

KENTUCKY PUBLIC TRANSPORTATION INFRASTRUCTURE AUTHORITY

FINANCIAL STATEMENTS

FOR THE QUARTERS ENDED SEPTEMBER 30, 2017 AND 2016

KENTUCKY PUBLIC TRANSPORTATION INFRASTRUCTURE AUTHORITY

TABLE OF CONTENTS FOR THE QUARTERS ENDED SEPTEMBER 30, 2017 AND 2016

	<u>Page</u>
Compilation Report of Independent Accountants	1
Financial Statements:	
Statements of Net Position	2
Statements of Revenues, Expenses, and Changes in Net Position	3
Statements of Cash Flows	4



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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, 2017 and 2016, 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
August 29, 2019

KENTUCKY PUBLIC TRANSPORTATION INFRASTRUCTURE AUTHORITY

STATEMENTS OF NET POSITION SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Current Assets		
Cash	\$ -0-	\$ 3,398
Investments - restricted	80,267,207	72,265,055
Accounts Receivable, net - restricted	14,147,986	-0-
Accrued interest receivable	13,172	70,021
Total Current Assets	94,428,365	72,338,474
Capital assets:		
Right of Way	66,524,387	7,087,960
Infrastructure	1,043,141,144	44,263,171
Construction in progress	-0-	1,017,232,423
Net capital assets	1,109,665,531	1,068,583,554
Noncurrent Investments - restricted	-0-	15,650,755
TOTAL ASSETS	1,204,093,897	1,156,572,783
LIABILITIES & NET POSITION		
Liabilities		
Current Liabilities		
Payable from restricted assets		
Accrued Interest Payable	6,997,258	7,999,569
Accounts Payable	799,878	12,614,727
Due to KYTC	2,779,371	-0-
Current portion of long-term debt	1,000,000	-0-
Total Current Liabilities	11,576,506	20,614,296
Long Term Liabilities	756,529,227	757,337,646
Total Liabilities	768,105,734	777,951,942
Net position:		
Net investment in capital assets	403,590,101	391,999,119
Restricted for debt service and maintenance	32,398,062	(13,378,278)
Total Net Position	\$ 435,988,163	\$ 378,620,841

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, 2017 AND 2016

	2017	2016
Operating revenues:		
Tolls	\$ 14,135,073	\$ -0-
Operating expenses:		
Toll operations & maintenance	1,275,162	-0-
Roadway operations & maintenance	2,727,323	26,847,143
General administration	417,075	1,689
Total operating expenses	4,419,560	26,848,832
Operating income (loss)	9,715,513	(26,848,832)
Nonoperating revenues (expenses):		
Interest earned on investments	196,060	-0-
Interest expense	(7,047,220)	-0-
Intergovernmental revenues	2,514,982	25,743,903
Amortization of discounts on bonds	(2,236,575)	-0-
Total nonoperating revenues (expenses)	(6,572,753)	25,743,903
Contributed capital from KYTC	9,440,550	10,553,403
Change in net position	12,583,310	9,448,474
Net position, beginning of period	423,404,853	369,172,367
Net position, end of period	\$ 435,988,163	\$ 378,620,841

See compilation report of independent accountants.

KENTUCKY PUBLIC TRANSPORTATION INFRASTRUCTURE AUTHORITY

STATEMENTS OF CASH FLOWS FOR THE QUARTERS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
Operating activities:		
Receipts from patrons	\$ 11,364,653	\$ -0-
Payments to service providers	(792,880)	(1,104,929)
Net cash flows from operating activities	10,571,773	(1,104,929)
Capital and related financing activities:		
Interest paid on long-term debt outstanding	(16,224,915)	(16,174,952)
Acquisition and construction of capital assets	-0-	(13,617,635)
Net cash flows from capital and related financing activities	(16,224,915)	(29,792,587)
Investing activities:		
Net investment activity	5,378,615	27,839,364
Interest received	274,526	198,341
Net cash flows from investing activities	5,653,141	28,037,705
Net change in cash and cash equivalents	-0-	(2,859,811)
Cash and cash equivalents, beginning of period	-0-	2,863,209
Cash and cash equivalents, end of period	\$ -0-	\$ 3,398
Reconciliation of operating income to net cash flows from operating activities:		
Operating income (loss)	\$ 9,715,514	\$ (26,848,832)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Intergovernmental revenue for operating expenses	2,514,982	25,743,903
Changes in assets and liabilities		
Accounts receivable	(2,770,420)	-0-
Accounts payable	799,878	-0-
Amounts due to KYTC	311,820	-0-
Net cash flows from operating activities	\$ 10,571,774	\$ (1,104,929)
Supplemental schedule of noncash capital activities:		
Infrastructure contributed as capital from KYTC	\$ 9,440,550	\$ 16,622,337
Interest costs capitalized and accrued	\$ -0-	\$ 7,225,787
Capital assets included in accounts payable	\$ -0-	\$ 12,614,727

See compilation report of independent accountants.