



PORT MIAMI

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

2023 Annual Comprehensive Financial Report



For the fiscal year ended September 30, 2023

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

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2023

Prepared by the Miami-Dade Seaport Department

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MIAMI-DADE COUNTY, FLORIDA SEAPORT DEPARTMENT
A Department of Miami-Dade County, Florida
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

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INTRODUCTORY SECTION

**ELECTED AND APPOINTED OFFICIALS
MIAMI-DADE COUNTY, FLORIDA**

DANIELLA LEVINE CAVA, *MAYOR*

**BOARD OF COUNTY COMMISSIONERS
OLIVER G. GILBERT, III, CHAIRMAN
ANTHONY RODRIGUEZ, VICE-CHAIRMAN**

**OLIVER G. GILBERT, III
*DISTRICT 1***

**MARLEINE BASTIEN
*DISTRICT 2***

**KEON HARDEMON
*DISTRICT 3***

**MICKY STEINBERG
*DISTRICT 4***

**EILEEN HIGGINS
*DISTRICT 5***

**KEVIN M. CABRERA
*DISTRICT 6***

**RAQUEL A. REGALADO
*DISTRICT 7***

**DANIELLE COHEN HIGGINS
*DISTRICT 8***

**KIONNE L. MCGHEE
*DISTRICT 9***

**ANTHONY RODRIGUEZ
*DISTRICT 10***

**ROBERTO J. GONZALEZ
*DISTRICT 11***

**JUAN CARLOS BERMUDEZ
*DISTRICT 12***

***RENE GARCIA*
*DISTRICT 13***

**JUAN FERNANDEZ-BARQUIN
*CLERK OF COURTS AND COMPTROLLER***

**PEDRO J. GARCIA
*PROPERTY APPRAISER***

**GERI BONZON-KEENAN
*COUNTY ATTORNEY***

May 22, 2024

Honorable Daniella Levine Cava, Mayor

Honorable Chairman Oliver G. Gilbert, III and
Members of the Board of County Commissioners

Honorable Juan Fernandez-Barquin, Clerk of the Courts and Comptroller

Honorable Pedro J. Garcia, Property Appraiser

Residents of Miami-Dade County, Florida

We are pleased to present the Miami-Dade County, Florida Seaport Department's (the "Port", "Seaport", "PortMiami") Annual Comprehensive Financial Report ("ACFR") as of and for the fiscal year ended September 30, 2023. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB") and audited by a firm of independent certified public accountants retained by Miami-Dade County, Florida (the County) and paid from its public funds. This report may also be accessed via the internet at <http://www.miamidade.gov/portofmiami>.

Responsibility for the accuracy and fairness of the presentation, including disclosures, rests with management of the Seaport. We believe the data, as presented, is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the Seaport and that all disclosures necessary to enable the reader to gain an understanding of Seaport's financial activity have been included. Seaport has established comprehensive internal controls designed to help ensure that the Seaport's assets are protected from loss, theft or misuse and adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP"). Because the cost of internal control should not exceed the benefits likely to be derived, the Seaport's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met.

Independent Audit

RSM US LLP, a firm of licensed certified public accountants, has audited Seaport's financial statements. The audit was performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. The goal of the independent audit was to obtain an opinion as to whether the financial statements were fairly presented in all material respects. The audit procedures are performed on a test basis to obtain evidence supporting the amounts and disclosures in the financial statements. The scope of the audit was sufficient to satisfy State, County Charter, and bond covenant requirements. RSM US LLP's opinion resulting from the audit is included in this ACFR.

Profile of the Government and Government Structure

Seaport, a department of the Miami-Dade County, operates as an enterprise fund of the County. An enterprise fund is used to account for activity in which the cost of providing goods and services is primarily recovered through the fees charged to the users of such goods and services. The County owns the Dante B. Fascell Port of Miami-Dade (“the Port”). The Port is operated by the Seaport Department.

PortMiami is the largest cruise home port in the world and is among the leading international waterborne container ports in the United States. The Port is an island port and occupies approximately 520 acres of land. For fiscal year 2023, the Seaport handled 7.3 million passengers. During this same period, approximately 9.7 million tons of cargo and 1.1 million TEUs (twenty foot equivalent units) were processed through the Seaport.

Budgetary Process and Control

Annually, as part of the budget process, Seaport recommends the amounts that provide sufficient funds for anticipated operating expenses, capital improvements and debt service requirements. Expected revenues from contractual guarantees, forecasted revenue generating activities, intergovernmental receipts and the Port’s Tariff are estimated and evaluated on the basis of covering PortMiami’s operations and funding requirements. Before October 1st, the beginning of the new fiscal year, the Board of County Commissioners adopts an annual budget for Seaport’s recommended rates, operating expenses, capital outlays, and debt service payments. An analysis of revenue and operating expenses for the fiscal year ended September 30, 2023, can be found in the Management’s Discussion and Analysis section of this report. Capital Projects are budgeted in the year anticipated to be obligated and in the subsequent years the unused budget is re-appropriated until the project is complete, consequently an annual comparison of these expenses is not included in this report.

The Port controls current expenses at both the functional and operating division levels. Through Seaport’s management reporting system, which includes responsibility centers, division managers are responsible for budgetary items that are controllable at their level. Since all expenses are controllable, this dual monitoring of expenses serves to strengthen overall fiscal management, and internal controls.

Factors Affecting Financial Conditions

The information presented in the financial statements primarily focuses on Seaport’s financial position, results of operations, and cash flows for the current fiscal year. However, Seaport’s financial status and outlook are best understood when the focus is on previous, existing, and future resources and claims on those resources. This broader concept is used to assess its financial condition, which reflects the current financial position as well as the prospects that today’s financial position will improve or deteriorate over time. Additionally, the economic condition and outlook of the County, Seaport’s primary trading partners, the cruise lines, cargo terminal operators and shipping lines; long-term debt management; capital construction management; cash management and investments; and risk financing, should be considered when evaluating Seaport’s financial condition. Following is a brief discussion of each of these factors.

Economic Condition and Outlook

This report’s Economic Conditions and Outlook, reviews the level of economic activity throughout Fiscal Year (FY) 2023 and forecasts the area’s economic outlook for the next fiscal year.

One year ago, in the year-end outlook for the local economy, it was stated that the strong fundamentals inherited from FY 2021 and FY 2022 would fuel the continued growth despite the headwinds from the loss of fiscal stimulus and tightening of monetary policy during FY 2023.

Prospects for growth of the United States' economy were thought to decelerate to somewhere between -2 and +1.8% in calendar year 2023, after growing almost 2% in calendar year 2022, according to the International Monetary Fund (IMF), the Organization for Economic Co-operation and Development (OECD) and the Congressional Budget Office.

Economic activity in Latin America, after experiencing a 3.5% increase in 2022, was expected to expand by 1.7% in 2023. The similar rates of expansion in the US and Latin American economies were expected to result in a continuation of the existing trading patterns between the regions reflected in the trade flowing through Miami-Dade ports. Real estate and construction activity in FY 2023 were expected to continue to soften due to the unprecedented price appreciation of FY 2021 and 2022 as well as the rise in mortgage rates brought about by the Federal Reserve's monetary tightening policy.

Tourism indicators, after a blockbuster FY 2022, were also expected to continue growing at a much-reduced pace, with visitors, airline passengers and hotel occupancy gaining slightly from their very robust FY 2022 levels and with cruise ship passenger numbers increasing from their FY 2021 levels and surpassing pre pandemic levels.

Miami-Dade's employment was forecasted to continue to expand albeit at a slower pace as workers become harder to find given the low unemployment rate prevalent at the beginning of the fiscal year.

This forecast of FY 2023 turned out to be a fair assessment of the year to come, even though a "loss of fiscal stimulus" did not end up taking place.

The national economy in FY 2023, indeed slowed compared to FY 2022. Real gross domestic product (GDP) increased at an annual rate of 1.9%, a deceleration from the 3.1% of the prior year. The deceleration in economic growth was brought about by a slower growth in personal consumption that decelerated from 4.0% in FY 2022 to 1.8% in FY 2023, combined with a contraction of the investment component that went from growing by 7.6% in FY 2022 to contracting by 2.2% in FY 2023. Inflation pressures continued to be elevated in FY 2023, although moderating from the prior year level. As a result of the Federal Reserve continuing to increase its key interest rate during the fiscal year, inflation for the fiscal year ended at 5.1%, an improvement from the 7.9% recorded in FY 2022. This reduction in the level of inflation was accompanied by a drop in the headline unemployment rate of 20 basis points to 3.6%.

At the county level, FY 2023 was a year of moderation in which most variables returned to more sustainable and 'normal' levels after FY 2021 characterized by a red-hot residential real estate market, and FY 2022 marked by an unprecedented tourism boom. For FY 2023, the County's unemployment rate decreased, as employment rose. The residential real estate market continued to cool, as it did in FY 2022 and the tourism sector grew modestly throughout.

What follows is an overview of the economic conditions that prevailed in the county throughout the past year and a brief discussion about the trends associated with the area's key economic drivers.

■ ***International Trade and Commerce***

At the Port, cargo activity, measured in TEUs, decreased by approximately 8.3% for fiscal year 2023. The Seaport expects similar volumes of cargo activity in fiscal year 2024. Seaport is optimistic regarding international commerce in Miami-Dade County and anticipates higher volume levels in cargo activity movement through the Port over the long-term. The optimism is based on the assumption that the cruise and cargo coupled with the Port's incentivized agreements, improving economy, and the addition of new cargo services will increase activity. Looking beyond the fiscal year 2024, the completion of the Deep Dredge and intermodal and rail reconnection projects completed in fiscal year 2015, coupled with the acquisition of four gantry cranes in the Post Panamax period, augurs well for the future of Seaport.

The Americas continue to represent a major share of Seaport's total cargo. For fiscal year 2023, the Americas accounted for approximately 48%. This was followed by Asia with 31%. The balance of approximately 21% consisted of Europe, Middle East and Africa.

■ **Competition**

Seaport's cargo related revenues had an increase of 2.0% from fiscal year 2022. The Seaport's commitment to expanding its cargo business, coupled with incentivized cargo contracts will contribute to an overall cargo activity increase.

International trade and commerce is another key component of Miami-Dade's economy. Trade measured by value passing through the Miami-Dade County's seaport and airport rose 16.5% since the Covid-19 pandemic first erupted in 2020 to \$105.7 billion (2023 inflation adjusted dollars). However, from FY 2022, merchandise trade decreased 4.1% in FY 2023 from \$110.1 billion from consumer demand dropping over the year as inflation rose.

In contrast to the recurring merchandise trade deficits that the United States maintains year after year, Miami-Dade ports traditionally export more than they import when measured by value, resulting in a trade surplus over the years. This year, this surplus narrowed as the County trade exports decreased 5.1%, while imports decreased 2.9% over FY 2023. Most of the Miami-Dade export markets are in South America, Central America, and the Caribbean, and, together with Europe, account for more than 89% of total trade. Most of total U.S. imported perishables from South America and Central America and the Caribbean continue to pass through the Miami-Dade ports.

Two of Miami-Dade County's barometers of trade activity are the freight tonnage moving through Miami International Airport (MIA) and PortMiami. At the former, overall air freight tonnage decreased 1.7% in FY 2023 after increasing 13.2% the preceding year. At PortMiami, cargo tonnage figures for FY 2023 were down by 4.9% after decreasing by 8.4% in the prior fiscal year. PortMiami accounted for 88% of total county trade measured by weight, while high-value trade through MIA means the airport accounts for 61% of total trade measured by value.

■ **Tourism**

After two years of post-COVID-19 sharp increases in the number of visitors to the state of Florida of 20% in FY 2021 and 24% in FY 2022, with a more modest increase of 1.7% FY 2023, the state reached 138.1 million overnight visitors, the highest number ever recorded.

In tandem with the rest of the state, after post covid sharp increases in FY 2021 and FY 2022 visitors to the Miami area were flat in FY 2023 at just over 20.5 million overnight visitors, well above the 16.2 million registered in pre-pandemic FY 2019.

Consistent with the trend in overnight visitors, MIA passenger levels stabilized in FY 2023, increasing by a relatively modest 3.7% to a record level of 51.6 million passengers, after having increased by 65% in FY 2022 and 19% in FY 2021. Part of the increase in MIA passengers not translating into overnight visitors is reflected in cruise ship passenger numbers.

After being the hardest hit component of the tourism sector with a complete shutdown, cruise ship passenger levels continued to recuperate the ground loss during the pandemic. In FY 2023, passenger levels increased by over 81% over FY 2022 to 7.30 million passengers.

The modest change in overnight visitors was reflected in a decrease in the hotel occupancy rate from 73.5% in FY 2022 to 72.1% in FY 2023. This decrease in the occupancy rate was coupled with a decrease in the average daily room rate from 236 dollars in FY 2022 to 223 dollars in FY 2023.

■ **Future Outlook**

FY 2021 and 2022 were characterized by strong growth and adjustments of various kinds as the economy recuperated from the pandemic and digested the stimulus and policies put in place during and post pandemic. FY 2023 displayed a more normal pattern of growth with less obvious influence from the pandemic and/or pandemic era policies.

FY 2024 should continue in the same vein as FY 2023, displaying moderate growth as well as moderate inflation, with most, if not all, variables changing in normal, single-digit percentage terms.

Because of its location and economic trade and tourism ties, Miami-Dade's economy is influenced by developments in both the broader US and Latin American and Caribbean economies.

On the domestic front, the overall United States economy is expected to continue growing, albeit at a slower pace. After a strong showing in FY 2021, and a moderating pace in FY 2022 and 2023, it is expected that the U.S. growth will continue to slow in FY 2024.

All major institutional forecasts of the United States' economy at the time of this writing predict GDP growth rate for calendar year 2024 of 1.5% with the exception of Fannie Mae which forecasts a drop of 0.3%. S&P Global, the International Monetary Fund (IMF), the Organization for Economic Co-operation and Development (OECD) and the Congressional Budget Office all agree on a 1.5% growth rate.

Economic activity in Latin America, after experiencing a 2.3% increase in 2023, is expected to expand by 2.3% again in 2024. The higher rate of expansion in Latin America vis-a-vis the US is likely to result in a contraction of the trade surplus flowing through Miami-Dade ports.

Real estate and construction activity in FY 2024 is expected to display a similar trend as FY 2023 as mortgage rates continue at their current elevated levels locking in current homeowners and deterring would be buyers.

Tourism indicators will also continue at their elevated FY 2023 levels, meaning that growth will be moderate, with visitors, airline passengers and hotel occupancy gaining slightly from their very robust FY 2023 levels. The exception will be cruise ship passengers, expanding robustly with the introduction of more and bigger ships to the market resulting in passenger counts easily beating their pre-pandemic levels.

Employment should continue to expand overall, but at a slow rate, and most likely not be as broad based as it was in FY 2022 and 2023. This should result in a more normal pattern in which some industries expand, and others contract their level of employment.

In conclusion, evaluating all the likely developments in major areas of the economy leads to a forecast that the Miami-Dade economy appears poised for continued growth in FY 2024 at a slower pace. While inflation appears to be slowing, there remains a lot of uncertainty due to the instability in the Middle East and the potential for the conflict to expand. This could have an impact on trade routes and specifically on the price of oil that could trigger repercussions through economies worldwide.

LONG TERM FINANCIAL PLANNING

Major Initiatives

■ Construction Management

Seaport's proposed Capital Improvement Program funding for the period October 1, 2023 through and up to the projects' completion is budgeted at approximately \$2.30 billion. Of this amount, approximately \$2.26 billion, \$20.2 million and \$18.9 million will be funded by debt proceeds, state grants, and other sources, respectively. Of the approximately \$2.30 billion in construction in progress expenditures (CIP), approximately \$866.7 million, \$404.1 million, \$92.7 million, \$872.3 million and \$64.7 million will fund the Seaport facilities improvements, new passenger facilities, environment projects, cargo facilities improvements and Terminal improvements, respectively.

Seaport secured Congressional approval in the fall of 2007 for the Miami Harbor Project (the Project). The Project called for deepening the Seaport's south channel to a depth of 50 feet from the existing 42 feet. By deepening its south channel from the existing—42 feet to the 50—foot depth, the Seaport is one of a few ports along the U.S. east coast capable of accommodating mega container vessels. The Project was completed in fiscal year 2015.

Additional information regarding Seaport's capital improvement program can be found in the Management's Discussion and Analysis ("MD&A") section and the Notes to the Financial Statements section of this report. CHART I found below summarizes the funding sources for Seaport's capital improvement program for the next fiscal year (2024) and fiscal years 2025 through and up to completion of projects.

CHART 1
CIP FUNDING SOURCES
(\$ in thousands)

Revenue	Fiscal Year 2024	Fiscal Year 2025 through completion	Total
Debt proceeds	\$ 486,933	\$ 1,774,492	\$ 2,261,425
State grants	20,186	-	20,186
Other sources	18,943	-	18,943
Total	<u>\$ 526,062</u>	<u>\$ 1,774,492</u>	<u>\$ 2,300,554</u>

CIP PROJECT SUMMARY
(\$ in thousands)

Expenditures	Fiscal Year 2024	Fiscal Year 2025 through completion	Total
Cargo facilities; improvements	\$ 179,391	\$ 692,932	\$ 872,323
Port facilities; improvements	192,564	674,131	866,695
New passenger facilities	114,417	289,704	404,121
Environment projects	30,163	62,559	92,722
Terminal improvements	9,527	55,166	64,693
Total	<u>\$ 526,062</u>	<u>\$ 1,774,492</u>	<u>\$ 2,300,554</u>

Security

Securing the Port and providing efficient commerce will present challenges for the foreseeable future. The Port has successfully achieved this by modifying its facility security plan and investing in its physical security infrastructure. Over the last several fiscal years, Seaport has made significant investments in its security infrastructure. The corresponding funding for security has increased dramatically. Seaport is currently fully compliant.

Seaport continues to be recognized as one of Florida's leading ports. Progressive procedures are in place that provide heightened levels of protection and simultaneously support compliance with Port business policies. Partners in this comprehensive initiative include: U.S. Coast Guard; U.S. Customs and Border Protection; Federal Bureau of Investigation; Florida Department of Law Enforcement; Florida Fish and Wildlife Commission; Miami-Dade Police Department and Fire Rescue Department and others working to achieve a shared, united mission. These efforts are helping to move legitimate commerce in a faster, secure, more seamless and cost-effective manner than ever before.

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 Seaport for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the twenty fourth consecutive year that the Seaport received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

This report could not have been prepared on a timely basis without the efficient and dedicated services of the Seaport's Finance Division staff. We are grateful to all Seaport employees who assisted and contributed to its preparation. We also thank the Mayor, the Miami-Dade Board of County Commissioners, the County Attorney's Office and other County departments for their continued assistance in enabling the Seaport to fulfill its role in promoting international trade and economic development in Miami-Dade County.

Respectfully submitted,



Hydi Webb,
Port Director, CEO



Andrew Hecker,
Deputy Port Director



Frederick P. Wong, Jr.
Deputy Port Director



Andrew Warburton, CPA
Assistant Director Finance & Administration



Joseph Browne, CPA
Chief, Accounting & Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Miami-Dade County Seaport Department
Florida**

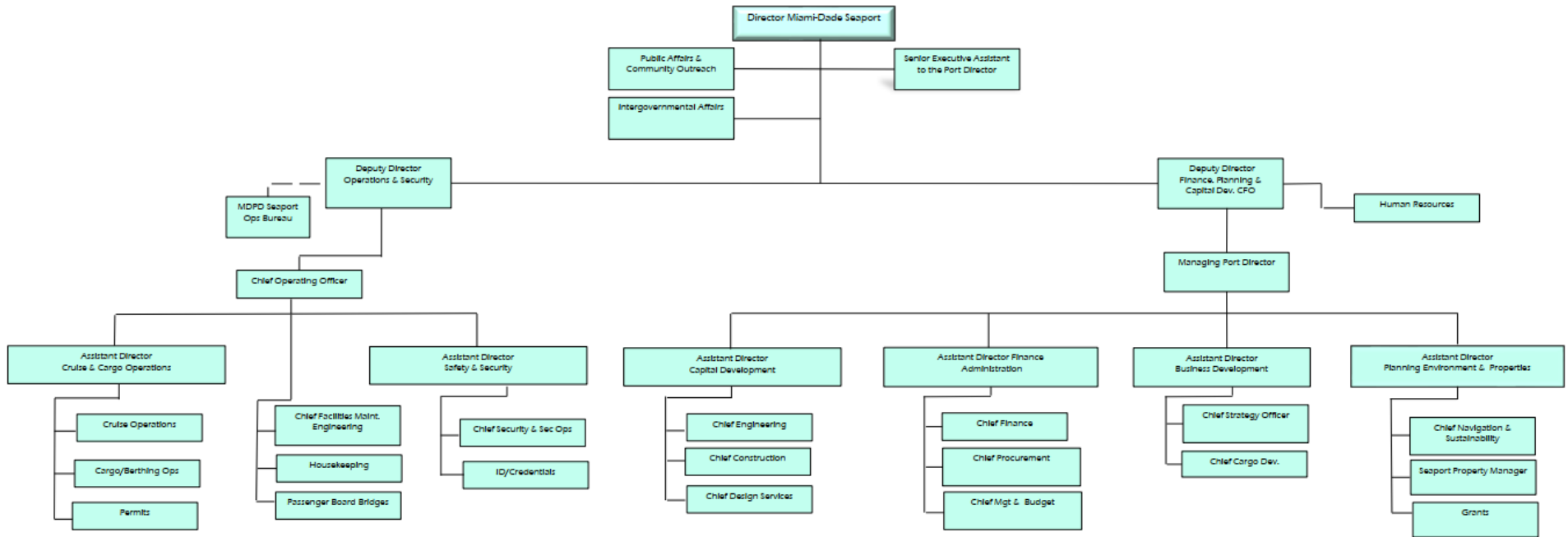
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

Miami-Dade County Seaport Department Organizational Chart



FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Miami-Dade County Seaport Department (the Department), an enterprise fund of Miami-Dade County, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Miami-Dade County, Florida, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Department are intended to present the financial position, the changes in financial position and cash flows of only that portion of Miami-Dade County, Florida that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the Miami-Dade County, Florida, 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 opinions are 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 GAAS 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 GAAS 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 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 pension and OPEB related schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024 on our consideration of the 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 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 Department's internal control over financial reporting and compliance.

RSM US LLP

Coral Gables, Florida
May 22, 2024

Management’s Discussion and Analysis (MD&A) – unaudited

The following narrative provides an overview of the Miami-Dade County, Florida Seaport Department’s (the “Port”, “Seaport”) financial activities and net position as of and for the fiscal year ended September 30, 2023. The MD&A represents management’s analysis of Seaport’s financial condition, performance, long-term debt and economic factors. The MD&A should be read in conjunction with the financial information of the transmittal letter, the financial statements, the accompanying notes, and the statistical section. The financial statements consist of the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; and the Notes to the Financial Statements.

The Statement of Net Position presents the financial position of Seaport as of a specific date. It provides information about the nature and amount of resources (assets/deferred outflows) and obligations (liabilities/deferred inflows), with net position being the difference between assets/deferred outflows and liabilities/deferred inflows. Increases or decreases in net position may serve as a useful indicator of whether the financial position of Seaport is improving or deteriorating over time.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how Seaport’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs which might coincide with the timing of the related cash flows.

The Statement of Cash Flows presents the cash activities of Seaport segregated in the following major categories: operating, non-capital financing activities, capital and related financing activities, and investing. This statement also presents the changes in cash and cash equivalents of Seaport.

The Notes to the Financial Statements provide required disclosures and other information that is essential to a full understanding of data provided in the statements.

Financial analysis of the Seaport Department

As part of the financial reporting, Governmental Accounting Standards require that the Port prepare an analysis of the Seaport’s overall financial position and results of its operations to assist readers in assessing whether the Seaport’s financial position has improved or deteriorated when compared to the prior year.

Seaport’s net position is summarized in Table I. Net position may be used to assess the financial position of Seaport. Total Seaport net position as of September 30, 2023 was \$414.4 million, comprising of approximately \$262.8 million in net investment in capital assets; approximately \$31.8 million in restricted for debt service and reserves, and unrestricted of approximately \$119.8 million. Total Seaport net position as of September 30, 2022 was \$308.7 million, comprising of approximately \$296.3 million in net investment in capital assets; approximately \$26.7 million in restricted for debt service and reserves, and an unrestricted deficit of approximately \$14.3 million.

Table I
Summary Statements of Net Position
As of September 30,
(\$ in millions)

	Fiscal Year 2023	Change from Fiscal Year 2022	Fiscal Year 2022
Capital assets, net	\$ 1,913.1	\$ 74.5	\$ 1,838.6
Current and other assets	1,391.5	707.8	683.7
Total assets	<u>3,304.6</u>	<u>782.3</u>	<u>2,522.3</u>
Deferred outflows of resources	39.4	(2.6)	42.0
Long-term liabilities outstanding	2,054.3	473.3	1,581.0
Other liabilities	122.6	(277.1)	399.7
Total liabilities	<u>2,176.9</u>	<u>196.2</u>	<u>1,980.7</u>
Total deferred inflow of resources	752.7	477.8	274.9
Net position:			
Net investment in capital assets	262.8	(33.5)	296.3
Restricted	31.8	5.1	26.7
Unrestricted (deficit)	119.8	134.1	(14.3)
Total net position	<u>\$ 414.4</u>	<u>\$ 105.7</u>	<u>\$ 308.7</u>

The decrease in net investment in capital assets from fiscal year 2022 to 2023, can be mostly attributed to capital asset depreciation expense in fiscal year 2023, as compared with fiscal year 2022. The increase in unrestricted from fiscal year 2022 to 2023, can be mostly attributed to the increases in terminal enhancement passenger fees, cruise, parking and rentals revenues recognized in fiscal year 2023.

Seaport worked closely with consultants to finalize the Port's 2035 Master Plan (the Plan). The Plan was unveiled in December 2011. The Plan is a useful roadmap for the Seaport to plan to meet the future demands and expectations of the cargo and cruise industries, and helps the Port maximize the use of its resources. The 2050 Master Plan is currently being prepared with completion expected in fiscal year 2024.

Table II summarizes the change in Seaport's net position. Total net position as of September 30, 2023 was approximately \$414.4 million, representing an increase of approximately \$105.7 million from prior year. The increase in fiscal year 2023 can be mostly attributed to increases in terminal enhancement passenger fees, cruise, parking and rentals revenues in fiscal year 2023.

In March 2015 FDOT and the County entered into a Joint Participating Agreement (JPA) to pay the County from annually appropriated State Comprehensive Enhanced Transportation System Tax (SCETS) the amount of \$17 million annually in each of the State's fiscal years 2018 through 2042.

Because the SCETS funds are subject to annual appropriation by FDOT, Governmental Accounting Standards do not allow revenues to be reported until the funds are appropriated and therefore revenues will only be reported for the annual amount appropriated each fiscal year. If revenues for the full amount expected to be appropriated by FDOT were reported, it would offset any negative unrestricted net position balance.

On September 27, 2021, FDOT and Seaport entered into a Coronavirus State Fiscal Recovery Funds subrecipient grant agreement under the American Rescue Plan Act of 2021 (ARPA) to respond to the negative economic impacts of the COVID-19 public health emergency and provide working capital for recovery. The completion date runs through December 31, 2024.

Table II
Change in Net Position
For the Fiscal Years Ended September 30,
(\$ in millions)

	Fiscal Year 2023	Change from Fiscal Year 2022	Fiscal Year 2022
Operating revenues:			
Cruise wharfage/dockage	\$ 122.4	\$ 51.2	\$ 71.2
Cargo wharfage/dockage	42.0	2.3	39.7
Container crane user fees	16.5	(1.1)	17.6
Rentals and leases	44.3	16.9	27.4
Ground transportation	2.1	0.8	1.3
Terminal enhancement passenger fees	18.8	10.8	8.0
Parking	17.8	8.0	9.8
Miscellaneous charges and fees	2.1	(0.2)	2.3
Total operating revenues	<u>266.0</u>	<u>88.7</u>	<u>177.3</u>
Lease interest	28.8	23.2	5.6
Other nonoperating	36.8	(7.9)	44.7
Total revenues	<u>331.6</u>	<u>104.0</u>	<u>227.6</u>
Operating expenses	128.8	31.1	97.7
Depreciation	56.9	22.6	34.3
Interest expense, net	60.1	14.8	45.3
Other nonoperating expenses	-	(3.1)	3.1
Total expenses	<u>245.8</u>	<u>65.4</u>	<u>180.4</u>
Net income before contributions and transfers	85.8	38.6	47.2
Net contributions	20.0	15.1	4.9
Transfers	0.1	0.1	-
Total contributions and transfers	<u>19.9</u>	<u>15.0</u>	<u>4.9</u>
Change in net position	105.7	53.6	52.1
Net position – beginning	308.7		256.6
Net position at end of year	<u>\$ 414.4</u>		<u>\$ 308.7</u>

Operating revenues for fiscal year 2023 were approximately \$266.0 million or \$88.7 million higher than fiscal year 2022. The increase can be mostly attributed to increases in cruise and cargo related revenues, rentals and leases, terminal enhancement passenger fees and parking. The increases in cruise related revenues, rentals and leases, parking, ground transportation and terminal enhancement passenger fees can mostly be attributed to an increase in cruise activities. The net increase in container crane user fees and cargo related revenues can be mostly related to increases in tariff rates and certain cargo user fees.

Table III summarizes and compares Seaport's operating revenues.

**For the Fiscal Years Ended September 30,
(\$ in millions)**

	Fiscal Year 2023	Change Year 2022	Fiscal Year 2022
Operating Revenues:			
Cruise wharfage/dockage	\$ 122.4	\$ 51.2	\$ 71.2
Cargo wharfage/dockage	42.0	2.3	39.7
Container crane user fees	16.5	(1.1)	17.6
Rentals and leases	44.3	16.9	27.4
Ground transportation	2.1	0.8	1.3
Terminal enhancement passenger fees	18.8	10.8	8.0
Parking	17.8	8.0	9.8
Miscellaneous fees and charges	2.1	(0.2)	2.3
Total revenues	<u>\$ 266.0</u>	<u>\$ 88.7</u>	<u>\$ 177.3</u>

Operating expenses for fiscal year 2023 increased approximately \$31.1 million from the prior year. The increases in cruise operations and security are mostly related to an increase in cruise related activities and certain parking rebates and marketing incentives. The increase in maintenance is mostly related to an increase in repairs for the Port's assets. The increase in general and administration is mostly related to increases in OPEB and pension-related expenses.

Table IV below summarizes Seaport's operating expenses.

**For the Fiscal Years Ended September 30,
(\$ in millions)**

	Fiscal Year 2023	Change from Fiscal Year 2022	Fiscal Year 2022
Operating Expenses:			
Cruise operations	\$ 23.4	\$ 12.9	\$ 10.5
Cargo operations	2.2	0.4	1.8
Maintenance	14.2	6.9	7.3
Utilities	6.7	0.4	6.3
Marketing and advertising	1.9	(0.2)	2.1
Gantry crane operations	11.9	(1.9)	13.8
Security	26.5	5.4	21.1
General and administration	42.0	7.2	34.8
Total operating expenses	<u>\$ 128.8</u>	<u>\$ 31.1</u>	<u>\$ 97.7</u>

Capital assets and debt administration

Capital assets

Seaport's total capital assets (net of depreciation) at September 30, 2023 and 2022 were \$1.9 billion and \$1.8 billion, respectively. The increase can be mostly attributed to costs incurred for various capital construction projects in accordance with the Port's Master Plan and multi-year capital budget. Additional information in changes in capital assets can be found in Note 3 of the Financial Statements and in the Construction Management Section in the transmittal letter. Table V below summarizes the components of Seaport's investment in capital assets.

Table V

Capital Assets (Net of Depreciation)
As of September 30,
(\$ in millions)

	Fiscal Year	Change from	Fiscal Year
	2023	Fiscal	2022
		Year 2022	
Land and related costs	\$ 166.0	\$ -	\$ 166.0
Port dredging and related costs	323.9	-	323.9
Buildings, transit sheds and terminals	792.9	95.0	697.9
Machinery and equipment	20.0	2.5	17.5
Improvements other than buildings	358.5	58.8	299.7
Construction in progress	251.8	(81.8)	333.6
Totals	<u>\$ 1,913.1</u>	<u>\$ 74.5</u>	<u>\$ 1,838.6</u>

During fiscal year 2023, several construction projects were completed. The major projects completed were certain cruise and cargo related infrastructure projects; cruise terminal enhancements; Port-Wide security enhancements; and certain Gantry Crane enhancements. Additional construction in progress information can be found in Note 3 to the financial statements. The significant projects under construction in accordance with the Port's Master Plan are as follows:

Projects underway

- New cruise terminals
- Improvements to various cruise terminals to accommodate larger vessels
- Cargo yard related improvements
- Security enhancements
- Port-Wide infrastructure improvements

Debt administration

At September 30, 2023 and 2022, Seaport had approximately \$1.867 billion and \$1.745 billion in bonds outstanding, respectively. The net increase in fiscal year 2023 is mostly attributed to Port issuing its Series 2022A and B Refunding Bonds. Additional long-term debt details can be found in Note 4 to the financial statements.

Table VI

**Outstanding Long-Term Debt
As of September 30,
(\$ in millions)**

	Fiscal Year 2023	Change from Fiscal Year 2022	Fiscal Year 2022
Seaport revenue bonds	1,777.6	534.8	1,242.8
Capital acquisition bonds	59.0	(340.8)	399.8
Commercial paper notes	30.0	(72.0)	102.0
Totals	<u>\$ 1,866.6</u>	<u>\$ 122.0</u>	<u>\$ 1,744.6</u>

Seaports debt was rated by Moody's Investors Service and Fitch Ratings Inc respectively.

On November 22, 2023, Moody's Investors Service, ("Moody's") has assigned an A3 rating to Miami-Dade FL Port Facility's ("PortMiami") Seaport Revenue Refunding Bonds. The rating outlook is stable. The stable outlook reflects the Port's position as the largest cruise port in the world with competitive cargo operations.

A strong recovery in cruise passengers and solid cargo operations will support solid financial metrics in fiscal 2023. We expect robust cruise demand in 2024, supported by favorable demographics, recent booking trends and the value proposition of a cruise vacation. Minimum annual revenue guarantees support the expectation of positive operating revenue growth in 2024.

The stable outlook reflects our expectations that PortMiami will maintain a senior debt service coverage ratio (DSCR) of 2.0x and a total DSCR of 1.0x. We expect that PortMiami will actively manage its capital investment needs to safeguard adequate liquidity levels and financial metrics.

PortMiami's credit profile is constrained by the need for continued operating revenue growth and strength in operating cash flow generation to fund rising debt service requirements.

On March 13, 2024, Fitch Ratings has affirmed the Miami-Dade County, Florida's \$1.8 billion of senior lien seaport revenue debt issued on behalf of the county's Seaport department, PortMiami at 'A'. The Rating Outlook is Stable.

Fitch has also rated approximately \$442.5 million of series 2021B Seaport revenue bonds "AA-/Stable, which are secured by a subordinate lien on Seaport net revenues and a County covenant to replenish deficiencies in the debt service reserve fund (DSRF).The "rating reflects PortMiami's fundamental operating strengths, including its global leading cruise port market position and its role as one of the largest ports in the State of Florida in terms of cargo volume.

The rating is further supported by the Seaport's substantial, long-term contractual minimum annual guarantees (MAGs) with both cruise and cargo operators, which have historically helped to insulate Seaport revenues from volume and passenger volatility and are expected to rise measurably based on contracts in place.

PortMiami's unrestricted funds remain substantial and provides for a strong level of liquidity to cover all Seaport costs. Still, the Seaport's overall leverage metrics are expected to remain elevated under the Fitch rating case due to the substantial capital plan that calls for sizeable borrowings in the near-to medium-term but ultimately reach a level of stabilization in line with the "A" category following the completion of major capital projects.

Other Obligations. Seaport participates in the County's self-insurance program for workers' compensation, general liability and automotive liability insurance. Certain group health insurance programs are also self-insured, subject to certain stop loss provisions. Detailed information about Seaport's participation in the County's self-insurance program is included in Note 9 Risk Management. Obligations include accrued vacation pay and sick leave, other post-employment liabilities for retirees, net pension liability and other contingent liabilities.

Economic factors and next year's budget and rates

For fiscal year 2023, cargo activity, measured in Twenty Foot Equivalent Units (TEUS) approximately decreased by 8.3%. The Port anticipates cargo activity will increase after larger ships increase crossing the Panama Canal. Most of the cargo is exported to Latin America (South America, Central America, and the Caribbean), followed by the Far East, Asia, the Pacific, Europe and the Middle East. The majority of the imports are located in Latin America followed by the Far East, Asia the Pacific and Europe. In 2015, Seaport implemented a new cargo incentive program. The program was suspended in fiscal year 2020 and has not been reinstated.

During fiscal year 2023, 7.3 million passengers came through the Port. This represented an increase of 81.5% from fiscal year 2022. Since the lifting of the COVID-19 cruise related restrictions, the Seaport is encouraged with the future of cruising, positioning itself for additional growth in the future and the continuing expansion program that includes various renovations and the construction of new cruise berths, terminals and parking facilities. Royal Caribbean's newest terminal was opened in 2018 and is welcoming Royal Caribbean's largest ships. Norwegian Cruise Line Holdings' new terminal, the Pearl of Miami, opened summer of 2021. MSC Cruises is designing and recently broke ground on its new cruise terminals. All of this is being designed and constructed in tandem with a large infrastructure improvement program that consolidates and adds efficiencies to cargo yards (new cranes, RTGs, and state-of-the-art cargo gate facilities), as well as roadway improvements, electrical power system upgrades and bulkhead upgrades and replacements. This growth at the Port will continue to ensure the Port's place as the Cruise Capital of the World and the Global Gateway of the Americas.

Annually, Seaport updates Terminal Tariff No. 010 to ensure Seaport's ability to meet its budgetary obligations through Tariff revenues. The adopted budget for fiscal year 2024 includes the necessary increases in order for Seaport to meets its budgetary obligations. Seaport continually reviews the Tariff and its rate structure to ensure that it remains competitive, attracts new business and maintains its existing customer base.

Request for Information

This financial report is designed to provide customers, creditors and other interested parties with a general overview of Seaport's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

**Assistant Director Finance & Administration
Miami-Dade Seaport Department
1015 North America Way
Miami, Florida 33132**

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MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statement of Net Position
September 30, 2023

Assets

Current assets:	
Pooled cash and cash equivalents	\$ 28,462,445
Pooled investments	283,665,099
Accounts receivable, less allowance for doubtful accounts of \$337,095	20,810,091
Lease receivable	677,652
Lease interest receivable	25,859,129
Due from other funds	1,980,000
Prepaid expenses and other current assets	958,100
Inventories	6,171,348
Grant receivable	10,421,996
Total current unrestricted assets	<u>379,005,860</u>
Restricted assets:	
Current restricted assets:	
Pooled cash and cash equivalents	5,817,899
Pooled investments	47,440,609
Due from other government	17,000,000
Prepaid expenses and other current assets	5,543,263
Total current restricted assets	<u>75,801,771</u>
Total current assets	<u>454,807,631</u>
Noncurrent assets:	
Noncurrent unrestricted assets	
Lease receivable	767,942,298
Due from other funds	1,241,435
Total noncurrent unrestricted assets	<u>769,183,733</u>
Noncurrent restricted assets:	
Pooled cash and cash equivalents	14,034,015
Pooled investments	153,284,295
Advance to other government	257,693
Total noncurrent restricted assets	<u>167,576,003</u>
Capital assets:	
Land and related costs	165,955,153
Dredging and related costs	323,916,491
Buildings, transit sheds and terminals	1,190,392,056
Improvements other than buildings	606,022,045
Machinery and equipment	42,172,330
Construction in progress	251,835,180
Capital assets, gross	<u>2,580,293,255</u>
Less accumulated depreciation	(667,159,100)
Capital assets, net	<u>1,913,134,155</u>
Total noncurrent assets	<u>2,849,893,891</u>
Total assets	<u>3,304,701,522</u>
Deferred outflows of resources:	
Loss on refunding debt	29,963,459
OPEB related	1,838,000
Pension related	7,601,000
Total deferred outflows of resources	<u>39,402,459</u>

(Continued)

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

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statement of Net Position (Continued)
September 30, 2023

Liabilities and Net Position

Current liabilities payable from unrestricted assets:

Accounts payable and accrued expenses	8,848,235
Accrued payroll and related expenses	1,911,921
Compensated absences	2,313,624
Current portion of capital acquisition bonds payable	2,490,000
Current portion of commercial paper liability	30,000,000
Current portion of financed purchase liability	230,506
Unearned revenue	729,787
Current portion of other post-employment liability	182,000
Due to other Miami-Dade County funds	105,623
Total current liabilities payable from unrestricted assets	46,811,696

Current liabilities payable from restricted assets:

Current portion of revenue bonds payable	5,000,000
Accrued interest payable	34,675,477
Accounts payable and accrued expenses	36,126,294
Total current liabilities payable from restricted assets	75,801,771

**Total current liabilities payable from unrestricted
and restricted assets**

122,613,467

Long-term liabilities:

Bonds payable, net	1,916,462,355
Capital acquisition bonds payable, net	59,877,398
Financed purchase liability	2,643,505
Unearned revenue	20,066,309
Arbitrage liability	264,750
Compensated absences	10,030,811
Total other post-employment liability	8,465,000
Net pension liability	36,513,000
Total long-term liabilities	2,054,323,128

Total liabilities

2,176,936,595

Deferred inflows of resources:

Pension related	945,000
OPEB related	1,106,000
Lease related	750,627,456
Total deferred inflows of resources	752,678,456

Net Position

Net investment in capital assets	262,834,894
Restricted for debt service and reserve	31,825,160
Unrestricted	119,828,876
Total net position	\$ 414,488,930

(Concluded)

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Year Ended September 30, 2023

Operating revenues:	
Cruise wharfage/dockage	\$ 122,356,320
Cargo wharfage/dockage	41,951,801
Container crane user fees	16,494,828
Rentals and leases	44,339,955
Ground transportation	2,130,887
Terminal enhancement passenger fees	18,792,830
Parking	17,804,765
Miscellaneous charges and fees	2,109,696
Total operating revenues	265,981,082
Operating expenses:	
Cruise operations	23,453,216
Cargo operations	2,193,262
Maintenance	14,189,089
Utilities	6,652,948
Marketing and advertising	1,874,140
Gantry crane operations	11,954,598
Security	26,541,336
General and administrative	41,961,491
Total operating expenses before depreciation	128,820,080
Operating income before depreciation	137,161,002
Depreciation expense	56,755,159
Operating income	80,405,843
Nonoperating revenues (expenses):	
Investment income	15,004,213
Lease interest	28,771,360
Interest subsidy	333,666
Interest expense	(60,083,951)
Intergovernmental revenue (SCETS tax)	17,000,000
Other, net	4,421,493
Total nonoperating revenues (expenses), net	5,446,781
Change in net position before capital contributions and transfers	85,852,624
Capital contributions	20,028,863
Transfer out	(109,308)
Total capital contributions and transfers	19,919,555
Change in net position	105,772,179
Total net position – beginning	308,716,751
Total net position – ending	\$ 414,488,930

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

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statement of Cash Flows
Fiscal Year Ended September 30, 2023

Cash flows from operating activities:	
Cash received from customers and tenants	\$ 247,895,826
Cash paid to suppliers	(72,936,817)
Cash paid to employees for services	(41,510,014)
Net cash provided by operating activities	<u>133,448,995</u>
Cash flows from noncapital financing activities:	
State comprehensive enhanced transportation system tax (SCETS) received	17,000,000
ARPA grant received	9,842,703
Transfer Out	(109,308)
Net cash provided by noncapital financing activities	<u>26,733,395</u>
Cash flows from capital and related financing activities:	
Principal payments:	
Capital acquisition bonds	(2,480,000)
Financed purchase – equipment	(215,967)
Interest paid	(49,333,628)
Interest subsidy received	333,666
Purchase of capital assets	(119,210,287)
Lawsuit settlement	3,500,000
Proceeds from issuing commercial paper notes	128,000,000
Issuance costs	(1,646,965)
Proceeds from issuing Series 2022 Bonds par value	534,810,000
Proceeds from issuing Series 2022 Bonds premiums	39,910,281
Par value of Commercial Paper refunded by Series 2022 Bonds	(200,000,000)
Par value of Capital Acquisition Bonds refunded by Series 2022 Bonds	(338,395,000)
Lease interest received	4,328,255
Grants received – capital contributions	11,570,033
Net cash provided by capital and related financing activities	<u>11,170,388</u>
Cash flows from investing activities	
Investments purchased	(484,218,778)
Proceeds from sale and maturities of investments	206,251,017
Interest and dividends from investments	14,832,984
Net cash used in investing activities	<u>(263,134,777)</u>
Net decrease in cash and cash equivalents	(91,781,999)
Pooled cash and cash equivalents (including restricted assets) at beginning of year	<u>140,096,358</u>
Pooled cash and cash equivalents (including restricted assets) at end of year	<u>\$ 48,314,359</u>

(Continued)

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

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statement of Cash Flows (Continued)
Fiscal Year Ended September 30, 2023

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 80,405,843
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	56,755,159
Changes in assets/deferred outflow of resources and liabilities/deferred inflow of	
Decrease in accounts receivable, net	(9,840,291)
Decrease in lease receivable	(490,798,276)
Increase in other funds	571,484
Increase in prepaid expenses, advance to other government and other current assets	2,001,726
Decrease in inventories	(446,548)
Increase in accounts payable, accrued expenses and due to other County Funds	2,443,491
Increase in accrued payroll and related expenses	296,269
Increase in unearned revenue & other liability	4,681,405
Increase in arbitrage liability	264,750
Increase in compensated absences	1,028,077
Increase in other post–employment benefits	800,000
Increase in net pension liability	7,507,000
Increase in pension, OPEB and lease related deferred inflows/outflows, net	477,778,906
Net cash provided by operating activities	\$ 133,448,995

Supplemental disclosure for noncash investing, capital and financing activities:

- (a) Construction and related liabilities were \$36,126,294 for fiscal year ended.
- (b) Capital grants receivable was \$10,421,996 for the fiscal year ended.
- (c) Seaport recorded \$3,652,690 of unrealized losses for the changes in fair value investments.
- (d) During fiscal year 2023, Seaport refunded the following debt: Capital Asset Acquisition Special Obligation Bonds, Series 2020B in the amount of \$338.4 million and Seaport Commercial Paper Notes Series B-1 and Series B-2 in the amount of \$200 million. As a result of refunding the various debt, there was a gain on refunding of \$267,294, which was amortized in fiscal year 2023.

(Concluded)

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

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Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 1. General Description and Significant Accounting Policies

General description: Miami-Dade County, Florida Seaport Department (thereafter “Seaport” or “Port”) is a department of Miami-Dade County, Florida (the “County”) established for the purpose of operating the Dante B. Fascell Port of Miami-Dade. The County purchased the Port of Miami from the City of Miami for \$1.3 million in 1960 and constructed a new and improved port on the island property along the south side of the ship channel. The newly improved port included Dodge Island, joined by the bridge to the Miami mainland, plus, immediately to the southeast of Dodge Island, Lummus Island. The two islands later would be joined by fill to form the contiguous island port that exists today.

The accompanying financial statements present only the financial position, operations, and cash flows of Seaport and are not intended to present and do not present the financial position of the County and results of its operations and its cash flows, in conformity with generally accepted accounting principles in the United States.

A summary of Seaport’s significant accounting policies follows:

Basis of accounting and reporting entity: Seaport functions as a self-supporting enterprise fund of the County. An enterprise fund is used to account for the financing of services to the public on a continuing basis with costs recovered primarily through user charges. Accordingly, the Seaport’s financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Cash and cash equivalents and investments: Seaport maintains substantially all of its cash and investments with the County’s pool of cash and investments, except for those situations in which debt indentures and other agreements require separate cash and investment accounts to be maintained in accordance with legal restrictions. Seaport’s share of the total pooled cash and investments (including accrued interest), as well as non-pooled cash and investments, is displayed in the statements of net position as “Pooled Cash and Cash Equivalents” and “Pooled Investments”. Income earned or losses arising from pooled balances are allocated by the County on a monthly basis to the appropriate funds and entities based on their respective average daily balances. Income earned and losses on non-pooled cash and investment balances are recorded directly to the fund where non-pooled cash and investment balances are recorded. Pooled cash includes 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 fair values and maturities, when acquired, of less than three months.

Non-participating investments, such as nonnegotiable certificates of deposit with redemption values that do not consider market rates, are reported at amortized cost. Participating investments are carried at fair value, and unrealized gains and losses due to changes in fair value are recognized for the year. In fiscal year 2023, Seaport reported net realized losses of \$3.65 million in the Statement of Revenues, Expenses and Changes in Net Position as part of investment earnings.

For purposes of the statements of cash flows, Seaport considers amounts in pooled as well as non-pooled demand deposits and short-term investments, including restricted assets with an original maturity of three months or less from the date acquired to be cash equivalents.

Accounts receivable and allowance for doubtful accounts: Receivables include amounts due from customers for services provided by Seaport and are recorded when the related revenue is earned. Allowances for uncollectible receivables are based upon specifically identifying uncollectible accounts, historical trends and periodic aging of receivables. The allowance balance was \$337,095 for fiscal year ended 2023.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 1. General Description and Significant Accounting Policies (Continued)

Inventories: Inventories, consisting principally of crane and maintenance supplies and materials held for use, are recorded at lower of cost (first-in, first-out method) or market.

Restricted assets: Use of certain assets is restricted by debt and lease indentures and other agreements. Assets so designated are identified as restricted assets on the statement of net position.

Application of restricted and unrestricted resources: Seaport's policy when both restricted and unrestricted resources are available to be used for a certain purpose, is to use restricted resources first, then use unrestricted resources as needed.

Capital assets and depreciation: Property and equipment are recorded at cost, except for property contributed by third parties, which is recorded at acquisition value at the date of contribution. Maintenance costs, repairs, minor renewals and betterments are expensed as incurred. Major renewals and betterments are treated as property additions. When property is disposed of, the cost and related accumulated depreciation is eliminated from the accounts and any gain or loss on the transaction is reflected in the statement of revenues, expenses and changes in net position.

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible (e.g., land, dredging, and certain individual items or collections with historical or artistic value). Dredging costs associated with excavating the sea floor to reach a certain depth are capitalized. Conversely, the costs associated with maintaining the channel to the designed depths are expensed as incurred. The Seaport capitalizes all assets with a historical cost of \$5,000 or more and a useful life of greater than one year. The straight-line depreciation method over the following estimated useful lives is utilized:

Asset Type	Useful Life (Years)
Buildings and structures	25-50
Improvements other than buildings	15-50
Machinery and equipment	5-25

Interest on indebtedness: Interest is charged to expense as incurred. In fiscal year 2023, Seaport incurred interest expense of approximately \$60.1 million.

Deferred outflows and inflows of resources: Statement of Net Position includes a separate section for Deferred Outflows of Resources. This category represents the net position that will be recognized as expenses in the future period to which it applies. Currently, items in this category include deferred loss on refunding debt and deferred outflow of resources related to pensions and other post-employment benefits (OPEB). Deferred charge on refunding represents the current and advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized over the shorter remaining life of the old debt or the life of the new debt using the straight-line method, which does not result in a material difference from the effective interest method.

Deferred outflows of resources represent a consumption of net assets that applies to future periods. The other items that represent this category are deferred outflow of resources related to pensions and OPEB.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 1. General Description and Significant Accounting Policies (Continued)

Deferred inflow of resources represent an acquisition of net assets that applies to future periods and will be recognized as income in the future period to which it applies. Currently, the only items in this category are deferred inflow of resources related to pensions, OPEB and leases.

Debt premiums and discounts: Discount and premiums on debt are amortized using the straight-line method over the life of the related debt issue since the results are not significantly different from the effective interest method of amortization. Unamortized amounts at year end are classified with the related outstanding debt payable balances.

Compensated absences: Seaport accounts for employee vacation and sick leave compensated absences by accruing a liability when such benefits are earned.

Deferred compensation plan: County offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees (including Seaport) allows employees to defer a portion of their salary tax free to future years. The County's direct involvement in the Plan is limited to remitting the assets withheld from employees to the Plan's administrator. The deferred compensation plan is not available to employees until termination, retirement, death or an unforeseen emergency. The deferred compensation plan financial information is not included in Seaport's financial statements.

Pension plan: County, along with Seaport, contributes to the Florida Retirement System, a cost-sharing multi-employer plan. GASB Statement No. 68, *Accounting for Public Pension Plan Obligations* for participating employers requires employers that participate in multi-employer defined benefit plans to recognize a pension liability (asset), pension expense and deferred inflows/outflows related to pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense and information about the Seaport's share of the County's net pension liability in the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) deferred benefit plans, and additions to/deductions from both Plans' net pension liability have been determined on the same basis as they are reported by the Plans and are recorded in the financial statements.

Postemployment benefits: Seaport participates in the County administered single-employer defined benefit healthcare plan that provides postretirement medical and dental coverage to retirees, their eligible spouses and dependents. The total OPEB liability, OPEB expense and deferred outflows and inflows of resources related to OPEB are measured and presented in accordance with the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*.

Revenue and expense classifications: Items of revenue and expense relating to Seaport's property and operations include wharfage, dockage, rental and leases, gantry cranes, ground transportation, water and electric services, parking fees and miscellaneous port services are classified as operating revenues and expenses. All other revenues and expenses are classified as non-operating. The components of the major operating revenue captions are as follows:

- Cruise Wharfage — revenue from charges assessed per passenger when embarking from or debarking to Seaport property.
- Cruise Dockage — revenue from charges assessed to cruise vessels for use of berthing space.
- Cargo Wharfage — revenue from charges assessed against cargo for the use of the Seaport to load and unload cargo from vessels.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 1. General Description and Significant Accounting Policies (Continued)

- Cargo Dockage — revenue from charges assessed to cargo vessels for use of berthing space.
- Rentals and leases — rentals of land, buildings, machinery and equipment.
- Container crane user fees — revenue from charges assessed to cargo operators for crane usage.
- Parking — revenue from charges assessed to visitors for use of Port parking spaces.
- Terminal enhancement passenger fees — revenue from preferential berthing rights and terminal enhancements.

Rates, fees, rentals and other charges: If not specified by contract, Seaport's rates, fees, rentals and other charges are published in Terminal Tariff No.010 and are subject to the rate covenant provisions of County Ordinance 88-66 (master bond ordinance) governing senior lien bonds. Pursuant to this covenant, Seaport agrees that it will maintain the present level of rates, fees, rentals and other charges unless the Seaport Director requests and concurs with recommendations by Seaport's consulting engineers for revisions. The consulting engineers review the rates and issues recommendations to meet the Master Bond Ordinance's provisions. Seaport reviews its tariffs annually during the budget process for any necessary revisions.

Terminal enhancement passenger fees (TEPF): Seaport has agreements with certain cruise operators to charge a set rate per passenger movement. The revenue from TEPFs are derived from preferential berthing rights and terminal enhancements desired by the participating cruise operators.

Grants: Grants received for the acquisition or construction of capital assets are recorded as capital contributions in the Statement of Revenues, Expenses and Changes in Net Position when eligibility requirements are met.

Advance to other governments

Advance to other governments are upfront payments made to other governments to fund a feasibility study related to deepening and widening certain channels of the Port. For fiscal year ended 2023, an upfront payment balance of \$257,693 was made to the United States Department of the Army Corps of Engineers (USCOE) to fund this feasibility study of the Port.

Due from other government: Seaport recorded a receivable from FDOT related to the State Comprehensive Transportation System Tax (SCETS) revenues to be received annually starting in fiscal year 2018 through fiscal year 2042. The receivable and corresponding revenues are recorded when eligibility requirements are met, which is when the State of Florida appropriates the funds in the State's budget to be paid to the Seaport on an annual basis.

Unearned revenue: Unearned revenue represents grants and other similar items for which Seaport received funding in advance and have not recognized the related revenue in the current fiscal year or has not met all of the eligibility requirements imposed by the provider to allow for revenue recognition.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 1. General Description and Significant Accounting Policies (Continued)

Net position: Seaport's Statement of Net Position is displayed in three categories: 1) net investment in capital assets, (2) restricted for debt service and reserve, and (3) unrestricted. Net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds and related deferred inflow/outflows of resources. The restricted component of net position is reported as restricted when there are third party limitations (statutory, contractual or bond covenant) on their use. The unrestricted component of net position consists of all the other components that do not meet the definition of either of the other two components. An unrestricted deficit will require future funding.

Use of estimates: The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leases

Effective July 1, 2021, the County implemented GASB Statement No. 87, *Leases*. Under previous guidance, leases were classified as either operating or capital leases, based on the lease meeting any one of the four established criteria. This statement establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset, with the present value measurements of payments expected to be made during the lease term. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. See Note 7 and 14 for further information.

Remeasurement

Seaport monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset, lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable or lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Short-Term Leases

For short-term lease contracts, generally those with a maximum possible term of 12 months or less, Seaport recognizes revenue or expense based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

All new and existing leases are reviewed and determined if regulated by a federal, state or other governing bodies. Leases determined to be regulated undergo an additional review by Seaport management and then considered for exemption. Seaport's policy is to exercise any exemptions on certain regulated leases under *GASB 87, Leases*.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 2. Cash, Cash Equivalents and Investments

The County is responsible for all treasury functions, and pools all cash and investments, except separate cash and investment accounts required by debt indentures and other agreements which are maintained under legal restrictions in separate bank accounts. Seaport's equity share of the total pooled cash and investments is included in the accompanying Statement of Net Position under the current and restricted captions "Pooled cash and cash equivalents" or "Pooled investments". For fiscal year 2023, carrying amounts of Seaport's pooled cash and cash equivalents is \$48.3 million, pooled current and noncurrent investments for Seaport are \$331.1 million and \$153.3 million, respectively, which represents less than 10% of the County's pooled cash, cash equivalent and investments as of September 30, 2023. (see County's Annual Comprehensive Financial Report for disclosures relating to its interest rate risk, credit risk, custodial credit risk, concentration of credit risk and related fair value measurement disclosures required by GASB).

During fiscal year 2023, Seaport maintained cash and investment reserves required by its Master Bond Ordinance and made all transfers and deposits required by its Master Bond Ordinance and other subordinated debt agreements from available operating and nonoperating revenue.

Note 3. Capital Assets

Capital asset activity for year ended September 30, 2023, is as follows (in thousands):

	Beginning Balance	Additions/ Transfers	Certain Assets Deletions/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 165,955	\$ -	\$ -	\$ 165,955
Port dredging and related costs	323,916	-	-	323,916
Construction in progress	333,631	129,151	(210,947)	251,835
Total capital assets not being depreciated	823,502	129,151	(210,947)	741,706
Capital assets being depreciated:				
Buildings, transit sheds and terminals	1,057,458	132,934	-	1,190,392
Improvements other than buildings	530,941	75,081	-	606,022
Machinery and equipment	37,336	5,062	(225)	42,173
Total capital assets being depreciated	1,625,735	213,077	(225)	1,838,587
Less accumulated depreciation for:				
Buildings, transit sheds and terminals	(359,592)	(37,864)	-	(397,456)
Improvements other than buildings	(231,260)	(16,215)	-	(247,475)
Machinery and equipment	(19,776)	(2,677)	225	(22,228)
Total accumulated depreciation	(610,628)	(56,756)	225	(667,159)
Total capital assets being depreciated, net	1,015,107	156,321	-	1,171,428
Total capital assets, net	\$ 1,838,609	\$ 285,472	\$ (210,947)	\$ 1,913,134

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 3. Capital Assets (Continued)

The following table summarizes the major construction in progress projects for the Port as of September 30, 2023 (dollars in thousands):

<u>Project Description</u>	<u>Amount</u>
Cruise terminal improvements	\$ 92,314
Security enhancements	185
Cargo yard related improvements	5,447
Port-wide infrastructure improvements	122,401
New cruise terminals	22,640
Gantry Crane Refurbishments	8,848
Total	<u>\$ 251,835</u>

Note 4. Long-Term Debt

Bond Covenant

Under the provisions of Miami-Dade County, Florida Master Ordinance 21-74 (the "2021 Master Ordinance"), which amended and restated Master Ordinance 88-66 and Ordinance 14-34, authorizing the issuance of Seaport Revenue Bonds in an amount not to exceed \$250 million; initial Seaport Revenue Refunding Bonds not to exceed \$1.4 billion and additional Seaport Revenue refunding Bonds in an amount not to exceed \$650 million. The 2021 Master Ordinance provided: (a) flexibility through revision to financial covenants including rate covenant and additional bonds test; (b) any draws in the Debt Service Reserve Fund shall be replenished by the County, if necessary, from legally available non ad valorem revenues; (c) that the Board approved the details, terms and other matters relating to the issuance of Bonds. Debt service of the bonds will be paid from net revenues of Seaport and at County's option, from a pledge of the County's full faith and credit or legally available non ad-valorem revenues.

The 2021 Master Ordinance requires the County to maintain sufficient revenues, together with amounts then credited the Rate Stabilization account, sufficient to an amount at least equal to the sum of: (a) 100% of operating expenses (seaport operations, as defined), as computed from the annual budget; (b) the greater of: (1) 125% of the principal and interest requirements on all Senior Bonds for the current fiscal year or (2) 110% of the principal and interest requirements on all Senior Bonds and Subordinate Bonds for the current fiscal year, (c) 100% of the Reserve Deposit requirements for the current fiscal year, and (d) 100% of the amount established in the Annual Budget for the Reserve Maintenance Fund in the current fiscal year. Debt covenants are to be met on an annual basis at each fiscal year-end.

In May 2014, via Ordinance 14-34, the Board approved an amendment to the Master Bond Ordinance 88-66, which provided additional security to the bondholders, by adding certain revenues that may be received by the Seaport Department to the definition of revenue including without limitations, funds remitted to the County from the State Comprehensive Enhanced Transportation System Tax (SCETS). Payment of the SCETS tax to the Seaport is not guaranteed on an annual basis since such payments are contingent on the annual appropriation by the State of Florida. Seaport expects to receive the SCETS tax from the Florida Department of Transportation (FDOT) for fiscal years 2024 thru 2042, as a reimbursement to the Seaport for its portion of the cash contributions made towards construction of the FDOT owned Port Tunnel.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 4. Long-Term Debt (Continued)

On July 1, 2022, State of Florida appropriated \$17 million dollars which have been recorded as a revenue and related Due from other governments in Seaport's Statement of Revenues, Expenses and Changes in Net Position and Statement of Net Position, respectively, for fiscal year ended September 30, 2023.

In fiscal year 2021, Seaport entered into a subrecipient grant agreement with FDOT, as part of the Coronavirus State Fiscal Recovery Fund established under ARPA, to respond to the negative economic impacts of the COVID-19 public health emergency by providing working capital for recovery. The agreement runs through December 31, 2024 for a maximum amount of approximately \$66.9 million.

A summary of Seaport's long-term debt outstanding as of September 30, 2023, is presented in the following table (amounts in thousands):

Description	Year Issued	Interest Rate	Amount Issued	Year of Maturity	Outstanding Balance
Revenue Bonds:					
Series 2022A (AMT) (Refunding Bonds)	2023	5.00%	522,000	2053	\$ 522,000
Series 2022B (Non-AMT) (Refunding Bonds)	2023	5.00%	12,810	2038	12,810
Series 2021A-1 (AMT)	2021	4.00%	200,215	2046	200,215
Series 2021A-2 (Non-AMT)	2021	3.00%-4.00%	216,870	2051	216,870
Series 2021A-3 (Taxable)	2021	0.47%-2.84%	383,240	2040	383,240
Series 2021B-1 (AMT)	2021	4.00%	184,455	2051	184,455
Series 2021B-2 (Non-AMT)	2021	4.00%	99,520	2044	99,520
Series 2021B-3 (Taxable)	2021	1.05%-2.86%	158,530	2039	158,530
Unamortized premium					143,822
Less: Current portion					(5,000)
Total Long-term Revenue Bonds					<u>1,916,462</u>
Capital Asset Acquisition Bonds:					
Series 2017A (Refunding Bonds)	2017	3.00%-5.00%	47,510	2039	37,660
Series 2010D	2010	7.50%	21,277	2040	21,277
Unamortized premium					3,430
Less: Current portion					(2,490)
Total Long-term Capital Asset Acquisition Bonds					<u>59,877</u>
Total Long-term debt, net					<u>\$ 1,976,339</u>

Seaport Revenue Bonds

Seaport Revenue Refunding Bonds, Series 2022—On February 2, 2023, the County issued \$534.81 million of Seaport Revenue Refunding Bonds, Series 2022 (Series 2022 Bonds). Series 2022 Bonds consist of \$522 million of Seaport Revenue Refunding Bonds, Series 2022A (AMT) and \$12.81 million of Seaport Revenue Refunding Bonds, Series 2022B (NON-AMT). The Series 2022 Bonds were used to: (1) refund the County's outstanding Capital Asset Acquisition Special Obligation Bonds, Series 2020B issued in the aggregate principal amount of \$338.4 million and the outstanding Seaport Commercial Paper Notes Series B-1 (AMT) and Series B-2 (Taxable) in the aggregate principal amount of \$200 million at one time, (2) fund a deposit to the Senior Reserve Account, and (3) pay costs of issuance for the Series 2022 Bonds. As a result of refunding Series 2020B Bonds and Commercial Paper Notes, the Seaport recognized a refunding gain of \$267,294, which was amortized in fiscal year 2023. The refunding yielded a net present value economic savings of \$295,868.

Seaport Revenue Refunding Bonds, Series 2021A—On September 15, 2021, the County issued \$800.32 million of Seaport Revenue Refunding Bonds, Series 2021A (Series 2021A Bonds). Series 2021A Bonds consist of three Sub-Series: Sub-Series 2021A-1 Bonds (AMT), Sub-Series 2021A-2 Bonds (Non-AMT) and Sub-Series 2021 A-3 (Taxable).

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 4. Long-Term Debt (Continued)

Summary of Refunding Debt Series 2021A Bonds

Sub-Series	(\$ amounts in thousands)	Par Amount Issued
Sub-Series	Purpose	Issued
Series 2021 A-1 Bonds (AMT)	To refund all outstanding: Seaport Commercial Paper Notes, Series A-1 and Seaport Revenue Bonds, Series 2013B and pay issuance costs.	\$ 200,215
Series 2021 A-2 Bonds (Non-AMT)	To refund all outstanding: Seaport Variable Rate Demand Revenue Bonds, Series 2014A; Seaport General Obligation Refunding Bonds, Series 2011C; make a deposit in the Reserve account and pay issuance costs.	216,870
Series 2021 A-3 (Taxable)	To refund all outstanding: Seaport Revenue Bonds, Series 2013A; Seaport Revenue Bonds, Series 2013B; Seaport Revenue Refunding Bonds, Series 2013D; make a deposit in the Reserve Account and pay issuance costs.	383,240
Total		<u>\$ 800,325</u>

Seaport Revenue Refunding Bonds, Series 2021B—On September 15, 2021, the County issued \$442.51 million of Seaport Revenue Refunding Bonds, Series 2021B (Series 2021B Bonds). Series 2021B Bonds consist of three Sub-Series: Sub-Series 2021 B-1 Bonds (AMT), Sub-Series 2021 B-2 Bonds (Non-AMT) and Sub-Series 2021 B-3 (Taxable).

Summary of Refunding Debt Series 2021B Bonds

Sub-Series	(\$ amounts in thousands)	Par Amount Issued
Sub-Series	Purpose	Issued
Series 2021 B-1 Bonds (AMT)	To refund all outstanding: Seaport Commercial Paper Notes, Series A-2; make a deposit in the Debt Service fund and pay issuance costs.	\$ 184,455
Series 2021 B-2 Bonds (Non-AMT)	To refund all outstanding: Capital Asset Acquisition Special Obligation Bonds, Series 2010 E; Sunshine State Multimodal Revenue Bonds, Series 2010A, Series 2010B; make a deposit in the Debt Service fund and pay issuance costs.	99,520
Series 2021 B-3 (Taxable)	To refund all outstanding: Sunshine State Multimodal Revenue Bonds, Series 2010A-1, Series 2010B-1, Series 2011B-1 and Series 2011C-1; make a deposit in the Debt Service fund and pay issuance costs.	158,530
Total		<u>\$ 442,505</u>

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 4. Long-Term Debt (Continued)

Capital Asset Acquisition Bonds

Capital Asset Acquisition Taxable Special Obligation Bonds, Series 2010D—On December 15, 2010, the County issued \$40.3 million of Capital Asset Acquisition Taxable Special Obligation Bonds, Series 2010D (“Series 2010D Bonds”). The 2010D Bonds were issued as part of a program under the American Recovery and Reinvestment Act (ARRA) as Recovery Zone Economic Development bonds (RZED). These RZED bonds are a special class of Build America Bonds (BABs) and were issued by state and local governments for qualified purposes as of December 31, 2010. With RZEDs, County was able to issue taxable bonds and receive a subsidy from the U.S. Treasury to offset interest payments. Under existing federal legislation, the County would receive a 45% interest rate subsidy for direct-pay RZEDs. Such interest subsidy is subject to annual federal appropriation. Of the \$40.3 million proceeds, \$21.3 million was allocated to the Seaport. The Series 2010D Bonds were issued to: (1) pay the costs of construction, improvement and renovation of certain capital assets of the Seaport; (2) fund the Reserve Account for the Series 2010D Bonds; and (3) pay the costs of issuance relating to the Series 2010D Bonds, including paying the premium for a municipal bond insurance policy securing the Series 2010D Bonds. The Series 2010D Bonds are scheduled for payment through the year 2040.

Capital Asset Acquisition Bonds, Series 2017A—On August 30, 2017, the County issued \$47.5 million of Capital Asset Acquisition Special Obligation Refunding Bonds, Series 2017A (Series 2017A Bonds). The total proceeds of approximately \$54.6 million were used to: (1) refund a portion of the County’s outstanding Capital Asset Acquisition Special Obligation Bonds, Series 2009A; and (2) pay issuance costs. The net proceeds of \$52.5 million, together with \$2.1 million of other available funding from the County, totaling \$54.6 million, were used to refund the Series 2009A Bonds. The Series 2017A Bonds are scheduled for payment through the year 2039.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Debt Service Requirements

Seaport's stated debt service requirements to maturity by type (including the current portion) at September 30, 2023 would be as follows (in thousands):

Years Ending September 30,	Revenue Bonds	Cap. Acq. Bonds	Total
Principal			
2024	\$ 5,000	\$ 2,490	\$ 7,490
2025	15,000	2,495	17,495
2026	39,180	2,500	41,680
2027	41,080	2,500	43,580
2028	42,040	2,500	44,540
2029-2033	223,785	18,201	241,986
2034-2038	255,885	21,418	277,303
2039-2043	317,600	6,833	324,433
2044-2048	403,230	-	403,230
2049-2052	358,175	-	358,175
2053-2056	76,665	-	76,665
Total	1,777,640	58,937	1,836,577
Interest			
2024	65,957	3,069	69,026
2025	65,881	2,944	68,825
2026	65,475	2,819	68,294
2027	64,716	2,694	67,410
2028	63,833	2,569	66,402
2029-2033	303,011	10,675	313,686
2034-2038	268,709	5,576	274,285
2039-2043	218,179	613	218,792
2044-2048	142,221	-	142,221
2049-2052	47,084	-	47,084
2053-2056	2,012	-	2,012
Total	1,307,078	30,959	1,338,037
Principal and Interest			
2024	70,957	5,559	76,516
2025	80,881	5,439	86,320
2026	104,655	5,319	109,974
2027	105,796	5,194	110,990
2028	105,873	5,069	110,942
2029-2033	526,796	28,876	555,672
2034-2038	524,594	26,994	551,588
2039-2043	535,779	7,446	543,225
2044-2048	545,451	-	545,451
2049-2052	405,259	-	405,259
2053-2056	78,677	-	78,677
Total	\$ 3,084,718	\$ 89,896	\$ 3,174,614

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 4. Long-Term Debt (Continued)

Financed Purchase – Direct Borrowing

On October 27, 2015, Seaport entered into a finance agreement with a bank to purchase equipment. Seaport will make semi-annual payments that range from \$123,818 to \$195,267, including interest at 2.65% through 2033. The Bank will not retain a first priority security interest in the equipment, but in the event of non-appropriation or default, Seaport, will be required to return said equipment to the bank.

Annual future lease payments and the present value of minimum lease payments are as follows:

Years Ending September 30,	Total Payments
2024	\$ 305,234
2025	314,211
2026	323,455
2027	332,972
2028	342,771
2029-2033	<u>1,670,277</u>
Total minimum payments	3,288,920
Less amount representing interest	(414,907)
Present value of minimum payments	<u><u>\$ 2,874,013</u></u>

The net book value of capital assets acquired through the finance purchase agreement as of September 30, 2023, are as follows:

Asset	Balance
Equipment	\$ 4,385,403
Less accumulated depreciation	(1,895,253)
Capital asset, net	<u><u>\$ 2,490,150</u></u>

Commercial Paper Notes

On September 1, 2021, the Board adopted a resolution approving issuance from time to time of Miami-Dade County, Florida Seaport Commercial Paper Notes (Notes) in an aggregate principal amount not to exceed \$200 million outstanding at any one time. The implementation of Seaport's Notes will provide temporary financing to fund a portion of Seaport's capital improvement program. Two series have been issued to date: The Seaport Notes Series B-1 (AMT) and Seaport Notes Series B-2 (Taxable), both of which are not to exceed aggregate principal amounts of \$200 million. The commercial paper program requires remarketing of the instrument for any period from 1 to 270 days. Due to the liquidity requirements and rolling maturity of the Notes, a Letter of Credit (LOC) provider can provide the source of funds to repay investors. The LOC in the amount of \$200 million was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. The LOC expires on September 27, 2024, subject to earlier termination as provided therein and to extension or renewal as provided therein. The year-end balance of \$30 million is considered due and payable in fiscal year 2024, since the LOC is set to expire on September 27, 2024. The Notes and accrued interest are payable solely from future revenue bond proceeds.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 4. Long-Term Debt (Continued)

At September 30, 2023, the Seaport had \$30.0 million outstanding of Seaport Notes maturing as follows:

<u>Principal Balance</u>	<u>Maturity Date</u>
Series B-1	
\$ 30,000,000	9/17/2024

Changes in long-term obligations for the year ended September 30, 2023, are as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds and loans payable:					
Revenue bonds	\$ 1,242,830	\$ 534,810	\$ -	\$ 1,777,640	\$ 5,000
Capital acquisition bonds	399,812	-	340,875	58,937	2,490
Unamortized (discount) and premiums, net	112,544	39,910	5,202	147,252	-
Total	<u>1,755,186</u>	<u>574,720</u>	<u>346,077</u>	<u>1,983,829</u>	<u>7,490</u>
Other liabilities:					
Compensated absences	11,316	3,421	2,393	12,344	2,314
Total other post-employment benefits	7,847	800	-	8,647	182
Net pension liability	29,006	7,507	-	36,513	-
Financed purchase – direct borrowing	3,090	-	216	2,874	231
Commercial paper notes	102,000	128,000	200,000	30,000	30,000
Total	<u>153,259</u>	<u>139,728</u>	<u>202,609</u>	<u>90,378</u>	<u>32,727</u>
Total long-term liabilities	<u>\$ 1,908,445</u>	<u>\$ 714,448</u>	<u>\$ 548,686</u>	<u>\$ 2,074,207</u>	<u>\$ 40,217</u>

Note 5. Restricted Assets

Restricted assets represent bond proceeds and other cash, cash equivalents and investments required to be restricted for debt service, acquisition of certain lease assets, certain feasibility studies and improvements under the terms of outstanding bond and other contractual agreements. Assets restricted for debt service are for the payment of debt principal and interest. Assets restricted for reserve maintenance are for the payment of unusual or extraordinary maintenance or repairs of Seaport properties that are intended to extend the life of the asset.

Under terms of outstanding debt and other contractual agreements, assets were restricted for the following purposes (in thousands):

<u>Purpose</u>	<u>Balance</u>
Debt service and reserve	\$ 182,340
Capital improvement and other projects	61,038
Total	<u>\$ 243,378</u>

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 6. Lease Agreements (As Lessor)

Seaport is a lessor for noncancellable leases of land, building and office space. Seaport recognizes a lease receivable and a deferred inflow of resources in its Statement of Net Position. At the commencement of a lease, Seaport initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how Seaport determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The Seaport uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the rental receivable is composed of fixed payments from the lessee.

Rental and lease income was \$73.1 million for the fiscal year ended 2023. This was comprised of \$44.3 million and \$28.8 million of lease and related interest revenues, respectively.

Lease Receivable

Population of leases in which Seaport participates as a lessor consists of real estate leases. Majority of real estate leases are for land, buildings and office space. Current portion of rental receivable is included in the current assets section of the statement of net position. Long-term portion of rental receivable is included in noncurrent assets section of statement of net position.

A summary of Seaport's related lease receivables for the year ended September 30, 2023, are as follows:

	<u>Balance</u>
Land	\$ 1,647,676
Buildings	766,972,274
Total lease receivables	<u>\$ 768,619,950</u>

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 6. Lease Agreements (As Lessor) (Continued)

Future annual lease revenue and lease interest revenue for the Seaport at September 30, are as follows:

	Lease Revenue	Interest Revenue	Total
Years ending September 30,			
2024	\$ 677,652	\$ 33,465,124	\$ 34,142,776
2025	369,015	34,538,203	34,907,218
2026	184,786	35,745,420	35,930,206
2027	58,922	36,816,189	36,875,111
2028	53,395	36,803,125	36,856,520
2029-2033	283,249	176,102,769	176,386,018
2034-2038	38,579,606	160,950,335	199,529,941
2039-2043	105,216,397	141,439,671	246,656,068
2044-2048	134,244,611	116,506,842	250,751,453
2049-2053	170,690,455	84,573,989	255,264,444
2054-2058	148,157,644	46,703,942	194,861,586
2059-2063	26,676,301	32,655,452	59,331,753
2064-2068	39,580,391	25,868,377	65,448,768
2069-2073	56,186,013	16,009,635	72,195,648
2074-2078	47,550,438	3,328,970	50,879,408
2079-2083	102,089	6,135	108,224
2084-2088	8,986	31	9,017
	<u>\$ 768,619,950</u>	<u>\$ 981,514,209</u>	<u>\$ 1,750,134,159</u>

Regulated Leases

Seaport has certain regulated leases related to port terminals that are exempt from the reporting requirements of *GASB 87 Leases*. These exempt leases are regulated by the Federal Maritime Commission (FMC) and the Shipping Act of 1984 (the Act). Approximately four port terminals are regulated by the Act and FMC. Three of the regulated leases are with cargo carriers and one regulated lease is with a cruise operator. The operating results for these regulated leases are not included in Seaport's disclosures above. The rental revenues from regulated leases are approximately \$21.5 million for fiscal year ended 2023.

Deferred Inflows of Resources – Leases

Summary of the Seaport's deferred inflows of resources for leases at September 30, 2023, are as follows:

	Balance
Land	\$ 1,686,261
Buildings	748,941,195
Total deferred inflows	<u>\$ 750,627,456</u>

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 7. Pension Plans

Seaport Department, through Miami-Dade County, provides retirement benefits to its employees through the Florida Retirement System and a Deferred Retirement Option Program (DROP), as well as state approved Other Post-Employment Benefits (OPEB) in the form of subsidized health insurance premiums.

Florida Retirement System Overview

Seaport Department, through Miami-Dade County, participates in the Florida Retirement System (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 Deferred Retirement Option Program 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 Health Insurance Subsidy (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 Seaport Department 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.

FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A 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' Web site (http://www.dms.myflorida.com/workforce_operations/retirement/publications).

FRS Pension Plan

Plan Description

FRS Pension Plan (the FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (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 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 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 4 years of credit for military service toward creditable service.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 7. Pension Plans (Continued)

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. As of June 5, 2023, when Senate Bill 7024 was signed into law, all eligible members in a regularly established position can elect to participate in DROP for a period not to exceed a maximum of 96 calendar months, at any time after a member 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.

Benefits Provided

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

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment and Retirement Age / Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Elected County Officers	3.33
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 7. Pension Plans (Continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in 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%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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	Effective July 1, 2022 through June 30, 2023		Effective July 1, 2023 through June 30, 2024	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (*)	Employee	Employer (*)
FRS, Regular	3.00	11.91	3.00	13.57
FRS, Elected County Officers	3.00	57.00	3.00	58.68
FRS, Senior Management Service	3.00	31.57	3.00	34.52
FRS, Special Risk Regular	3.00	27.83	3.00	32.67
DROP – Applicable to members from all of the above classes	0.00	18.60	0.00	21.13

*Employer rates include 1.66% for the Retiree Health Insurance Subsidy and 0.06% for Administrative costs. Effective July 1, 2023, Senate Bill 7024 modified the HIS contribution rate from 1.66% to 2.00% of employer payroll.

Seaport's employer contributions to the FRS totaled \$4.04 million and employee contributions totaled \$0.68 million for the fiscal year ended September 30, 2023.

Seaport's Allocation

Seaport's proportionate share of the County's share of the FRS Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2023 (in thousands):

Net Pension Liability	FRS		Pension Expense
	Deferred Outflows of Resources	Deferred Inflows of Resources	
\$27,407	\$6,831	\$120	\$3,753

Amounts reflected in the table above represent an allocation of 0.85% of total County's balances for the FRS Plan for the fiscal year ended September 30, 2023. Seaport's proportionate share of the total County balances was based on Seaport's annual contributions relative to fiscal year contributions for all participating County employees.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2023, Seaport reported a liability of \$27.4 million for its proportionate share of the County's share of the FRS Plan's net pension liability. For fiscal year ended 2023, 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 overall County's proportionate share of the net pension liability was based on the fiscal year 2023 contributions relative to the fiscal year 2023 contributions of all participating entities. At June 30, 2023, the Seaport's proportionate share was 0.85%, which was an increase of 0.06% from its proportionate share measured as of June 30, 2022.

For the fiscal year ended, Seaport recognized pension expense of \$3.8 million and reported its share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,572	\$ -
Change of assumptions	1,788	-
Net difference between projected and actual earnings on FRS pension plan investments	1,145	-
Changes in proportion and differences between Seaport FRS contributions and proportionate share of contributions	479	120
Seaport FRS contributions subsequent to the measurement date	847	-
Total	\$ 6,831	\$ 120

Deferred outflows of resources related to pensions totaling approximately \$847 thousand. This represented Seaport's contributions made after the measurement date of the net pension liability but before the end of the Seaport's contributing reporting period, this will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Years Ending September 30	Deferred outflows/ (inflows), net
2024	\$ 850
2025	(220)
2026	4,583
2027	511
2028	138
Thereafter	-
Total	\$ 5,862

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Actuarial Assumptions

FRS pension 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 – June 30, 2018.

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

Mortality rates were based on the PUB-2010 base table with scale MP-2018 details.

Actuarial assumptions used in the June 30, 2023 valuation 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

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
	<u>100%</u>			
Assumed inflation-Mean			2.4%	1.4%

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

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Discount Rate

Discount rate used to measure the total pension liability was 6.70%. 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. Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, discount rate for calculating the total pension liability is equal to the long-term expected rate of return. 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 Seaport's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents Seaport's proportionate share of the County's share of the FRS Plan's net pension liability as of June 30, 2023 calculated using the discount rate of 6.70%, as well as what Seaport's proportionate share of the net pension liability would be if it was 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%
Seaport's proportionate share of the net pension liability	\$ 46,817	\$ 27,407	\$ 11,169

Pension Plan Fiduciary Net Position

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

The Retiree Health Insurance Subsidy Program (HIS)

Plan Description

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

Benefits Provided

For the fiscal year ended, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. Effective July 1, 2023, Senate Bill 7024 modified the benefit levels and statutory contribution rate of the program. The legislation increased the level of monthly benefits from \$5 times years of service to \$7.50, with an increased minimum of \$45 and maximum of \$225. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Contributions

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, the HIS contribution was 1.66%. Effective July 1, 2023, Senate Bill 7024 modified the HIS contribution rate from 1.66% to 2.00% of employer payroll. The County contributed 100% of its statutorily required contributions for the current year. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. 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.

Seaport's contributions to the HIS Plan totaled \$386,436 for the fiscal year ended.

Seaport's Allocation

Seaport's proportionate share of the HIS Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of the year ended are as follows (in thousands):

<u>Net Pension Liability</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Pension Expense</u>
\$9,106	\$770	\$825	\$3,545

The amounts reflected in the table above represent an allocation of 0.85% of the total County balances for the HIS Plan for fiscal year ended. Seaport's proportionate share of the total County balances for fiscal year 2023 was based on Seaport's fiscal year contributions relative to contributions for all participating County employees for the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2023, Seaport reported a net pension liability of \$9.11 million for its proportionate share of the County's share of the HIS Plan's net pension liability. For the fiscal year ended, 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 overall County's proportionate share of the net pension liability was based on fiscal year 2023 contributions relative to the fiscal year 2023 contributions of all participating entities.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 7. Pension Plans (Continued)

For the fiscal year ended, Seaport recognized pension expense of \$3.55 million and reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 133	\$ 21
Change of assumptions	239	789
Net difference between projected and actual earnings on HIS pension plan investments	5	-
Changes in proportion and differences between Seaport HIS contributions and proportionate share of HIS contributions	290	15
Seaport contributions subsequent to measurement date	103	-
Total	\$ 770	\$ 825

Deferred outflows of resources related to pensions totaling approximately \$103 thousand represents Seaport's HIS contributions made after the measurement date of the net pension liability but before the end of the Seaport's contributing reporting period, this will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Years Ending September 30,	Deferred Outflows/ (Inflows), Net
2024	\$ 5
2025	23
2026	(16)
2027	(106)
2028	(60)
Thereafter	(4)
Total	\$ (158)

Actuarial Assumptions

HIS plan pension actuarial valuation was determined using the following actuarial assumptions as of July 1, 2023 applied to all periods included for the measurement:

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	N/A
Discount Rate	3.65%

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 7. Pension Plans (Continued)

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

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

Discount rate used to measure total pension liability for the HIS Plan was 3.65%. In general, the discount rate for calculating total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of Seaport's Net Pension Liability to Changes in the Discount Rate

The following table presents the Seaport's proportionate share of the County's share of the HIS Plan's net pension liability calculated using a discount rate of 3.65%, as well as what the Seaport'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%
Seaport's proportionate share of the net pension liability	\$ 10,388	\$ 9,106	\$ 8,043

Pension plan fiduciary net position

Detailed information regarding 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.

The following table summarizes pension expense, net pension liability, deferred inflow and outflow of resources for the FRS Pension Plan (FRS) and Retiree Health Insurance Subsidy Program (HIS), as previously discussed. Amounts are in thousands:

Plan	Net Pension Expense	Net Pension Liability	Deferred Inflow of Resources	Deferred Outflow of Resources
FRS	\$ 3,753	\$ 27,407	\$ 120	\$ 6,831
HIS	3,545	9,106	825	770
Total	<u>\$ 7,298</u>	<u>\$ 36,513</u>	<u>\$ 945</u>	<u>\$ 7,601</u>

FRS – Defined Contribution Pension Plan

Seaport, through Miami Dade County, contributes to the FRS Defined Contribution Investment Plan (Investment Plan). The Investment Plan is administered by the State Board of Administration (SBA) and is reported in the SBA's annual financial statements and in the State of Florida 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. Miami-Dade 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.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 7. Pension Plans (Continued)

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 Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

Membership Class	Percent of Gross Compensation
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% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to County and its departments.

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

Seaport's Investment Plan pension contributions totaled \$592,459 for the fiscal year ended.

Note 8. Other Post-Employment Benefits

In accordance with the requirements of Governmental Accounting Standards Board Statement 75 (GASB 75) for other post-employment benefits (OPEB), the County accrues the cost of retiree health subsidy and OPEB during the period of employees' active employment as the benefits are being earned. It requires the unfunded actuarial accrued liability to be disclosed in order to accurately account for the total future cost of OPEB and the financial impact on the County and its departments. The financial impact of this statement is reflected in the accompanying financial statements.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 8. Other Post-Employment Benefits (Continued)

Plan Description. The County, for which Seaport participates, administers a single-employer defined benefit healthcare plan (the Plan) that provides postretirement medical 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, whose powers derive from F.S. 125.01(3) (a). The Plan does not issue a publicly available financial report.

Eligibility: To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under the Florida Retirement System or the Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan 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 post-employment benefits at age 62 with 6 years of service, or with 30 years of service at any age. Eligibility for reduced retirement is 6 years of service at any age. Those hired on or after July 1, 2011 are eligible at age 65 with 8 years of service, or 33 years of service at any age.
- Special Risk Employees (Police Officers, Firefighters and Corrections Officers) hired prior to July 1, 2011 are eligible for post-employment benefits at age 55 with 6 years of service, or with 25 years of service at any age. Eligibility for reduced retirement is 6 years of service at any age. Those hired on or after July 1, 2011 are eligible at age 60 with eight years of service, or 30 years of service at any age.

Benefits: A number of plan changes to the pre-Medicare retiree plans were made effective January 1, 2017. The valuation reflects the impact of these changes. Eligible pre-Medicare retirees receive health care coverage through one of 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

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). County's contribution is the actual pay-as-you-go postemployment benefit payments less participant contributions for the year. 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 are provided in the tables below. The County subsidy is assumed to remain flat.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 8. Other Post-Employment Benefits (Continued)

Total OPEB Liability

Seaport's allocated share of the County's total OPEB liability is \$8.6 million measured as of September 30, 2023 and determined by an actuarial valuation as of that date.

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%
Salary increases rate	3.0% per annum
Actuarial cost method	Entry Age Normal based on percentage of projected salary <i>Experience/Assumptions</i> gains and losses are amortized over a close period of 14.4 years starting the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).
Amortization method	
Healthcare cost trend rates	Medical/Rx 7.0% initial to 4.0% ultimate
Retirees share of benefit-related costs	22.9%
Mortality rates	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.)

Discount rate was based on the Bond Buyer 20-Bond GO index. The discount rate increased to 4.09% from 4.02% in the prior year.

Actuarial assumptions used in the September 30, 2023 valuation were based on the results of an actuarial experience study for the period of October 1, 2022 to September 30, 2023.

Changes in Total OPEB Liability

Changes in Seaport's total OPEB liability for the year ended are as follows (in thousands):

Balance at September 30, 2022	\$ 7,847
Changes for the year:	
Service cost	1,002
Interest	847
Change of benefit terms	
Change in assumptions	(124)
Benefits payments	(925)
Total	800
Balance at September 30, 2023	\$ 8,647

The decrease in the total OPEB liability is mostly due to the increase in the discount rate.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 8. Other Post-Employment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Seaport, as well as what the Seaport's total OPEB liability would be if it were calculated using a discount rate that 1-percentage-point lower or 1-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	\$ 9,311	\$ 8,647	\$ 8,041

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the Seaport, as well as what the Seaport's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease	Current Trend	1% Increase
Total OPEB Liability	\$ 8,122	\$ 8,647	\$ 9,230

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended, Seaport recognized OPEB expense of \$1.03 million and reported deferred outflows of resources and deferred inflows of resources for changes of assumptions of \$1.84 million and \$1.11 million respectively, related to OPEB.

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

<u>Fiscal Years Ending September 30,</u>	<u>Deferred Outflows/ (Inflows), Net</u>
2024	\$ 118
2025	118
2026	118
2027	118
2028	118
Thereafter	143
Total	<u>\$ 733</u>

Note 9. Risk Management

The County's Risk Management Division (the RMD) administers workers' compensation, general and automobile liability self-insurance programs. The Seaport, along with other County departments, participates in the County's self-insurance programs. Certain group health insurance programs are also self-insured. An independent administrator administers the programs. There has been no significant reduction in coverage for the last three years. Seaport properties are covered under the County's Master Property Insurance Program. The County purchases coverage through commercial carriers. The insurance program contains a \$5 million deductible per occurrence for most perils. A \$200 million deductible per occurrence applies to named windstorm losses. The current County wide limit per occurrence provided by this program is \$350 million (inclusive of deductibles). Property coverage for the Seaport's gantry cranes are provided through a combination of the County's program and a policy purchased by the crane management company. There were no property damage claims at the Seaport that exceeded the commercial coverage for the last three fiscal years.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 9. Risk Management (Continued)

The County maintains no excess coverage with independent insurance carriers for the workers' compensation and general liability self-insurance programs. Premiums are charged to the various County departments based on amounts necessary to provide funding for current and anticipated losses. For the year ended September 30, 2023, the Seaport incurred approximately \$2.84 million in insurance premium costs. The estimated liability for reported and unreported claims of the self-insurance programs administered by RMD is determined annually based on the estimated ultimate cost of settling claims, past experience adjusted for current trends and other factors that would modify past experience. Outstanding claims are evaluated through a combination of case-by-case reviews and the application of historical experience. The estimates of incurred, but not reported losses are based on historical experience, and are reported only in the County's internal service fund as a liability. The unfunded losses of the RMD are the responsibility of general fund, and not a liability of the various departments that pay into self-insurance fund, therefore no liability for unfunded losses is reported by the Seaport.

Note 10. Related-Party Transactions – County Services Received

Various departments within the County provide goods, administration, public safety, maintenance and various other services to other operating departments. Charges for these services are determined using direct and indirect cost allocation methods or amounts determined based upon direct negotiations between the related parties. Charges for services provided to the Seaport by other County departments included as operating expenses in the accompanying Statements of Revenues, Expenses and Changes in Net Position amounted to approximately \$36.1 million for the fiscal year ended.

The following table presents a list of service charges provided for the fiscal year ended (in thousands):

Charges for Service	Amount
Police Services	\$ 14,616
Fire Services	6,229
Information Technology	5,101
Other	3,689
Administrative Services	2,793
Water & Sewer	2,111
Fleet Management	714
Parks	634
Audit & Management	190
Total	<u>\$ 36,077</u>

Administrative Service Charges above represent the Seaport's pro-rata share of expenses incurred by certain General Fund departments (i.e., Internal Services Department, County Attorney's Office, Office of Management and Budget, Finance Department, etc.), on behalf of the Seaport.

Note 11. Commitments, Contingencies and Guarantees

The Board approved various terminal usage agreements with the Port's major cruise lines and cargo terminal operators. These agreements provide certain wharfage and dockage incentive discounts from the published Tariff as well as marketing incentives in return for minimum annual revenue guarantees, capital recovery surcharges and preferential berthing arrangements at certain terminal facilities. The operating agreements also provides for container yard improvements, reduced reefer rates and other commitments to incur expense and make certain incentive payments which are not reflected in the table of total gross minimum annual revenue guarantees below.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 11. Commitments, Contingencies and Guarantees (Continued)

The following table provides gross minimum annual revenue guarantees due the Seaport for the following years (in thousands):

Years Ending September 30,	Cruise Operators	Cargo Operators
2024	\$ 104,668	\$ 57,961
2025	111,150	60,524
2026	115,173	63,739
2027	118,342	66,567
2028	146,331	69,481
2029-2033	859,775	396,068
2034-2038	1,041,864	491,503
2039-2043	1,124,782	488,804
2044-2048	1,048,503	279,903
2049-2053	961,666	324,486
2054-2058	844,903	70,854
2059-2062	637,159	-
Totals	<u>\$ 7,114,316</u>	<u>\$ 2,369,890</u>

Seaport's second phase COVID-19 recovery period riders expired on December 30, 2022, with exception of two cruise operators whose COVID-19 recovery period riders are set to expire in 2024. Once a COVID-19 recovery period rider expire, all the previous MAGs and or incentives will be reinstated.

Seaport has entered into several terminal usage agreements with cruise line operators which commits the Seaport to build new cruise terminals and make certain terminal improvements at future dates, in order to accommodate the cruise operators' passengers and vessel operations. The Seaport intends to fund the following projects primarily with proceeds from long-term debt as follows:

- On February 19, 2020, the Board passed a resolution executing an agreement with a contractor for the development of a Transportation Master Plan (Plan), consisting of a Traffic Impact Study and a Conceptual Roadway Plan. The Plan will assist the Seaport in the roadway network, site circulation, and access requirements to meet future transportation needs. The contract amount was \$3.3 million inclusive of a contingency allowance of \$300,000.
- On October 20, 2020, the Board passed a resolution authorizing the County Mayor to negotiate and execute agreements to: (a) preferential berthing rights and cruise terminal usage agreements providing for a two-phase coronavirus disease 2019 (COVID-19) recovery period; (b) amending a Ground Lease agreement with a certain cruise operator during the two-phase COVID-19 recovery period. The Seaport executed interim COVID-19 recovery riders with six cruise lines for a term of 24 months. The riders allow the Seaport to maintain market share but temporarily suspend passenger volume guarantees, benefiting the cruise lines throughout the pandemic. The riders allow the Seaport to suspend rebating parking revenues and additional marketing incentives to the cruise lines as offsets. Except for two cruise operators, all temporary COVID-19 recovery riders expired in 2022.

Construction

As of the fiscal year end, Seaport had construction commitments of approximately \$157.5 million to include the construction of a new cruise terminal, cruise and cargo improvements, and other port-wide infrastructure improvements as discussed above.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 11. Commitments, Contingencies and Guarantees (Continued)

Litigation

The Seaport as a department of the County is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The County, after reviewing the current status of all pending and threatened litigation with respect to the operations of the Seaport, believes that while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the Seaport or its officials in such capacity, are accrued if considered probable by the County's self-insurance program or will not have a material adverse effect upon its financial position.

In fiscal year 2023, a tort case was filed in the Southern District of Florida under the court's admiralty maritime jurisdiction. The plaintiff is suing one of Seaport's cruise operators for being negligent in operating one of Seaport's passenger boarding bridges which resulted in the plaintiff sustaining injuries while disembarking from one cruise vessel. If the plaintiff were to prevail, damages could exceed \$400,000.

Federal and State Grants

Federal and State of Florida grant awards are subject to audit in accordance with the Florida Single Audit Act and OMB Uniform Guidance, to determine compliance with the terms and conditions of the grant awards. It is management's opinion that no material liabilities will result from any such audits, when applicable.

Phase III Dredging

In July 2012, the Board approved a resolution authorizing a Project Partnership Agreement between Miami-Dade County (the County) and the United States Department of the Army (the Army) for the construction of the -50 feet Dredging Miami Harbor Federal Navigation Project Phase III at the Port. The total cost of the project, including the cost of construction, Army procurement and administration, environmental mitigation and monitoring, and an Army required contingency, was estimated to be in the range of \$180 to \$220 million. The Project was completed in fiscal year 2015, and the Army submitted a final reconciliation of records and contract release form to Seaport. In connection with the project, the County also entered into grant agreements with the Florida Department of Transportation (FDOT) to receive approximately \$115 million of funding from FDOT to reimburse the Seaport for certain specific costs incurred to complete the Project. In fiscal year 2017, Seaport received approximately \$2.5 million from FDOT in additional funding for various post-closing projects, bringing the total of \$117.5 million of funding received from FDOT related to the project. Final close-out of this project is expected to occur in fiscal year 2024.

On September 4, 2018, Seaport executed a federal cost share agreement with the Army to perform a feasibility study for navigation improvements. The improvements include deepening and widening certain channels for navigational and safety upgrades for better maneuverability of larger cargo ships. The expected completion date of the study is September 2024, and is estimated to cost approximately \$3.0 million to complete towards the study. Amounts advanced to date are reported as an advance to other governments at year end on the Statement of Net Position.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 12. Major Customers

For fiscal year 2023, approximately 64% of the Port's operating revenues and 98% of corresponding receivables are generated from 11 major operators. The following table found on the next page summarizes the balances for the eleven major cruise and cargo operators. (Amounts are in thousands).

Operator	Cruise Revenue	Cargo Revenue	Rental and Lease Revenue	Total Revenue
Company A	\$ 49,775	\$ -	\$ -	\$ 49,775
Company B	20,745	-	-	20,745
Company C	16,043	-	-	16,043
Company D	10,466	-	-	10,466
Company E	9,907	-	-	9,907
Company F	6,055	-	12,914	18,969
Company G	-	14,609	5,886	20,495
Company H	-	7,622	-	7,622
Company I	-	7,203	5,037	12,240
Company J	-	3,382	-	3,382
Company K	-	1,283	15	1,298
	<u>\$ 112,991</u>	<u>\$ 34,099</u>	<u>\$ 23,852</u>	<u>\$ 170,942</u>

Operator	Cruise Receivable	Cargo Receivable	Rental and Lease Receivable**	Total Receivable
Company A	\$ 5,825	\$ -	\$ -	\$ 5,825
Company B	379	-	-	379
Company C	1,941	-	-	1,941
Company D	661	-	-	661
Company E	904	-	-	904
Company F	33	-	766,311	766,344
Company G	-	305	-	305
Company H	-	4	-	4
Company I	-	2,304	-	2,304
Company J	-	16	-	16
Company K	-	31	-	31
	<u>\$ 9,743</u>	<u>\$ 2,660</u>	<u>\$ 766,311</u>	<u>\$ 778,714</u>

**Lease receivable reported is a noncurrent receivable approximating \$766.3 million and is expected to be received over the next 50 years.

Note 13. Subsequent Events

On November 7, 2023, the Board approved a resolution for a Third Amendment to a Campus Lease agreement between the County and a certain cruise operator to increase the County's portion of the design-build amount to \$425 million, increased from \$325 million and the cruise operator to reimburse the County in capital recovery fees of \$199.75 million, increased from \$152.75 million plus interest of 6.5% for a total of up to \$396.4 million.

Miami-Dade County, Florida Seaport Department

Notes to Financial Statements

Note 13. Subsequent Events (Continued)

On December 15, 2023, the County issued Miami-Dade County, Florida Seaport Revenue Bonds, Series 2023 (Series 2023) in the amount of \$448.64 million for the purpose of: (1) paying the costs of the Series 2023 Project, including funding for capitalized interest, (2) funding the Senior Series 2023 Reserve account, and (3) paying the costs of issuance of the Series 2023 Bonds.

On January 17, 2024, the Board approved an amendment with a certain cruise operator to: (1) agreement between the cruise operator and County for cruise terminals D & E; (2) preferential berthing rights for cruise terminal F; and (3) terminate Covid-19 recovery rider under a previous agreement. The fiscal impacts of this amendment include combining passenger Minimum Annual Guarantees (MAG) for cruise terminals D, E and F; increased MAG passenger movements from 2.25 million passengers to 2.35 million passengers annually for fiscal years 2023 through 2025 which increased the current overall amendments impact from \$1.27 billion to \$1.29 billion.

Note 14. New Accounting Pronouncements

In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections — *an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Port is in the process of evaluating the impact of implementation.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Port is in the process of evaluating the impact of implementation.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. The Port is in the process of evaluating the impact of implementation.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Miami-Dade County, Florida Seaport Department
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
(dollars in thousands) (Unaudited)
Last Six Fiscal Years

Total OPEB Liability	2018	2019	2020	2021	2022	2023
Changes for the Year:						
Service Cost	\$ 338	\$ 117	\$ 144	\$ 443	\$ 1,567	\$ 1,002
Interest	-	248	216	232	840	847
Change of Benefit Terms	(335)	918	1,862	-	1,682	(124)
Difference Between Expected and Actual Experience	-	-	(421)	(47)	(3,253)	-
Benefit Payments	(344)	(390)	(372)	(485)	(1,331)	(925)
Net Change in Total OPEB Liability	(341)	893	1,429	143	(495)	800
Total OPEB Liability – Beginning	6,218	5,877	6,770	8,199	8,342	7,847
Total OPEB Liability – Ending	\$ 5,877	\$ 6,770	\$ 8,199	\$ 8,342	\$ 7,847	\$ 8,647
Covered-employee Payroll	\$ 23,140	\$ 27,705	\$ 26,559	\$ 27,356	\$ 29,407	\$ 30,436
Total OPEB Liability as a Percentage of Covered-employee Payroll	25.40%	24.44%	30.87%	30.49%	26.68%	28.41%

Notes to Schedule:

- (1) For information regarding plan contributions, rates, assumptions and amortization method, see Note 8.
- (2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits. There were no changes to benefit terms during the measurement period. The discount rate is the only applicable change in the actuarial valuation. All other assumptions for this update report are the same as the prior valuation.
- (3) Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. For fiscal year 2023, the discount rate increased to 4.09% from 4.02% in the prior year.
- (4) Currently, only data for fiscal years presented are available.

**Miami-Dade County, Florida Seaport Department
Required Supplementary Information
Schedule of Seaport's Proportionate Share
of Miami-Dade County's Net Pension Liability
Florida Retirement System (FRS) Pension Plan
(dollars in thousands) (Unaudited)
Last Eight Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023
Seaport's proportion of Miami-Dade County's FRS Plan net pension liability	0.76%	0.79%	0.69%	0.70%	0.73%	0.71%	0.79%	0.85%
Seaport's proportionate share of Miami-Dade County's FRS net pension liability	\$ 14,958	\$ 18,160	\$ 16,275	\$ 19,146	\$ 25,090	\$ 4,205	\$ 23,419	\$ 27,407
Seaport's covered payroll	\$ 22,343	\$ 24,010	\$ 24,909	\$ 26,172	\$ 27,889	\$ 26,955	\$ 29,079	\$ 34,490
Seaport's proportionate share of Miami-Dade County's FRS net pension liability as a percentage of its covered payroll	87.89%	92.81%	70.33%	73.15%	89.96%	15.60%	80.54%	79.46%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.9%	83.9%	84.3%	82.6%	78.9%	96.4%	82.9%	82.9%

Notes to Schedule:

- (1) See Note 7 for information regarding the Plan.
- (2) The schedule of the net pension liability and related information above presents Seaport's allocation of Miami-Dade County's share of FRS Plan net pension liability.
- (3) The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate GASB 68 requirements.
- (4) Currently, only data for fiscal years presented are available.

**Miami-Dade County, Florida Seaport Department
Required Supplementary Information
Schedule of Seaport's Contributions
Pension Plan
Florida Retirement System
(dollars in thousands) (Unaudited)
Last Eight Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023
Seaport's proportionate share of Miami-Dade County's required FRS contribution	\$ 1,864	\$ 1,308	\$ 1,968	\$ 1,600	\$ 2,505	\$ 2,822	\$ 3,401	\$ 4,044
Seaport's contribution in relation to the contractually required contribution	1,864	1,308	1,968	1,600	2,505	2,822	3,401	4,044
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seaport's covered payroll	\$ 23,330	\$ 24,674	\$ 24,969	\$ 26,445	\$ 28,283	\$ 26,809	\$ 30,154	\$ 33,925
FRS contribution as a percentage of covered payroll	7.99%	5.30%	7.88%	6.05%	8.86%	10.53%	11.28%	11.92%

Notes to Schedule:

- (1) See Note 7 for information regarding the Plan.
- (2) The schedule of the contributions and related information above presents Seaport's allocation of Miami-Dade County's share of FRS Plan contributions.
- (3) The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate GASB 68 requirements.
- (4) Currently, only data for fiscal years presented are available.

**Miami-Dade County, Florida Seaport Department
Required Supplementary Information
Schedule of Seaport's Proportionate Share
of the Net Pension Liability
Florida Retirement System
Health Insurance Subsidy Pension Plan (HIS)
(dollars in thousands) (Unaudited)
Last Eight Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023
Seaport's proportion of Miami-Dade County's HIS net pension liability	0.76%	0.79%	0.69%	0.70%	0.73%	0.71%	0.79%	0.85%
Seaport's proportionate share of Miami-Dade County's HIS net pension liability	\$ 5,603	\$ 5,237	\$ 4,598	\$ 4,980	\$ 5,635	\$ 5,692	\$ 5,587	\$ 9,106
Seaport's covered payroll	\$ 17,019	\$ 18,111	\$ 18,781	\$ 19,850	\$ 20,958	\$ 19,737	\$ 21,365	\$ 25,588
Seaport's proportionate share of Miami-Dade County's HIS net pension liability as a percentage of its covered payroll	32.92%	28.92%	24.48%	25.09%	26.89%	28.84%	26.15%	35.59%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%

Notes to Schedule:

- (1) See Note 7 for information regarding the Plan.
- (2) The schedule of the net pension liability and related information above presents Seaport's allocation of Miami-Dade County's share of FRS Plan net pension liability.
- (3) The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate GASB 68 requirements.
- (4) Currently, only data for fiscal years presented are available.

Miami-Dade County, Florida Seaport Department
Required Supplementary Information
Schedule of Seaport's Contributions
Florida Retirement System
Health Insurance Subsidy Pension Plan (HIS)
(dollars in thousands) (Unaudited)
Last Eight Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023
Seaport's proportionate share of Miami-Dade County's required HIS contribution	\$ 177	\$ 264	\$ 237	\$ 249	\$ 269	\$ 278	\$ 321	\$ 386
HIS contribution in relation to the contractually required contribution	177	264	237	249	269	278	321	386
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seaport's covered payroll	\$ 17,681	\$ 18,567	\$ 18,895	\$ 20,045	\$ 21,127	\$ 19,583	\$ 22,240	\$ 25,165
HIS contribution as a percentage of covered payroll	1.00%	1.42%	1.25%	1.24%	1.27%	1.42%	1.44%	1.53%

Notes to Schedule:

- (1) See Note 7 for information regarding the Plan.
- (2) The schedule of the contributions and related information above presents Seaport's allocation of Miami-Dade County's share of HIS Plan contributions.
- (3) The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate GASB 68 requirements.
- (4) Currently, only data for fiscal years presented are available.

STATISTICAL SECTION
(unaudited)

PORTMIAMI™

Statistical Section (unaudited)

This part of the Seaport's comprehensive annual financial report presents information to assist users, from a historical perspective, use the information provided in the financial statements, notes to the financial statements, and required supplementary to assess the department's overall financial health.

Contents

Financial Trends

These schedules contain information to assist readers assess how the Department's financial position has changed over time. (Pages 68-69)

Revenue Capacity

These schedules contain information to assist readers assess the variables affecting the Department's revenue capabilities. (Page 70)

Debt Capacity

These schedules contain information to assist readers assess the Department's debt burden and its ability to issue new debt. (Pages 71-74)

Demographic and Economic Information

These schedules contain demographic and economic information to assist readers understand the environment within which the Department's financial activities take place. (Pages 75-76)

Operating Information

These schedules contain service and infrastructure data to assist readers understand how the information in the Department's financial report relates to the services the Department provides and activities it performs. (Pages 77-79)

Sources: Unless otherwise noted, the information from these schedules is derived from the comprehensive annual financial reports for the relevant year.

Miami-Dade County, Florida Seaport Department
Schedule of Changes in Net Position (Unaudited)
Last ten fiscal years (in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating revenues	\$ 126,144	\$ 136,086	\$ 143,864	\$ 166,756	\$ 155,928	\$ 165,592	\$ 133,694	\$ 99,736	\$ 177,273	\$ 265,981
Investment earnings (2)	510	861	720	953	2,344	5,317	2,207	187	3,818	15,004
Other nonoperating	666	666	669	8,633	17,671	19,155	17,440	57,132	44,720	50,526
Total revenues	127,320	137,613	145,253	176,342	175,943	190,064	153,341	157,055	225,811	331,511
Operating expenses	64,341	66,700	71,267	79,575	80,383	85,840	94,762	86,110	97,652	128,820
Depreciation	27,423	30,020	30,474	30,598	31,872	29,145	30,342	32,000	34,320	56,755
Interest expense	35,496	37,283	40,213	39,171	40,988	45,503	43,388	36,843	45,310	60,084
Other nonoperating expenses/transfers	5,349	1,267	-	1,628	3,332	603	-	5,175	1,329	109
Total expenses	132,609	135,270	141,954	150,972	156,575	161,091	168,492	160,128	178,611	245,768
Net income (loss) before contributions	(5,289)	2,343	3,299	25,370	19,368	28,973	(15,151)	(3,073)	47,200	85,743
Net contributions	(85,944)	47,644	3,154	1,642	3,378	8,762	14,081	11,958	4,932	20,029
Change in net position	(91,233)	49,987	6,453	27,012	22,746	37,735	(1,070)	8,885	52,132	105,772
Net position at beginning of year (1)	214,975	109,677	159,664	166,117	188,288	211,035	248,770	247,700	256,585	308,717
Net position at end of year	123,742	159,664	166,117	193,129	211,034	248,770	247,700	256,585	308,717	414,489
Net position, end of year classified as:										
Net investment in capital assets	272,815	317,408	300,337	293,530	304,318	331,807	328,304	326,569	296,262	262,835
Restricted for debt service	12,485	12,880	7,165	13,160	44,715	47,325	46,995	60,774	26,741	31,825
Restricted for construction and other	10,067	-	-	-	-	-	-	-	-	-
Unrestricted (deficit) and other	(171,625)	(170,624)	(141,385)	(113,561)	(137,998)	(130,362)	(127,599)	(130,758)	(14,286)	119,829
Net position at end of year	\$ 123,742	\$ 159,664	\$ 166,117	\$ 193,129	\$ 211,035	\$ 248,770	\$ 247,700	\$ 256,585	\$ 308,717	\$ 414,489

Notes to Schedule

(1) Net position balance was restated as of October 1, 2014 and 2017, respectively.

(2) As of and for the fiscal years ended 2023 and 2022, investment earnings include rental interest income from lease of land and buildings due to the adoption of GASB 87.

**Miami-Dade County, Florida Seaport Department
Schedule of Revenues and Expenses (Unaudited)
Last Ten Fiscal Years (in thousands)**

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATING REVENUES:										
Cruise Wharfage/Dockage	\$ 60,295	\$ 63,659	\$ 69,199	\$ 93,302	\$ 76,997	\$ 74,817	\$ 45,735	\$ 4,605	\$ 71,159	\$ 122,356
Cargo Wharfage/Dockage	24,809	24,120	23,337	19,310	22,721	24,239	29,146	44,752	39,726	41,952
Container Crane Fees	6,243	8,624	9,995	13,658	15,018	16,713	15,098	18,310	17,587	16,495
Rentals and leases	14,829	19,254	21,999	22,124	23,120	32,829	33,886	28,982	27,401	44,340
Ground Transportation	2,100	2,329	2,230	2,311	1,625	2,689	1,299	125	1,289	2,131
Terminal Enhancement										
Passenger Fees	-	-	-	-	-	-	608	370	7,998	18,793
Parking	14,963	14,691	14,679	13,747	14,068	12,081	6,236	1,105	9,803	17,805
Miscellaneous	2,905	3,409	2,425	2,304	2,379	2,224	1,686	1,487	2,310	2,109
	<u>126,144</u>	<u>136,086</u>	<u>143,864</u>	<u>166,756</u>	<u>155,928</u>	<u>165,592</u>	<u>133,694</u>	<u>99,736</u>	<u>177,273</u>	<u>265,981</u>
OPERATING EXPENSES:										
Cruise Operations	7,523	7,165	6,828	8,210	8,865	8,227	9,701	8,522	10,536	23,453
Cargo Operations	1,235	1,242	1,308	1,572	1,877	1,673	2,092	2,950	1,841	2,193
Maintenance	6,329	6,993	8,553	9,386	9,097	9,212	10,608	8,666	7,315	14,189
Utilities	2,881	3,730	3,675	3,002	2,758	3,427	3,433	4,312	6,295	6,654
Marketing & Advertising	1,747	1,803	2,204	2,212	2,167	2,467	1,589	1,775	2,120	1,874
Gantry Cranes Operations	7,543	7,006	8,385	8,858	9,487	9,457	9,747	12,901	13,833	11,955
Security	16,782	18,093	18,292	20,552	20,931	22,217	21,866	19,690	20,952	26,541
General & Administration	20,301	20,668	22,022	25,783	25,201	29,160	35,726	27,294	34,760	41,961
Total Operating Expenses	<u>64,341</u>	<u>66,700</u>	<u>71,267</u>	<u>79,575</u>	<u>80,383</u>	<u>85,840</u>	<u>94,762</u>	<u>86,110</u>	<u>97,652</u>	<u>128,820</u>
Operating income before depreciation	61,803	69,386	72,597	87,181	75,545	79,752	38,932	13,626	79,621	137,161
DEPRECIATION	<u>27,423</u>	<u>30,020</u>	<u>30,474</u>	<u>30,598</u>	<u>31,872</u>	<u>29,144</u>	<u>30,342</u>	<u>32,000</u>	<u>34,320</u>	<u>56,755</u>
Operating Income (loss)	34,380	39,366	42,123	56,583	43,673	50,608	8,590	(18,374)	45,301	80,406
NON-OPERATING REVENUES (EXPENSES):										
Interest Income, net	510	861	720	953	2,344	5,317	2,207	187	-	15,004
Interest expense, net	(35,496)	(37,283)	(40,213)	(39,171)	(40,988)	(45,503)	(43,388)	(36,843)	(45,310)	(60,084)
Other income (expense)	(4,683)	(601)	669	7,005	16,939	19,155	16,981	52,271	47,209	50,526
Income (loss) before										
Contributions and transfers	(5,289)	2,343	3,299	25,370	21,968	29,577	(15,610)	(2,759)	47,200	85,852
Contributions	(85,944)	47,644	3,154	1,642	3,378	8,761	14,081	11,958	4,932	20,029
Transfer out	-	-	-	-	(2,600)	(603)	459	(314)	-	(109)
Net contributions and transfers	<u>(85,944)</u>	<u>47,644</u>	<u>3,154</u>	<u>1,642</u>	<u>778</u>	<u>8,158</u>	<u>14,540</u>	<u>11,644</u>	<u>4,932</u>	<u>19,920</u>
Net income (loss)	<u>\$ (91,233)</u>	<u>\$ 49,987</u>	<u>\$ 6,453</u>	<u>\$ 27,012</u>	<u>\$ 22,746</u>	<u>\$ 37,735</u>	<u>\$ (1,070)</u>	<u>\$ 8,885</u>	<u>\$ 52,132</u>	<u>\$ 105,772</u>

Miami-Dade County, Florida Seaport Department
Schedule of Revenue Per Ton (Unaudited)
Last Ten Fiscal Years (in thousands)

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cargo revenue	\$ 31,052	\$ 32,744	\$ 33,332	\$ 32,968	\$ 37,739	\$ 40,952	\$ 44,244	\$ 63,062	\$ 57,313	\$ 58,447
Tonnage	7,700	8,614	8,778	9,162	9,612	10,122	9,725	11,149	10,216	9,717
Revenue per ton	\$ 4.03	\$ 3.80	\$ 3.80	\$ 3.60	\$ 3.93	\$ 4.05	\$ 4.55	\$ 5.66	\$ 5.61	\$ 6.01
TEU	877	1,008	1,028	1,024	1,083	1,121	1,067	1,254	1,198	1,098
Revenue per TEU	\$ 35.41	\$ 32.48	\$ 32.42	\$ 32.20	\$ 34.85	\$ 36.53	\$ 41.47	\$ 50.29	\$ 47.84	\$ 53.23

Schedule of Revenue Per Passenger (Unaudited)
Last Ten Fiscal Years (in thousands)

Description	2014	2015	2016	2017*	2018	2019	2020	2021	2022	2023
Cruise Revenue	\$ 60,295	\$ 63,659	\$ 69,199	\$ 73,302	\$ 76,997	\$ 74,817	\$ 45,735	\$ 4,605	\$ 71,159	\$ 122,356
Passengers	4,939	4,916	4,980	5,340	5,592	6,824	3,478	252	4,022	7,299
Revenue per passenger	\$ 12.21	\$ 12.95	\$ 13.90	\$ 13.73	\$ 13.77	\$ 10.96	\$ 13.15	\$ 18.27	\$ 17.69	\$ 16.76

* In fiscal year 2017, one of Seaport's cruise operator made a one-time early contract termination payment. This payment was excluded from cruise revenue in the calculation above.

**Miami-Dade County, Florida Seaport Department
Schedule of Revenue Bonds Debt Service Coverage
Last Ten Fiscal Years (Unaudited)
(in thousands)
Based on Maximum Debt Service Requirements**

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary Debt Coverage										
Net Operating Revenues	\$ 61,803	\$ 69,386	\$ 72,597	\$ 87,181	\$ 75,545	\$ 79,752	\$ 38,932	\$ 13,626	\$ 79,621	\$ 137,161
Coverage Adjustments:										
ARPA Revenue	-	-	-	-	-	-	-	40,197	26,704	-
Intergovernmental revenue*	-	-	-	8,000	17,000	17,000	17,000	17,000	17,000	17,000
Noncash Items	46	(868)	856	1,574	527	3,440	6,577	632	4,264	9,507
Unrestricted Interest	-	-	-	219	1,065	2,439	1,005	329	-	7,863
Revenues Available For Debt Service	<u>\$ 61,849</u>	<u>\$ 68,518</u>	<u>\$ 73,453</u>	<u>\$ 96,974</u>	<u>\$ 94,137</u>	<u>\$ 102,631</u>	<u>\$ 63,514</u>	<u>\$ 71,784</u>	<u>\$ 127,589</u>	<u>\$ 171,531</u>
Revenue Bonds Maximum Debt Service Required	27,671	27,640	28,050	29,177	31,033	31,148	29,476	N/A	N/A	N/A
Coverage Required 125%	34,589	34,550	35,063	36,471	38,791	38,935	36,845	N/A	N/A	N/A
Coverage Required 110%	-	-	-	-	-	-	-	N/A	N/A	N/A
Net Revenue Coverage	179%	198%	209%	266%	243%	264%	172%	N/A	N/A	N/A

Note: Coverage requirement under Master Bond Ordinance 21-74 is the greater of 125% of maximum principal and interest requirements on all Senior Bonds for the current fiscal year or 110% of the principal and interest requirements on all Senior and Subordinate Bonds for the current fiscal year. See supplemental schedule on Schedule of Senior Bonds Debt Service Coverage.

* Commencing in fiscal year 2018, Seaport will recognize SCETS tax revenue, as part of the bond covenant coverage computation. See Note 4 of the Notes to Financial Statements for further information.

**Miami-Dade County, Florida Seaport Department
Schedule of Combined Debt Service Coverage
Last Ten Fiscal Years (Unaudited)
(in thousands)
Based on Maximum Debt Service Requirements**

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary Debt Coverage										
Net Operating Revenues	\$ 61,803	\$ 69,386	\$ 72,597	\$ 87,181	\$ 75,545	\$ 79,752	\$ 38,932	\$ 13,626	\$ 79,621	\$ 137,161
Coverage Adjustments:										
ARPA Revenue	-	-	-	-	-	-	-	40,197	26,704	-
Intergovernmental revenue*	-	-	-	8,000	17,000	17,000	17,000	17,000	17,000	17,000
Noncash Items	46	(868)	856	1,574	527	3,440	6,577	632	4,264	9,507
Unrestricted Interest	-	-	-	219	1,065	2,439	1,005	329	-	7,863
Revenues Available	<u>\$ 61,849</u>	<u>\$ 68,518</u>	<u>\$ 73,453</u>	<u>\$ 96,974</u>	<u>\$ 94,137</u>	<u>\$ 102,631</u>	<u>\$ 63,514</u>	<u>\$ 71,784</u>	<u>\$ 127,589</u>	<u>\$ 171,531</u>
Revenue Bonds Maximum Debt Service Required	27,671	27,640	28,050	29,177	31,033	31,148	29,476	N/A	N/A	N/A
Coverage Required 125%	34,589	34,550	35,063	36,471	38,791	38,935	36,845	N/A	N/A	N/A
G O Bonds Maximum Debt Service Required	9,863	9,863	9,863	9,863	9,863	9,863	9,863	N/A	N/A	N/A
Coverage Required 110%	10,849	10,849	10,849	10,849	10,849	10,849	10,849	N/A	N/A	N/A
Excess coverage required greater (less) than maximum coverage	7,904	7,896	7,999	8,281	8,745	8,773	8,355	N/A	N/A	N/A
Needed to Meet Coverage	45,438	45,399	45,912	47,321	49,641	49,784	47,694	N/A	N/A	N/A
Net Revenues Coverage	136%	151%	160%	205%	190%	206%	133%	N/A	N/A	N/A

Note: Coverage requirement under Master Bond Ordinance 21-74 is the greater of 125% of maximum principal and interest requirements on all Senior Bonds for the current fiscal year or 110% of the principal and interest requirements on all Senior and Subordinate Bonds for the current fiscal year.

The combined debt service coverage has increased 64%, from 96% in fiscal year 2013 when the Seaport did not meet its combined debt service coverage of 100%, as required by the debt covenants, to 160% in the current fiscal year.

Refer to Note 4 of the Notes to Financial Statements for further information.

* Commencing in fiscal year 2018, Seaport will recognize SCETS tax revenue, as part of the bond covenant coverage computation.

See Note 4 of the Notes to Financial Statements for further information.

Miami-Dade County, Florida Seaport Department
Schedule Ratios of Outstanding Debt by Type (Unaudited)
Last Ten Fiscal Years (in thousands)

Fiscal Year	G.O. Bonds	Revenue Bonds	Loans	Capital Acquisition Bond	Commercial Paper	Lease	Total Debt	Ratio of Debt to TEUs	Ratio of Debt to Cruise Passengers
2014	102,045	596,797	320,553	118,314	-	-	1,137,709	1,297	230
2015	95,865	589,400	314,524	114,259	-	-	1,114,048	1,105	227
2016	89,466	581,827	298,626	110,143	-	4,007	1,084,069	1,055	218
2017	82,827	580,210	286,688	108,024	37,262	3,949	1,098,960	1,073	206
2018	75,937	572,848	273,720	103,560	170,262	3,802	1,200,129	1,108	215
2019	68,783	565,194	260,717	99,012	247,655	3,643	1,245,004	1,111	182
2020	61,339	557,222	247,674	431,786	391,345	3,472	1,692,838	1,587	487
2021	-	1,356,202	-	402,984	5,000	3,289	1,767,475	1,409	7,014
2022	-	1,351,933	-	403,253	102,000	3,090	1,860,276	1,553	463
2023	-	1,921,462	-	62,367	30,000	2,874	2,016,703	1,837	276

(1) Balances presented above include premiums and discounts net of related debt.

**Miami-Dade County, Florida Seaport Department
Schedule of Annual Total Tonnage (Unaudited)
Last Ten Fiscal Years (in thousands)**

Year	Total	Difference	% Change
2014	7,700	-	0.0%
2015	8,614	914	11.9%
2016	8,778	164	1.9%
2017	9,162	384	4.4%
2018	9,612	450	4.9%
2019	10,122	510	5.3%
2020	9,725	(397)	-3.9%
2021	11,149	1,424	14.6%
2022	10,216	(933)	-8.4%
2023	9,717	(499)	-4.9%

**Miami-Dade Seaport Department
Schedule of Total Annual TEU's (Unaudited)
Last Ten Fiscal Years (in thousands)**

Year	TEU's	Difference	% Change
2014	877	-	0.0%
2015	1,008	131	14.9%
2016	1,028	20	2.0%
2017	1,024	(4)	-0.4%
2018	1,083	59	5.8%
2019	1,121	38	3.5%
2020	1,067	(54)	-4.8%
2021	1,254	187	17.5%
2022	1,198	(56)	-4.5%
2023	1,098	(100)	-8.3%

**Miami-Dade Seaport Department
Schedule of Historical Tonnage Analysis (Unaudited)
Last Ten Fiscal Years (in thousands)**

Year	Export Tons	% of Total	Import Tons	% of Total	Total
2014	3,828	50%	3,872	50%	7,700
2015	4,046	47%	4,568	53%	8,614
2016	4,029	46%	4,749	54%	8,778
2017	4,176	46%	4,986	54%	9,162
2018	4,409	46%	5,203	54%	9,612
2019	4,376	43%	5,746	57%	10,122
2020	3,933	40%	5,792	60%	9,725
2021	4,314	39%	6,835	61%	11,149
2022	3,987	39%	6,229	61%	10,216
2023	3,532	36%	6,185	64%	9,717

**Miami-Dade Seaport Department
Schedule of Annual Total Passengers (Unaudited)
Last Ten Fiscal Years (in thousands)**

Year	Total	Difference	% Change
2014	4,939	-	0.0%
2015	4,916	(23)	-0.5%
2016	4,980	64	1.3%
2017	5,340	360	7.2%
2018	5,592	252	4.7%
2019	6,824	1,232	22.0%
2020	3,478	(3,346)	-49.0%
2021	252	(3,226)	-92.8%
2022	4,022	3,770	1496.0%
2023	7,299	3,277	81.5%

Source: Seaport's Final Performance Report (Statistical) correspondingly for those fiscal years presented.

**Miami-Dade County, Florida Seaport Department
Schedule of Miami-Dade County Population
(Unaudited)**

Years	Resident Population	Change
1900	4,955	-
1910	11,933	6,978
1920	42,752	30,819
1930	142,955	100,203
1940	267,739	124,784
1950	495,084	227,345
1960	935,047	439,963
1970	1,267,792	332,745
1980	1,625,781	357,989
1990	1,937,000	311,219
2000	2,253,362	316,362
2010	2,563,885	310,523
2011	2,516,515	(47,370)
2012	2,551,255	34,740
2013	2,565,685	14,430
2014	2,586,290	20,605
2015	2,653,934	67,644
2016	2,696,353	42,419
2017	2,779,322	82,969
2018	2,779,322	-
2019	2,812,130	32,808
2020	2,701,767	(110,363)
2021	2,731,939	30,172
2022	2,757,592	25,653
2023	2,768,954	11,362

Source: Miami-Dade County Department of
Regulatory and Economic Resources.

Miami-Dade County, Florida Seaport Department
DEMOGRAPHIC AND ECONOMIC INFORMATION
PRINCIPAL EMPLOYERS (Unaudited)
CURRENT YEAR AND TEN YEARS AGO

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, Inc.	21,276	3	1.54	12,818	5	1.00
Jackson Memorial Hospital	13,721	4	0.99	9,797	8	0.76
Publix Super Market	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	3,534	11	0.28
United States Postal Service	5,828	10	0.42	-	-	-
City of Miami	4,802	14	0.35	3,997	10	0.31
Baptist Health South Florida	4,652	15	0.34	11,353	6	0.88
U.S. Federal Government				19,200	3	1.50
Florida State Government / State of Florida				17,100	4	1.33
	160,756			152,413		

Source: Florida Department of Commerce, Bureau of Workforce Statistics & Economic Research and The Beacon Council, Miami, Florida, Miami Business Profile.

DEMOGRAPHIC AND ECONOMIC STATISTICS
(Unaudited)
LAST TEN FISCAL YEARS

Year	Population	Total Personal (in thousands of dollars)	Per Capita Personal Income	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 and
Florida Legislature, Office of Economic and Demographic Research.

Legend: (1) Information unavailable.

**Miami-Dade County, Florida Seaport Department
Schedule of Insurance in Force
(Unaudited)**

Coverage/Insurance Company	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage
Crime Policy	Fidelity & Deposit Co. of Maryland	08/19/23 - 08/19/24	Employee Theft Theft of Money and Securities	\$1,000,000 \$500,000
Accidental Death:	Hartford Life Insurance Co.	08/29/23 - 08/29/24	Accidental death and dismemberment	\$25,000
Property Insurance:	Various companies	04/15/23 - 04/15/24	Real & Personal Property	Various
Automobile Liability		Continuous	Self-insured	\$100,000 per/person \$200,000 per occurrence pursuant to F.S. 768.28
General Liability		Continuous	Self-insured	\$100,000 per/person \$200,000 per occurrence pursuant to F.S. 768.28
Workers' Compensation		Continuous	Self-insured	Statutory coverage

Source: Miami-Dade County General Services Administration, Risk Management Division, ISD.

**Miami-Dade County, Florida Seaport Department
Schedule of Full-Time Seaport Employees by Function (Unaudited)
Last Ten Fiscal Years**

Function/program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cruise and Housekeeping	57	54	56	56	53	53	114	102	98	119
Cargo Operations	12	12	13	14	16	15	13	18	18	16
Port Security	96	93	88	83	83	85	91	92	92	114
Maintenance	69	69	64	62	61	70	92	93	87	93
Marketing and Advertising	8	8	11	11	13	13	12	12	12	9
Administration and Engineering	120	113	99	99	99	109	139	144	154	167
Total	362	349	331	325	325	345	461	461	461	518

Source: Seaport's Budget Section.

**Miami-Dade County, Florida Seaport Department
 Schedule of Capital Asset Indicators (Unaudited)
 Last Ten Fiscal Years**

Description	2014*	2015	2016	2017**	2018	2019***	2020	2021	2022	2023
Number of gantry cranes	13	13	13	13	13	13	13	13	13	13
Number of passenger terminals	12	12	12	9	8	9	9	9	9	9

* In fiscal year 2014, Seaport acquired 4 Post Panamax cranes.

** In fiscal year 2017, Seaport merged certain cruise terminals for naming purposes only.

*** In fiscal year 2019, a certain cruise operator's cruise terminal was completed.

Source: Seaport's Accounting Section



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