

**BARKLEY REGIONAL AIRPORT AUTHORITY
FINANCIAL STATEMENTS
With Independent Auditor's Report
FOR THE YEARS ENDED JUNE 30, 2016 and 2015**

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Barkley Regional Airport Authority
Paducah, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Barkley Regional Airport Authority, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Barkley Regional Airport Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Barkley Regional Airport Authority, as of June 30, 2016 and 2015, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis 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 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Barkley Regional Airport Authority's basic financial statements. The other supplemental information on pages 13-16 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and other supplemental information on pages 12-16 are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2016, on our consideration of the Barkley Regional Airport 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 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 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 Barkley Regional Airport Authority's internal control over financial reporting and compliance.

Kemper CPA Group, LLP

Kemper CPA Group LLP
Paducah, Kentucky
September 7, 2016

BARKLEY REGIONAL AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
JUNE 30, 2016 and 2015

	2016	2015
<u>ASSETS</u>		
Current Assets:		
Cash on hand	\$ 900	\$ 900
Cash in bank	60,458	92,799
Cash and cash equivalents - operating	61,358	93,699
Accounts receivable	25,643	16,732
Grants receivable	78,400	-
Other receivable	54,922	108,106
Prepaid insurance	51,797	4,250
Total current assets	272,120	222,787
Noncurrent Assets:		
Cash and cash equivalents - restricted	68,340	80,812
Capital assets:		
Land and construction in progress	2,290,991	4,020,777
Depreciable capital assets, net of depreciation	19,818,268	18,712,095
Total capital assets	22,109,259	22,732,872
Intangibles, net of amortization	40,043	48,941
Total noncurrent assets	22,217,642	22,862,625
TOTAL ASSETS	22,489,762	23,085,412
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	88,668	5,241
Unearned revenue	57,434	56,673
Accrued expenses and other liabilities	31,645	31,565
Notes payable - due within one year	-	120,000
Total current liabilities	177,747	213,479
Noncurrent Liabilities:		
Notes payable - due after one year	-	30,110
Total liabilities	177,747	243,589
<u>NET POSITION</u>		
Net invested in capital assets	22,109,259	22,582,762
Restricted for construction	68,340	80,812
Unrestricted	134,416	178,249
TOTAL NET POSITION	\$22,312,015	\$22,841,823

The notes to the financial statements are an intergral part of this statement.

BARKLEY REGIONAL AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2016 and 2015

	2016	2015
Operating Revenues:		
Terminal area	\$ 409,577	\$ 398,095
Hangar and land lease	184,202	171,329
Reimbursement from Transportation		
Security Administration	32,329	33,401
Landing area	99,100	96,420
Total operating revenues	725,208	699,245
Operating Expenses:		
Landing area	277,569	252,728
Terminal area	185,635	156,208
Emergency services	237,253	220,928
Air traffic control tower	1,458	1,872
Administrative	287,325	261,437
Depreciation	1,531,650	1,528,095
Amortization	8,898	8,898
Total operating expenses	2,529,788	2,430,166
Operating loss	(1,804,580)	(1,730,921)
Non-Operating Revenues (Expenses):		
Interest income	310	246
Governmental revenues	416,896	410,896
Passenger facility charges	85,675	89,461
Loss on disposition of equipment	(17,979)	-
Interest expense	(3,235)	(10,935)
Total non-operating revenues (expenses)	481,667	489,668
Loss before capital contributions	(1,322,913)	(1,241,253)
Capital Contributions:		
Federal grants	793,105	396,955
State grants	-	1,583
Total capital contributions	793,105	398,538
Change in net position	(529,808)	(842,715)
Net position, beginning of year	22,841,823	23,684,538
NET POSITION, END OF YEAR	\$22,312,015	\$22,841,823

The notes to the financial statements are an intergral part of this statement.

BARKLEY REGIONAL AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities:		
Receipts from customers	\$ 691,842	\$ 703,908
Payments to employees	(587,317)	(546,194)
Payments to suppliers	(37,830)	(46,628)
Payments for other operating expenses	(328,133)	(288,806)
	(261,438)	(177,720)
Cash Flows from Capital and Related Financing Activities:		
Construction in progress	(839,442)	(436,047)
Purchases of property and equipment	(86,574)	(28,104)
Payment of notes payable	(150,110)	(181,198)
Payment of interest	(3,235)	(10,935)
Governmental proceeds	416,896	410,896
Passenger facility charge	85,675	89,461
Grant proceeds	793,105	398,538
	216,315	242,611
Net cash provided by capital and related financing activities		
	216,315	242,611
Cash Flows from Investing Activities:		
Interest income	310	246
	310	246
Net increase (decrease) in cash and cash equivalents	(44,813)	65,137
Cash and cash equivalents, beginning of year	174,511	109,374
	174,511	109,374
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 129,698	\$ 174,511
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:		
Operating loss	\$ (1,804,580)	\$ (1,730,921)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization	1,540,548	1,536,993
Changes in operating assets and liabilities:		
Accounts receivable	(34,127)	3,405
Prepaid insurance	(47,547)	(1,063)
Accounts payable	83,427	(2,919)
Unearned revenue	761	1,257
Accrued payroll liabilities	80	15,528
	80	15,528
NET CASH USED BY OPERATING ACTIVITIES	\$ (261,438)	\$ (177,720)

The notes to the financial statements are an integral part of this statement.

BARKLEY REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Barkley Regional Airport Authority (“Barkley Airport”) is a special district government formed in 2005 by joint resolution of the City of Paducah and McCracken County governments pursuant to Kentucky Revised Statutes 183.132. Barkley Airport provides airfield services in the Western Kentucky area to the general public and to commercial airlines from one location in McCracken County. It is a successor to corporate operations that began in 1941.

Costs of operating Barkley Airport, except capital asset depreciation, are recovered through user charges and local intergovernmental subsidies. Capital asset additions are significantly funded with Federal and State grants, as well as passenger fees and internal funds. Primary sources of revenue are:

Operating Revenue - Aeronautical

- Commercial airline terminal area rent and service fees
- Landing fees
- Fixed base operator and general aviation facilities rent
- Aviation fuel sales fees

Operating Revenue - Non-Aeronautical

- Parking lot fees
- Car leasing companies rent and concession fees
- Contiguous land rent

Non-Operating Revenue

- Local intergovernmental subsidies

Measurement Focus and Basis of Accounting

The Barkley Airport’s financial statements are accounted for on the flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, all assets and liabilities associated with operations are included on the statement of net assets, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

Use of Estimates in the Preparation of Financial Statements

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments purchased with maturities of three months or less.

(Continued)

BARKLEY REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies:

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Bad debts are expensed using the "direct write-off method" which, for Barkley Regional Airport Authority, does not differ materially from the allowance method.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method of depreciation over the estimated useful lives of the assets. Infrastructure assets are depreciated over a period of 20 to 40 years and building improvements over a period of 12 to 15 years. All other equipment and furnishings are depreciated over a period of 5 to 12 years.

Intangibles

Intangibles consist of the Airport master plan and are recorded at cost less accumulated amortization. Amortization is computed using the straight-line method over the estimated useful life of the intangible.

Equity Classifications

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Capital Contributions

Capital contributions are derived from other governments, in the form of federal and state grant contributions for construction of capital projects.

Operating Revenues

Amounts reported as operating revenues consist mostly of passenger facility charges, air traffic control services, fuel flowage fees, facilities rent, TSA LEO charges, transportation fees, parking fees, space and land rentals, and landing fees.

Operating Expenses

Operating expenses consist of the cost of providing airfield services, including administrative expenses. All other revenues and expenses are classified as non-operating.

(Continued)

BARKLEY REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies:

Governmental Revenues

Governmental revenues consist of contributions from the City of Paducah and McCracken County Fiscal Court. Barkley Regional Airport Authority received revenues of \$136,430 from the City of Paducah for fiscal year end June 30, 2016 and 2015, respectively. The Airport also had revenues of \$280,466 and \$274,466 from McCracken County Fiscal Court for the years ended June 30, 2016 and 2015, respectively.

Restricted Cash

At June 30, 2016 and 2015, the Authority had \$68,340 and \$80,812, respectively, in temporarily restricted cash relating to passenger facility charges (PFC). The receipts and interest earned are required to be used in project funding. The restrictions are considered to expire when projects are funded.

Subsequent Events

Management has evaluated subsequent events through September 7, 2016, the date which the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents:

At year end, the carrying amount of the Authority's cash and cash equivalents was \$129,698; and the bank balance was \$388,128, of which \$138,128 was uninsured and uncollateralized. The Authority has not adopted a formal investment policy for deposits with financial institutions.

Note 3 - Capital Assets:

Capital assets activity for the year ended June 30, 2016, are as follows:

	<u>Balance,</u> <u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>June 30, 2016</u>
Capital assets, not being depreciated:				
Land	\$ 1,672,311	\$ -	\$ -	\$ 1,672,311
Construction in progress	<u>2,348,466</u>	<u>839,442</u>	<u>2,569,228</u>	<u>618,680</u>
Total capital assets, not being depreciated	<u>4,020,777</u>	<u>839,442</u>	<u>2,569,228</u>	<u>2,290,991</u>
Capital assets, being depreciated:				
Buildings and large construction	32,097,524	2,370,493	-	34,468,017
Equipment	<u>2,165,020</u>	<u>285,309</u>	<u>38,925</u>	<u>2,411,404</u>
Total capital assets, being depreciated	<u>34,262,544</u>	<u>2,655,802</u>	<u>38,925</u>	<u>36,879,421</u>
Less accumulated depreciation:				
Buildings and large construction	14,461,160	1,394,021	-	15,855,181
Equipment	<u>1,089,289</u>	<u>137,629</u>	<u>20,946</u>	<u>1,205,972</u>
Total accumulated depreciation	<u>15,550,449</u>	<u>1,531,650</u>	<u>20,946</u>	<u>17,061,153</u>
Total capital assets being depreciated, net	<u>18,712,095</u>	<u>1,124,152</u>	<u>17,979</u>	<u>19,818,268</u>
CAPITAL ASSETS, NET	<u><u>\$ 22,732,872</u></u>	<u><u>\$ 1,963,594</u></u>	<u><u>\$ 2,587,207</u></u>	<u><u>\$ 22,109,259</u></u>

(Continued)

BARKLEY REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Note 3 - Capital Assets:

Capital assets activity for the year ended June 30, 2015, are as follows:

	<u>Balance, June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2015</u>
Capital assets, not being depreciated:				
Land	\$ 1,672,311	\$ -	\$ -	\$ 1,672,311
Construction in progress	<u>2,378,759</u>	<u>436,047</u>	<u>466,340</u>	<u>2,348,466</u>
Total capital assets, not being depreciated	<u>4,051,070</u>	<u>436,047</u>	<u>466,340</u>	<u>4,020,777</u>
Capital assets, being depreciated:				
Buildings and large construction	31,984,593	112,931	-	32,097,524
Equipment	<u>1,783,507</u>	<u>381,513</u>	<u>-</u>	<u>2,165,020</u>
Total capital assets, being depreciated	<u>33,768,100</u>	<u>494,444</u>	<u>-</u>	<u>34,262,544</u>
Less accumulated depreciation:				
Buildings and large construction	13,056,379	1,404,781	-	14,461,160
Equipment	<u>965,975</u>	<u>123,314</u>	<u>-</u>	<u>1,089,289</u>
Total accumulated depreciation	<u>14,022,354</u>	<u>1,528,095</u>	<u>-</u>	<u>15,550,449</u>
Total capital assets being depreciated, net	<u>19,745,747</u>	<u>(1,033,651)</u>	<u>-</u>	<u>18,712,095</u>
CAPITAL ASSETS, NET	<u>\$ 23,796,816</u>	<u>\$ (597,604)</u>	<u>\$ 466,340</u>	<u>\$ 22,732,872</u>

Note 4 - Debt:

Notes Payable

	<u>2016</u>	<u>2015</u>
Notes payable, unsecured, with monthly principal payments of \$10,000 plus interest at 4.30%	\$ -	\$ 150,110
	-	150,110
Less principal amounts due within one year	<u>-</u>	<u>120,000</u>
	<u>\$ -</u>	<u>\$ 30,110</u>

Changes in Debt

The following is a summary of changes in debt for the year ended June 30, 2016 and 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Year ended June 30, 2016	<u>\$ 150,110</u>	<u>\$ -</u>	<u>\$ 150,110</u>	<u>\$ -</u>	<u>\$ -</u>
Year ended June 30, 2015	<u>\$ 331,308</u>	<u>\$ -</u>	<u>\$ 181,198</u>	<u>\$ 150,110</u>	<u>\$ 120,000</u>

(Continued)

BARKLEY REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Line of Credit

The Authority established a line of credit with Community Financial Services Bank on May 4, 2010, with a credit limit of \$100,000, renewed annually. No amounts were drawn on this line of credit as of June 30, 2016.

Note 5 - Unearned Revenue:

Unearned revenue includes \$48,151 representing the prepaid portion of a farm lease. The remaining unearned revenue of \$9,283 and \$8,522 represents the unearned portion of hangar leases and annual billings for tenant services at June 30, 2016 and 2015, respectively

Note 6 - Restrictions on Net Assets:

Restricted net assets are available for the following purposes:

Future property and equipment acquisition at June 30, 2016 and 2015 of \$68,340 and \$80,812, respectively.

Note 7 - Cash Flows:

Cash paid for interest was \$3,235 and \$10,935 for year ended June 30, 2016 and 2015, respectively.

For the statement of cash flows, changes in cash and cash equivalents includes both restricted and unrestricted cash activities.

Note 8 - Lien:

The Economic Development Administration (EDA) holds a first mortgage lien on the Airport Industrial Park building for \$500,000. This lien was filed for the purpose of ensuring Barkley Regional Airport Authority's compliance with the EDA grant covenants and terminates 25 years from October 11, 1990, the date of the lien.

Note 9 - Employee Benefits:

Barkley Airport's cost for providing health insurance, group life insurance and disability insurance benefits to employees was \$42,963 and \$45,951 for the year ended June 30, 2016 and 2015, respectively.

During 2012, Barkley Airport adopted the Barkley Regional Airport Authority Savings Incentive Match Plan for employees, which provides retirement benefits for substantially all employees. Barkley Airport matches eligible employees' voluntary contributions up to three percent of their compensation. The employer's cost for providing retirement benefits was \$12,805 and \$10,697 for the year ended June 30, 2016 and 2015, respectively. The Authority provides no post-retirement benefits.

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BARKLEY REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Note 10 - Operating Lease Commitments:

Barkley Regional Airport Authority leases real estate space to tenants under non-cancelable operating leases with terms of twenty years with the option of leasing two additional five year terms. The Authority also leases tillable acreage under an operating lease with a three-year term. The following is a schedule by years of future minimum rentals under the leases at June 30, 2016:

Year Ending June 30	
2017	\$ 91,450
2018	27,249
2019	26,146
2020	26,146
2021	26,146
2022 - 2026	110,059
2027 - 2031	91,368
2032 - 2036	<u>61,118</u>
 TOTAL	 <u>\$ 459,682</u>

Note 11 – Economic Dependency and Uncertainties:

A significant portion of total revenue is directly and indirectly related to commercial airline service. Barkley Airport is served by and dependent on one feeder airline contracting with a major airline. There are currently two daily commercial airline departures and arrivals to and from a major hub that links the local community to major domestic and international destinations.

The feeder airline is subsidized through a federally funded program enacted after airline deregulation to ensure that communities could retain a link to national air transportation. Barkley Airport is dependent on Federal, State and local government grants for airport improvements. Future government funding is uncertain.

Note 12 Contingency Funding from Grants

The Authority receives funding from federal, state, and local government agencies. These funds are to be used for designated purposes only. For governmental agency grants, if the grantor’s review indicates that the funds have not been used for the intended purpose, the grantor may request a refund of monies advanced or refuse to reimburse the Authority for its disbursements. The amount of such future refunds and un-reimbursed disbursements, if any, is not expected to be significant. Continuation of the Authority’s grant programs is predicated upon the grantor’s satisfaction that the funds provided are spent as intended and the grantor’s intent to continue their programs.

SUPPLEMENTARY INFORMATION

BARKLEY REGIONAL AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Awards Programs Agency/ Program Grant Title:	Federal CFDA Number	Federal Awards ID Number/ Project Number	Amount of Expenditures
Department of Transportation:			
Airport Improvement Program	20.106	03-21-0043-41	\$ 3,422
Airport Improvement Program	20.106	03-21-0043-44	23,114
Airport Improvement Program	20.106	03-21-0043-45	766,569
TOTAL			\$ 793,105

Note 1 - Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Barkley Regional Airport Authority and is presented on the accrual basis of accounting.

See independent auditor's report and accompanying notes.

BARKLEY REGIONAL AIRPORT AUTHORITY
SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED
FOR THE YEAR ENDED JUNE 30, 2016

Revenues:

Passenger facility charges remitted	\$ 85,675
Interest received	<u>310</u>
Total revenues	85,985

Expenses:

Expended on approved projects	<u>98,457</u>
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REVENUES OVER (UNDER) EXPENSES \$ (12,472)

See independent auditor's report and accompanying notes.

BARKLEY REGIONAL AIRPORT AUTHORITY
FINAL STATEMENT OF PROJECT REVENUES AND EXPENSES
AIP PROJECT NUMBER 3-21-0043-41
PERIOD OF PERFORMANCE: SEPTEMBER 2, 2011 THROUGH JUNE 30, 2016

	Actual Revenues and Expenses		
	Cummulative Through June 30, 2015	Current Year	Total Revenues and Expenses
Revenues:			
Federal received	\$2,076,044	\$ 3,422	\$2,079,466
Local received	230,923	380	231,303
Total revenues	2,306,967	3,802	2,310,769
Expenses:			
Projects in progress	2,306,967	(2,306,967)	-
Equipment and construction in service	-	2,310,769	2,310,769
Total expenses	2,306,967	3,802	2,310,769
REVENUES OVER (UNDER) EXPENSES	\$ -	\$ -	\$ -

See independent auditor's report and accompanying notes.