2017 Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2017

Miami-Dade Aviation Department
An Enterprise Fund of Miami-Dade County, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2017

Prepared by: Finance & Strategy Division

Miami-Dade Aviation Department
A Department of Miami-Dade County, Florida

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For the Fiscal Year Ended September 30, 2017

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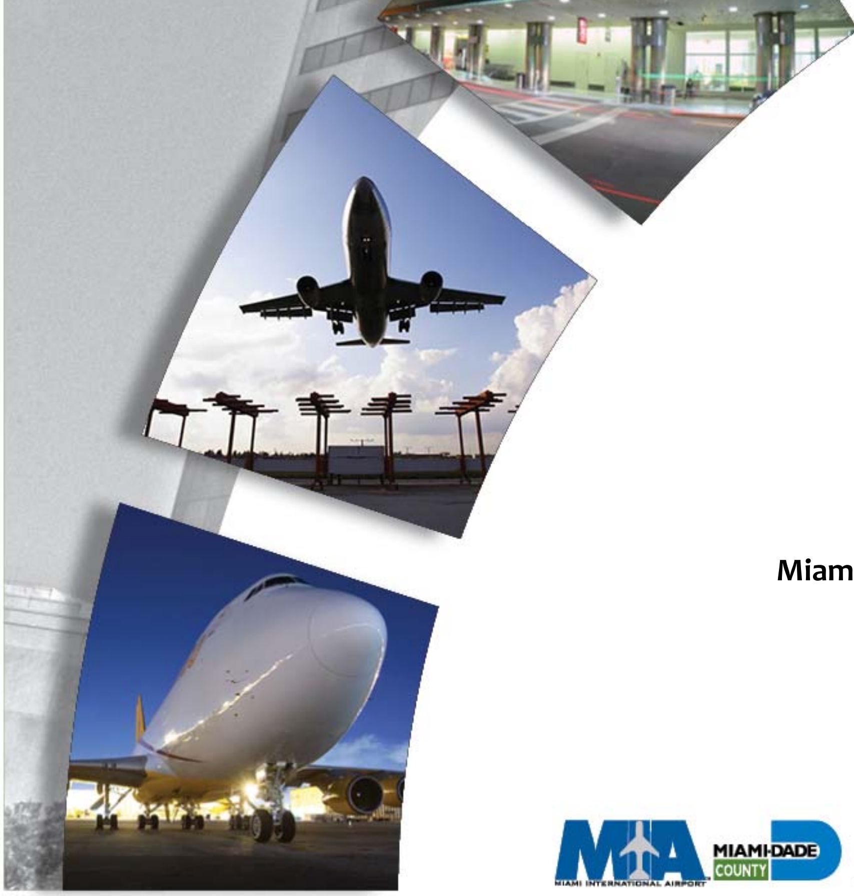

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A Department of Miami-Dade County, Florida

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MIAMI INTERNATIONAL AIRPORT

Commercial Airport:
Miami International Airport

General Aviation Airports:
Dade-Collier Training & Transition Airport
Homestead General Aviation Airport
Miami Executive Airport
Miami-Opa Locka Executive Airport

February 5, 2018

Honorable Chairman Esteban L. Bovo
Honorable Members of the Board of County Commissioners
Carlos A. Gimenez, Mayor
Harvey Ruvin, Clerk of Courts

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the Miami-Dade Aviation Department (the Aviation Department or MDAD) for the fiscal year ended September 30, 2017, is hereby submitted. Responsibility for both the accuracy and completeness and fairness of presentation, including all disclosures, rests with the Aviation Department. This report presents fairly, and discloses fully, in all material respects, the financial position and results of operations of the Aviation Department.

The Aviation Department is also required to be audited in accordance with the provisions of the Single Audit Act of 1984 and the Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments and Non-Profit Organizations, and the Florida single audit act requirement. Information related to the single audit, including the schedule of expenditures of federal awards and state financial assistance, schedule of findings and questioned costs, and the reports of independent auditor, are reported under a separate cover.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative overview and analysis to accompany the financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditor in the Financial Section of this report.

Profile Overview

The Aviation Department operates as an enterprise fund of Miami-Dade County (the County). An enterprise fund is used to account for the financing of services to the general public on a continuing basis with costs recovered primarily through user charges. The County owns Miami International Airport (MIA or the Airport), three general aviation airports, and one training airport (collectively - “the Airport System”), all of which are operated by the Aviation Department.

The County operates the Airport System through the Aviation Department with policy guidance from the Mayor, and the Board of County Commissioners of Miami-Dade County, Florida (the Board).

Economic Conditions and Outlook

MIA continues to be an economic engine for Miami-Dade County and the State of Florida. The most recent economic impact study indicated that MIA has an annual financial impact on local tourism, cruise operations, international banking, trade and commerce of $33.7 billion. MIA and aviation-related industries contribute 282,724 jobs directly and indirectly to the South Florida economy, and are responsible for one out of every four jobs.

The Airport offers an extensive air service network, enhanced by multiple daily scheduled and non-scheduled flights covering over 160 cities on four continents. MIA's stronghold market, the Latin America/Caribbean region, was served by more passenger flights from the airport than from any other U.S. airport. MIA is Florida's busiest airport, and the premier international gateway to Florida, handling nearly 70% of Florida's total international passenger traffic.

MIA is a major transshipment point by air for the Americas. During calendar year 2016, the most recent year for which such information is available, the Airport handled 83% of all air imports and 79% of all air exports between the USA and the Latin American/Caribbean region. The Airport was also the nation's number one airport in international freight (excluding mail) and third in international passenger traffic during calendar year 2016 (most recent data available).

The Airport stimulates a host of industries such as tourism, the cruise industry and international banking and commerce. In terms of trade, the most recent Department of Commerce data showed that the Airport handled 92% of the dollar value of the State's total air imports and exports, and 40% of the State's total air and sea trade with the world.

Passenger Activity

During fiscal year 2017, 43,758,409 passengers travelled through MIA, a 2.5% decrease compared to fiscal year 2016. Domestic traffic decreased by 5.3% to 22,323,060, or 51.0% of the total. International traffic accounted for 49.0% of the traffic or 21,435,349 passengers, an increase of .5% over the prior fiscal year. In calendar year 2016, MIA was ranked third in the U.S. behind New York's John F. Kennedy Airport and Los Angeles International Airport for international passengers.

The Airport is American Airline's largest international hub operation, both for international passengers and international cargo. American Airlines accounted for approximately 60% of the enplaned passengers at the Airport during fiscal year 2017, and together with its affiliate, Envoy (previously known as American Eagle), approximately 66% of all enplaned passengers during such period. American combined with Envoy decreased .2% fiscal year over fiscal year. Delta Air Lines, which became the second largest carrier at MIA in fiscal year 2010 by surpassing American Eagle at that time, continues to represent approximately 6.3% of the enplaned passenger traffic.

Cargo Activity

Cargo (mail and freight) tonnage totaled 2,247,914 tons in fiscal year 2017, resulting in an increase of 1.2%. MIA remains the number one airport in the U.S. for international freight. Cargo activity generates different types of revenues for the Aviation Department including landing fees, cargo warehouse rentals, aircraft apron rentals, and ground rentals. Cargo carriers represented 21.3% of the landed weight in fiscal year 2017, which is a slight increase from the 21.2% in the prior fiscal year.

Airline Agreements

The County had entered into separate but identical Airline Use Agreements (AUA) with the airlines using MIA. The Airline Use Agreement, which is a 15-year agreement which expired in 2017, provides that the County, acting through its Board of County Commissioners, had the right to calculate landing fees using an airport system residual cost methodology so that the revenues from landing fees, together with revenues from other sources, will be sufficient to meet the rate covenant and other requirements.

In anticipation of the expiration of the AUA, the Board recently approved the issuance of an Interim AUA that extended the benefits and obligations of the AUA beyond the 2017 expiration date. The Interim AUA continued the terms of the 2012 restated AUA and will expire when the successor AUA is effective.

The County has entered into separate but substantially similar Terminal Building Lease Agreements with its airlines tenants. Under these agreements airlines have no obligations to make real property investments in tenant improvements to their premises and in personal property to support their operations.

Passenger Facility Charges (PFC)

The Federal Aviation Administration (FAA) authorized the Aviation Department to impose a Passenger Facility Charge (PFC) of $3 per passenger commencing November 1, 1994. Subsequently, on October 21, 2001, the FAA approved a revised PFC collection level of $4.50 with an effective date of January 1, 2002. In December 2002, the FAA approved a PFC application that enables the Aviation Department to use PFC revenues to pay debt service related to the bonds that were issued to finance the construction of the North and South Terminals at MIA.

Per FAA regulations, net receipts from PFCs are restricted to use only on these FAA approved capital projects and related financing costs. The Aviation Department has been authorized to collect PFCs in the estimated aggregate amount of approximately $2.8 billion including interest. The authorization is expected to expire October 1, 2037. The amount of PFC collections from inception through September 30, 2017 was approximately $1.27 billion and with interest was approximately $1.34 billion. Of this amount, the Aviation Department has expended $1.11 billion. As of September 30, 2017, the Aviation Department had a cash balance of $227.4 million in the PFC account.

Capital Projects

As of September 30, 2014, the Aviation Department had completed its $6.3 billion Capital Improvement Program (CIP). A few open projects remained which were segregated and are referred to as the CIP Carryover Projects. As of September 30, 2017, projects totaling $129 million remain as part of the CIP Carryover. These projects are scheduled to be completed by the end of 2018.

In Fiscal Year 2015, the Aviation Department created a near to mid-term capital program that addressed facilities and equipment in need of refurbishment or replacement primarily in the Central Terminal at MIA. This program is referred to as the Terminal Optimization Program (TOP). Originally, the TOP was planned to be completed in two phases, Phase I from FY 2015 to FY 2018 and Phase II from FY 2019 to FY 2025. TOP Phase I was submitted and approved for $651 million through a Majority In Interest (MII) #1 review process in July 2015. This first approval consisted of four subprograms: MIA Central Base Apron & Utilities, Concourse E, South Terminal and Miscellaneous Projects. As a result of MIA's changing facility needs, scope changes, additional projects and the need to expedite Phase II projects, MDAD decided to merge the two phases into the TOP, submitted and approved for $1.4 billion through the MII #2.

The TOP now consists of five Subprograms; MIA Central Base Apron & Utilities, Concourse E, South Terminal, Miscellaneous Projects, and Passenger Boarding Bridges. The previously approved projects and newly approved projects having schedule duration from FY 2015 to FY 2023. The five Subprograms are divided into thirty-one (31) projects which are intended to modernize terminal facilities, to accommodate larger aircraft with changing infrastructure requirements, and to provide capacity for increased passenger traffic. The terminal facilities renovation upgrades will improve aesthetics, meet current life-safety and security requirements, and meet maintenance needs. The TOP also includes apron improvements in the Central Base area that will improve drainage and add additional hardstands, a revamped Automated People Mover (APM) connecting Lower Concourse E with Satellite E that will facilitate passenger flow. A new Concourse E to F connector that will improve passenger connection times and provide airport operations with needed flexibility. The renovation of Concourse E Federal Inspection Services (FIS) will improve vertical circulation and provide additional international passenger traffic processing capacity. The Rehabilitation of Taxiways R, S, & T will provide needed upgrades and act as an enabling project for the future Cargo Optimization, Redevelopment and Expansion (CORE) Program. A major component for this program is the Baggage Handling System (BHS) Improvements which has a new automated Checked Baggage Inspection System (CBIS). The Concourse H Headhouse Project will make modifications to accommodate international traffic by converting domestic gates to international gates including one A380 capable gate.

In June 2015, the Aviation Department issued $75.0 million in Aviation Revenue Bonds under the Trust Agreement to begin the bond financing portion (including financing costs) of the TOP, which is currently estimated to be $289.1 million. In March 2016, the Aviation Department issued $200 million in Aviation Commercial Paper Notes for the purpose of providing temporary funding for the TOP. The Aviation Department used the remaining $6.2 billion Bond authorization established by the Board of County Commissioners back in 2002 in relation to the Bond funding of the CIP, which at the end of the CIP was $355.5 million. The remaining Bond authorized amount of $282.2 million requires the approval by the Board in the form of specific bond series resolutions. Future authorizations will be required to issue bonds for capital projects not authorized by existing ordinances.

Tenant Financed Facilities

The Aviation Department has decided, as a matter of policy, to permit tenants of airside facilities to construct some buildings with private financing. Accordingly, certain hangars and cargo facilities (including those for Federal Express, UPS, LAN Airlines, American Airlines and Centurion Air Cargo) have been constructed with private financing. Ownership to improvements constructed by a tenant is typically retained in the tenant's name for a stated period of time or until expiration of the lease agreement. If the tenant remains in possession following either of these dates, the tenant is obligated to pay building rent in addition to ground rent or depending on the condition of the improvements, MDAD reserves the right to require the tenant to demolish the improvement(s).

Major Initiatives and Long-Term Financial Planning

The CIP increased the terminal building's area from 4.8 million to approximately 7.8 million square feet. The CIP fulfilled a critical need for MIA, as its completion has allowed existing and prospective carriers to maintain and expand their domestic and international passenger operations out of MIA.

Although the Central Terminal did not have any significant improvements during the CIP, making capital improvements to the Central Terminal is desirable over time to further enhance the overall efficiency of the MIA terminal facility. A number of design alternatives to improve the Central Terminal are being studied as part of the updated master plan exercise – Strategic Master Plan (SMP). Except for the work related to the TOP, no significant modifications have been definitively planned nor are any related financings anticipated in the immediate future under the SMP. At this time, the Aviation Department expects to focus on Phase I and Phase II of the TOP before undertaking any major rebuilding of the Central Terminal.

Independent Audit

The financial statements for fiscal year 2017 were audited by Cherry Bekaert LLP, and the opinion resulting from their examination is included in this Comprehensive Annual Financial Report. Their audit was made 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.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Department for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the Department was required to publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This Comprehensive Annual Financial Report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The Department has received a Certificate of Achievement for the last 25 consecutive fiscal years (1992-2016). It believes the current report continues to conform to the Certificate of Achievement program requirements, and as such it is being submitted to GFOA.

Acknowledgements

This report could not have been presented without the efforts of the Finance and Strategy Division staff. We sincerely appreciate their time and thank them for their valuable contributions. The Department also thanks the County Mayor and the Board of County Commissioners for providing continued support to the Department, enabling the successful operation of the Airport System.

Respectfully submitted,

K. A. Pyatt

Kenneth A. Pyatt
Deputy Director

Sandra Bridgeman, CPA
Chief Financial Officer

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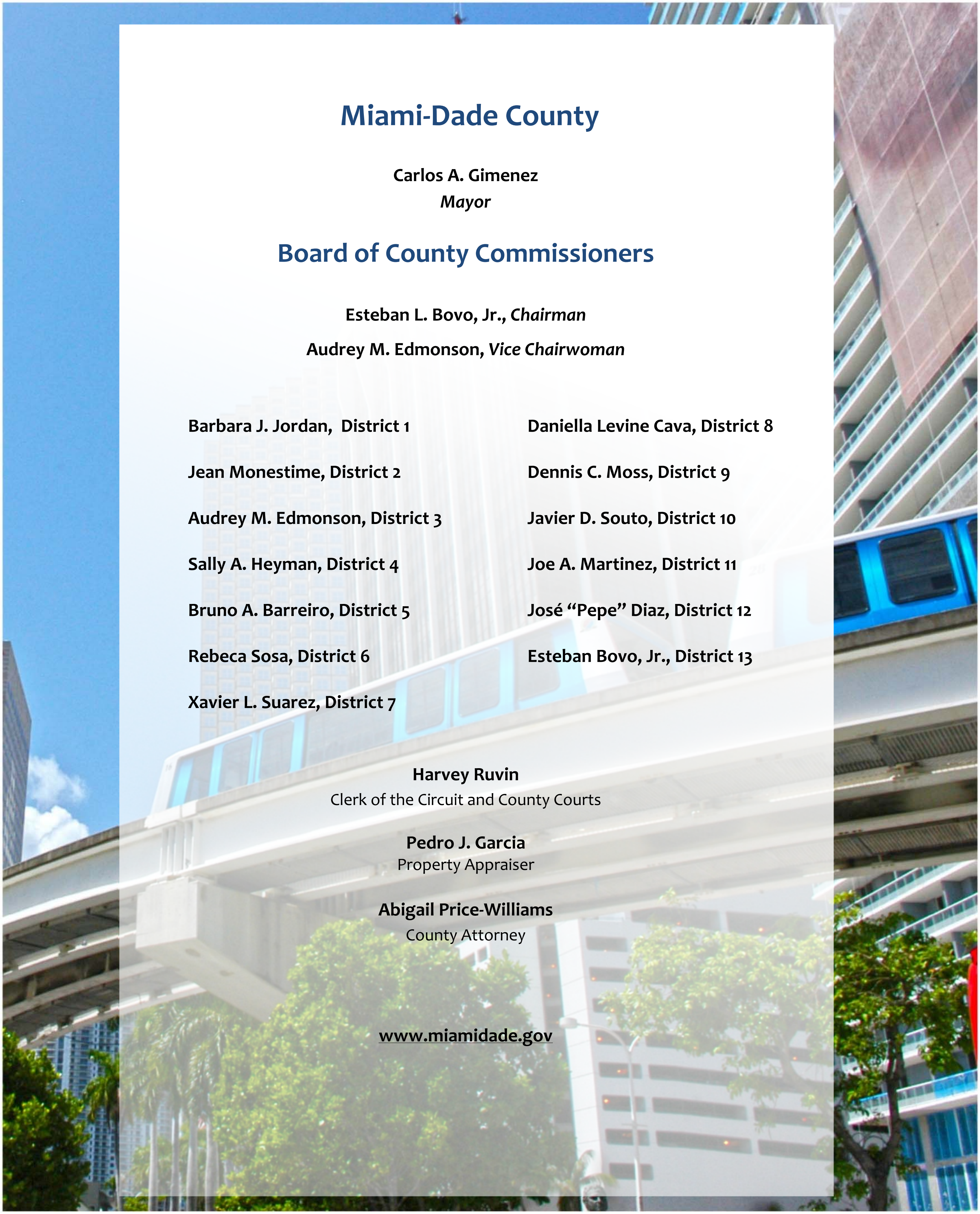

Miami-Dade County

Carlos A. Gimenez
Mayor

Board of County Commissioners

Esteban L. Bovo, Jr., ***Chairman***

Audrey M. Edmonson, ***Vice Chairwoman***

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Jean Monestime, District 2

Audrey M. Edmonson, District 3

Sally A. Heyman, District 4

Bruno A. Barreiro, District 5

Rebeca Sosa, District 6

Xavier L. Suarez, District 7

Daniella Levine Cava, District 8

Dennis C. Moss, District 9

Javier D. Souto, District 10

Joe A. Martinez, District 11

José "Pepe" Diaz, District 12

Esteban Bovo, Jr., District 13

Harvey Ruvin
Clerk of the Circuit and County Courts

Pedro J. Garcia
Property Appraiser

Abigail Price-Williams
County Attorney

www.miamidade.gov

Ken Pyatt
Deputy Aviation Director

Joe Napoli
Executive Chief of Staff &
Senior Policy Advisor

Hiram Barroso
Senior Executive Assistant
& Deputy Chief of Staff

Sandra Bridgeman
Chief Financial Officer

Barbara S. Jimenez
Assistant Director
Administration

Ralph Cutie
Assistant Director
Facilities Management &
Engineering

Pedro Hernandez
Assistant Director
Facilities Development

Dan Agostino
Assistant Director
Operations

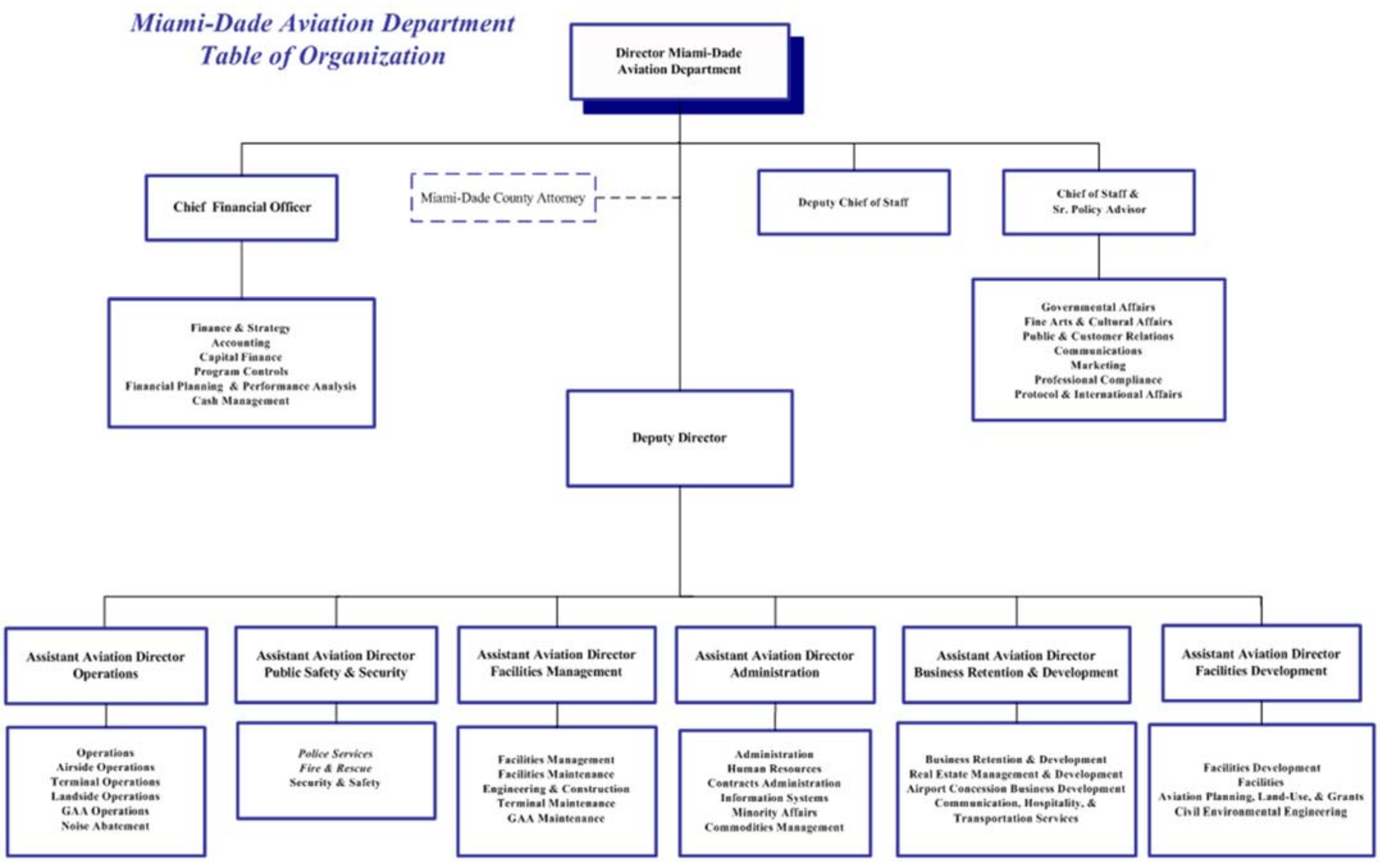
Greg Owens
Assistant Director
Business Retention & Development

Mark Hatfield
Assistant Director
Public Safety & Security

Milton Collins
Associate Director
Minority Affairs

Tony Quintero
Associate Director
Governmental Affairs

Miami-Dade Aviation Department
Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Miami-Dade County Aviation Department

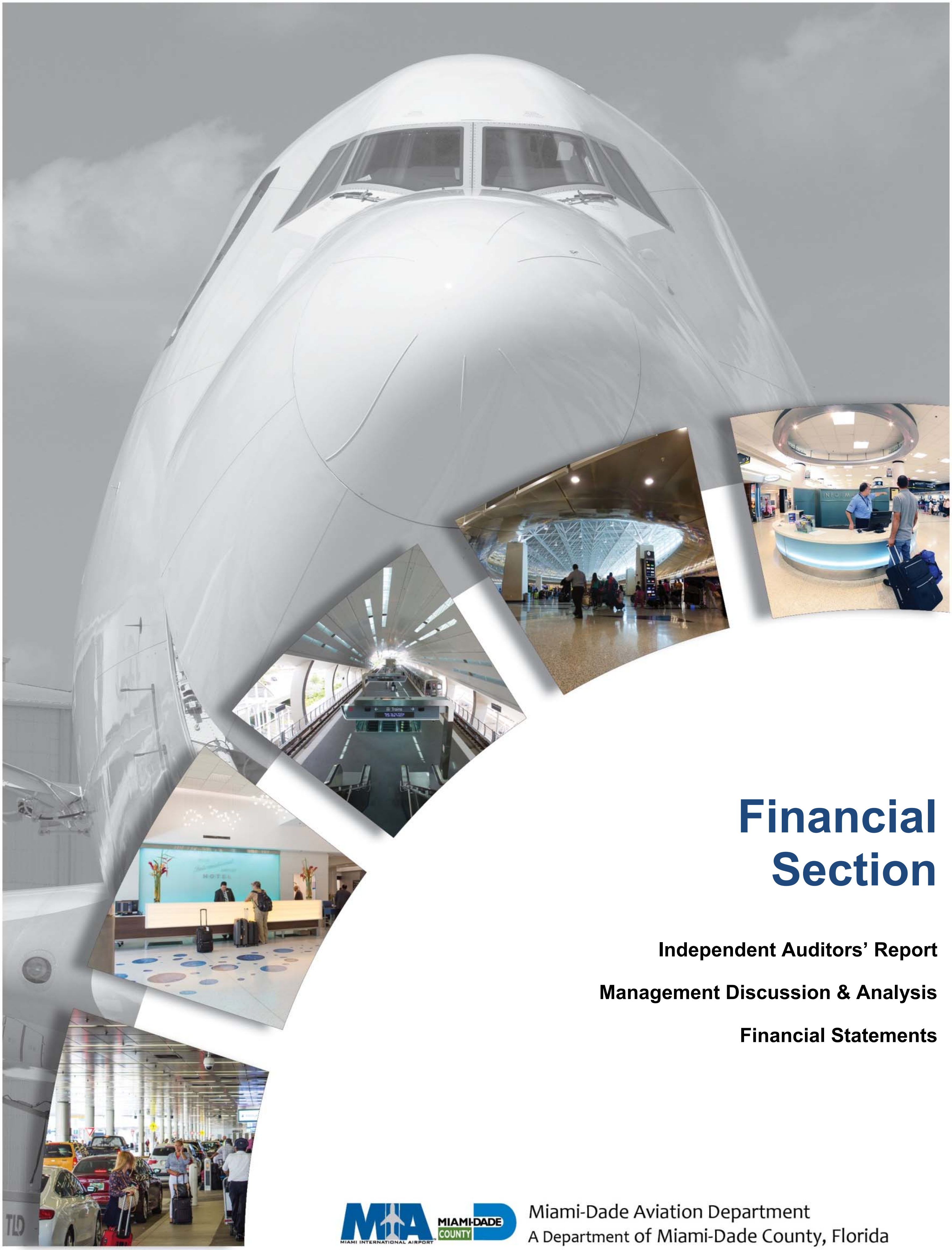
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO



Financial Section

Independent Auditors' Report

Management Discussion & Analysis

Financial Statements

Miami-Dade Aviation Department
A Department of Miami-Dade County, Florida

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Report of Independent Auditor

The Honorable Mayor and Members
The Board of County Commissioners
Miami-Dade County
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Miami-Dade County Aviation Department (Aviation Department), an enterprise fund of Miami-Dade County, Florida, as of and for the years ended September 30, 2017 and 2016, and the related notes to the 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 an opinion on these financial statements based on our audits. 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 audit 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Aviation Department, an enterprise fund of Miami-Dade County, Florida, as of September 30, 2017 and 2016, and the 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.

Emphasis of Matter

As discussed in Note 1(a), the financial statements present only the Aviation Department and do not purport to, and do not present fairly the financial position of Miami-Dade County, Florida, as of September 30, 2017 and 2016, the changes in its financial position or, where applicable, its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the Florida Retirement System - Schedule of Employer Contributions, and Schedule of Employer Proportionate Share of Net Pension Liability and Related Ratios; the Supplemental Health Insurance Subsidy Pension Information - Schedule of Employer Contributions, and Schedule of Employer Proportionate Share of Net Pension Liability and Related Ratios; and the Postemployment Benefits Other than Pensions Schedule of Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Aviation Department's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2018 on our consideration of the Aviation Department'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 the Aviation Department's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tampa, Florida
February 5, 2018

Introduction

The following discussion and analysis of the financial performance and activity of the Miami-Dade County Aviation Department (the Aviation Department) is to provide an introduction and understanding of the financial statements of the Aviation Department for the years ended September 30, 2017 and 2016. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The Aviation Department operates an airport system consisting of Miami International Airport (MIA), three general aviation airports; Opa Locka Airport, Homestead General Airport, and Kendall Tamiami Executive Airport; and one training airport.

The Aviation Department operates as an enterprise fund of Miami-Dade County, Florida (the County). The Aviation Department is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenue from concessions to fund operating expenses. The Aviation Department is currently working on two capital project programs, the CIP Carryover Projects and the Terminal Optimization Program (TOP). The CIP Carryover Projects is anticipated to have a major portion of the work completed by fiscal year 2018 and is primarily funded by bonds, federal and state grants, and monies set aside from the Reserve Maintenance Fund. The TOP, which is scheduled to be completed in fiscal year 2025, is primarily funded by bonds, federal and state grants, Passenger Facility Charges (PFCs), and monies set aside from the Reserve Maintenance Fund and Improvement Fund.

Required Financial Statements

The Aviation Department's financial report includes three financial statements: the statements of net position, statements of revenue, expenses, and changes in net position, and statements of cash flows. The financial statements are prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The Aviation Department is structured as a single enterprise fund with revenue recognized when earned and expenses recognized when incurred. Capital asset costs, with the exception of land and construction in progress, are capitalized and depreciated over their estimated useful lives. Certain net position balances are restricted for debt service, construction activities, and major maintenance-type activities.

The statements of net position include all of the Aviation Department's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provide information about the nature and amounts of investments in resources (assets) as well as obligations to creditors and investors (liabilities). These statements also provide the basis for evaluating the capital structure of the Aviation Department and assessing liquidity and financial flexibility.

The statements of revenue, expenses, and changes in net position report the operating revenue and expenses and nonoperating revenue and expenses of the Aviation Department for the fiscal year with the difference, net income or loss, being combined with any capital contributions to arrive at the change in net position for the fiscal year. These statements capture the amount of operating revenue that the Aviation Department earned for the fiscal year along with the amount of operating expenses that were incurred during the same period, thus determining whether the Aviation Department was able to cover its operating obligations with its operating income.

The statements of cash flows provide information about the Aviation Department's cash receipts and payments during the reporting period. These statements report cash receipts, cash payments, and net changes in cash resulting from operating, investing, and capital and noncapital financing activities and provide an insight regarding sources providing cash and activities using cash.

Activity Highlights

MIA experienced a 2.5% decrease in enplaned passenger traffic in fiscal year 2017. There was a 3.6% increase in enplaned passenger traffic in fiscal year 2016 and an increase of 5.7% in fiscal year 2015. Landed weight, which represents the total weight of the commercial aircraft that landed at MIA, decreased by 2.5% in fiscal year 2017 reflecting the decrease in aircraft landings at MIA over the prior fiscal year. There was an increase in fiscal year 2016 of 3.3% and an increase of 4.0% in fiscal year 2015. Enplaned cargo increased by 1.3% in fiscal year 2017. It decreased by 3.1% in fiscal year 2016. In fiscal year 2015, enplaned cargo decreased by 2.7% from the previous fiscal year. Below is a comparative of these activities at MIA by fiscal year:

	2017	2016	2015
Enplanements	21,602,794	22,154,289	21,375,095
Landed weight (1,000 pounds)	36,989,510	37,926,894	36,721,707
Enplaned cargo (in tons)	952,769	940,848	971,192

Financial Highlights

- During fiscal year 2017, operating revenue was $804.7 million, a decrease of $26.0 million, or 3.1%, as compared to fiscal year 2016. The decrease in operating revenue is primarily attributable to the decrease in revenue from landing fees, concourse use charges, parking charges, and other operating revenue.

- During fiscal year 2017, operating expenses before depreciation and amortization were $437.4 million, an increase of $24.6 million, or 6.0%, as compared to fiscal year 2016. The increase in operating expenses is primarily attributed to an increase in expenses for employee salaries and benefits, outside contracts, and services provided by other County departments.

The table below shows the composition of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of September 30, 2017, 2016, and 2015:

	2017 (In thousands)	2016 (In thousands)	2015 (In thousands)
Current Assets:			
Unrestricted assets	$ 382,687	$ 386,628	$ 359,502
Restricted assets	285,166	266,567	282,374
Total Current Assets	667,853	653,195	641,876
Noncurrent Assets:			
Restricted assets	632,401	602,259	629,950
Capital assets, net	6,178,268	6,327,890	6,420,564
Other assets	7,372	19,466	34,567
Total Assets	$ 7,485,894	$ 7,602,810	$ 7,726,957
Deferred Outflows of Resources:			
Deferred outflow - pension	$ 33,835	$ 27,710	$ 7,703
Deferred loss on refunding	125,275	119,042	45,860
Total Deferred Outflows	$ 159,110	$ 146,752	$ 53,563
Current Liabilities:			
Current liabilities payable from unrestricted assets	$ 88,462	$ 80,850	$ 89,178
Current liabilities payable from restricted assets	265,193	248,820	249,627
Total Current Liabilities	353,655	329,670	338,805
Noncurrent liabilities	6,332,650	6,449,246	6,477,934
Total Liabilities	$ 6,686,305	$ 6,778,916	$ 6,816,739
Deferred Inflows of Resources:			
Deferred inflow - pension	$ 5,250	$ 2,889	$ 10,136
Net Position:			
Net investment in capital assets	$ 65,879	$ 32,462	$ 263,723
Restricted	683,147	750,114	532,213
Unrestricted	204,423	185,181	157,709
Total Net Position	$ 953,449	$ 967,757	$ 953,645

Capital assets, net as of September 30, 2017 were $6.2 billion, $149.6 million lower than at September 30, 2016. Capital assets, net as of September 30, 2016 were $6.3 billion, $92.7 million lower than at September 30, 2015. The decreases were due primarily to current year depreciation expense exceeding capital asset additions.

As of September 30, 2017, the assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately $953.5 million, a decrease of approximately $14.3 million as compared to fiscal year 2016. As of September 30, 2016, the assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately $967.8 million, an increase of approximately $14.1 million as compared to fiscal year 2015.

Changes in net position can be determined by reviewing the following summary of revenue, expenses, and changes in net position for the years ended September 30, 2017, 2016, and 2015:

	2017	2016	2015
	(In thousands)	(In thousands)	(In thousands)
Operating revenues:			
Aviation fees	$ 372,977	$ 395,586	$ 381,872
Rentals	144,046	140,482	133,394
Commercial operations	270,322	265,197	271,161
Other operating	12,229	16,128	4,850
Other – environmental remediation	5,150	13,310	3,106
Nonoperating revenues:			
Passenger facility charges	88,914	77,431	79,799
Investment income	5,796	5,897	5,743
Other	2,489	7,556	3,180
Total Revenues	901,923	921,587	883,105
Operating expenses:			
Operating expenses	292,639	273,180	281,029
Operating expenses – environmental remediation	368	889	504
Operating expenses – commercial operations	56,578	55,958	56,303
General and administrative expenses	87,773	82,769	88,143
Depreciation and amortization	259,280	259,523	261,801
Nonoperating expenses:			
Interest expense	268,118	279,178	302,642
Total Expenses	964,756	951,497	990,422
Loss before capital contributions	(62,833)	(29,910)	(107,317)
Capital contributions	48,525	44,022	91,444
Change in net position	(14,308)	14,112	(15,873)
Net position at beginning of year	967,757	953,645	969,518
Net position at end of year	$ 953,449	$ 967,757	$ 953,645

Total revenue for fiscal year 2017 was $901.9 million, a decrease of $19.7 million, or 2.1%, as compared to fiscal year 2016. In fiscal year 2016, total revenue was $921.6 million, an increase of $38.5 million, or 4.4%, as compared to fiscal year 2015.

Operating revenue in fiscal year 2017 was $804.7 million, a decrease of $26.0 million, or 3.1%, as compared to fiscal year 2016. The decrease is primarily attributable to a decrease in landing fees, concourse use charges, parking charges, and other operating revenue. Operating revenue in fiscal year 2016 was $830.7 million, an increase of $36.3 million, or 4.6%, as compared to fiscal year 2015.

Total expenses, including depreciation and amortization, for fiscal year 2017 were $964.8 million, an increase of $13.3 million, or 1.4%, as compared to fiscal year 2016. In fiscal year 2016, total expenses, including depreciation and amortization, were $951.5 million, a decrease of $38.9 million, or 3.9%, as compared to fiscal year 2015.

Operating expenses, excluding depreciation and amortization, were $437.4 million, an increase of $24.6 million, or 6.0%, as compared to fiscal year 2016. The increase in operating expenses is primarily attributed to an increase in expenses for employee salaries and benefits, outside contracts, and services provided by other County departments. In fiscal year 2016, operating expenses, excluding depreciation and amortization, were $412.8 million, a decrease of $13.2 million, or 3.1%, as compared to fiscal year 2015.

In accordance with the amended and restated Trust Agreement (the Trust Agreement), the Aviation Department is required to meet its rate covenant, which means the Aviation Department is required to maintain, charge, and collect rates and charges for the use of and for the services and facilities provided to all users of these facilities. In addition, these rates and charges are to provide revenue sufficient to pay current expenses: to make the required Reserve Maintenance Fund annual deposits as recommended by the Consulting Engineers and to make deposits to the Sinking Fund, which comprises the Bond Service Account, the Reserve Account, and the Redemption Account, of not less than 120% of the Principal and Interest Requirements of the Outstanding bonds, as defined in the Trust Agreement (all capitalized terms referenced in the last few sentences are defined terms in the Trust Agreement). The Aviation Department uses an airport system residual cost recovery methodology to set its landing fee rate. The manner in which the residual landing fee is calculated enables the Aviation Department to establish rates to meet its rate covenant.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2017, 2016, and 2015, the Aviation Department had $6.2 billion, $6.3 billion, and $6.4 billion, respectively, invested in capital assets, net of accumulated depreciation.

The following table summarizes the composition of capital assets, net of accumulated depreciation, as of September 30, 2017, 2016, and 2015:

	2017	2016	2015
	(In thousands)	(In thousands)	(In thousands)
Land	$ 127,026	$ 127,026	$ 127,026
Buildings, improvements, and systems	4,888,922	4,972,869	4,825,425
Infrastructure	627,074	641,700	984,130
Furniture, machinery, and equipment	453,102	428,025	420,871
	6,096,124	6,169,620	6,357,452
Construction in progress	82,144	158,270	63,112
Total capital assets, net	$ 6,178,268	$ 6,327,890	$ 6,420,564

The Aviation Department started a new program called Terminal Optimization Program (TOP) in July 2015, consisting of 25 projects with a budgeted cost of approximately $651 million, which was revised in August 2017. The re-baseline TOP consists of 31 projects with a budgeted cost of approximately $1.45 billion for capital projects through fiscal year 2023. As of September 30, 2017, the status of these projects can be described as follows:

- 9 projects in planning and design: $366.3 Million

  These projects include MIA Parking Garage Structural Repairs, MIA Airport Operations Center (AOC), MIA Concourse H Headhouse, MIA Satellite E New Chiller Plan, MIA Satellite E Ramp Level Bus Holdroom, MIA Taxi and Transportation Network Company (TNC) Parking Lot and Facilities, MIA Concourse E to F Connector, MIA Central Base Apron and Utilities Modifications and Expansion, and MIA Employee Parking Garage.

- 4 projects in Bid & Award: $235.4 Million

  These projects include MIA Rehabilitation of Taxiways R, S, T; Extend Taxiway R, Reconfigure Connector Taxiway M5, MIA Lower Cc E Third Level Sterile Corridor, MIA Satellite E Ramp Level Demolition and Additional Work, and MIA North and Central Terminal Passenger Boarding Bridges (PBBs) - Phase 1.

- 11 projects under Construction: $753.6 Million

  These projects primarily consist of MIA Concourse H Roof Replacement, MIA South and Central Terminal BHS Improvements, MIA Lower Concourse E Renovations, MIA Lower Cc E Passenger Loading Bridges, MIA Lower Cc E Roofing, Mechanical, and Electrical Equipment Replacement, MIA Lower Cc E FIS Area Renovations - Phase 1, MIA Satellite E Renovation, MIA Satellite E Passenger Loading Bridges, MIA Satellite E Roofing, Mechanical and Electrical Equipment Replacement, MIA Satellite E 4th Level Demolition Work, MIA Central Terminal E-H Ticket Counters, and the TOP Program Contingency.

- 7 projects in Close Out: $99.2 Million

  These projects include MIA Cc E Satellite Automated People Mover Replacement, MIA Lower Cc E Admirals Club Elevators, MIA Lower Cc E APM Station 4th Level, MIA Satellite E New Generator, MIA Satellite E ICE Detention Center, MIA Satellite E Fire Pump Room, and MIA Satellite E Pavement Rehabilitation.

The Aviation Department started a new program called CIP Carryover Projects in April 2015. The CIP Carryover Projects consists of 20 projects with a budgeted cost of approximately $129 million for capital projects through fiscal year 2020. As of September 30, 2017, the status of these projects can be described as follows:

- 2 projects in Planning and Design: $5.3 Million

  These projects include MIA Central Terminal Fire Protection Notice of Violations (NOVs) and MIA Cc G Preconditioned Air Equipment.

- 3 projects under Bid, Award & NTP: $15.2 Million

  These projects primarily consist of MIA Parking Guidance System, MIA Central Terminal CCTV, and MIA Outfalls No. 2 &3 Boom and Skimmer.

- 1 project under Construction: $26.5 Million

  This project consists of MIA South Terminal Smoke Evacuation and the CIP Carryover Program Contingency.

- 6 projects in Close Out: $70.5 Million

  These projects include MIA NTD PCA/400HZ Completion, MIA Pavement Rehab & Overlay of RW 12/30, Taxiways & W. Cargo Parking, MIA - MIA Mover Procurement of Additional Cars, MIA FOD Detection System, MIA - North Terminal D FIS – Ramp Signage, and MIA - CC D Gates D1 & D2 MODS for A380.

- 8 projects Completed and Closed: $11.5 Million

  The completed and closed projects include MIA Back Terminal D-H Life Safety Systems Upgrades Area 1, MIA Back Terminal D-H Life Safety Systems Upgrades Area 2, MIA Back Terminal D-H Life Safety Systems Upgrades Area 3, MIA Wayfinding Signage Program, MIA Water Distribution System Infrastructure Improvements-Miscellaneous Water Mains, MIA - Relocate R/W 8L Localizer Shelter, MIA-NTD D FIS CBP List, and MIA BHS Part Storage.

Additional information on the Aviation Department's capital assets can be found in Note 5 to the financial statements of this report.

Debt Administration

As of September 30, 2017, 2016, and 2015, the Aviation Department had a total of $5.8 billion, $5.9 billion, and $6.0 billion, respectively, in long-term debt outstanding. The long-term debt consists of Aviation Revenue Bonds issued under the Trust Agreement, Double-Barreled Aviation Bonds issued by the County, Commercial Paper Notes and the State Infrastructure Bank Loan. Maturity dates range from 2018 to 2045, and the interest rates range from 0.95% to 6.00%.

Both principal and interest for the Aviation Revenue Bonds are payable solely from net revenue generated from the airport facilities constructed under the provisions of the Trust Agreement. These Aviation Revenue Bonds do not constitute debt of the County or a pledge of the full faith and credit of the County. In addition to net revenue, the Aviation Department used $63.0 million of PFC revenue to pay principal and interest due in fiscal year 2017.

On March 24, 2017, the Aviation Department issued $145,800,000 of Refunding Bonds at a discount of $4,195,000, Series 2017A with an interest rate of 4.000%. The proceeds were used to partially refund $139,590,000 of principal amount outstanding for the Revenue Bond Series 2007A.

The net proceeds were placed in the Sinking Fund Redemption Account established and held by the Trustee under the Trust Agreement to be settled immediately upon receipt of funds.

As a result, the refunded principal portion of the Revenue Bond Series 2007A is considered defeased and the liability for these bonds were removed from long-term debt. Accordingly, the assets and liabilities for the portion of the refunded Series are not included in the Aviation Department's financial statements.

Prior to refunding, the net cash flow needed was $296,759,000. The new refunding debt service is $276,769,000. As a result of the refunding, the Aviation Department had a net present value savings of approximately $14,006,000.

On August 29, 2017, the Aviation Department issued $378,870,000 of Refunding Bonds at a premium of $51,240,000, Series 2017B with an interest rate of 2.750% to 5.000%. The proceeds were used as follows:

- fully advanced refund $358,105,000 of principal amount outstanding for the Revenue Bond Series 2007A
- partially advanced refund $74,660,000 of principal amount outstanding for the Revenue Bond Series 2007C

The net proceeds were placed in an irrevocable trust account to refund the 2007A Bonds which will mature on October 1, 2017 and the 2007C Bonds which will mature on October 1, 2017. Payments were scheduled to be made accordingly by the Trustees. As of September 30, 2017, the Irrevocable Escrow Account for the advanced refunding had approximately $442,295,000.

On August 29, 2017, the Aviation Department issued $314,565,000 of Refunding Bonds at par, Series 2017D with an interest rate of 1.580% to 3.982%. The proceeds were used as follows:

- partially advanced refund $33,750,000 of principal amount outstanding for the Revenue Bond Series 2003E
- partially advanced refund $253,225,000 of principal amount outstanding for the Revenue Bond Series 2008A
- partially advanced refund $12,395,000 of principal amount outstanding for the Revenue Bond Series 2009A

The net proceeds were placed in an irrevocable trust account to refund the 2003E Bonds which will mature on April 1, 2018, 2008A Bonds which will mature on October 1, 2018, and the 2009A Bonds which will mature on October 1, 2019. Payments were scheduled to be made accordingly by the Trustees. As of September 30, 2017, the Irrevocable Escrow Account for the advanced refunding had approximately $317,404,000.

As a result, the refunded principal portion of the Revenue Bond Series 2003E, 2007A, 2007C, 2008A, 2009A are considered defeased and the liability for these bonds were removed from long-term debt. Accordingly, the assets and liabilities for the portion of the refunded Series are not included in the Aviation Department's financial statements.

Prior to refunding, the net cash flow needed was approximately $1,428,371,000. The new refunding debt service is approximately $1,246,605,000. As a result of the refunding, the Aviation Department had a net present value savings of approximately $98,261,000.

Some issues of General Aviation Revenue Bonds are insured by various original monoline insurance companies whose credit ratings reflect the financial capacity of these companies. The purchase of insurance at the time the debt was issued elevated bond ratings by Standard and Poor's, Moody's Investor Service, and Fitch Ratings, respectively, to AAA, Aaa, and AAA and lowered the interest rate on the related debt. The Trust Agreement requires that insurers have certain minimum ratings in order to insure County bonds. The policies provide that insurers will make debt service payments in the unlikely event that the County is unable to do so. Since the insured bonds were issued, the ratings of the various monoline insurers have been lowered or withdrawn by the rating agencies. The rating downgrades do not necessarily affect the insurance companies' ability to pay claims, and the various insurance policies remain in effect. However, the Reserve Account was affected by the rating downgrades of the Surety policies that were purchased in lieu of cash funding the Debt Service Reserve Requirement. The Aviation Department funded the reserve requirement shortfall by funding the difference over a specified time period. As a result, the Aviation Department has a fully funded cash reserve along with potentially viable but unusable Surety policies unless the ratings of the Reserve Surety Providers are upgraded to "AA/Aa" or higher. The County's cash flow and its ability to pay its debt service obligation have not been affected.

As of September 30, 2017, the public underlying ratings for the Aviation Department's outstanding General Aviation Revenue Bonds were A with a stable outlook, AA- with a stable outlook, and A with a stable outlook per Standard and Poor's, Kroll Bond Rating Agency, and Fitch Ratings, respectively.

Additional information on the Aviation Department's debt administration can be found in Note 6 of this report.

Economic Factors and Outlook

In previous years, airline rates and charges at MIA had significantly increased primarily due to the large amount of new money Aviation Revenue Bonds that was issued between 1994 and 2010. All of this additional debt translated into higher annual debt service costs and resulted in MIA becoming one of the more expensive U.S. airports from an airline rates and charges perspective. Under the Aviation Department's airline rates structure, these debt service costs are passed along to the MIA air carriers, mostly through aviation fees and terminal rental rates. The increase in the airline costs due to the higher annual debt service has been somewhat mitigated because of the higher than anticipated surplus revenue (i.e., realizing higher than budgeted revenue and spending less than budgeted expenses), which is used to offset the residual landing fee related costs in the subsequent fiscal year. In fact, the landing fee rate has stayed below fiscal year 2014 landing fee rate for the last four years; $1.58 in fiscal year 2015 (due to one of the highest ever amount of surplus annual revenue realized in fiscal year 2014); $1.68 in fiscal year 2016; $1.63 in fiscal year 2017; and $1.67 in fiscal year 2018 after starting with a $1.75 in fiscal year 2014. The slight increase in fiscal year 2018 is primarily due to the decrease in the PFC revenue contribution to offset debt service payments from $63 million in fiscal year 2017 to $58 million in fiscal year 2018, which is a 7.9% decrease year over year and the $4.3 million decrease in the commercial revenues projection (mostly due to the drop in projected airport parking revenues) for fiscal year 2018.

Another major reason that the airline costs at MIA have not grown as expected is that the Aviation Department has controlled its budgeted (and thereby the actual) operating expenses as shown by a moderate increase in operating expenses (excluding depreciation and amortization) over the last few years. The higher than anticipated nonairline revenue in various years has also offset the airline costs under the residual rate methodology.

MIA principally serves the metropolitan area of Miami-Dade County. The local residents in Miami-Dade County serve as a portion of the MIA passenger traffic, which means that the local economy somewhat affects the airport's revenue. During fiscal year 2017, Miami-Dade County has continued to show signs of improvement economically. The not seasonally adjusted unemployment rate decreased from 5.7% to 4.7% from September 2016 to September 2017. Home prices increased 5.0% from September 2016 to September 2017 according to the S&P/Case-Shiller Home Price Index. The Greater Miami Convention & Visitors Bureau reported in November 2017 that although the 12-month period ending August 2017 of overnight visitors to the greater Miami area was virtually flat (0.5% increase), the amount of expenditures by these visitors increased 2% (based upon a record breaking $26 billion in expenditures) during the same period.

In terms of passenger growth at MIA, the numbers were fairly high in fiscal years 2011 and 2012 (7.4% and 5.1%, respectively); stabilized for the next two years (1.4% and 1.8% in fiscal years 2013 and 2014, respectively); significantly increased in fiscal year 2015 to 6.1%; experienced a modest increase of 3.6% in fiscal year 2016; and most recently in fiscal year 2017 experienced a 2.5% decrease. The recent drop in passengers is due to Hurricane Irma in September 2017 in which MIA was closed for a number of days. This closure resulted in a significant number of cancelled flights during the airport closure as well as the days prior to and just after the closure.

Due to the completion of the gates in Concourse D and the opening of the Federal Inspection Services area and the use of its new outbound baggage makeup system, American Airlines along with its regional airline, American Eagle, has significantly increased service to MIA, which is represented by its 17.8% enplaned passenger growth rate from fiscal years 2009 to 2017.

The financial strength and stability of the airlines serving MIA may affect future airline traffic. While passenger demand at the airport is expected to increase in the future, there can be no assurance given as to the levels of aviation activity that will be achieved at the airport in the future. Any financial or operational difficulties incurred by American Airlines or any other major air carriers at the airport could have a material adverse effect on the airport as well as any natural disasters such as hurricanes, although the Aviation Department would take measures to mitigate these potential effects.

Air cargo tonnage at MIA has grown at a low to modest rate for the past fiscal year as noted by the 1.6% increase in cargo tonnage for fiscal year 2017, as compared to fiscal year 2016. MIA benefits from its geographic location because MIA acts as a transshipment location with a major portion of the goods being shipped beyond MIA. During 2016, the Airport handled 83% of all air imports and 79% of all air exports between the United States and the Latin American/Caribbean region.

Request for Information

This financial report is designed to provide customers, creditors, and other interested parties with a general overview of the Aviation Department's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed in writing to the Chief Financial Officer, Miami-Dade County Aviation Department, 4200 N.W. 36th Street, Suite 300, Miami, Florida 33122.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
STATEMENTS OF NET POSITION

SEPTEMBER 30, 2017 AND 2016 (IN THOUSANDS)

ASSETS	2017	2016
Current Assets:		
Cash and cash equivalents	$ 193,895	$ 171,911
Investments, including interest receivable	142,095	162,163
Accounts receivable, net of allowance for doubtful accounts of $2,746 in 2017 and $3,827 in 2016	36,614	43,288
Inventories, prepaid expenses, and other current assets	8,440	7,489
Due from County Agencies	1,643	1,777
Total Current Unrestricted Assets	382,687	386,628
Restricted Assets:		
Current Restricted Assets:		
Cash and cash equivalents	-	7,993
Investments, including interest receivable	263,582	240,826
Government grants receivable	10,668	14,601
Passenger facility charges receivable	10,916	3,147
Total Current Restricted Assets	285,166	266,567
Total Current Assets	667,853	653,195
Noncurrent Assets:		
Restricted Assets:		
Cash and cash equivalents	516,368	465,436
Investments, including interest receivable	116,033	136,823
Total Noncurrent Restricted Assets	632,401	602,259
Capital assets, net	6,178,268	6,327,890
Other noncurrent assets	3,020	13,663
Due from County Agencies	4,352	5,803
Total Noncurrent Assets	6,818,041	6,949,615
Total Assets	$ 7,485,894	$ 7,602,810
Deferred Outflows of Resources:		
Deferred outflows pension	$ 33,835	$ 27,710
Deferred loss on refundings	125,275	119,042
Total Deferred Outflows of Resources	$ 159,110	$ 146,752

See accompanying notes to the financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
STATEMENTS OF NET POSITION (CONTINUED)

SEPTEMBER 30, 2017 AND 2016 (IN THOUSANDS)

LIABILITIES AND NET POSITION	2017	2016
Current Liabilities Payable from Unrestricted Assets:		
Accounts payable and accrued expenses	$ 33,771	$ 27,136
Security deposits	16,377	15,607
Environmental remediation liability	5,290	4,190
Compensated absences	6,746	6,260
Rent and contribution advances	20,552	22,293
Due to County Agencies	5,726	5,364
Total Current Liabilities Payable from Unrestricted Assets	88,462	80,850
Current Liabilities Payable from Restricted Assets:		
Accounts and contracts payable and other liabilities	23,597	21,223
Bonds payable within one year:		
Bonds payable	123,045	101,325
Interest payable	118,551	126,272
Total Current Liabilities Payable from Restricted Assets	265,193	248,820
Total Current Liabilities Payable	353,655	329,670
Noncurrent Liabilities:		
Bonds and loans payable after one year	5,785,517	5,928,070
Commercial paper notes	60,066	20,012
Environmental remediation liability, net of current portion	30,630	36,880
Compensated absences, net of current portion	17,038	15,858
Rent and contribution advances	318,800	332,070
Other noncurrent liabilities	120,599	116,356
Total Noncurrent Liabilities	6,332,650	6,449,246
Total Liabilities	$ 6,686,305	$ 6,778,916
Deferred Inflows of Resources:		
Deferred inflows pension	$ 5,250	$ 2,889
Net Position:		
Net investment in capital assets	$ 65,879	$ 32,462
Restricted:		
Restricted for debt service	315,567	304,634
Restricted for reserve maintenance	77,184	53,945
Restricted for construction	290,396	391,535
Unrestricted	204,423	185,181
Total Net Position	$ 953,449	$ 967,757

See accompanying notes to the financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

YEARS ENDED SEPTEMBER 30, 2017 AND 2016 (IN THOUSANDS)

	2017	2016
Operating Revenue:		
Aviation fees	$ 372,977	$ 395,586
Rentals	144,046	140,482
Commercial operations:		
Management agreements	73,624	78,010
Concessions	196,698	187,187
Other	12,229	16,128
Other – environmental remediation	5,150	13,310
Total Operating Revenue	804,724	830,703
Operating Expenses:		
Operating expenses	292,639	273,180
Operating expenses – environmental remediation	368	889
Operating expenses under management agreements	15,964	16,753
Operating expenses under operating agreements	40,614	39,205
General and administrative expenses	87,773	82,769
Total Operating Expenses Before Depreciation Amortization	437,358	412,796
Operating income before depreciation and amortization	367,366	417,907
Depreciation and amortization	259,280	259,523
Operating income	108,086	158,384
Nonoperating Revenues (Expenses):		
Environmental cost recovery	175	-
Passenger facility charges	88,914	77,431
Interest expense	(268,118)	(279,178)
Investment income	5,796	5,897
Other revenue	2,314	7,556
Total Nonoperating Expenses	(170,919)	(188,294)
Loss before capital contributions	(62,833)	(29,910)
Capital contributions	48,525	44,022
Change in net position	(14,308)	14,112
Net position, beginning of year	967,757	953,645
Net position, end of year	$ 953,449	$ 967,757

See accompanying notes to the financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2017 AND 2016 (IN THOUSANDS)

	2017	2016
Cash flows from operating activities:		
Cash received from customers and tenants	$ 805,628	$ 819,150
Cash paid to suppliers for goods and services	(301,698)	(289,935)
Cash paid to employees for services	(125,350)	(119,920)
Net cash from operating activities	378,580	409,295
Cash flows from capital and related financing activities:		
Proceeds from bonds issues and commercial paper	1,097,858	849,023
Principal paid on bonds, loans and commercial paper	(1,157,755)	(864,907)
Interest paid on bonds, loans and commercial paper	(297,890)	(371,986)
Purchase and construction of capital assets	(98,040)	(156,494)
Proceeds from sale of property	72	3,400
Capital contributed by federal and state governments	40,448	20,438
Passenger facility charges	81,145	82,353
Proceeds from environmental reimbursements	175	-
Payments of energy performance contracts	(5,882)	(1,535)
Net cash from capital and related financing activities	(339,869)	(439,708)
Cash flows from noncapital financing activity:		
Other reimbursements received	2,314	1,317
Net cash from noncapital financing activity	2,314	1,317
Cash flows from investing activities:		
Purchase of investments	(1,419,627)	(1,596,087)
Proceeds from sales and maturities of investments	1,436,653	1,494,721
Interest and dividends on investments	6,872	4,605
Net cash from investing activities	23,898	(96,761)
Net change in cash and cash equivalents	64,923	(125,857)
Cash and cash equivalents, beginning of year	645,340	771,197
Cash and cash equivalents, end of year	$ 710,263	$ 645,340
Cash and cash equivalents reconciliation:		
Unrestricted assets	$ 193,895	$ 171,911
Restricted assets	516,368	473,429
Cash and cash equivalents	$ 710,263	$ 645,340

See accompanying notes to the financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED SEPTEMBER 30, 2017 AND 2016 (IN THOUSANDS)

	2017	2016
Reconciliation of operating income to net cash from operating activities:		
Operating income	$ 108,086	$ 158,384
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization	259,280	259,523
Provision for uncollectible accounts	(1,081)	(3,079)
Loss (gain) on sale of property	26	(3,400)
Changes in operating assets and liabilities:		
Accounts receivable	7,755	2,272
Inventories, prepaid expenses, and other assets	(951)	(203)
Due from County Agencies	1,585	2,286
Deferred outflows related to pensions	(6,125)	(20,007)
Accounts and contracts payable and accrued expenses	4,797	(1,343)
Security deposits	770	2,075
Due to County Agencies	362	833
Rent and contribution advances	(3,001)	1,603
Liability for compensated absences	1,666	418
Liability for other postemployment benefits	431	272
Net pension liability	7,769	30,218
Other liabilities	(5,150)	(13,310)
Deferred inflows related to pensions	2,361	(7,247)
Total adjustments	270,494	250,911
Net cash from operating activities	$ 378,580	$ 409,295
Noncash investing, capital, and financing activities:		
Increase (decrease) in fair value of investments	$ (2,358)	$ 428
Increase (decrease) in construction in progress accrual	6,137	107
Decrease in contribution advances	(12,010)	(12,010)
Capital contribution from State	12,010	12,010
Donated capital assets	-	6,239
Capitalized interest	5,579	4,009
Decrease in premium from bonds	(20,936)	(17,621)

Note 1—General

a. Description – Miami-Dade County, Florida (the County) is a chartered political subdivision of the State of Florida and is granted home rule county powers by the Constitution of the State of Florida and Florida Statutes. The Board of County Commissioners (the Board or the BCC) is the legislative and governing body of the County. The Miami-Dade County Aviation Department (the Aviation Department), established on February 6, 1973, is included as an enterprise fund in the County's comprehensive annual financial report as part of the County's reporting entity.

These financial statements present only the Aviation Department and do not purport to, and do not, present fairly the financial position of the County as of September 30, 2017 and 2016, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles (GAAP).

Pursuant to the general laws of Florida, the County owns Miami International Airport (MIA), three general aviation airports, and two training airports, one of which has been closed (collectively, the Airports), all of which are operated by the Aviation Department.

b. Basis of Presentation – The Aviation Department operates as an enterprise fund of the County. An enterprise fund is used to account for the financing of services to the general public, since substantially all of the costs involved are paid in the form of charges by users of such services. Accordingly, the Aviation Department's financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

c. Authority to Fix Rates – Under the provisions of the Trust Agreement, amended and restated dated December 15, 2002 by the County, The Bank of New York, successor in interest to JP Morgan Chase Bank, New York, New York, as trustee (the Trustee), and U.S. Bank National Association (successor in interest to Wachovia Bank, National Association, Miami, Florida) as cotrustee (the "CoTrustee") (the "Trust Agreement"), which amended and restated the Trust Agreement dated as of October 1, 1954 with the Chase Manhattan Bank (predecessor-in-interest to the Trustee) and First Union National Bank of Miami (predecessor-in-interest to the CoTrustee), as amended and supplemented (the Original Trust Agreement), the Aviation Department is required to maintain, charge, and collect rates and charges for the use and services provided, which will provide revenue sufficient to:

- Pay current expenses, as defined in the Trust Agreement.
- Make the Reserve Maintenance Fund (the Reserve Maintenance Account) deposits recommended by the Consulting Engineers.
- Make deposits to the Interest and Sinking Fund (the Sinking Fund Account) comprising the Bond Service Account, the Reserve Account, and the Redemption Account of not less than 120% of the principal and interest requirements of the Trust Agreement Aviation Revenue Bonds, as defined in the Trust Agreement.

Any remaining balance in the Revenue Fund, after meeting the requirements noted above, is deposited to the Improvement Fund (the Improvement Account), as defined in the Trust Agreement.

Note 1—General (continued)

d. Agreements with Airlines – An Airline Use Agreement, which became effective in May 2002, establishes an airport system residual landing fee such that all costs not recovered through other revenue will be recovered from the landing fee revenue. Pursuant to the requirements of the Airlines Use Agreement, remaining money residing in the Improvement Fund at the end of the fiscal year in excess of $5 million, adjusted annually by the Consumer Price Index (CPI), is to be transferred to the Revenue Fund in the subsequent fiscal year, thus reducing the amounts otherwise to be paid by the MIA air carriers in that fiscal year. The $5 million annual contribution is deposited into a separate account that has a cumulative cap of $15 million also subject to a CPI adjustment and can be used for any discretionary airport-related purpose. As of September 30, 2017 and 2016, these excess deposits, which are to be transferred to the Revenue Fund annually by March, were approximately $87,220,000 and $81,427,000, respectively.

e. Relationship with County Departments – The Aviation Department reimburses the County's General Fund for its portion of the direct administrative service cost, such as audit and management services, the Board, Clerk of the Courts, computer services and information systems, fire, police, personnel, and others. In 1996, an internal study was conducted by the County to determine the appropriate method as a basis to establish the indirect administrative services cost reimbursement for the year ended September 30, 1996 and subsequent years. This study was updated in 2003. The General Fund Cost Allocation Study is performed by a consultant, every two years, to establish the appropriate allocation to the General Fund. The study accords all administrative costs consistent treatment through the application of generally accepted accounting principles appropriate to the circumstances, and conforms to the accounting principles and standards prescribed by the Office of Management and Budget (OMB) Circular A-87, and Cost Principles for State, Local and Indian Tribal Governments (2 CFR Part 225). The latest cost allocation study that is currently in use was completed in fiscal year 2017, using administrative costs for fiscal year 2015. For the years ended September 30, 2017 and 2016, the Aviation Department recorded an expense in the amount of approximately $4,112,000 and $3,945,000, respectively, for the indirect administrative services cost reimbursement in accordance with the formula developed as a result of the study.

As of September 30, 2017 and 2016, the Aviation Department owes the County approximately $5,726,000 and $5,364,000, respectively, for various services. For these same periods, the Aviation Department has receivables due from the County in the amount of $5,995,000 and $7,580,000, respectively.

On March 20, 2003, the U.S. Department of Transportation and Office of the Inspector General (OIG) issued Report No. AV-2003-030 entitled Oversight of Airport Revenue in connection with their audit of amounts paid to the County by the Aviation Department. The OIG reported that the County diverted Aviation Department revenue of approximately $38 million from 1995 to 2000. On August 9, 2005, upon receiving additional information from the Aviation Department, the OIG agreed to adjust the finding to $8.1 million, plus interest. The Oversight of Airport Revenue report was updated to include the years 2001 through 2005, and the total diversion of revenue was increased to $12 million, plus interest of $2.3 million for a total of $14.3 million. The County repaid the Aviation Department $1,450,728 and $1,450,728 in fiscal years 2017 and 2016, respectively. The amount due from the County was approximately $5,803,000 and $7,254,000 at September 30, 2017 and 2016, respectively.

In addition, the Aviation Department pays other County departments directly for most services provided such as fire, police, legal, and general services administration. The total cost to the Aviation Department for these services was approximately $79,113,000 and $73,709,000 for the years ended September 30, 2017 and 2016, respectively.

Note 2—Summary of significant accounting policies

a. Basis of Accounting – The financial statements are presented on the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded when incurred.

b. Cash and Cash Equivalents – Cash includes cash on hand, amounts in demand deposits, and positions in investment pools that can be deposited or withdrawn without notice or penalty. Cash equivalents are short-term highly liquid securities with known market values and maturities, when acquired, of less than three months.

c. Investments – Investments consist primarily of U.S. government securities and are carried at fair value based on quoted market prices.

d. Inventories – Inventories, consisting of building materials/supplies and spare parts, are valued at cost using the first-in, first-out method.

e. Capital Assets and Depreciation – Property acquired with an initial individual cost of $1,000 or more and an estimated useful life in excess of one year is capitalized at cost. Capital assets are recorded at cost, except for contributions by third parties, which are recorded at acquisition value at the date of contribution. Expenditures for maintenance, repairs, minor renewals, and betterments are expensed as incurred. When property is disposed of, the cost and related accumulated depreciation is eliminated from the accounts, and any gain or loss is reflected in the statements of revenue, expenses, and changes in net position.

The Aviation Department depreciates assets using the straight-line method of depreciation over the assets' estimated useful lives as follows:

	Years
Buildings, improvements, and systems	40
Infrastructure	20-30
Furniture, machinery, and equipment	5-16

Management evaluates whether there has been a significant unexpected decline in the utility of a capital asset that could indicate an impairment in the capital asset. If there is an indication that an asset may be impaired, the Aviation Department follows Governmental Accounting Standards Board (GASB) Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, to determine whether an impairment should be recognized. The Aviation Department concluded that no impairment exists as of September 30, 2017 and 2016.

f. Interest on Indebtedness – Interest is charged to expense as incurred, except for interest related to borrowings used for construction projects. The Aviation Department capitalizes interest costs as part of the cost of constructing specified qualifying assets. In situations involving qualifying assets financed with the proceeds of tax-exempt debt, the amount of interest capitalized is reduced by any interest income earned on the temporary investment of such moneys. Interest is capitalized throughout the construction period. Total interest costs incurred during the years ended September 30, 2017 and 2016 amounted to approximately $273,697,000 and $283,187,000, respectively. Of this amount, approximately $5,579,000 was capitalized during 2017 and approximately $4,009,000 was capitalized during 2016.

Note 2—Summary of significant accounting policies (continued)

g. Restricted Assets – Assets required to be reserved for airport maintenance and debt service pursuant to the Trust Agreement are classified as restricted assets and are not available for payment of current expenses. In accordance with the terms of the Trust Agreement, assets of the Reserve Maintenance Account are restricted for unusual or extraordinary maintenance or repairs, renewals, and replacements, the cost of replacing equipment, and premiums on insurance required to be carried under the provisions of the Trust Agreement and are not available for the payment of current expenses.

Unexpended Passenger Facility Charges (PFC) revenue and accumulated interest earnings are restricted to be used on Federal Aviation Administration (FAA) approved capital projects and are classified as restricted assets.

When both restricted and unrestricted resources are available for use, it is the Aviation Department's policy to use restricted resources first, then unrestricted resources as needed.

h. Compensated Absences – The Aviation Department accounts for compensated absences by accruing a liability for employees' compensation of future absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The Aviation Department's policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. The Aviation Department recognizes a liability and expense in the period vacation and sick pay benefits are earned. As of September 30, 2017 and 2016, liabilities related to compensated absences were approximately $23,784,000 and $22,118,000, respectively.

i. Environmental Remediation – Both environmental remediation expenses that relate to current operations and environmental remediation expenses that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation are expensed. Assets acquired for environmental remediation are capitalized as appropriate.

j. Deferred Outflows/Inflows of Resources – For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS and HIS's fiduciary net position have been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The statements of net position report a separate section for deferred outflows of resources in addition to assets. The County reports deferred losses on refundings in this category. The deferred losses on refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt as a component of interest expense using the weighted-average method, since the results are not significantly different from the effective-interest method, over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Note 2—Summary of significant accounting policies (continued)

k. Capital Contribution – The Aviation Department has deferred a capital contribution received on December 20, 2011 related to the conveyance of the rental car center over the period in which the Transportation Infrastructure Financing Innovation Act (TIFIA) loan (see Note 11(b)) remains outstanding as denoted in the reverter clause in the quitclaim deed. The remaining unamortized balance at September 30, 2017 and 2016 was approximately $324,270,000 and $336,280,000, respectively, and is included in rent and contribution advances in the accompanying statements of net position.

l. Bond Discount/Premium and Issuance Costs – Discount/premium on bonds are amortized using the straight-line method over the life of the related bond issue since the results are not significantly different from the interest method of amortization. Bond issuance costs are expensed as incurred, except any portion related to prepaid insurance costs, which are amortized.

m. Pension Plan – The Aviation Department contributes to FRS, a cost-sharing multiemployer plan. The Aviation Department follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment to GASB No. 27,* GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 82, *Pension Issues – an amendment to GASB Statements No. 67, 68, and 73*. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of FRS and HIS and additions to/deductions from FRS and HIS's fiduciary net position have been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

n. Net Position Classifications – Net position is classified and displayed in three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings and deferred outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position 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.

Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Note 2—Summary of significant accounting policies (continued)

o. Revenue Classifications – The Aviation Department defines operating revenue as revenue earned from aviation operations and charged to customers and tenants. Nonoperating revenue includes interest earnings, certain grants, and PFC collections.

The components of the major revenue captions are as follows:

> *Aviation fees* – landing fees, concourse use charges, loading bridge use charges, baggage claim use charges, screening fees, airplane parking fees, and other similar facilities and service use fees and charges.
>
> *Rentals* – rentals of land, buildings, and machinery and equipment.
>
> *Management agreements* – revenue from the sale of publications, automotive parking fees, pharmacy facilities, baggage services, special services lounges, the Airport Hotel, and the Fuel Farm.
>
> *Concessions* – revenue from the sale of duty-free merchandise, rental car companies, and various services provided by terminal complex concessionaires.

p. Grants from Government Agencies – Grants received for the acquisition or construction of capital assets are recorded as capital contributions, when earned. Grants are earned when costs relating to such capital assets, which are reimbursable under the terms of the grants, have been incurred. During fiscal years 2017 and 2016, the Aviation Department recorded approximately $48,525,000 and $44,022,000, respectively, in grants relating to contributions consisting of federal and state grants in aid of construction as well as a capital contribution from the State of Florida. Grants receivable relating to the contributions as of September 30, 2017 and 2016 were $10,668,000 and $14,601,000, respectively.

q. Passenger Facility Charges – The FAA authorized the Aviation Department to impose a PFC of $3.00 per passenger commencing November 1, 1994. In October 2001, with an effective date of January 1, 2002, the FAA approved an increase in the PFC at MIA to $4.50. The net receipts from PFCs are restricted to be used for funding FAA-approved capital projects and debt service attributable to such approved capital projects.

PFC revenue is reported as nonoperating revenue. The Aviation Department has been authorized to collect PFCs on eligible enplaning revenue-generating passengers in the aggregate amount not to exceed $2,597,103,503 including interest, of which $1,347,796,000 has been earned through September 30, 2017.

r. Use of Estimates – The preparation of the financial statements requires management of the Aviation Department to make a number of estimates and assumptions relating to the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2—Summary of significant accounting policies (continued)

s. Implementation of New Accounting Standards – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is effective for fiscal years beginning after June 15, 2016. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions included in general purpose external financial reports of state and local government OPEB plans for making decisions and assessing accountability. The adoption of GASB 74 did not impact the Aviation Department's basic financial statements and related disclosures.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement is effective for periods beginning after December 15, 2015. This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The County adopted GASB 77 in the fiscal year 2017 financial statements. The adoption of GASB 77 did not impact the Aviation Department's basic financial statements and related disclosures.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units- an amendment of GASB Statement No. 14*. This statement is effective for reporting periods beginning after June 15, 2016. This statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The County adopted GASB 80 in the fiscal year 2017 financial statements. The adoption of GASB 80 did not impact the Aviation Department's basic financial statements and related disclosures.

In March 2016, GASB issued Statement No. 82, *Pension Issues- an amendment of GASB Statement No. 67, No. 68, and No. 73*. This statement is effective for reporting periods beginning after June 15, 2016. This statement addresses certain issues that were identified during the implementation of GASB Statement No. 67, 68, and 73. The County and the Aviation Department adopted GASB 82 in fiscal year 2017 and the results are reflected in Note 10 and the pension related Required Supplementary Information to the financial statements.

t. Future Accounting Standards - In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for fiscal years beginning after June 15, 2017. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the basic financial statements and related disclosures.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreement*, which is effective for periods beginning after December 15, 2016. This statement makes certain requirements for governments that receive resources pursuant to an irrevocable split-interest agreement. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the basic financial statements and related disclosures.

In November 2016, GASB issued Statement No. 83, Certain Asset Retirement Obligations, which is effective for reporting periods beginning after June 15, 2018. This statement addresses accounting and financial reporting for certain asset retirement obligation (AROs). The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the basic financial statements and related disclosures.

Note 2—Summary of significant accounting policies (continued)

In January 2017, GASB issued Statement No. 84, Fiduciary Activities, which is effective for reporting periods beginning after December 15, 2018. This statement establishes the criteria for identifying fiduciary activities of all state and local governments. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the basic financial statements and related disclosures.

In March 2017, GASB issued Statement No. 85, Omnibus 2017, which is effective for reporting periods beginning after June 15, 2017. This statement addressed a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the basic financial statements and related disclosures.

In May 2017, GASB issued Statement No. 86, Certain Debt Extinguishment Issues, which is effective for reporting periods beginning after June 15, 2017. This statement establishes the requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish debt. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the basic financial statements and related disclosures.

In June 2017, GASB issued Statement No. 87, Leases, which is effective for reporting periods beginning after December 15, 2019. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the basic financial statements and related disclosures.

Note 3—Cash and cash equivalents and investments

The County is authorized through *Florida Statutes* §218.415, Ordinance No. 84-47, Resolution R-31-09 and its Investment Policy to make certain investments. The Investment Policy was updated and adopted on January 22, 2009 in response to current and possible uncertainties in the domestic and international financial markets. The County's overall investment objectives are, in order of priority, the safety of principal, liquidity of funds, and maximizing investment income.

As of September 30, 2017 and 2016, total unrestricted and restricted cash and cash equivalents and investments comprise the following (in thousands):

	2017	2016
Cash and cash equivalents	$ 710,263	$ 645,340
Investments, including interest receivable	521,710	539,812
	$ 1,231,973	$ 1,185,152

Note 3—Cash and cash equivalents and investments (continued)

The carrying amounts of the Aviation Department's local deposits were $35.3 million and $31.8 million as of September 30, 2017 and 2016, respectively. All deposits are fully insured by Federal Depository Insurance and are held in qualified public depositories pursuant to *Florida Statutes* Chapter 280, *Florida Security for Public Deposits Act* (the Act). Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

As a rule, the Aviation Department intends to hold all purchased securities until their final maturity date. There may be occasional exceptions, including, but not limited to the need to sell securities to meet unexpected liquidity needs.

Cash, cash equivalents, and investments as of September 30, 2017 and 2016 are summarized as follows (in thousands):

	2017	2016
Cash deposits	$ 35,325	$ 31,775
U.S. government securities	880,136	812,735
Treasury bills	8,726	-
Treasury notes	24,545	18,326
Commercial paper	217,680	260,484
Money market	65,561	61,832
Total cash equivalents and investments	1,196,648	1,153,377
Total cash, cash equivalents, and investments	$ 1,231,973	$ 1,185,152

Note 3—Cash and cash equivalents and investments (continued)

At September 30, 2017 and 2016, the carrying value of cash equivalents and investments included the following (in thousands):

	Fair value	
Investment Type	**2017**	**2016**
Federal Home Loan Mortgage Corporation	$ 198,075	$ 196,348
Federal Home Loan Bank	311,452	211,520
Federal Farm Credit Bank	132,136	147,127
Federal National Mortgage Association	238,473	257,740
Treasury bills	8,726	-
Treasury notes	24,545	18,326
Commercial paper	217,680	260,484
Money market	65,561	61,832
	$ 1,196,648	$ 1,153,377

a. *Credit Risk* – The Aviation Department's Investment Policy (the Policy) minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to Florida Statutes §280.02, which are defined as banks, savings bank, or savings association organized under the laws of the United States with an office in this state that is authorized to receive deposits, and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the U.S. Treasury; federal agencies and instrumentalities; securities of, or other interest in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the U.S. government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such U.S. government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least one nationally recognized rating service; banker acceptances that have a stated maturity of 180 days or less from the date of its issuance, and have the highest letter and numerical rating as provided for by at least one nationally recognized rating service, and are drawn on and accepted by commercial banks and that are eligible for purchase by the Federal Reserve Bank; and investments in Repurchase Agreements (Repos) collateralized by securities authorized by this policy.

All Repos shall be governed by a standard SIFMA Master Repurchase Agreement; municipal securities issued by U.S. state or local governments, having at time of purchase, a stand-alone credit rating of AA or better assigned by two or more recognized credit rating agencies or a short-term credit rating of A1/P1 or equivalent from one or more recognized credit rating agencies.

Note 3—Cash and cash equivalents and investments (continued)

The table below summarizes the investments by type and credit ratings as of September 30, 2017:

	Credit Rating		
Investment Type	**S&P**	**Moody's**	**Fitch**
Federal Home Loan Mortgage Corporation	AA+/A-1+	Aaa/ P-1	AAA/F1+
Federal Home Loan Bank	AA+/A-1+	Aaa/P-1	N/A
Federal Farm Credit Bank	AA+/A-1+	Aaa /P-1	AAA /F1+
Federal National Mortgage Association	AA+/A-1+	Aaa /P-1	AAA /F1+
Treasury bills	AA+/A-1+	Aaa /P-1	AAA /F1+
Treasury notes	AA+/A-1+	Aaa /P-1	AAA /F1+
Commercial paper	NA/A1	NA/P-1	NA/F1
Money market	AAAM	Aaa-mf	AAA mmf

The table below summarizes the investments by type and credit ratings as of September 30, 2016:

	Credit Rating		
Investment Type	**S&P**	**Moody's**	**Fitch**
Federal Home Loan Mortgage Corporation	AA+/A-1+	Aaa/ P-1	AAA/F1+
Federal Home Loan Bank	AA+/A-1+	Aaa/P-1	N/A
Federal Farm Credit Bank	AA+/A-1+	Aaa /P-1	AAA /F1+
Federal National Mortgage Association	AA+/A-1+	Aaa /P-1	AAA /F1+
Treasury notes	AA+/A-1+	Aaa /P-1	AAA /F1+
Commercial paper	NA/A1	NA/P-1	NA/F1
Money market	AAAM	Aaa-mf	AAA mmf

b. Custodial Credit Risk – The Policy requires that bank deposits be secured per Chapter 280, *Florida Statutes*. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. As of September 30, 2017 and 2016, all of the County's bank deposits were in qualified public depositories.

The Policy requires the execution of a Custodial Safekeeping Agreement for all purchased securities and shall be held for the credit of the County in an account separate and apart from the assets of the financial institution.

Note 3—Cash and cash equivalents and investments (continued)

c. Concentration of Credit Risk – The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 50% of the portfolio may be invested in the State of Florida Local Government Surplus Trust Fund (the Pool); however, bond proceeds may be temporarily deposited in the Pool until other investments have been purchased. Prior to any investment in the Pool, approval must be received from the Board. A maximum of 30% of the portfolio may be invested in SEC-registered money market funds with no more than 10% to any single money market fund. A maximum of 20% of the portfolio may be invested in interest-bearing time deposits or demand accounts with no more than 5% deposited with any one issuer.

There is no limit on the percentage of the total portfolio that may be invested in direct obligations of the U.S. Treasury or federal agencies and instrumentalities, with no limits on individual issuers (investment in agencies containing call options shall be limited to a maximum of 25% of the total portfolio). A maximum of 5% of the portfolio may be invested in open-end or closed-end funds. A maximum of 50% of the portfolio may be in prime commercial paper with a maximum of 5% with any one issuer. A maximum of 25% of the portfolio may be invested in bankers' acceptances with a maximum of 10% with any one issuer, but a maximum of 60% of the portfolio may be invested in both commercial paper and bankers' acceptances. A maximum of 20% of the portfolio may be invested in repurchase agreements with the exception of one (1) business day agreement, with a maximum of 10% of the portfolio in any one institution or dealer with the exception of one (1) business day agreement. Investments in derivative products shall be prohibited by the County. A maximum of 25% of the portfolio may be directly invested in municipal obligations, up to 5% with any one municipal issuer.

As of September 30, 2017 and 2016, the following issuers held 5% or more of the investment portfolio:

Issuer	2017	2016
Federal Home Loan Mortgage Corporation	16.55%	17.02%
Federal Home Loan Bank	26.03	18.34
Federal Farm Credit Bank	11.04	12.76
Federal National Mortgage Association	19.93	22.35
Commercial paper	18.19	22.58
Money market	5.48	5.36

d. Interest Rate Risk – The Policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash outflow requirements; following historical spread relationships between different security types and issuers; and evaluating both interest rate forecasts and maturity dates to consider short-term market expectations. The Policy requires that investments made with current operating funds shall maintain a weighted average of no longer than one year. Investments for bond reserves, construction funds, and other nonoperating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The Policy limits the maturity of an investment to a maximum of five years.

Note 3—Cash and cash equivalents and investments (continued)

As of September 30, 2017 and 2016, the County had the following investments with the respective weighted average maturity in years:

Investment Type	2017	2016
Federal Home Loan Mortgage Corporation	1.01	0.60
Federal Home Loan Bank	1.05	0.58
Federal Farm Credit Bank	1.05	0.58
Federal National Mortgage Association	1.27	1.10
Treasury bills	1.03	—
Treasury notes	1.06	0.65
Commercial paper	1.18	0.50
Money market	0.58	0.17

e. Foreign Currency Risk – The Policy limits the Aviation Department's foreign currency risk by excluding foreign investments as an investment option.

f. Fair Value Measurement – The Aviation Department follows GASB Statement No. *72 Fair Value Measurement and Application*, issued in February 2015, by categorizing its investments according to the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Level 1 assets are valued using quoted prices in an active market for identical assets that can be readily obtained, and Level 2 assets are valued using a matrix pricing technique of quoted prices for similar assets or liabilities in active markets. Money market funds are reported at amortized cost which approximates fair value.

At September 30, 2017, the carrying value of cash equivalents and investments included the following (in thousands):

Investments at Fair Value	Fair value	Level 1	Level 2	Level 3
Federal Home Loan Mortgage Corporation	$ 198,075	$ -	$ 198,075	$ -
Federal Home Loan Bank	311,452	-	311,452	-
Federal Farm Credit Bank	132,136	-	132,136	-
Federal National Mortgage Association	238,473	-	238,473	-
Treasury bills	8,726	-	8,726	-
Treasury notes	24,545	-	24,545	-
Commercial paper	217,680	-	217,680	-
Total Investments at Fair Value	1,131,087	$ -	$ 1,131,087	$ -
Money market at amortized cost	65,561			
Total Investments and Cash Equivalents	$ 1,196,648			

Note 3—Cash and cash equivalents and investments (continued)

At September 30, 2016, the carrying value of cash equivalents and investments included the following (in thousands):

Investments at Fair Value	Fair value	Level 1	Level 2	Level 3
Federal Home Loan Mortgage Corporation	$ 196,348	$ -	$ 196,348	$ -
Federal Home Loan Bank	211,520	-	211,520	-
Federal Farm Credit Bank	147,127	-	147,127	-
Federal National Mortgage Association	257,740	-	257,740	-
Treasury notes	18,326	-	18,326	-
Commercial paper	260,484	-	260,484	-
Total Investments at Fair Value	1,091,545	$ -	$ 1,091,545	$ -
Money market at amortized cost	61,832			
Total Investments and Cash Equivalents	$ 1,153,377			

Note 4—Disaggregation of receivables and payables

a. Receivables – As of September 30, 2017 and 2016, accounts receivable, net of the allowance for doubtful accounts, in the amount of $36,614,000 and $43,288,000, respectively, comprise accounts from customers (tenants, carriers, and business partners) representing 95% and 97%, respectively, and government agencies representing 5% and 3%, respectively. American Airlines represents $16,537,000 and $16,023,000 or 45.2% and 37.0%, respectively, of accounts receivable, net of the allowance for doubtful accounts. American Airlines also represents approximately $254,430,000 or 31.6% and $266,496,000 or 32.1% of total operating revenue for the years ended September 30, 2017 and 2016, respectively.

b. Payables – As of September 30, 2017 and 2016, accounts payable and accrued expenses and contracts payables totaled $57,368,000 and $48,359,000, respectively. This amount comprised 95% and 95% for amounts payable to vendors, 4% and 3% due to employees, and 1% and 2% due to government agencies, respectively.

Note 5—Capital assets and depreciation

A summary of capital asset activity and changes in accumulated depreciation for the year ended September 30, 2017 is as follows (in thousands):

	Balance at September 30, 2016	Additions/ Transfers	Deletions/ Transfers and Retirements	Balance at September 30, 2017
Capital assets not being depreciated:				
Land	$ 127,026	$ -	$ -	$ 127,026
Construction in progress	158,270	105,188	(181,314)	82,144
Total capital assets not being depreciated	285,296	105,188	(181,314)	209,170
Capital assets being depreciated:				
Buildings, improvements, and systems	7,114,426	89,609	(107)	7,203,928
Infrastructure	1,481,657	28,901	-	1,510,558
Furniture, machinery, and equipment	789,090	67,372	(3,051)	853,411
Total capital assets being depreciated	9,385,173	185,882	(3,158)	9,567,897
Less accumulated depreciation for:				
Buildings, improvements, and systems	(2,141,557)	(173,556)	107	(2,315,006)
Infrastructure	(839,957)	(43,527)	-	(883,484)
Furniture, machinery, and equipment	(361,065)	(42,197)	2,953	(400,309)
Total accumulated depreciation	(3,342,579)	(259,280)	3,060	(3,598,799)
Depreciable capital assets, net	6,042,594	(73,398)	(98)	5,969,098
Net capital assets	$ 6,327,890	$ 31,790	$ (181,412)	$ 6,178,268

Note 5—Capital assets and depreciation (continued)

A summary of capital asset activity and changes in accumulated depreciation for the year ended September 30, 2016 is as follows (in thousands):

	Balance at September 30, 2015	Additions/ Transfers	Deletions/ Transfers and Retirements	Balance at September 30, 2016
Capital assets not being depreciated:				
Land	$ 127,026	$ -	$ -	$ 127,026
Construction in progress	63,112	146,523	(51,365)	158,270
Total capital assets not being depreciated	190,138	146,523	(51,365)	285,296
Capital assets being depreciated:				
Buildings, improvements, and systems	7,101,547	17,403	(4,524)	7,114,426
Infrastructure	1,476,815	4,842	-	1,481,657
Furniture, machinery, and equipment	785,088	56,208	(52,206)	789,090
Total capital assets being depreciated	9,363,450	78,453	(56,730)	9,385,173
Less accumulated depreciation for:				
Buildings, improvements, and systems	(2,276,122)	(172,495)	307,060	(2,141,557)
Infrastructure	(492,685)	(44,358)	(302,914)	(839,957)
Furniture, machinery, and equipment	(364,217)	(42,670)	45,822	(361,065)
Total accumulated depreciation	(3,133,024)	(259,523)	49,968	(3,342,579)
Depreciable capital assets, net	6,230,426	(181,070)	(6,762)	6,042,594
Net capital assets	$ 6,420,564	$ (34,547)	$ (58,127)	$ 6,327,890

Note 6—Debt

a. Aviation Revenue Bonds – Aviation Revenue Bonds are issued to finance the construction of facilities at the Airports pursuant to the Trust Agreement and are payable solely from and are collateralized by a pledge of net revenue, as defined in the Trust Agreement. The Aviation Revenue Bonds do not constitute a debt of the County or a pledge of the full faith and credit of the County (in thousands):

Miami-Dade County Aviation Department Debt Outstanding, September 30:

Revenue Bonds	Issue date	Rate	Maturity	2017	2016
Serial bonds:					
2010B	August 2010	2.250%–5.000%	2013–2030	$ 209,600	$ 216,640
2010A	January 2010	3.000%–5.500%	2012–2030	153,055	154,055
2009A	May 2009	3.000%–6.000%	2011–2029	113,735	126,630
2009B	May 2009	3.000%–5.750%	2011–2029	22,815	23,315
2008A	June 2008	5.350%–5.500%	2024–2038	4,740	4,740
2008B	June 2008	4.000%–5.000%	2016–2041	7,075	8,340
2007A	May 2007	5.000%	2040	-	228,885
2002A	December 2002	5.000%–5.125%	2029–2036	15	15
				511,035	762,620
Term bonds:					
2015A	July 2015	4.500%–5.000%	2038–2045	75,000	75,000
2010B	August 2010	5.000%	2035–2041	274,225	274,225
2010A	January 2010	5.000%–5.500%	2029–2041	420,810	420,810
2009A	May 2009	5.500%	2036–2041	250,270	250,270
2009B	May 2009	5.000%–5.500%	2025–2041	49,300	49,300
2008A	June 2008	5.250%–5.500%	2033–2041	6,095	259,320
2007A	May 2007	5.000%	2033–2039	-	268,810
				1,075,700	1,597,735

Note 6—Debt (continued)

Miami-Dade County Aviation Department Debt Outstanding, September 30:

Revenue Bonds	Issue date	Rate	Maturity	2017	2016
Refunding bonds:					
2017D	August 2017	1.580%-3.554%	2018–2032	$ 302,485	$ -
2017B	August 2017	2.750%-5.000%	2018–2037	76,385	-
2016A	August 2016	5.000%	2022–2036	179,540	179,540
2016B	August 2016	0.950% - 3.756%	2017–2036	376,085	376,085
2015A	July 2015	3.000% – 5.000%	2016–2033	114,420	127,760
2015B	July 2015	5.000%	2025–2027	38,500	38,500
2014A	December 2014	1.000% – 5.000%	2015–2028	592,570	595,325
2014B	December 2014	1.000% – 5.000%	2015–2027	77,675	78,820
2014	March 2014	4.000% – 5.000%	2015–2034	313,735	321,075
2012B	December 2012	2.000% – 5.000%	2013–2029	89,920	94,315
2012A	December 2012	2.000% – 5.000%	2013–2032	564,885	592,335
2007C	December 2007	5.000% – 5.250%	2008–2026	22,450	118,435
2003E	March 2008	5.250% – 5.375%	2010–2018	18,650	27,225
				2,767,300	2,549,415
Term bonds:					
2017B	August 2017	5.000%	2040	134,015	-
2017D	August 2017	3.732%-3.982%	2037-2041	180,550	-
2017A	March 2017	4.000%	2040	145,800	-
2016A	August 2016	5.000%	2041	136,190	136,190
2016B	August 2016	3.856%	2041	52,560	52,560
2015A	July 2015	4.250%-5.000%	2036–2038	295,580	295,580
2014B	December 2014	5.000%	2037	82,250	82,250
2003E	May 2008	5.125%	2024	10,100	43,850
				1,037,045	610,430
		Grand total		$ 5,391,080	$ 5,520,200

Note 6—Debt (continued)

b. Maturities of Bonds Payable – The annual debt service requirements are as follows (in thousands):

Years Ending September 30,	Aviation Revenue Bonds Principal	Interest
2018	$ 118,115	$ 244,953
2019	126,190	250,706
2020	132,160	244,754
2021	138,345	238,554
2022	140,675	232,286
2023-2027	776,795	1,069,412
2028-2032	959,180	877,811
2033-2037	1,305,145	610,583
2038-2042	1,676,500	254,812
2043-2045	17,975	2,067
	5,391,080	$ 4,025,938
Plus unamortized premium	289,306	
	$ 5,680,386	

On March 24, 2017, the Aviation Department issued 145,800,000 of Refunding Bonds at a discount of $4,195,000, Series 2017A with an interest rate of 4.000%. The proceeds were used to partially refund $139,590,000 of principal amount outstanding for the Revenue Bond Series 2007A.

The net proceeds were placed in the Sinking Fund Redemption Account established and held by the Trustee under the Trust Agreement to be settled immediately upon receipt of funds.

As a result, the refunded principal portion of the Revenue Bond Series 2007A is considered defeased and the liability for these bonds were removed from long-term debt. Accordingly, the assets and liabilities for the portion of the refunded Series are not included in the Aviation Department’s financial statements.

Prior to refunding, the net cash flow needed was $296,759,000. The new refunding debt service is $276,769,000. As a result of the refunding, the Aviation Department had a net present value savings of approximately $14,006,000.

Note 6—Debt (continued)

On August 29, 2017, the Aviation Department issued 378,870,000 of Refunding Bonds at a premium of $51,240,000, Series 2017B with an interest rate of 2.750% to 5.000%. The proceeds were used as follows:

- fully advanced refund $358,105,000 of principal amount outstanding for the Revenue Bond Series 2007A
- partially advanced refund $74,660,000 of principal amount outstanding for the Revenue Bond Series 2007C

The net proceeds were placed in an irrevocable trust account to refund the 2007A Bonds which will mature on October 1, 2017 and the 2007C Bonds which will mature on October 1, 2017. Payments were scheduled to be made accordingly by the Trustees. As of September 30, 2017, the Irrevocable Escrow Account for the advanced refunding had approximately $442,295,000.

On August 29, 2017, the Aviation Department issued 314,565,000 of Refunding Bonds at par, Series 2017D with an interest rate of 1.580% to 3.982%. The proceeds were used as follows:

- partially advanced refund $33,750,000 of principal amount outstanding for the Revenue Bond Series 2003E
- partially advanced refund $253,225,000 of principal amount outstanding for the Revenue Bond Series 2008A
- partially advanced refund $12,395,000 of principal amount outstanding for the Revenue Bond Series 2009A

The net proceeds were placed in an irrevocable trust account to refund the 2003E Bonds which will mature on April 1, 2018, 2008A Bonds which will mature on October 1, 2018, and the 2009A Bonds which will mature on October 1, 2019. Payments were scheduled to be made accordingly by the Trustees. As of September 30, 2017, the Irrevocable Escrow Account for the advanced refunding had approximately $317,404,000.

As a result, the refunded principal portion of the Revenue Bond Series 2003E, 2007A, 2007C, 2008A, 2009A are considered defeased and the liability for these bonds were removed from long-term debt. Accordingly, the assets and liabilities for the portion of the refunded Series are not included in the Aviation Department's financial statements.

Prior to refunding, the net cash flow needed was approximately $1,428,371,000. The new refunding debt service is approximately $1,246,605,000. As a result of the refunding, the Aviation Department had a net present value savings of approximately $98,261,000.

On August 25, 2016, the Aviation Department issued $315,730,000 of Refunding Bonds, Series 2016A with an interest rate of 5.00%. The net proceeds were placed in an irrevocable trust account to refund the 2007B Bonds which will mature on October 1, 2017, 2008B Bonds which will mature on October 1, 2018, 2009B Bonds which will mature on October 1, 2019, and the 2010A Bonds which will mature on October 1, 2020. Payments were scheduled to be made accordingly by the Trustees. As of September 30, 2017, the Irrevocable Escrow Account for the advanced refunding had approximately $380,693,000.

Note 6—Debt (continued)

On August 25, 2016, the Aviation Department issued $428,645,000 of Refunding Bonds, Series 2016B with an interest rate of 0.950% to 3.856%. The net proceeds were placed in an irrevocable trust account to refund the 2003E Bonds which will mature on April 1, 2018, 2007A Bonds which will mature on October 1, 2017, 2007C Bonds which will mature on October 1, 2017, 2008A Bonds which will mature on October 1, 2018, and the 2009A Bonds which will mature on October 1, 2019. Payments were scheduled to be made accordingly by the Trustees. As of September 30, 2017, the Irrevocable Escrow Account for the advanced refunding had approximately $414,818,000.

On July 8, 2015, the Aviation Department issued $38,500,000 of Refunding Bonds, Series 2015B with an interest rate of 5.00%. The net proceeds were placed in an irrevocable trust account to refund the, 2007B Bonds which will mature on October 1, 2017 and the 2007D Bonds which will mature on October 1, 2017 Payments were scheduled to be made accordingly by the Trustees. As of September 30, 2017, the Irrevocable Escrow Account for the advanced refunding had approximately $41,576,000.

Bond premium is added, and bond discount is deducted from the face amount of bonds payable. Deferred loss on defeased debt is shown separately as a deferred outflow in the statements of net position in accordance with GASB Statement No. 65. Bond premium and discount are amortized as additional interest expense using the straight-line method, which approximates the effective-interest method. Amortization of bond discount or premium for Aviation Revenue Bonds and Double-Barreled Aviation Bonds was approximately $20,936,000 and $17,621,000 for years ended September 30, 2017 and 2016, respectively, and is included in interest expense in the accompanying statements of revenue, expenses, and changes in net position.

c. Double-Barreled Aviation Bond – On March 4, 2010, the County issued its Double-Barreled Aviation Bond (General Obligation), Series 2010, in the aggregate principal amount of $239,775,000. The Series 2010 Bonds are a General Obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2010 Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitation as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt services on the Series 2010 Bonds. “Net Available Airport Revenues” is defined to mean any unencumbered funds held for the credit of the Improvement Fund created under the Trust Agreement after the payment of all obligations of the County pertaining to the County airports which are payable pursuant to, and subject to the restrictions of (i) the Trust Agreement, (ii) any Airline Use Agreement then in effect or (iii) any other indenture, trust agreement, or contract.

Series 2010 was issued to provide long-term financing for certain capital improvement comprising a part of the Capital Improvement Program for the Aviation Department. Proceeds of the Series 2010 Bonds will be used for financing or reimbursing the County for costs of the acquisition, construction, improvement and/or installation by the Aviation Department of its MIA Mover Program and a portion of its North Terminal Program. The Series 2010 bonds bear stated interest ranging from 2.00% to 5.00%, with $129,995,000 serial bonds due July 1, 2012 to 2032 and $109,760,000 term bonds due July 1, 2033 to 2041.

Note 6—Debt (continued)

Miami-Dade County Aviation Department Debt Outstanding (In Thousands)
September 30, 2017 and 2016

	Issue Date	Rate	Maturity	2017	2016
Revenue serial:					
2010	March 2010	2.700%–5.000%	2012–2032	$ 104,180	$ 108,875
				104,180	108,875
Revenue term:					
2010	March 2010	4.750%–5.000%	2033–2041	109,760	109,760
				109,760	109,760
Total				$ 213,940	$ 218,635

d. Maturities of Double-Barreled Aviation Bonds Payable – The annual debt service requirements are as follows (in thousands):

Years Ending September 30,	General Obligation Bonds Principal	Interest
2018	$ 4,930	$ 10,502
2019	5,175	10,256
2020	5,375	10,059
2021	5,590	9,844
2022	5,870	9,564
2023-2027	33,960	43,197
2028-2032	43,280	33,880
2033-2037	55,040	22,120
2038-2041	54,720	6,272
	213,940	$ 155,694
Plus unamortized premium	4,163	
	$ 218,103	

Note 6—Debt (continued)

e. State Infrastructure Bank Note – On February 6, 2007, the Board approved the construction of the N.W. 25th Street Viaduct Project (Viaduct Project) by the Florida Department of Transportation (FDOT) and approved a County loan in the amount of $50 million from the FDOT State Infrastructure Bank to fund the County's share of the total cost of the Viaduct Project. FDOT and the County subsequently entered into a joint participation agreement on March 12, 2007 whereby FDOT will construct the Viaduct Project. The loan, which closed on March 21, 2007, is secured by a County covenant to annually budget and appropriate from the County legally available non-ad valorem revenue funds sufficient to pay debt service costs. The debt service costs will be reimbursed to the County by the Aviation Department.

The funds were held in escrow by the FDOT State Infrastructure Bank for the construction of the project. As of September 30, 2017 and 2016, there was no cash held in escrow by agent. As of September 30, 2017 and 2016, the outstanding loan balance was approximately $10,073,000 and $14,778,000, respectively. The loan bears interest at 2% per annum. The maturity date of the loan is October 1, 2019.

The annual debt service requirements are as follows (in thousands):

Years Ending September 30,	Principal	Interest
2018	$ -	$ -
2019	4,799	201
2020	5,274	105
	$ 10,073	$ 306

Note 6—Debt (continued)

f. Long-Term Liabilities – Changes in long-term liabilities are as follows (in thousands):

	Balance at September 30, 2016	Additions	Reductions	Total at September 30, 2017	Due Within One Year
Revenue bonds	$ 5,520,200	$ 839,235	$ (968,355)	$ 5,391,080	$ 118,115
Add amounts:					
For issuance premiums/ discounts, net	271,331	38,623	(20,648)	289,306	-
General obligation bonds	218,635	-	(4,695)	213,940	4,930
Add amounts:					
For issuance premium	4,451	-	(288)	4,163	-
State Infrastructure Bank loan	14,778	-	(4,705)	10,073	-
Total bonds and loans payable, net	6,029,395	877,858	(998,691)	5,908,562	123,045
Other liabilities:					
Commercial paper notes	20,012	220,370	(180,316)	60,066	-
Compensated absences	22,118	11,510	(9,844)	23,784	6,746
Environmental remediation	41,070	-	(5,150)	35,920	5,290
Rent and contribution advances	354,363	8,542	(23,553)	339,352	20,552
Postemployment benefits	3,202	1,521	(1,090)	3,633	-
Net pension liability:					
FRS	55,498	9,611	-	65,109	-
HIS	20,618	-	(1,842)	18,776	-
Other noncurrent liabilities	37,038	-	(3,957)	33,081	-
Total long-term liabilities	$ 6,583,314	$ 1,129,412	$ (1,224,443)	$ 6,488,283	$ 155,633

Note 6—Debt (continued)

	Balance at September 30, 2015	Additions	Reductions	Total at September 30, 2016	Due Within One Year
Revenue bonds	$ 5,616,550	$ 744,375	$ (840,725)	$ 5,520,200	$ 96,630
Add amounts:					
For issuance premiums/ discounts, net	219,010	69,648	(17,327)	271,331	-
General obligation bonds	223,205	-	(4,570)	218,635	4,695
Add amounts:					
For issuance premium	4,745	-	(294)	4,451	-
State Infrastructure Bank loan	19,390	-	(4,612)	14,778	-
Total bonds and loans payable, net	6,082,900	814,023	(867,528)	6,029,395	101,325
Other liabilities:					
Commercial paper notes	-	35,022	(15,010)	20,012	-
Compensated absences	21,700	10,806	(10,388)	22,118	6,260
Environmental remediation	54,379	-	(13,309)	41,070	4,190
Rent and contribution advances	364,770	10,283	(20,690)	354,363	22,293
Postemployment benefits	2,930	1,438	(1,166)	3,202	-
Net pension liability:					
FRS	27,704	27,794	-	55,498	-
HIS	18,194	2,424	-	20,618	-
Other noncurrent liabilities	42,338	-	(5,300)	37,038	-
Total long-term liabilities	$ 6,614,915	$ 901,790	$ (933,391)	$ 6,583,314	$ 134,068

Note 6—Debt (continued)

g. Commercial Paper Notes – At September 30, 2017 and 2016, the County had $60,000,000 and $20,000,000 outstanding of Commercial Paper Notes (Notes) plus accrued interest of $66,164 and $11,929, respectively.

The proceeds of the Notes were used to finance certain airport and airport related improvements. The Notes and accrued interest are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. The Notes are secured and payable under an irrevocable transferrable direct-pay letter of credit. The letter of credit, in the amount of $200,000,000, was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. As of September 30, 2017 and 2016, there was $140,000,000 and $180,000,000, respectively, outstanding on the letter of credit. The letter of credit expires on March 2, 2019, subject to earlier termination as provided therein and to extension or renewal as provided therein.

The outstanding Notes and accrued interest have been excluded from current liabilities because the Aviation Department intends to refinance the Notes with long-term revenue bonds.

Following is a schedule of changes in Notes (in thousands):

Balance as of September 30, 2015	$ -
Additions	35,022
Deductions	(15,010)
Balance as of September 30, 2016	20,012
Additions	220,370
Deductions	(180,316)
Balance as of September 30, 2017	$ 60,066

h. Defeased Debt – The County defeased certain series of Revenue Bonds by placing the proceeds of the new bond issues in irrevocable trusts. Such proceeds are invested in direct obligations of the U.S. Government and will provide for all future debt service payments on the old bonds. The related assets and liabilities are not included in the financial statements of the Aviation Department.

	Defeasance Date	Maturity	2016
Revenue bonds:			
2007A	March 2017	2039 - 2040	$ 139,590
2003E	August 2017	2020 - 2022	33,750
2007A	August 2017	2037 - 2040	358,105
2007C	August 2017	2018 - 2020	74,660
2008A	August 2017	2029 - 2041	253,225
2009A	August 2017	2026	12,395
			$ 871,725

Note 7—Restricted assets

A summary of restricted assets at September 30, 2017 and 2016 is as follows (in thousands):

	2017	2016
Construction account	$ 401,913	$ 380,084
Bond service and reserve account	434,118	430,906
Reserve maintenance	81,536	57,836
	$ 917,567	$ 868,826

Note 8—Management, operating, concession, and lease agreements

a. Management Agreements – Certain properties are provided under management agreements with nationally recognized firms or local firms with expertise in their areas of service. Among these properties are public parking, special service lounges, Fuel Farm, and the Airport Hotel. The Aviation Department receives all revenue. These agreements provide for reimbursement of approved budgeted operating expenses and a fixed management fee or fees based on percentages of revenue or operating profits of the facilities. While the Aviation Department generally looks toward the management companies for recommendations relative to operation of the facilities, the Aviation Department does exercise complete budgetary control and establishes standards, guidelines, and goals for growth and performance. Such actions are taken within the rights reserved to the Aviation Department under these agreements to control all aspects of the businesses. These include such matters as pricing, staffing, employee benefits, operating hours, facilities maintenance requirements, service levels, market selections, personnel policies, and marketing strategies. In the event the management firm is not performing in accordance with the standards established by the Aviation Department, the Aviation Department has the authority to cancel such agreements.

b. Operating Agreements – Certain other services are provided under operating agreements with nationally recognized firms or local firms with expertise in their areas of service. These agreements provide necessary services of employee shuttle transportation and janitorial services to the Aviation Department. These agreements provide for reimbursement of approved budgeted operating expenses and a fixed management fee. While the Aviation Department generally looks toward the operating companies for recommendations relative to these operations, the Aviation Department does exercise complete budgetary control and establishes standards, guidelines, and goals for service and performance. Such actions are taken within the rights reserved to the Aviation Department under these agreements to control all aspects of the businesses. These include such matters as personnel policies, staffing, employee benefits, facilities maintenance requirements, and service levels. In the event the operating firm is not performing in accordance with the standards established by the Aviation Department, the Aviation Department has the authority to cancel such operating agreements. The operating firms do not act as general agents on behalf of the County and, therefore, cannot obligate or commit the Aviation Department beyond the scope of what is required to run the day-to-day operations of managed properties as established by the budget approved by the Aviation Department. The expenses associated with the operation of these facilities and services are recorded as operating expenses under operating agreements in the accompanying statements of revenue, expenses, and changes in net position.

Note 8—Management, operating, concession, and lease agreements (continued)

c. Concession Agreements – The Aviation Department has entered into concession agreements with retail stores and newsstands, duty-free merchandise shops, food and beverage facilities, various rent-a-car companies, aeronautical service companies, and other passenger services through 2022. The agreements consist of both cancelable and noncancellable agreements and provide for a minimum annual rental and a franchise fee based on a percentage of the gross revenue, whichever is greater. These agreements generated revenue of approximately $196,698,000 and $187,187,000 during fiscal years 2017 and 2016, respectively. Minimum future fees under such noncancellable concession agreements as of September 30, 2017 are as follows (in thousands):

Years Ending September 30,		
2018	$	113,543
2019		113,018
2020		110,415
2021		108,489
2022		100,408
	$	545,873

d. Lease Agreements – The leasing operations of the Aviation Department consist principally of the leasing of land, buildings, and office space. The lease agreements consist of both cancelable and noncancellable agreements and permit the Aviation Department to periodically adjust rents and maximize operational flexibility. Minimum future rentals under such noncancellable lease agreements as of September 30, 2017 are as follows (in thousands):

Years Ending September 30,		
2018	$	11,191
2019		11,074
2020		10,156
2021		8,896
2022		8,615
2023-2027		34,502
2028-2032		11,229
2033-2037		8,095
2038-2042		5,854
2043-2047		3,037
2048-2051		2,398
	$	115,047

The Aviation Department recognized approximately $144,046,000 and $140,482,000 of rental income for the years ended September 30, 2017 and 2016, respectively.

Note 9—Insurance

The Aviation Department, along with most other County departments, participates in the self-insurance program of the County for workers' compensation, automobile and general liability insurance covering employees and officials of the County. The program is administered by the Risk Management Division of the Internal Services Department. Allocations of the self-insurance programs are based on the Aviation Department's claims history and administrative costs to adjudicate the claims. The long-term estimated liability for claims payable, including incurred but not reported, is recorded and retained at the County level. Therefore, such long-term liability is not included in the accompanying financial statements. The Aviation Department's long-term liability for workers' compensation and general liability is estimated to be approximately $5,338,000 and $6,957,000 as of September 30, 2017 and 2016, respectively, based on an independent actuarial valuation. The short-term liability for claims payable in the amount of approximately $773,000 and $1,143,000 is included in due to County Agencies in the accompanying statements of net position as of September 30, 2017 and 2016, respectively.

The Aviation Department also pays premiums to commercial insurance carriers for airport liability insurance and property insurance. The airport liability coverage provides comprehensive general liability, contractual liability, and personal injury liability at all Airports. The limit of liability is $750 million with a self-insured retention of $50,000 per occurrence and an annual aggregate retention of $500,000. The limit for personal injury is $50 million per occurrence.

The property of the Aviation Department is insured under a countywide master program that covers most County properties. The Aviation Department allocation is based on the value of the property of the Aviation Department as a percentage of the total value of the property insured. The limit is $335 million countywide with a $5 million deductible per occurrence for most perils and a $200 million deductible for Named Storms. The sublimit for flood is $50 million. Terrorism is included in the program with a limit of $200 million. The Business Interruption limit for the Aviation Department is $17.9 million.

There were no significant reductions in coverage in 2017. The amounts of insurance settlements during the past three fiscal years have not exceeded the Aviation Department's insurance coverage.

Note 10—Retirement benefits

Miami Dade County provides retirement benefits to its employees through the FRS and a Deferred Retirement Option Program (DROP), as well as state approved OPEB in the form of subsidized health insurance premiums.

Florida Retirement System Overview – The County participates in the FRS. The FRS was created in Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the DROP under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective October 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Note 10—Retirement benefits (continued)

Essentially all regular employees of the County are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, *Florida Administrative Code*; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (http://www.dms.myflorida.com/workforce_operations/retirement/publications).

FRS Pension Plan

Plan Description – The FRS Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with DROP for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011 vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011 vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the FRS Plan may include up to four years of credit for military service toward creditable service.

The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Note 10—Retirement benefits (continued)

Benefits Provided – Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected County Officers	
Service as Supreme Court Justice, district court of appeal judge, Circuit court judge, or county judge	3.33
Service as Governor, Lt Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county official, or elected official of a city or special district that chose EOC membership for its elected officials	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

Note 10—Retirement benefits (continued)

Miami-Dade County Allocation – The County allocated the FRS Plan amounts to the different departments based on their proportionate share of contributions to total contributions made by the County to the FRS during fiscal years 2017 and 2016, (October 2015 through September 2017). The Aviation Department's proportionate share of the contributions was 2.83% and 2.85% of the total contributions made by the County to the FRS during fiscal years 2017 and 2016, respectively.

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates in effect from July 1, 2016 through June 30, 2017 were as follows:

	Percent of Gross Salary	
Class	**Employee**	**Employer (1)**
FRS, Regular	3.00	7.52
FRS, Elected County Officers	3.00	42.27
FRS, Senior Management Service	3.00	21.77
FRS, Special Risk Regular	3.00	22.57
DROP – Applicable to:		
Members from All of the Above Classes	0.00	12.99

Contribution rates in effect from July 1, 2017 through September 30, 2017 were as follows:

	Percent of Gross Salary	
Class	**Employee**	**Employer (2)**
FRS, Regular	3.00	7.92
FRS, Elected County Officers	3.00	45.50
FRS, Senior Management Service	3.00	22.71
FRS, Special Risk Regular	3.00	23.27
DROP – Applicable to:		
Members from All of the Above Classes	0.00	13.26

Note 10—Retirement benefits (continued)

Contribution rates in effect from July 1, 2015 through June 30, 2016 were as follows:

	Percent of Gross Salary	
Class	**Employee**	**Employer (3)**
FRS, Regular	3.00	7.26
FRS, Elected County Officers	3.00	42.27
FRS, Senior Management Service	3.00	21.43
FRS, Special Risk Regular	3.00	22.04
DROP – Applicable to:		
Members from All of the Above Classes	0.00	12.88

(1) Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.

(2) Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.

(3) Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than Drop participants, include 0.04% for administrative costs of investment Plan.

The Aviation Department's contributions for FRS totaled $5.8 million and $5.6 million and employee contributions totaled $1.9 million and $1.8 million for the fiscal years ended September 30, 2017 and 2016, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2017, the Aviation Department reported a liability of $65.1 million for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The Aviation Department's proportionate share of the net pension liability was based on the Aviation Department's 2016-2017 fiscal year contributions relative to the 2016-2017 fiscal year contributions of all participating members of the FRS Plan. At June 30, 2017, the Aviation Department's proportionate share was 0.2201%, which was an increase from its proportionate share of 0.2198% measured at June 30, 2016.

At September 30, 2016, the Aviation Department reported a liability of $55.5 million for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Aviation Department's proportionate share of the net pension liability was based on the Aviation Department's 2015-2016 fiscal year contributions relative to the 2015-2016 fiscal year contributions of all participating members of the FRS Plan. At June 30, 2016, the Aviation Department's proportionate share was 0.2198%, which was an increase from its proportionate share of 0.2145% measured at June 30, 2015.

Note 10—Retirement benefits (continued)

For the fiscal years ended September 30, 2017 and 2016, the Aviation Department recognized pension expense of $10.5 million and $7.9 million, respectively, related to the FRS Plan. In addition, for the year ended September 30, 2017, the Aviation Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,975	$ 361
Change of assumptions	21,881	-
Net difference between projected and actual earnings on FRS pension plan investments	-	1,613
Changes in proportion and differences between Aviation Department FRS contributions and proportionate share of contributions	1,140	1,455
Aviation Department FRS contributions subsequent to the measurement date	1,688	-
Total	$ 30,684	$ 3,429

For the year ended September 30, 2016, the Aviation Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,263	$ 523
Change of assumptions	3,360	-
Net difference between projected and actual earnings on FRS pension plan investments	14,108	-
Changes in proportion and differences between Aviation Department FRS contributions and proportionate share of contributions	846	2,118
Aviation Department FRS contributions subsequent to the measurement date	1,616	-
Total	$ 24,193	$ 2,641

Note 10—Retirement benefits (continued)

The deferred outflows of resources related to pensions, totaling $1.7 million, resulting from Aviation Department's contributions to the FRS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Year Ending September 30,	Deferred Outflows (Inflows), Net
2018	$ 3,015
2019	8,616
2020	6,290
2021	1,503
2022	4,485
Thereafter	1,658
Total	$ 25,567

Actuarial Assumptions – The FRS pension actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2017, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.10 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Note 10—Retirement benefits (continued)

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.00%	3.00%	1.80%
Fixed income	18.00%	4.50%	4.40%	4.20%
Global equity	53.00%	7.80%	6.60%	17.00%
Real estate(property)	10.00%	6.60%	5.90%	12.80%
Private equity	6.00%	11.50%	7.80%	30.00%
Strategic investments	12.00%	6.10%	5.60%	9.70%
Total	100.00%			
Assumed inflation - Mean		2.60%		1.90%

Note: (1) As outlined in the Plan's investment policy

Discount Rate – The discount rate used to measure the total pension liability was 7.10%. The FRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Aviation Department's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the Aviation Department's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the Aviation Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate (in thousands):

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Aviation Department's proportionate share of the net pension liability	$ 117,843	$ 65,109	$ 21,327

Note 10—Retirement benefits (continued)

Pension Plan Fiduciary Net Position – Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

The Retiree HIS Program

Plan Description – The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided – For the fiscal year ended September 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Miami-Dade County Allocation – The County allocated the HIS Plan amounts to the different departments based on their proportionate share of contributions to total contributions made by the County to the FRS during fiscal year 2017 and 2016, (October 2015 through September 2017). The Aviation Department's proportionate share of the contributions was 2.83% and 2.85% of the total contributions made by the County to the FRS during fiscal year 2017 and 2016, respectively.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2017, the HIS contribution for the period July 1, 2016 through June 30, 2017 and from July 1, 2017 through September 30, 2017 was 1.66%. The Aviation Department contributed 100% of its statutorily required contributions for the current and preceding fiscal years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Aviation Department's contributions to the HIS Plan totaled $0.9 million and $0.9 million for the fiscal years ended September 30, 2017 and 2016, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2017, the Aviation Department reported a net pension liability of $18.8 million for its proportionate share of the HIS Plan's net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The Aviation Department's proportionate share of the net pension liability was based on the Aviation Department's 2016-2017 fiscal year contributions relative to the total 2016-2017 fiscal year contributions of all participating members of the HIS Plan. At June 30, 2017, the Aviation Department's proportionate share was 0.176%, which was a decrease from its proportionate share of 0.177% measured as of June 30, 2016.

Note 10—Retirement benefits (continued)

At September 30, 2016, the Aviation Department reported a net pension liability of $20.6 million for its proportionate share of the HIS Plan's net pension liability. The total pension liability was determined by an actuarial valuation date as of July 1, 2016. The Aviation Department's proportionate share of the net pension liability was based on the Aviation Department's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members of the HIS Plan. At June 30, 2016, the Aviation Department's proportionate share was 0.177%, which was a decrease from its proportionate share of 0.178% measured as of June 30, 2015.

For the fiscal years ended September 30, 2017 and 2016, the Aviation Department recognized pension expense of $1.4 million and $1.7 million, respectively, related to the HIS Plan. In addition, for the year ended September 30, 2017, the Aviation Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 39
Change of assumptions	2,639	1,624
Net difference between projected and actual earnings on HIS pension plan investments	11	-
Changes in proportion and differences between Aviation Department HIS contributions and proportionate share of HIS contributions	243	158
Aviation Department contributions subsequent to the measurement date	258	-
Total	$ 3,151	$ 1,821

Note 10—Retirement benefits (continued)

For the year ended September 30, 2016, the Aviation Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 46
Change of assumptions	3,211	-
Net difference between projected and actual earnings on HIS pension plan investments	11	-
Changes in proportion and differences between Aviation Department HIS contributions and proportionate share of HIS contributions	51	202
Aviation Department contributions subsequent to the measurement date	244	-
Total	$ 3,517	$ 248

The deferred outflows of resources related to pensions, totaling $0.3 million, resulting from the Aviation Department's contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Year Ending September 30,	Deferred Outflows (Inflows), Net
2018	$ 309
2019	307
2020	306
2021	251
2022	107
Thereafter	(208)
Total	$ 1,072

Actuarial Assumptions – The HIS pension as of July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.58 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

Note 10—Retirement benefits (continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate – The discount rate used to measure the total pension liability was 3.58%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Aviation Department's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Aviation Department's proportionate share of the net pension liability calculated using the discount rate of 3.58%, as well as what the Aviation Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current rate (in thousands):

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Aviation Department's proportionate share of the net pension liability	$ 21,426	$ 18,776	$ 16,569

Pension Plan Fiduciary Net Position – Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS – Defined Contribution Pension Plan

The County contributes to the FRS Defined Contribution Investment Plan (Investment Plan). The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Note 10—Retirement benefits (continued)

Allocations to the investment members' accounts, as established by Section 121.72, *Florida Statutes*, during the 2016-2017 fiscal year were as follows:

Membership Class	Percent of Gross Compensation
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% from July 1, 2016 through September 30, 2017 and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Aviation Department's Investment Plan pension contributions totaled $0.6 million and $0.5 million and employee contributions totaled $0.6 million and $0.5 million for the fiscal years ended September 30, 2017 and 2016, respectively.

Note 11—Commitments and contingencies

a. Environmental Matters – In August 1993, the Aviation Department and the Dade County Department of Environmental Resources Management (DERM) entered into a Consent Order. Under the Consent Order, the Aviation Department was required to correct environmental violations resulting from various tenants' failure to comply with their environmental obligations at the airport including those facilities previously occupied by Eastern Airlines (Eastern) and Pan Am Airlines (Pan Am). In addition, the Aviation Department had a preliminary study performed by an independent engineering firm to estimate the cost to correct the environmental violations noted in the Consent Order. This study was used as a basis to record the environmental remediation liability as of September 30, 1993.

In each subsequent year, the Aviation Department has received an updated study performed by an independent engineering firm to further update the estimated costs to correct the environmental violations noted in the Consent Order based on additional information and further refinement of estimated costs to be incurred.

As a result of the updated study and costs incurred in fiscal year 2017, the total cumulative estimate to correct such violations was $184.8 million. This estimate allows for uncertainties as to the nature and extent of environmental reparations and the methods, which must be employed for the remediation. The cumulative amount of environmental expenditures spent through September 30, 2017 approximated $148.9 million. The Aviation Department has also spent $56.3 million in other environmental-related projects not part of any Consent Order.

During fiscal year 1998, a Consent Order (FDEP Consent Order) was signed with the State of Florida Department of Environmental Protection (FDEP). The FDEP Consent Order encompasses and replaces the DERM agreement and includes additional locations. The FDEP Consent Order includes all locations at MIA that are contaminated as well as additional sites where contamination is suspected. The Aviation Department included other sites where contamination is suspected in the FDEP Consent Order under a Protective Filing. If contamination is documented at these sites, the State would be required to incur the costs of remediation. Because the State will be required to pay for remediation of sites filed in the Protective Filing and because the contamination at the sites is unknown, an accrual amount is not reflected in the Opinion of Cost report or in the accompanying financial statements.

Currently, the County has several pending lawsuits in State Court against the Potentially Responsible Parties (PRPs) and insurers to address recovery of past and future damages associated with the County's liability under the FDEP Consent Order. As of September 30, 2017, the Aviation Department has received approximately $60.3 million from the State, insurance companies, and PRPs.

The outstanding liability amount at September 30, 2017 and 2016 was $35,920,000 and $41,070,000, respectively, representing the unexpended environmental remediation costs based on the Opinion of Cost performed by an independent engineering firm. At September 30, 2017 and 2016, the long-term liability was $30,630,000 and $36,880,000, respectively, and the short-term liability was $5,290,000 and $4,190,000, respectively. Management has allocated a portion of bond proceeds to fund this obligation and believes that the remaining amount can be funded from recoveries and the operations of the Aviation Department. The liability recorded by the Aviation Department does not include an estimate of any environmental violations at the three general aviation airports or at the two training airports. Management is not aware of any such liabilities, and the occurrence of any would not be material to the financial statements.

Note 11—Commitments and contingencies (continued)

In addition to the studies conducted to determine the environmental damage to the sites occupied by Eastern and Pan Am, the Aviation Department caused studies to be performed to determine the amount required to remove or otherwise contain the asbestos in certain buildings occupied by the airlines. The Aviation Department has also estimated the amount required to remove or otherwise contain the asbestos in buildings other than those formerly occupied by Eastern and Pan Am. The studies that estimate the cost to correct such damage related to all buildings were assessed at approximately $4.5 million. The Aviation Department has no intention of correcting all assessed damage related to asbestos in the near future as they pose no imminent danger to the public. Specific issues will be addressed when and if the Aviation Department decides to renovate or demolish related buildings. At such time, the Aviation Department will obligate itself to the cleanup or asbestos abatement. As emergencies or containment issues may arise from this condition, they will be isolated and handled on a case-by-case basis as repair and maintenance. Such amounts do not represent a liability of the Aviation Department until such time as a decision is made by the Aviation Department's management to make certain modifications to the buildings, which would require the Aviation Department to correct such matters. As such, no amounts are recorded as of September 30, 2017 and 2016.

The nature of ground and groundwater contamination at MIA can be divided into two categories: petroleum-related contamination and hazardous/nonhazardous contamination. The Opinion of Cost is divided in three large areas: the Inland Protection Trust Fund (IPTF), which was created by the State of Florida to deal with contamination related to petroleum products in sites that qualified for that program; the non-IPTF contamination relates to other sites that might include petroleum as well as hazardous/nonhazardous-related contamination; and the nonconsent items, which can be either of the two above but were not specifically listed in the Consent Order.

The table below summarizes the remediation liability by nature of contaminant as of September 30, 2017:

Nature of Contamination	IPTF	Non-IPTF	Nonconsent	Totals
Petroleum	$ 5,125,000	$ -	$ -	$ 5,125,000
Hazardous/nonhazardous	-	26,350,000	4,445,000	30,795,000
Total	$ 5,125,000	$ 26,350,000	$ 4,445,000	$ 35,920,000

The table below summarizes the remediation liability by nature of contaminant as of September 30, 2016:

Nature of Contamination	IPTF	Non-IPTF	Nonconsent	Totals
Petroleum	$ 6,825,000	$ -	$ -	$ 6,825,000
Hazardous/nonhazardous	-	29,800,000	4,445,000	34,245,000
Total	$ 6,825,000	$ 29,800,000	$ 4,445,000	$ 41,070,000

b. Other Commitments and Contingencies – As of September 30, 2017, the Aviation Department had approximately $208.2 million of construction commitments outstanding.

Note 11—Commitments and contingencies (continued)

On June 10, 2016, an arbitrator appointed to resolve a dispute between the County and the Transport Workers Union Local 291 (TWU) issued an award in favor of TWU. On May 1, 2017, the County filed suit, challenging the validity of the arbitration award. On December 1, 2017, the County and the TWU entered into a settlement agreement in the amount of $3.6 million, and in turn, the County dismissed its lawsuit with prejudice. As per the terms of the agreement, TWU relinquishes any legal or contractual rights to any maintenance work on the trains operating at Miami International Airport. In return, TWU recognizes that maintenance on the trains may be performed by anyone determined by the County including an outside vendor selected by the County. As of September 30, 2017, the Aviation Department recorded a liability of $3.6 million.

A number of claims and lawsuits are pending against the County relating to the Aviation Department resulting from the normal course of conducting its operations. However, in the opinion of management and the County Attorney, the ultimate outcome of such actions will not have a material adverse effect on the financial position of the Aviation Department.

The Aviation Department receives grants from federal and state financial assistance programs, which are subject to audit and adjustment by the grantor agencies. It is the opinion of management that no material liabilities will result to the Aviation Department from any such audit.

In a quitclaim deed dated December 20, 2011, the Rental Car Facility (RCF) at the Miami Intermodal Center (MIC) adjacent to the airport was conveyed to the County through its Aviation Department by FDOT. The conveyance was recorded in the amount of approximately $393,327,000 ($42,000,000 for the land and $351,327,000 for the building and improvements), which represented the acquisition value at the date of the conveyance. The quitclaim deed requires that the RCF be used as a rental car facility. In the event that it ceases to be used as such, all property rights in it revert to FDOT. The Aviation Department has recorded the full value of the land and building, and is recognizing the equity contribution using the straight-line method over 393 months, the life of the TIFIA loan.

The RCF was designed and constructed by FDOT, which borrowed $270 million from the United States Department of Transportation (USDOT) under the TIFIA loan program. The loan will be repaid through the collection of Customer Facility Charges (CFCs) and contingent rent, if needed, from car rental company customers using the RCF. The car rental companies remit these funds directly to the Fiscal Agent servicing the loan; the CFCs are not revenue of the Aviation Department. The County and the Aviation Department do not own nor do they have access to accounts held by the Fiscal Agent. The repayment of the TIFIA loan is not secured by any Aviation Department revenue and in no event will the Aviation Department be required to use any airport revenue for the payment of debt service on the RCF portion of the TIFIA loan or any additional RCF financing.

Note 12—Postemployment benefits other than pensions

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for OPEB, the County accrues the cost of the County's retiree health subsidiary and OPEB during the period of employees' active employment as the benefits are being earned. It requires the unfunded actuarial accrued liability (AAL) be disclosed in order to accurately account for the total future cost of OPEB and the financial impact on the County. The financial impact to the Aviation Department is reflected in the accompanying financial statements.

Note 12—Postemployment benefits other than pensions (continued)

a. Plan Description – The County administers a single-employer defined-benefit healthcare plan (the Plan) that provides postretirement medical, hospital, pharmacy and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the County's group health insurance plan, which covers both active and retired members. Benefits are established and may be amended by the Miami-Dade County Board of County Commissioners (the BCC), whose powers derive from F.S. 125.01(3)(a). The Plan does not issue a publicly available financial report.

Eligibility: To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under FRS and pay required contributions.

- Regular Class Employees (all employees not identified as members of the Special Risk Class) that were hired prior to July 1, 2011 are eligible for postemployment benefits at age 62 with six years of service, or with 30 years of service at any age. Eligibility for reduced retirement is six years of service at any age. Those hired after July 1, 2011 are eligible at age 65 with eight years of service, or 33 years of service at any age.
- Special Risk Employees (Police Officers, Firefighters, and Corrections Officers) that were hired prior to July 1, 2011 are eligible for postemployment benefits at age 55 with six years of service, or with 25 years of service at any age. Eligibility for reduced retirement is six years of service at any age. Those hired after July 1, 2011 are eligible at age 60 with eight years of service, or 30 years of service at any age.

Benefits: A number of plan changes to the pre-Medicare retiree plans were made effective January 1, 2017. The valuation reflects the impact of these changes.

Eligible pre-Medicare retirees receive health care coverage through one of the four self-funded medical plans:

- AvMed POS
- AvMed HMO High
- AvMed HMO Select
- Jackson First HMO

Retirees may continue coverage beyond Medicare eligibility by enrolling in one of the County-sponsored, self-insured Medicare Supplemental plans provided by AvMed. The County only contributes to post-65 retirees electing one of these plans.

- AvMed Medicare Supplement Low Option with RX
- AvMed Medicare Supplement High Option with RX
- AvMed Medicare Supplement High Option without RX

Note 12—Postemployment benefits other than pensions (continued)

Participation in the Plan consisted of the following at October 1, 2016:

Number of covered participants:	
Actives	34,061
Retirees under age 65	3,116
Eligible spouses under age 65	832
Retirees age 65 and over	727
Eligible spouses age 65 and over	375
Total	39,111

b. Funding Policy – The County contributes to both the pre-65 and post-65 retiree medical coverage. Medical contributions vary based on plan and tier. Retirees pay the full cost of dental coverage. The postretirement medical and dental benefits are currently funded on a pay-as-you go basis (i.e., Miami-Dade County funds on a cash basis as benefits are paid). The County's contribution is the actual pay-as-you-go postemployment benefit payments less participant contributions for the period October 1, 2016 to September 30, 2017. No assets have been segregated and restricted to provide postretirement benefits.

Contributions are required for both retiree and dependent coverage. Retirees contribute a portion of the full active premium equivalent rates for health coverage. The full monthly premiums, retiree contribution amounts, and the County subsidies effective January 1, 2017 through December 31, 2017 are provided in the tables below. The County subsidy is assumed to remain flat. For fiscal years 2017, 2016 and 2015, the Aviation Department contributed $1,090,000, $1,166,000, and $1,340,000, respectively, to the Plan.

Pre-Medicare Premium Equivalent Rates

AvMed HMO High	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 718.36	$ 204.36	$ 514.00
Retiree + Spouse	1,507.74	360.38	1,147.36
Retiree + Child(ren)	1,396.55	339.47	1,057.08
Retiree + Family	1,838.79	418.43	1,420.36

AvMed HMO POS	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 1,388.86	$ 177.80	$ 1,211.06
Retiree + Spouse	2,644.09	302.75	2,341.34
Retiree + Child(ren)	2,423.16	175.12	2,248.04
Retiree + Family	3,589.00	711.37	2,877.63

Note 12—Postemployment benefits other than pensions (continued)

AvMed Select	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 668.07	$ 204.36	$ 463.71
Retiree + Spouse	1,402.22	360.38	1,041.84
Retiree + Child(ren)	1,298.77	339.47	959.30
Retiree + Family	1,710.06	418.43	1,291.63

Jackson First HMO	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 634.66	$ 204.36	$ 430.30
Retiree + Spouse	1,332.11	360.38	971.73
Retiree + Child(ren)	1,233.83	339.47	894.36
Retiree + Family	1,624.55	418.43	1,206.12

Medicare Retiree Premium Equivalent Rates

Med Supp High	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 907.81	$ 233.58	$ 674.23
Retiree + Spouse 65+	1,555.24	260.15	1,295.09

Med Supp Low	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 810.69	$ 208.59	$ 602.10
Retiree + Spouse 65+	1,388.91	232.33	1,156.58

Med Supp High No Rx	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 394.59	$ 101.53	$ 293.06
Retiree + Spouse 65+	676.03	113.08	562.95

c. *Annual OPEB Cost and Net OPEB Obligation* – The Aviation Department's annual OPEB cost (expense) is calculated based on the annual required contributions (ARCs) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARCs represent a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Note 12—Postemployment benefits other than pensions (continued)

The Aviation Department's annual OPEB cost for fiscal years 2017, 2016 and 2015 and the related information for each plan are as follows (in thousands):

	2017	2016	2015
Annual required contribution	$ 1,515	$ 1,464	$ 1,459
Interest on net OPEB obligation	128	117	123
Adjustment to annual required contribution	(122)	(143)	(113)
Annual OPEB cost	1,521	1,438	1,469
Contribution made	1,090	1,166	1,340
Increase in net OPEB obligation	431	272	129
Net OPEB obligation – beginning of year	3,202	2,930	2,801
Net OPEB obligation – end of year	$ 3,633	$ 3,202	$ 2,930

The Aviation Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal years 2017, 2016 and 2015 were as follows (in thousands):

		Percentage	
Fiscal Year Ended	**Annual OPEB Cost**	**Annual OPEB Cost Contributed**	**Net OPEB Obligation**
September 30, 2017	$ 1,521	71.7%	$ 3,633
September 30, 2016	1,438	81.1%	3,202
September 30, 2015	1,469	91.2%	2,930

d. Funded Status and Funding Progress – The schedule below shows the balance of the County's AAL, all of which was unfunded as of September 30, 2017:

Schedule of Funding Progress Retiree Health Plan (In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
October 1, 2016	$ -	$ 457,297	$ 457,297	—%	$ 2,180,168	21%
October 1, 2015	-	459,535	459,535	—	2,050,538	22
October 1, 2014	-	401,180	401,180	—	1,937,015	21

Note 12—Postemployment benefits other than pensions (continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the Plan and the annual required contributions by the County are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

e. Actuarial Methods and Assumptions – Projections of benefits are based on the substantive Plan (the Plan as understood by the employer and Plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the Plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in AALs and the actuarial value of assets.

The actuarial-cost method used in the valuation to determine the AAL and the ARCs was the Projected Unit Credit Method with service prorated. Under this method, the total present value of benefits is determined by projecting the benefit to be paid after the expected retirement date (or other event) and discounting those amounts to the valuation date. The normal cost is computed by dividing the total present value of benefits by the participant's total service (actual plus expected service) at retirement.

The AAL under this method represents the total present value of benefits multiplied by the ratio of the participant's actual service to date and divided by expected service at retirement. The AAL for participants currently receiving payments and deferred vested participants is calculated as the actuarial present value of future benefits expected to be paid. No normal cost for these participants is payable. The AAL and normal costs were calculated at the measurement date, which is the beginning of the applicable fiscal year using standard actuarial techniques.

Note 12—Postemployment benefits other than pensions (continued)

The following summarizes other significant methods and assumptions used in valuing the AAL and benefits under the Plan:

Actuarial valuation date	10/1/2015, projected to 10/1/2016
Actuarial-cost method	Projected unit credit, benefits attributed from date of hire to expected retirement age
Amortization method	Level percentage of payroll, closed over 30 years
Remaining amortization period	21 years
Actuarial assumptions:	
Discount rate	4.0%
Inflation rate	3.50%
Payroll growth assumption	3.00%
Health CPI	3.00%
Health care cost trend period	Grades down over six years by 0.05% per year
Health care cost trend rates	Medical/Rx 7.5% initial to 4.5% ultimate
Mortality table	RP 2014 Generation Table using MP 2016 Projection Scale and applied on a gender-specific basis

Further, the participation assumption used in the valuation (the assumed percentage of future retirees that participate and enroll in the health plan) is 20% for those prior to age 55 (50 if special risk) and 60% until age 65. Once reaching Medicare eligibility, the participation rate is assumed to be 20%.

The valuation assumes that the County will continue to fund the liability on a pay-as-you-go basis and that the County's per capita contribution for retiree benefits will remain flat. As a result, the retiree contributions will be increased to the extent necessary so that they are sufficient to provide for the difference between the gross costs and the fixed County contributions.

Note 13 – Subsequent Events

On December 19, 2017, the County entered into a lease/ purchase agreement as lessee for the financing of the purchase and installation of energy improvement equipment at the airport. As per the terms of the agreement, the present value of the minimum lease payments is approximately $47,643,000 and the future minimum lease payments total approximately $61,332,000, including interest at 2.91%. Lease payments are set to begin in December 2018 and the final payment is due in July 2034.

REQUIRED SUPPLEMENTARY INFORMATION

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
FLORIDA RETIREMENT SYSTEM – SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)

SEPTEMBER 30, 2017 (IN THOUSANDS)

	2017	2016	2015	2014
Contractually required FRS contribution	$ 5,846	$ 5,609	$ 5,229	$ 4,759
FRS contribution in relation to the contractually required contribution	5,846	5,609	5,229	4,759
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -
Miami-Dade County Aviation Department's covered payroll	$ 89,272	$ 87,034	$ 81,844	$ 78,639
FRS contribution as a percentage of covered employee payroll	6.55%	6.44%	6.39%	6.05%

Note: The amounts presented for each fiscal year were determined as of the fiscal year-end date, September 30th.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Unaudited - see accompanying report of independent auditor

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
FLORIDA RETIREMENT SYSTEM – SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)

SEPTEMBER 30, 2017 (IN THOUSANDS)

	2017	2016	2015	2014
Miami-Dade County Aviation Department proportion of the FRS net pension liability	0.2201%	0.2198%	0.2145%	0.2172%
Miami-Dade County Aviation Department’s proportionate share of the FRS net pension liability	$ 65,109	$ 55,498	$ 27,704	$ 13,255
Miami-Dade County Aviation Department's covered payroll	86,951	83,925	81,195	77,815
Miami-Dade County Aviation Department's proportionate share of the net pension liability as a percentage of its covered-employee payroll	74.88%	66.13%	34.12%	17.03%
FRS Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%	96.09%

Note: The amounts presented for each fiscal year were determined as of the measurement date, June 30th.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Unaudited - see accompanying report of independent auditor

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
SUPPLEMENTAL HEALTH INSURANCE SUBSIDY PENSION INFORMATION – SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)

SEPTEMBER 30, 2017 (IN THOUSANDS)

	2017	2016	2015	2014
Contractually required HIS contribution	$ 948	$ 928	$ 682	$ 608
HIS contribution in relation to the contractually required contribution	948	928	682	608
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -
Miami-Dade County Aviation Department's covered payroll	$ 70,477	$ 68,821	$ 65,131	$ 63,806
HIS contribution as a percentage of covered employee payroll	1.35%	1.35%	1.05%	0.95%

Note: The amounts presented for each fiscal year were determined as of the fiscal year-end date, September 30th.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Unaudited - see accompanying report of independent auditor

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA

SUPPLEMENTAL HEALTH INSURANCE SUBSIDY PENSION INFORMATION – SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)

SEPTEMBER 30, 2017 (IN THOUSANDS)

	2017	2016	2015	2014
Miami-Dade County Aviation Department proportion of the HIS net pension liability	0.1756%	0.1769%	0.1784%	0.1776%
Miami-Dade County Aviation Department's proportionate share of the HIS net pension liability	$ 18,776	$ 20,618	$ 18,194	$ 16,608
Miami-Dade County Aviation Department's covered payroll	$ 68,481	$ 66,497	$ 64,806	$ 63,306
Miami-Dade County Aviation Department's proportionate share of the net pension liability as a percentage of its covered-employee payroll	27.42%	31.01%	28.07%	26.23%
HIS Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%	0.99%

Note: The amounts presented for each fiscal year were determined as of the measurement date, June 30th.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Unaudited - see accompanying report of independent auditor

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – SCHEDULE OF FUNDING PROGRESS (UNAUDITED)

SEPTEMBER 30, 2017 (IN THOUSANDS)

Actuarial Valuation Date	Actuarial Value of Assets (a)	AAL (b)	UAAL (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
October 1, 2016	$ -	$ 457,297	$ 457,297	—%	$ 2,180,168	21%
October 1, 2015	-	459,535	459,535	—	2,050,538	22
October 1, 2014	-	401,180	401,180	—	1,937,015	21
October 1, 2013	-	400,103	400,103	—	1,919,888	21
October 1, 2012	-	424,244	424,244	—	1,941,108	22
October 1, 2011	-	357,006	357,006	—	1,661,941	21
October 1, 2010	-	297,218	297,218	—	1,620,593	18
October 1, 2009	-	281,470	281,470	—	1,573,391	18

Unaudited - see accompanying report of independent auditor

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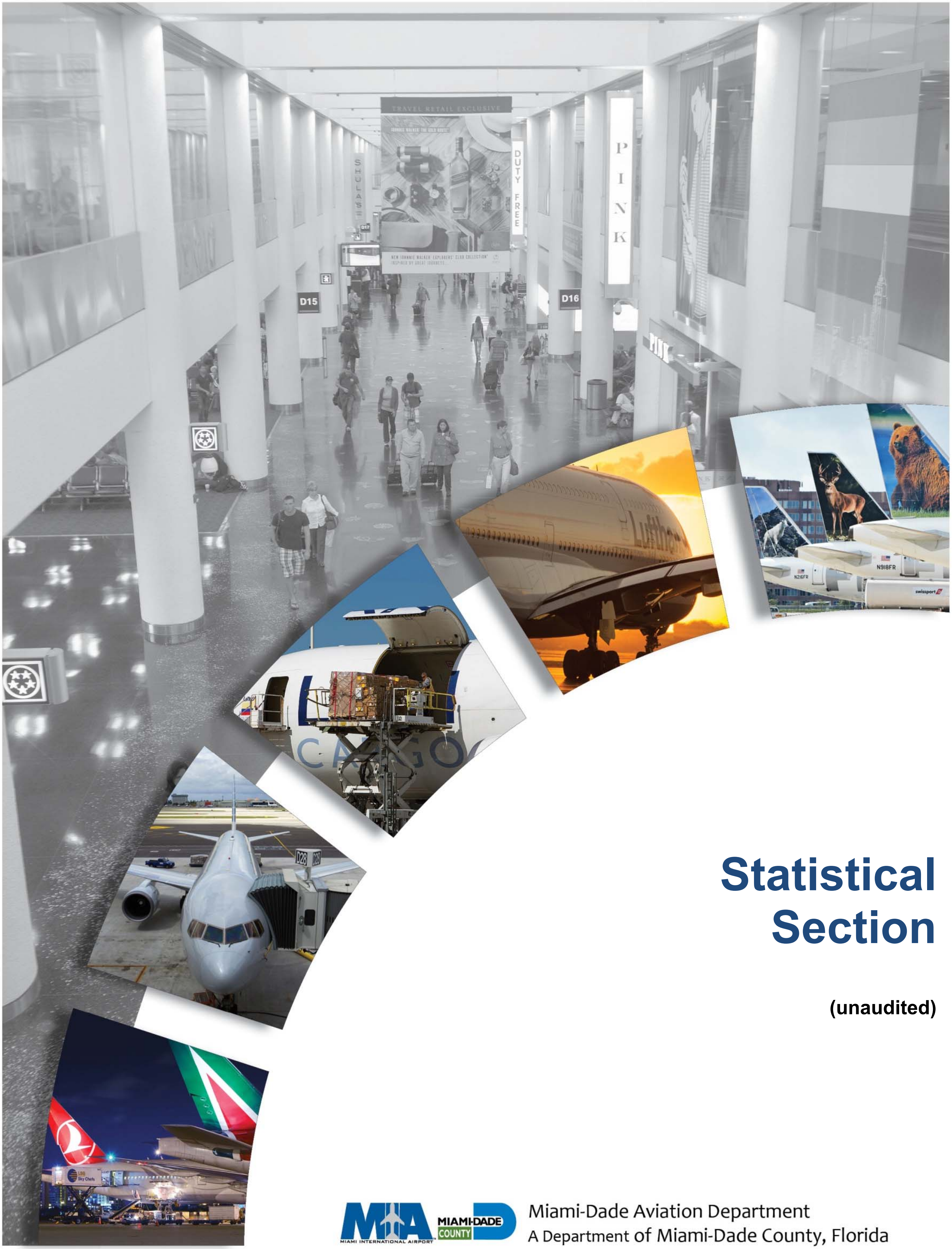

Statistical Section

(unaudited)

Miami-Dade Aviation Department
A Department of Miami-Dade County, Florida

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Overview

The Statistical Section is divided into five areas: financial trend data; revenue capacity data; operating information; demographic and economic information; and debt capacity data. The source of all non-accounting data presented in the statistical section is Miami-Dade Aviation (Department) unless otherwise stated.

Financial Trend data shows changes in the Department's financial position:

- Department Schedules of Revenues and Expenses
- Department Statements of Net Position
- Department Changes in Cash and Cash Equivalents
- Department's Largest Sources of Revenue

Revenue Capacity data shows MIA's major revenue sources and changes in key rates and charges:

- Key Usage Fees and Charges
- Concession Revenue per Enplaned Passenger
- Parking Revenue per Enplaned Passenger
- Rental Car Revenue per Enplaned Passenger
- Terminal Rent Revenue per Enplaned Passenger
- Food and Beverage Revenues per Enplaned Passenger

Operating Information shows how the Airport has performed on an annual basis and within the airport market sector:

- Department Employee Strength
- Aircraft Operations
- Aircraft Landed Weight
- Passenger Enplanements
- Passenger Deplanements
- Enplanement Market Share by Airline by Fiscal Year
- Air Cargo Activity

Demographic and Economic Information shows the major drivers of usage and how the Airport service area is performing compared to the region and the nation:

- Miami-Dade County Population and Per Capita Personal Income
- Principal Employers in Miami-Dade County

Debt Capacity information shows how the Airport is meeting its debt obligations and the relative level of debt:

- Revenue Bond Debt Service Coverage
- Outstanding Debt
- Long Term Debt per Enplaned Passenger
- Capital Assets

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Department Schedules of Revenues and Expenses

Last Ten Fiscal Years

(In Thousands)
(Unaudited)

(In Thousands)	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
OPERATING REVENUES:										
Aviation Fees	$262,888	$238,938	$280,872	$320,790	$345,491	$357,116	$374,929	$381,872	$395,586	$372,977
Rentals	103,483	104,008	107,450	111,156	126,351	127,817	130,597	133,394	140,482	144,046
Commercial Operations:										
Management Agreements	72,250	66,970	67,433	72,717	82,692	81,481	80,325	79,925	78,010	73,624
Concessions	103,989	103,500	112,170	149,817	167,596	187,223	187,635	191,236	187,187	196,698
Other	6,149	5,559	4,829	4,378	5,642	8,562	5,003	4,850	16,128	12,229
Other Environmental Remediation	13,181	2,625	750	2,758	8,946	2,259	17,397	3,106	13,310	5,150
Total Operating Revenue	**561,940**	**521,600**	**573,504**	**661,616**	**736,718**	**764,458**	**795,886**	**794,383**	**830,703**	**804,724**
OPERATING EXPENSES:										
Operating Expenses	260,093	258,037	237,718	269,047	254,066	255,153	265,449	281,029	273,180	292,639
Operating Expenses for										
Environmental Remediation	2,223	457	8,091	3,090	6,130	3,155	993	504	889	368
Operating Expenses Under										
Management Agreements	24,447	24,755	24,930	35,223	22,200	20,655	19,691	18,547	16,753	15,964
Operating Expenses Under										
Operating Agreements	34,411	39,678	39,099	33,287	36,166	36,684	37,488	37,756	39,205	40,614
General and Administrative Expenses	61,750	62,011	64,867	63,496	57,924	69,027	83,693	88,143	82,769	87,773
Depreciation and Amortization	138,117	138,968	167,693	206,907	220,180	263,724	245,619	261,801	259,523	259,280
Total Operating Expenses	**521,041**	**523,906**	**542,398**	**611,050**	**596,666**	**648,398**	**652,933**	**687,780**	**672,319**	**696,638**
Operating Income (loss)	40,899	(2,306)	31,106	50,566	140,052	116,060	142,953	106,603	158,384	108,086
NON-OPERATING REVENUE (EXPENSE):										
Interest Expense	(154,575)	(156,382)	(161,542)	(276,585)	(289,012)	(307,177)	(299,252)	(302,642)	(279,178)	(268,118)
Investment Income:										
Current Investments	5,832	1,744	620	614	1,393	918	1,701	1,936	2,213	2,318
Restricted Investments	12,306	4,237	5,058	2,996	3,430	(909)	3,784	3,807	3,684	3,478
Passenger Facility Charges	71,502	61,756	60,214	71,483	70,729	72,650	72,630	79,799	77,431	88,914
Environmental Cost Recovery										175
Other Non-operating Revenue	13,123	14,163	17,271	25,361	17,541	25,708	10,366	3,180	7,556	2,314
Total Non-operating (Expenses) Revenue	**(51,812)**	**(74,482)**	**(78,379)**	**(176,131)**	**(195,919)**	**(208,810)**	**(210,771)**	**(213,920)**	**(188,294)**	**(170,919)**
(Loss) Income before Capital										
Contribution	**(10,913)**	**(76,788)**	**(47,273)**	**(125,565)**	**(55,867)**	**(92,750)**	**(67,818)**	**(107,317)**	**(29,910)**	**(62,833)**
Capital Contributions	44,547	64,789	83,594	58,697	27,665	42,272	34,716	91,444	44,022	48,525
Change in Net Position	**$33,634**	**($11,999)**	**$36,321**	**($66,868)**	**($28,202)**	**($50,478)**	**($33,102)**	**($15,873)**	**$14,112**	**($14,308)**

Department Statements of Net Position

Fiscal Years Ended September 30, 2008-2017

(In Thousands)

(Unaudited)

	2008	2009	2010	2011	2012 (1)	2013 (1)	2014	2015	2016	2017
Current Assets	$670,617	$676,925	$644,664	$601,213	$562,988	$591,056	$626,584	$641,876	$653,195	$667,853
Noncurrent assets:										
Restricted assets	326,066	335,958	997,742	683,738	573,576	559,958	533,576	629,950	602,259	632,401
Capital assets, net	5,148,169	5,804,574	6,337,922	6,508,844	6,901,704	6,715,326	6,548,281	6,420,564	6,327,890	6,178,268
Other assets	71,678	72,370	75,857	71,571	62,727	58,659	53,663	34,567	19,466	7,372
Total assets	6,216,530	6,889,827	8,056,185	7,865,366	8,100,995	7,924,999	7,762,104	7,726,957	7,602,810	7,485,894
Deferred outflows of resources:										
Deferred outflows pension								7,703	27,710	33,835
Deferred loss on refundings					21,670	31,258	28,624	45,860	119,042	125,275
Total deferred outflows of resources	0	0	0	0	21,670	31,258	28,624	53,563	146,752	159,110
Current liabilities	62,548	70,603	59,316	62,706	83,818	81,976	77,882	89,178	80,850	88,462
Current liabilities payable from restricted assets	358,002	398,204	367,001	313,667	265,498	251,651	255,285	249,627	248,820	265,193
Noncurrent liabilities	4,604,000	5,241,039	6,413,566	6,339,559	6,668,619	6,568,378	6,436,411	6,477,934	6,449,246	6,332,650
Total liabilities	5,024,550	5,709,846	6,839,883	6,715,932	7,017,935	6,902,005	6,769,578	6,816,739	6,778,916	6,686,305
Deferred inflows of resources:										
Deferred inflows pension	0	0	0	0	0	0	0	10,136	2,889	5,250
Net Position:										
Net investment in capital assets	627,687	755,324	670,302	561,163	478,803	365,060	257,124	181,930	32,462	65,879
Restricted	380,357	285,614	383,999	418,747	460,530	479,191	507,721	614,006	750,114	683,147
Unrestricted net Position	183,936	139,043	162,001	169,524	165,397	210,001	256,305	157,709	185,181	204,423
Total net Position	**$1,191,980**	**$1,179,981**	**$1,216,302**	**$1,149,434**	**$1,104,730**	**$1,054,252**	**$1,021,150**	**$953,645**	**$967,757**	**$953,449**

(1) Amounts for fiscal years 2012 and 2013 have been restated for the adoption of GASB Statement No. 65.

Department Changes in Cash and Cash Equivalents

Fiscal Years Ended September 30, 2008-2017

(In Thousands)

(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Cash flows from operating activities:										
Cash received from customers and tenants	$557,218	$520,018	$576,198	$669,930	$735,272	$768,338	$786,730	$825,000	$819,150	$805,628
Cash paid to suppliers for goods and services	(207,279)	(241,492)	(252,056)	(326,362)	(303,037)	(309,274)	(311,578)	(301,459)	(289,935)	(301,698)
Cash paid to employees for services	(169,578)	(139,974)	(132,951)	(106,170)	(97,304)	(96,197)	(102,465)	(113,317)	(119,920)	(125,350)
Net cash provided by operating activities	180,361	138,552	191,191	237,398	334,931	362,867	372,687	410,224	409,295	378,580
Cash flows from capital and related financing activities:										
Proceeds from sale of revenue bonds and commercial paper	1,346,472	1,091,599	1,521,669	-	-	901,110	347,070	1,424,188	849,023	1,097,858
Principal paid on revenue bonds and commpercial paper	(889,326)	(452,895)	(346,508)	(68,587)	(67,803)	(975,284)	(432,668)	(1,417,092)	(864,907)	(1,157,755)
Interest paid on revenue bonds	(201,427)	(230,976)	(267,970)	(320,783)	(322,073)	(322,661)	(308,048)	(328,150)	(371,986)	(297,890)
Payment of bond issue costs	(18,479)	(692)	-	-	-	-	-	-	-	-
Purchase and construction of capital assets, net	(520,727)	(666,386)	(623,933)	(343,740)	(205,918)	(82,604)	(74,324)	(98,453)	(156,494)	(98,040)
Proceeds from land sale	-	-	-	-	-	3,810	(458)	-	3,400	72
Capital contributed by federal and state governments	36,168	55,728	90,433	60,327	27,184	25,737	21,911	40,914	20,438	40,448
Passenger facility charges	67,531	61,225	62,496	67,653	71,255	75,345	69,482	82,593	82,353	81,145
Proceeds from environmental reimbursements	1,902	1,077	1,003	3,406	22	3	6	-	-	175
Proceeds from North Terminal Program Claims	10,000	10,000	10,000	10,000	10,000	7,500	7,500	-	-	-
Payment of energy performance contracts	-	-	-	-	-	(2,409)	(2,284)	(2,199)	(1,535)	(5,882)
Net cash (used in) provided by capaital and related financing activities	(167,886)	(131,320)	447,190	(591,724)	(487,333)	(369,453)	(371,813)	(298,199)	(439,708)	(339,869)
Cash flows from non capital financing activities:										
Other reimbursements received	1,221	3,086	6,268	11,955	7,519	18,205	2,860	3,180	1,317	2,314
Net cash provided by non capital financing activities	1,221	3,086	6,268	11,955	7,519	18,205	2,860	3,180	1,317	2,314
Cash flows from investing activities:										
Purchase of investments	(980,767)	(1,128,540)	(890,227)	(1,466,359)	(1,053,297)	(1,061,649)	(1,231,766)	(1,492,564)	(1,596,087)	(1,419,627)
Proceeds from sales and maturities of investments	901,533	1,041,811	943,438	1,421,312	1,056,038	1,015,801	1,153,302	1,495,548	1,494,721	1,436,653
Interest and dividends on investments	20,328	5,981	5,678	3,610	4,823	9	5,485	5,743	4,605	6,872
Net cash provided by (used in) investing activities	(58,906)	(80,748)	58,889	(41,437)	7,564	(45,839)	(72,979)	8,727	(96,761)	23,898
Net increase (decrease) in cash and cash equivalents	(45,210)	(70,430)	703,538	(383,808)	(137,319)	(34,220)	(69,245)	123,932	(125,857)	64,923
Cash and cash equivalents, beginning of year	683,959	638,749	568,319	1,271,857	888,049	750,730	716,510	647,265	771,197	645,340
Cash and cash equivalents, end of year	$638,749	$568,319	$1,271,857	$888,049	$750,730	$716,510	$647,265	$771,197	$645,340	$710,263

Department's Largest Sources of Revenue

Ten Largest Sources of Revenue

Fiscal Years Ended September 30, 2008-2017

Ranked by the Last Fiscal Year

(Unaudited)

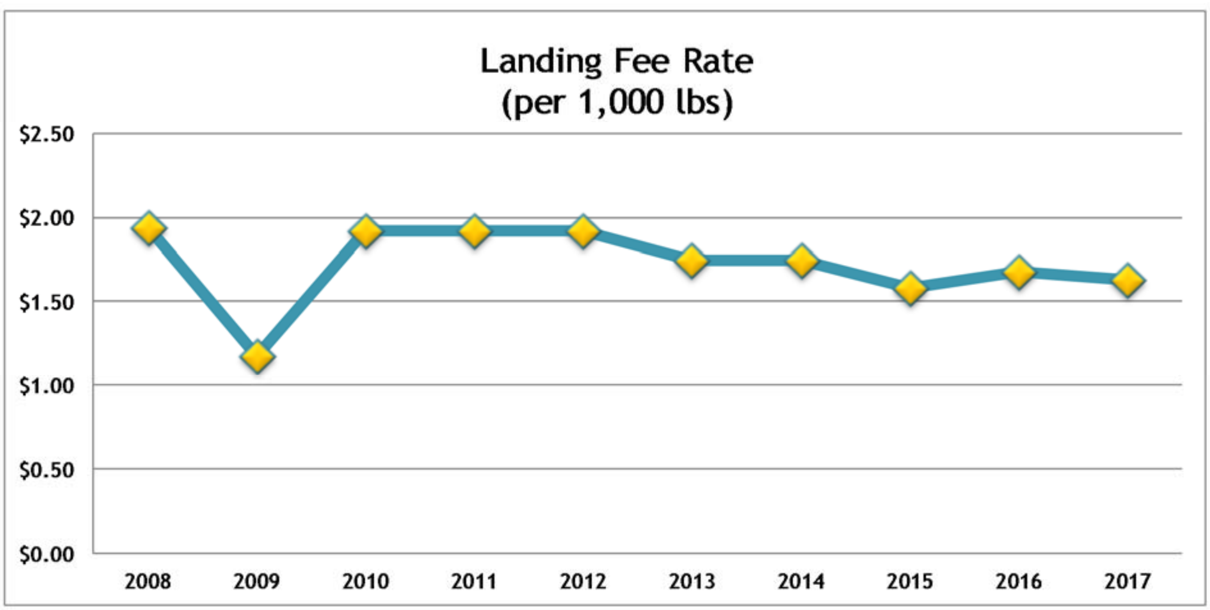
Ranking 2016	Firm	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
1	American Airlines Inc	$ 306,455,379	$ 316,764,220	$ 301,972,927	$303,256,539	$ 299,240,490	$286,571,670	$262,398,752	$231,767,763	$211,982,688	$226,059,371
2	Airport Parking Associates	47,382,080	50,777,712	49,926,040	50,199,714	47,957,157	46,879,842	40,537,230	37,701,231	37,535,392	42,435,888
3	Duty Free Americas Miami, LLC	32,441,717	33,038,604	31,500,414	35,772,074	35,534,211	33,984,998	27,758,075	17,743,699	17,730,545	18,283,877
4	Delta Air Lines Inc	29,977,612	29,769,670	27,558,470	26,612,576	24,931,875	26,828,302	27,089,403	19,510,771	13,033,455	11,804,962
5	Envoy (Previously Executive Airlines dba American Eagle Airlines Inc)	22,579,157	20,400,396	17,909,684	16,030,840	16,003,062	17,429,275	17,357,757	12,484,302	9,639,269	10,680,809
6	Allied Aviation Services	16,631,524	15,147,553	19,614,717	18,261,890	21,524,823	19,904,939	18,441,995	17,096,716	14,185,967	16,113,669
7	Alamo Rental (US) Inc	14,852,315	14,953,223	14,711,937	14,305,499	12,077,404	10,970,125	9,015,838	2,261,469	2,844,854	4,340,190
8	United Airlines	14,210,867	12,887,864	10,637,751	10,547,045	5,133,236	4,293,806	2,759,978	2,042,227	3,548,075	2,853,991
9	H I Development Corp	13,835,393	15,380,569	14,794,403	13,121,202	13,358,348	13,450,704	12,809,147	11,636,562	9,651,656	9,852,661
10	LATAM Airlines Group SA	12,778,914	12,423,763	11,904,002	11,900,581	11,588,203	8,051,294	8,760,945	6,807,562	6,006,553	4,389,176

Key Usage Fees and Charges

Fiscal Years Ended September 30, 2008 To 2017

(Unaudited)

Fiscal Year	Landing Fees/ 1,000 lbs.	Percent Change	Terminal Rental Rates (average cost per sq. foot) (Class III)	Percent Change	Concourse Use Fee	Percent Change	Int'l Facilities Fee	Percent Change	Domestic Baggage Claim Charge	Percent Change	Outbound Baggage Makeup Charge	Percent Change	Security Screening Fee	Percent Change
2008	$1.94	4.9%	$66.14	6.8%	$2.81	2.6%	$2.78	11.6%	$1.67	54.6%	$1.04	33.3%	$0.36	9.1%
2009	$1.18	-39.2%	$65.69	-0.7%	$2.95	5.0%	$2.65	-4.7%	$1.65	-1.2%	$1.09	4.8%	$0.36	0.0%
2010	$1.92	62.7%	$71.08	8.2%	$3.24	9.8%	$2.58	-2.6%	$1.56	-5.5%	$1.00	-8.3%	$0.35	-2.8%
2011	$1.92	0.0%	$67.26	-5.4%	$3.97	22.5%	$1.38	-46.5%	$2.16	38.5%	$1.09	9.0%	$0.35	0.0%
2012	$1.92	0.0%	$73.68	9.5%	$4.09	3.0%	$1.51	9.4%	$2.14	-0.9%	$0.99	-9.2%	$0.47	34.3%
2013	$1.75	-8.9%	$76.77	4.2%	$4.15	1.5%	$1.62	7.3%	$1.49	-30.4%	$1.25	26.3%	$0.50	6.4%
2014	$1.75	0.0%	$79.92	4.1%	$4.32	4.1%	$1.90	17.3%	$1.47	-1.3%	$1.13	-9.6%	$0.49	-2.0%
2015	$1.58	-9.7%	$83.05	3.9%	$4.32	0.0%	$1.87	-1.6%	$1.47	0.0%	$1.13	0.0%	$0.46	-6.1%
2016	$1.68	6.3%	$84.90	2.2%	$4.27	-1.2%	$2.20	17.6%	$1.49	1.4%	$1.06	-6.2%	$0.43	-6.5%
2017	$1.63	-3.0%	$86.94	2.4%	$4.09	-4.2%	$2.16	-1.8%	$1.42	-4.7%	$1.13	6.6%	$0.43	0.0%

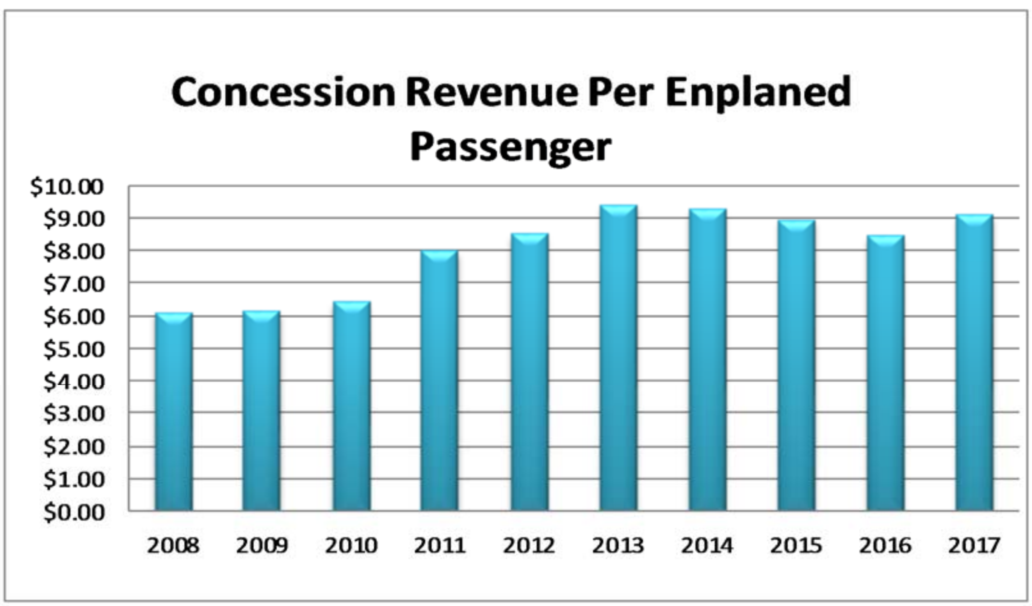


Concession Revenue Per Enplaned Passenger

Fiscal Years Ended September 30, 2008 to 2017

(Unaudited)

Fiscal Year	Concession Revenue Amount	Concession Revenue % Change	Enplaned Passengers Number	Enplaned Passengers % Change	Revenue Per Enplaned Passenger Amount	Revenue Per Enplaned Passenger % Change
2008	$103,988,905	10.5%	17,035,400	2.5%	$6.10	7.8%
2009	$103,500,056	-0.5%	16,884,099	-0.9%	$6.13	0.4%
2010	$112,169,979	8.4%	17,405,330	3.1%	$6.44	5.1%
2011	$149,817,278	33.6%	18,701,120	7.4%	$8.01	24.3%
2012	$167,596,507	11.9%	19,683,678	5.3%	$8.51	6.2%
2013	$187,223,261	11.7%	19,877,691	1.0%	$9.42	10.7%
2014	$187,635,428	0.2%	20,219,931	1.7%	$9.28	-1.5%
2015	$191,235,889	1.9%	21,375,095	5.7%	$8.95	-3.6%
2016	$187,186,622	-2.1%	22,154,289	3.6%	$8.45	-5.6%
2017	$196,698,037	5.1%	21,602,794	-2.5%	$9.11	7.8%

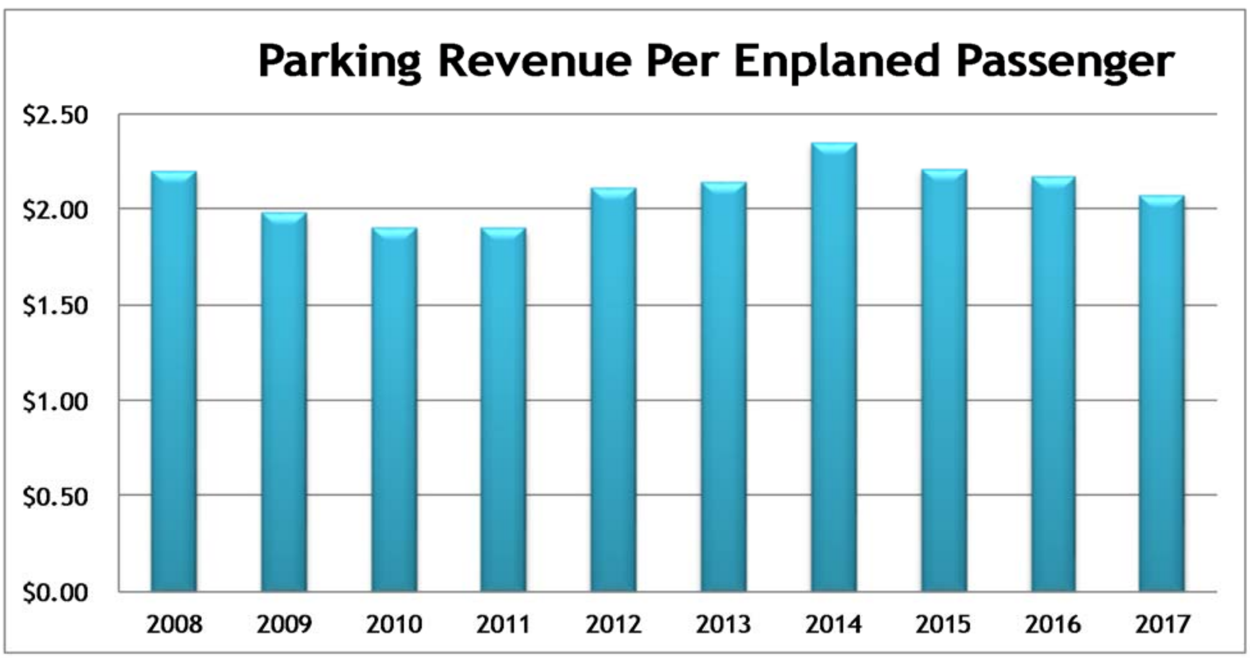


Parking Revenue Per Enplaned Passenger

Fiscal Years Ended September 30, 2008 to 2017

(Unaudited)

Fiscal	Parking Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2008	$37,418,651	-4.5%	17,035,400	2.5%	$2.20	-6.9%
2009	$33,403,192	-10.7%	16,884,099	-0.9%	$1.98	-9.9%
2010	$33,157,031	-0.7%	17,405,330	3.1%	$1.90	-3.7%
2011	$35,542,294	7.2%	18,701,120	7.4%	$1.90	0.0%
2012	$41,474,741	16.7%	19,683,678	5.3%	$2.11	11.0%
2013	$42,571,213	2.6%	19,877,691	1.0%	$2.14	1.4%
2014	$47,563,451	11.7%	20,219,931	1.7%	$2.35	9.8%
2015	$47,263,378	-0.6%	21,375,095	5.7%	$2.21	-6.0%
2016	$48,024,900	1.6%	22,154,289	3.6%	$2.17	-1.8%
2017	$44,783,394	-6.7%	21,602,794	-2.5%	$2.07	-4.6%

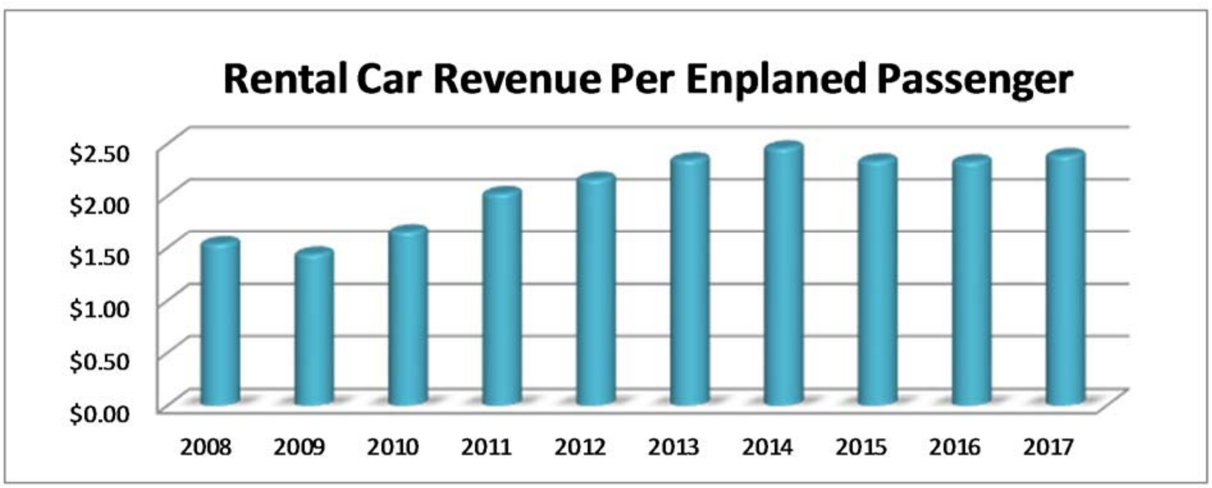


Rental Car Revenue Per Enplaned Passenger

Fiscal Years Ended September 30, 2008 to 2017

(Unaudited)

Fiscal	Rental Car Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2008	$26,236,321	0.0%	17,035,400	2.5%	$1.54	-2.4%
2009	$24,337,791	-7.2%	16,884,099	-0.9%	$1.44	-6.4%
2010	$28,867,490	18.6%	17,405,330	3.1%	$1.66	15.1%
2011	$37,878,579	31.2%	18,701,120	7.4%	$2.03	22.1%
2012	$42,581,841	12.4%	19,683,678	5.3%	$2.16	6.4%
2013	$46,692,386	9.7%	19,877,691	1.0%	$2.35	8.8%
2014	$49,790,648	6.6%	20,219,931	1.7%	$2.46	4.7%
2015	$49,978,275	0.4%	21,375,095	5.7%	$2.34	-4.9%
2016	$51,642,482	3.3%	22,154,289	3.6%	$2.33	-0.4%
2017	$51,630,646	0.0%	21,602,794	-2.5%	$2.39	2.6%

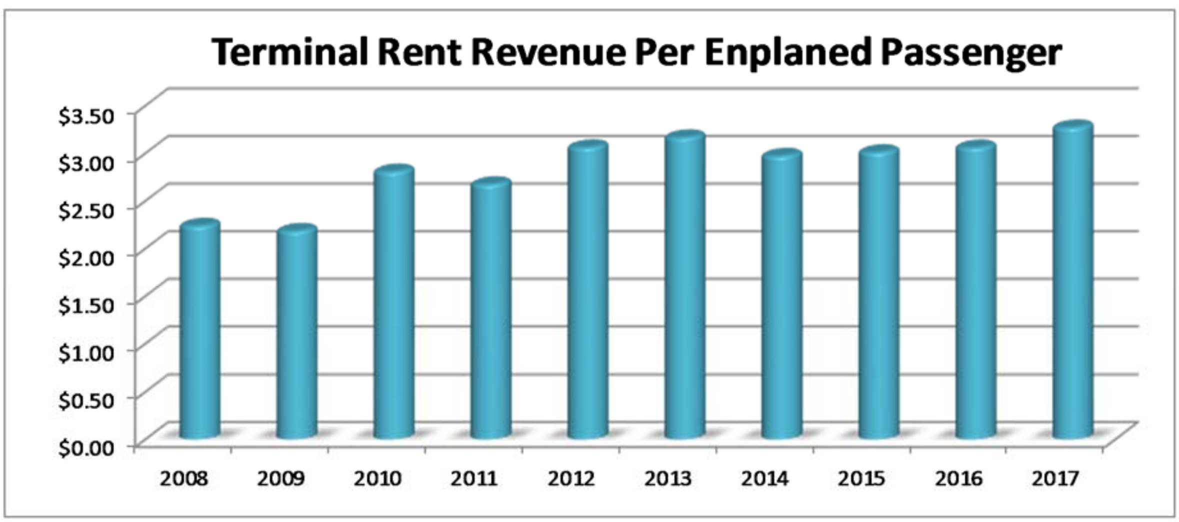


Terminal Rent Revenue Per Enplaned Passenger

Fiscal Years Ended September 30, 2008 to 2017

(Unaudited)

Fiscal	Terminal Rent Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2008	$38,163,073	3.7%	17,035,400	2.5%	$2.24	1.1%
2009	$36,921,714	-3.3%	16,884,099	-0.9%	$2.19	-2.4%
2010	$48,900,317	32.4%	17,405,330	3.1%	$2.81	28.5%
2011	$50,053,445	2.4%	18,701,120	7.4%	$2.68	-4.7%
2012	$60,315,364	20.5%	19,683,678	5.3%	$3.06	14.2%
2013	$62,986,765	4.4%	19,877,691	1.0%	$3.17	3.6%
2014	$60,137,518	-4.5%	20,219,931	1.7%	$2.97	-6.3%
2015	$64,398,023	7.1%	21,375,095	5.7%	$3.01	1.3%
2016	$67,843,941	5.3%	22,154,289	3.6%	$3.06	1.6%
2017	$70,705,323	4.2%	21,602,794	-2.5%	$3.27	6.9%

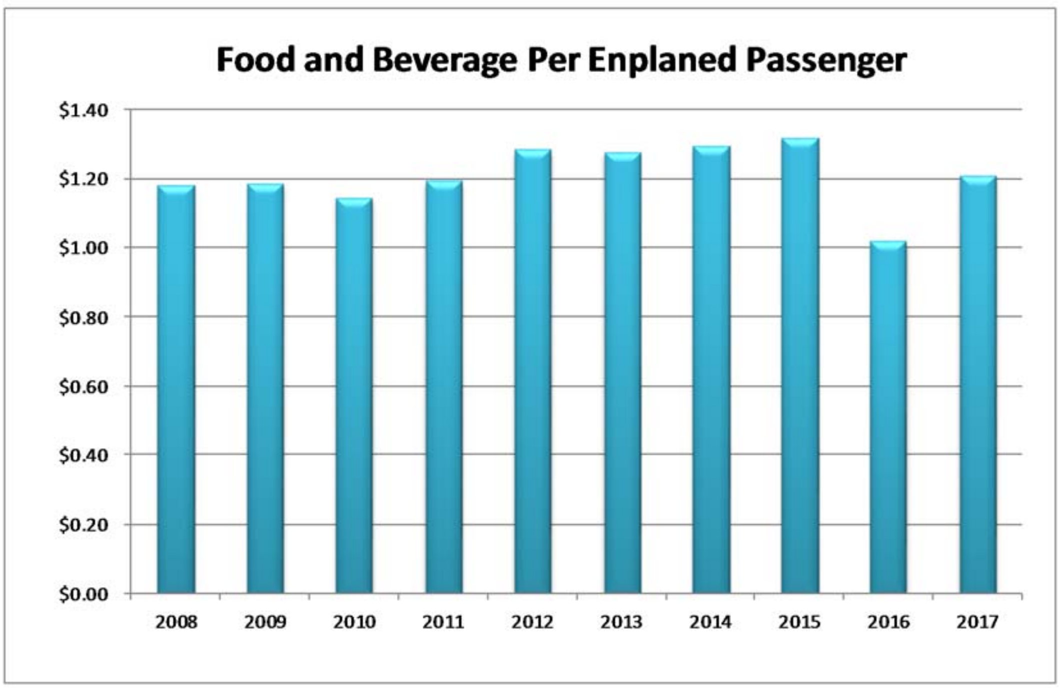


Food and Beverage Revenues Per Enplaned Passenger

Fiscal Years Ended September 30, 2008 to 2017

(Unaudited)

	Food & Beverage Revenues		Enplaned Passengers		Revenue per Enplaned Passenger	
Fiscal Year	**Amount**	**% Change**	**Number**	**% Change**	**Amount**	**% Change**
2008	$20,091,095	16.6%	17,035,400	2.5%	$1.18	13.8%
2009	$20,027,083	-0.3%	16,884,099	-0.9%	$1.19	0.6%
2010	$19,916,085	-0.6%	17,405,330	3.1%	$1.14	-3.5%
2011	$22,297,623	12.0%	18,701,120	7.4%	$1.19	4.2%
2012	$25,276,206	13.3%	19,683,678	5.3%	$1.28	7.5%
2013	$25,394,843	0.5%	19,877,691	1.0%	$1.28	0.0%
2014	$26,156,735	3.0%	20,219,931	1.7%	$1.29	0.8%
2015	$28,181,765	7.7%	21,375,095	5.7%	$1.32	2.3%
2016	$22,551,928	-19.9%	22,154,289	3.6%	$1.02	-22.7%
2017	$26,090,995	15.6%	21,602,794	-2.5%	$1.21	18.6%



Department Employee Strength

Full-Time Equivalent Employees (FTE)

Fiscal Years 2008 to 2017

(Unaudited)

Year	FTEs as of September 30	% Change	Enplaned Passenger	Enplaned Passengers per FTEs
2008	1,428	1.7%	17,035,400	11,930
2009	1,402	-1.8%	16,884,099	12,043
2010	1,435	2.4%	17,405,330	12,129
2011	1,255	-12.5%	18,701,120	14,901
2012	1,206	-3.9%	19,683,678	16,321
2013	1,175	-2.6%	19,877,691	16,917
2014	1,184	0.8%	20,219,931	17,078
2015	1,192	0.7%	21,375,095	17,932
2016	1,196	0.3%	22,154,289	18,524
2017	1,255	4.9%	21,602,794	17,213

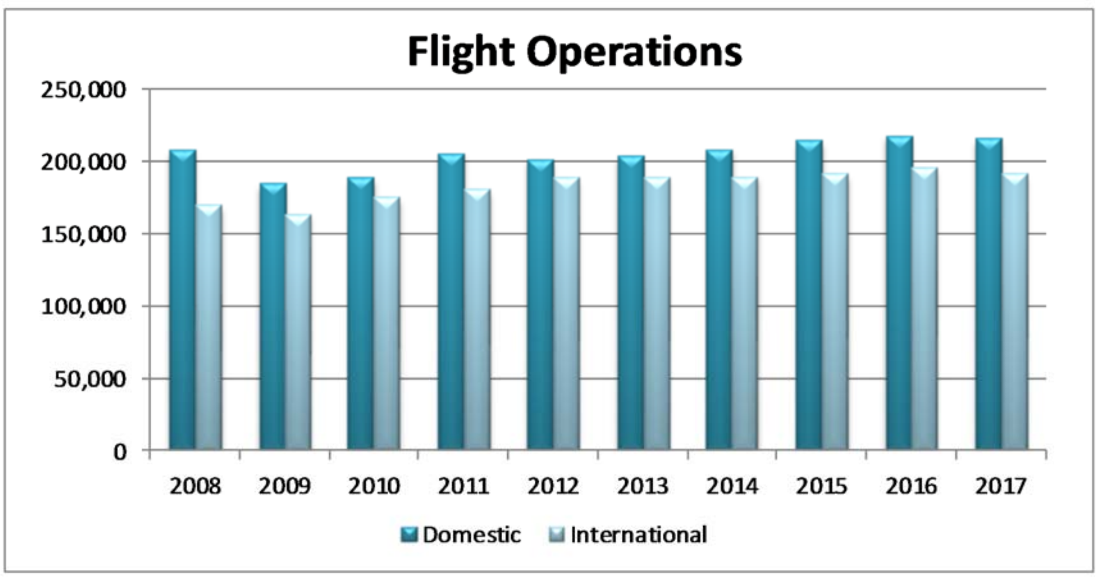
Aircraft Operations

Flight Operations

Fiscal Years Ended September 30, 2008 to 2017

(Unaudited)

Fiscal Year	Domestic Operations	Domestic % Change	International Operations	International % Change	Total Operations	Total % Change
2008	207,839	-3.2%	169,729	1.0%	377,568	-1.3%
2009	184,827	-11.1%	163,660	-3.6%	348,487	-7.7%
2010	188,590	2.0%	174,732	6.8%	363,322	4.3%
2011	205,462	8.9%	180,771	3.5%	386,233	6.3%
2012	201,638	-1.8%	188,281	4.1%	389,919	0.9%
2013	203,797	1.1%	189,558	0.7%	393,355	0.9%
2014	207,967	2.0%	189,294	-0.1%	397,261	1.0%
2015	214,609	3.2%	191,287	1.1%	405,896	2.2%
2016	217,950	1.5%	195,451	2.1%	413,401	1.8%
2017	215,928	-0.9%	191,232	-2.1%	407,160	-1.5%

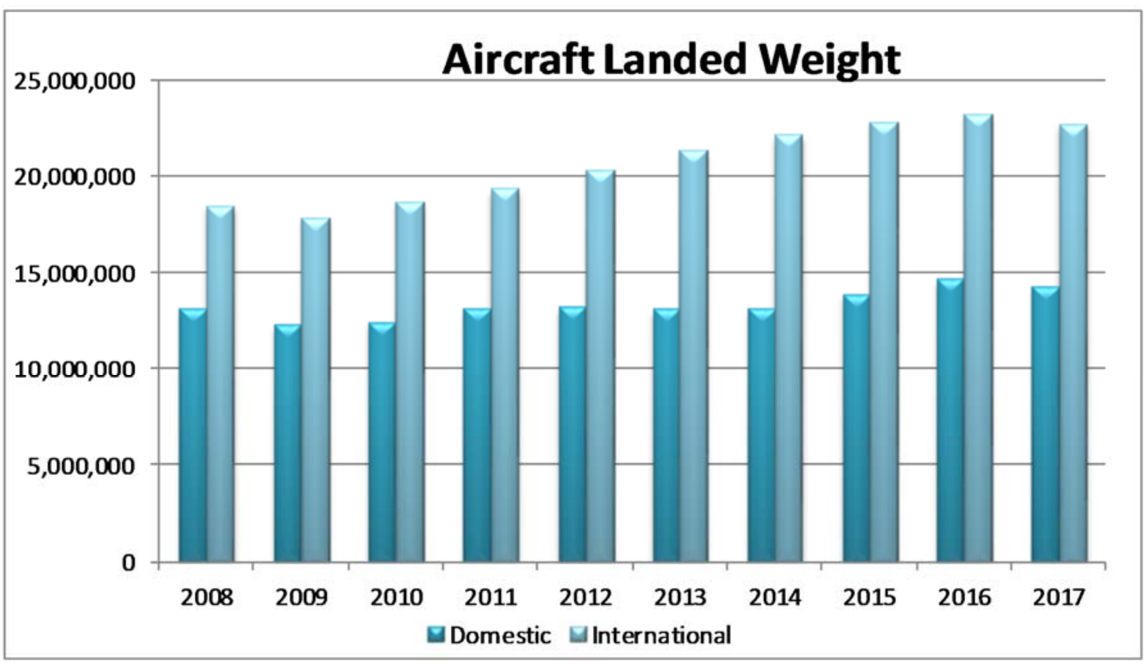


Aircraft Landed Weight

Fiscal Years Ended September 30, 2008 to 2017

(Unaudited)

Fiscal	Domestic		International		Total	
Year	1,000 lbs	% Change	1,000 lbs	% Change	1,000 lbs	% Change
2008	13,121,892	-2.8%	18,468,578	3.1%	31,590,470	0.5%
2009	12,315,080	-6.1%	17,856,602	-3.3%	30,171,682	-4.5%
2010	12,472,867	1.3%	18,674,893	4.6%	31,147,760	3.2%
2011	13,137,884	5.3%	19,378,648	3.8%	32,516,532	4.4%
2012	13,213,922	0.5%	20,334,264	4.9%	33,548,186	3.2%
2013	13,115,308	-0.7%	21,323,070	4.9%	34,438,378	2.7%
2014	13,141,290	0.2%	22,157,206	3.9%	35,298,496	2.5%
2015	13,886,215	5.7%	22,835,492	3.1%	36,721,707	4.0%
2016	14,683,385	5.7%	23,243,509	1.7%	37,926,894	3.2%
2017	14,266,146	-2.8%	22,723,364	-2.2%	36,989,510	-2.5%

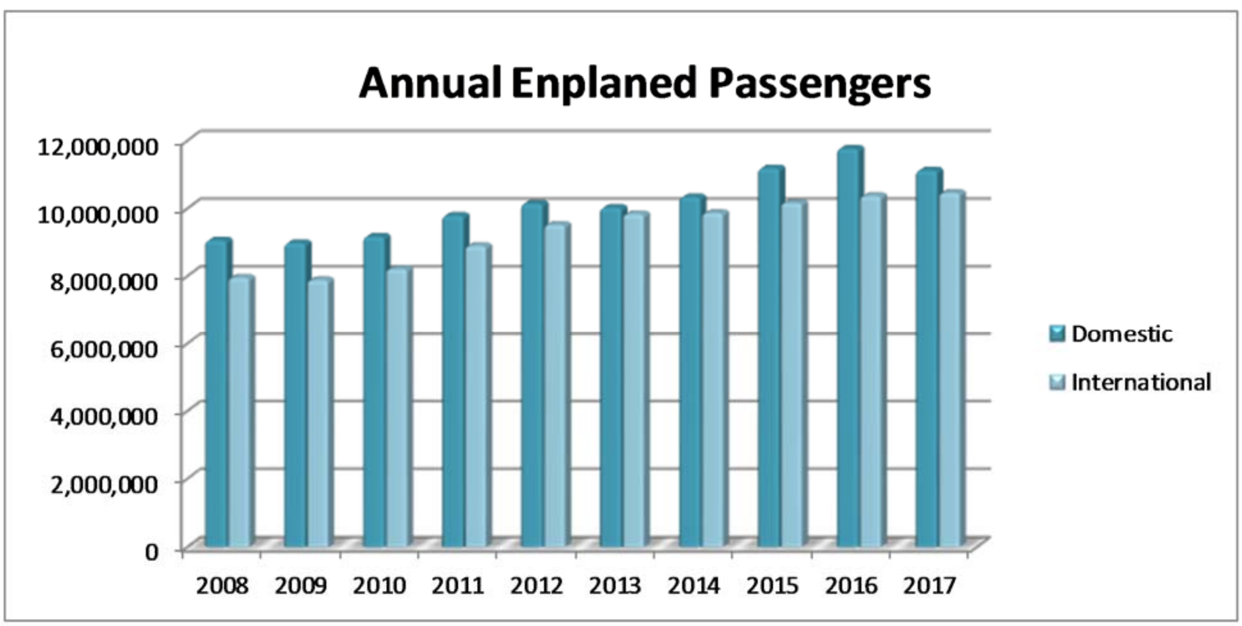


Passenger Enplanements

Fiscal Years Ended September 30, 2008 to 2017

(Unaudited)

	Domestic		International		Total	
Year	Passengers	% Change	Passengers	% Change	Passengers	% Change
2008	9,067,718	-0.4%	7,967,682	6.1%	17,035,400	2.5%
2009	8,987,096	-0.9%	7,897,003	-0.9%	16,884,099	-0.9%
2010	9,179,436	2.1%	8,225,894	4.2%	17,405,330	3.1%
2011	9,796,191	6.7%	8,904,929	8.3%	18,701,120	7.4%
2012	10,155,305	3.7%	9,528,373	7.0%	19,683,678	5.3%
2013	10,033,126	-1.2%	9,844,565	3.3%	19,877,691	1.0%
2014	10,342,784	3.1%	9,877,147	0.3%	20,219,931	1.7%
2015	11,197,406	8.3%	10,177,689	3.0%	21,375,095	5.7%
2016	11,774,663	5.1%	10,379,626	1.9%	22,154,289	3.6%
2017	11,132,819	-5.4%	10,469,975	0.8%	21,602,794	-2.5%

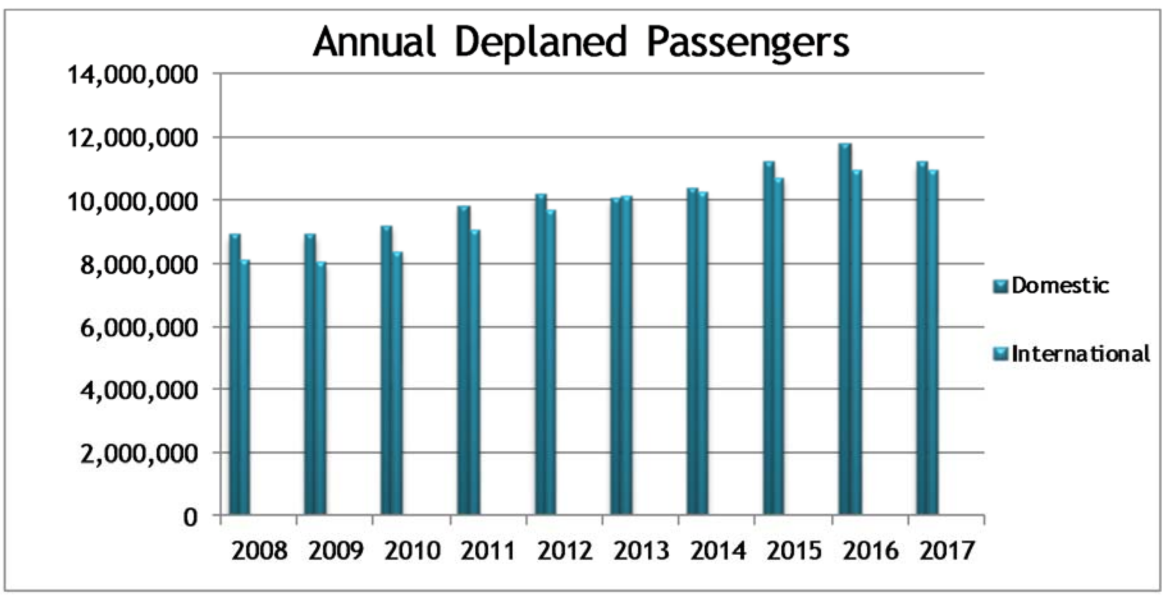


Passenger Deplanements

Fiscal Years Ended September 30, 2008 to 2017

(Unaudited)

	Domestic		International		Total	
Year	Passengers	% Change	Passengers	% Change	Passengers	% Change
2008	8,922,543	-0.3%	8,107,887	5.2%	17,030,430	2.2%
2009	8,939,655	0.2%	8,051,716	-0.7%	16,991,371	-0.2%
2010	9,224,485	3.2%	8,399,291	4.3%	17,623,776	3.7%
2011	9,847,044	6.7%	9,084,955	8.2%	18,931,999	7.4%
2012	10,195,289	3.5%	9,685,509	6.6%	19,880,798	5.0%
2013	10,066,662	-1.3%	10,170,952	5.0%	20,237,614	1.8%
2014	10,386,247	3.2%	10,238,786	0.7%	20,625,033	1.9%
2015	11,234,660	8.2%	10,737,374	4.9%	21,972,034	6.5%
2016	11,802,705	5.0%	10,944,759	1.9%	22,747,464	3.5%
2017	11,190,241	-5.1%	10,965,374	0.1%	22,155,615	-2.6%



Enplanement Market Share by Airline by Fiscal Year

Fiscal Year Ended September 30th

(In Thousands)

(Unaudited)

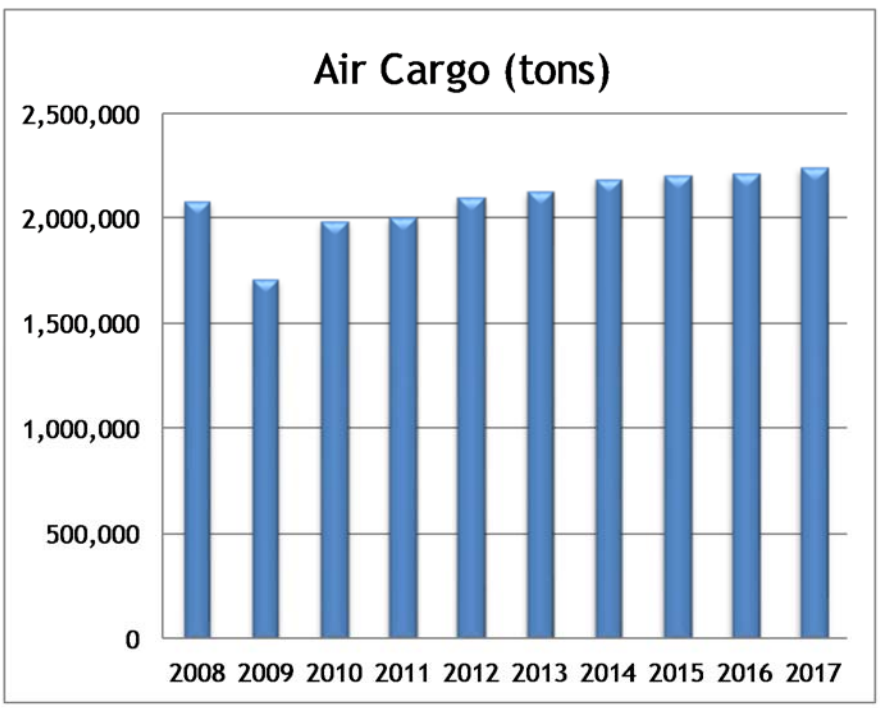
Airline	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
American	11,099.7	11,002.7	11,144.3	11,797.7	12,478.4	12,526.5	12,520.8	12,951.4	13,433.0	12,902.7
Delta	549.4	645.3	927.8	1,123.0	1,139.2	1,098.5	1,158.3	1,238.8	1,341.9	1,360.9
Envoy (Previously American Eagle)	711.8	684.8	792.3	936.8	941.1	926.9	945.9	1,113.4	1,239.3	1,349.0
United	81.8	154.9	40.3	78.8	162.1	341.0	459.8	451.4	561.0	672.5
Avianca	292.2	276.7	273.5	290.3	286.8	317.6	314.7	328.3	329.9	338.9
TAM	165.7	223.3	262.0	327.9	343.7	412.4	464.2	448.9	414.4	313.7
COPA Airlines	102.5	120.5	127.1	143.6	196.5	225.2	248.9	245.3	243.9	259.3
Frontier	-	-	-	-	-	-	-	245.2	301.1	232.1
British Airways	214.1	222.4	215.7	224.2	242.6	267.1	237.4	236.3	247.7	238.8
Lufthansa	114.3	147.2	160.0	193.5	172.8	174.3	172.7	193.4	193.5	209.0
All Others	3,703.9	3,406.3	3,462.3	3,586.3	3,720.5	3,588.2	3,697.2	3,922.7	3,848.6	3,725.9
	17,035.4	16,884.1	17,405.3	18,702.1	19,683.7	19,877.7	20,219.9	21,375.1	24,170.3	23,619.8

Air Cargo Activity

Fiscal Years Ended September 30, 2008 to 2017

(Unaudited)

Fiscal Year	Mail	Freight	Total	% Change
2008	46,874	2,033,126	2,080,000	-0.9%
2009	43,550	1,666,204	1,709,754	-17.8%
2010	33,458	1,958,009	1,991,467	16.5%
2011	31,244	1,975,477	2,006,721	0.8%
2012	33,076	2,068,485	2,101,561	4.7%
2013	38,915	2,096,028	2,134,943	1.6%
2014	32,014	2,155,460	2,187,474	2.5%
2015	35,482	2,170,825	2,206,307	0.9%
2016	41,005	2,178,601	2,219,606	0.6%
2017	37,928	2,209,986	2,247,914	1.2%



Miami-Dade County Population and Per Capita Personal Income

Last Ten Years

(Unaudited)

Year	Population	Total Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Civilian Labor Force	Median Age
2008	2,387,170	$88,954,732	$37,264	5.3%	1,205,913	39
2009	2,398,245	$90,915,774	$37,909	8.9%	1,218,871	39
2010	2,563,885	$92,227,399	$35,972	12.0%	1,257,324	38
2011	2,516,515	$97,815,794	$38,870	12.7%	1,300,030	38
2012	2,551,255	$100,688,604	$39,466	9.7%	1,290,751	39
2013	2,565,685	$104,373,301	$40,680	8.9%	1,289,617	39
2014	2,586,290	$111,528,866	$41,883	7.2%	1,282,854	39
2015	2,629,877	$119,599,683	$44,550	5.9%	1,317,469	40
2016	2,674,278	$123,276,064	$45,440	5.4%	1,341,500	40
2017	2,702,694 (1)	(2)	(2)	5.0% (3)	1,377,094 (3)	(2)

Source: U.S. Department of Commerce, Economics and Statistics Administration,
Bureau of Economic Analysis/Regional Economic Information System
Florida Agency for Workforce Innovation, Labor Market Statistics
U.S. Census Bureau, 2015 & 2016 American Community Survey 5-year estimates
Miami-Dade County, Department of Planning and Zoning, Research Section
University of Florida, Bureau of Economic and Business Research

Legend: (1) Preliminary estimate.
(2) Information unavailable as of the date of this report.
(3) Year-to-date through November 2017.

Principal Employers in Miami-Dade County

Latest Available Year and Nine Years Previous

(Unaudited)

	2008			2017		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Miami-Dade County Public Schools	50,000	1	24.8%	33,477	1	20.36%
Miami-Dade County	32,000	2	15.9%	25,502	2	15.51%
U.S. Federal Government	20,400	3	10.1%	19,200	3	11.68%
Florida State Government	17,000	4	8.4%	17,100	4	10.40%
University of Miami	9,874	8	4.9%	12,818	5	7.80%
Baptist Health South Florida	10,826	6	5.4%	11,353	6	6.91%
American Airlines	9,000	9	4.5%	11,031	7	6.71%
Jackson Health System	10,500	7	5.2%	9,797	8	5.96%
City of Miami	4,034	14	2.0%	3,997	9	2.43%
Florida International University	-	-	-	3,534	10	2.15%
Miami Children's Hospital	-	-	-	3,500	11	2.13%
Carnival Cruise Lines	-	-	-	3,500	12	2.13%
Mount Sinai Medical Center	-	-	-	3,321	13	2.02%
Homestead AFB	-	-	-	3,250	14	1.98%
Florida Power & Light Company	3,900	15	1.9%	3,011	15	1.83%
Publix Super Markets	11,000	5	5.5%	-		-
Miami-Dade College	6,500	10	3.2%	-		-
Precision Response Corporation	6,000	11	3.0%	-		-
Bell South Telecommunications	5,500	12	2.7%	-		-
Winn Dixie Stores	4,833	13	2.4%	-		-
	201,367		100.00%	164,391		100.00%

Source:

The Beacon Council, Miami, Florida, Miami Business Profile - Latest data available

Miami-Dade County, Florida 2008 Comprehensive Annual Financial Report

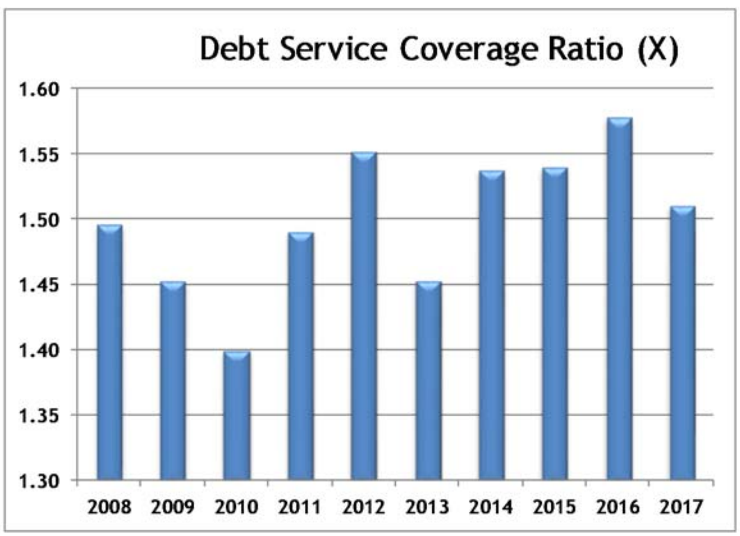
Revenue Bond Debt Service Coverage

Fiscal Year Ended September 30th, 2008 to 2017

(In Thousands)

(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Pledged Revenues	$623,648	$601,881	$638,347	$739,996	$824,886	$868,802	$894,079	$892,846	$925,548	$913,151
Expenses	378,583	367,514	361,633	373,538	370,290	384,004	387,135	402,831	415,554	429,974
Net Revenues	245,065	234,367	276,714	366,458	454,596	484,798	506,944	490,015	509,994	483,177
Reserve Maintenance Fund Deposit	23,000	15,000	19,250	25,000	12,000	17,000	15,000	17,000	25,000	30,000
Net Revenues after Deposits	222,065	219,367	257,464	341,458	442,596	467,798	491,944	473,015	484,994	453,177
Principal & Interest Requirement	148,376	151,049	184,044	229,035	285,208	322,029	319,802	307,028	307,386	300,068
Debt Service Coverage Ratio (x)	1.50	1.45	1.40	1.49	1.55	1.45	1.54	1.54	1.58	1.51



Outstanding Debt

Last 10 Fiscal Years

(In Thousands)

(Unaudited)

Fiscal Year Ended September 30,	Trust Agreement Revenue Bonds (a)	Double-Barreled Aviation Bonds (General Obligation) (c)	Commercial Paper Notes (b)	State Infrastructure Bank (SIB) Loan (d)	Total
2008	$4,522,365	-	-	-	$4,522,365
2009	$5,059,115	-	$110,142	$50,000	$5,219,257
2010	$6,106,765	$239,755	-	$45,801	$6,392,321
2011	$6,046,950	$239,755	-	$37,029	$6,323,734
2012	$5,987,430	$235,810	-	$32,691	$6,255,931
2013	$5,822,665	$231,785	-	$28,345	$6,082,795
2014	$5,726,745	$227,600	-	$23,912	$5,978,257
2015	$5,616,550	$223,205	-	$19,390	$5,859,145
2016	$5,791,531	$223,086	$20,012	$14,778	$6,049,407
2017	$5,680,386	$218,103	$60,066	$10,074	$5,968,629

a) Revenue Bonds issued under the Trust Agreement are payable solely by a pledge of net revenues, as defined in the Trust Agreement. The Revenue Bonds are being paid by the Aviation Department's Net Revenues.

b) The Commercial Paper Notes are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. An irrevocable letter of credit in the amount of $400 million dollars was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. The use of the initial Commercial Paper was discontinued in August of 2010 and a new Commercial Paper Note Program was started in March 2016. The new program is secured with an irrevocable letter of credit in the amount of $200 million.

c) In FY 2010 the County issued its Series 2010 Double-Barreled Aviation Bond (General Obligation), in the aggregate principal amount of $239,775,000. The Series 2010 Bonds are a general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2010 Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitations as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt service on the Series 2010 Bonds.

d) A County loan in the amount of $50,000 from the FDOT State Infrastructure Bank to fund the County's share of the cost of the Viaduct Project. The loan is secured by a County covenant to annually budget and appropriate from the County legally available non-ad valorem revenue sufficient to pay debt service costs. The debt service costs will be reimbursed to the County by the Aviation Department.

Long Term Debt Per Enplaned Passenger

Last Ten Fiscal Years

(In Thousands Except Enplanned Passengers)
(Unaudited)

Fiscal Year Ended September 30	Trust Agreement Revenue Bonds (a)	Double-Barreled Aviation Bonds (General Obligation) (c)	Commercial Paper Notes (b)	State Infrastructure Bank (SIB) Loan (d)	Total	Enplaned Passenger	Long Term Debt Per Enplaned Passenger
2008	$4,522,365	-	-	-	$4,522,365	17,035,400	$265.47
2009	$5,059,115	-	$110,142	$50,000	$5,219,257	16,884,009	$309.12
2010	$6,106,765	$239,755	-	$45,801	$6,392,321	17,405,330	$367.26
2011	$6,046,950	$239,755	-	$37,029	$6,323,734	18,701,120	$338.15
2012	$5,987,430	$235,810	-	$32,691	$6,255,931	19,683,678	$317.82
2013	$5,822,665	$231,785	-	$28,345	$6,082,795	19,877,691	$306.01
2014	$5,726,745	$227,600	-	$23,912	$5,978,257	20,219,931	$295.66
2015	$5,616,550	$223,205	-	$19,390	$5,859,145	21,375,095	$274.11
2016	$5,791,531	$223,086	$20,012	$14,778	$6,049,407	22,154,289	$273.06
2017	$5,680,386	$218,103	$60,066	$10,074	$5,968,629	21,602,794	$276.29

a) Revenue Bonds issued under the Trust Agreement are payable solely by a pledge of net revenues, as defined in the Trust Agreement. The Revenue Bonds are being paid by the Aviation Department's net Revenue.

b) The Commercial Paper Notes are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. An irrevocable letter of credit in the amount of $400 million dollars was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. The use of the initial Commercial Paper was discontinued in August of 2010 and a new Commercial Paper Note Program was started in March 2016. The new program is secured with an irrevocable letter of credit in the amount of $200 million.

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Capital Assets

Fiscal Years 2008 to 2017

(Unaudited)

Miami-Dade Aviation Department	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of airports	5	5	5	5	5	5	5	5	5	5
Number of runways										
Miami International	4	4	4	4	4	4	4	4	4	4
Opa-Locka	3	3	3	3	3	3	3	3	3	3
Tamiami	3	3	3	3	3	3	3	3	3	3
Homestead	2	2	2	2	2	2	2	2	2	2
Training & Transition Airport	1	1	1	1	1	1	1	1	1	1
Opa-Locka West	closed	closed	closed	closed	closed	closed	closed	closed	closed	closed

2017
Comprehensive Annual Financial Report

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Miami-Dade Aviation Department

Finance & Strategy Division

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Miami-Dade Aviation Department

A Department of Miami-Dade County, Florida