

**MIAMI-DADE COUNTY
AVIATION DEPARTMENT**

COMPLIANCE REPORTS

Year Ended September 30, 2020

MIAMI-DADE COUNTY AVIATION DEPARTMENT

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**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor and Members
Board of the County Commissioners
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 financial statements of Miami-Dade Aviation Department (the "Aviation Department"), an enterprise fund of Miami-Dade County, Florida, which comprise the statement of net position as of September 30, 2020, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 26, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Aviation Department's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Aviation Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Aviation Department's 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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 Aviation Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

Cherry Bekant LLP

Tampa, Florida
February 26, 2021

Report of Independent Auditor on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

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

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited the Miami-Dade Aviation Department's (the "Aviation Department") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on the Aviation Department's major federal program and state financial assistance project for the year ended September 30, 2020. The Aviation Department's major federal program and state financial assistance project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal program and state financial assistance project.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Aviation Department's major federal program and state financial assistance project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, Rules of the Auditor General of the state of Florida ("Chapter 10.550"). Those standards, the Uniform Guidance, and Chapter 10.550, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Aviation Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal program and state financial assistance project. However, our audit does not provide a legal determination of the Aviation Department's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the Aviation Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs and state financial assistance project for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the Aviation Department is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal controls over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Aviation Department's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550

We have audited the financial statements of the Aviation Department, an enterprise fund of Miami-Dade County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Aviation Department's basic financial statements. We issued our report thereon dated February 26, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.



Tampa, Florida
February 26, 2021

**Report of Independent Auditor on Compliance for Passenger Facility Charge Program
and on Internal Control over Compliance Required by
the *Passenger Facility Charge Audit Guide for Public Agencies***

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

Report on Compliance for the Passenger Facility Charge Program

We have audited the Miami-Dade Aviation Department's (the "Aviation Department"), compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration (the "FAA"), that could have a direct and material effect on the Aviation Department's passenger facility charge program for the year ended September 30, 2020.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Aviation Department's passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Aviation Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the passenger facility charge program. However, our audit does not provide a legal determination of the Aviation Department's compliance.

Opinion on the Passenger Facility Charge Program

In our opinion, the Aviation Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the Aviation Department is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Aviation Department's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Aviation Department's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Report on Schedule of Passenger Facility Charges Required by the Guide

We have audited the financial statements of the Aviation Department, an enterprise fund of Miami-Dade County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Aviation Department's basic financial statements. We have issued our report thereon dated February 26, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of passenger facility charges is presented for purposes of additional analysis as required by the Guide, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of passenger facility charges is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.



Tampa, Florida
February 26, 2021

MIAMI-DADE COUNTY AVIATION DEPARTMENT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED SEPTEMBER 30, 2020

Grantor Agency/Program	CFDA/ CSFA #	AIP/Financial Project Number	Contract Number	Expenditures
Federal Awards:				
U.S. Department of Transportation:				
Federal Aviation Administration - Airport Improvement Program	20.106	3-12-0049-072-2017	N/A	\$ 4,893,289
		3-12-0049-073-2018	N/A	5,225,960
		3-12-0049-074-2018	N/A	232,500
COVID-19		3-12-0049-076-2020	N/A	184,099,253
		3-12-0050-012-2017	N/A	130,082
		3-12-0050-013-2018	N/A	350,425
				\$ 194,931,509
State Awards:				
Florida Department of Transportation:	55.004	42953359401	G1471	\$ 3,257,156
Aviation Development Grants Program		44408019401	G1874	95,000
		42775819401	ARN48	164,346
		42775619401	ARN44	122,701
		43920319401/02	G0018	46,371
		43122929401	G0558	730,641
		43537919401	G0Y89	46,683
		44541319401	G1666	240,504
		43669219401	G0582	2,876
		43783319401	G0561	2,966
				\$ 4,709,244

See accompanying notes to schedule of expenditures of federal awards and state financial assistance and passenger facility charges.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
SCHEDULE OF PASSENGER FACILITY CHARGES

YEAR ENDED SEPTEMBER 30, 2020

<u>Grantor Agency/Program</u>	<u>Application Approved Number</u>	<u>Unliquidated Passenger Facility Charges at September 30, 2019</u>	<u>Passenger Facility Charge Revenue</u>	<u>Expenditures</u>	<u>Unliquidated Passenger Facility Charges at September 30, 2020</u>
Passenger facility charges	02-04-C-00-MIA	\$ 305,465,330	\$ 52,655,615	\$ 82,000,000	\$ 276,120,945

MIAMI-DADE COUNTY AVIATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE AND PASSENGER FACILITY CHARGES

YEAR ENDED SEPTEMBER 30, 2020

Note 1—Basis of presentation

The schedules of expenditures of federal awards and state financial assistance and passenger facility charges (the "Schedules") include all grants, contracts, and similar agreements entered into directly between the Miami-Dade Aviation Department (the "Aviation Department") and agencies and departments of the federal and state governments. It also includes all subawards to the Aviation Department by nonfederal organizations pursuant to federal and state grants, contracts, and similar agreements. The information in these Schedules is prepared on the accrual basis of accounting and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), Chapter 10.550, Rules of the Auditor General, and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration in September 2000. The grants reflect transactions for the fiscal year irrespective of the year of grant award and, accordingly, the Schedules do not include a full year's activity for grants awarded or terminated on dates not coinciding with the aforementioned fiscal year.

The Aviation Department has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

There were no awards passed through to subrecipients.

Note 2—Passenger facility charges

Revenue consists of passenger facility fees and investment earnings on the restricted cash related to passenger facility charges. Expenditures represent airport construction-related costs incurred at the Aviation Department. Unliquidated passenger facility charges represent the net restricted cash and passenger facility fees receivable less related accounts payable as of year-end.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2020

Part I—Summary of auditor’s results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified not considered to be material weakness(es)? yes x none reported

Noncompliance material to financial statements noted yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified not considered to be material weakness(es)? yes x none reported

Type of auditor's report on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of Uniform Guidance yes x no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program

Dollar threshold used to determine Type A and B programs: \$ 3,000,000

Auditee qualified as low-risk auditee for federal purposes? x yes no

MIAMI–DADE COUNTY AVIATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2020

Part I—Summary of auditor’s results (continued)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes x no

Significant deficiency(ies) identified not considered to be material weakness(es)? _____ yes x none reported

Type of auditor's report on compliance for major state projects: _____
Unmodified

CSFA Numbers	Name of Project or Cluster
55.004	Aviation Development Grants Program

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General* _____ yes x no

Dollar threshold used to determine Type A and B programs: \$ 750,000

Part II—Financial statement findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no findings required to be reported in accordance with *Government Auditing Standards*.

Part III—Federal award findings and questioned costs

None reported.

Part IV—State financial assistance findings and questioned costs

None reported.

Part V—Passenger facility charge program findings and questioned costs

None reported.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2020

Part VI—Summary schedule of prior audit findings

None reported.

Independent Auditor's Management Letter

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

Report on the Financial Statements

We have audited the financial statements of the Miami-Dade County Aviation Department (the "Aviation Department"), an enterprise fund of Miami-Dade County, Florida, as of and for the year ended September 30, 2020, and have issued our report thereon dated February 26, 2021. 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, 2020, the changes in its financial position or, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the "Uniform Guidance"); *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Report of Independent Auditor on Compliance for the Passenger Facility Charge Program and on Internal Control over Compliance Required by the *Passenger Facility Charge Audit Guide for Public Agencies*; and Schedule of Findings and Questioned Costs. Disclosure in those reports and schedule, which are dated February 26, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Aviation Department is an enterprise fund of Miami-Dade County, Florida, which is a chartered political subdivision of the state of Florida. There were no component units related to the Aviation Department.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us apply appropriate procedures and communicate the results of our determination as to whether or not the Aviation Department has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Aviation Department did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Aviation Department. It is management's responsibility to monitor the Aviation Department's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.



Tampa, Florida
February 26, 2021