

Tri-County Airport Authority (1JO)
1983 Tri-county Airport Road
Bonifay, FL 32425
(850 547-1965
www.tricountyairportfl.com
Mail: P. O. Box 756, Bonifay, FL 32425-0756

MANAGEMENT DISCUSSION & ANALYSIS

FY Ended September 30, 2017

The *Tri-County Airport Authority's* discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the *Authority's* financial activity, (c) identify changes in the *Town's* financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan, (the approved budget), and (e) identify individual fund issues of concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on current year's activities, resulting changes and currently known facts, please read it in conjunction with the *Authority's* financial statements.

Financial Highlights

The assets of the *Tri-County Airport Authority* exceeded its liabilities at September 30, 2017 by \$ 8,876,967 (net position). Of this amount \$ 222,698 (unrestricted net position) may be used to meet the *Authority's* ongoing obligations to creditors.

The *Authority's* total net position increased by \$159,809 during the year ended September 30, 2017.

Entity Highlights

In 2017, government grants were obtained for hanger construction and other airport expansion projects.

Using This Annual Report

The financial statement's focus is on both the *Authority* as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the *Authority's* accountability.

This discussion and analysis is intended to serve as an introduction to the *Authority's* basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the *Authority's* finances, in a manner similar to a private-sector business. The focus is on major funds, rather than fund types. The statement for the first time combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. The statements include a Statement of Net Position and a Statement of Activities that are designed to provide consolidated financial information about the governmental activities of the *Authority* presented on the accrual basis of accounting.

The Statement of Net Position presents information on all of the *Authority's* assets and liabilities, with the difference between the two reported as net position. Over time, the increases or decreases in net position may serve as a useful indication of the whether the financial position of the *Authority* is improving or deteriorating.

The Statement of Activities presents information showing how the *Authority's* net position changed during

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the 2017 fiscal year. The focus is on both the gross and net costs of various activities that are supported by the Authority's revenues. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. This statement is intended to summarize and simplify the user's analysis of cost of various governmental services. An increase or decrease in net position is an indication of whether the *Authority's* financial health is improving or deteriorating.

Both of the financial statements distinguish the functions of the *Authority* that are principally supported by intergovernmental revenues. The governmental activities of the *Authority* include general government, public safety, streets and health and human services.

The government-wide financial statements can be found on pages 3-4 of the authority's annual financial report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority only reports a proprietary fund. Traditional uses of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental Funds

The Authority does not maintain any governmental funds.

Proprietary Funds

The *Authority* maintains one proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The *Authority* uses an enterprise fund to account for airport operations. The proprietary fund statement provides the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on page 5-7 of the annual financial report

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found beginning on page 8 of the annual financial report.

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Infrastructure Assets

The *Authority* has implemented the major model portions of GASB Statement 34. Historically, a government's largest group of assets (infrastructure – roads, traffic signals, underground pipes not associated with a utility, etc.) have not been reported nor depreciated in governmental financial statements. This new statement requires that these assets be valued and reported within the governmental column of government-wide statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section is used to present condensed financial information from the government-wide statements that compare the current year to the prior year.

Statement of Net Position

The following schedule reflects the condensed Statement of Net Position.

STATEMENT OF NET POSITION
As of September 30, 2017

	Business-Type		Total	
	<u>Activities</u>			
	<u>2016</u>	<u>2017</u>	<u>2010</u>	<u>2011</u>
Current and other Assets	373,185	248,439	373,185	248,439
Capital Assets	<u>8,614,168</u>	<u>8,763,246</u>	<u>8,614,168</u>	<u>8,763,246</u>
Total Assets	<u>8,987,353</u>	<u>9,011,685</u>	<u>8,987,353</u>	<u>9,011,685</u>
Current Liabilities	<u>270,195</u>	<u>134,718</u>	<u>270,195</u>	<u>134,718</u>
Total Liabilities	<u>270,195</u>	<u>134,718</u>	<u>270,195</u>	<u>134,718</u>
NET POSITION				
Invested in capital assets,				
net of related debt	8,343,973	8,654,269	8,343,973	8,654,269
Unrestricted	<u>373,185</u>	<u>222,698</u>	<u>373,185</u>	<u>222,698</u>
Total Net Position	<u>8,717,158</u>	<u>8,876,967</u>	<u>8,717,158</u>	<u>8,876,967</u>

Statement of Activities

	Business-Type		Total	
	Activities			
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
REVENUES				
Program Revenues				
Charges for Services	208,978	211,844	208,978	211,844
Capital Grants and Contributions	<u>945,068</u>	<u>695,387</u>	<u>945,068</u>	<u>695,387</u>
Total Program Revenues	<u>1,154,046</u>	<u>907,231</u>	<u>1,154,046</u>	<u>907,231</u>
General Revenues				
Miscellaneous	-	-	-	-
Total General Revenues	-	-	-	-
Total Revenues	<u>1,154,046</u>	<u>907,231</u>	<u>1,154,046</u>	<u>907,231</u>
EXPENSES				
Business-type Activities				
Airport	<u>659,494</u>	<u>747,422</u>	<u>659,494</u>	<u>747,422</u>
Total Expenses	<u>659,494</u>	<u>747,422</u>	<u>659,494</u>	<u>747,422</u>
Change in Net Position	<u>494,552</u>	<u>159,809</u>	<u>494,552</u>	<u>159,809</u>
Net Position - Beginning	<u>8,222,606</u>	<u>8,717,158</u>	<u>8,222,606</u>	<u>8,717,158</u>
Net Position - Ending	<u>8,717,158</u>	<u>8,876,967</u>	<u>8,717,158</u>	<u>8,876,967</u>

The following schedule compares the revenues and expenses for the current year

Proprietary Funds

The *Authority's* proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the airport fund as of September 30, 2017, were \$8,876,967 of which \$222,698 was unrestricted.

Requests for information

If you have any questions about this report or need additional financial information, you may contact James A. Town at (850)773-8000 or email at jim_bea@bellsouth.net