

BROWARD COUNTY AVIATION DEPARTMENT
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2016
(UNAUDITED)

**BROWARD COUNTY AVIATION DEPARTMENT
FINANCIAL STATEMENTS
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FOR THE THREE MONTHS ENDED DECEMBER 31, 2016
UNAUDITED**

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**BROWARD COUNTY AVIATION DEPARTMENT
STATEMENTS OF NET POSITION
DECEMBER 31, 2016 AND 2015
FORT LAUDERDALE/HOLLYWOOD INTERNATIONAL & NORTH PERRY AIRPORTS
(IN THOUSANDS)
UNAUDITED**

ASSETS	FY 2017	FY 2016
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	\$ 42,497	\$ 48,881
Investments	105,888	62,044
Accounts receivable, net of allowance of \$371 and \$371, respectively	16,116	9,216
Due from other governments	366	23,148
Inventories	405	380
Prepaid items	6,946	6,500
Other accounts receivable	508	-
Total current unrestricted assets	<u>172,726</u>	<u>150,169</u>
Restricted Assets		
Cash and cash equivalents	107,408	114,526
Other accounts receivable	735	105
Total current restricted assets	<u>108,143</u>	<u>114,631</u>
Total current assets	<u>280,869</u>	<u>264,800</u>
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents	117,749	175,705
Investments	542,395	754,256
Passenger facility charges receivable	5,598	3,676
Due from other governments	9,088	-
Capital assets		
Land and improvements	360,050	363,371
Buildings and facilities	2,096,899	1,809,883
Property held for leasing	499,022	441,878
Equipment	42,799	41,062
Construction in progress	434,286	444,127
Total capital assets	<u>3,433,056</u>	<u>3,100,321</u>
Less accumulated depreciation	<u>(784,797)</u>	<u>(694,736)</u>
Total capital assets, net	<u>2,648,259</u>	<u>2,405,585</u>
Total noncurrent assets	<u>3,323,089</u>	<u>3,339,222</u>
TOTAL ASSETS	<u>\$ 3,603,958</u>	<u>\$ 3,604,022</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	\$ 1,274	\$ 1,380
Deferred outflows on pensions	7,367	2,472
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 8,641</u>	<u>\$ 3,852</u>

**BROWARD COUNTY AVIATION DEPARTMENT
STATEMENTS OF NET POSITION
DECEMBER 31, 2016 AND 2015
FORT LAUDERDALE/HOLLYWOOD INTERNATIONAL & NORTH PERRY AIRPORTS
(IN THOUSANDS)
UNAUDITED**

LIABILITIES	FY 2017	FY 2016
Current Liabilities		
Payable from Unrestricted Assets		
Accounts payable	\$ 9,032	\$ 5,920
Accrued liabilities	3,300	2,112
Due to other County funds	3,854	7,245
Due to other governments	1,221	1,301
Deposits	5,389	5,446
Unearned revenue	23,216	33,766
Compensated absences	1,974	1,879
Total current liabilities payable from unrestricted assets	<u>47,986</u>	<u>57,669</u>
Payable from Restricted Assets		
Accounts payable	35,950	45,292
Accrued interest payable	18,353	18,349
Revenue bonds payable	53,840	50,990
Total current liabilities payable from restricted assets	<u>108,143</u>	<u>114,631</u>
Total current liabilities	<u>156,129</u>	<u>172,300</u>
Noncurrent Liabilities		
Revenue bonds payable, net of discount and premiums	1,948,536	2,009,927
Compensated absences	2,708	2,573
Other post employment benefits	1,196	1,110
Net pension liability	21,227	13,943
Total noncurrent liabilities	<u>1,973,667</u>	<u>2,027,553</u>
TOTAL LIABILITIES	<u>\$ 2,129,796</u>	<u>\$ 2,199,853</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows on pensions	<u>\$ 531</u>	<u>\$ 1,970</u>
NET POSITION		
Net investment in capital assets	1,031,698	969,138
Restricted for		
Debt service	198,658	210,806
Capital projects	145,469	150,728
Unrestricted	106,447	75,379
TOTAL NET POSITION	<u>\$ 1,482,272</u>	<u>\$ 1,406,051</u>

**BROWARD COUNTY AVIATION DEPARTMENT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE THREE MONTHS ENDED DECEMBER 31, 2016
FORT LAUDERDALE/HOLLYWOOD INTERNATIONAL & NORTH PERRY AIRPORTS
(IN THOUSANDS)
UNAUDITED**

	<u>FY 2017</u>	<u>FY 2016</u>
Operating Revenues		
Airline revenues	\$ 18,387	\$ 13,884
Rental cars	15,231	15,691
Parking	11,744	11,762
Concessions	8,776	8,003
General aviation and fixed based operators	1,916	1,780
Non-airline terminal rent and other rents	1,336	1,061
North Perry Airport	349	365
Cargo	472	494
Miscellaneous	386	323
Total operating revenues	<u>58,597</u>	<u>53,363</u>
Operating Expenses		
Salaries, wages and benefits	9,774	8,707
Contractual services	10,998	9,177
Law enforcement and fire rescue	8,219	7,028
Utilities	2,549	2,192
Insurance	1,238	1,192
Services provided by other County departments	1,273	1,235
Maintenance, equipment and supplies	1,811	1,176
General and administrative	1,085	1,269
Total operating expenses before depreciation	<u>36,947</u>	<u>31,976</u>
Operating Income before Depreciation	21,650	21,387
Depreciation	<u>22,511</u>	<u>19,121</u>
Operating Income	<u>(861)</u>	<u>2,266</u>
Nonoperating Revenues (Expenses)		
Passenger facility charges	15,010	13,415
Interest income	(62)	(807)
Interest expense, net of capitalized interest	(16,493)	(17,013)
Bond issuance costs	-	(3,052)
Loss on disposal of capital assets	(1)	-
Other	35	-
Total nonoperating revenues (expenses)	<u>(1,511)</u>	<u>(7,457)</u>
Profit (Loss) before Capital Contributions and Transfers	<u>(2,372)</u>	<u>(5,191)</u>
Capital contributions	<u>1,292</u>	<u>30,587</u>
Change in Net Position	<u>(1,080)</u>	<u>25,396</u>
Total Net Position - Beginning of Period	<u>1,483,352</u>	<u>1,380,655</u>
Total Net Position - End of Period	<u>\$ 1,482,272</u>	<u>\$ 1,406,051</u>

**BROWARD COUNTY AVIATION DEPARTMENT
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2016
FORT LAUDERDALE/HOLLYWOOD INTERNATIONAL & NORTH PERRY AIRPORTS
(IN THOUSANDS)
UNAUDITED**

	<u>FY 2017</u>	<u>FY 2016</u>
Cash Flows from Operating Activities		
Cash received from customers	\$ 52,825	\$ 52,140
Cash payments to suppliers for goods and services	(27,563)	(23,298)
Cash payments to employees for services	(9,118)	(9,044)
Other cash received	35	-
Net cash provided by operating activities	<u>16,179</u>	<u>19,798</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of bonds	-	484,033
Proceeds from bond refunding	-	52,808
Payment to refunded bond escrow agent	-	(53,241)
Payment of bond issuance costs	-	(633)
Acquisition and construction of property, plant and equipment	(87,517)	(58,070)
Debt principal payment	(50,990)	(48,015)
Interest and fiscal charges	(47,754)	(38,275)
Capital contributions	5,649	8,429
Receipt of passenger facility charges	<u>14,330</u>	<u>13,631</u>
Net cash provided by (used for) capital and related financing activities	<u>(166,282)</u>	<u>360,667</u>
Cash Flows from Investing Activities		
Purchase of investment securities	(195,729)	(393,036)
Proceeds from sale and maturities of investment securities	232,093	132,317
Interest and dividends on investments	(205)	(575)
Net cash provided by (used for) investing activities	<u>36,159</u>	<u>(261,294)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(113,944)</u>	<u>119,171</u>
Cash and Cash Equivalents, Beginning of Period	<u>381,598</u>	<u>219,941</u>
Cash and Cash Equivalents, End of Period	<u>\$ 267,654</u>	<u>\$ 339,112</u>
Cash and Cash Equivalents - Unrestricted Assets	\$ 42,497	\$ 48,881
Cash and Cash Equivalents - Restricted Assets	<u>225,157</u>	<u>290,231</u>
	<u>\$ 267,654</u>	<u>\$ 339,112</u>

**BROWARD COUNTY AVIATION DEPARTMENT
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2016
FORT LAUDERDALE/HOLLYWOOD INTERNATIONAL & NORTH PERRY AIRPORTS
(IN THOUSANDS)**

	<u>FY 2017</u>	<u>FY 2016</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (861)	\$ 2,266
Adjustments to reconcile operating income (loss) to cash flows from operating activities		
Depreciation expense	22,511	19,121
Other nonoperating revenues (expenses)	35	-
(Increase) Decrease in assets and deferred outflows of resources		
Accounts receivable	(3,233)	1,142
Prepaid items	191	525
Increase (Decrease) in liabilities and deferred inflows of resources		
Accounts payable	(1)	(2,754)
Accrued liabilities	479	(1,014)
Due to other County funds	(399)	2,848
Due to other governments	28	-
Deposits	120	29
Unearned revenues	(2,691)	(2,365)
Net adjustments	17,040	17,532
Net cash provided by operating activities	<u>\$ 16,179</u>	<u>\$ 19,798</u>
 Noncash Investing, Capital and Financing Activities		
Amortization of bond discount and premiums	\$ (1,888)	\$ (1,709)
Amortization of deferred charge on refunding	27	47
Bond issuance costs deducted from bond proceeds	-	(2,167)
Capital contributions	9,454	23,148
Capital assets acquired through current accounts payable	35,950	45,292
Change in fair value of investments	(1,806)	(1,383)

**BROWARD COUNTY AVIATION DEPARTMENT
SCHEDULE OF DEPOSITS TO AND WITHDRAWALS FROM SPECIAL ACCOUNTS
CREATED BY AIRPORT BOND RESOLUTIONS AND THE AIRLINE LEASE & USE AGREEMENT
FOR THE THREE MONTHS ENDED DECEMBER 31, 2016
FORT LAUDERDALE/HOLLYWOOD INTERNATIONAL & NORTH PERRY AIRPORTS
(IN THOUSANDS)
UNAUDITED**

	<u>Balances 10/1/2016</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Balances 12/31/2016</u>
Bond Debt Service Accounts:				
2001 Series J - P & I	\$ 13,201	\$ 3,948	\$ 13,179	\$ 3,970
2004 Series L - P & I	-	-	-	-
2009 Series O - P & I	5,074	1,832	5,068	1,838
2012 Series P - P & I	21,347	6,896	21,307	6,936
2012 Series Q - P & I	25,149	9,769	25,131	9,787
2013 Series ABC - P & I	17,931	7,184	17,919	7,196
2015 Series ABC - P & I	16,317	2,203	16,313	2,207
2015 Series A Capitalized Interest	19,705	(60)	-	19,645
Debt Service Fund	161,707	-	5,970	155,737
Bond Reserves	126,175	453	67	126,561
Total Bond Debt Service Accounts	<u>\$ 406,606</u>	<u>\$ 32,225</u>	<u>\$ 104,954</u>	<u>\$ 333,877</u>
Capital Accounts:				
Bond Construction Accounts	\$ 369,081	\$ 358,388	\$ 433,621	\$ 293,848
Discretionary	3,039	-	5	3,034
Renewal & Replacement and Improvements	77,188	115,727	118,836	74,079
North Perry Airport Capital	914	86	150	850
Passenger Facilities Charges	134,634	88,954	87,136	136,452
Total Capital Accounts	<u>\$ 584,856</u>	<u>\$ 563,155</u>	<u>\$ 639,748</u>	<u>\$ 508,263</u>
Airline Fees and Charges Sub-Account	<u>\$ 23,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,216</u>
Revenue Operating Account	<u>\$ 51,567</u>	<u>\$ 55,056</u>	<u>\$ 56,042</u>	<u>\$ 50,581</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 1,066,245</u>	<u>\$ 650,436</u>	<u>\$ 800,744</u>	<u>\$ 915,937</u>

BROWARD COUNTY AVIATION DEPARTMENT
SCHEDULE OF BONDS OUTSTANDING AND ACTIVITY
FOR THE THREE MONTHS ENDED DECEMBER 31, 2016
FORT LAUDERDALE/HOLLYWOOD INTERNATIONAL & NORTH PERRY AIRPORTS
 (IN THOUSANDS)
 UNAUDITED

Airport System Revenue Bonds		Original Amount	Purpose	Bond Type	Interest Payment		Optional (O) or Mandatory (M) Redemption *	Year	Final Maturity Date	Balance at		Payments	Balance at December 31, 2016
Date Issued	Series	Issued			% Rate	Dates				October 1, 2016	Additions		
05-24-2001	J-2	75,460	Improvements	Term	6.9	4-1 & 10-1	M	2016	10/1/2021	\$ 75,460		\$ (10,575)	\$ 64,885
11-09-2004	L	142,015	Improvements	Serial	3.0-5.0	4-1 & 10-1	O	2014	10/1/2027	0			0
09-03-2009	O	29,395	Refunding	Serial	2.0-5.0	4-1 & 10-1	O	2019	10/1/2020	15,415		(2,810)	12,605
09-03-2009	O	71,745	Refunding	Term	5.0-5.375	4-1 & 10-1	M	2021	10/1/2029	71,745			71,745
05-30-2012	P-1	217,080	Refunding	Serial	3.0-5.0	4-1 & 10-1	O	2022	10/1/2026	163,260		(6,285)	156,975
05-30-2012	P-2	92,775	Refunding	Serial	3.25-5.0	4-1 & 10-1	O	2022	10/1/2026	88,840		(8,765)	80,075
09-27-2012	Q-1	283,600	Improvements	Serial	3.0-5.0	4-1 & 10-1	O	2022	10/1/2033	258,100		(9,335)	248,765
09-27-2012	Q-1	232,020	Improvements	Term	4.0-5.0	4-1 & 10-1	M	2034	10/1/2042	232,020			232,020
09-27-2012	Q-2	51,800	Improvements	Serial	5.0	4-1 & 10-1	O	2022	10/1/2032	48,325		(1,870)	46,455
09-27-2012	Q-2	53,910	Improvements	Term	5.0	4-1 & 10-1	M	2033	10/1/2042	53,910			53,910
10-23-2013	A	81,345	Improvements	Serial	1.25-5.25	4-1 & 10-1	O	2023	10/1/2033	76,265		(2,715)	73,550
10-23-2013	A	83,960	Improvements	Term	5.125-5.25	4-1 & 10-1	M	2034	10/1/2043	83,960			83,960
10-23-2013	B	27,395	Improvements	Serial	2.00-5.50	4-1 & 10-1	O	2023	10/1/2033	25,615		(955)	24,660
10-23-2013	B	28,005	Improvements	Term	5.00-5.25	4-1 & 10-1	M	2034	10/1/2043	28,005			28,005
10-23-2013	C	103,265	Improvements	Serial	1.25-5.50	4-1 & 10-1	O	2023	10/1/2033	96,815		(3,445)	93,370
10-23-2013	C	107,710	Improvements	Term	5.125-5.25	4-1 & 10-1	M	2034	10/1/2043	107,710			107,710
11-16-2015	A	248,120	Improvements	Serial	2.0-5.0	4-1 & 10-1	O	2025	10/1/2037	248,120		(435)	247,685
11-16-2015	A	61,990	Improvements	Term	5.0	4-1 & 10-1	M	2040	10/1/2040	61,990			61,990
11-16-2015	A	116,205	Improvements	Term	5.0	4-1 & 10-1	M	2045	10/1/2045	116,205			116,205
11-16-2015	B	9,575	Improvements	Term	5.0	4-1 & 10-1	O	2025	10/1/2045	9,575			9,575
11-16-2015	C	46,305	Refunding	Serial	2.0-5.0	4-1 & 10-1	M	2025	10/1/2025	46,305		(3,800)	42,505
										<u>\$ 1,907,640</u>	<u>\$ -</u>	<u>\$ (50,990)</u>	<u>\$ 1,856,650</u>

*The optional and mandatory redemptions are at par

**BROWARD COUNTY AVIATION DEPARTMENT
AIRPORT SYSTEM REVENUE BONDS - DEBT SERVICE COVERAGE
FOR THE THREE MONTHS ENDED DECEMBER 31, 2016
FORT LAUDERDALE/HOLLYWOOD INTERNATIONAL & NORTH PERRY AIRPORTS
(IN THOUSANDS)
UNAUDITED**

Operating Revenues		\$	58,597
Investment Earnings		\$	(62)
Less: Unrealized Gain/Loss on Investments		<u>1,806</u>	
			1,744
Plus: Transfer from General Purposes Account	25%	<u>5,804</u>	
			66,145
Less:			
Operation and Maintenance Expenses		<u>(36,947)</u>	
			(36,947)
Balance Remaining for Debt Service	(A)	<u><u>\$</u></u>	<u><u>29,198</u></u>

Total ASR Debt Service (1):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>% of Year</u>	
Series 2001J-2	\$ 10,575	\$ 5,207	\$ 15,782	25%	\$ 3,946
Series 2004L	304	326	630	100%	630
Series 2009O	2,810	4,516	7,326	25%	1,832
Series 2012P-1	6,285	8,090	14,375	25%	3,594
Series 2012P-2	8,765	4,425	13,190	25%	3,298
Series 2012Q-1	9,335	22,738	32,073	25%	8,018
Series 2012Q-2	1,870	5,112	6,982	25%	1,746
Series 2013A	2,715	8,274	10,989	25%	2,747
Series 2013B	955	2,685	3,640	25%	910
Series 2013C	3,445	10,647	14,092	25%	3,523
Series 2015A	435	1,378	1,813	25%	453
Series 2015B	0	419	419	25%	105
Series 2015C	3,800	1,926	5,726	25%	1,432
ASR Debt Service	<u>\$ 51,294</u>	<u>\$ 75,743</u>	<u>\$ 127,037</u>		<u>\$ 32,232</u>

Passenger facility charge and grant offset		<u>\$ (14,993)</u>
Total ASR Debt Service	(B)	<u><u>\$ 17,239</u></u>

ASR Actual Debt Service Coverage	(A)/(B)	169%
ASR Required Debt Service Coverage (2)		125%

(1) Represents annual bond year debt service requirement.

(2) Per Section 704 of the Bond Resolution.