

KENTUCKY PUBLIC TRANSPORTATION INFRASTRUCTURE AUTHORITY

FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED SEPTEMBER 30, 2018 AND 2017

KENTUCKY PUBLIC TRANSPORTATION INFRASTRUCTURE AUTHORITY

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COMPILATION REPORT OF INDEPENDENT ACCOUNTANTS

To the Members
Kentucky Public Transportation Infrastructure Authority
Frankfort, Kentucky

Management is responsible for the accompanying interim financial statements of the Kentucky Public Transportation Infrastructure Authority (the "Authority"), a component unit of the Commonwealth of Kentucky, which comprise the statements of net position as of September 30, 2018 and 2017, and the related statements of revenues, expenses, and changes in net position and cash flows for the quarters then ended in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the interim financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these interim financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the interim financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these interim financial statements are not designed for those who are not informed about such matters.

Additionally, management has omitted Management Discussion and Analysis and supplemental information related to the modified approach of accounting for infrastructure assets that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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 and for placing the basic financial statements into an appropriate operational, economic, or historic context.

Blue & Co., LLC
Lexington, Kentucky
March 29, 2019

KENTUCKY PUBLIC TRANSPORTATION INFRASTRUCTURE AUTHORITY

STATEMENTS OF NET POSITION SEPTEMBER 30, 2018 AND 2017

	2018	2017
ASSETS		
Current Assets		
Investments - restricted	\$ 93,700,848	\$ 80,267,207
Accounts Receivable, net - restricted	20,578,066	14,147,986
Total Current Assets	114,278,914	94,415,193
Capital assets:		
Right of Way	66,524,387	66,524,387
Infrastructure	1,043,208,101	1,043,141,144
Net capital assets	1,109,732,488	1,109,665,531
Accrued Interest Receivable	-	13,172
TOTAL ASSETS	1,224,011,402	1,204,093,897
LIABILITIES & NET POSITION		
Liabilities		
Current Liabilities		
Payable from restricted assets		
Accrued Interest Payable	6,987,478	6,997,258
Accounts Payable	1,625,587	799,878
Due to KYTC	6,104,387	2,779,371
Current portion of long-term debt	1,000,000	1,000,000
Total Current Liabilities	15,717,452	11,576,506
Long Term Liabilities	764,402,592	756,529,227
Total Liabilities	780,120,044	768,105,734
Net position:		
Net investment in capital assets	391,666,962	403,590,101
Restricted for debt service and maintenance	52,224,395	32,398,062
Total Net Position	\$ 443,891,358	\$ 435,988,163

See compilation report of independent accountants.

KENTUCKY PUBLIC TRANSPORTATION INFRASTRUCTURE AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE QUARTERS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
Toll revenue	\$ 18,252,291	\$ 14,135,073
Operating Expense:		
General Administration	430,741	417,075
Toll Operations & Maintenance	2,173,676	1,275,162
Roadway Operations & Maintenance	287,023	2,727,323
Total Operating Expense	2,891,439	4,419,560
Net Operating Income	15,360,852	9,715,513
Other Income/Expense		
Other Income		
Interest earned on investments	392,308	196,060
Intergovernmental Revenues	27,328	2,514,982
Total Other Income	419,636	2,711,042
Other Expense		
Interest Expense	6,987,478	7,047,220
Amortization of Bond Premium	2,236,574	2,236,574
Total Other Expense	9,224,052	9,283,795
Net Other Income (Expense)	(8,804,416)	(6,572,753)
Contributed Capital (from KYTC)	53,321	9,440,550
Change in net position	6,609,757	12,583,310
Net Position, beginning of period	437,281,601	423,404,853
Net Position, end of period	\$ 443,891,358	\$ 435,988,163

See compilation report of independent accountants.

KENTUCKY PUBLIC TRANSPORTATION INFRASTRUCTURE AUTHORITY

STATEMENTS OF CASH FLOWS FOR THE QUARTERS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
Operating activities:		
Receipts from patrons	\$ 11,320,926	\$ 11,364,653
Payments to service providers	-0-	(792,880)
Net cash flows from operating activities	11,320,926	10,571,773
Capital and related financing activities:		
Principal payment on TIFIA loan	(1,000,000)	-0-
Interest paid on long-term debt outstanding	(13,850,307)	(16,224,915)
Net cash flows from capital and related financing activities	(14,850,307)	(16,224,915)
Investing activities:		
Net investment activity	250,421	5,378,615
Interest received	392,307	274,526
Net cash flows from investing activities	642,728	5,653,141
Net change in cash and cash equivalents	(2,886,653)	-0-
Cash and cash equivalents, beginning of period	2,886,653	-0-
Cash and cash equivalents, end of period	\$ -0-	\$ -0-
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	\$ 15,360,852	\$ 9,715,514
Adjustments to reconcile operating income to net cash flows from operating activities:		
Intergovernmental revenue for operating expenses	27,328	2,514,982
Changes in assets and liabilities		
Accounts receivable	(6,931,312)	(2,770,420)
Accounts payable	-0-	799,878
Amounts due to KYTC	2,864,058	311,820
Net cash flows from operating activities	\$ 11,320,926	\$ 10,571,774
Supplemental schedule of noncash capital activities:		
Infrastructure contributed as capital from KYTC	\$ 53,321	\$ 9,440,550

See compilation report of independent accountants.