



C Borders-Byrd, CPA LLC
Accountants and Consultants

Report of Independent Certified Public
Accountants and Special-Purpose Financial
Statements

**Miami-Dade Aviation Department
Miami International Airport Facilities'
Management and Operating Agreements**

September 30, 2016

Miami-Dade Aviation Department
Miami International Airport Facilities'
Management and Operating Agreements

Special-Purpose Financial Statements

September 30, 2016

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose statements of assets and liabilities and special-purpose statements of revenues and expenses of the Miami-Dade Aviation Department- Miami International Airport Facilities' Management and Operating Agreements for Public Parking, Special Lounge, Fuel Farm, and Shuttle Services (the "Facilities") as of and for the year ended September 30, 2016, and the related notes to the special-purpose financial statements, which collectively comprise the Facilities' special-purpose financial statements as listed in the table of contents.

Management's Responsibility for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the provisions of the Facilities' Management and Operating Agreements and 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these special-purpose 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 special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose 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 special-purpose 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 special-purpose financial statements.



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

Opinions

The accompanying special-purpose financial statements have been prepared for the purpose of complying with the Management and Operating Agreements between Miami-Dade County, Florida, and the Management Companies of the Miami International Airport Facilities as described in Note 2 to the special-purpose financial statements, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, these special-purpose financial statements are intended to present the assets and liabilities, revenues and expenses of only the portion of Miami-Dade Aviation Department that are attributable to the transactions of the Facilities. They do not purport to, and do not, present fairly the financial position of Miami-Dade Aviation Department, as of September 30, 2016, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the assets and liabilities of the Facilities as of September 30, 2016, and the revenues and expenses for the year then ended, on the basis of accounting described in Note 2.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the special-purpose financial statements that collectively comprise the Facilities' special-purpose financial statements. The accompanying 2016 supplemental special-purpose statements of assets and liabilities and special-purpose statements of revenue and expenses on pages 14 through 21 are presented for purposes of additional analysis and are not a required part of the special-purpose financial statements.

The accompanying 2016 supplemental special-purpose statements of assets and liabilities and special-purpose statements of revenue and expenses on pages 14 through 21 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the special-purpose financial statements taken as a whole.

CB

The Totals (Memorandum Only) column in the special-purpose financial statements on pages 4 and 5 of the accompanying supplemental special-purpose statements of assets and liabilities and special-purpose statements of revenue and expenses on pages 14 through 21 are presented for purpose of additional analysis and are not a required part of the special-purpose financial statements. This information is the responsibility of management and has not been subjected to the auditing procedures applied in the audit of the special-purpose 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 March 15, 2017 on our consideration of the Facilities' internal control over financial reporting and 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 the 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 Facilities' internal control over financial reporting and compliance.

Restriction of Use

This report was prepared solely for the information and use of the Honorable Mayor and Members of the Board of County Commissioners of Miami-Dade County, Florida and the management of the Miami International Airport Facilities, and is not intended to be and should not be used by anyone other than these specified parties.

C. Borders-Byrd, CPA LLC

Miami, Florida
March 15, 2017

Miami-Dade Aviation Department
Miami International Airport Facilities'
Management and Operating Agreements

Special-Purpose Statements of Assets and Liabilities

September 30, 2016

					Unaudited Totals
	Public Parking Facilities	Special Lounge Facilities	Fuel Farm Facilities	Shuttle Services Facilities	Memorandum (Only) 2016
Assets					
Cash	\$ -	\$ 40,962	\$ 73,165	\$ 88,017	\$ 202,144
Accounts receivable, net	478,847	186,736	2,443,887	-	3,109,470
Inventory	-	30,449	49,983	122,332	202,764
Due from Management Company and Related Parties	-	3,760	-	-	3,760
Other assets	-	-	50,301	-	50,301
Total assets	<u>\$ 478,847</u>	<u>\$ 261,907</u>	<u>\$ 2,617,336</u>	<u>\$ 210,349</u>	<u>\$ 3,568,439</u>
Liabilities					
Accounts payable and accrued expenses	\$ 96,820	\$ 28,825	\$ 261,384	\$ 133,669	\$ 520,698
Due to Management Company and Related Parties	106,533	-	188,375	39,869	334,777
Due to Aviation Department	275,494	233,082	2,167,577	36,811	2,712,964
Total liabilities	<u>\$ 478,847</u>	<u>\$ 261,907</u>	<u>\$ 2,617,336</u>	<u>\$ 210,349</u>	<u>\$ 3,568,439</u>

See accompanying notes to the special-purpose financial statements.

Miami-Dade Aviation Department
 Miami International Airport Facilities'
 Management and Operating Agreements

Special-Purpose Statements of Revenues and Expenses

For the Year Ended September 30, 2016

	Public Parking Facilities	Special Lounge Facilities	Fuel Farm Facilities	Shuttle Services Facilities	Unaudited Totals
Revenues					
Sales	\$51,336,897	\$2,188,769	\$16,303,003	\$ -	\$ 69,828,669
Less: Cost of sales	3,168,338	201,150	1,415,828	-	4,785,316
Gross margin/net sales	48,168,559	1,987,619	14,887,175	-	65,043,353
Total revenues	48,168,559	1,987,619	14,887,175	-	65,043,353
Expenses					
Payroll and fringe benefits	3,550,664	274,541	2,246,148	4,133,856	10,205,209
Selling, general and administrative expenses	1,706,639	127,322	2,414,394	2,035,231	6,283,586
Management fees	99,000	97,409	458,412	478,428	1,133,249
Total expenses	5,356,303	499,272	5,118,954	6,647,515	17,622,044
Excess (deficiency) of revenues over expenses	\$42,812,256	\$1,488,347	\$ 9,768,221	\$ (6,647,515)	\$ 47,421,309

See accompanying notes to the special-purpose financial statements.

Miami-Dade Aviation Department
 Miami International Airport Facilities'
 Management and Operating Agreements

Notes to Special-Purpose Financial Statements

As of and for the Year Ended September 30, 2016

NOTE 1 – GENERAL

Miami-Dade County, Florida (the "County") entered into Management and Operating Agreements (the "Agreements") with third parties (the "Management Companies") to operate, maintain and manage certain facilities (the "Facilities") at Miami International Airport (the "Airport") on behalf of the County. These Agreements provide for a fixed management fee and/or fees based on percentages of revenue and/or operating profits of the Facilities. While the County generally looks toward the Management Companies for recommendations relative to operation of the Facilities, the County does exercise complete budgetary control and establishes guidelines and goals for growth and performance. Such actions are taken within the rights reserved by the County under the Agreements to control all aspects of the businesses. These actions include such matters as pricing, staffing, employee benefits, operating hours, maintenance requirements, service levels, merchandise selections, personnel policies and marketing strategies. In the event the Management Companies do not perform in accordance with the standards established by the County, the County has the right to cancel such Agreements. The Management Companies do not act as general agents on behalf of the County and, therefore, cannot obligate or commit the County beyond the scope of what is required to run the day-to-day operations of the managed facilities, as established by the budgets approved by the County.

Each of the Facilities performs a distinct function for the County, most of which generate revenue to offset the cost of operations and supplement the County's budget:

- Public Parking Facilities – Provides public parking at a nominal fee, available to the general public and taxis at the airport.
- Fuel Farm Facilities – Provides jet fuel storage and pumping services to airlines and fuel wholesalers. Also provides diesel and unleaded fuel for various airline and Airport vehicles.
- Shuttle Service Facilities – Provides shuttle transportation services, primarily to Airport and County employees, but also to members of the general public between the Airport terminal and certain parking areas.
- Lounge Facilities – Provides hospitality services to airline and travel company customers who do not have in-house lounges within the airport terminal.

The Management Companies for each of the Facilities are as follows:

Facilities	Management Companies
Public Parking	Airport Parking Associates ("APA")
Fuel Farm	Allied Aviation Fueling of Miami, Inc. ("Allied")
Shuttle Service	Shuttle Services MIA, Inc. ("Shuttle")
Lounge	EFCO USA Inc. ("EFCO")

Miami-Dade Aviation Department
Miami International Airport Facilities'
Management and Operating Agreements

Notes to Special-Purpose Financial Statements - Continued

As of and for the Year Ended September 30, 2016

NOTE 1 – GENERAL - Continued

The County amended certain agreements to extend terms and modify compensation to the Management Companies. See Note 3 for more details on the Agreements' termination dates and management fees effective as of September 30, 2016.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The special-purpose financial statements of the Facilities conform to accounting principles generally accepted in the United States of America, except for the exclusion of certain assets, liabilities and expenses. The special-purpose statements of assets and liabilities include only those assets and liabilities which are recorded in the books of the Facilities, as maintained by the Management Companies for the County pursuant to the Agreements. Assets not reflected therein include, but are not limited to, cash in revenue depository bank accounts, net assets, and capital assets. Liabilities not reflected therein relate primarily to other operating expenses paid directly by the County, debt, and certain accrued compensated absences. The special-purpose statements of revenue and expenses include only those expenses, which are incurred by the Facilities under the terms of the Agreements. Expenses not reflected therein include charges for certain depreciation and amortization in connection with capital assets located within the Facilities and interest expense, if any. The Facilities and their operations are included as part of the assets, liabilities and operations of Miami-Dade Aviation Department ("Aviation Department"). The special-purpose financial statements are presented on the accrual basis of accounting.

The accompanying special-purpose financial statements of the Facilities have been prepared on the full accrual basis of accounting, as prescribed by GASB, except where otherwise noted.

In accordance with provisions of the Agreements, the Facilities deposit, on a daily basis, gross receipts, as defined in the Agreements, into County-owned revenue depository bank accounts.

The Management Companies pay the operating expenses of the Facilities. The County reimburses the Management Companies for all approved reimbursable operating expenses, as defined in the Agreements. The Shuttle Services is a non-revenue producing operation. The sales tax liability for each of the Facilities is included in the amounts due to/from Aviation Department.

Basis of Presentation

The accompanying special-purpose financial statements were prepared for the purpose of complying with the Agreements. Statements of cash flows are not required under the Agreements and have not been presented.

Miami-Dade Aviation Department
Miami International Airport Facilities'
Management and Operating Agreements

Notes to Special-Purpose Financial Statements - Continued

As of and for the Year Ended September 30, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The amounts reflected in the total columns of the accompanying special-purpose financial statements are not comparable to a consolidation and are captioned "memorandum only" as they do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America, or the basis of accounting described above.

Cash

At September 30, 2016, cash represented amounts on hand and amounts held in demand deposit accounts with certain financial institutions that were in the name of the Facilities/Management Companies and/or the Aviation Department. At year-end and throughout the year, certain of the Facilities' cash bank balances were on deposit with one financial institution which, at times, exceeded the federally insured limits. Management of the Facilities believes such cash is not exposed to any significant credit risk of loss.

Accounts Receivable, Net

Accounts receivable, net are stated at the amount of customers' outstanding balances, less any allowance for uncollectible accounts. Interest is not accrued on overdue accounts receivable. Sales on credit card and other third-party accounts unsettled at September 30, 2016 are also included in accounts receivable, net in the accompanying special-purpose statements of assets and liabilities of the Facilities.

Allowance for Uncollectible Accounts

Allowance for uncollectible accounts is estimated by account collection history. Accounts receivable, net are presented in the accompanying special-purpose financial statements net of allowance for uncollectible accounts, as follows:

Public Parking Facilities	\$ 35,777
Fuel Farm Facilities	16,851
Shuttle Service Facilities	-
Lounge Facilities	-

Inventory

Inventories for resale are stated at the lower of cost or market. Supply inventories to be used in operations are stated at the lower of cost or replacement cost. Cost is determined using the first-in, first-out (FIFO) method for Shuttle and Special Lounge Facilities and the weighted-average method for Fuel Farm Facility.

Other Assets

Other assets are stated at amortized cost and are primarily comprised of advance payments made to vendors for insurance coverage.

Miami-Dade Aviation Department
Miami International Airport Facilities'
Management and Operating Agreements

Notes to Special-Purpose Financial Statements - Continued

As of and for the Year Ended September 30, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses represent amounts due to vendors and service providers for unpaid goods and services provided for the operations of the Facilities. Estimated accrued payroll expenses are also included. Accrued compensated absences are not included, except for the Fuel Farm Facilities.

Due To Management Company and Related Parties

Public Parking Facilities – this amount represents an advance from Central Parking System of FL, Inc. ("CPS"), an affiliate of APA, for expenses paid by the parent company on behalf of the Facilities, which are reimbursable by the County, and accrued management fees due the Management Company. This advance is utilized by Public Parking to fund certain operating expenses prior to reimbursement of these amounts by the County. This amount is expected to be repaid to CPS at the end of the contract term.

Fuel Farm and Shuttle Service Facilities – this amount represents expenses paid by the parent companies on behalf of the Facilities, which are reimbursable by the County and accrued management fees due the Management Companies.

Due To/From Aviation Department

Amounts due to the Aviation Department represent the cumulative excess/deficit of revenue over expenses and net receipts and disbursements between the Management Companies and the Aviation Department since inception of the Agreements.

Revenue Recognition

Revenue is recognized when earned and realizable. Most revenue transactions represent services rendered or sales of inventory and are recognized when the service or good is provided. Revenue recorded is presented net of taxes collected in escrow on behalf of governmental authorities and remitted by the Management Companies or Aviation Department.

Cost of Sales

Cost of sales are recognized when incurred at the time of sale and are comprised of the cost of products used in providing services to customers or the cost of products for resale and includes diesel and unleaded fuel offered for resale at the Fuel Farm.

Payroll and Fringe Benefits

Payroll and fringe benefits are recognized when incurred and include costs of salaries, wages, healthcare and retirement benefits, workers compensation and payroll taxes incurred as compensation to employees of the Facilities. This amount does not include accrued compensated absences due employees, except for the Fuel Farm Facilities.

Miami-Dade Aviation Department
Miami International Airport Facilities'
Management and Operating Agreements

Notes to Special-Purpose Financial Statements - Continued

As of and for the Year Ended September 30, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses (SG&A) are recognized when incurred and are primarily comprised of costs incurred for third-party service providers, professional fees, selling expenses, credit card fees, advertising and administrative costs, repairs and maintenance for the Facilities, certain capital asset purchases, and other miscellaneous operating expenses.

Management Fees

Management fees are recognized when incurred and represent costs incurred as compensation to the Management Companies for operating the Facilities. See Note 3. These are related party transactions. See Note 4.

Property, Plant, and Equipment & Related Costs

Pursuant to the Agreements, upon budget approval by the County, the Management Companies purchase equipment and vehicles needed by the Facilities. Such assets are the property of the County and are not recorded in the accompanying special-purpose statements of assets and liabilities of the Facilities. The Management Companies are reimbursed or advanced the cost of such assets by the County. These amounts are included in selling, general and administrative expense in the accompanying special-purpose statements of revenue and expenses.

The Management Companies also occasionally oversee capital improvements to the Facilities directed by the County. Such capital improvements are the property of the County and are not recorded in the accompanying special-purpose statements of assets and liabilities of the Facilities. The Management Companies are reimbursed or advanced the cost of such capital improvements by the County. When advanced, funds are included in cash in the accompanying special-purpose statements of assets and liabilities for the Fuel Farm Facilities. The costs and related depreciation and amortization are not included in the accompanying special-purpose statements of revenue and expenses.

Income Taxes

The special-purpose statements of revenue and expenses are intended to show the results of operations for the Facilities managed under the Agreements on behalf of the County; accordingly, no provision has been made for income taxes as the County is an income tax-exempt organization.

Use of Estimates

The preparation of the special-purpose financial statements in conformity with the basis of accounting described above requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the special-purpose financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Miami-Dade Aviation Department
Miami International Airport Facilities'
Management and Operating Agreements

Notes to Special-Purpose Financial Statements - Continued

As of and for the Year Ended September 30, 2016

NOTE 3 – MANAGEMENT AND OPERATING AGREEMENTS

Pursuant to the Agreements, a management fee is payable to the Management Companies monthly. The monthly management fees in effect for the fiscal year ended September 30, 2016, as defined in the Agreements, are as follows:

Management Company	Monthly Fixed Management Fee
APA	\$ 8,250
Allied	38,201
First Transit	39,869
EFCO	7,500*

*Pursuant to the Agreements, the management fee also includes an additional variable component.

Terms of Agreements

The Agreements cover periods below, with the County reserving the right to extend the Agreements for specific periods at the end of each contract year. Ordinance 95-138, Section 2-286a(9) extends any concession or management agreement related to the retail activities on a month-to-month basis for so long as may be needed to avoid disruption of concession services to passengers. Unless otherwise terminated by either party upon advanced written notice, the Agreements' expiration dates are as follows:

Management Companies	Expiration Date
APA	October 1, 2013 (year to year, thereafter, up to 5 additional years)
Allied Aviation Shuttle Services	May 3, 2021 (year to year, thereafter, up to 3 additional years)
EFCO	November 2, 2017 (month to month, thereafter) September 26, 2015 (extended on a month-to-month basis until March 25, 2017)

NOTE 4 – RELATED PARTY TRANSACTIONS

In addition to management fees incurred by the Facilities and paid to the Management Companies (Note 3), the Facilities entered into the following related party transactions during the year ended September 30, 2016:

EFCO USA, Inc., a related party to the Special Lounge, was paid \$18,832 for carpet cleaning services. This amount is included in selling, general and administrative expenses for the accompanying special-purpose statement of revenue and expenses.

Miami-Dade Aviation Department
Miami International Airport Facilities'
Management and Operating Agreements

Notes to Special-Purpose Financial Statements - Continued

As of and for the Year Ended September 30, 2016

NOTE 4 – RELATED PARTY TRANSACTIONS - Continued

First Transit, an affiliate of the Management Company for the Shuttle Service Facilities, provides insurance coverage to the Shuttle Service Facilities. First Transit does not charge the Shuttle Service Facilities for this coverage. The cost of the coverage is not readily determinable and therefore is not included in the special-purpose financial statements.

Certain expenses included in the accompanying special-purpose statements of revenue and expenses of the Fuel Farm Facilities are paid to and are based upon amounts charged by the Management Company's parent company, Allied, for legal fees, workers compensation, company-sponsored retirement, group health, life, general and other liability insurance.

Such expenses represent allocations from the Management Company's parent during fiscal year 2016 were approximately \$1.2 million. The Fuel Farm also leased operating space from the County for approximately \$20,000 during the year. Also included in the accompanying special-purpose statements of revenue and expenses of the Fuel Farm Facilities were fuel sales to itself in the amount of approximately \$72,000 and expense for leased equipment of approximately \$23,000. Additionally, Fuel Farm and Parking Facilities' payroll disbursements to employees are made by their respective parent companies and reimbursed by the County as a reimbursable operating expense.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Facilities from time to time are involved in litigation incidental to the conduct of their business, and such matters can involve current and former Facility employees and contractors. In the opinion of management, the expected liability, from these claims, in excess of insurance coverage, if any, would not be material to the Facilities' financial position or results of operations.

NOTE 6 – ECONOMIC DEPENDANCY

The Special Lounge Facilities receives approximately 62% of total revenues from three customers. Management of the Special Lounge has not determined the impact, if any, that the loss of any one or more of these customers would have on its financial position or results of operations.

The Fuel Farm Facilities receives approximately 88% of total revenues from two customers. One of the two customers represents approximately 52% of total revenues. Management of the Fuel Farm believes that the loss of any one or more of these customers would not have a material impact on its financial position or results of operations due to other customers fulfilling the fuel needs of the Airport.

Miami-Dade Aviation Department
Miami International Airport Facilities'
Management and Operating Agreements

Notes to Special-Purpose Financial Statements - Continued

As of and for the Year Ended September 30, 2016

NOTE 7 – RISK MANAGEMENT

The Facilities are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As a result, the Facilities obtained general and property liabilities and worker's compensation coverage.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 15, 2017, which is the date these special-purpose financial statements were available to be issued.

Supplemental Statements

Miami-Dade Aviation Department
 Miami International Airport Public Parking Facilities'
 Management and Operating Agreements

Supplemental Special-Purpose Statements of
 Assets and Liabilities

September 30, 2016 and 2015

	2016	Unaudited 2015
Assets		
Accounts receivable, net	\$ 478,847	\$ 355,520
Total assets	\$ 478,847	\$ 355,520
 Liabilities		
Accounts payable and accrued expenses	\$ 96,820	\$ 95,142
Due to Management Company and Related Parties	106,533	148,162
Due to Aviation Department	275,494	112,216
Total liabilities	\$ 478,847	\$ 355,520

Miami-Dade Aviation Department
 Miami International Airport Public Parking Facilities'
 Management and Operating Agreements

Supplemental Special-Purpose Statements of
 Revenues and Expenses

For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>Unaudited</u> <u>2015</u>
Revenues		
Sales	\$ 51,336,897	\$ 50,393,433
Less: Sales tax	<u>3,168,338</u>	<u>3,096,858</u>
Gross margin/net sales	<u>48,168,559</u>	<u>47,296,575</u>
Total revenues	<u>48,168,559</u>	<u>47,296,575</u>
 Expenses		
Payroll and fringe benefits	3,550,664	3,558,360
Selling, general and administrative expenses	1,706,639	1,684,450
Management fees	<u>99,000</u>	<u>99,000</u>
Total expenses	<u>5,356,303</u>	<u>5,341,810</u>
Excess of revenues over expenses	<u>\$ 42,812,256</u>	<u>\$ 41,954,765</u>

Miami-Dade Aviation Department
 Miami International Airport Special Lounge Facilities
 Management and Operating Agreements

Supplemental Special-Purpose Statements of
 Assets and Liabilities

September 30, 2016 and 2015

	2016	Unaudited 2015
Assets		
Cash	\$ 40,962	\$ 47,274
Accounts receivable, net	186,736	334,083
Inventory	30,449	58,057
Due from Management Company	3,760	-
Other assets	-	3,987
Total assets	\$ 261,907	\$ 443,401
 Liabilities		
Accounts payable and accrued expenses	\$ 28,825	\$ 51,695
Due to Aviation Department	233,082	391,706
Total liabilities	\$ 261,907	\$ 443,401

Miami-Dade Aviation Department
 Miami International Airport Special Lounge Facilities
 Management and Operating Agreements

Supplemental Special-Purpose Statements of
 Revenues and Expenses

For the Years Ended September 30, 2016 and 2015

	2016	Unaudited 2015
Revenues		
Net sales	\$ 2,188,769	\$ 2,374,794
Less: Cost of sales	201,150	161,140
Gross margin	1,987,619	2,213,654
Net revenues	1,987,619	2,213,654
 Expenses		
Payroll and fringe benefits	274,541	244,684
Selling, general and administrative expenses	127,322	70,146
Management fees	97,409	107,381
Total expenses	499,272	422,211
Excess of revenues over expenses	\$ 1,488,347	\$ 1,791,443

Miami-Dade Aviation Department
 Miami International Airport Fuel Farm Facilities'
 Management and Operating Agreements

Supplemental Special-Purpose Statements of
 Assets and Liabilities

September 30, 2016 and 2015

	<u>2016</u>	<u>Unaudited</u> <u>2015</u>
Assets		
Cash	\$ 73,165	\$ 139,053
Accounts receivable, net	2,443,887	2,688,809
Inventory	49,983	36,000
Other assets	50,301	85,656
Total assets	<u>\$ 2,617,336</u>	<u>\$ 2,949,518</u>
 Liabilities		
Accounts payable and accrued expenses	\$ 261,384	\$ 417,530
Due to Management Company and Related Parties	188,375	96,767
Due to Aviation Department	2,167,577	2,435,221
Total liabilities	<u>\$ 2,617,336</u>	<u>\$ 2,949,518</u>

Miami-Dade Aviation Department
 Miami International Airport Fuel Farm Facilities'
 Management and Operating Agreements

Supplemental Special-Purpose Statements of
 Revenues and Expenses

For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>Unaudited</u> <u>2015</u>
Revenues		
Net sales	\$ 16,303,003	\$ 19,414,846
Less: Cost of sales	<u>1,415,828</u>	<u>1,597,634</u>
Gross margin	<u>14,887,175</u>	<u>17,817,212</u>
Net revenues	<u>14,887,175</u>	<u>17,817,212</u>
 Expenses		
Payroll and fringe benefits	2,246,148	2,304,698
Selling, general and administrative expenses	2,414,394	2,635,220
Management fees	<u>458,412</u>	<u>452,689</u>
Total expenses	<u>5,118,954</u>	<u>5,392,607</u>
Excess of revenues over expenses	<u>\$ 9,768,221</u>	<u>\$ 12,424,605</u>

Miami-Dade Aviation Department
 Miami International Airport Shuttle Services Facilities'
 Management and Operating Agreements

Supplemental Special-Purpose Statements of
 Assets and Liabilities

September 30, 2016 and 2015

	2016	Unaudited 2015
Assets		
Cash	\$ 88,017	\$ 90,704
Inventory	122,332	162,805
Total assets	\$ 210,349	\$ 253,509
 Liabilities		
Accounts payable and accrued expenses	\$ 133,669	\$ 145,257
Due to Management Company and Related Parties	39,869	39,869
Due to Aviation Department	36,811	68,383
Total liabilities	\$ 210,349	\$ 253,509

Miami-Dade Aviation Department
 Miami International Airport Shuttle Services Facilities'
 Management and Operating Agreements

Supplemental Special-Purpose Statements of
 Revenues and Expenses

For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>Unaudited 2015</u>
Revenues	<u>\$ -</u>	<u>\$ -</u>
Expenses		
Payroll and fringe benefits	4,133,856	3,943,965
Selling, general and administrative expenses	2,035,231	1,554,737
Management fees	<u>478,428</u>	<u>438,559</u>
Total expenses	<u>6,647,515</u>	<u>5,937,261</u>
(Deficiency) of revenues over expenses	<u><u>\$ (6,647,515)</u></u>	<u><u>\$ (5,937,261)</u></u>

Report of Independent Certified Public Accountants
on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on
an Audit of Special-Purpose Financial Statements
Performed in Accordance with
Government Auditing Standards

For the Year Ended September 30, 2016



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF SPECIAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the 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, the special-purpose statements of assets and liabilities and special-purpose statements of revenues and expenses of the Miami-Dade Aviation Department-Miami International Airport Facilities' Management and Operating Agreements for Public Parking, Fuel Farm, Lounge and Shuttle Services (the "Facilities") as of and for the year ended September 30, 2016, and the related notes to the special-purpose financial statements, which collectively comprise the Facilities' special-purpose financial statements, and have issued our report thereon dated March 15, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the Facilities' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Facilities' internal control. Accordingly, we do not express an opinion on the effectiveness of the Facilities' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's special-purpose financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Facilities' special-purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of special-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C. Sanders-Byrd, CPA LLC

Miami, Florida
March 15, 2017

