



2023

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2023



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

2023
Annual Comprehensive Financial Report

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Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2023



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

Prepared by: Finance & Strategy Division

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Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2023



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Introductory Section

Letter of Transmittal

Miami-Dade County Officials

Miami-Dade Aviation Department Senior Staff

Miami-Dade Aviation Department Organizational Chart

GFOA Certificate of Achievement



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Miami-Dade Aviation Department

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Miami, Florida 33102
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www.miami-airport.com

Commercial Airport:

Miami International Airport

miamidade.gov

General Aviation Airports:

Dade-Collier Training & Transition Airport

Miami Homestead General Aviation Airport

Miami Executive Airport

Miami-Opa Locka Executive Airport

March 22, 2024

Honorable Chairman Oliver G. Gilbert, III
Honorable Members of the Board of County Commissioners
Honorable Daniella Levine Cava, Mayor
Juan Fernandez-Barquin, Clerk of Courts and Comptroller
Residents of Miami-Dade County

Ladies and Gentlemen:

The Annual Comprehensive Financial Report of the Miami-Dade Aviation Department (Aviation Department or MDAD) for the fiscal year ended September 30, 2023, is hereby submitted. Responsibility for both the accuracy and completeness and fairness of presentation, including all disclosures, rests with the Aviation Department. To provide a reasonable basis for making these representations, management of the Aviation Department has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Aviation Department’s financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Aviation Department’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. 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.

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 approximately \$32 billion. MIA and aviation-related industries contribute over 275,000 jobs directly and indirectly to the South Florida economy.

The Airport offers an extensive air service network, enhanced by multiple daily scheduled and non-scheduled flights. 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 the premier international gateway to Florida, handling nearly 60% of Florida's total international passenger traffic during calendar year 2022.

MIA is a major transshipment point by air for the Americas. During calendar year 2022, the most recent year for which such information is available, the Airport handled 83% of all air imports and 80% of all air exports between the USA and the Latin American/Caribbean region. The Airport also maintained its ranking as the nation's number one airport in international freight (excluding mail) and became the second busiest U.S. gateway for international passengers during calendar year 2022 (most recent data available). In 2015, the International Air Transport Association (IATA) designated MIA as the first pharmaceuticals (pharma) freight hub in the U.S. and only the second in the world at that time. This certification brands the airport to pharmaceutical manufacturers as a trusted industry leader that transports their products in accordance with global best practices.

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 90% of the dollar value of the State's total air imports and exports, and 39% of the State's total air and sea trade with the world. In 2018, MDAD gained final approval from the U.S. Department of Commerce to designate MIA as a Foreign Trade Zone (FTZ) magnet site creating new synergies and opportunities for on-airport businesses. In 2023, LATAM Airlines Group became the first approved operator within MIA's FTZ magnet site.

In calendar year 2022, MIA served more than 50.7 million passengers, shattering its record of 45.9 million set in 2019 by 10.4%. In addition, MIA surpassed Orlando International Airport's calendar year 2022 total of 50.1 million travelers, making MIA the busiest airport in Florida. In 2022, MIA also matched its record of 2.8 million tons of freight set in 2021, by handling 2.3 million tons of international freight and 0.5 million tons of domestic shipments. The airport is on pace for another record-breaking year. To keep pace with long-term forecasted growth, the airport is carrying out an ambitious \$6.9 billion airport wide modernization program.

Passenger Activity

During fiscal year 2023, 51,563,044 passengers travelled through MIA, a 3.7% increase compared to fiscal year 2022, and an all-time high for the Airport. Domestic traffic decreased by 3.5% to 28,665,209, or 55.6% of the total traffic. International traffic accounted for 44.4% of the traffic or 22,897,835 passengers, an increase of 14.3% over the prior fiscal year. In calendar year 2022, MIA was ranked second in the U.S. behind New York's John F. Kennedy Airport for international passengers.

The Airport is American Airline's largest international hub operation, for international passengers. American Airlines accounted for approximately 56.1% of the enplaned passengers at the Airport during fiscal year 2023, and together with its affiliate, Envoy (previously known as American Eagle Airlines), approximately 60.4% of all enplaned passengers during such period. In fiscal year 2023, Delta Air Lines surpassed Envoy to become the second largest carrier at MIA, representing approximately 6% of the enplaned passenger traffic.

Cargo Activity

Cargo (mail and freight) tonnage totaled 2,770,981 tons in fiscal year 2023, resulting in a decrease of 1.3%. 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 25.7% of the landed weight in fiscal year 2023, which is an increase from the 25% in the prior fiscal year.

Airline Agreements

In August 2018, the County entered into separate but identical Airline Use Agreements (AUA) with the airlines using MIA. The AUA, which is a 15-year agreement expiring in 2033, provides that the County, acting through its Board of County Commissioners, has 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.

Under the 2018 AUA, there were two significant changes: (i) all fees associated with international arriving passengers will be charged under an International Facility Fee and will no longer be recovered through the base Concourse Use Fee, and (ii) preferential gate assignment and usage will be allowed for airlines that meet certain operational qualifications and all non-preferentially use gates will continue to be common use gates. The International Facility Fee and Preferential Gate Use Fee took effect on October 1, 2019 and October 1, 2020, respectively.

The County has entered into separate but substantially similar Terminal Building Lease Agreements with its airline 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 \$2.7 billion including interest. The authorization is expected to expire October 1, 2039. The amount of PFC collections from inception through September 30, 2023, was approximately \$1.75 billion and with interest, approximately \$1.84 billion. Of this amount, the Aviation Department has expended \$1.62 billion, and as of September 30, 2023, the Aviation Department had a cash balance of \$219.3 million in the PFC account.

Capital Projects

In fiscal year 2015, the Aviation Department created a near to mid-term Capital Improvement Program (CIP) that addressed facilities in need of renovations. The CIP started with an approved budget of \$651 million through a Majority-In-Interest (MII) review process (by a majority of the 11 Signatory Airlines that represent the MIA Signatory Airlines as members of the Miami Airport Affairs Committee) in July 2015. As a result of the Airport's changing needs, MDAD decided to increase the CIP to \$3.9 billion, through several MII review processes held between 2017 and 2023, and exempt projects that do not meet the requirements for an MII need. Today, the CIP has grown to a long-term and bigger program with an approved fiscal year 2024 budget of \$6.9 billion, which

addresses the Airport's current demands. The CIP includes projects and funding sources from fiscal year 2015 through fiscal year 2035. Concurrent with the development of the CIP, the Aviation Department is in the process of defining new projects and new funding sources to grow the program.

The CIP now consists of twenty (20) subprograms that are: General Aviation Airports, MIA Airfield and Airside, MIA Cargo and non-Terminal Buildings, MIA Central Base Apron and Utilities, MIA Central Terminal, MIA Concourse E, MIA Fuel Facilities, MIA Land Acquisition, MIA Landside and Roadways, MIA Miscellaneous Projects, MIA North Terminal, MIA Passenger Boarding Bridges, MIA Reserve Maintenance, MIA South Terminal Expansion, MIA South Terminal Improvements, MIA Support Projects, MIA Terminal Wide Projects, MIA Terminal Wide Restrooms Modernization, MIA Terminal Wide Roof and New Program Contingency. The program started with the renovation of Concourse E, which is now mostly complete and open to the public; then moved into the South Terminal, Taxiways, Central Terminal Ticket Counters, Central Base Apron and Utilities, Passenger Boarding Bridges, General Aviation Airports, Land Acquisitions, and Terminal Wide Restrooms. The South Terminal subprogram major project, the Baggage Handling System Renovation for the Central and South Terminals is now complete; Taxiways T, S, and R, from the Miscellaneous subprogram is also finished; the Central Base Apron and Utilities is ending, while the Passenger Boarding Bridges Phase I is in its final phases. The Central Terminal subprogram is advancing with projects in design, the Refurbishment of the Concourse F Phase I is completed, and the North Terminal and South Terminal subprograms have started and are advancing. The General Aviation Airports, Terminal Wide Restrooms, Land Acquisition, and most of the Support Projects are in progress at various stages of completion. Numerous projects from the Terminal Wide and Cargo and non-terminal Buildings subprograms have also started.

The CIP intends to modernize the terminal facilities to accommodate larger aircraft and to provide capacity for increased passenger traffic. The terminal facilities renovation upgrades will improve aesthetics and meet current life-safety and security requirements, as well maintenance needs. The CIP 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, which opened for service, along with new gates including one Airbus A380 gate area, and new passenger boarding bridges; the renovation of Concourse E Federal Inspection Services (FIS) that improves vertical circulation and provides additional international passenger traffic processing capacity; Apron pavement and rehabilitation around Concourse E and E Satellite; and the rehabilitation of Taxiways R, S, & T. A major component of this program is the Baggage Handling System (BHS) Improvements which has a new automated Checked Baggage Inspection System (CBIS); the MIA Employee Parking Garage project which includes scope for a multi-level parking garage structure that will mostly benefit airline and other terminal employees; the construction of an integrated Airport Operations Center (AOC); the replacing of 44 Passenger Boarding Bridges (PBBs) throughout the concourses in its phase I and 50 in Phase 2; the renovation of ramp level restrooms at Concourse H as well as the Terminal-wide Restrooms Modernization; the MIA Runway IncurSION Mitigation (RIM) Hot Spot 5 (Corral Area); the Terminal-wide Roof System Replacement and Lightning Systems Upgrades and the maintenance of all airport facilities.

Three of the CIP subprograms, which represent a major portion of the overall Capital Budget, are the MIA Central Terminal Redevelopment, the MIA North Terminal, and the MIA South Terminal Expansion, which will help to optimize aircraft parking plan, and will improve customer experience and enhance revenue generation. The subprograms involve Gate Optimization and infrastructure upgrades at the North Terminal, including up-gauging gates for bigger aircrafts, Baggage System TSA Recapitalization, Concourse D West Extension – D60, including building expansion and construction of Apron, interior renovations and modernization at Central Terminal, including roof replacement, new ticket counters, improved vertical circulation, and widening of concourses and hold rooms; new apron, drainage system and utilities for both South and Central Terminals; buildings demolition, new gates, construction of a new building structure as part of the South Terminal Expansion, as well as interior renovations in the existing terminal.

Outside the Terminal buildings, the CIP also contemplates major improvements under the Cargo and Non-Terminal Buildings, the Fuel facilities, and the Landside/Roadways Subprograms with projects including the demolition of buildings, tenant's relocation, apron and airside improvements; the GSE Facility for the North Terminal; the vehicle fueling and car wash facility and the 20th Street modification Airport Operations Area (AOA); the construction of the MIA Perimeter Road Bridge over the Tamiami Canal changing the configuration from a single lane in each direction to a double lane in each direction; and the construction of one additional 95,600 gallons fuel tank at the fuel storage at MIA.

The CIP also includes work on general aviation airports; Runway 9-27 rehabilitation at Miami-Opa Locka Executive (OPF) including pavement reconstruction airfield-lighting system renovation; also, at OPF the development of the Run Up Pad aircraft engine testing, which will help to ensure safety and effectiveness during routine aircraft maintenance activities. Security upgrades at Miami-Homestead General Aviation (X51); and works at Miami Executive Airport (TMB) such as the TMB Runway Incursion Mitigation (RIM) HS1 with Taxiway H West Extension to Threshold 9R, the south apron expansion (new taxi lane) and access road, and a new 130-foot-high Air Traffic Control Tower.

In addition to the renovation, expansion, maintenance at MIA Terminals, Airside, Landside and General Aviation Airports, the CIP also includes the purchase of land to expand Miami International Airport.

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 Capital Improvement Program (CIP), which is currently estimated at \$6.9 billion for fiscal year 2024. In May 2019, the Aviation Department issued \$282.2 million in Aviation Revenue Bonds to continue to fund the CIP. Most of the proceeds were used to pay off \$170 million in outstanding Aviation Commercial Paper Notes for the Commercial Paper program that expired on March 2, 2021. In March 2021, the Aviation Department issued \$200 million in Aviation Commercial Paper Notes for the purpose of providing temporary funding for the CIP.

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 or private funding. Accordingly, certain hangars and cargo facilities (including those for Federal Express, UPS, LAN 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

In 2019, the Aviation Department unveiled its proposed future CIP Program, which was approved by the Board of County Commissioners on June 4, 2019. This CIP Program will now fund 20 sub-programs that will be built during the period of 5-15 years through 2035 and beyond. To create the projects under these sub-programs, an in-depth assessment of the County's Airport System, including general aviation airports, conducted by the Aviation Department staff considered factors such as demand for growth, operational needs (airside, landside, cargo, and terminal) and funding capacity. Based on the results of the evaluation, the Aviation Department combined MIA's previous capital program, referred to as the Terminal Optimization Program (TOP), with a series of additional projects to develop the proposed CIP Program.

The CIP started with the renovation of Concourse E, modernizing the terminal facilities to accommodate larger aircraft, improving aesthetics and also meeting current life-safety and security requirements; renovating Concourse E Federal Inspection Services (FIS) for improved vertical circulation and additional international passenger traffic processing capacity; revamped the Automated People Mover (APM) that connects lower Concourse E with Satellite E and improved the apron pavement around Concourse E and E Satellite. A major accomplishment for this program is the improved Baggage Handling System (BHS) which has a new automated Checked Baggage Inspection System (CBIS). Other major initiatives are: rehabilitation of Taxiways R, S, & T, MIA Runway Incursion Mitigation (RIM) Hot Spot 5 (Corral Area); the MIA Runway 9-27 Pavement; improvements to the Central Base area pavement, drainage and additional hardstands; replacing 44 Passenger Boarding Bridges (PBBs) throughout the concourses; new Terminal-wide Roof System Replacement and Lightning Systems Upgrades; renovation of the Ramp Level Restrooms at Concourse H; new MIA Employee Parking Garage project which includes scope for a multi-level parking garage structure that will mostly benefit airline and other terminal employees and the Land Acquisition for the airport expansion.

In 2023, the MII reviewed and approved new projects that will be constructed through the implementation of the following sub-programs:

Central Terminal - Sub-program includes MIA Central and South Terminal Bag Claim Optimization Phase 2 and MIA F to H Interconnect. The MIA Central and South Terminal Bag Claim Optimization Phase 2 project will replace the existing domestic baggage claim devices in the Central and South Terminals that have reached the end of their useful life. The baggage claim devices will be removed and reconfigured where possible to increase the capacity of the devices. The MIA F to H Interconnector will provide secure and sterile connectivity from Concourse F to Concourse J and improve efficiencies in security checkpoints that will improve MIA passenger circulation and airline operations.

South Terminal - Sub-program includes the South Terminal Expansion East Phase 1, South Terminal Apron & Utilities Modification, Concourse H Glazing Curtain Wall Assessment & Corrective Action, and Miscellaneous South Terminal Enabling Projects. The South Terminal Expansion Capital Project includes a three-level expansion of the South Terminal to the east. It will add six domestic contact gates with their associated hold rooms and facilities along with three hardstand positions. The new facility will include baggage systems and connections to the existing Central and South Terminals baggage screening system. It also includes shell space along the third level for future clubs/lounges and future sterile circulation that will connect to the South Terminal FIS (international arriving passenger processing area). This last feature will enable MDAD to convert the initial domestic gates to international arrival capable positions at a future date. The major project will be procured as a design/build contract and will also include scope to build out a new South Terminal GSE building along with its associated surface parking. This building will be a replacement for the existing South Terminal GSE facility that currently sits within the new apron/hardstand limits. The South Terminal enabling projects consist of 1) demolishing certain MIA buildings to expand the Aircraft Operations Area (AOA) (in order to accommodate the new concourse, apron and GSE facility) and 2) building a replacement MIA vehicle fueling and car wash facility outside of the AOA.

With the new projects, MIA's capital budget was increased to \$6.9 billion for fiscal year 2024. The current approved projects total \$3.4 billion, of which \$3.0 billion was approved through the MII review process and \$490.0 million did not require an MII review. Future funding for the Department's capital program consists of Aviation Revenue Bonds, Commercial Paper, Federal and State Grants, and Passenger Facility Charges. The Department maximizes the use of the grants as an equity funding source to lessen the amount of Aviation Revenue Bonds (debt) required to fund the capital projects.

Independent Audit

The financial statements for fiscal year 2023 were audited by Cherry Bekaert LLP, and the opinion resulting from their audit is included in this Annual Comprehensive 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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. 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 Annual Comprehensive Financial Report. This Annual Comprehensive 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 31 consecutive fiscal years (1992-2022). 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,



Ralph Cutié
Aviation Director & CEO



Sergio San Miguel, CPA
Chief Financial Officer

Miami-Dade County Officials

Daniella Levine Cava
Mayor

Board of County Commissioners

Oliver G. Gilbert, III, Chairman
Anthony Rodriguez, Vice Chairman

Oliver G. Gilbert, III, District 1

Danielle Cohen Higgins, District 8

Marleine Bastien, District 2

Kionne L. McGhee, District 9

Keon Hardemon, District 3

Anthony Rodriguez, District 10

Micky Steinberg, District 4

Roberto J. Gonzalez, District 11

Eileen Higgins, District 5

Juan Carlos Bermudez, District 12

Kevin M. Cabrera, District 6

René Garcia, District 13

Raquel A. Regalado, District 7

Juan Fernandez-Barquin
Clerk of the Courts and Comptroller

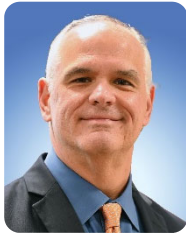
Pedro J. Garcia
Property Appraiser

Geri Bonzon-Keenan
County Attorney

www.miamidade.gov



Miami-Dade Aviation Department Senior Staff



Ralph Cutié
Aviation Director
& Chief Executive Officer



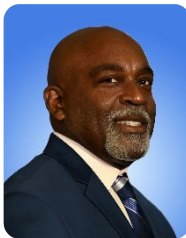
Ken Pyatt
Deputy Director



Basil A. Binns, II
Deputy Director



Arlyn Rull Valenciaga
Chief of Staff &
Senior Policy Advisor



Maurice Jenkins
Digital Strategy &
Innovation Advisor
Chief Innovation Officer



Patricia Hernandez
Senior Executive Assistant



Ana Finol, P.E.
Assistant Director,
Facilities Development



Barbara S. Jimenez
Assistant Director,
Administration



Jeffrey Plant
Assistant Director,
Operations



Isaac Smith
Assistant Director, Facilities
Management & Engineering



Mark O. Hatfield, Jr.
Assistant Director,
Public Safety & Security



Robert Warren
Assistant Director, Business
Retention Development



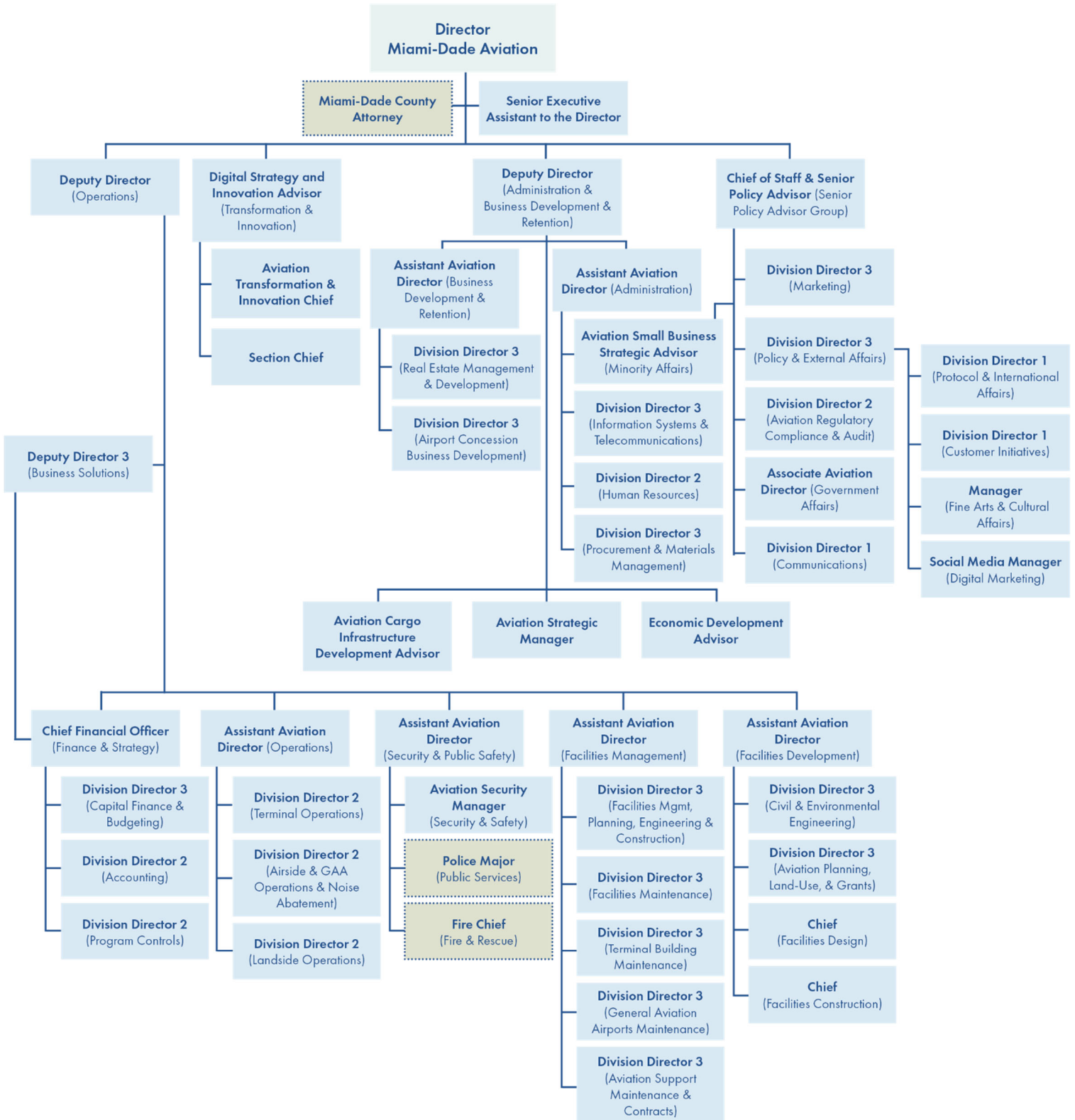
Sergio San Miguel
Chief Financial Officer



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

2023
Annual Comprehensive Financial Report

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Financial Section

Independent Auditors' Report

Management Discussion & Analysis

Financial Statements



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

2023
Annual Comprehensive Financial Report

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Report of Independent Auditor

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Miami-Dade County Aviation Department (“Aviation Department”), an enterprise fund of Miami-Dade County, Florida (the “County”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Aviation Department of the County as of September 30, 2023, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the County as of September 30, 2023, 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. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Aviation Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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

Management is responsible for the other information included in the annual report. The other information is comprised of the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2024, 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 solely 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 effectiveness of the Aviation Department's 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
March 22, 2024

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2023 (UNAUDITED)

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 year ended September 30, 2023. 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"), four general aviation airports: Miami-Opa Locka Executive Airport, Miami Homestead General Aviation Airport, Miami Executive Airport, and the Dade-Collier Training and Transition 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 Board of County Commissioners approved a Capital Improvement Program ("CIP") on June 4, 2019, that is primarily funded by bonds, federal and state grants, Passenger Facility Charges ("PFC"), and monies set aside from the Reserve Maintenance Fund and Improvement Fund. The CIP will fund twenty sub-programs that will be built during the period of 5 to 15 years through 2035 and beyond.

Required Financial Statements

The Aviation Department's financial report includes three financial statements: the statement of net position, statement of revenue, expenses, and changes in net position, and statement 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 statement of net position includes all of the Aviation Department's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and provides 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 statement 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 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 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.

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

During fiscal year 2023, MIA surpassed 51 million passengers for the first time in its history. Passenger volumes surged past 2022 record shattering 49.7 million travelers to a new high of 51.6 million passengers, up 3.7% over fiscal year 2022, due primarily to the return of foreign-flag airlines and the addition of new routes and carriers. Enplaned passengers totaled 25,751,310, a 3.3% increase compared to fiscal year 2022.

MIA welcomed 28.7 million domestic passengers in fiscal year 2023, down 3.5% or 1.0 million passengers year-over-year, but up 22.7% or 5.3 million passengers over fiscal year 2019. By contrast, international traffic rose to 22.9 million passengers in fiscal year 2023, up 14.3% or 2.9 million passengers versus fiscal year 2022 and 2% or 0.4 million travelers over fiscal year 2019, as foreign flag carriers resumed and/or increased services to MIA, with the lifting of global travel restrictions and testing requirements for inbound travelers.

Landed weight, which represents the total weight of commercial aircrafts that landed at MIA, increased by 0.8% in fiscal year 2023. Enplaned cargo, however, declined by 6.5% in fiscal year 2023, as compared to fiscal year 2022. Likewise, aircraft operations (departures and arrivals) fell 4,087 flights, or 0.9% in fiscal year 2023 when compared to previous year. Below is a comparison of these activities at MIA by fiscal year:

	<u>2023</u>	<u>2022</u>
Enplanements	25,751,310	24,937,982
Total passengers	51,563,044	49,733,342
Domestic passengers	28,665,209	29,694,216
International passengers	22,897,835	20,039,126
Aircraft operations	453,067	457,154
Landed weight (1,000 pounds)	42,221,451	41,894,203
Enplaned cargo (in tons)	1,099,254	1,176,178

Financial Highlights

- As of September 30, 2023, the assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1.1 billion.
- Net position increased by \$192.0 million, or 20.5% as compared to fiscal year 2022. The American Rescue Plan Act (ARPA) grant receipts of \$130.2 million in fiscal year 2023 accounted for 67.8% of the increase in net position.
- Total liabilities declined by \$100.7 million to \$6.0 billion in fiscal year 2023, due primarily to scheduled revenue bond principal payments and premium amortization.
- Operating revenue and expenses, excluding depreciation and amortization, totaled \$927.7 million and \$587.4 million, respectively, up \$27.2 million and \$53.4 million, respectively, over fiscal year 2022.
- Nonoperating revenue, net of interest expense, totaled \$110.5 million, an increase of \$176.8 million over the prior fiscal year. The increase is primarily attributable to higher ARPA reimbursements and interest rates.

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The table below shows the composition of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of September 30, 2023 and 2022 (in thousands):

	<u>2023</u>	<u>2022⁽¹⁾</u>
Current Assets:		
Unrestricted assets	\$ 666,167	\$ 477,791
Restricted assets	322,804	281,409
Total Current Assets	988,971	759,200
Noncurrent Assets:		
Restricted assets	674,646	641,847
Capital assets, net	5,316,744	5,479,199
Lease receivable, net of current portion	159,212	163,527
PPP receivable	7,975	-
Total Assets	\$ 7,147,548	\$ 7,043,773
Deferred Outflows of Resources:		
Deferred outflow - pension	\$ 25,934	\$ 27,373
Deferred outflow - other postemployment benefit	6,053	6,512
Deferred loss on refunding	87,126	97,180
Total Deferred Outflows	\$ 119,113	\$ 131,065
Current Liabilities:		
Current liabilities payable from unrestricted assets	\$ 103,673	\$ 99,776
Current liabilities payable from restricted assets	302,144	258,145
Total Current Liabilities	405,817	357,921
Noncurrent liabilities	5,558,791	5,707,378
Total Liabilities	\$ 5,964,608	\$ 6,065,299
Deferred Inflows of Resources:		
Deferred inflow - pension	\$ 3,226	\$ 3,872
Deferred inflow - other postemployment benefit	3,644	3,687
Deferred inflow - leases	158,133	164,767
Deferred inflow - PPP	7,824	-
Total Deferred Inflows	\$ 172,827	\$ 172,326
Net Position:		
Net investment in capital assets	\$ (28,766)	\$ 24,800
Restricted	812,072	717,754
Unrestricted	345,920	194,659
Total Net Position	\$ 1,129,226	\$ 937,213

⁽¹⁾ Amounts for fiscal year 2022 have not been restated for the adoption of GASB No. 94 and 96.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
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SEPTEMBER 30, 2023 (UNAUDITED)

Capital assets, net as of September 30, 2023 were \$5.3 billion, \$162.5 million lower than at September 30, 2022. The decrease was due primarily to current year depreciation and amortization expense exceeding capital asset additions.

As of September 30, 2023, net position was \$1.1 billion, an increase of approximately \$192.0 million as compared to fiscal year 2022. Net investment in capital assets had a deficit of \$28.8 million, a decline of \$53.6 million, versus fiscal year 2022, as depreciation and amortization expense exceeded debt repayments, resulting in total capital borrowings surpassing net capital assets in the current year. Restricted net position was \$812.1 million and unrestricted net position was \$345.9 million, up \$94.3 million and \$151.3 million, respectively.

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, 2023 and 2022 (in thousands):

	<u>2023</u>	<u>2022⁽¹⁾</u>
Operating Revenues:		
Aviation fees	\$ 430,709	\$ 443,330
Rentals	179,876	172,591
Commercial operations	300,630	264,597
Other operating	12,569	12,753
Other – environmental remediation	3,900	7,195
Nonoperating Revenues:		
Passenger facility charges	110,336	100,363
Investment income	64,810	2,349
Lease and PPP interest income	7,116	6,412
Federal relief grant receipts	130,159	34,588
Other	3,888	1,410
Total Revenues	<u>1,243,993</u>	<u>1,045,588</u>
Operating Expenses:		
Operating expenses	442,571	395,948
Operating expenses – environmental remediation	2,990	5,375
Operating expenses – commercial operations	31,646	27,113
General and administrative expenses	110,235	105,618
Depreciation and amortization	283,358	280,175
Nonoperating Expenses:		
Interest expense	205,847	211,442
Total Expenses	<u>1,076,647</u>	<u>1,025,671</u>
Gain before capital contributions	167,346	19,917
Capital contributions	24,667	44,191
Change in net position	192,013	64,108
Net position at beginning of year	937,213	873,105
Net position at end of year	<u>\$ 1,129,226</u>	<u>\$ 937,213</u>

⁽¹⁾ Amounts for fiscal year 2022 have not been restated for the adoption of GASB No. 94 and 96.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
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SEPTEMBER 30, 2023 (UNAUDITED)

Total revenue for fiscal year 2023 was \$1.2 billion, an increase of \$198.4 million or 19.0%, as compared to fiscal year 2022. Operating revenue in fiscal year 2023 was \$927.7 million, an increase of \$27.2 million, or 3.0%, as compared to fiscal year 2022. Increased leisure air travel, additional carriers and routes, and the return of foreign-flag airlines with the lifting of global travel restrictions and testing requirements for inbound travelers during fiscal year 2023, resulted in the substantial increase in revenue across most income streams over the prior fiscal year.

A summary of operating revenues for the years ended September 30, 2023 and 2022 is as follows (in thousands):

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Aviation Fees:				
Landing fees	\$ 68,996	\$ 68,881	\$ 115	0.2 %
Concourse, international facility, and loading bridge fees	269,611	259,279	10,332	4.0 %
Aircraft parking fees	17,925	16,823	1,102	6.6 %
Baggage and screening fees	72,463	95,295	(22,832)	(24.0)%
Other aviation fees	1,714	3,052	(1,338)	(43.8)%
Total Aviation Fees	430,709	443,330	(12,621)	(2.8)%
Rent	179,876	172,591	7,285	4.2 %
Concessions, including car rental	205,808	180,029	25,779	14.3 %
Parking and ground transportation	62,055	49,496	12,559	25.4 %
Hotel	15,722	14,137	1,585	11.2 %
Fuel service and products	17,045	20,935	(3,890)	(18.6)%
Other operating revenue	16,469	19,948	(3,479)	(19.2)%
Total Operating Revenue	<u>\$ 927,684</u>	<u>\$ 900,466</u>	<u>\$ 27,218</u>	3.0 %

Total aviation fees, which accounted for 46.4% of total operating revenue, fell \$12.6 million or 2.8%, as compared to fiscal year 2022, driven primarily by lower per passenger baggage claim and security screening fees, down \$13.1 million or 26.8% and \$9.7 million or 21.0%, respectively, versus 2022, due to lower rates in the current fiscal year. The decline is partially offset by higher international facility fees, up \$10.6 million or 7.1%, due to the return of foreign-flag airlines. By contrast, parking and ground transportation revenue went up 25.4% due to increased rates and enplanements. Concession and rental revenue also increased, up 14.3% and 4.2% respectively, due to the higher rental rates, reopening of more retail stores that temporarily suspended operations during the pandemic, and increased passenger volumes.

Non-operating revenue increased by \$171.3 million or 118%, as compared to fiscal year 2022. Contributing to the significant increase were ARPA reimbursements, up \$100.2 million, and investment and PFC interest income, up \$62.5 million and \$7.3 million, respectively, due to higher interest rates.

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Total expenses, including depreciation and amortization, for fiscal year 2023 were \$1.1 billion, an increase of \$51.0 million or 5.0%, as compared to fiscal year 2022. Operating expenses in fiscal year 2023, excluding depreciation and amortization, were \$587.4 million, an increase of \$53.4 million, or 10.0%, as compared to fiscal year 2022. The increase in operating expenses is primarily attributed to higher maintenance and repairs cost for elevators, automated people mover and system, and buildings, up \$7.2 million, \$8.1 million, and \$6.6 million, respectively, due to aging equipment and facilities and higher contract cost, utilities, up \$9.7 million, and salaries and fringe benefits, up \$20.7 million, over fiscal year 2022. The increase in salaries and benefits was largely due to higher pension expense, up \$14.6 million, as compared to fiscal year 2022.

A summary of operating expenses for the years ended September 30, 2023 and 2022 is as follows (in thousands):

	2023	2022	Increase (Decrease)	Percentage Change
Salaries and benefits	\$ 200,730	\$ 179,989	\$ 20,741	11.5 %
Outside contractual services	104,779	102,385	2,394	2.3 %
Services provided by other				
County departments	96,319	105,389	(9,070)	(8.6)%
Maintenance and repairs	85,540	59,860	25,680	42.9 %
Utilities	69,051	59,335	9,716	16.4 %
Materials and supplies	12,526	11,260	1,266	11.2 %
Insurance	10,624	8,967	1,657	18.5 %
Other	7,873	6,869	1,004	14.6 %
Total Operating Expenses Before Depreciation and Amortization	587,442	534,054	53,388	10.0 %
Depreciation and amortization	283,358	280,175	3,183	1.1 %
Total Operating Expenses	<u>\$ 870,800</u>	<u>\$ 814,229</u>	<u>\$ 56,571</u>	6.9 %

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.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
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MANAGEMENT’S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2023 (UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2023 and 2022, the Aviation Department had \$5.3 billion and \$5.5 billion, respectively, invested in capital assets, net of accumulated depreciation and amortization. Assets totaling \$132.4 million were capitalized in fiscal year 2023, including \$82.9 million for taxiways and runways rehabilitation and \$21.8 million for new passenger boarding bridges.

The following table summarizes the composition of capital assets, net of accumulated depreciation and amortization, as of September 30, 2023 and 2022 (in thousands):

	<u>2023</u>	<u>2022</u>
Land	\$ 146,906	\$ 146,906
Buildings, improvements, and systems	4,018,263	4,191,211
Infrastructure	549,100	499,601
Furniture, machinery, and equipment	483,615	510,181
Right-to-use lease assets		
Buildings	6,167	6,761
Subscription assets	1,904	-
	<u>5,205,955</u>	<u>5,354,660</u>
Construction in progress	110,789	124,539
Total Capital Assets, Net	<u>\$ 5,316,744</u>	<u>\$ 5,479,199</u>

The Aviation Department adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements, and for the fiscal year ended September 30, 2023, recognized subscription assets of \$1.9 million, net of accumulated amortization of \$0.5 million.

The Aviation Department has grown its capital program to a long-term and bigger Capital Improvement Program (“CIP”), with an approved fiscal year 2023 budget of \$6.4 billion. The CIP consists of 169 capital projects grouped into 20 subprograms, and cumulative expenditures through September 30, 2023, totaled \$964.4 million.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
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The table below summarizes by subprogram, fiscal year 2023 approved budget and cumulative expenditures through September 30, 2023 (in thousands):

<u>Subprogram</u>	<u>Approved Budget</u>	<u>Cummulative Expenditures</u>
MIA North Terminal	\$ 858,411	\$ 5,364
MIA Central Terminal	1,828,770	10,649
MIA South Terminal Expansion	469,352	3,109
MIA Miscellaneous Projects	374,379	132,602
New Program Contingency	514,608	-
MIA Cargo and Non Terminal Buildings	192,393	1,177
MIA South Terminal	339,640	307,296
MIA Concourse E	384,902	218,434
MIA Reserve Maintenance	235,812	79,684
MIA Terminal Wide Projects	221,205	4,767
MIA Landside and Roadways	95,230	-
MIA Airfield/Airside	79,369	-
General Aviation Airports	121,064	22,481
MIA Terminal Wide Restrooms	100,567	8,731
MIA Land Acquisition	170,000	32,597
MIA Terminal Wide Roof	119,772	2,966
MIA Central Base Apron and Utilities	108,482	66,322
MIA Passenger Boarding Bridges	70,046	43,994
MIA Fuel Facilities	39,427	684
MIA Support Projects	49,422	23,539
	<u>\$ 6,372,851</u>	<u>\$ 964,396</u>

Subprograms of the CIP include upgrades to the terminal facilities to meet growing passenger demand and enhance the overall traveler experience, accommodate larger aircrafts, optimize aircraft parking, improve aesthetics, and meet current life safety and security requirements, as well as maintenance needs. Some notable projects completed in fiscal year 2023 were the modernization of the South Terminal public restrooms, the automated people mover platform connecting lower Concourse E and Satellite E, and renovation of the Taxi and Transportation Network Company parking lot and facilities. Strategic capital investments in fiscal year 2024 are set to elevate the airport’s infrastructure, and some noteworthy initiatives include replacement of all airline ticket counters between Concourses F and H, integration of cutting-edge biometric boarding technology at all 60 gates in Concourse D, modernization of elevators, escalators, and moving walkways, and the continued revamping of public restrooms and passenger boarding bridges throughout all the terminals.

As of September 30, 2023, 82 projects totaling \$4.7 billion are in the planning and design phase, 19 projects totaling \$196.4 million in bid and award, 29 projects totaling \$570.4 million are under construction and 33 projects totaling \$694.8 million are completed and pending close-out.

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

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SEPTEMBER 30, 2023 (UNAUDITED)

Debt Administration

As of September 30, 2023 and 2022, the Aviation Department had a total of \$5.4 billion and \$5.6 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, and Commercial Paper Notes. Maturity dates range from 2024 to 2050, and the interest rates range from 1.229% to 5.500%.

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 \$60.0 million of PFC revenue to pay principal and interest due in fiscal year 2023.

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 & Poor's, Moody's Investor Service, and Fitch Ratings to AAA, Aaa, and AAA, respectively, 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 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, 2023, the public underlying ratings for the Aviation Department's outstanding General Aviation Revenue Bonds were A with a positive outlook, AA- with a stable outlook, and A+ with a stable outlook per Standard & 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

For the second consecutive year, MIA passenger traffic, which fell to an all-time low, during fiscal year 2020, rebounded past 2019 levels to record highs in fiscal year 2022 and 2023, as did the economy of the metropolitan area of Miami-Dade County, which principally serves MIA. Because the residents in Miami-Dade County serve as a portion of the MIA passenger traffic, the health of the local economy affects the Airport's revenue. One of the local economic factors that affects MIA is the (not seasonally adjusted) unemployment rate, which decreased from 2.6% in September 2022 to 1.5% in September 2023.

Total non-farm employment for the Miami-Fort Lauderdale-West Palm Beach, Florida metropolitan area outperformed the national average, increasing by 2.5% compared to 2.1% nationwide. The trade, transportation, and utilities sector recorded the highest growth rate, adding over 20,000 employees in 2023, a 3.2% increase year-over-year compared to 0.5% nationally. Home prices also trended upwards, increasing by 5% from September 2022 to September 2023 according to the Standard & Poor/Case-Shiller Home Price Index, which is a significant decrease from the 24.6% growth rate experienced in fiscal year 2022.

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SEPTEMBER 30, 2023 (UNAUDITED)

Passenger traffic at MIA soared to unprecedented heights in fiscal year 2023, surging past 2022 record-shattering 49.7 million travelers to a new high for the most annual passengers in MIA’s history, as noted in the table below.

<u>Fiscal Year</u>	<u>Total Passengers</u>	<u>Percentage Change</u>
2014	40,844,964	1.8 %
2015	43,347,129	6.1 %
2016	44,901,753	3.6 %
2017	43,758,409	(2.5)%
2018	44,938,486	2.7 %
2019	45,811,583	1.9 %
2020	25,382,384	(44.6)%
2021	30,219,088	19.1 %
2022	49,733,342	64.6 %
2023	51,563,044	3.7 %

Through June 2023, MIA was the fastest growing U.S. airport according to the Airport Council International-North America. Contributing to MIA’s phenomenal growth rate and post COVID recovery were hub carrier American Airlines and its subsidiary Envoy, new low-cost U.S. carriers, Southwest Airlines, JetBlue Airways, and Spirit Airlines, new international carriers, and the addition of over 15 international routes. Low-cost carriers, including Frontier Airlines, carried 6.0 million passengers in fiscal year 2023, which was 11.6% of total MIA’s traffic and an increase of 5.6 million passengers over 2019.

Since Concourse D was completed in 2010, American Airlines has been able to grow its hub operation at MIA. American Airlines, along with its regional airline, Envoy, has significantly increased service to MIA, which is represented by its 26.1% explained passenger growth rate from fiscal years 2010 to 2023. American Airlines and its affiliates continue to represent the majority of the MIA passengers at 60.3% of the passenger numbers for fiscal year 2023, and an increase of 0.3 million passengers over 2019. LATAM and Delta also recorded significant growth in fiscal year 2023, up 48.1% and 16.1% over fiscal year 2022, primarily due to the Joint Venture between both airlines in November 2022. The JV’s mission is to significantly enhance travel connectivity between North and South America.

The financial strength and stability of the airlines serving MIA may affect future airline passenger 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 or pandemics, although the Aviation Department would take measures to mitigate these potential effects as it has done for the recent pandemic.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2023 (UNAUDITED)

Air cargo tonnage at MIA decreased by 1.3% for fiscal year 2023, as compared to fiscal year 2022, as the air cargo industry stabilized after the significant growth experienced in the past two fiscal years. The air cargo industry cratered in the early days of the pandemic but returned to pre-pandemic levels due to a number of reasons, including congestion in the ocean freight market and the increase in e-commerce.

In terms of air cargo tonnage at MIA, the numbers are noted in the following table.

Fiscal Year	Total Cargo (Tons)	Percentage Change
2014	2,187,474	2.5 %
2015	2,206,306	0.9 %
2016	2,219,606	0.6 %
2017	2,247,913	1.3 %
2018	2,368,617	5.4 %
2019	2,346,241	(0.9)%
2020	2,301,051	(1.9)%
2021	2,645,956	15.0 %
2022	2,807,140	6.1 %
2023	2,770,981	(1.3)%

As shown in the table above, air cargo tonnage at MIA tends to fluctuate on an annual basis. However, the carriage of cargo in the belly of the aircraft is a key source of operating revenue for many passenger airlines serving MIA, particularly the foreign-flag airlines, and an important contributor to the viability of their passenger flights. In addition, 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 2023, the Airport handled 83% of all air imports and 80% of all air exports between the United States and the Latin American/Caribbean region.

Airline Rates and Charges – 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. The 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 rate methodology, 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 mitigated in prior years for the reasons noted below:

- 1) 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 eight years, \$1.75 in fiscal year 2014 with the subsequent fiscal years being no higher than \$1.68 and the last four fiscal years (2019-2023) being \$1.62.
- 2) The refunding of the Aviation Revenue Bonds and the Double-Barreled General Obligation Bonds that were issued between 1994 and 2012. These refunding transactions have resulted in a net present value savings of \$787.1 million based on a par amount of \$6.1 billion for the refunded bonds; an overall net present value savings of 12.8%.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2023 (UNAUDITED)

- 3) 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. Although, the Aviation Department increased its fiscal year 2023 operating budget by 11.2%, other measures were taken to keep most of the major fiscal year 2023 rates and charges at the same amount, if not less, than fiscal year 2022 rates and charges.
- 4) Assistance from the federal government in the form of grants that reimbursed operating costs and debt service costs through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA Act), and the American Rescue Plan Act (ARP Act), which were created as federally funded pandemic relief programs. In fiscal years 2023, 2022, 2021, and 2020, the Aviation Department received \$134.7 million, \$30 million, \$58.1 million, and \$184.1 million, respectively, for a total of \$406.9 million in grant reimbursements from these programs.

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
STATEMENT OF NET POSITION

SEPTEMBER 30, 2023 (IN THOUSANDS)

ASSETS

Current Assets:

Cash and cash equivalents	\$ 457,381
Investments, including interest receivable	156,574
Accounts receivable, net of allowance for doubtful accounts of \$3,643	36,352
Lease receivable	4,315
Inventories, prepaid expenses, and other current assets	10,943
Due from County Agencies	602
Total Current Unrestricted Assets	666,167

Restricted Assets:

Current Restricted Assets:

Cash and cash equivalents	46,723
Investments, including interest receivable	255,421
Government grants receivable	4,774
Passenger facility charges receivable	15,886
Total Current Restricted Assets	322,804
Total Current Assets	988,971

Noncurrent Assets:

Restricted Assets:

Cash and cash equivalents	674,646
Total Noncurrent Restricted Assets	674,646

Lease receivable, net of current portion	159,212
PPP receivable	7,975
Capital assets, net	5,316,744
Total Noncurrent Assets	6,158,577
Total Assets	\$ 7,147,548

Deferred Outflows of Resources:

Deferred outflows pension	\$ 25,934
Deferred outflows other postemployment benefit	6,053
Deferred loss on refundings	87,126
Total Deferred Outflows of Resources	\$ 119,113

The accompanying notes to the financial statements are an integral part of these statements.

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

SEPTEMBER 30, 2023 (IN THOUSANDS)

LIABILITIES AND NET POSITION

Current Liabilities Payable from Unrestricted Assets:

Accounts payable and accrued expenses	\$ 43,139
Security deposits	25,826
Environmental remediation liability	8,600
Compensated absences	11,179
Other postemployment benefit liability	697
Rent advances	3,294
Lease and subscription liabilities	898
Other current liabilities	5,016
Due to County Agencies	5,024
Total Current Liabilities Payable from Unrestricted Assets	103,673

Current Liabilities Payable from Restricted Assets:

Accounts and contracts payable and other liabilities	29,474
Bonds Payable within One Year:	
Bonds payable	165,440
Interest payable	107,230
Total Current Liabilities Payable from Restricted Assets	302,144
Total Current Liabilities Payable	405,817

Noncurrent Liabilities:

Bonds and loans payable after one year	5,212,500
Commercial paper notes	40,000
Environmental remediation liability, net of current portion	33,580
Compensated absences, net of current portion	25,176
Rent advances	37,722
Lease and subscription liabilities, net of current portion	7,593
Other noncurrent liabilities, net of current portion	49,863
Other postemployment benefit liability	27,783
Net pension liability	124,574
Total Noncurrent Liabilities	5,558,791
Total Liabilities	\$ 5,964,608

Deferred Inflows of Resources:

Deferred inflows pension	\$ 3,226
Deferred inflows other postemployment benefit	3,644
Deferred inflows leases	158,133
Deferred inflows PPP	7,824
Total Deferred Inflows of Resources	\$ 172,827

Net Position:

Net investment in capital assets	\$ (28,766)
Restricted:	
Restricted for debt service	374,618
Restricted for reserve maintenance	145,809
Restricted for construction	291,645
Unrestricted	345,920
Total Net Position	\$ 1,129,226

The accompanying notes to the financial statements are an integral part of these statements.

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

YEAR ENDED SEPTEMBER 30, 2023 (IN THOUSANDS)

Operating Revenue:	
Aviation fees	\$ 430,709
Rentals	179,876
Commercial Operations:	
Management agreements	94,822
Concessions	205,808
Other	12,569
Other – environmental remediation	3,900
Total Operating Revenue	<u>927,684</u>
Operating Expenses:	
Operating expenses	442,571
Operating expenses – environmental remediation	2,990
Operating expenses under management agreements	23,858
Operating expenses under operating agreements	7,788
General and administrative expenses	110,235
Total Operating Expenses Before Depreciation and Amortization	<u>587,442</u>
Operating income before depreciation and amortization	340,242
Depreciation and amortization	<u>283,358</u>
Operating Income	<u>56,884</u>
Nonoperating Revenues (Expenses):	
Passenger facility charges	110,336
Interest expense	(205,847)
Investment income	64,810
Lease and PPP interest income	7,116
Federal relief grant receipts	130,159
Other revenue	3,888
Total Nonoperating Revenues	<u>110,462</u>
Income before capital contributions	167,346
Capital contributions	<u>24,667</u>
Change in net position	192,013
Net position, beginning of year	<u>937,213</u>
Net position, end of year	<u>\$ 1,129,226</u>

The accompanying notes to the financial statements are an integral part of these statements.

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

YEAR ENDED SEPTEMBER 30, 2023 (IN THOUSANDS)

Cash flows from operating activities:

Cash received from customers and tenants	\$ 948,374
Cash paid to suppliers for goods and services	(395,258)
Cash paid to employees for services	(164,714)
Net cash flows from operating activities	<u>388,402</u>

Cash flows from capital and related financing activities:

Proceeds from commercial paper	250,000
Principal paid on bonds and commercial paper	(365,575)
Interest paid on bonds, loans, and commercial paper	(222,443)
Purchase and construction of capital assets	(113,198)
Capital contributed by federal and state governments	28,461
Passenger facility charges	109,146
Lease and PPP interest received	7,109
Principal paid on lease and subscription liabilities	(886)
Interest paid on lease and subscription liabilities	(360)
Principal paid on financed purchase	(4,690)
Net cash flows from capital and related financing activities	<u>(312,436)</u>

Cash flows from noncapital financing activities:

Reimbursements received from ARPA grants	130,159
Reimbursements received from government grants	4,263
Net cash flows from noncapital financing activities	<u>134,422</u>

Cash flows from investing activities:

Purchase of investments	(1,665,441)
Proceeds from sales and maturities of investments	1,661,881
Interest and dividends on investments	34,998
Net cash flows from investing activities	<u>31,438</u>

Net change in cash and cash equivalents	241,826
Cash and cash equivalents, beginning of year	936,924
Cash and cash equivalents, end of year	<u>\$ 1,178,750</u>

Cash and cash equivalents reconciliation:

Unrestricted assets	\$ 457,381
Restricted assets	721,369
Cash and cash equivalents	<u>\$ 1,178,750</u>

The accompanying notes to the financial statements are an integral part of these statements.

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

YEAR ENDED SEPTEMBER 30, 2023 (IN THOUSANDS)

Reconciliation of operating income to net cash from operating activities:

Operating income	\$ 56,884
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	283,358
Provision for uncollectible accounts	822
Loss (gain) on sale of property	109
Changes in operating assets and liabilities:	
Accounts receivable	7,390
Lease receivable	3,671
PPP receivable	(7,975)
Inventories, prepaid expenses, and other assets	2,035
Due from County agencies	428
Deferred outflows related to pensions	1,439
Deferred outflows related to other postemployment benefits	459
Accounts and contracts payable and accrued expenses	11,161
Security deposits	2,188
Due to County agencies	(4,831)
Rent advances	16,767
Liability for compensated absences	(3,262)
Liability for other postemployment benefits	2,327
Net pension liability	18,831
Environmental remediation liability	(3,900)
Deferred inflows related to pensions	(646)
Deferred inflows related to other postemployment benefits	(43)
Deferred inflows related to leases	(6,634)
Deferred inflows related to PPP leases	7,824
Total adjustments	<u>331,518</u>
Net cash flows from operating activities	<u>\$ 388,402</u>

Noncash investing, capital, and financing activities:

Increase in fair value of investments	<u>\$ 15,814</u>
Increase in construction in progress accrual	<u>\$ 5,405</u>
Subscription assets	<u>\$ 2,409</u>
Decrease in premium from bonds	<u>\$ (24,395)</u>

The accompanying notes to the financial statements are an integral part of these statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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 annual comprehensive 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, 2023, and the changes in its financial position and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles (“U.S. 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 co-trustee (the “Co-Trustee”) (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 Co-Trustee), 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.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 1—General (continued)

d. *Agreements with Airlines* – The Airline Use Agreement (“AUA”), which became effective in August 2018, 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 AUA, remaining money residing in the Improvement Fund at the end of the fiscal year in excess of \$7.6 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 \$7.6 million annual contribution is deposited into a separate account that has a cumulative cap of \$22.8 million also subject to a CPI adjustment and can be used for any discretionary airport related purpose. As of September 30, 2023, the excess deposit, which was transferred to the Revenue Fund annually by March, was approximately \$79.8 million.

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 to establish the appropriate allocation to the General Fund. The study accords all administrative costs consistent treatment through the application of U.S. GAAP 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 currently in use was completed in fiscal year 2017, using administrative costs for fiscal year 2015. For the year ended September 30, 2023, the Aviation Department recorded an expense in the amount of approximately \$3.3 million for the indirect administrative services cost reimbursement in accordance with the formula developed as a result of the study.

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 \$93.0 million for the year ended September 30, 2023.

As of September 30, 2023, the Aviation Department owes the County approximately \$5.0 million for various services. For this same period, the Aviation Department has receivables due from the County in the amount of approximately \$0.6 million.

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.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 2—Summary of significant accounting policies (continued)

d. *Leases* – The lease receivable and liability are measured at the present value of the fixed lease payments expected to be received or made during the lease term, using the Aviation Department’s weighted average incremental borrowing rate. The deferred inflow of resources and intangible right-to-use assets are equal to the lease receivable and liability, respectively, adjusted for payments received or made at or before the lease commencement date. Subsequently, the lease receivable is reduced by the principal portion of lease payments received, and the deferred inflow of resources is recognized as revenue over the life of the lease term. The lease liability is reduced by the principal portion of the lease payments made and the right-to-use asset is amortized on a straight-line basis over the lease term. Lease liabilities are included in lease and subscription liabilities and the right-to-use assets are reported with capital assets on the accompanying statement of net position.

The Aviation Department remeasures the lease receivable, right-to-use assets and deferred inflow of resources, if certain changes occur that are expected to significantly affect the amount of the lease receivable or lease liability.

e. *Subscription Based Information Technology Agreements* – The Aviation Department recognized a subscription liability and an intangible right-to-use subscription asset at the commencement of the term. The subscription liability is measured at the present value of future payments and the intangible right-to-use asset is equal to the liability, adjusted for payments made at the start of the subscription term. The liability is reduced by the principal portion of payments made and the asset is amortized on a straight-line basis over the lease term. Subscription liabilities are included in lease and subscription liabilities and the intangible assets are reported with capital assets on the accompanying statement of net position.

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

g. *Capital Assets, Depreciation and Amortization* – 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 statement 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:

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

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 an asset may be impaired, the Aviation Department determines whether an impairment should be recognized. The Aviation Department concluded that no impairment exists as of September 30, 2023.

Right-to-use lease assets with an initial value of \$200,000 or more, are recorded at the present value of future minimum lease payments, plus any payments made at or before the commencement date, and are amortized on a straight-line basis over the life of the related lease term as follows: buildings, 12 years; and subscription assets, 4 to 5 years.

h. *Interest on Indebtedness* – Interest is charged to expense as incurred. Total interest costs incurred during the year ended September 30, 2023 amounted to approximately \$205.8 million.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 2—Summary of significant accounting policies (continued)

i. 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.

j. Compensated Absences – The Aviation Department accounts for compensated absences by accruing a liability for employees’ compensation of future 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, 2023, liabilities related to compensated absences were approximately \$36.4 million, of which an estimated \$11.2 million is payable within a year.

k. Rent Advances – Rent payments that apply to future periods are recorded as rent advances, when received. See Note 6 to the financial statements for additional information.

l. 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.

m. Deferred Outflows/Inflows of Resources – The statement of net position reports a separate section for deferred outflows of resources in addition to assets. Deferred outflows of resources represent a consumption of net assets that applies to future periods. As of September 30, 2023, the Aviation Department reported deferred outflows of resources for pension related items as discussed in Note 11, for other postemployment benefits (“OPEB”) related items as discussed in Note 13, and for deferred losses on refundings. The deferred loss on refundings results from the difference in the carrying value of the 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.

The statement of net position reports a separate section for deferred inflows of resources in addition to liabilities. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. As of September 30, 2023, the Aviation Department reported deferred inflows of resources for public-private partnerships as discussed in Note 8, leases as discussed in Note 9, pension related items as discussed in Note 11 and for OPEB related items as discussed in Note 13.

n. Bond Discount/Premium and Issuance Costs – Discount/premium on bonds are amortized over the life of the related bond using the effective interest method. Bond issuance costs are expensed as incurred, except any portion related to prepaid insurance costs, which are amortized.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 2—Summary of significant accounting policies (continued)

o. Pension Plan – The Aviation Department contributes to FRS, a cost-sharing, multi-employer plan. 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.

p. Other Postemployment Benefits (OPEB) – The Aviation Department contributes to a single-employer, defined-benefit healthcare plan administered by the County. The postretirement health benefits are funded on a pay-as-you-go basis (i.e., the County funds on a cash basis as benefits are paid).

q. 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”.

r. Operating vs. Nonoperating Revenues and Expense – The Aviation Department distinguishes operating revenues and expenses from nonoperating items in its statement of revenues, expenses, and changes in net position. The Aviation Department defines operating revenues and expenses as revenues earned and expenses incurred from aviation operations and services provided to customers and tenants. Nonoperating revenues and expenses include investment earnings, interest expense, government grants and contributions, 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 automotive parking fees, 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.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 2—Summary of significant accounting policies (continued)

s. *Grants from Government Agencies* – Grants received to cover costs for operating expenses, debt obligations, and relief for concessionaires are recorded as nonoperating other revenue, when earned. The Aviation Department received FAA Airport grant awards under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA Act”) and the American Rescue Plan Act of 2021 (“ARP Act”) totaling approximately \$207.2 million, \$39.5 million, and \$160.1 million, respectively. During fiscal year 2023, the Aviation Department recorded approximately \$130.2 million in grants under the FAA ARP Act programs to aid with costs related to debt obligations, operating expenses and concessions rent relief.

Grants received for the acquisition or construction of capital assets are recorded as capital contributions when all eligibility requirements have been met. Grants are earned when costs relating to such operating expenses, debt obligations, and capital assets, which are reimbursable under the terms of the grants, have been incurred. During fiscal year 2023, the Aviation Department recorded approximately \$24.7 million, in grants relating to contributions consisting of federal and state grants in aid of construction. Grants receivables relating to the contributions as of September 30, 2023 were approximately \$4.8 million.

t. *Passenger Facility Charges* – Effective January 1, 2002, the FAA authorized the Aviation Department to collect PFC of \$4.50 per eligible enplaning, revenue-generating passengers in the aggregate amount not to exceed approximately \$2.7 billion including interest. The latest application, approved by the FAA in April 2022, authorized the Aviation Department to collect PFCs through January 1, 2039. PFC revenue is reported as nonoperating revenue and the net receipts are restricted to be used for funding FAA-approved capital projects and debt service attributable to such approved capital projects. PFCs earned from inception through September 30, 2023, was approximately \$1.9 billion, including interest.

u. *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.

v. *Implementation of New Accounting Standards* – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*, which is effective for reporting periods beginning after December 15, 2021. This statement establishes the criteria for reporting conduit debt obligations for all state and local governments. The adoption of GASB Statement No. 91 in fiscal year 2023 did not impact the Aviation Department’s financial statements and related disclosures.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is effective for reporting periods beginning after June 15, 2022. This statement establishes the criteria for identifying and reporting public-private, public-public partnership arrangements, and available payment arrangements of all state and local governments. The Aviation Department adopted GASB 94 in fiscal year 2023 and the results are reflected in Note 8 to the financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for reporting periods beginning after June 15, 2022. This statement establishes a model for accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The Aviation Department adopted GASB 96 in fiscal year 2023 and the results are reflected in Notes 5 and 6 to the financial statements.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
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SEPTEMBER 30, 2023

Note 2—Summary of significant accounting policies (continued)

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. This statement addresses specific issues that have been identified during implementation of various GASB statements. The adoption of requirements related to leases, public-public and public-private partnerships, and SBITAs in fiscal year 2023 did not impact the Aviation Department’s financial statements and related disclosures.

w. Future Accounting Standards – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. This statement addresses specific issues that have been identified during implementation of various standards. The requirements related to financial guarantees and derivative instruments are effective for reporting periods beginning after June 15, 2023. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the financial statements and related disclosures.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, which is effective for reporting periods beginning after June 15, 2023. This statement establishes criteria for reporting accounting changes and error corrections in previously issued financial statements. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the financial statements and related disclosures.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*, which is effective for reporting periods beginning after December 15, 2023. This statement updates the recognition and measurement guidance for compensated absences. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the financial statements and related disclosures.

In January 2024, GASB issued Statement No. 102, *Certain Risk Disclosures*, which is effective for reporting periods beginning after June 15, 2024. The statement establishes the reporting criteria for risks associated with a lack of diversity related to an aspect of significant inflow or outflow of resources and limitations imposed by external parties or by formal action of the government’s highest level of decision-making authority. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the financial statements and related disclosures.

Note 3—Cash, cash equivalents, and investments

The County is authorized through *Florida Statutes* Section 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, 2023, total unrestricted and restricted cash and cash equivalents and investments comprise the following (in thousands):

Cash and cash equivalents	\$ 1,178,750
Investments, including interest receivable	411,995
	<u>\$ 1,590,745</u>

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

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

The carrying amounts of the Aviation Department's local deposits were approximately \$58.2 million as of September 30, 2023. 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, 2023 are summarized as follows (in thousands):

Cash deposits	\$ 58,184
U.S. government securities	1,146,872
Treasury bills	180,358
Commercial paper	156,378
Money market	48,953
Total cash equivalents and investments	1,532,561
Total cash, cash equivalents, and investments	\$ 1,590,745

At September 30, 2023, the carrying value of cash equivalents and investments included the following (in thousands):

<u>Investment Type</u>	
Federal Home Loan Mortgage Corporation	\$ 101,902
Federal Home Loan Bank	748,108
Federal Farm Credit Bank	171,043
Federal National Mortgage Association	125,819
Treasury bills	180,358
Commercial paper	156,378
Money market	48,953
	\$ 1,532,561

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

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

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 Section 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 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 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.

The table below summarizes the investments by type and credit ratings as of September 30, 2023:

<u>Investment Type</u>	<u>Credit Rating</u>		
	<u>S&P</u>	<u>Moody’s</u>	<u>Fitch</u>
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+u/A-1+u	Aaa/P-1	AAA/F1+
Commercial paper	NA/A-1+	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, 2023, 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.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 3—Cash, 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, 2023, the following issuers held 5% or more of the investment portfolio:

Issuer

Federal Home Loan Mortgage Corporation	6.65%
Federal Home Loan Bank	48.81%
Federal Farm Credit Bank	11.16%
Federal National Mortgage Association	8.21%
Treasury bills	11.77%
Commercial paper	10.20%

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.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

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

As of September 30, 2023, the County had the following investments with the respective weighted average maturity in years:

Investment Type

Federal Home Loan Mortgage Corporation	0.425
Federal Home Loan Bank	0.263
Federal Farm Credit Bank	0.096
Federal National Mortgage Association	0.184
Treasury bills	0.049
Commercial paper	0.137
Money market	0.003

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 categorizes its investments according to the fair value hierarchy established by U.S. GAAP. 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, 2023, the carrying value of cash equivalents and investments included the following (in thousands):

<u>Investments at Fair Value</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Federal Home Loan Mortgage Corporation	\$ 101,902	\$ -	\$ 101,902	\$ -
Federal Home Loan Bank	748,108	-	748,108	-
Federal Farm Credit Bank	171,043	-	171,043	-
Federal National Mortgage Association	125,819	-	125,819	-
Treasury bills	180,358	180,358	-	-
Commercial paper	156,378	-	156,378	-
Total investments at fair value	1,483,608	\$ 180,358	\$ 1,303,250	\$ -
Money market at amortized cost	48,953			
Total investments and cash equivalents	<u>\$ 1,532,561</u>			

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 4—Accounts receivables and payables

a. *Receivables* – Accounts receivable as of September 30, 2023 are as follows (in thousands):

Accounts receivable - trade	\$ 36,756
Accounts receivable - management companies	2,570
Due from government agencies	638
Other receivables	31
	<u>39,995</u>
Allowance for doubtful accounts	<u>(3,643)</u>
Total accounts receivable, net	<u>\$ 36,352</u>

As of September 30, 2023, 98% of receivables are due from customers (tenants, carriers, and business partners) and 2% are due from government agencies. American Airlines represented \$3.9 million or 10.8% of accounts receivable, net of allowance for doubtful accounts, and approximately \$262.5 million or 28.4% of total operating revenue for fiscal year 2023.

b. *Payables* – Accounts payable, contracts payable and accrued liabilities as of September 30, 2023 are as follows (in thousands):

Accounts payable and accrued expenses - trade	\$ 31,562
Accounts payable and accrued expenses - contracts	29,474
Accrued expenses - management companies	5,774
Accrued expenses - salaries and wages	5,776
Accrued interest payable - lease and subscription liabilities	27
Total accounts payable and accrued expenses	<u>\$ 72,613</u>

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 5—Capital assets

A summary of capital asset activity and changes in accumulated depreciation and amortization for the year ended September 30, 2023 is as follows (in thousands):

	Balance at October 1, 2022	Additions/ Transfers	Deletions/ Transfers and Retirements	Balance at September 30, 2023
Capital assets not depreciated/amortized:				
Land	\$ 146,906	\$ -	\$ -	\$ 146,906
Construction in progress	124,539	89,871	(103,621)	110,789
Total capital assets not depreciated/amortized	271,445	89,871	(103,621)	257,695
Capital assets depreciated/amortized:				
Buildings, improvements, and systems	7,387,188	4,160	(2,974)	7,388,374
Infrastructure	1,595,406	92,847	-	1,688,253
Furniture, machinery, and equipment	1,164,622	35,345	(3,398)	1,196,569
Right-to-use lease assets:				
Buildings	7,355	-	-	7,355
Subscription assets	-	2,409	-	2,409
Total capital assets depreciated/amortized	10,154,571	134,761	(6,372)	10,282,960
Less accumulated depreciation/amortization:				
Buildings, improvements, and systems	(3,195,977)	(177,108)	2,974	(3,370,111)
Infrastructure	(1,095,804)	(43,348)	-	(1,139,152)
Furniture, machinery, and equipment	(654,442)	(61,803)	3,290	(712,955)
Right-to-use lease assets:				
Buildings	(594)	(594)	-	(1,188)
Subscription assets	-	(505)	-	(505)
Total accumulated depreciation/amortization	(4,946,817)	(283,358)	6,264	(5,223,911)
Total capital assets depreciated/amortized, net	5,207,754	(148,597)	(108)	5,059,049
Total capital assets, net	\$ 5,479,199	\$ (58,726)	\$ (103,729)	\$ 5,316,744

Right-to-Use Lease Assets – The agreements, as summarized below, provide for fixed payments and the assets were measured at the present value of future payments using the Aviation Department's weighted average incremental borrowing rate.

a. *Buildings* – The Aviation Department has entered into a noncancelable agreement for an industrial warehouse building with the lease term expiring in 2024. The lease's two five-year options to extend, can only be exercised by the tenant and was deemed reasonably certain by the Aviation Department. The agreement has fixed monthly payments over the lease term and does not contain variable payments or guaranteed residual values.

For the fiscal year ended September 30, 2023, the Aviation Department recognized a right-to-use lease asset of approximately \$6.2 million, net of accumulated amortization of approximately \$1.2 million, and for the year ended September 30, 2023, reported amortization expense of approximately \$0.6 million.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 5—Capital assets (continued)

b. *Subscription Assets* - The Aviation Department has entered into various SBITA, whereby the Aviation Department has the right to use and control a vendor's software, alone or in combination with other assets. The SBITAs, with terms expiring in fiscal years 2026 and 2027, include no options to extend, and provide for fixed annual or monthly payments over the lease term, with no variable payments.

For the fiscal year ended September 30, 2023, the Aviation Department recognized right-to-use subscription assets of approximately \$1.9 million, net of accumulated amortization of \$0.5 million, and for the year ended September 30, 2023, reported amortization expense of \$0.5 million.

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.

Pursuant to Section 802 of the Trust Agreement, events of default resulting in finance related consequences in respect to the Aviation Revenue Bonds include: 1) failure to pay principal when due and payable; 2) payment of interest installment not being made within 10 days after interest is due and payable; 3) if the amount deposited in any fiscal year in the Redemption Account and Reserve accounts do not meet the requirements of the Trust Agreement; 4) if the County is rendered incapable of fulfilling its obligations; 5) if final judgment for the payment of money shall be rendered against the County as a result of owning and controlling Port Authority Properties and the judgment is not discharged within 60 days from entry or an appeal is not taken; 6) if an order or decree is entered with or without the consent of the County, appointing a receiver or receivers of the Port Authority Properties or of the Revenue thereof, and the order shall not be vacated or discharged or stayed on appeal within 60 days after entry; 7) if any proceeding is instituted resulting from creditor claims that are payable out of Revenues as defined by the Trust Agreement, with consent or acquiescence of the County, affecting a composition between the County and its creditors, or adjusted creditor claims, pursuant to any federal or state statute now or hereafter enacted; 8) if the County defaults in the performance of any covenants, conditions, agreements, and provisions contained in the bonds or Trust Agreement, and such default continues 30 days after written notice is provided to the County by the Trustee.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 6—Debt (continued)

Pursuant to Section 803 of the Trust Agreement, the finance related consequences resulting from events of default specified in Section 802, is the acceleration of bond maturities. In each case of default, the Trustee may, and upon written request of not less than 20% of the bond holders, by a notice in writing to the County, declare the principal of all the bonds then Outstanding to be due and payable immediately. The Trust Agreement or Aviation Revenue Bond agreements do not call for termination events or subjective acceleration clauses; other than the acceleration clause mentioned above resulting from events of default (in thousands):

Miami-Dade County Aviation Department Debt Outstanding

Revenue Bonds	Issue Date	Rate	Maturity	2023
Serial bonds:				
2015A	July 2015	5.000%	2024-2034	\$ 24,485
2002A	December 2002	5.050%	2037	15
				<u>24,500</u>
Term bonds:				
2019A	May 2019	4.000%-5.000%	2044-2050	282,180
2015A	July 2015	4.250%-5.000%	2037-2046	45,595
2008A	June 2008	5.500%	2042	15
				<u>327,790</u>

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 6—Debt (continued)

Miami-Dade County Aviation Department Debt Outstanding (Refunding)

Revenue Bonds	Issue Date	Rate	Maturity	2023
Serial bonds:				
2020B	December 2020	1.229%-2.857%	2026-2036	\$ 78,645
2020A	December 2020	4.000%-5.000%	2024-2042	301,760
2019E	August 2019	1.966%-2.649%	2024-2033	347,580
2019B	May 2019	2.755%-3.555%	2024-2035	197,675
2018C	August 2018	3.285%-4.162%	2024-2034	273,220
2018A	August 2018	5.000%	2039-2042	9,830
2017D	August 2017	2.569%-3.554%	2024-2033	89,490
2017B	August 2017	5.000%	2038	1,060
2016B	August 2016	2.368%-3.756%	2024-2037	290,255
2016A	August 2016	5.000%	2024-2037	173,495
2015B	July 2015	5.000%	2026-2028	38,500
2015A	July 2015	5.000%	2024-2034	23,530
2014B	December 2014	5.000%	2026-2035	72,540
2014A	December 2014	4.000%-5.000%	2026-2037	580,105
2014	March 2014	4.375%-5.000%	2024-2035	265,700
2012B	December 2012	3.000%-5.000%	2024-2030	33,040
2012A	December 2012	5.000%	2024-2025	82,105
				2,858,530
Term bonds:				
2020B	December 2020	3.270%	2042	35,325
2018C	August 2018	4.280%	2042	480,340
2017D	August 2017	3.732%-3.982%	2038-2042	180,550
2017B	August 2017	5.000%	2041	302,485
2017A	March 2017	4.000%	2041	145,800
2016B	August 2016	3.856%	2042	52,560
2016A	August 2016	5.000%	2042	136,190
2015A	July 2015	4.250%-5.000%	2035-2039	324,985
2014B	December 2014	5.000%	2038	82,250
				1,740,485
Grand total				\$ 4,951,305

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 6—Debt (continued)

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

<u>Years Ending September 30,</u>	Aviation Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 158,785	\$ 211,224
2025	165,200	204,809
2026	169,705	198,327
2027	180,380	192,882
2028	181,395	186,863
2029-2033	1,042,065	828,200
2034-2038	1,385,655	576,565
2039-2043	1,402,050	228,357
2044-2048	185,145	47,508
2049-2051	80,925	6,119
	<u>4,951,305</u>	<u>\$ 2,680,854</u>
Plus unamortized premium	237,883	
	<u>\$ 5,189,188</u>	

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 statement of net position. Bond premium and discount are amortized as additional interest expense using the effective interest method. Amortization of bond discount or premium for Aviation Revenue Bonds and Double-Barreled Aviation Bonds was approximately \$24.4 million for the year ended September 30, 2023, and is included in interest expense in the accompanying statement of revenue, expenses, and changes in net position.

c. *Double-Barreled Aviation Bond* – On October 22, 2020, the Aviation Department issued approximately \$177.7 million of Double-Barreled Aviation Refunding Bond (“General Obligation”), Series 2020, at a premium of approximately \$22.2 million. The Series 2020 Refunding Bonds, which fully refunded the Series 2010 Double-Barreled Aviation General Obligation Bond, are a General Obligation of the County, secured by the full faith, credit, and taxing power of the County. The Series 2020 Refunding 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 Net Available Airport Revenues are insufficient to pay debt services on the Series 2020 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.

Sections 11.01 and 11.02 of the County Resolution 1364-09, provides events of default and remedies to the events of default in respect to the Series 2010 Bonds; however, there are no finance related consequences that result from an event of default. The Resolution does not call for termination events or subjective acceleration clauses.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 6—Debt (continued)

The Series 2020 Refunding Bonds, of which approximately \$174.7 million remains outstanding as of September 30, 2023, will provide long-term financing for certain capital improvement comprising a part of the Capital Improvement Program for the Aviation Department. The proceeds 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 2020 refunding bonds bear stated interest ranging from 2.25% to 5.00%, with principal payments due July 1, 2024 to 2041.

Miami-Dade County Aviation Department Debt Outstanding (In Thousands)

	<u>Issue Date</u>	<u>Rate</u>	<u>Maturity</u>	<u>2023</u>
Refunding serial:				
2020	October 2020	2.250%-5.000%	2024-2041	<u>\$ 174,670</u>

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

<u>Years Ending September 30,</u>	General Obligation Bonds	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,655	\$ 6,117
2025	6,985	5,785
2026	7,335	5,435
2027	7,705	5,068
2028	8,090	4,683
2029-2033	46,535	17,318
2034-2038	54,845	9,012
2039-2042	<u>36,520</u>	<u>1,795</u>
	174,670	<u>\$ 55,213</u>
Plus unamortized premium	<u>14,082</u>	
	<u>\$ 188,752</u>	

e. *Lease Liabilities* – The Aviation Department leased an industrial warehouse building with the lease term expiring in 2024. The lease liability was measured at the present value of future lease payments. For the fiscal year ended September 30, 2023, the Aviation Department reported a lease liability of approximately \$6.6 million, included in lease and subscription liabilities on the accompanying statement of net position. In addition, for the year ended September 30, 2023, the Aviation Department reported interest expense of approximately \$0.3 million.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
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SEPTEMBER 30, 2023

Note 6—Debt (continued)

The future minimum principal and interest payments under this agreement as of September 30, 2023, are as follows (in thousands):

<u>Years Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 418	\$ 271	\$ 689
2025	458	252	710
2026	499	231	730
2027	543	210	753
2028	589	186	775
2029-2033	3,742	498	4,240
Thereafter	337	3	340
	<u>\$ 6,586</u>	<u>\$ 1,651</u>	<u>\$ 8,237</u>

f. Subscription Liabilities - The Aviation Department entered into SBITAs, whereby the Aviation Department has the right to use and control vendors' information technology software, alone or in combination with other assets. The subscription liability was measured at the present value of future payments. For the fiscal year ended September 30, 2023, the Aviation Department reported subscription liabilities of approximately \$1.9 million, included in lease and subscription liabilities on the accompanying statement of net position. In addition, for the year ended September 30, 2023, the Aviation Department reported interest expense of approximately \$0.1 million.

The future minimum principal and interest payments for subscription liabilities as of September 30, 2023, are as follows (in thousands):

<u>Years Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 480	\$ 74	\$ 554
2025	504	53	557
2026	530	31	561
2027	391	8	399
	<u>\$ 1,905</u>	<u>\$ 166</u>	<u>\$ 2,071</u>

g. Financed Purchase – The Aviation Department has entered into various agreements with banks to provide capital to finance the lease/purchase of certain energy improvement equipment. These leases are not subject to GASB Statement 87 accounting or disclosure requirements, as the equipment are owned by the Aviation Department and capitalized at cost. The capitalized cost related to these financed purchases is \$79.4 million, with a carrying value at September 30, 2023 of \$56.1 million, net of accumulated depreciation of \$23.3 million.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
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NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 6—Debt (continued)

The future minimum payments for principal and interest under these agreements are as follows (in thousands):

<u>Years Ending September 30.</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 5,016	\$ 1,595
2025	5,356	1,448
2026	5,599	1,292
2027	5,736	1,131
2028	6,110	965
2029-2033	24,734	2,288
Thereafter	2,328	68
	<u>\$ 54,879</u>	<u>\$ 8,787</u>

h. Rent Advances – The Aviation Department has entered into several development lease agreements permitting tenants of airside facilities to construct some buildings with private financing or funding. Accordingly, certain hangars and cargo facilities, including those for Federal Express, UPS, LATAM Airlines Group, and Centurion Air Cargo, have been constructed with private financing. Ownership to such improvements is retained in the tenant’s name and reverts to the Aviation Department after a stated period or at the end of the lease term, at which time the tenant is obligated to pay building rent in addition to ground rent. Depending on the condition of the improvements, the Aviation Department reserves the right to require the tenant to demolish the facilities.

In fiscal year 2023, LATAM Airlines Group S.A. and Aero Miami I, LLC (Aero Miami), extended their 25-year development lease agreement for an additional 10 years through August 15, 2036, and Aero Miami prepaid the improvement building rent totaling approximately \$21.4 million, that is due on the facility from August 16, 2026 to the lease expiration date in 2036.

Similarly, in fiscal year 2022, Federal Express Corporation and Aero Miami FX, LLC (Aero Miami), extended their 25-year development lease term for an additional 21 years through August 2050, and prepaid building rent totaling approximately \$15.4 million, that is due on the facility from March 26, 2029 to the lease expiration date in 2050.

As of September 30, 2023, liabilities related to rent advances were approximately \$41.0 million, including approximately \$3.3 million of rent paid in September 2023, but due in October 2023.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 6—Debt (continued)

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

	Balance at October 1, 2022	Additions	Reductions	Total at September 30, 2023	Due Within One Year
Revenue bonds	\$ 5,075,880	\$ -	\$ (124,575)	\$ 4,951,305	\$ 158,785
Add amounts:					
For issuance premiums/ discounts, net	259,540	-	(21,657)	237,883	-
General obligation bonds	175,670	-	(1,000)	174,670	6,655
Add amounts:					
For issuance premium	16,820	-	(2,738)	14,082	-
Total bonds, net	5,527,910	-	(149,970)	5,377,940	165,440
Other liabilities:					
Commercial paper notes	30,064	250,000	(240,064)	40,000	-
Environmental remediation	46,080	-	(3,900)	42,180	8,600
Compensated absences	39,617	11,025	(14,287)	36,355	11,179
Rent advances	24,249	24,694	(7,927)	41,016	3,294
Postemployment benefits	26,153	5,378	(3,051)	28,480	697
Net pension liability:					
FRS	85,376	8,994	(863)	93,507	-
HIS	20,367	11,276	(576)	31,067	-
Lease and subscription liabilities:					
Lease liabilities	6,968	-	(382)	6,586	418
Subscription liabilities	-	2,409	(504)	1,905	480
Other - Financed purchase	59,569	-	(4,690)	54,879	5,016
Total long-term liabilities	<u>\$ 5,866,353</u>	<u>\$ 313,776</u>	<u>\$ (426,214)</u>	<u>\$ 5,753,915</u>	<u>\$ 195,124</u>

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
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SEPTEMBER 30, 2023

Note 6—Debt (continued)

j. Commercial Paper Notes – As of September 30, 2023, the County had \$40.0 million outstanding of Commercial Paper Notes (“Notes”) plus accrued interest of \$88,794.

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 \$200.0 million, was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. As of September 30, 2023, there was \$160.0 million available on the letter of credit. The letter of credit was scheduled to expire on March 17, 2022, subject to earlier termination as provided therein and to extension or renewal as provided therein. On October 18, 2021, an amendment to the letter of credit agreement was executed, extending the expiration date to October 18, 2024.

Pursuant to Section 6.01 of the Letter of Credit and Reimbursement Agreement securing the Notes, events of default resulting in finance related consequences include: 1) if the County provides materially false or misleading information in respect to the agreement and its compliance; 2) if the County fails to pay principal and interest on any Drawing when due; 3) the County fails to pay amount due to the Bank 10 days after receipt of invoice from the Bank; 4) the County fails to perform or observe any term or covenant or agreement contained in this Agreement; 5) if a final, non-appealable judgment for the payment of money in excess of \$10.0 million in excess of applicable insurance coverage and the same is not satisfied per requirements of such judgment; 6) an occurrence of an event of default under the Trust Agreement; 7) if any material provision of any Related Document shall cease to be valid, be declared null and void, or the County contest its validity and enforceability; 8) if a voluntary or involuntary case or proceeding of bankruptcy, insolvency, or other relief against the County with respect to itself or its debts; 9) if a receiver, liquidator, custodian is appointed in an involuntary case or proceeding against the County, and the appointee takes change of a substantial part of its properties and such action is not promptly stayed, discharged, or vacated; 10) if the County fails to pay its debts when due or declares a moratorium with respect to its debts; 11) if the long-term credit rating for any Aviation Revenue Bonds is withdrawn, suspended, or downgraded by any Rating Agency below Baa3, or BBB- (or the equivalent).

Pursuant to Section 6.02 of the Letter of Credit and Reimbursement Agreement securing the Notes, the finance related consequences resulting from events of default specified in Section 6.01 include: delivering a No-Issuance Notice to the Paying Agent; and all Unpaid drawings and other amounts owed to the Bank, plus an amount equal to the principal amount of all outstanding CP Notes plus interest will become immediately due and payable.

In accordance with Section 2.02(d) of the Letter of Credit and Reimbursement Agreement securing the Notes, if the letter of credit is terminated or the amount is permanently reduced prior to one year from the closing date, the County will be required to pay the bank an early termination fee equal to the Letter of Credit Fee, that would have been paid on the portion that was terminated or permanently reduced. The Letter of Credit and Reimbursement Agreement does not call for subjective acceleration clauses other than the acceleration clause stated in Section 6.02, resulting from the events of default under Section 6.01.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 7—Restricted assets

A summary of restricted assets at September 30, 2023 is as follows (in thousands):

Construction account	\$ 369,882
Bond service and reserve account	481,759
Reserve maintenance	145,809
	<u>\$ 997,450</u>

Note 8—Public-Private and Public-Public Partnerships and Availability Payment Arrangements

In fiscal year 2023, the Aviation Department adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements* (“APAs”), which establishes the reporting criteria for PPPs and APAs for all state and local governments.

a. *Public-Private Partnership* – In May 2023, the Aviation Department entered into a 20-year noncancelable agreement with a private firm to provide services and amenities for VIP passengers security screening, processing, and transfer to and from commercial airlines. The agreement expires April 30, 2043, and the operator is required to invest a minimum of \$15 million to design, construct, and renovate Building 874 infrastructure by April 2026. The Aviation Department exercises no control over rates charged to third parties and all fees collected are maintained by the operator. The agreement provides for fixed rental payments based on square footage and the greater of a minimum annual guarantee (“MAG”) or a percentage of gross revenue. Rent and MAG charged are increased by fair market value (“FMV”) and consumer price index (“CPI”), respectively, and rates are not adjusted if changes in FMV or CPI falls below zero.

At September 30, 2023, the Aviation Department recorded a receivable and deferred inflow of resources of approximately \$8.0 million and \$7.8 million, respectively. For fiscal year ended September 30, 2023, the Aviation Department recognized interest revenue of approximately \$141,000.

The future minimum lease payments included in the measurement of the PPP receivable as of September 30, 2023 are as follows (in thousands):

<u>Years Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 176	\$ 176
2025	-	176	176
2026	-	228	228
2027	-	300	300
2028	-	498	498
2029-2033	1,872	2,009	3,881
2034-2038	2,875	1,005	3,880
2039-2043	3,228	329	3,557
	<u>\$ 7,975</u>	<u>\$ 4,721</u>	<u>\$ 12,696</u>

An asset was not recorded at September 30, 2023, as the project is in its initial stages and has not yet been placed in service.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

**Note 8—Public-Private and Public-Public Partnerships and Availability Payment Arrangements
(continued)**

b. Availability Payment Arrangements – The Aviation Department has entered into agreements with nationally recognized private firms, with expertise in their field of service, to manage, operate and maintain the public parking, fuel farm, and hotel facilities at MIA, as well as the employee shuttle buses. The agreement terms range from 5 to 10 years, including options to extend, and terminate no later than fiscal year 2029. The Aviation Department receives all revenue, and the agreements provide for reimbursement of approved budgeted operating expenses and a fixed management fee. 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. The management 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.

For the year ended September 30, 2023, the Aviation Department recorded management fees in the amount of approximately \$1.1 million and \$0.6 million in operating expenses under management agreements and operating expenses under operating agreements, respectively, on the accompanying statement of revenue, expenses, and changes in net position.

Note 9—Leases

Lessor – The Aviation Department leases terminal space, aircraft maintenance and overhaul facilities, cargo facilities, hangars and other building facilities, and ancillary land facilities to air carriers and other third-party tenants under various cancelable and noncancelable agreements. The agreements, as summarized below, provide for fixed and/or variable rental payments and are designed to allow the Aviation Department to meet its debt service requirements and fund operating expenses.

a. 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, and aeronautical and other passenger service companies. The lease terms range from 3 to 21 years and include options to extend that are deemed to be reasonably certain by the Aviation Department based on all available information and past experience. The agreements, the majority of which are noncancelable, provide for rent and/or a MAG and a concession fee based on a percentage of the gross revenue, whichever is greater. The MAG is either fixed, adjusted annually by the CPI, or increased by 3% each year during the term and any extensions. The rents, which are adjusted annually in accordance with the policies and formulas approved by the Board of County Commissioners (Board), is deemed not fixed in substance and is excluded from the measurement of the lease receivable.

b. Building and Land Lease Agreements – The leasing operations of the Aviation Department consist principally of the rental of land, pavement, buildings, and office space. The terms of these agreements range up to 55 years and terminate no later than fiscal year 2084. The agreements provide for fixed rental payments based on square footage, and rates charged are increased either by CPI, FMV or 3% each year during the lease term. Rental rates are not adjusted if CPI or FMV decreases.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 9—Leases (continued)

The Aviation Department as a lessor, recognized a lease receivable and a deferred inflow of resources related to these long-term noncancelable concessions, building and land lease agreements. The discount rate used to measure the lease receivable was the Aviation Department's weighted average incremental borrowing rate, and the lease receivable was measured at the present value of the lease payments expected to be received during the lease term. The variable components, such as usage-based payments, rental income not based on CPI or other market indices, and payments based on a percentage of the lessee's gross revenue, are not included in the lease receivable calculation.

At September 30, 2023, the Aviation Department recorded a lease receivable and deferred inflow of resources related to these concessions, building and land leases of approximately \$163.5 million and \$158.1 million, respectively. For fiscal year ended September 30, 2023, the Aviation Department recognized lease interest revenue of approximately \$7.0 million. The Aviation Department also recognized variable lease revenue of approximately \$142.4 million during fiscal year ended September 30, 2023, for payments excluded from the measurement of the lease receivable.

The future minimum lease payments included in the measurement of the lease receivable as of September 30, 2023 are as follows (in thousands):

<u>Years Ending September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,315	\$ 6,871	\$ 11,186
2025	4,409	6,636	11,045
2026	3,311	6,464	9,775
2027	3,350	6,326	9,676
2028	3,537	6,198	9,735
2029-2033	18,879	28,515	47,394
2034-2038	9,338	25,240	34,578
2039-2043	5,334	24,028	29,362
2044-2048	6,572	22,791	29,363
2049-2053	8,128	21,235	29,363
2054-2058	10,033	19,329	29,362
2059-2063	12,385	16,977	29,362
2064-2068	15,281	14,081	29,362
2069-2073	18,847	10,489	29,336
2074-2078	23,216	6,077	29,293
2079-2083	15,168	1,640	16,808
Thereafter	1,424	20	1,444
	<u>\$ 163,527</u>	<u>\$ 222,917</u>	<u>\$ 386,444</u>

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 9—Leases (continued)

c. *Regulated Leases* – Regulated leases at the Aviation Department include agreements with passenger and cargo airlines, mail/shipping carriers, maintenance repair and overhaul companies, fixed based operators, general aeronautical services permittees, as well as companies providing services such as aircraft fueling, baggage handling, aircraft and flight support maintenance, flight communication and training, aircraft storage and tie-down, etc. The agreements, the terms of which expire 2022 through 2079, provide for fixed and/or variable rental payments and are designed to allow the Aviation Department to meet its debt service requirements and fund operating expenses. Rental rates are adjusted annually, and the majority of these agreements, including the Airline Use Agreement (“AUA”), are short-term, as they are cancelable by either party at any time with less than 12 months’ notice.

The AUA, which expires in 2033, establishes an airport system residual landing fee and defines the rights, services, and privileges granted to airlines while using the Airport and its facilities, including preferential gate assignments and usage. As of September 30, 2023, 89 of the 135 gates were subject to preferential use and 676,873 square feet of the 1,024,660 square feet of hold-room and circulation space was subject to exclusive use.

The Aviation Department has entered into long-term noncancelable agreements with cargo companies, fixed base operators and maintenance repair and overhaul companies. The terms of these agreements range up to 55 years and terminate no later than fiscal year 2079. The agreements provide for fixed rental payments based on square footage, and rates charges are adjusted annually as approved by the Board.

For fiscal year ended September 30, 2023, the Aviation Department recognized fixed revenue related to such long-term noncancelable regulated leases of approximately \$39.1 million, and minimum future rental receipts under such agreements as of September 30, 2023 are as follows (in thousands);

Years Ending September 30,

2024	\$	43,805
2025		43,012
2026		38,512
2027		32,224
2028		30,467
2029-2033		132,252
2034-2038		97,034
2039-2043		53,834
2044-2048		41,326
2049-2053		16,650
2054-2058		11,418
2059-2063		8,844
2064-2068		8,844
2069-2073		8,844
2074-2078		8,844
Thereafter		1,769
	<u>\$</u>	<u>577,679</u>

Under its regulated leases, the Aviation Department recognized variable lease revenue not previously included in the future minimum payments of approximately \$446.0 million for the year ended September 30, 2023. Due to the variable nature of the revenue from year-to-year, expected future receipts are undeterminable.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 10—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 \$9.7 million as of September 30, 2023, based on an independent actuarial valuation. The short-term liability for claims payable in the amount of approximately \$1.1 million as of September 30, 2023, is included in due to County Agencies in the accompanying statement of net position.

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 \$1 billion with a self-insured retention of \$50,000 per occurrence and an annual aggregate retention of \$500,000. The limit for personal injury is \$25 million per occurrence.

The property of the Aviation Department is insured under a County-wide 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 \$350 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 \$195 million. The Business Interruption limit for the Aviation Department is \$17.9 million during the fiscal year ending September 30, 2023.

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

Note 11—Retirement benefits

Miami Dade County provides retirement benefits to its employees through the FRS and a Deferred Retirement Option Program (the "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.

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.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 11—Retirement benefits (continued)

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. An annual comprehensive 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' Website (http://www.dms.myflorida.com/workforce_operations/retirement/publications).

FRS Pension Plan

Plan Description – The FRS Pension Plan (the “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 5% 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 for up to 60 calendar months with an FRS employer, or 96 months for certain instructional personnel. The election to participate in the DROP must have been made within 12 months of the employee's normal retirement date, unless the employee was eligible to defer the election. Senate Bill 7024 (SB 7024) modified these provisions and as of June 5, 2023, all eligible employees in a regularly established position can now elect to participate in DROP for a period not to exceed a maximum of 96 calendar months, at any time after an employee reached his or her normal retirement date. 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.

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AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 11—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:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
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
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
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
<i>Elected County Officers</i>	
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
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
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.

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 year 2023, (October 2022 through September 2023). The Aviation Department’s proportionate share of the contributions was 2.90% of the total contributions made by the County to the FRS during fiscal year 2023.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
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NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 11—Retirement benefits (continued)

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates in effect from July 1, 2022, through June 30, 2023, were as follows:

Class	Percent of Gross Salary	
	Employee	Employer⁽¹⁾
FRS, Regular	3.00%	11.91%
FRS, Elected County Officers	3.00%	57.00%
FRS, Senior Management Service	3.00%	31.57%
FRS, Special Risk Regular	3.00%	27.83%
DROP – Applicable to:		
Members from all of the above classes	0.00%	18.60%

⁽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.

Contribution rates in effect from July 1, 2023 through September 30, 2023 were as follows:

Class	Percent of Gross Salary	
	Employee	Employer⁽¹⁾
FRS, Regular	3.00%	13.57%
FRS, Elected County Officers	3.00%	58.68%
FRS, Senior Management Service	3.00%	34.52%
FRS, Special Risk Regular	3.00%	32.67%
DROP – Applicable to:		
Members from all of the above classes	0.00%	21.13%

⁽¹⁾ Employer rates include 2.00% for the postemployment health insurance subsidy. SB 7024 increased the HIS contribution rate to 2.00% of employer payroll, effective July 1, 2023. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.

The Aviation Department's contributions for FRS totaled \$12.0 million and employee contributions totaled \$2.3 million for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Aviation Department reported a liability of \$93.5 million for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Aviation Department's proportionate share of the net pension liability was based on the Aviation Department's 2022-2023 fiscal year contributions relative to the 2022-2023 fiscal year contributions of all participating members of the FRS Plan. At June 30, 2023, the Aviation Department's proportionate share was 0.2347%, which was an increase of 0.0052% from its proportionate share of 0.2295% measured at June 30, 2022.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 11—Retirement benefits (continued)

For the fiscal year ended September 30, 2023, the Aviation Department recognized pension expense of \$19.8 million, related to the FRS Plan. In addition, for the year ended September 30, 2023, the Aviation Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,779	\$ -
Change of assumptions	6,096	-
Net difference between projected and actual earnings on FRS pension plan investments	3,905	-
Changes in proportion and differences between Aviation Department FRS contributions and proportionate share of contributions	1,635	411
Aviation Department FRS contributions subsequent to the measurement date	2,891	-
	<u>\$ 23,306</u>	<u>\$ 411</u>

The deferred outflows of resources related to pensions, totaling \$2.9 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 ending September 30, 2024. Changes in the net pension liability arising from experience gains/losses, assumption changes, and differences between projected and actual earnings on investments must be recognized in expense over a period of years. Those amounts that are not recognized in expense during the current reporting period, are accounted for as deferred outflows and inflows of resources. 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):

<u>Fiscal Years Ending September 30.</u>	<u>Deferred Outflows (Inflows), Net</u>
2024	\$ 2,901
2025	(752)
2026	15,635
2027	1,744
2028	476
	<u>\$ 20,004</u>

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 11—Retirement benefits (continued)

Actuarial Assumptions – The FRS pension actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2023, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation
Discount rate	6.70%

Mortality rates were based on the PUB2010 base tables (varies by member category and sex). Projected generationally with scale MP-2018 details.

The actuarial assumptions that determined the total pension liability as of June 30, 2023 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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:

<u>Asset Class</u>	<u>Target Allocation</u> ⁽¹⁾	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	2.90%	2.90%	1.10%
Fixed income	19.80%	4.50%	4.40%	3.40%
Global equity	54.00%	8.70%	7.10%	18.10%
Real estate (property)	10.30%	7.60%	6.60%	14.80%
Private equity	11.10%	11.90%	8.80%	26.30%
Strategic investments	3.80%	6.30%	6.10%	7.70%
	<u>100.00%</u>			

Assumed inflation - mean		2.40%	1.40%
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Note: ⁽¹⁾ As outlined in the plan's investment policy.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 11—Retirement benefits (continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at the statutorily required rates. 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. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), *Florida Statutes*. The 6.70% rate of return assumption used in the June 30, 2023 calculations was determined by the FRS Plan’s consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates for the FRS Plan.

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 6.70%, as well as what the Aviation Department’s proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate (in thousands):

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Aviation Department's proportionate share of the net pension liability	\$ 159,729	\$ 93,507	\$ 38,104

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan – At September 30, 2023, the Aviation Department reported no payables for the outstanding amount of contributions to the FRS Plan.

The Retiree HIS Program

Plan Description – The Retiree Health Insurance Subsidy Program (the “HIS Plan”) is a non-qualified 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 period October 1, 2022 to June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5.00 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30.00 and a maximum HIS payment of \$150.00 per month, pursuant to Section 112.363, *Florida Statutes*. Effective July 1, 2023, SB 7024 modified the benefit levels and statutory contribution rate of the program. The legislation increased the level of monthly benefits from \$5.00 times years of service to \$7.50, with an increased minimum of \$45.00 and maximum of \$225.00 per month. The change applied to all years of service for both members currently in pay and members not yet in pay. 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.

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AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
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SEPTEMBER 30, 2023

Note 11—Retirement benefits (continued)

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 years 2023, (October 2022 through September 2023). The Aviation Department’s proportionate share of the contributions was 2.90% of the total contributions made by the County to the FRS during fiscal year 2023.

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, 2023, the HIS contribution for the period July 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023 was 1.66% and 2.00%, respectively. SB 7024 increased the HIS contribution rate from 1.66% to 2.00% of employer payroll, effective July 1, 2023. The Aviation Department contributed 100% of its statutorily required contributions for the current fiscal year. 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 \$1.3 million for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Aviation Department reported a net pension liability of \$31.1 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 July 1, 2022. The Aviation Department’s proportionate share of the net pension liability was based on the Aviation Department’s 2022-2023 fiscal year contributions relative to the total 2022-2023 fiscal year contributions of all participating members of the HIS Plan. At June 30, 2023, the Aviation Department’s proportionate share was 0.1956%, which was an increase of 0.0033% from its proportionate share of 0.1923% measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the Aviation Department recognized pension expense of \$12.0 million, related to the HIS Plan. In addition, for the year ended September 30, 2023, the Aviation Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 455	\$ 73
Change of assumptions	818	2,692
Net difference between projected and actual earnings on HIS pension plan investments	16	-
Changes in proportion and differences between Aviation Department HIS contributions and proportionate share of HIS contributions	988	50
Aviation Department contributions subsequent to the measurement date	351	-
	<u>\$ 2,628</u>	<u>\$ 2,815</u>

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 11—Retirement benefits (continued)

The deferred outflows of resources related to pensions, totaling \$0.4 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, 2024. 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):

<u>Fiscal Years Ending September 30,</u>	<u>Deferred Outflows (Inflows), Net</u>
2024	\$ 15
2025	78
2026	(55)
2027	(362)
2028	(206)
Thereafter	(8)
	<u>\$ (538)</u>

Actuarial Assumptions – The HIS pension as of July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25%, average, including inflation
Discount Rate	3.65%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used that determined the total pension liability as of June 30, 2023, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate – The discount rate used to measure the total pension liability was 3.65%. 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.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
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SEPTEMBER 30, 2023

Note 11—Retirement benefits (continued)

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 3.65%, 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 one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate (in thousands):

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Aviation Department's proportionate share of the net pension liability	\$ 35,443	\$ 31,067	\$ 27,440

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan – At September 30, 2023, the Aviation Department reported no payables for the outstanding amount of contributions to the HIS Plan.

Aggregate Amount of Pension Expenses – The aggregate amount of net pension liabilities, related deferred outflows of resources and deferred inflow of resources, and pension expense for the Aviation Department FRS and HIS pension plans are summarized below (in thousands):

Pension Plans	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
FRS Pension Plan	\$ 93,507	\$ 23,306	\$ 411	\$ 8,842
HIS Plan	31,067	2,628	2,815	10,783
	<u>\$ 124,574</u>	<u>\$ 25,934</u>	<u>\$ 3,226</u>	<u>\$ 19,625</u>

FRS – Defined Contribution Pension Plan

The County contributes to the FRS Defined Contribution Investment Plan (the “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 Annual Comprehensive 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.

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AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
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SEPTEMBER 30, 2023

Note 11—Retirement benefits (continued)

Allocations to the investment members’ accounts, as established by Section 121.72, *Florida Statutes*, during the 2022-2023 fiscal year were as follows:

<u>Membership Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	11.30%
FRS, Elected County Officers	16.34%
FRS, Senior Management Service	12.67%
FRS, Special Risk Regular	19.00%

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, 2020 through September 30, 2023 and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes 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 under the Investment Plan if the member becomes permanently and totally disabled. The member must transfer the account balance to the FRS Trust Fund when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan.

The Aviation Department’s Investment Plan pension contributions totaled approximately \$1.8 million and employee contributions totaled approximately \$0.8 million for the fiscal year ended September 30, 2023.

Note 12—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.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
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NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 12—Commitments and contingencies (continued)

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 2023, the total cumulative estimate to correct such violations was approximately \$203.6 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, 2023, approximated \$161.4 million. The Aviation Department has also spent approximately \$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 (“PRP”) 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, 2023, the Aviation Department has received approximately \$60.4 million from the State, insurance companies, and PRPs.

The outstanding liability amount at September 30, 2023 was approximately \$42.2 million, representing the unexpended environmental remediation costs based on the Opinion of Cost performed by an independent engineering firm. At September 30, 2023, the long-term liability was approximately \$33.6 million, and the short-term liability was approximately \$8.6 million. Management has allocated a portion of bond proceeds to fund this obligation and believes 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.

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, 2023.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 12—Commitments and contingencies (continued)

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 non-consent 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, 2023:

<u>Nature of Contamination</u>	<u>IPTF</u>	<u>Non-IPTF</u>	<u>Nonconsent</u>	<u>Totals</u>
Petroleum	\$ 3,375,000	\$ -	\$ -	\$ 3,375,000
Hazardous/nonhazardous	-	35,350,000	3,455,000	38,805,000
	<u>\$ 3,375,000</u>	<u>\$ 35,350,000</u>	<u>\$ 3,455,000</u>	<u>\$ 42,180,000</u>

b. *Other Commitments and Contingencies* – As of September 30, 2023, the Aviation Department had approximately \$188.3 million of construction commitments outstanding.

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 \$393.3 million (\$42 million for the land and \$351.3 million for the building and improvements), which represented the acquisition value at the date of the conveyance. The quitclaim deed requires the RCF to be used as a rental car facility. In the event it ceases to be used as such, all property rights in it revert to FDOT.

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 (“CFC”) 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.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 13—Postemployment benefits other than pensions

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”), who’s powers derive from F.S. 125.01(3)(a). The Plan does not issue a publicly available financial report.

Participation in the Plan consisted of the following at September 30, 2023:

Actives	29,150
Retirees under age 65	2,704
Eligible spouses under age 65	205
Retirees age 65 and over	1,223
Eligible spouses age 65 and over	85
	33,367

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) 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:

Eligible pre-Medicare retirees receive healthcare 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

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 13—Postemployment benefits other than pensions (continued)

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 is 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, 2022 to September 30, 2023. 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, 2023 through December 31, 2023 are provided in the tables on the next page. The County subsidy is assumed to remain flat.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Postemployment benefits other than pensions (continued)

PRE MEDICARE PREMIUM EQUIVALENT RATES

January 1 through December 31, 2023			
AvMed HMO High	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	896.50	204.36	692.14
Retiree + Spouse	1,881.58	360.38	1,521.20
Retiree + Child(ren)	1,742.82	339.47	1,403.35
Retiree + Family	2,294.72	418.43	1,876.29
AvMed POS	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	1,733.20	177.80	1,555.40
Retiree + Spouse	3,299.70	302.75	2,996.95
Retiree + Child(ren)	3,023.97	175.12	2,848.85
Retiree + Family	4,478.91	711.37	3,767.54
AvMed POS	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	833.71	204.36	629.35
Retiree + Spouse	1,749.91	360.38	1,389.53
Retiree + Child(ren)	1,620.80	339.47	1,281.33
Retiree + Family	2,134.10	418.43	1,715.67
Jackson First HMO	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	708.65	204.36	504.29
Retiree + Spouse	1,487.42	360.38	1,127.04
Retiree + Child(ren)	1,377.68	339.47	1,038.21
Retiree + Family	1,813.98	418.43	1,395.55

MEDICARE RETIREE PREMIUM EQUIVALENT RATES

January 1 through December 31, 2023			
Med Supp High	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	994.13	233.58	760.55
Retiree + Spouse 65+	1,703.11	260.15	1,442.96
Med Supp Low	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	887.77	208.59	679.18
Retiree + Spouse 65+	1,520.98	232.33	1,288.65
Med Supp High No Rx	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	432.12	101.53	330.59
Retiree + Spouse 65+	740.31	113.08	627.23

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 13—Postemployment benefits other than pensions (continued)

c. *Total OPEB Liability* – The Aviation Department’s total OPEB liability of approximately \$28.5 million was measured as of September 30, 2023, and was determined by an actuarial valuation as of that date.

d. *Actuarial Assumptions and Other Inputs* – The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Valuation date	September 30, 2022
Measurement date	September 30, 2023
Discount rate	4.09% per annum
Salary increases rate	3.0% per annum
Actuarial cost method	Entry age normal based on level percentage of projected salary.
Amortization method	14.4 years
Healthcare cost trend rates	Medical/Rx 7.0% select to 4.0% ultimate
Retirees' share of benefit-related costs	22.93%
Mortality tables	Pub-2010, headcount weighted base mortality table, 'projected generationally using Scale MP-2021, 'applied on a gender-specific and job class basis '(teacher, safety, or general, as applicable).

The discount rate was based on the Bond Buyer 20-Bond GO index.

The actuarial assumptions used in the September 30, 2023 roll-forward actuarial valuation were based on FRS’s valuation assumptions as of July 1, 2021 and the County’s claim experience as of June 2022.

e. *Changes in Total OPEB Liability* – Changes in the Aviation Department’s total OPEB liability for the year ended September 30, 2023 are as follows (in thousands):

Balance at September 30, 2022	\$	26,153
Charges for the year:		
Service cost		2,914
Interest		2,464
Change in assumptions or other inputs		(360)
Difference between expected and actual experience		-
Benefits payments		(2,691)
Balance at September 30, 2023	\$	<u>28,480</u>

The increase in the total OPEB liability for the year ended September 30, 2023 is mostly due to changes in actuarial assumptions.

**MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

Note 13—Postemployment benefits other than pensions (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Aviation Department, as well as what the Aviation Department’s total OPEB liability would be if it were calculated using a discount rate that are one percentage point lower or one percentage point higher than the current discount rate (in thousands):

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	\$ 30,666	\$ 28,480	\$ 26,484

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend – The following presents the total OPEB liability of the Aviation Department, as well as what the Aviation Department’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare trend rates (in thousands):

	1% Decrease (6.0% initial to 3.0%)	Current Trend (7.0% initial to 4.0%)	1% Increase (8.0% initial to 5.0%)
Total OPEB liability	\$ 26,750	\$ 28,480	\$ 30,400

f. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources – For the year ended September 30, 2023, the Aviation Department recognized OPEB expense of \$3.1 million. At September 30, 2023, the Aviation Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	\$ 4,943	\$ 2,899
Differences between expected and actual experience	1,110	745
	<u>\$ 6,053</u>	<u>\$ 3,644</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

	Deferred Outflows (Inflows), Net
2024	\$ 388
2025	388
2026	388
2027	388
2028	388
Thereafter	469
	<u>\$ 2,409</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

SEPTEMBER 30, 2023 (IN THOUSANDS)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required FRS contribution	\$ 11,978	\$ 10,843	\$ 9,520	\$ 8,008	\$ 6,978	\$ 6,363	\$ 5,846	\$ 5,609	\$ 5,229
FRS contribution in relation to the contractually required contribution	11,978	10,843	9,520	8,008	6,978	6,363	5,846	5,609	5,229
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Miami-Dade County Aviation Department's covered payroll	\$ 112,670	\$ 106,509	\$ 101,513	\$ 101,453	\$ 93,698	\$ 90,624	\$ 89,272	\$ 87,034	\$ 81,844
FRS contribution as a percentage of covered payroll	10.63%	10.18%	9.38%	7.89%	7.45%	7.02%	6.55%	6.44%	6.39%

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 – SCHEDULES OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY
 AND RELATED RATIOS (UNAUDITED)

SEPTEMBER 30, 2023 (IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Miami-Dade County Aviation Department's proportion of the FRS net pension liability	0.2347%	0.2295%	0.2188%	0.2173%	0.2041%	0.2028%	0.2201%	0.2198%	0.2145%
Miami-Dade County Aviation Department's proportionate share of the FRS net pension liability	\$ 93,507	\$ 85,376	\$ 16,525	\$ 94,175	\$ 70,292	\$ 61,090	\$ 65,109	\$ 55,498	\$ 27,704
Miami-Dade County Aviation Department's covered payroll	\$ 115,251	\$ 105,136	\$ 101,172	\$ 99,876	\$ 92,633	\$ 90,784	\$ 86,951	\$ 83,925	\$ 81,195
Miami-Dade County Aviation Department's proportionate share of the net pension liability as a percentage of its covered payroll	81.13%	81.21%	16.33%	94.29%	75.88%	67.29%	74.88%	66.13%	34.12%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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 – SCHEDULES OF EMPLOYER
 CONTRIBUTIONS (UNAUDITED)

SEPTEMBER 30, 2023 (IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required HIS contribution	\$ 1,318	\$ 1,171	\$ 1,093	\$ 1,010	\$ 913	\$ 891	\$ 948	\$ 928	\$ 682
HIS contribution in relation to the contractually required contribution	1,318	1,171	1,093	1,010	913	891	948	928	682
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miami-Dade County Aviation Department's covered payroll	\$ 86,492	\$ 82,344	\$ 78,589	\$ 80,273	\$ 74,646	\$ 71,907	\$ 70,477	\$ 68,821	\$ 65,131
HIS contribution as a percentage of covered payroll	1.52%	1.42%	1.39%	1.26%	1.22%	1.24%	1.35%	1.35%	1.05%

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

SEPTEMBER 30, 2023 (IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Miami-Dade County Aviation Department proportion of the HIS net pension liability	0.1956%	0.1923%	0.1824%	0.1732%	0.1634%	0.1631%	0.1756%	0.1769%	0.1784%
Miami-Dade County Aviation Department's proportionate share of the HIS net pension liability	\$ 31,067	\$ 20,367	\$ 22,368	\$ 21,149	\$ 18,284	\$ 17,261	\$ 18,776	\$ 20,618	\$ 18,194
Miami-Dade County Aviation Department's covered payroll	\$ 88,897	\$ 81,192	\$ 78,675	\$ 79,234	\$ 73,746	\$ 72,088	\$ 68,481	\$ 66,497	\$ 64,806
Miami-Dade County Aviation Department's proportionate share of the net pension liability as a percentage of its covered payroll	34.95%	25.08%	28.43%	26.69%	24.79%	23.94%	27.42%	31.01%	28.07%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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 – SCHEDULES OF CHANGES
IN TOTAL LIABILITY AND RELATED RATIOS (UNAUDITED)

SEPTEMBER 30, 2023 (IN THOUSANDS)

	2023	2022	2021	2020	2019
Total OPEB Liability:					
Service cost	\$ 2,914	\$ 17,291	\$ 56	\$ 452	\$ 417
Interest	2,464	9,270	29	678	884
Change of assumptions or other inputs	(360)	(35,893)	(6)	5,860	3,272
Difference between expected and actual experience	-	18,561	-	(1,325)	-
Benefit payments	(2,691)	(14,690)	(61)	(1,169)	(1,390)
Net Change in Total OPEB Liability	2,327	(5,461)	18	4,496	3,183
Total OPEB liability - beginning	26,153	31,614	31,596	27,100	23,917
Total OPEB Liability - Ending	\$ 28,480	\$ 26,153	\$ 31,614	\$ 31,596	\$ 27,100
Covered-employee payroll	\$ 102,944	\$ 99,463	\$ 98,494	\$ 95,625	\$ 102,283
Total OPEB Liability as a Percentage of					
Covered-Employee Payroll	27.67%	26.29%	32.10%	33.04%	26.50%

There are no assets accumulated in a trust to pay related benefits.

Note: 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.

2023
Annual Comprehensive Financial Report

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Statistical Section

(Unaudited)



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

2023
Annual Comprehensive Financial Report

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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 (Aviation Department) unless otherwise stated.

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

- Aviation Department Schedules of Revenues and Expenses
- Aviation Department Statements of Net Position
- Aviation Department Changes in Cash and Cash Equivalents
- Aviation 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:

- Aviation 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

2023
Annual Comprehensive Financial Report

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Aviation Department Schedules of Revenues and Expenses

Fiscal Years Ended September 30, 2014 to 2023

(In Thousands)
(Unaudited)

	2014	2015 ⁽¹⁾	2016	2017	2018 ⁽²⁾	2019	2020	2021	2022 ⁽³⁾	2023 ⁽⁴⁾
OPERATING REVENUES:										
Aviation Fees	\$374,929	\$381,872	\$395,586	\$372,977	\$384,989	\$390,299	\$233,166	\$309,109	\$443,330	\$430,709
Rentals	130,597	133,394	140,482	144,046	149,111	147,198	144,074	152,794	172,591	179,876
Commercial Operations:										
Management Agreements	80,325	79,925	78,010	73,624	73,595	72,147	41,409	46,830	84,568	94,822
Concessions	187,635	191,236	187,187	196,698	202,555	199,955	120,663	126,495	180,029	205,808
Other	5,003	4,850	16,128	12,229	11,259	10,963	14,450	9,217	12,753	12,569
Other Environmental Remediation	17,397	3,106	13,310	5,150	-	-	-	5,200	7,195	3,900
Total Operating Revenue	795,886	794,383	830,703	804,724	821,509	820,562	553,762	649,645	900,466	927,684
OPERATING EXPENSES:										
Operating Expenses	265,449	281,029	273,180	292,639	318,363	334,198	354,244	358,634	395,948	442,571
Operating Expenses for										
Environmental Remediation	993	504	889	368	2,621	10,842	10,433	3,914	5,375	2,990
Operating Expenses Under										
Management Agreements	19,691	18,547	16,753	15,964	18,041	19,152	17,647	15,900	19,733	23,858
Operating Expenses Under										
Operating Agreements	37,488	37,756	39,205	40,614	41,936	42,935	35,577	6,438	7,380	7,788
General and Administrative Expenses	83,693	88,143	82,769	87,773	93,387	93,236	92,287	95,916	105,618	110,235
Depreciation and Amortization	245,619	261,801	259,523	259,280	262,821	264,935	270,973	277,391	280,175	283,358
Total Operating Expenses	652,933	687,780	672,319	696,638	737,169	765,298	781,161	758,193	814,229	870,800
Operating Income (Loss)	142,953	106,603	158,384	108,086	84,340	55,264	(227,399)	(108,548)	86,237	56,884
NON-OPERATING REVENUES (EXPENSES):										
Interest Expense	(299,252)	(302,642)	(279,178)	(268,118)	(259,857)	(246,046)	(241,319)	(219,658)	(211,442)	(205,847)
Investment Income:										
Current Investments	1,701	1,936	2,213	2,318	5,735	8,781	2,456	54	3,553	28,467
Restricted Investments	3,784	3,807	3,684	3,478	8,526	20,356	4,725	124	(1,204)	36,343
Interest Income Lease	-	-	-	-	-	-	-	-	6,412	7,116
Passenger Facility Charges	72,630	79,799	77,431	88,914	82,242	96,785	52,655	63,719	100,363	110,336
Environmental Cost Recovery	-	-	-	175	21	22	12	-	-	-
Other Non-operating Revenue	10,366	3,180	7,556	2,314	2,935	3,040	189,082	62,657	35,998	134,047
Total Non-operating (Expenses) Revenues	(210,771)	(213,920)	(188,294)	(170,919)	(160,398)	(117,062)	7,611	(93,104)	(66,320)	110,462
Income (Loss) before Capital Contribution	(67,818)	(107,317)	(29,910)	(62,833)	(76,058)	(61,798)	(219,788)	(201,652)	19,917	167,346
Capital Contributions	34,716	91,444	44,022	48,525	372,822	61,550	31,425	34,802	44,191	24,667
Change in Net Position	(\$33,102)	(\$15,873)	\$14,112	(\$14,308)	\$296,764	(\$248)	(\$188,363)	(166,850)	64,108	192,013

⁽¹⁾ Amounts prior to fiscal year 2015 do not reflect the adoption of GASB Statement No. 68 and 71.

⁽²⁾ Amounts prior to fiscal year 2018 do not reflect the adoption of GASB Statement No. 75.

⁽³⁾ Amounts prior to fiscal year 2022 do not reflect the adoption of GASB Statement No. 87.

⁽⁴⁾ Amounts prior to fiscal year 2023 do not reflect the adoption of GASB Statement No. 94 and 96.



Aviation Department Statements of Net Position

Fiscal Years Ended September 30, 2014 to 2023

(In Thousands)
(Unaudited)

	2014	2015 ⁽¹⁾	2016	2017	2018 ⁽²⁾	2019	2020	2021	2022 ⁽³⁾	2023 ⁽⁴⁾
Current Assets	\$626,584	\$641,876	\$653,195	\$667,853	\$701,811	\$715,962	\$666,838	\$605,480	\$759,200	\$988,971
Noncurrent assets:										
Restricted assets	533,576	629,950	602,259	632,401	693,395	846,203	746,894	637,398	641,847	674,646
Capital assets, net	6,548,281	6,420,564	6,327,890	6,178,268	6,062,007	5,952,697	5,811,183	5,650,701	5,479,199	5,316,744
Lease receivable, net of current portion	-	-	-	-	-	-	-	-	163,527	159,212
PPP lease receivable, net of current portion	-	-	-	-	-	-	-	-	-	7,975
Other assets	53,663	34,567	19,466	7,372	4,692	2,762	1,198	-	-	-
Total assets	7,762,104	7,726,957	7,602,810	7,485,894	7,461,905	7,517,624	7,226,113	6,893,579	7,043,773	7,147,548
Deferred outflows of resources:										
Deferred outflows pension	-	7,703	27,710	33,835	30,706	28,365	33,211	21,003	27,373	25,934
Deferred outflows other post-employment benefit	-	-	-	-	-	3,327	8,605	7,661	6,512	6,053
Deferred loss on refundings	28,624	45,860	119,042	125,275	150,009	142,097	125,735	109,837	97,180	87,126
Total deferred outflows of resources	28,624	53,563	146,752	159,110	180,715	173,789	167,551	138,501	131,065	119,113
Current liabilities	77,882	89,178	80,850	88,462	85,073	85,774	94,367	91,856	99,776	103,673
Current liabilities payable from restricted assets	255,285	249,627	248,820	265,193	271,612	278,052	301,464	241,670	258,145	302,144
Noncurrent liabilities	6,436,411	6,477,934	6,449,246	6,332,650	6,048,480	6,092,420	5,954,166	5,763,953	5,707,378	5,558,791
Total liabilities	6,769,578	6,816,739	6,778,916	6,686,305	6,405,165	6,456,246	6,349,997	6,097,479	6,065,299	5,964,608
Deferred inflows of resources:										
Deferred inflows pension	-	10,136	2,889	5,250	7,648	5,744	1,462	59,376	3,872	3,226
Deferred inflows other post-employment benefit	-	-	-	-	1,241	1,105	2,250	2,120	3,687	3,644
Deferred inflows leases	-	-	-	-	-	-	-	-	164,767	158,133
Deferred inflow PPP	-	-	-	-	-	-	-	-	-	7,824
Total deferred inflows of resources	-	10,136	2,889	5,250	8,889	6,849	3,712	61,496	172,326	172,827
Net Position:										
Net investment in capital assets	257,124	181,930	32,462	65,879	327,993	250,623	212,137	132,468	24,800	(28,766)
Restricted	507,721	614,006	750,114	683,147	719,116	806,979	733,121	648,436	717,754	812,072
Unrestricted net Position	256,305	157,709	185,181	204,423	181,457	170,716	94,697	92,201	194,659	345,920
Total net Position	\$1,021,150	\$953,645	\$967,757	\$953,449	\$1,228,566	\$1,228,318	\$1,039,955	\$873,105	\$937,213	\$1,129,226

⁽¹⁾ Amounts prior to fiscal year 2015 do not reflect the adoption of GASB Statement No. 68 and 71.

⁽²⁾ Amounts prior to fiscal year 2018 do not reflect the adoption of GASB Statement No. 75.

⁽³⁾ Amounts prior to fiscal year 2022 do not reflect the adoption of GASB Statement No. 87.

⁽⁴⁾ Amounts prior to fiscal year 2023 do not reflect the adoption of GASB Statement No. 94 and 96.



Aviation Department Changes in Cash and Cash Equivalents

Fiscal Years Ended September 30, 2014 to 2023

(In Thousands)

(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cash flows from operating activities:										
Cash received from customers and tenants	\$786,730	\$825,000	\$819,150	\$805,628	\$814,284	\$823,610	\$537,584	\$667,806	\$901,354	\$948,374
Cash paid to suppliers for goods and services	(311,578)	(301,459)	(289,935)	(301,698)	(332,063)	(351,427)	(320,496)	(349,206)	(372,558)	(395,258)
Cash paid to employees for services	(102,465)	(113,317)	(119,920)	(125,350)	(130,011)	(137,054)	(143,815)	(146,884)	(157,028)	(164,714)
Net cash provided by operating activities	\$372,687	\$410,224	\$409,295	\$378,580	\$352,210	\$335,129	\$73,273	\$171,716	\$371,768	\$388,402
Cash flows from capital and related financing activities:										
Proceeds from bonds issues and commercial paper	347,070	1,424,188	849,023	1,097,858	1,368,311	1,397,861	-	695,159	210,000	250,000
Principal paid on bonds, loans, and commercial paper	(432,668)	(1,417,092)	(864,907)	(1,157,755)	(1,372,429)	(1,332,549)	(140,520)	(826,930)	(292,775)	(365,575)
Interest paid on bonds, loans, and commercial paper	(308,048)	(328,150)	(371,986)	(297,890)	(315,369)	(258,317)	(240,862)	(235,103)	(225,971)	(222,443)
Purchase and construction of capital assets, net	(74,324)	(98,453)	(156,494)	(98,040)	(141,693)	(165,185)	(122,293)	(115,904)	(101,648)	(113,198)
Proceeds from sale of property	(458)	-	3,400	72	1,099	1,155	38	21	18	-
Capital contributed by federal and state governments	21,911	40,914	20,438	40,448	35,408	52,614	55,507	35,834	43,257	28,461
Passenger facility charges	69,482	82,593	82,353	81,145	85,373	96,673	56,203	56,155	97,580	109,146
Lease and PPP interest received	-	-	-	-	-	-	-	-	5,774	7,109
Principal paid on lease and subscription liabilities	-	-	-	-	-	-	-	-	(387)	(886)
Interest paid on lease and subscription liabilities	-	-	-	-	-	-	-	-	(289)	(360)
Proceeds from environmental reimbursements	6	-	-	175	21	22	12	-	-	-
Proceeds from North Terminal Program Claims	7,500	-	-	-	-	-	-	-	-	-
Financed purchase (payments) proceeds	(2,284)	(2,199)	(1,535)	(5,882)	47,602	(3,490)	(8,252)	(4,994)	(4,378)	(4,690)
Net cash (used in) provided by capital and related financing activities	(371,813)	(298,199)	(439,708)	(339,869)	(291,677)	(211,216)	(400,167)	(395,762)	(268,819)	(312,436)
Cash flows from non capital financing activities:										
Reimbursements received from government grants	2,860	3,180	1,317	2,314	2,935	3,040	189,082	62,657	36,299	134,422
Net cash provided by non capital financing activities	2,860	3,180	1,317	2,314	2,935	3,040	189,082	62,657	36,299	134,422
Cash flows from investing activities:										
Purchase of investments	(1,231,766)	(1,492,564)	(1,596,087)	(1,419,627)	(1,152,098)	(1,579,213)	(1,905,926)	(1,610,071)	(1,171,452)	(1,665,441)
Proceeds from sales and maturities of investments	1,153,302	1,495,548	1,494,721	1,436,653	1,252,064	1,729,974	1,848,497	1,671,978	1,057,614	1,661,881
Interest and dividends on investments	5,485	5,743	4,605	6,872	12,999	21,685	15,585	1,816	2,741	34,998
Net cash provided by (used in) investing activities	(72,979)	8,727	(96,761)	23,898	112,965	172,446	(41,844)	63,723	(111,097)	31,438
Net increase (decrease) in cash and cash equivalents	(69,245)	123,932	(125,857)	64,923	176,433	299,399	(179,656)	(97,666)	28,151	241,826
Cash and cash equivalents, beginning of year	\$716,510	\$647,265	\$771,197	\$645,340	\$710,263	\$886,696	\$1,186,095	\$1,006,439	\$908,773	\$936,924
Cash and cash equivalents, end of year	\$647,265	\$771,197	\$645,340	\$710,263	\$886,696	\$1,186,095	\$1,006,439	\$908,773	\$936,924	\$1,178,750

Aviation Department's Largest Sources of Revenue

Ten Largest Sources of Revenue
Current Fiscal Year and Nine Years Previous
(Unaudited)

Tenant/Management Company	2023			2014		
	Revenue	Rank	Percentage of Total Operating Revenue	Revenue	Rank	Percentage of Total Operating Revenue
American Airlines Inc.	\$ 322,445,112	1	34.8%	\$ 303,256,539	1	38.1%
Airport Parking Associates	66,242,004	2	7.1%	50,199,714	2	6.3%
Duty Free Americas Miami, LLC	27,783,868	3	3.0%	35,772,074	3	4.5%
Delta Air Lines Inc.	27,200,478	4	2.9%	26,612,576	4	3.3%
Allied Aviation Services	24,963,147	5	2.7%	18,261,890	5	2.3%
LATAM	23,711,336	6	2.6%			
Spirit Airlines	19,843,223	7	2.1%			
MDIA Hospitality Management, LLC	18,125,058	8	2.0%			
United Airlines	14,036,510	9	1.5%			
Southwest Airlines	13,464,008	10	1.4%			
Executive Airlines dba American Eagle Airlines Inc				16,030,840	6	2.0%
US Airways ¹				15,711,395	7	2.0%
Alamo Rental (US) Inc				14,305,499	8	1.8%
H I Development Corp ²				13,121,202	9	1.7%
TAM ³				11,900,581	10	1.5%
Total	<u>\$ 557,814,744</u>		<u>60.1%</u>	<u>\$ 505,172,310</u>		<u>63.5%</u>
Total Operating Revenue	<u>\$ 927,684,482</u>			<u>\$ 795,885,952</u>		

¹ American Airlines merged with US Airways in October 2015

² Agreement terminated May 2018

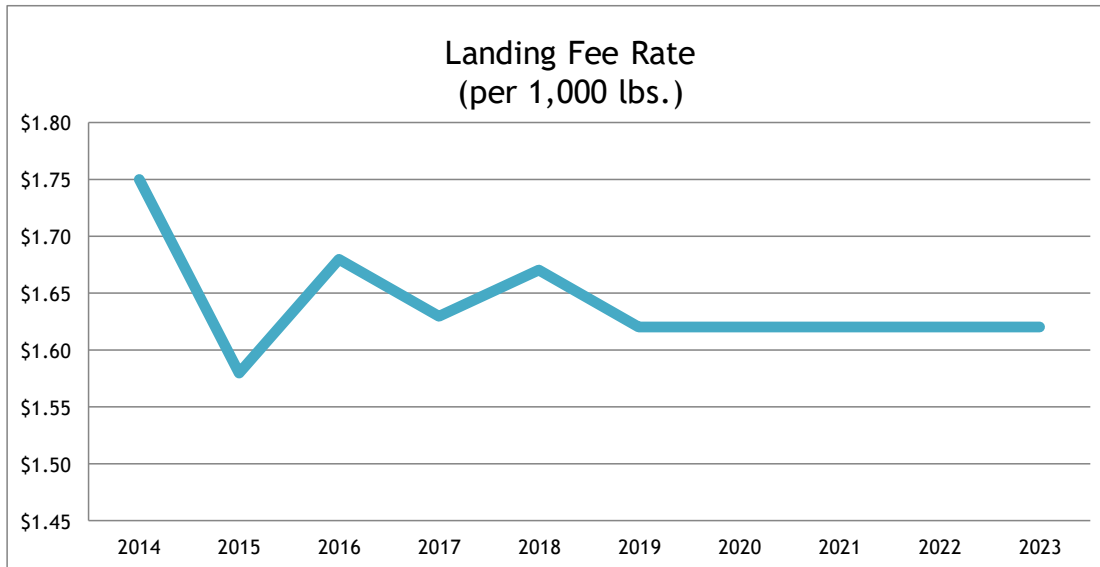
³ TAM merged with Lan Chile and now operates as LATAM



Key Usage Fees and Charges

Fiscal Years Ended September 30, 2014 to 2023
(Unaudited)

Fiscal Year	Landing Fees/		Terminal Rental Rates (average cost per sq. foot)		Concourse Use Fee	Int'l Facilities Fee		Domestic Baggage Claim Charge		Outbound Baggage Makeup Charge		Security Screening Fee		
	1,000 lbs.	Percent Change	Percent Change	Percent Change		Percent Change	Percent Change	Percent Change	Percent Change	Percent Change	Percent Change	Percent Change		
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%
2018	\$1.67	2.5%	\$88.18	1.4%	\$4.18	2.2%	\$ 2.16	0.0%	\$1.53	7.7%	\$1.18	4.4%	\$0.47	9.3%
2019	\$1.62	-3.0%	\$89.88	1.9%	\$4.26	1.9%	\$ 2.36	9.3%	\$1.56	2.0%	\$1.20	1.7%	\$0.49	4.3%
2020	\$1.62	0.0%	\$95.00	5.7%	\$2.40	-43.7%	\$10.66	351.7%	\$0.87	-44.2%	\$1.15	-4.2%	\$0.85	73.5%
2021	\$1.62	0.0%	\$88.75	-6.6%	\$4.91	104.6%	\$12.43	16.6%	\$0.92	5.7%	\$1.75	52.2%	\$1.44	69.4%
2022	\$1.62	0.0%	\$85.16	-4.0%	\$4.91	0.0%	\$12.77	2.7%	\$1.00	8.7%	\$1.83	4.6%	\$1.57	9.0%
2023	\$1.62	0.0%	\$89.80	5.4%	\$4.17	-15.1%	\$12.51	-2.0%	\$0.61	-39.0%	\$1.44	-21.3%	\$1.23	-21.7%



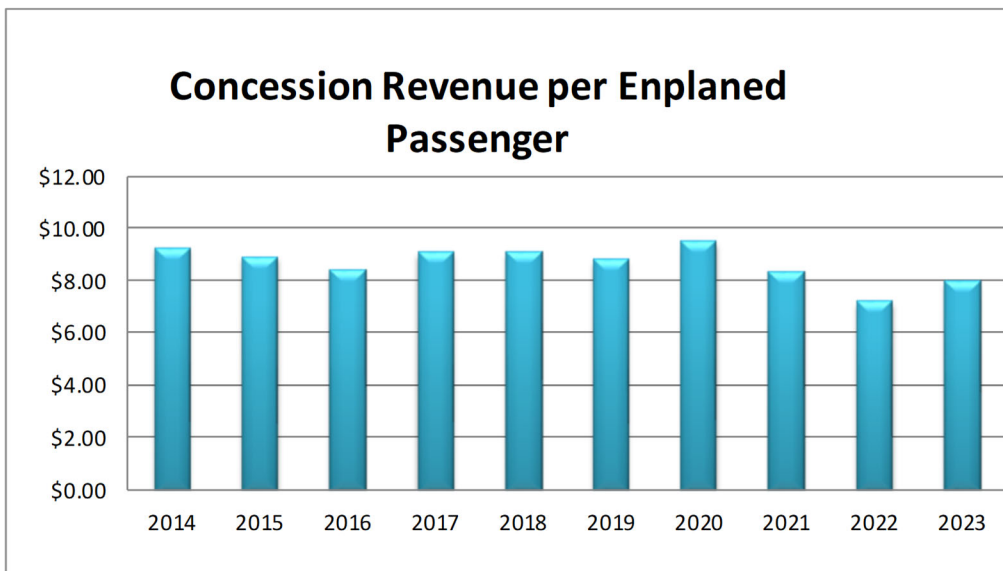


Concession Revenue per Enplaned Passenger

Fiscal Years Ended September 30, 2014 to 2023

(Unaudited)

Fiscal Year	Concession Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
	Amount	% Change	Number	% Change	Amount	% Change
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%
2018	\$202,555,196	3.0%	22,220,423	2.9%	\$9.12	0.1%
2019	\$199,955,318	-1.3%	22,685,074	2.1%	\$8.81	-3.4%
2020	\$120,663,237	-39.7%	12,649,609	-44.2%	\$9.54	8.3%
2021	\$126,495,311	4.8%	15,136,208	19.7%	\$8.36	-12.4%
2022	\$180,028,303	42.3%	24,937,982	64.8%	\$7.22	-13.6%
2023	\$205,808,428	14.3%	25,751,310	3.3%	\$7.99	10.7%



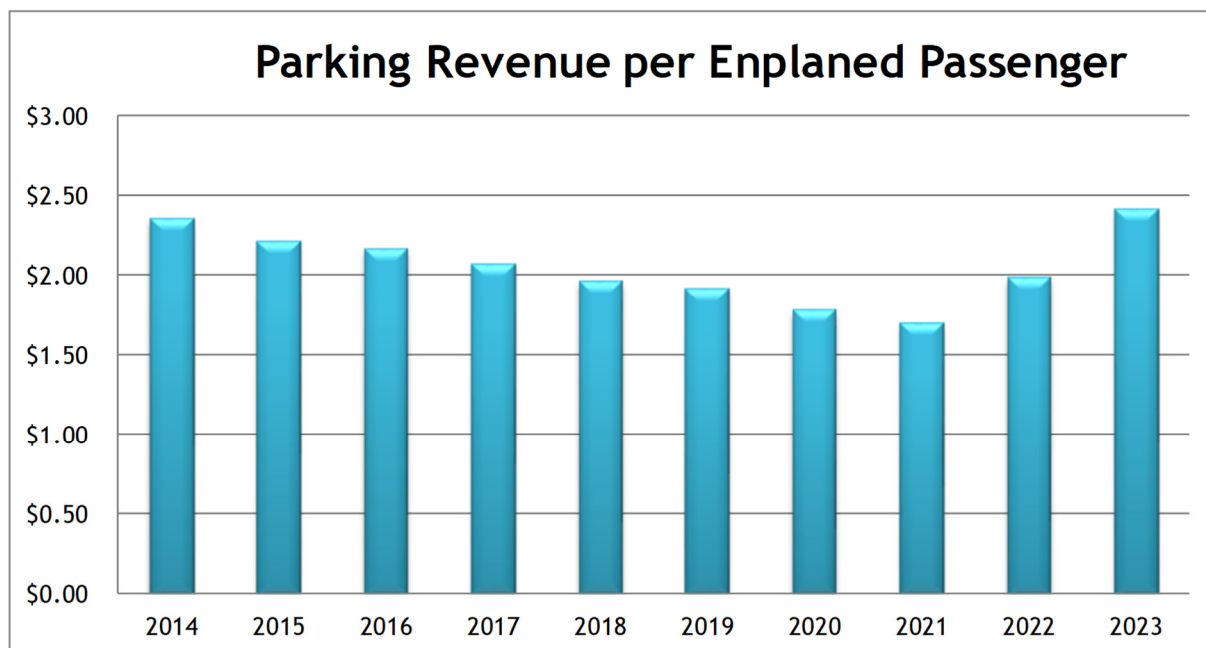


Parking Revenue per Enplaned Passenger

Fiscal Years Ended September 30, 2014 to 2023

(Unaudited)

Fiscal Year	Parking Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
	Amount	% Change	Number	% Change	Amount	% Change
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%
2018	\$43,607,001	-2.6%	22,220,423	2.9%	\$1.96	-5.3%
2019	\$43,317,243	-0.7%	22,685,074	2.1%	\$1.91	-2.6%
2020	\$22,558,052	-47.9%	12,649,609	-44.2%	\$1.78	-6.8%
2021	\$25,670,873	13.8%	15,136,208	19.7%	\$1.70	-4.5%
2022	\$49,496,342	92.8%	24,937,982	64.8%	\$1.98	16.5%
2023	\$62,054,618	25.4%	25,751,310	3.3%	\$2.41	21.7%



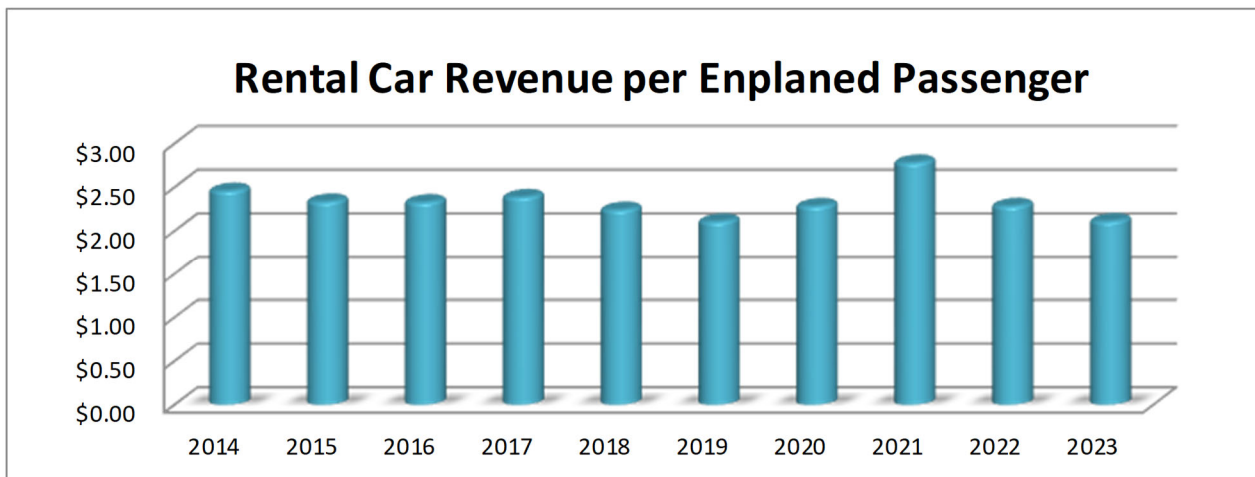


Rental Car Revenue per Enplaned Passenger

Fiscal Years Ended September 30, 2014 to 2023

(Unaudited)

Fiscal Year	Rental Car Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
	Amount	% Change	Number	% Change	Amount	% Change
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%
2018	\$49,883,484	-3.4%	22,220,423	2.9%	\$2.24	-6.3%
2019	\$47,866,708	-4.0%	22,685,074	2.1%	\$2.11	-5.8%
2020	\$28,930,370	-39.6%	12,649,609	-44.2%	\$2.29	8.5%
2021	\$42,147,792	45.7%	15,136,208	19.7%	\$2.78	21.4%
2022	\$57,075,745	35.4%	24,937,982	64.8%	\$2.29	-17.6%
2023	\$54,459,763	-4.6%	25,751,310	3.3%	\$2.11	-7.9%



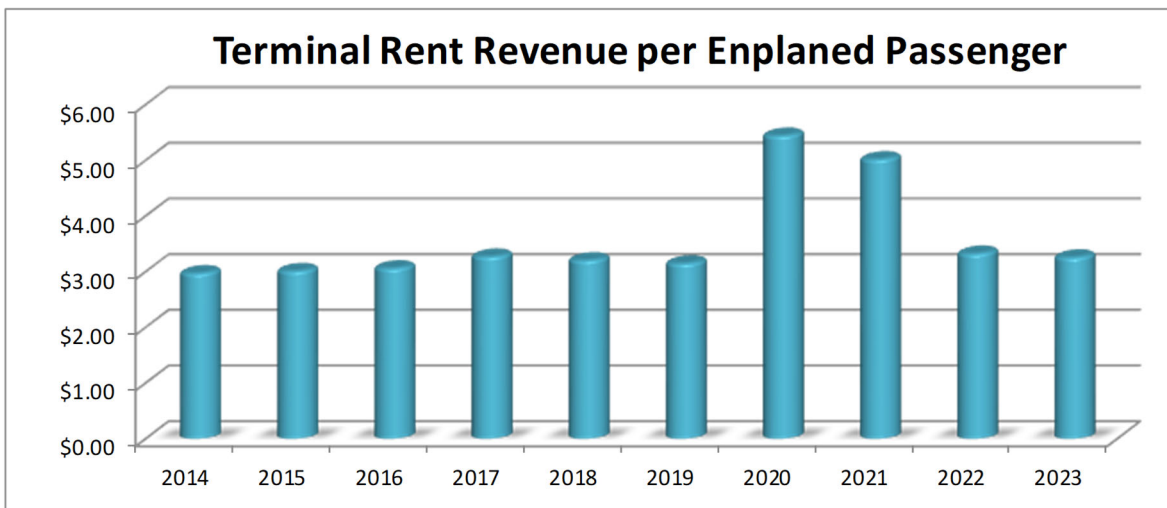


Terminal Rent Revenue per Enplaned Passenger

Fiscal Years Ended September 30, 2014 to 2023

(Unaudited)

Fiscal Year	Terminal Rent Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
	Amount	% Change	Number	% Change	Amount	% Change
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%
2018	\$71,249,445	0.8%	22,220,423	2.9%	\$3.21	-1.8%
2019	\$71,433,297	0.3%	22,685,074	2.1%	\$3.15	-1.9%
2020	\$68,868,294	-3.6%	12,649,609	-44.2%	\$5.44	72.7%
2021	\$75,987,856	10.3%	15,136,208	19.7%	\$5.02	-7.7%
2022	\$82,943,444	9.2%	24,937,982	64.8%	\$3.33	-33.7%
2023	\$83,899,812	1.2%	25,751,310	3.3%	\$3.26	-2.1%



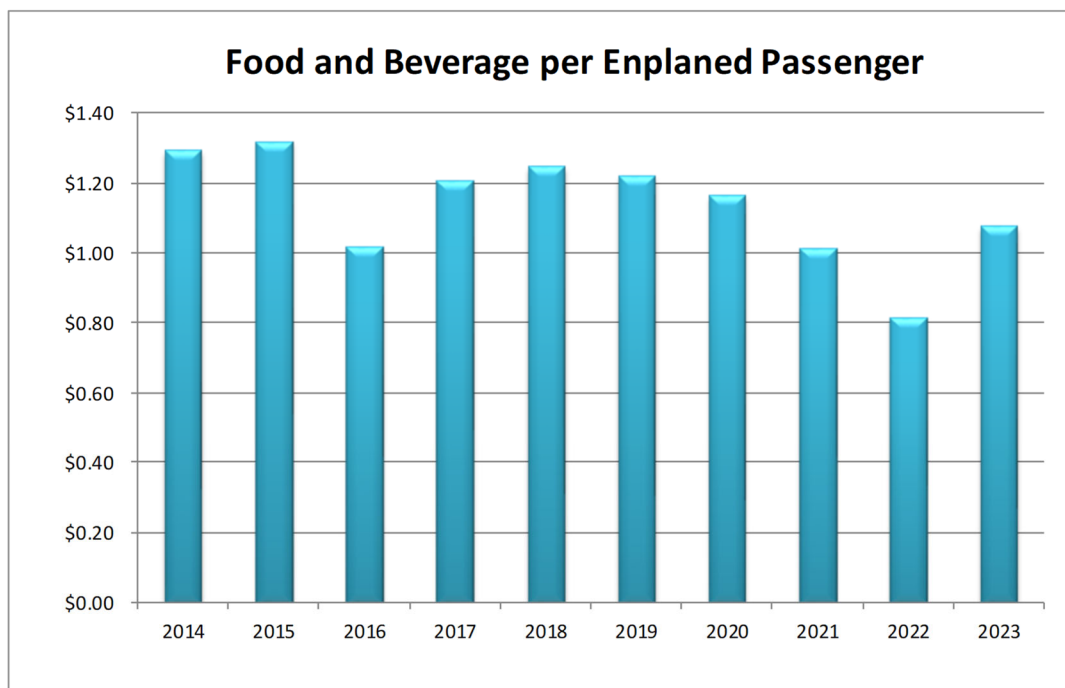


Food and Beverage Revenues per Enplaned Passenger

Fiscal Years Ended September 30, 2014 to 2023

(Unaudited)

Fiscal Year	Food & Beverage Revenues		Enplaned Passengers		Revenue per Enplaned Passenger	
	Amount	% Change	Number	% Change	Amount	% Change
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%
2018	\$27,698,314	6.2%	22,220,423	2.9%	\$1.25	3.3%
2019	\$27,675,420	-0.1%	22,685,074	2.1%	\$1.22	-2.4%
2020	\$14,731,503	-46.8%	12,649,609	-44.2%	\$1.16	-4.9%
2021	\$15,346,844	4.2%	15,136,208	19.7%	\$1.01	-12.9%
2022	\$20,372,610	32.7%	24,937,982	64.8%	\$0.82	-18.8%
2023	\$27,718,245	36.1%	25,751,310	3.3%	\$1.08	31.7%





Aviation Department Employee Strength

Full-Time Equivalent Employees (FTE)

Fiscal Years 2014 to 2023

(Unaudited)

Fiscal Year	FTEs as of September 30	% Change	Enplaned Passengers	Enplaned Passengers per FTEs
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
2018	1,285	2.4%	22,220,423	17,292
2019	1,318	2.6%	22,685,074	17,212
2020	1,318	0.0%	12,649,609	9,598
2021	1,280	-2.9%	15,136,208	11,825
2022	1,305	2.0%	24,937,982	19,110
2023	1,333	2.1%	25,751,310	19,318

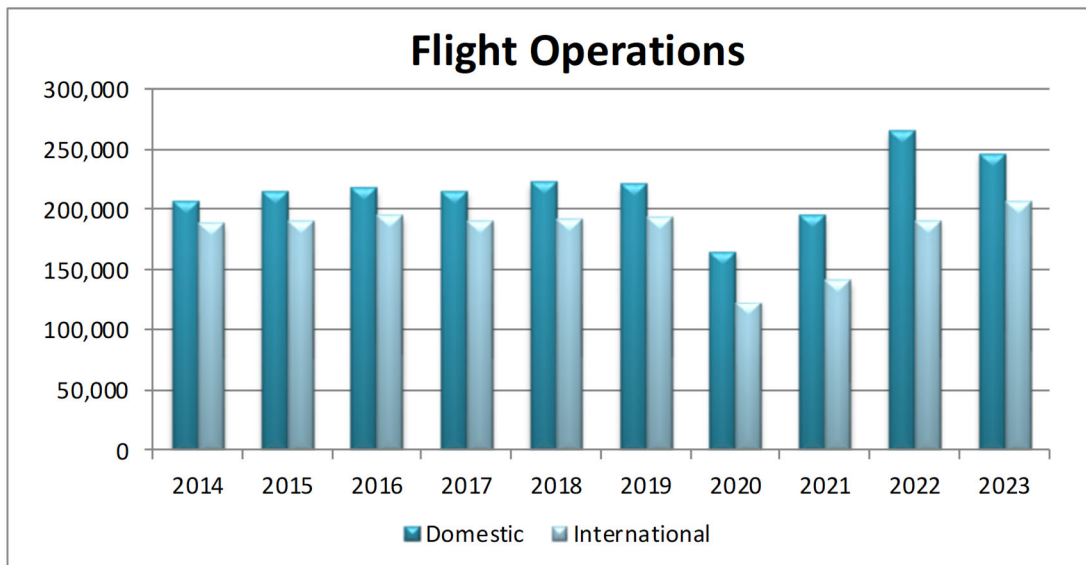


Aircraft Operations

Flight Operations

Fiscal Years Ended September 30, 2014 to 2023
(Unaudited)

Fiscal Year	Domestic		International		Total	
	Operations	% Change	Operations	% Change	Operations	% Change
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%
2018	223,070	3.3%	192,711	0.8%	415,781	2.1%
2019	221,436	-0.7%	193,596	0.5%	415,032	-0.2%
2020	165,508	-25.3%	123,246	-36.3%	288,754	-30.4%
2021	195,347	18.0%	141,975	15.2%	337,322	16.8%
2022	265,716	36.0%	191,438	34.8%	457,154	35.5%
2023	246,562	-7.2%	206,505	7.9%	453,067	-0.9%



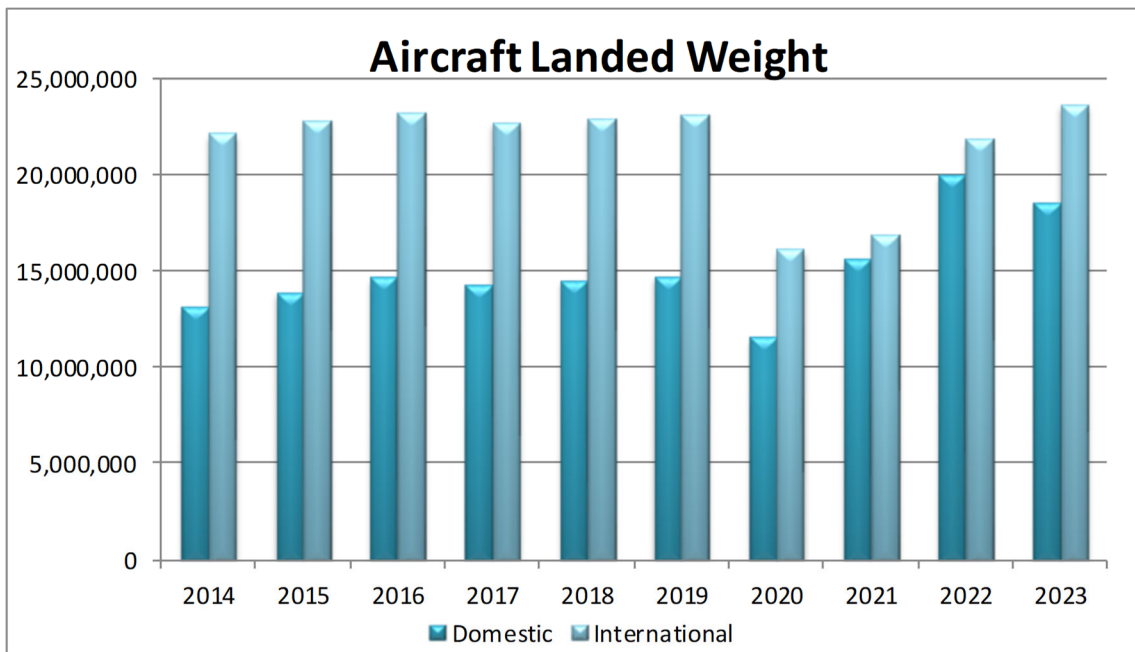


Aircraft Landed Weight

Fiscal Years Ended September 30, 2014 to 2023

(Unaudited)

Fiscal Year	Domestic		International		Total	
	1,000 lbs.	% Change	1,000 lbs.	% Change	1,000 lbs.	% Change
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%
2018	14,549,871	2.0%	22,907,237	0.8%	37,457,108	1.3%
2019	14,710,443	1.1%	23,147,790	1.1%	37,858,233	1.1%
2020	11,546,694	-21.5%	16,135,051	-30.3%	27,681,745	-26.9%
2021	15,619,024	35.3%	16,840,869	4.4%	32,459,893	17.3%
2022	20,029,017	28.2%	21,865,186	29.8%	41,894,203	29.1%
2023	18,576,212	-7.3%	23,645,239	8.1%	42,221,451	0.8%

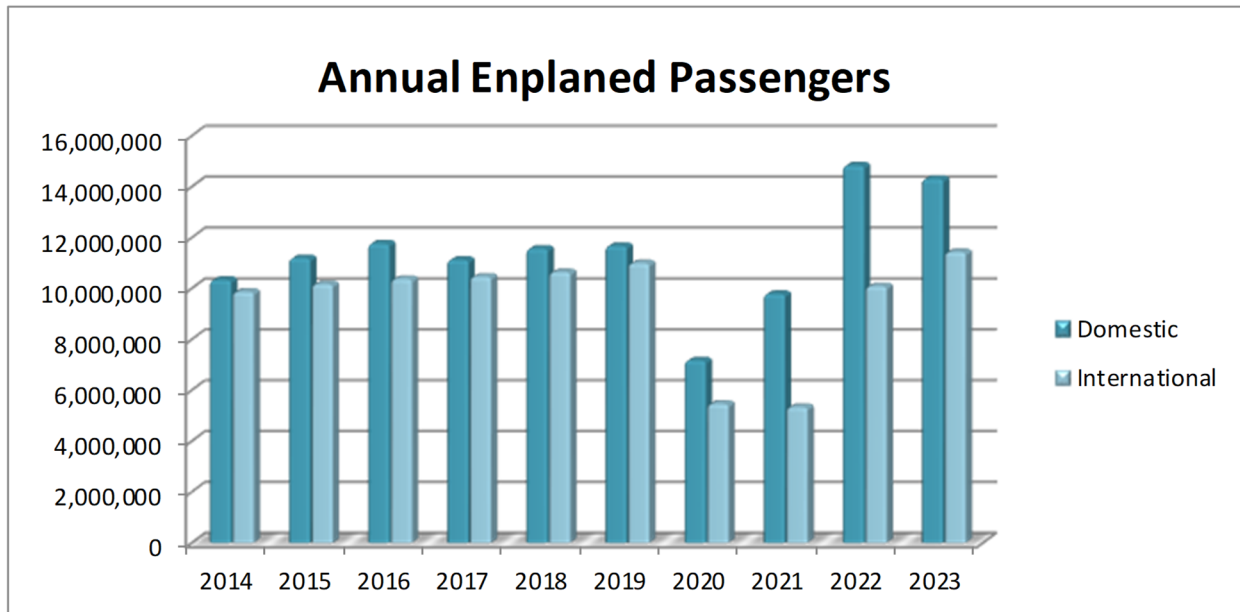




Passenger Enplanements

Fiscal Years Ended September 30, 2014 to 2023
(Unaudited)

Fiscal Year	Domestic		International		Total	
	Passengers	% Change	Passengers	% Change	Passengers	% Change
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%
2018	11,571,473	3.9%	10,648,950	1.7%	22,220,423	2.9%
2019	11,680,797	0.9%	11,004,277	3.3%	22,685,074	2.1%
2020	7,175,682	-38.6%	5,473,927	-50.3%	12,649,609	-44.2%
2021	9,792,146	36.5%	5,344,062	-2.4%	15,136,208	19.7%
2022	14,842,208	51.6%	10,095,774	88.9%	24,937,982	64.8%
2023	14,314,324	-3.6%	11,436,986	13.3%	25,751,310	3.3%



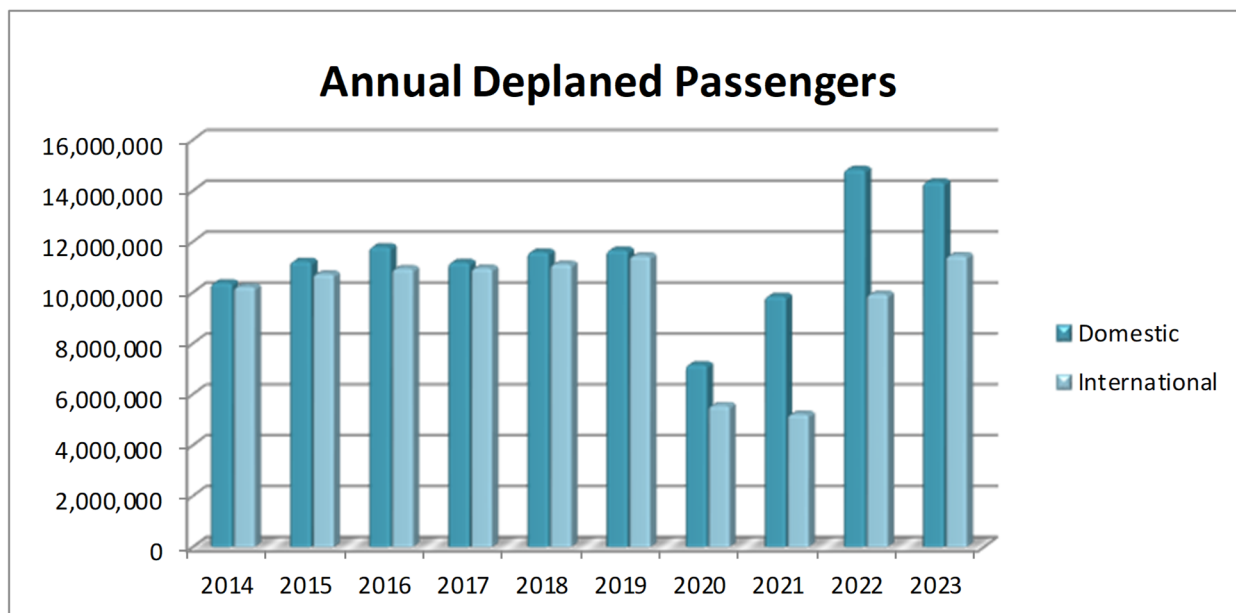


Passenger Deplanements

Fiscal Years Ended September 30, 2014 to 2023

(Unaudited)

Fiscal Year	Domestic		International		Total	
	Passengers	% Change	Passengers	% Change	Passengers	% Change
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%
2018	11,596,475	3.6%	11,121,588	1.4%	22,718,063	2.5%
2019	11,679,065	0.7%	11,447,444	2.9%	23,126,509	1.8%
2020	7,166,336	-38.6%	5,566,439	-51.4%	12,732,775	-44.9%
2021	9,857,569	37.6%	5,225,311	-6.1%	15,082,880	18.5%
2022	14,852,008	50.7%	9,943,352	90.3%	24,795,360	64.4%
2023	14,350,885	-3.4%	11,460,849	15.3%	25,811,734	4.1%





Enplanement Market Share by Airline by Fiscal Year

Fiscal Years Ended September 30, 2014 to 2023

(In Thousands)

(Unaudited)

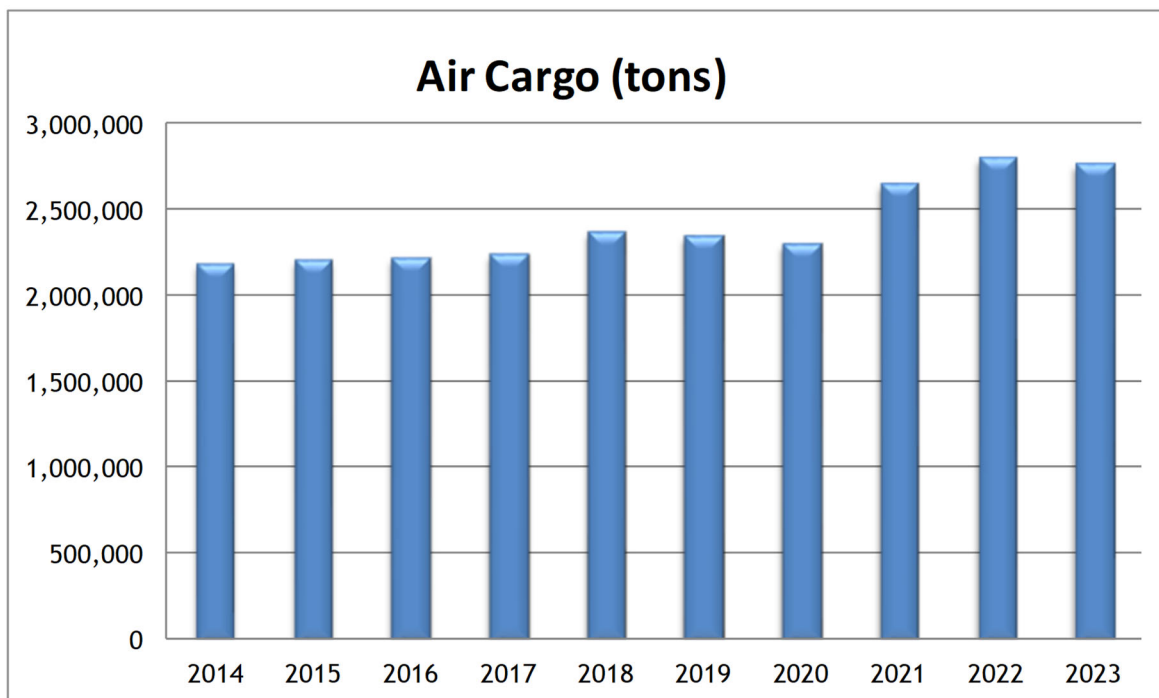
Airline	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
American Airlines Inc.	12,520.8	12,951.4	13,433.0	12,902.7	13,254.5	13,571.2	7,599.3	9,110.5	14,406.9	14,458.8
Delta Air Lines Inc.	1,158.3	1,238.8	1,341.9	1,360.9	1,333.5	1,348.2	757.2	1,020.6	1,363.2	1,546.1
Spirit Airlines	-	-	-	-	-	-	-	-	1,159.1	1,192.5
Envoy (Previously American Eagle)	945.9	1,113.4	1,239.3	1,349.0	1,570.2	1,604.8	834.6	1,016.9	1,376.3	1,082.3
Southwest Airlines	-	-	-	-	-	-	-	543.7	848.2	797.7
United Airlines, Inc.	459.8	451.4	561.0	672.5	679.7	632.1	454.9	607.6	689.2	746.1
LATAM Airlines	171.8	165.5	192.5	191.7	175.7	170.7	94.2	207.3	466.7	695.3
Frontier Airlines	-	245.3	301.0	232.1	361.9	193.9	313.9	688.8	671.5	591.6
Avianca	314.7	328.3	329.9	338.9	294.1	403.9	186.3	203.8	301.7	455.5
JetBlue Airways	-	-	-	-	-	-	-	407.3	449.3	387.0
All Others	4,648.6	4,881.0	4,755.7	4,555.0	4,550.8	4,760.3	2,409.2	1,329.7	3,205.8	3,798.4
	20,219.9	21,375.1	22,154.3	21,602.8	22,220.4	22,685.1	12,649.6	15,136.2	24,937.9	25,751.3



Air Cargo Activity

Fiscal Years Ended September 30, 2014 to 2023
(Unaudited)

Fiscal Year	Mail	Freight	Total	% Change
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%
2018	42,717	2,325,899	2,368,616	5.4%
2019	37,013	2,309,228	2,346,241	-0.9%
2020	32,402	2,268,649	2,301,051	-1.9%
2021	31,230	2,614,726	2,645,956	15.0%
2022	30,132	2,777,008	2,807,140	6.1%
2023	26,583	2,744,398	2,770,981	-1.3%





Miami-Dade County Population and Per Capita Personal Income

Last Ten Calendar Years
(Unaudited)

Year	Population	Total Personal Income (In Thousands)	Per Capita Personal Income	Average Unemployment Rate	Civilian Labor Force	Median Age
2014	2,586,290	\$111,528,866	\$43,123	7.2%	1,282,854	39
2015	2,653,934	\$116,553,169	\$43,917	6.2%	1,321,033	40
2016	2,696,353	\$123,276,064	\$45,440	5.8%	1,334,404	40
2017	2,743,095	\$132,712,999	\$49,166	5.0%	1,375,376	40
2018	2,779,322	\$143,041,608	\$51,009	3.7%	1,354,012	40
2019	2,812,130	\$149,525,576	\$53,640	2.9%	1,380,967	40
2020	2,701,767	\$151,581,814	\$56,561	8.2%	1,280,601	40
2021	2,731,939	\$176,108,492	\$63,078	5.5%	1,323,692	40
2022	2,757,592	\$183,105,933	\$68,481	2.6%	1,371,121	41
2023	2,768,954	(1)	(1)	1.8%	1,385,768	41

Source: U.S Bureau of Labor Statistics
 U.S. Census Bureau
 Florida Legislature, Office of Economic and Demographic Research

Legend: (1) Information unavailable as of the date of this report.



Principal Employers in Miami-Dade County

Current Year and Nine Years Previous
(Unaudited)

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	35,601	1	2.57%	33,477	1	2.61%
Miami-Dade County	28,677	2	2.07%	25,502	2	1.99%
University of Miami	21,276	3	1.54%	12,818	5	1.00%
Jackson Health System	13,721	4	0.99%	9,797	8	0.76%
Publix Super Markets	13,606	5	0.98%	4,604	9	0.36%
American Airlines	10,961	6	0.79%	11,031	7	0.86%
Amazon Airlines	8,014	7	0.58%			
Walmart	7,005	8	0.51%			
Florida International University	6,613	9	0.48%			
U.S. Postal Services	5,828	10	0.42%			
City of Miami				3,997	10	0.31%
Baptist Health South Florida				11,353	6	0.88%
U.S. Federal Government				19,200	3	1.50%
Florida State Government				17,100	4	1.33%
	<u>151,302</u>		<u>10.93%</u>	<u>148,879</u>		<u>11.60%</u>

Source: Florida Department of Commerce (FloridaCommerce), Bureau of Workforce Statistics & Economic Research
The Beacon Council, Miami, Florida, Miami Business Profile



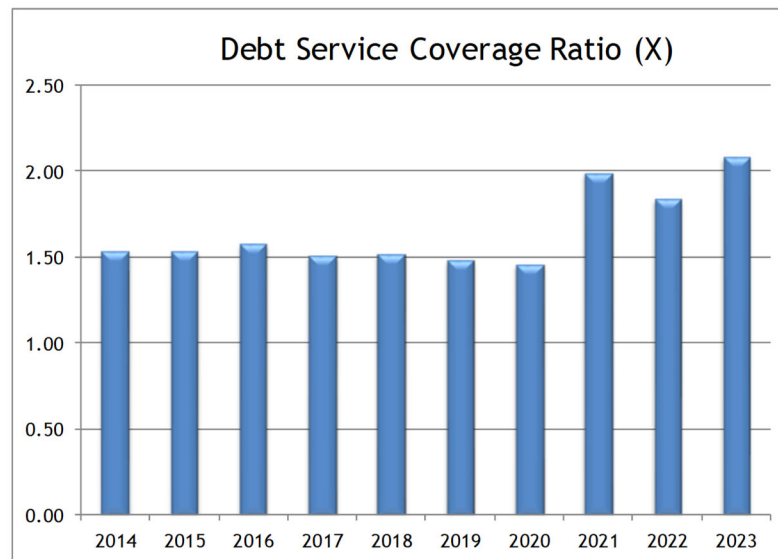
Revenue Bond Debt Service Coverage

Fiscal Years Ended September 30, 2014 to 2023

(In Thousands)

(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Pledged Revenues	\$894,079	\$892,846	\$925,548	\$913,151	\$931,800	\$947,457	\$721,677	\$775,605	\$952,706	\$1,131,563
Expenses	387,135	402,831	415,554	429,974	454,871	480,910	452,022	471,836	514,331	547,863
Net Revenues	506,944	490,015	509,994	483,177	476,929	466,547	269,655	303,769	438,375	583,700
Reserve Maintenance Fund Deposit	15,000	17,000	25,000	30,000	20,000	15,000	15,000	15,000	15,000	20,000
Net Revenues after Deposits	491,944	473,015	484,994	453,177	456,929	451,547	254,655	288,769	423,375	563,700
Principal & Interest Requirement	319,802	307,028	307,386	300,068	301,326	304,940	174,602	145,108	230,333	270,009
Debt Service Coverage Ratio (x)	1.54	1.54	1.58	1.51	1.52	1.48	1.46	1.99	1.84	2.09





Outstanding Debt

Last Ten Fiscal Years

(In Thousands)

(Unaudited)

Fiscal Year Ended September 30,	Trust Agreement	Double-Barreled		State		Total
	Revenue Bonds (a)	Aviation Bonds (General Obligation) (b)	Commercial Paper Notes (c)	Infrastructure Bank (SIB) Loan (d)	Other Liabilities (e)	
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	\$20,000	\$14,778	-	\$6,049,395
2017	\$5,680,386	\$218,103	\$60,000	\$10,074	\$33,081	\$6,001,644
2018	\$5,584,857	\$212,891	\$140,000	\$5,274	\$80,683	\$6,023,705
2019	\$5,777,068	\$207,240	-	-	\$77,193	\$6,061,501
2020	\$5,621,474	\$201,388	-	-	\$68,941	\$5,891,803
2021	\$5,459,700	\$196,247	\$10,000	-	\$63,947	\$5,729,894
2022	\$5,335,420	\$192,490	\$30,000	-	\$66,537	\$5,624,447
2023	\$5,189,188	\$188,752	\$40,000	-	\$63,370	\$5,481,310

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) In FY 2010 the County issued its Series 2010 Double-Barreled Aviation Bond (General Obligation), in the aggregate principal amount of \$239,775,000. In FY 2021 the County issued its Series 2020 Double-Barreled Aviation Refunding Bond (General Obligation), in the aggregate principal amount of \$177,670,000, to fully refund the principal amount of the Series 2010 Bonds. The Series 2020 Bonds are payable first from the Net Available Airport Revenues. Additionally, the Series 2020 Bonds are general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2020 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 2020 Bonds.

c) 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 Commercial Paper was discontinued in May of 2019 and a new Commercial Paper Notes Program was started in March 2021. The new program is secured with an irrevocable letter of credit in the amount of \$200 million.

d) A County loan in the amount of \$50 million from the FDOT State Infrastructure Bank to fund the County's share of the cost of the Viaduct Project. The loan was 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 were reimbursed to the County by the Aviation Department. The loan was paid off in September 2019.

e) Total includes lease and subscription liabilities and financed purchases of \$8,491,000 and \$54,879,000, respectively. The Aviation Department has entered into various agreements with banks to provide capital to finance the purchase of certain energy improvement equipment.



Long-Term Debt per Enplaned Passenger

Last Ten Fiscal Years
(In Thousands Except Enplaned Passengers)
(Unaudited)

Fiscal Year Ended September 30	Trust Agreement Revenue Bonds (a)	Double-Barreled Aviation Bonds (General Obligation) (b)	Commercial Paper Notes (c)	State Infrastructure Bank (SIB) Loan (d)	Other Liabilities (e)	Total	Enplaned Passenger	Long Term Debt per Enplaned Passenger
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	\$20,000	\$14,778	-	\$6,049,395	22,154,289	\$273.06
2017	\$5,680,386	\$218,103	\$60,000	\$10,074	\$33,081	\$6,001,644	21,602,794	\$277.82
2018	\$5,584,857	\$212,891	\$140,000	\$5,274	\$80,683	\$6,023,705	22,220,423	\$271.09
2019	\$5,777,068	\$207,240	-	-	\$77,193	\$6,061,501	22,685,074	\$267.20
2020	\$5,621,474	\$201,388	-	-	\$68,941	\$5,891,803	12,649,609	\$465.77
2021	\$5,459,700	\$196,247	\$10,000	-	\$63,947	\$5,729,894	15,136,208	\$378.56
2022	\$5,335,420	\$192,490	\$30,000	-	\$66,537	\$5,624,447	24,937,982	\$225.54
2023	\$5,189,188	\$188,752	\$40,000	-	\$63,370	\$5,481,310	25,751,310	\$212.86

- 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) In FY 2010 the County issued its Series 2010 Double-Barreled Aviation Bond (General Obligation), in the aggregate principal amount of \$239,775,000. In FY 2021 the County issued its Series 2020 Double-Barreled Aviation Refunding Bond (General Obligation), in the aggregate principal amount of \$177,670,000, to fully refund the principal amount of the Series 2010 Bonds. The Series 2020 Bonds are payable first from the Net Available Airport Revenues. Additionally, the Series 2020 Bonds are general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2020 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 2020 Bonds.
- c) 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 Commercial Paper was discontinued in May of 2019 and a new Commercial Paper Notes Program was started in March 2021. The new program is secured with an irrevocable letter of credit in the amount of \$200 million.
- d) A County loan in the amount of \$50 million from the FDOT State Infrastructure Bank to fund the County's share of the cost of the Viaduct Project. The loan was 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 were reimbursed to the County by the Aviation Department. The loan was paid off in September 2019.
- e) Total includes lease and subscription liabilities and financed purchases of \$8,471,000 and \$59,569,000, respectively. The Aviation Department has entered into various agreements with banks to provide capital to finance the purchase of certain energy improvement equipment.



Capital Assets

Fiscal Years Ended September 30, 2014 to 2023
(Unaudited)

Miami-Dade Aviation Department	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
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

2023
Annual Comprehensive Financial Report

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Miami-Dade Aviation Department

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