business-type activities of the Authority as of and for the year ended June 30, 2024 and the fiduciary activities as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated September 25, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

  
Crowe LLP

Lexington, Kentucky  
September 25, 2024

TRANSIT AUTHORITY OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2024

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**SECTION 1 – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued:	<u>Unmodified</u>		
Internal control over financial reporting: Material weakness(es) identified?	_____ Yes	<u>  X  </u> No	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	<u>  X  </u> None Reported	
Noncompliance material to financial statements noted?	_____ Yes	<u>  X  </u> No	

**Federal Awards**

Internal control over major programs: Material weakness(es) identified?	_____ Yes	<u>  X  </u> None Reported	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	<u>  X  </u> None Reported	
Type of auditors’ report issued on compliance for major programs	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516(a)?	_____ Yes	<u>  X  </u> None Reported	

Identification of major programs:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster Number</u>
20.507, 20.526	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs	<u>  \$ 750,000  </u>	
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	_____ No

**SECTION 2 – FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings for the year ended June 30, 2024.

**SECTION 3 – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings for the year ended June 30, 2024.



Board of Directors  
Transit Authority of Lexington-Fayette Urban County Government  
Lexington, Kentucky

In planning and performing our audit of the financial statements of the Transit Authority of Lexington-Fayette Urban County Government (the Authority) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

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

  
Crowe LLP

Lexington, Kentucky  
September 25, 2024

Board of Directors  
Transit Authority of Lexington-Fayette Urban County Government  
Lexington, Kentucky

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

### **AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA**

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with the Authority for further information on the responsibilities of management and of Crowe LLP.

### **AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. 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.

### **COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM THE AUTHORITY**

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to the Authority under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have the following relationships with the Authority that do not impair our independence but which, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.



<b>Significant Accounting Estimate</b>	<b>Process Used by Management</b>	<b>Basis for Our Conclusions</b>
Allowance for Doubtful Accounts and Bad Debt Expense	The allowance for doubtful accounts was determined by management by a process involving consideration of past experiences, current aging information, and other available data including environmental factors such as industry, geographical, economic and political factors.	We tested this accounting estimate by reviewing, on a test basis, the information listed.
Fair Values of Investment Securities and Other Financial Instruments	The disclosure of fair values of securities and other financial instruments requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets and financial liabilities.	We tested the propriety of information underlying management's estimates.
Pension Liability and Deferred Outflows and Inflows of Resources	Management hired an independent actuary to determine the liability and expense related to the pension plan.	We obtained the actuary report and compared the liability and expenses per the report to the amounts recorded by management.
Useful Lives of Capital Assets	Management has determined the economic useful lives of capital assets based on history of similar types of assets, future plans as to their use, and other factors that affect their economic value to the Authority.	We tested the propriety of information underlying management's estimates.

**AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES**

We are to discuss with you our comments about the following matters related to the Authority's accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the Authority, considering the need to balance the cost of providing information with the likely benefit to users of the Authority's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the Authority's basis for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

**CORRECTED AND UNCORRECTED MISSTATEMENTS**

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

There were no such misstatements.

**Uncorrected Misstatements:** We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying the uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if it was concluded that the uncorrected misstatements are immaterial to the financial statements under audit. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no such misstatements.

**OTHER COMMUNICATIONS**

Communication Item	Results
<p><b>Other Information Included in an Annual Report</b> Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that:</p> <ul style="list-style-type: none"> <li>• Material inconsistency exists between the other information and the auditor’s knowledge obtained in the audit; or</li> <li>• A material misstatement of fact exists, or the other information is otherwise misleading.</li> </ul> <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	<p>We understand that management has not prepared other information to accompany the audited financial statements.</p> <ul style="list-style-type: none"> <li>- Management’s Discussion and Analysis of Financial Condition and Results of Operations</li> <li>- We read the other information and noted no material inconsistencies or misstatement of facts based on our reading thereof.</li> </ul>
<p><b>Significant Difficulties Encountered During the Audit</b> We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p><b>Disagreements with Management</b> We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Authority’s financial statements or the auditor’s report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p><b>Difficulties or Contentious Matters</b> We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.</p>	<p>During the audit, there were no such issues for which we consulted outside the engagement team.</p>
<p><b>Circumstances that Affect the Form and Content of the Auditor’s Report</b> We are to discuss with you any circumstances that affect the form and content of the auditor’s report, if any.</p>	<p>There are no such circumstances that affect the form and content of the auditor’s report.</p>
<p><b>Consultations with Other Accountants</b> If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>

Communication Item	Results
<p><b>Representations the Auditor Is Requesting from Management</b> We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>
<p><b>Significant Issues Discussed, or Subject to Correspondence, With Management</b> We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.</p>	<p>There were no such significant issues discussed, or subject to correspondence, with management.</p>
<p><b>Significant Related Party Findings or Issues</b> We are to communicate to you significant findings or issues arising during the audit in connection with the Authority's related parties.</p>	<p>There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>
<p><b>Other Findings or Issues We Find Relevant or Significant</b> We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>	<p>There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>

We are pleased to serve the Authority as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Directors and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

*Crowe LLP*  
Crowe LLP

Lexington, Kentucky  
September 25, 2024

# LEXTRAN MONTHLY PERFORMANCE REPORT – SEPTEMBER 2024

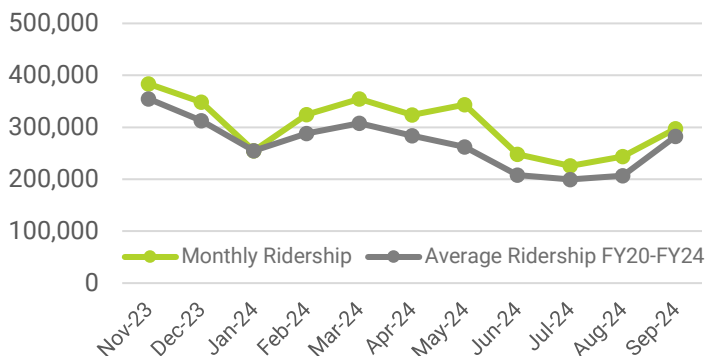
We serve people and our community with mobility solutions.

Lextran began the month with Labor Day offering Sunday level service. Two compressed natural gas buses, funded by a Low and No Emissions grant award, were received in September. Lextran staff attended multiple community meetings including the US 27 project meetings, four job fairs, and provided eight educational events. On September 26<sup>th</sup>, Lextran hosted the Public Transit Committee Meeting of Kentuckians for Better Transportation. The Week Without Driving began on September 30<sup>th</sup> and provided significant positive engagement from the community.

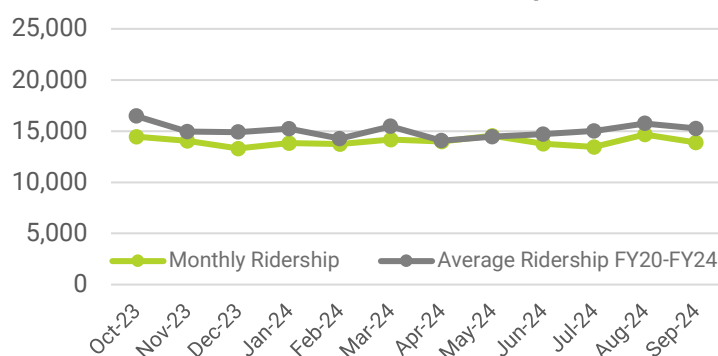
## DEMONSTRATE VALUE TO THE COMMUNITY



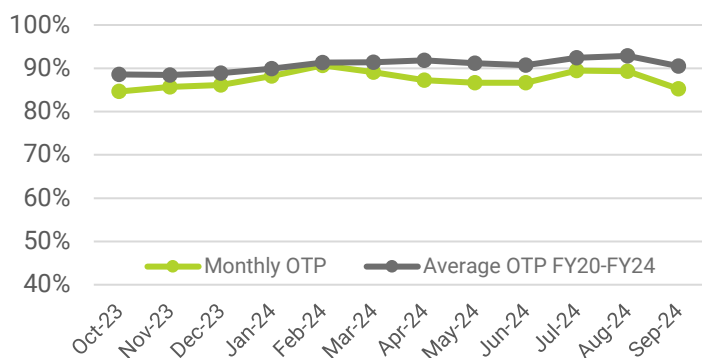
### Fixed-Route Ridership



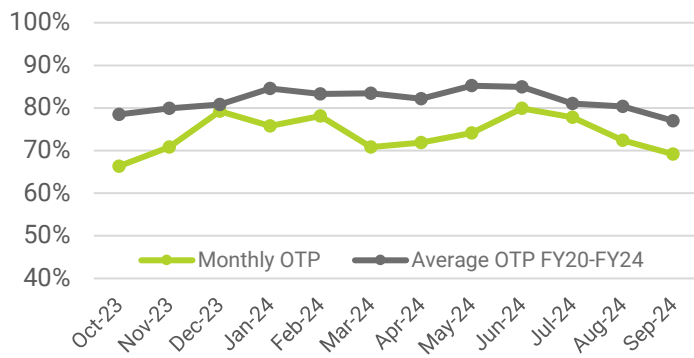
### Paratransit Ridership



### Fixed-Route On-Time Performance



### Paratransit On-Time Performance



Performance Indicator	Fixed Route System			Paratransit (Wheels)		
	This Month	FY25YTD	FY24YTD	This Month	FY25YTD	FY24YTD
<b>System Production</b>						
Total Ridership	343,786	884,876	954,713	13,905	42,022	42,335
Weekday Ridership	294,978	757,662	813,496	11,594	32,994	34,718
Saturday Ridership	26,383	71,618	82,524	1,114	3,181	3,948
Sunday Ridership	19,436	48,927	51,025	998	2,608	3,196
Holiday Ridership	2,989	6,669	7,668	200	401	473
Total Revenue Miles	174,505	484,898	465,444	87,333	271,703	254,296
Total Revenue Hours	18,962	51,225	48,484	6,589	21,873	19,250
Trips per Mile	1.97	1.82	2.05	0.16	0.15	0.17
Trips per Hour	18.13	17.27	19.69	2.11	1.92	2.20

- Fixed-route ridership increased on all days of the week from August 2024 but remains slightly below FY24 year-to date.
- Paratransit ridership showed a slight decrease from last month but remained stable compared to September 2023.
- Trips per Hour have steadily increased each month of FY2025 on fixed-route and paratransit.

#### LEXTRAN IN THE MEDIA

- September 17 – Use Transit app to track campus buses in real time  
<https://uknow.uky.edu/campus-news/use-transit-app-track-campus-buses-real-time>
- September 27 – Lexington motorists encouraged to use other transportation during Week Without Driving  
<https://www.kentucky.com/news/local/counties/fayettecounty/article291295870.html#storylink=cpy>
- September 27 – Fight over 7-story, 800-bedroom apartment near UK continues after tense 3-hour meeting  
<https://www.kentucky.com/news/local/counties/fayette-county/article293032279.html>
- September 30 – Lexington participates in Week Without Driving initiative for first time  
<https://www.wkyt.com/2024/09/30/lexington-participates-week-without-driving-initiative-first-time/>



## COMMUNITY INVOLVEMENT AND OTHER MEETINGS

- September 3 – ‘How to Ride’ – Optimal Living Session 1
- September 4 – ‘How to Ride’ – Optimal Living Session 2
- September 5 – ‘How to Ride’ – Optimal Living Session 3
- September 5 – Meeting with KYTC District 7
- September 5 – Lexington Forum Meeting
- September 6 – Community Table Talk – FCPS McKinney Vento Program
- September 6 – Lexington Area MPO Bicycle and Pedestrian Meeting
- September 6 – Cultural Orientation – Kentucky Refugee Ministries
- September 10 – US 27 Project Management Meeting
- September 11 – LFUCG Affordable Housing Fund Advisory Committee
- September 11 – Community Travel Training – HealthFirst Bluegrass #1
- September 11 – Community Travel Training – HealthFirst Bluegrass #20
- September 12 – Kentucky Refugee Ministries Quarterly Meeting
- September 12 – Job Fair – Veteran’s Affairs Ft. Knox
- September 12 – CommerceLex Fall Opportunity Exchange
- September 12 – CivicLex Open House
- September 18 – Community Travel Training
- September 18 – Access Lexington Commission Meeting
- September 18 – Lexington Area MPO Project Coordination Team Meeting
- September 18 – State of Downtown
- September 18 – 2024 Green Check Awards
- September 19 – Job Fair – KY Employed
- September 19 – Corridors Commission Meeting
- September 19 – Lexington Vulnerable Road User Field Session – HDR/KYTC
- September 19-20 – Situation Table Training
- September 20 – Goodwill Empowerment Expo
- September 21 – 3<sup>rd</sup> Annual Black Women’s Wellness Day Celebration
- September 24 – Rural & Urban Balance in Lexington: A Look at the City’s Comprehensive Plan – Vanguard Summit
- September 25 – ‘How to Ride’ – The Learning Center
- September 26 – Job Fair and Expo – Develop Danville, Inc.
- September 27 – US 27 Improvement Concepts Meeting
- September 27 – 14<sup>th</sup> Annual Recovery Festival – Eastern State Hospital
- September 27 – Oliver Lewis Way Bus Shelter Meeting

**DELIVER A HIGH-QUALITY PRODUCT**

Performance Indicator	Fixed Route						Paratransit (Wheels)					
	This Month		FY25 YTD		FY24 YTD		This Month		FY25 YTD		FY24 YTD	
Service Quality	This Month		FY25 YTD		FY24 YTD		This Month		FY25 YTD		FY24 YTD	
On-Time Performance	82.27%		85.60%		88.30%		69.17%		69.20%		70.00%	
Farebox Recovery	6.90%		6.60%		7.00%		N/A		N/A		N/A	
Operating Expenses	\$1,761,645		\$5,584,608		\$4,982,944		\$561,876		\$1,855,770		\$1,929,871	
Per Mile	\$2.88		\$3.29		\$3.55		N/A		N/A		N/A	
Per Hour	\$66.40		\$79.49		\$68.96		N/A		N/A		N/A	
Customer Service	This Month		FY25 YTD		FY24 YTD		This Month		FY25 YTD		FY24 YTD	
	Count	Rate	Count	Rate	Count	Rate	Count	Rate	Count	Rate	Count	Rate
Customer Feedback Totals per 100k Trips	43	12.51	147	16.61	142	15.29	19	129.53	74	263.19	54	127.55
Commendations	6	1.75	29	3.28	8	0.84	7	47.72	37	131.59	0	0.00
Discourtesy	8	2.33	31	3.50	44	4.61	4	27.27	6	21.34	13	30.71
Late or Early	5	1.45	11	1.24	6	0.63	3	20.45	14	49.79	12	28.35
Safety	11	3.20	26	2.94	28	2.93	2	13.64	7	24.90	17	40.16
Passed Boarding /Missed Trips (Wheels)	4	1.16	12	1.36	28	3.35	0	0.00	0	0.00	5	11.81
Information and Service Requests	3	0.87	8	0.34	11	1.15	0	0.00	0	0.00	0	0.00
Other	6	1.75	30	3.39	17	1.78	3	20.45	10	35.57	7	16.53
Call Length	1:00		1:00		0:59		1:41		1:42		1:35	
Time to Abandon	0:15		0:14		0:29		2:25		2:58		3:54	

**MANAGE AND SUSTAIN RESOURCES**

Performance Indicator	Fixed Route System			Paratransit (Wheels)		
	This Month	FY25 YTD	FY24 YTD	This Month	FY25 YTD	FY24 YTD
<b>Safety</b>						
Preventable Accidents	10	17	7	2	4	6
Preventable Accidents per 100,000 miles	5.50	3.35	1.43	1.92	1.23	1.95
Days with No Preventable Accidents	26	55	56	28	87	84
Workers Compensation Claims	0	1	4	N/A	N/A	N/A
Injury Frequency Rate	0.00	2.11	7.77	N/A	N/A	N/A
Days of Lost Time	30	37	49	N/A	N/A	N/A

- Fixed route saw an increase in the number of preventable accidents in September, but no Workers Compensation claims kept the injury frequency rate low.
- Paratransit had an increase in the number of preventable accidents for September, but overall maintains fewer preventable accidents year-to-date in FY25.

Performance Indicator	Fixed Route System		
	This Month	FY25YTD	FY25YTD
<b>Maintenance</b>			
Miles between Road Calls	7,271	9,698	14,545
Percent of Preventive Maintenance Inspections on Schedule	100%	100.0%	99%

- In September, the maintenance department reported 7,271 miles between road calls.
- Maintenance completed 100 percent (65 of 65) of preventive maintenance inspections on schedule in September.

Performance Indicator	Fixed Route System	
	This Month	FY25YTD
<b>Training Activities</b>		
Accident Remedial	14	22
New Employee Training	8	37
CDL Permit Training	6	29
Customer Service Leadership Training	5	85
Electric Bus Training	5	25
Smith System Training	5	25
Operator Farebox Training	5	25
Return to Work	2	5
Incident Remedial	0	3
Lockout/Tagout Training	0	3

Hiring and Recruiting	This Month	Interviews	New Hires
Open Positions	36	22	8
Operations	25	14	8
Maintenance	8	7	0
Administration	3	1	0

Procurements	
Bus Cameras	October Resolution
Bus Purchase	October Resolution
Solar Lighting Purchase	October Resolution
Solar Lighting Installation	October Resolution
A&E Services	Open
CNG Facilities Update	Open
Office Supplies	Open
Plumbing Services	Open
Transit Center Exterior Renovation (IFB)	Upcoming
Transit Center Interior Renovation (RFP)	Upcoming

**FINANCIALS**
**BALANCE SHEET**

as of September 30, 2024

	CURRENT YEAR-TO-DATE	LAST YEAR-TO-DATE
<b>ASSETS</b>		
Current assets		
Operating Cash	\$24,285,440	\$30,901,938
Accounts receivable	\$2,687,602	\$756,703
Inventory	\$856,202	\$901,922
Work in process	\$1,078,187	\$5,356,615
Prepaid	<u>\$1,319,575</u>	<u>\$1,149,832</u>
Total Current Assets	<u>\$30,227,006</u>	<u>\$39,067,010</u>
Long term asset - Pension	<u>\$3,278,791</u>	<u>\$2,472,657</u>
Total Long Term Assets	<u>\$3,278,791</u>	<u>\$2,472,657</u>
Net capital and related assets	\$42,514,529	\$36,606,278
<b>TOTAL ASSETS</b>	<u><u>\$76,020,325</u></u>	<u><u>\$78,145,945</u></u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$1,004,466	\$861,626
Payroll liabilities	<u>\$404,541</u>	<u>\$666,687</u>
Total Current Liabilities	<u>\$1,409,007</u>	<u>\$1,528,313</u>
Long term liability - Pension	<u>\$590,272</u>	<u>\$747,248</u>
Total Long Term Liabilities	<u>\$590,272</u>	<u>\$747,248</u>
<b>NET POSITION</b>	\$74,021,047	\$75,870,384
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$76,020,325</u></u>	<u><u>\$78,145,945</u></u>

**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**

September 2024

	FY2025 ACTUAL	FY2025 BUDGET	FY2025 VARIANCE	FY 2024 ACTUAL
<b>REVENUES</b>				
Property taxes	\$475,238	\$380,000	\$95,238	\$374,343
Passenger revenue	\$368,759	\$320,298	\$48,461	\$348,760
Federal funds	\$0	\$1,404,366	(\$1,404,366)	\$0
State funds	\$0	\$0	\$0	\$0
Advertising revenue	\$320,000	\$300,000	\$20,000	\$260,000
Other revenue	\$53,008	\$673,001	(\$619,993)	\$672,158
<b>TOTAL REVENUES</b>	<b>\$1,217,005</b>	<b>\$3,077,665</b>	<b>(\$1,860,660)</b>	<b>\$1,655,260</b>

**EXPENSES**

Wages	\$2,977,638	\$3,139,351	(\$161,713)	\$2,829,875
Fringe benefits	\$1,584,916	\$1,803,205	(\$218,289)	\$1,483,656
Professional services	\$391,566	\$476,900	(\$85,334)	\$340,265
Materials and supplies	\$414,018	\$377,875	\$36,143	\$327,854
Fuel-Diesel	\$135,158	\$252,844	(\$117,685)	\$231,669
Fuel-Other	\$143,348	\$223,396	(\$80,048)	\$143,665
Utilities	\$118,764	\$123,824	(\$5,060)	\$108,501
Insurance	\$276,047	\$245,096	\$30,952	\$232,347
Fuel taxes	\$53,042	\$57,500	(\$4,458)	\$54,416
Paratransit Expenses	\$1,961,373	\$2,016,980	(\$55,606)	\$2,090,475
Vanpool Expenses	\$0	\$0	\$0	\$12,358
Dues and subscriptions	\$38,003	\$30,250	\$7,753	\$39,759
Travel, training and meetings	\$62,510	\$62,545	(\$36)	\$24,526
Media advertising	\$31,751	\$58,625	(\$26,874)	\$46,475
Miscellaneous	\$16,799	\$21,350	(\$4,551)	\$14,979
Leases and rentals	\$2,184	\$2,184	\$0	\$2,184
Depreciation	\$1,085,940	\$1,085,940	(\$0)	\$858,508
<b>TOTAL EXPENSES</b>	<b>\$9,293,058</b>	<b>\$9,977,865</b>	<b>(\$684,806)</b>	<b>\$8,841,512</b>

<b>CHANGE IN NET POSITION</b>	<b>(\$8,076,053)</b>	<b>(\$6,900,199)</b>	<b>(\$1,175,854)</b>	<b>(\$7,186,252)</b>
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Monthly Average Diesel Cost:	\$2.28
YTD Average Diesel Cost:	\$2.44
CNG Diesel Gallon Equivalent	\$1.37

**MEMORANDUM**

October 23, 2024

**TO:** Lextran Board of Directors  
**FROM:** Fred Combs, General Manager  
**SUBJECT:** Collective Bargaining Agreement

Attached is a resolution requesting the Board of Directors adopt the Collective Bargaining Agreement (labor contract) between the Transit Authority of Lexington-Fayette Urban County Government (Lextran) and Amalgamated Transit Union (ATU), Local #639, with a term of July 1, 2024 through June 30, 2027.

This resolution also requests that the Board direct the General Manager to execute the labor contract.

This contract represents nearly six months of bargaining between Lextran and ATU Local #639. It was ratified by majority vote of the Union's local members on Wednesday, October 9, 2024.

If you have any questions, please call me at 859.255.7756.

**RESOLUTION 2024-25****TRANSIT AUTHORITY OF LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT****OCTOBER 23, 2024**

**WHEREAS**, the collective bargaining agreement for the period July 1, 2024 through June 30, 2027, between the Transit Authority of Lexington-Fayette Urban County Government (Lextran) and the Amalgamated Transit Union, AFL-CIO Local #639 has been ratified by majority vote of the Union’s local members; and

**WHEREAS**, the Board of Directors of the Transit Authority of Lexington-Fayette Urban County Government agrees with the terms of the collective bargaining agreement;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby adopts the collective bargaining agreement as written and directs the General Manager to execute the contract, which is incorporated herein by reference.

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**MOTION**

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**SECOND**

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**CHAIRPERSON**

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**DATE**



**MEMORANDUM**

October 23, 2024

**TO: Lextran Board of Directors****FROM: Fred Combs, General Manager****SUBJECT: Resolution to Purchase Solar Lighting for Bus Stops**

Attached is a resolution requesting authority to purchase solar lighting for twenty-nine (29) bus stops. The price for solar lighting is \$1,960.00 each along with an estimated freight cost of \$4,200.00, for a total of \$61,040.00 for the purchase and delivery of solar lighting for twenty-nine (29) bus stops.

In 2022 Lextran was awarded \$234,922 by the FTA to fund a project to use renewable energy while addressing and removing transportation barriers for older adults and people with disabilities.

Lextran published RFP 2023-10 for the purchase of Bus Shelters, Benches, and Trash Receptacles and awarded a contract to Tolar Manufacturing Company, Inc on March 27, 2024 (Board Resolution 2024-06). Included in the contract is the option to purchase solar lighting for the price quoted above.

This will be the first purchase with Tolar Manufacturing on this contract.

The sources of funding for this procurement are:

- FFY2020 & FFY2021 Section 5310 grant funds (80%): \$48,832.
- Local Mass Transit funds (20%): \$12,208.

If you have any questions, please contact me at 859.255.7756.

**RESOLUTION 2024-26****TRANSIT AUTHORITY OF LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT****OCTOBER 23, 2024**

**WHEREAS**, the Transit Authority of the Lexington-Fayette Urban County Government (Lextran) approved Board Resolution 2024-06 for the purchase of Bus Shelters, Benches, and Trash Receptacles; and

**WHEREAS**, the Authority entered into a contract with Tolar Manufacturing Company, Inc for a term of five (5) years; and

**WHEREAS**, Lextran’s Lighting the Path to Transit Plan, as a stage of RAMP, will provide enhanced visibility, accessibility, and pedestrian safety at bus stops across Fayette County;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Transit Authority of the Lexington-Fayette Urban County Government (Lextran) hereby authorizes and directs the General Manager to execute the purchase and delivery of solar lighting for twenty-nine (29) bus stops per the terms and pricing of the contract signed with Tolar Manufacturing Company, Inc, for the total cost of \$61,040.00.

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**MOTION**

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**SECOND**

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**CHAIRPERSON**

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**DATE**

## MEMORANDUM

October 23, 2024

**TO:** Lextran Board of Directors

**FROM:** Fred Combs, General Manager

**SUBJECT:** Resolution to Approve Task Order with Shelcon – Solar Lighting Installations

Attached is a resolution requesting authority to proceed with a task order for Shelcon Construction Company to install solar lighting on 29 bus stops.

On July 21, 2021, the Board of Directors approved Resolution 2021-13, and a contract was awarded to Shelcon Construction for Bus Stop Enhancements. The purpose of the contract is to issue task orders for projects that enhance bus stop accessibility across Fayette County.

In 2022 Lextran was awarded \$234,922 by the FTA to fund a project to use renewable energy while addressing and removing transportation barriers for older adults and people with disabilities.

On March 27, 2024, Lextran awarded a contract to Tolar Manufacturing for the purchase of Bus Shelters, Benches, and Trash Receptacles. Included in the contract is the option and related pricing to purchase solar lighting for shelters.

Approval of Resolution 2024-25 allows Lextran to proceed with the task order to install solar lighting on 29 bus stops. The work to be performed will be scheduled once the order from Tolar Manufacturing Company, Inc. is received by Lextran. It will take approximately 20 days (about 3 weeks) from the date of mobilization to install the solar lighting. The price of installation is \$1,950 per bus stop. The mobilization cost for the project is \$2,500. The total cost for the project is \$59,050.

The sources of funding for this procurement are:

- FFY2020 & FFY2021 Federal 5310 grant funds (80%): \$47,240.
- Local Mass Transit funds (20%): \$11,810.

If you have any questions, please contact me at 859.255.7756.

**RESOLUTION 2024-27****TRANSIT AUTHORITY OF LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT****OCTOBER 23, 2024**

**WHEREAS**, the Transit Authority of the Lexington-Fayette Urban County Government (Lextran) previously approved Resolution 2021-13 and a contract was awarded to Shelcon Construction for Bus Stop Enhancements; and

**WHEREAS**, the Transit Authority of the Lexington-Fayette Urban County Government (Lextran) approved Board Resolution 2024-06 for the purchase of Bus Shelters, Benches, and Trash Receptacles; and

**WHEREAS**, Lextran’s Lighting the Path to Transit Plan outlines the initiative of providing additional visibility to bus stops to increase the accessibility and availability of the bus stop as well as enhance pedestrian and passenger safety;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Transit Authority of the Lexington-Fayette Urban County Government (Lextran) hereby authorizes and directs the General Manager to issue a task order to Shelcon Construction for the installation of solar lighting in 29 bus stops as part of the RAMP project.

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**MOTION**

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**SECOND**

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**CHAIRPERSON**

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**DATE**

**MEMORANDUM**

October 23, 2024

**TO:** Lextran Board of Directors  
**FROM:** Fred Combs, General Manager  
**SUBJECT:** Resolution to Purchase Six (6) CNG from Gillig LLC

Attached is a resolution requesting authority to purchase six (6) 40-foot, low-floor compressed natural gas (CNG) transit buses at the cost of \$750,080 each, for a total of \$4,500,480.

TANK (Transit Authority of Northern Kentucky) published RFP 2023.02 for the purchase of CNG and Hybrid buses that was awarded to Gillig LLC in April 2023. Lextran, along with several other transit authorities, partnered with TANK on this cooperative contract in an effort to secure more competitive pricing for future bus purchases. The contract allows for a minimum of one (1) and a maximum of thirty (30) transit buses during the term of the contract, which is five (5) years. This purchase of six (6) CNG buses will be the second under this contract, following the purchase of three 40-foot, low-floor CNG transit buses approved in December 2023.

The sources of funding for this purchase are:

- FFY2024 Low-No Emissions grant funds (85%): \$3,825,408
- KYTC matching funds (15%): \$675,072

If you have any questions, please contact me at 859.255.7756.

**RESOLUTION 2024-28****TRANSIT AUTHORITY OF LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT****OCTOBER 23, 2024**

**WHEREAS**, the Authority entered into a contract with Gillig LLC for a term of five (5) years to purchase a minimum of one (1) and a maximum of thirty (30) CNG transit buses during the term of the contract; and

**WHEREAS**, the Authority has a need for additional transit buses to support existing service levels and a state of good repair amongst the fleet;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Transit Authority of the Lexington-Fayette Urban County Government (Lextran) hereby authorizes and directs the General Manager to execute the purchase of purchase six (6) 40-foot, low-floor compressed natural gas (CNG) transit buses at the cost of \$750,080 each, for a total of \$4,500,480.

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**MOTION**

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**SECOND**

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**CHAIRPERSON**

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**DATE**

**MEMORANDUM**

October 23, 2024

**TO:** Lextran Board of Directors

**FROM:** Fred Combs, General Manager

**SUBJECT:** Resolution to Purchase a Camera System Upgrade for Buses

Attached is a resolution requesting authority to Purchase a Camera System Upgrade for Buses.

The majority of Lextran's current camera system consists of equipment purchased in 2018 as a result of Resolution 2018-10 approved by the Board of Directors on May 16, 2018. To maintain quality equipment for the safety of Lextran's employees and the public, an update to the existing camera system is needed.

RFP 2024-10 was issued on July 15, 2024, with proposals received on August 28, 2024. A staff evaluation committee reviewed and approved the proposals for compliance and responsiveness. A responsive proposal was received from six (6) qualified proposers:

- Comsonics, Inc.
- IDIS Americas, Inc.
- IVS, Inc. dba AngelTrax
- Radio Engineering Industries, Inc.
- Safety Vision
- Transit Solutions, LLC

The proposal from Transit Solutions, LLC received the highest evaluation score and is recommended to provide and install the camera system upgrade for Lextran. The term of the contract awarded will be for three (3) years with two (2) options to extend for two (2) years each, for a total of seven (7) possible contract years.

The total cost of this project will be \$737,303.00. The pricing breakdown will be as follows for the core integration of the bus camera system upgrade:

- Onboard system (cameras, microphones, DVRs & integration): \$374,767.00
- Central system (software, network integration, data feeds): \$247,800.00 (\$35,400 annually)
- Project Implementation (management, installation, training): \$114,736.00

Transit Solutions LLC also included pricing for optional solutions for other fleet vehicles should Lextran choose to install a camera system on vehicles outside of fixed route buses.

The source of funding for this procurement is as follows:

- 80% Federal 5307 Funds - \$589,842
- 20% State Match - \$147,461

If you have any questions, please contact me at 859.255.7756.

**RESOLUTION 2024-29****TRANSIT AUTHORITY OF LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT****OCTOBER 23, 2024**

**WHEREAS**, the Transit Authority of the Lexington-Fayette Urban County Government (Lextran) previously approved Resolution 2018-10 on May 16, 2018 to purchase a camera system; and

**WHEREAS**, components of the bus camera system from that project have become obsolete and require an update on Lextran’s buses; and

**WHEREAS**, Transit Solutions, LLC provided pricing for a system upgrade that was determined to be fair and reasonable;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Transit Authority of the Lexington-Fayette Urban County Government (Lextran) hereby authorizes and directs the General Manager to enter into a contract with Transit Solutions, LLC to purchase and install a camera system upgrade on Lextran’s buses.

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**MOTION**

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**SECOND**

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**CHAIRPERSON**

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**DATE**



**MEMORANDUM**

October 23, 2024

**TO: Lextran Board of Directors****FROM: Fred Combs, General Manager****SUBJECT: Resolution to Establish a Special Committee of the Lextran Board of Directors**

Attached is a resolution establishing a special committee of the Lextran Board of Directors in accord with the Bylaws of the Lextran Board of Directors, Article VI. Section 1: Special Committees. The special committee being established is the Strategic Planning Committee, with the purpose of developing proposals and advising Lextran's Board of Directors on its upcoming strategic planning efforts.

The Strategic Planning Committee will consist of four (4) members, chaired by Harding Dowell and will include Jamie Rodgers, George Ward, and Leidy Borges-Gonzalez. The Strategic Planning Committee will adhere to the meeting rules as outlined in the Bylaws of the Lextran Board of Directors, Article IV, Sections 2, 4, 5, 7, 8,9, and 10. The Strategic Planning Committee will dissolve on October 31, 2025, unless extended by the Lextran Board of Directors.

If you have any questions, please contact me at 859.255.7756.

**RESOLUTION 2024-30****TRANSIT AUTHORITY OF LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT****OCTOBER 23, 2024**

**WHEREAS**, the Board of Directors of the Transit Authority of the Lexington-Fayette Urban County Government (Lextran) have the authority to establish special committees per Article VI Section 1 of the Bylaws of the Board of Directors of the Transit Authority of the Lexington-Fayette Urban County Government (Bylaws); and

**WHEREAS**, The Bylaws state that special committees must be created by resolution and establish the purpose, size, and period of operation; and

**WHEREAS**, Lextran intends to undergo a strategic planning process; and

**WHEREAS**, Establishing a special committee, the Strategic Planning Committee, shall assist in facilitation of Lextran’s strategic planning process.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Transit Authority of the Lexington-Fayette Urban County Government (Lextran) hereby establishes the Strategic Planning Committee for the purpose of developing proposals and advising Lextran’s upcoming strategic planning process. The Strategic Planning Committee will consist of four (4) members, Harding Dowell (Committee Chair), Jamie Rodgers, George Ward, and Leidy Borges-Gonzalez. The Strategic Planning Committee shall meet as outlined in Article IV, Sections 2, 4, 5, 7, 8, 9, and 10 of the Bylaws of the Board of Directors of the Transit Authority of the Lexington-Fayette Urban County Government. The Strategic Planning Committee will dissolve on October 31, 2025, unless extended by resolution of Lextran’s Board of Directors.

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**MOTION**

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**SECOND**

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**CHAIRPERSON**

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**DATE**

**MEMORANDUM**

October 23, 2024

**TO:** Lextran Board of Directors  
**FROM:** Fred Combs, General Manager  
**SUBJECT:** Resolution to Add a Money Market Account

Attached is a resolution requesting approval to add and manage a Money Market account through Fifth-Third Bank, Lextran's current banking partner. The purpose of this account is to manage funds while retaining liquidity. The authorized signatories for the account are as follows:

- Fred Combs, General Manager
- Nikki Falconbury, Director of Finance & Human Resources

If you have any questions, please contact me at 859.255.7756.

**RESOLUTION 2024-31****TRANSIT AUTHORITY OF LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT****OCTOBER 23, 2024**

**WHEREAS**, the Board of Directors of the Transit Authority of the Lexington-Fayette Urban County Government (Lextran) deems it in the best interest of the organization to open a money market account to manage its surplus funds;

**WHEREAS**, that the Board of Directors hereby authorizes the opening of a money market account at Fifth Third Bank;

**NOW, THEREFORE, BE IT RESOLVED**, that Fred Combs, General Manager and Nikki Falconbury, Director of Finance & Human Resources are hereby authorized and empowered to execute any documents necessary to open the money market account on behalf of the Transit Authority of the Lexington-Fayette Urban County Government (Lextran), and to deposit, withdraw, or transfer funds from said account as deemed necessary for the proper management of the organization's finances.

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**MOTION**

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**SECOND**

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**CHAIRPERSON**

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**DATE**