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

2018 Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2018

Miami-Dade Seaport Department

A Department of Miami-Dade County, Florida

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2018

Prepared by the Miami-Dade Seaport Department

Juan Kuryla,
Port Director and CEO

Hydi Webb
Deputy Port Director

Andrew Hecker
Chief Financial Officer

Andrew Warburton, CPA
Port Controller

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A Department of Miami-Dade County, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2018

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ELECTED AND APPOINTED OFFICIALS
MIAMI-DADE COUNTY, FLORIDA

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BOARD OF COUNTY COMMISSIONERS
ESTEBAN L. BOVO, JR., CHAIRMAN
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DISTRICT 10

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CLERK OF COURTS

PEDRO J. GARCIA
PROPERTY APPRAISER

ABIGAIL PRICE-WILLIAMS
COUNTY ATTORNEY

PORTMIAMI

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March 27, 2019

Honorable Carlos A. Gimenez, Mayor
Honorable Chairman Esteban L. Bovo, Jr., and
Members of the Board of County Commissioners

Honorable Harvey Ruvin, Clerk of the Courts

Honorable Pedro J. Garcia, Property Appraiser

Ladies and Gentlemen:

We are pleased to present the Miami-Dade County, Florida Seaport Department's (the "Seaport") Comprehensive Annual Financial Report ("CAFR") as of and for the fiscal year ended September 30, 2018. 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 the Seaport's financial activity have been included. The Seaport has established comprehensive internal controls designed to help ensure that the Seaport's assets are protected from loss, theft of 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 the 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 CAFR.

Profile of the Government and Government Structure

The Seaport, a department of the 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 are 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.

The Port 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 2018, the Seaport handled approximately 5.59 million passengers. During this same period, approximately 9.61 million tons of cargo and 1.08 million TEUs (20-foot equivalent units) were processed through the Seaport.

Budgetary Process and Control

Annually, as part of the budget process, the Seaport recommends rates to provide for anticipated operating expenses, capital improvement and debt service requirements. By October 1st, the beginning of the new fiscal year, the Board of County Commissioners adopts an annual budget for the 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, 2018, 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 Seaport controls current expenses at both the functional and operating division levels. Through the 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 the Seaport’s financial position, results of operations, and cash flows for the current fiscal year. However, the 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, the 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 the Seaport’s financial condition. Following is a brief discussion of each of these factors.

Economic Condition and Outlook

This economic condition and outlook report outlines the level of economic activity throughout fiscal year 2018 and forecasts the area’s economic outlook for next fiscal year.

One year ago, in the year-end outlook for the local economy it was anticipated that the level of economic activity in Miami-Dade would continue to grow in fiscal year 2018 at least at the levels achieved in fiscal year 2017. The reasoning behind this outlook was that fiscal year 2017 was negatively affected by Hurricane Irma and that the recently passed tax overhaul would boost economic activity.

Economic growth in the emerging markets and more importantly Latin America was expected to improve as the world entered the first worldwide concerted bout of growth since 2010. Forecasts for Brazil, Mexico, Argentina, Chile and Colombia, all pointed to stronger growth in 2018. The recent pullback of the US dollar, the continued strengthening of Latin American economies, coupled with the increase in investments and consumer spending in the United States were expected to increase trade in the Miami Customs District. And, depending on which of these forces enacted a stronger influence, the District's trade surplus would have expanded or contracted.

Real estate and construction activity in fiscal year 2018 were expected to continue to benefit from foreign buyers returning while at the same time suffer from the effects of years of real estate appreciation affecting affordability for residents.

Miami-Dade's employment would continue to grow given the health of the overall economy, but at a slower pace given that both idle workers and economic resources would be harder to come by. The higher utilization rate of economic inputs coupled with a more restrictive immigration approach by the administration, and a deficit financed tax overhaul would lead to higher wages and ultimately exert upward pressure on prices.

This forecast of fiscal year 2018 turned out to be a fair assessment of what actually took place at the international, national and local levels.

At the national level fiscal year 2018 saw an upswing in economic activity, with real gross domestic product (GDP) increasing at an annual rate of 2.7%, compared to an increase of 2.1% in the prior year. The acceleration in GDP growth was brought about by a level of investment that went from 3.8% in fiscal year 2017 to 5.4% in fiscal year 2018 and by a more favorable Net Exports component going from negative 9.9% in fiscal year 2017 to negative 6.5% in fiscal year 2018. Alongside the increased economic activity, and due in part to energy prices rebounding somewhat, inflation increased from fiscal year 2017 2.1% to 2.4%. This uptick in the level of inflation came on the heels of a decrease of the headline unemployment rate of 50 basis points to 4.0%, the lowest level in at least 15 years.

At the County level the signs of an economy functioning at or near the mature stage of the cycle were clearly visible. Fiscal year 2018 closed with the lowest unemployment rate since fiscal year 2007 and after adding a smaller number of workers to payrolls, fiscal year 2018 ended with the highest number of employed persons ever. The residential real estate market continued to moderate with permits for new residential construction remaining flat over the previous year and with single-family home sales declining for the third year in a row.

What follows is an overview of the economic conditions 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, increased by approximately 5.8% for fiscal year 2018. The Seaport expects cargo activity to increase in fiscal year 2019. The Seaport is optimistic regarding international commerce in Miami-Dade and anticipates higher volume levels in cargo activity movement through the Port. 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 2019, 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 the Seaport.

The Americas continue to represent a major share of the Seaport's total cargo. For fiscal year 2018, the Americas accounted for approximately 40% (Caribbean—13% South America—9%, Central America and Mexico—18%) of total cargo. This was followed by The Far East, Asia and the Pacific with 36%. The balance of approximately 24% consisted of Europe, North America, Middle East, Southwest Asia, and Africa.

■***Competition***

The Seaport's cargo related revenues had an increase of 14.47% from fiscal year 2017. The Seaport's commitment to expanding its cargo business, coupled with incentivized cargo contracts will contribute to an overall cargo activity increase. The Seaport is encouraged and anticipates continued cargo activity growth in fiscal year 2019.

International trade and commerce is a key component of Miami-Dade's economy. Since achieving its highest level ever measured by value ($135.3 billion 2018 inflation adjusted dollars) in fiscal year 2013, merchandise trade passing through the Miami Customs District (that includes an area broader than Miami-Dade) has fallen 13.8% to $116.6 billion in fiscal year 2018.

In contrast to the recurring merchandise trade deficits that the United States maintains year after year, the Miami Customs District exports more than it imports resulting in a trade surplus. The surplus had been broadening in the two years leading up to fiscal year 2018. This trend can be seen in fiscal year 2018 when exports registered an increase of 6.2% compared to an increase of 0.2% during the prior year. Imports decreased by 13.9% following a decrease of 8.5% in the prior year. Most of the Miami Customs District export markets are in South America, Central America, and Europe accounting for nearly 90 percent of the total. In addition, the majority of all U.S. imported perishables from South America, Central America, and the Caribbean are passing through the Miami District.

Two of Miami-Dade County's barometers of trade activity are the freight tonnage moving through Miami International Airport and PortMiami ("the Seaport"). At the former, overall air freight tonnage increased 5.2%, after a nearly flat growth the preceding year. At the Seaport, cargo tonnage figures were up by 4.9% after increasing by 4.4% the year before. PortMiami accounts for 87% of total County trade measured by weight.

■***Tourism***

The state of Florida played host to more than 124 million overnight visitors for the first time in fiscal year 2018. Miami-Dade accounted for just over 13% of all visitors to the state.

Visitors to the Miami area increased by 3.8 % in fiscal year 2018, after falling by 0.7% the previous year, mainly thanks to Hurricane Irma. In total, there were 16.3 million overnight visitors, up from 15.7 million recorded in fiscal year 2017. The increase in visitors came from an increase in domestic and international visitors, both up by roughly 3.8%.

In conjunction with the increase in visitors, the Miami International Airport passenger levels stood at 44.9 million in fiscal year 2018, representing an annual increase of 2.7% reversing a fall of 2.5% in the prior year. Passenger traffic at PortMiami increased by 4.7% to 5.59 million passengers in fiscal year 2018 after a 7.2% increase in fiscal year 2017.

After a lower number of visitors coupled with an increased hotel room inventory in fiscal year 2017 led to a reduction in hotel occupancy rates to 75.2%, there was a recovery in fiscal year 2018 reaching 77.7% surpassing the 77.3% level of fiscal year 2016. The average hotel room rate increased $12 between fiscal year 2017 and fiscal year 2018 to $196.

■ ***Future Outlook***

As mentioned in the introductory section, since fiscal year 2016, the Miami-Dade economy has displayed signs of a mature phase of the economic cycle, in such a phase employment is high and grows at a slow pace, the unemployment rate is low and if it drops, it does so, modestly, and prices tend to start rising. Going forward, fiscal year 2019 will continue to operate under these same dynamics. This time, however, there is a diminished likelihood of improvement and a higher likelihood of softening given that fiscal year 2018 did not suffer from a negative shock as fiscal year 2017 did with Hurricane Irma, and given that the economic news is not a recently passed stimulative tax code overhaul but a government shutdown, uncertain international trade outlook and a possible hard Brexit on the horizon. 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 economies.

On the domestic front, the stimulative effect of the 2017 deficit financed tax overhaul is likely to start waning. This, coupled with government gridlock at the federal level due to the post-2018-elections-divided government and continued trade dispute-imposed tariffs, will pose significant headwinds to economic activity resulting in a slowdown of economic growth. These headwinds will likely give pause to the Federal Reserve resulting in little to no further interest rate hikes providing a backstop to the expected slowdown.

Economic conditions in Latin America, after underperforming expectations in 2018, should improve in 2019. Forecasts for Brazil, Chile and Colombia point to stronger growth in 2019, while Argentina, Mexico and Venezuela are expected to perform worse than in 2018. The slowing growth in the US economy coupled with the sluggish recovery of the Latin American region is likely to result in little change in trade in the Miami Customs District. Real estate and construction activity in fiscal year 2019 is expected to continue at fiscal year 2018 levels with price appreciation softening after years of brisk increases that have affected affordability for residents. Employment should continue to grow, but at a slower pace given that both idle workers and economic resources are harder to come by. The higher utilization rate of economic inputs coupled with a more restrictive immigration approach by the administration, should lead to higher wages and ultimately exert upward pressure on prices.

Evaluating all the likely developments in major areas of the economy leads to a forecast that the Miami-Dade economy appears poised to continue growing through fiscal year 2019, at a somewhat slower rate than during the previous fiscal year. The degree of expansion will depend upon the stability in government employment, the level of growth in investments by firms, the level of growth in tourism and growth rates in Central and South America and the Caribbean.

Long Term Financial Planning

MAJOR INITIATIVES

■ ***Construction Management***

The Seaport's proposed Capital Improvement Program funding for the period October 1, 2018 through September 30, 2023 is budgeted at approximately $940.5 million. Of this amount, approximately $886.6 million, $35.3 million and $18.6 million will be funded by debt proceeds, state grants, and other sources, respectively. Of the approximately $940.5 million in construction in progress expenditures (CIP), approximately $784.2 million, $43.4 million and $112.9 million will fund the Seaport facilities improvements, Port-wide equipment purchases and cargo facilities improvements, respectively.

The 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. Additionally, redevelopment of 80 acres of cargo terminal area will enhance cargo terminal operations and efficiencies will be achieved.

Additional information regarding the 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 l summarizes the funding sources for the Seaport's capital improvement program for the next fiscal year and fiscal years 2020 through 2023.

CHART 1
CIP FUNDING SOURCES
($ in thousands)

Revenue	**Fiscal Year 2019**	**Fiscal Year 2020 – 2023**	**Total**
Debt proceeds	$ 214,248	$ 672,330	$ 886,578
State grants	16,588	18,754	35,342
Other sources	11,900	6,656	18,556
Total	$ 242,736	$ 697,740	$ 940,476

CIP PROJECT SUMMARY
($ in thousands)

Expenditures	**Fiscal Year 2019**	**Fiscal Year 2020 – 2023**	**Total**
Cargo facilities; improvements	$ 42,909	$ 69,960	$ 112,869
Port facilities; improvements	186,653	597,593	784,246
Equipment purchases	13,174	30,187	43,361
Total	$ 242,736	$ 697,740	$ 940,476

Security

Securing the Seaport and providing efficient commerce will present challenges for the foreseeable future. The Seaport has made significant progress over the last three years to curtail and maintain security costs. It has successfully done this by modifying its security plan and investing in its security infrastructure. Over the last several fiscal years, the Seaport has made a significant investment in its security infrastructure. The corresponding funding needs for security has increased dramatically. The Seaport is currently compliant.

The Seaport continues to be recognized as one of Florida's leading ports. Cutting edge technology and 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. Customs and Border Protection, U.S. Coast Guard, Florida Department of Law Enforcement, Florida Fish and Wildlife Commission, Miami-Dade Police and Fire Rescue Departments and others working to achieve a shared, united mission. These efforts are helping to move legitimate commerce in a faster, 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 comprehensive annual financial report for the fiscal year ended September 30, 2017. This was the nineteenth 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 comprehensive annual 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 comprehensive annual 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,

Juan Kuryla,
Port Director and CEO

Hydi Webb,
Deputy Port Director

Andrew Hecker
Assistant Director for Finance and CFO

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Miami-Dade County

Seaport Department, Florida

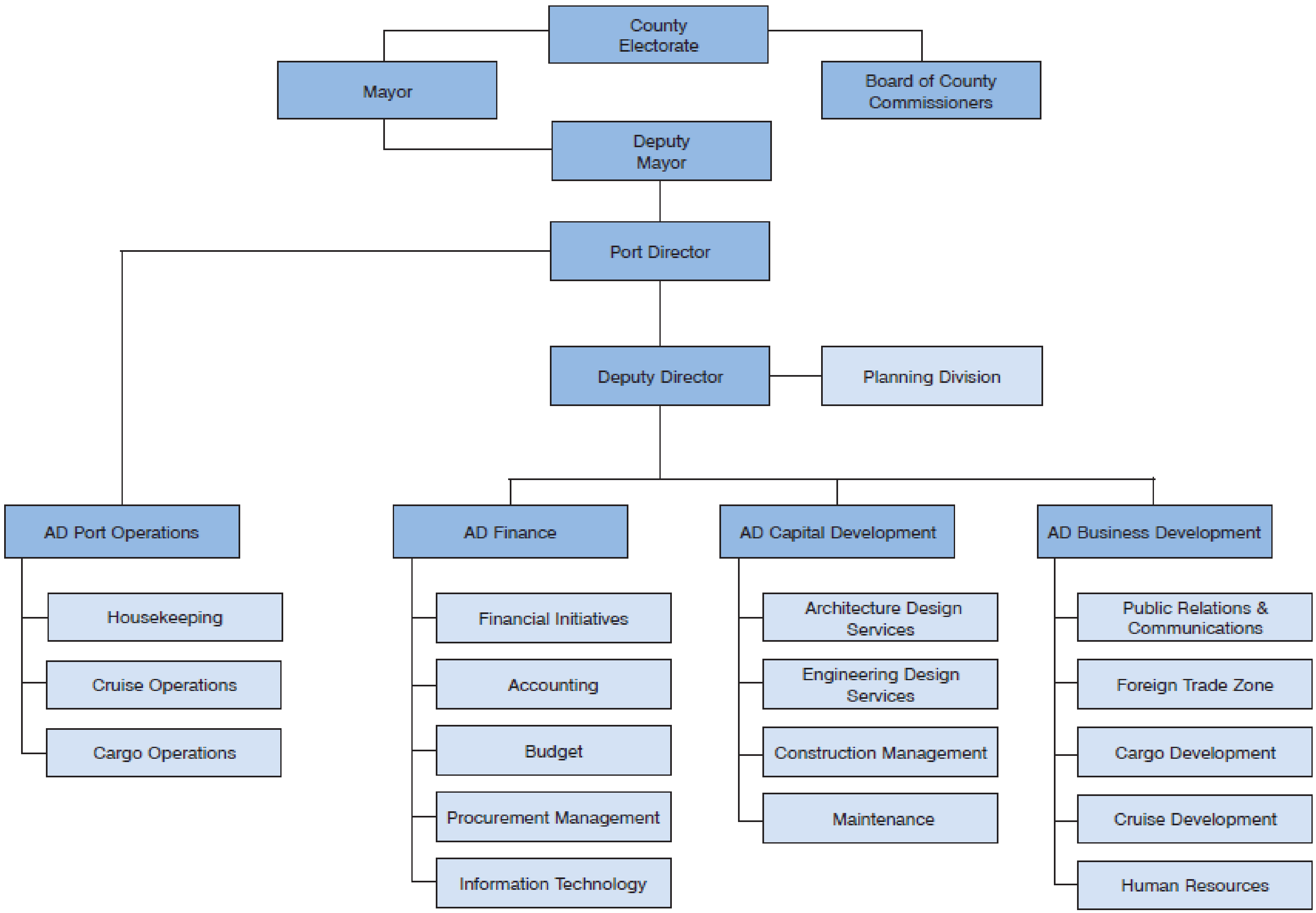
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO

Miami-Dade County Seaport Department Organizational Chart 2017-2018



FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Miami-Dade County Seaport Department (the Department), an enterprise fund of Miami-Dade County, Florida (the County), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Miami-Dade County Seaport Department, an enterprise fund of Miami-Dade County, Florida as of September 30, 2018, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1, the financial statements present only the Department and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida as of September 30, 2018, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress, and the pension and other post-employment benefits related schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2019, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

RSM US LLP

Miami, Florida
March 27, 2019

Management's Discussion and Analysis (MD&A) - unaudited

The following narrative provides an overview of the Miami-Dade County, Florida Seaport Department's (the "Seaport") financial activities and net position as of and for the fiscal year ended September 30, 2018. The MD&A represents management's analysis of the 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 the 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 the Seaport is improving or deteriorating over time.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the 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 the Seaport segregated in the following major categories: operating, non-capital financing activities, capital and related financing activities, and investing. These statements also present the changes in cash and cash equivalents of the 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 Seaport 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.

The Seaport's net position is summarized in Table I. Net position may be used to assess the financial position of the Seaport. Total Seaport net position as of September 30, 2018 was $211.0 million, comprising of approximately $304.3 million in net investment in capital assets; approximately $44.7 million in restricted for debt service and an unrestricted deficit of approximately $138.0 million. Total Seaport net position as of September 30, 2017 was $193.1 million, comprising of approximately $293.5 million in net investment in capital assets; approximately $13.2 million in restricted for debt service and an unrestricted deficit of approximately $113.6 million.

Table I

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

	Fiscal Year 2018	Change from Fiscal Year 2017	Fiscal Year 2017
Capital assets, net	$ 1,163.8	$ 30.5	$ 1,133.3
Current and other assets	320.3	92.8	227.5
Total assets	1,484.1	123.3	1,360.8
Deferred outflows of resources	16.6	(2.1)	18.7
Long-term liabilities outstanding	1,203.4	101.9	1,101.5
Other liabilities	84.0	0.6	83.4
Total liabilities	1,287.4	102.5	1,184.9
Total deferred inflow of resources	2.3	0.8	1.5
Net position:			
Net investment in capital assets	304.3	10.8	293.5
Restricted	44.7	31.5	13.2
Unrestricted (deficit)	(138.0)	(24.4)	(113.6)
Total net position	$ 211.0	$ 17.9	$ 193.1

The increase in net investment in capital assets from fiscal year 2017 to 2018, can be mostly attributed to capital additions, offset by depreciation recorded in fiscal year 2018. The increase in the unrestricted deficit from fiscal year 2017 to 2018, can be mostly attributed to additional funds being restricted for debt service as required by the Seaport's various debt agreements and bond ordinance. The Seaport recorded an OPEB liability for the year ended September 30, 2018 in the amount of $5.9 million as a result of implementing GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* effective October 1, 2017 (GASB 75). Seaport restated its beginning net position by $4.8 million for the adoption of GASB 75, as described in Note 1.

The 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 2040 Master Plan is currently being prepared with completion expected in fiscal year 2019.

Table II summarizes the change in the Seaport's net position. Total net position as of September 30, 2018 was approximately $211.0 million, representing an increase of approximately $17.9 million from prior year. The increase in fiscal year 2018 can be mostly attributed to an increase in intergovernmental revenue.

Seaport's negative unrestricted net position balance resulted from Seaport's $177.7 million contribution to the Florida Department of Transportation (FDOT) for the Tunnel Project. In March 2015 FDOT and the County entered into a Joint Participating Agreement (JPA) to pay the County from annually appropriated State Comprehensive Enhance Transportation System Tax (SCETS) the amount of $17 million annually in each of the State's fiscal years 2019 through 2041.

Because the SCETS funds are subject to annual appropriation by FDOT, Government Accounting Standards does not allow revenues to be reported until the funds are appropriated and therefore revenues will only be reported for the annual amount appropriated each year. If revenues for the full amount expected to be appropriated by FDOT was reported, it would offset the negative unrestricted net position previously discussed.

Table II

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

	Fiscal Year 2018	Change from Fiscal Year 2007 2017	Fiscal Year 2017
Operating revenues			
Cruise wharfage/dockage	$ 77.0	$ (16.3)	$ 93.3
Cargo wharfage/dockage	22.7	3.4	19.3
Container crane user fees	15.0	1.3	13.7
Rentals	23.1	1.0	22.1
Ground transportation	1.6	(0.7)	2.3
Parking	14.1	0.3	13.8
Miscellaneous charges and fees	2.4	0.1	2.3
Total operating revenues	155.9	(10.9)	166.8
Investment earnings	2.3	1.4	0.9
Other nonoperating	17.7	9.1	8.6
Total revenues	175.9	(0.4)	176.3
Operating expenses	80.4	0.9	79.5
Depreciation	31.9	1.3	30.6
Interest expense, net	41.0	1.8	39.2
Other nonoperating expenses	3.3	1.7	1.6
Total expenses	156.6	5.7	150.9
Net Income (loss) before contributions	19.3	(6.1)	25.4
Net contributions	3.4	1.8	1.6
Change in net position	22.7	(4.3)	27.0
Net position, beginning	193.1		166.1
Restatement – GASB No. 75	(4.8)		-
Net position – beginning, as restated (Note 1)	188.3		166.1
Net position at end of year	$ 211.0		$ 193.1

The Seaport implemented GASB Statement No. 75 as of October 1, 2017. Information was not available to implement GASB 75 for the prior period presented in the MD&A.

Operating revenues for fiscal year 2018 were approximately $155.9 million or $10.9 million lower than fiscal year 2017. The decrease can be mostly attributed to decrease in cruise and related revenues offset by increases in cargo and related revenues, container crane revenues and rental revenues. The decrease in cruise related revenue is mostly related to a one-time contract termination payment from one of the Port's cruise operators which was recognized in 2017 in the amount of $20 million. The increases in cargo and related revenues and container crane revenues can mostly be attributed to an increase in cargo activity.

Table III summarizes and compares the Seaport's operating revenues.

Table III

Summary of Operating Revenues
For the Fiscal Years Ended September 30,
($ in millions)

	Fiscal Year 2018	Change from Fiscal Year 2017	Fiscal Year 2017
Operating Revenues:			
Cruise wharfage/dockage	$ 77.0	$ (16.3)	$ 93.3
Cargo wharfage/dockage	22.7	3.4	19.3
Container crane user fees	15.0	1.3	13.7
Rentals	23.1	1.0	22.1
Ground transportation	1.6	(0.7)	2.3
Parking	14.1	0.3	13.8
Miscellaneous fees and charges	2.4	0.1	2.3
Total revenues	$ 155.9	$ (10.9)	$ 166.8

Operating expenses for fiscal year 2018 increased approximately $0.9 million from the prior year. The increases in cruise operations and cargo operations expense categories can mostly be attributed to increases in passenger and cargo related activities, respectively. The increase in security costs is mostly related to increases in personnel and police services.

Table IV below summarizes the Seaport's operating expenses.

Table IV

Summary of Operating Expenses (Exclusive of Depreciation)
For the Fiscal Years Ended September 30,
($ in millions)

	Fiscal Year 2018	Change from Fiscal Year 2017	Fiscal Year 2017
Operating Expenses:			
Cruise operations	$ 8.9	$ 0.7	$ 8.2
Cargo 0perations	1.9	0.3	1.6
Maintenance	9.1	(0.3)	9.4
Utilities	2.7	(0.3)	3.0
Marketing and advertising	2.2	-	2.2
Gantry crane operations	9.5	0.7	8.8
Security	20.9	0.4	20.5
General and administration	25.2	(0.6)	25.8
Total operating expenses	$ 80.4	$ 0.9	$ 79.5

Capital assets and debt administration

Capital assets

The Seaport's total capital assets (net of depreciation) at September 2018 and September 30, 2017, was $1.2 billion and $1.1 billion, respectively. The increase of $31.7 million can be mostly attributed to costs incurred for various capital construction projects in accordance with the Seaport'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 the Seaport's investment in capital assets.

Table V

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

	Fiscal Year 2018	Change from Fiscal 2017	Fiscal Year 2017
Land and related costs	$ 166.0	$ 1.8	$ 164.2
Port dredging and related costs	323.2	(0.9)	324.1
Buildings, transit sheds and terminals	303.3	31.9	271.4
Machinery and equipment	43.5	(3.6)	47.1
Improvements other than buildings	221.1	(8.3)	229.4
Construction in progress	106.7	9.6	97.1
Totals	$ 1,163.8	$ 30.5	$ 1,133.3

During fiscal year 2018, several construction projects were completed. The major projects completed were the construction of certain cruise terminal improvements; certain cruise related infrastructure projects and certain security 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 Seaport's Master Development program are as follows:

Projects underway

- A new cruise terminal
- Cruise terminal improvements to various terminals to accommodate larger vessels
- Cargo yard related improvements
- Security enhancements
- Port-Wide infrastructure improvements

Debt administration

At September 30, 2018 and 2017, the Seaport had approximately $997.3 million and $1.0 billion in bonds and loans outstanding, respectively. The decrease in fiscal year 2018 is attributed to making annual scheduled principal payments. Additional long-term debt detail can be found in Notes 4 and 6 to the financial statements.

Table VI

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

	Fiscal Year 2018	Change from Fiscal Year 2017	Fiscal Year 2017
Seaport general obligation bonds	$ 71.4	$ (6.3)	$ 77.7
Seaport revenue bonds	562.3	(6.8)	569.1
Sunshine state loans	264.9	(12.1)	277.0
Capital acquisition bonds	98.7	(4.2)	102.9
Totals	$ 997.3	$ (29.4)	$ 1,026.7

The Seaports debt was rated by Moody's Investor Service and Fitch Ratings Inc. On March 29, 2018, Moody's Investor Services affirmed the "Baa1" rating on the Seaport Revenue Bonds and changed the rating outlook from stable to positive. Moody's Baa1 rating results from the Port's strong competitive position as the largest cruise port in the world and among the largest cargo ports in the State of Florida. In addition, close to 80% of future expected operating revenues over the next few years is covered by minimum annual guarantee revenue contracts which provide substantial revenue and cash flow stability. On June 15, 2018, Fitch Ratings affirmed an "A" rating with a stable outlook on all Seaport Revenue Bonds also based on PortMiami's leading market position and sizeable minimum annual guaranteed revenues.

Other Obligations. The 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 the Seaport's participation in the County's self-insurance program is included in Note 10. Other 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 2018, cargo activity, measured in Twenty Foot Equivalent Units (TEUS) approximately increased by 5.8%. The Seaport 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 the 2015 fiscal year, PortMiami implemented a new cargo incentive program. The Port Incentive Program is based on the volume of a shipping line's qualifying containers in a given year for which the Port receives both full and timely payment of TEU wharfage and dockage charges. For qualifying containers that meet all incentive program eligibility conditions and criteria, there are five (5) incentive categories of which four (4) are to an overall $35 per container incentive cap. The super-container category (over 100,000 containers per year) is not subject to the incentive cap. The incentives have been successful in attracting new services from competitor ports. The Port is optimistic that this will continue. This is based on the expectation that economic growth in Latin America will continue to improve and that trade with Europe, South America, and Asia, particularly China after the expansion of the Panama Canal, will increase. The expansion of the Panama Canal together with the deepening of the Port harbor has created new opportunities to attract the larger cargo vessels able to cross the Panama Canal. Additionally, the Free Trade Agreements with Colombia, Panama, and South Korea will offer opportunities to expand international trade and commerce benefitting the Port Miami and the State of Florida.

For 2019, it is expected that the number of visitors to Miami-Dade County will increase. During fiscal year 2018, approximately 5.6 million passengers came through PortMiami. This represented an increase of 4.7% from fiscal year 2017. The Seaport is extremely optimistic and encouraged with its future. The Tunnel; Deep Dredge and related projects and the reengineering of the port railroad projects allow PortMiami to increase throughput, become more efficient and position itself as a key player in the global marketplace. These major enhancements to the region's transportation infrastructure provide new efficiencies with the goal of doubling cargo traffic over the next decade. Additionally, the Port's re-engineered rail line provides access to reach key distribution centers throughout the U.S. quickly and efficiently. The Deep Dredge provides access to Post Panamax cargo ships and positions Port Miami as a key Port in the global market place. Deepening PortMiami's waters to -50 feet allow the largest cargo ships to cross the Panama Canal to call Port Miami home. In all, the trio of port enhancements will create thousands of new jobs, making South Florida a true powerhouse in international trade and commerce.

Annually the Seaport scrutinizes Terminal Tariff No. 010 to ensure the Seaport's ability to meet its budgetary obligations through Tariff revenues. The adopted budget for fiscal year 2019 includes the necessary increases in order for the Seaport to meets its budgetary obligations. The 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 the Seaport's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Controller
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
As of September 30, 2018

Assets	
Current assets:	
Pooled cash and cash equivalents	$ 20,274,885
Pooled investments	77,406,372
Accounts receivable, less allowance for doubtful account of $329,835	11,996,709
Prepaid expenses and other current assets	7,512,908
Grant receivable	746,760
Total current unrestricted assets	117,937,634
Restricted assets:	
Current restricted assets	
Pooled cash and cash equivalents	38,687,291
Pooled investments	18,497,278
Due from other government	17,000,000
Total current restricted assets	74,184,569
Total current assets	192,122,203
Noncurrent assets:	
Noncurrent restricted assets	
Pooled investments	127,634,038
Advance to other government	556,000
Total noncurrent restricted assets	128,190,038
Capital assets:	
Land and related costs	165,955,153
Dredging and related costs	323,181,636
Buildings, transit sheds and terminals	590,003,288
Improvements other than buildings	365,951,070
Machinery and equipment	101,637,886
Construction in progress	106,682,315
Capital assets, gross	1,653,411,348
Less accumulated depreciation	(489,583,757)
Capital assets, net	1,163,827,591
Total noncurrent assets	1,292,017,629
Total assets	1,484,139,832
Deferred outflows of resources:	
Loss on refunding debt	8,439,391
Pension related	8,181,000
Total deferred outflows of resources	$ 16,620,391

(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)
As of September 30, 2018

Liabilities and Net Position	
Current liabilities payable from unrestricted assets:	
Accounts payable and accrued expenses	$ 24,129,164
Accrued payroll and related expenses	536,440
Compensated absences	1,814,899
Current portion of loans payable	12,120,000
Current portion of capital acquisition bonds payable	4,300,000
Current portion of capital lease liability	158,848
Due to other Miami-Dade County funds	327,662
Total current liabilities payable from unrestricted assets	43,387,013
Current liabilities payable from restricted assets:	
Current portion of revenue and general obligation bonds payable	47,293,333
Accrued interest payable	15,972,319
Accounts payable and accrued expenses	9,533,433
Contracts and retainage payable	1,385,484
Total current liabilities payable from restricted assets	74,184,569
Total current liabilities payable from unrestricted and restricted assets	117,571,582
Long-term liabilities:	
Bonds payable, net	601,491,305
Loans payable, net	261,599,724
Capital acquisition bonds payable, net	99,260,538
Capital lease liability	3,643,048
Commercial paper liability	170,262,000
Unearned revenue	1,295,122
Compensated absences	5,508,641
Other post-employment liability	5,877,000
Net pension liability	20,873,000
Total long-term liabilities	1,169,810,378
Total liabilities	1,287,381,960
Deferred inflows of resources:	
Pension related	2,038,000
Other post-employment benefit	305,419
Total deferred inflows of resources	2,343,419
Net Position	
Net investment in capital assets	304,317,845
Restricted for debt service and reserve	44,715,000
Unrestricted (deficit)	(137,998,001)
Total net position	$ 211,034,844

(Concluded)

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

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Year Ended September 30, 2018

Operating revenues:	
Cruise wharfage/dockage	**$ 76,996,708**
Cargo wharfage/dockage	**22,720,877**
Container crane user fees	**15,017,565**
Rentals	**23,120,111**
Ground transportation	**1,625,418**
Parking	**14,068,378**
Miscellaneous charges and fees	**2,379,392**
Total operating revenues	**155,928,449**
Operating expenses:	
Cruise operations	**8,864,865**
Cargo operations	**1,877,198**
Maintenance	**9,097,372**
Utilities	**2,758,145**
Marketing and advertising	**2,167,344**
Gantry crane operations	**9,486,682**
Security	**20,931,144**
General and administrative	**25,200,997**
Total operating expenses before depreciation	**80,383,747**
Operating income before depreciation	**75,544,702**
Depreciation expense	**31,871,769**
Operating income	**43,672,933**
Nonoperating revenues (expenses):	
Investment earnings	**2,344,306**
Interest subsidy	**670,707**
Interest expense, net of capitalized interest	**(40,987,606)**
Intergovernmental revenue	**17,000,000**
Other, net	**(731,950)**
Total nonoperating revenues (expenses)	**(21,704,543)**
Income before capital contributions and transfers	**21,968,390**
Capital contributions	**2,288,672**
Capital contributions – specific to port dredging	**1,089,283**
Transfer out	**(2,600,000)**
Change in net position	**22,746,345**
Total net position – Beginning as restated (Note 1)	**188,288,499**
Total net position – Ending	**$ 211,034,844**

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, 2018

Cash flows from operating activities:	
Cash received from customers and tenants	**$ 154,587,559**
Cash paid to suppliers	**(44,081,548)**
Cash paid to employees for services	**(31,839,435)**
Net cash provided by operating activities	**78,666,576**
Cash flows from noncapital financing activities:	
State comprehensive enhanced transportation system tax received	**8,000,000**
Grants received	**2,369,786**
Principal paid	**(452,517)**
Interest paid	**(4,835,330)**
Transfer out	**(2,600,000)**
Net cash provided by noncapital financing activities	**2,481,939**
Cash flows from capital and related financing activities:	
Principal payments:	
Bonds	**(12,707,483)**
Notes and loans	**(12,085,000)**
Capital Acquisition Bonds	**(4,215,000)**
Capital lease	**(147,484)**
Interest paid	**(39,407,408)**
Interest subsidy received	**670,707**
Purchase of capital assets	**(64,857,118)**
Proceeds from issuing commercial paper notes	**133,000,000**
Issuance costs for commercial paper	**(731,950)**
Advance to other government	**(556,000)**
Net cash used in capital and related financing activities	**(1,036,736)**
Cash flows from investing activities	
Investments purchased	**(223,839,507)**
Proceeds from sale and maturities of investments	**174,657,248**
Interest and dividends from investments	**2,646,126**
Net cash used in investing activities	**(46,536,133)**
Net increase in cash and cash equivalents	**33,575,646**
Cash and cash equivalents (including restricted assets) at beginning of year	**25,386,530**
Cash and cash equivalents (including restricted assets) at end of year	**$ 58,962,176**

(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, 2018

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 43,672,933
Adjustments to reconcile operating income to net cash:	
Depreciation	31,871,769
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable, net	(1,340,889)
(Increase) decrease in prepaid expenses and other current assets	373,117
Increase (decrease) in accounts payable, accrued expenses and due to other Miami-Dade County Funds	4,230,778
Increase (decrease) in accrued payroll and related expenses	25,705
Increase (decrease) in compensated absences	214,163
Increase (decrease) in other post–employment benefits	7,581
Increase (decrease) in net pension liability	(2,524,000)
Increase (decrease) in deferred inflows/outflows, net	2,135,419
Net cash provided by operating activities	$ 78,666,576

Supplemental disclosure for noncash investing, capital and financing activities:

(a) Construction and related liabilities were $10,918,917 for fiscal year ended. Additionally, the Seaport capitalized $2,552,398 of interest expense for the fiscal year ended.

(b) As of September 30, 2018, the Seaport had a balance of $1,295,122 in Unearned revenues related to the Dredging project. Additionally, the Seaport recorded $1,089,283 in noncash contributions related to the Dredging project.

(c) Capital grants receivable was $746,760 for the fiscal year ended.

(d) For fiscal year 2018, the Seaport recorded $588,753 of unrealized losses for the changes in fair value investments.

(e) In fiscal year 2018, the Seaport demolished a building with a book value of $1,447,198.

(Concluded)

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

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Note 1. General Description and Significant Accounting Policies

General description: The 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. The 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 market 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 variations in fair value are recognized for the year. In fiscal year 2018, the Seaport recorded unrealized losses of $588,753 in the Statement of Revenues, Expenses and Changes in Net Position as part of investment earnings.

For purposes of the statements of cash flows, the 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 $0.33 million for fiscal year ended 2018.

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

Restricted assets: The use of certain assets is restricted by debt and capital 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: The 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 $1,000 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, except for the amount of interest that is capitalized which is determined by applying the Seaport's weighted average interest rate to the average amount of qualifying accumulated expenditures for capital construction during the period and for interest related to tax-exempt borrowings approved for specific construction projects. In fiscal year 2018, the Seaport incurred interest expense of approximately $41.0 million, net of capitalized interest of approximately $2.55 million.

Deferred outflows and inflows of resources: The 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, the items in this category include deferred loss on refunding debt and deferred outflow of resources related to pensions. The 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.

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

The difference between expected and actual experience of the pension plan is deferred and amortized over the remaining service lives of all employees (in years). The other items in this category are deferred outflow of resources related to pensions.

Deferred inflow of resources represents the acquisition of net position applicable 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 and other post-employment benefits other than pensions (OPEB).

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: The 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: The County, along with the 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), 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: The 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 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, 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 revenue captions are as follows on the next page.

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

The components of the major 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.
- Cargo Dockage — revenue from charges assessed to cargo vessels for use of berthing space.
- Rentals — 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.

For financial statement presentation purposes, cruise wharfage/dockage revenues are reported net of certain negotiated incentive payments provided to cruise operators. The largest of these incentives (approximately 70% of the total) is derived from a pro-rata distribution of Port parking revenues. These incentives are calculated independent of passenger wharfage/dockage fees charged by the Port.

For fiscal year 2018, approximately 97% of the Port's operating revenues and 58% of corresponding receivables are generated from nine major operators, net of incentive discounts/rebates as required by the individual operating agreements. The following table summarize the balances for cruise and cargo operators. (Amounts are in thousands).

Cruise Operator	Revenue	Receivable	Cargo Operator	Revenue	Receivable
Company A	$ 36,295	$ 1,667	Company G	$ 15,997	$ 1,873
Company B	27,224	221	Company H	16,571	307
Company C	25,687	990	Company I	16,502	1,119
Company D	624	134			
Company E	9,372	662			
Company F	2,979	-			
Total *	$ 102,181	$ 3,674	Total **	$ 49,070	$ 3,299

* Includes cruise wharfage/dockage net of certain negotiated incentive payments.
** Includes cargo wharfage/dockage, rental revenues and container crane user fees.

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

Rates, fees, rentals and other charges: If not specified by contract, the 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, the 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 the Seaport's consulting engineers for revisions. The consulting engineers review the rates and issues recommendations to meet the Master Bond Ordinance's provisions. The Seaport reviews its tariffs annually during the budget process for any necessary revisions.

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 the fiscal year ending 2018, upfront payment of $556,000 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: The Seaport recorded a receivable from FDOT related to the State Comprehensive Transportation System Tax (SCETS) revenues to be received annually starting in fiscal year 2017 through fiscal year 2041. 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 the Seaport has not met all of the eligibility requirements imposed by the provider to allow for revenue recognition.

Net position: The 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.

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

Restatement of Prior Year Net Position Balance: In fiscal year 2018, the Seaport adopted GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions (OPEB). GASB* 75 replaces Statements No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions* and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. GASB 75 addresses accounting and financial reporting for OPEB that is provided to employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. GASB 75 requires a liability for OPEB obligations, known as the OPEB liability and deferred inflows/outflows related to OPEB to be recognized on the Statement of Net Position of participating employers. Similarly, an OPEB expense will be recognized on the Statement of Revenues, Expenses and Changes in Net Position.

The implementation of GASB Statements No. 75 required the Seaport to restate beginning net position, and to report a total OPEB liability and related amounts. Beginning Net Position as of October 1, 2017 has been restated as follows:

Net Position: October 1, 2017	$ 193,128,918
Cumulative effect of the implementation of GASB 75	(4,840,419)
Net Position: October 1, 2017, as restated	$ 188,288,499

The implementation of GASB Statement No. 75 resulted in the Seaport recording an additional OPEB liability of $4.8 million as of October 1, 2017.

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 2018, the carrying amounts of Seaport's pooled cash is $59.0 million, pooled current and noncurrent investments for the Seaport are $77.4 million and $146.1 million, respectively, which represents less than 10% of the County's pooled cash, cash equivalent and investments as of September 30, 2018. (see the County's Comprehensive Annual 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 2018, 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 the year ended September 30, 2018, is as follows (in thousands):

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	$ 164,207	$ 1,748	$ -	$ 165,955
Port dredging and related costs	324,064	317	(1,200)	323,181
Construction in progress	97,042	61,607	(51,967)	106,682
Total capital assets not being depreciated	585,313	63,672	(53,167)	595,818
Capital assets being depreciated:				
Buildings, transit sheds and terminals	541,464	49,986	(1,447)	590,003
Improvements other than buildings	365,951	-	-	365,951
Machinery and equipment	99,703	1,935	-	101,638
Total capital assets being depreciated	1,007,118	51,921	(1,447)	1,057,592
Less accumulated depreciation for:				
Buildings, transit sheds and terminals	(270,039)	(18,036)	1,447	(286,628)
Improvements other than buildings	(136,541)	(8,311)	-	(144,852)
Machinery and equipment	(52,579)	(5,524)	-	(58,103)
Total accumulated depreciation	(459,159)	(31,871)	1,447	(489,583)
Total capital assets being depreciated, net	547,959	20,050	-	568,009
Total capital assets, net	$ 1,133,272	$ 83,722	$ (53,167)	$ 1,163,827

The following table summarizes the major construction in progress projects for the Port as of September 30, 2018 (dollars in thousands):

Project Description	Amount
Cruise terminal improvements	$ 63,343
Security enhancements	3,501
Cargo yard related improvements	11,079
Port-wide infrastructure improvements	22,229
Total	$ 100,152

Note 4. Long-Term Debt

Bond Covenant

Under the provisions of the Miami-Dade County, Florida Master Ordinance 88-66, as amended, (the "Ordinance") authorizing the issuance of senior lien bonds, the County issued Seaport Revenue Bonds and Seaport General Obligation Bonds on a parity basis. Principal is paid annually on October 1 for all Revenue and General Obligation Bonds; interest is paid semiannually on October 1 and April 1 every year. The revenue bonds are payable solely from the revenue of the Seaport and are not general obligations of the County. The general obligation bonds are payable primarily from the revenue of the Seaport, and, to the extent that the revenue of the Seaport is insufficient, are payable from ad-valorem taxes levied on property in Miami-Dade County without limit as to rate or amount.

The Ordinance requires the County to maintain and revise the schedule of rates and fees at the Seaport such that operating revenue shall be sufficient to provide an amount at least equal to the total of 100% of operating expenses (seaport operations, as defined), as computed from the annual budget. Operating income, defined as revenue less operating expenses before depreciation must be at least 125% of the maximum principal and interest requirements on all revenue bonds for any future fiscal year plus 110% of the maximum principal and interest requirements on general obligation bonds for any future fiscal year. The Seaport must have debt service reserves at least equal to 100% of the amount required to pay maturing principal and interest semiannually. 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. The Seaport expects to receive the SCETS tax from the Florida Department of Transportation for fiscal years 2019 thru 2041, as a reimbursement to the Seaport for its portion of the cash contributions made towards construction of the FDOT owned Port Tunnel.

On July 1 2018, the State of Florida appropriated $17 million dollars which have been recorded as a revenue and related Due from other governments in Seaport's Statements of Revenues, Expenses and Changes in Net Position and Statements of Net Position, respectively, for the current fiscal year ended September 30, 2018.

Note 4. Long-Term Debt (Continued)

A summary of the Seaport's long-term debt outstanding as of September 30, 2018, is presented in the following table (amounts in thousands):

Description	Year Issued	Interest Rate	Amount Issued	Year of Maturity	Outstanding Balance
Revenue Bonds:					
Series 2013 A (fixed rate)	2013	4.00%-6.00%	244,140	2043	$ 240,395
Series 2013 B (fixed rate)	2013	5.00%-6.25%	109,220	2043	107,265
Series 2013 D (Refunding Bonds)	2013	2.00%-6.00%	17,465	2027	13,130
Series 2014 A (variable rate)	2014	2.03%	181,320	2051	181,320
Series 2014 B (variable rate)	2014	2.07%	20,150	2051	20,150
Unamortized premium					10,588
Less: Current portion					(7,130)
Total Long-term Revenue Bonds					565,718
General Obligation Bonds:					
Series 2011C (Refunding Bonds)	2011	2.00%-5.00%	111,375	2026	71,375
Unamortized premium					4,562
Less: Current portion					(6,585)
Total Long-term General Obligation Bonds					69,352
Sunshine State Loans:					
Series 2010A (variable rate)	2014	1.91%	47,620	2035	46,205
Series 2010A-1 (fixed rate)	2014	4.00%-5.00%	65,330	2028	54,105
Series 2010B (variable rate)	2014	1.91%	47,620	2035	46,205
Series 2010B-1 (fixed rate)	2014	4.00%-5.00%	60,670	2028	49,445
Series 2011A (fixed rate)	2011	5.00%	50,105	2021	11,990
Series 2011B-1 (fixed rate)	2014	3.75%-5.50%	28,500	2032	28,500
Series 2011C-1 (fixed rate)	2014	4.00%-5.50%	28,500	2032	28,500
Unamortized premium					8,770
Less: Current portion					(12,120)
Total Long-term Sunshine State Loans					261,600
Capital Asset Acquisition Bonds:					
Series 2009A	2009	4.31%-4.37%	68,630	2019	2,510
Series 2017A (Refunding Bonds)	2017	3.00%-5.00%	47,510	2039	47,510
Series 2010D	2010	7.50%	21,277	2040	21,277
Series 2010E	2010	3.50%-5.00%	38,050	2030	27,415
Unamortized premium					4,848
Less: Current portion					(4,300)
Total Long-term Capital Asset Acquisition Bonds					99,260
Total Long-term debt, net					$ 995,930

Note 4. Long-Term Debt (Continued)

Seaport Revenue Bonds

Seaport Revenue Bonds, Series 2013A—On September 20, 2013, the County issued $244.14 million of Seaport Revenue Bonds, Series 2013A (Series 2013A Bonds). The proceeds of $251.8 million were used to: (1) pay costs of certain improvements and capital expenditures for various Seaport facilities; (2) pay issuance costs; (3) pay certain capitalized interest on the Series 2013A Bonds; (4) and fund the reserve account requirement for the Series 2013A Bonds. The Series 2013A Bonds are scheduled for payment through 2043.

Seaport Revenue Bonds, Series 2013B—On September 20, 2013, the County issued $109.22 million of Seaport Revenue Bonds, Series 2013B (Series 2013B Bonds). The proceeds of $113.1 million were used to: (1) pay costs of certain improvements and capital expenditures for various Seaport facilities; (2) pay issuance costs; (3) pay certain capitalized interest on the Series 2013B Bonds; (4) and fund the reserve account requirement for the Series 2013B Bonds. The Series 2013B Bonds are scheduled for payment through 2043.

Seaport Revenue Refunding Bonds, Series 2013D—On September 20, 2013, the County issued $17.5 million of Seaport Revenue Refunding Bonds, Series 2013D (Series 2013D Bonds). The proceeds of $19.0 million were used to: (1) refund substantially all of Series 1996 Bonds; (2) and pay issuance costs. The Series 2013D Bonds are scheduled for payment through 2027.

Seaport Variable Rate Demand Revenue Bonds, Series 2014A—On May 8, 2014, the County issued $181.3 million of Seaport Variable Rate Demand Revenue Bonds, Series 2014A (Series 2014A Variable Rate Bonds). The proceeds of $181.3 million were used to: (1) pay contributions to FDOT for Port Tunnel Project; (2) fund the reserve account requirement for the Series 2014A Bonds; (3) and pay issuance costs. The Series 2014A Bonds are scheduled for payment through 2051.

Seaport Variable Rate Demand Revenue Bonds, Series 2014B—On May 8, 2014, the County issued $20.15 million of Seaport Variable Rate Demand Revenue Bonds, Series 2014B (Series 2014B Variable Rate Bonds). The proceeds of $20.15 million were used to: (1) pay costs of certain improvements and capital expenditures for various Seaport facilities; (2) fund the reserve account requirement for the Series 2014B Bonds; (3) and pay issuance costs. The Series 2014B Bonds are scheduled for payment through 2051.

Series 2014A and 2014B Variable Rate Bonds (2014 Bonds)

The 2014 Bonds are being secured by an irrevocable, direct-pay letter of credit (LOC's) issued by a Credit Facility Provider ("The Bank"). Under the LOC agreement, the agent is permitted to draw thereon to pay: (i) principal when due whether at stated maturity or sinking fund redemption; (ii) portion of the purchase price equal to the principal amount tendered for optional or mandatory purchase; and (iii) up to 56 days' interest accrued calculated at a rate of 12% per annum. The LOC serves as a Liquidity Facility for the 2014 Bonds in the Weekly Mode and will expire on May 7, 2019. Seaport intends to obtain a new LOC provider prior to May 7, 2019. If there's no replacement for the LOC provider, the Series 2014 Bonds shall be subject to mandatory tender for purchase in the amount of $201.5 million. In the event that the LOC is drawn upon the amounts due will be converted to a three year term loan.

Seaport General Obligation Bonds

Seaport General Obligation, Refunding Bonds, Series 2011C—On May 26, 2011, the County issued $111.4 million of Seaport General Obligation Refunding Bonds, Series 2011C (Series 2011C Bonds) for the primary purpose of refunding, defeasing and redeeming together with other available funds, all of the County issued $149.9 million Seaport General Obligation Refunding Bonds, Series 1996. The net proceeds of $119.6 million together with $3.5 million of other funds from the County totaling $123.1 million of which $122.6 million was deposited by the County with the escrow agent and $458,644 was used for the Series 2011C issuance costs. The series 2011C G.O. Refunding Bonds are scheduled for payment through 2026.

Note 4. Long-Term Debt (Continued)

Loans Payable and Sunshine State Governmental Finance Commission

The Sunshine State loans payable represent junior lien debt of the Seaport and are subordinate to all other outstanding Seaport debt. Additionally, all covenants associated with the loan agreements for the Sunshine State Governmental Financing Commission (thereafter the "Commission") loans are applicable to the County and not the Seaport.

Sunshine State Loans

The Sunshine State loans payable are secured by a covenant of the County to appropriate in its annual budget sufficient funds from legally available non-ad valorem revenue to satisfy the debt service requirements on the loans. Although the security for the loans payable is the promise to budget legally available non-ad valorem revenue, the actual debt service is expected to be paid solely from available Seaport revenue; accordingly, the debt has been reflected in the accompanying financial statements of Seaport.

Series 2010A and 2010B Bonds (variable rate)

On December 30, 2010, the Commission issued multimodal bonds in a variable rate mode known as the Series 2010A & 2010B Bonds. The proceeds were used to replace $226 million of previously issued commission series loans. On December 17, 2013, the Commission reoffered and sold $95.2 million of Multimodal Revenue Bonds, which are unconverted variable rate bonds known as Series 2010A & 2010B Bonds. The Series 2010A & 2010B Bonds will remain in a weekly interest rate mode and will bear interest at rates determined by the remarketing agent. In connection with the Series 2010A and 2010 B Bonds, the Commission renewed a LOC agreement which will expire in December 2019. See Note 14 for more information on the LOCs renewal.

In the event that the LOCs are not renewed and replacement LOCs are not provided, the Seaport shall prepay the loan in full by paying the then applicable prepayment price in the amount of approximately $92.4 million (balance as of December 2019). As of September 30, 2018, no draw had been made against the LOCs.

Series 2010A-1, 2010B-1 (fixed rate)

On December 19, 2013, Seaport converted $126 million of the original $225 million of the Series 2010A and 2010B variable rate bonds to Series 2010A-1 and 2010B-1 fixed rate bonds. The conversion resulted in the principal amounts of Series 2010A and Series 2010B Bonds being converted from a weekly rate reset period (variable rate) to a long term interest rate period (fixed rate). The proceeds of $134.4 million from the conversion were used to: (a) Redeem the Series 2010A and 2010B Bonds in the amount of $126 million under the conversion option; (b) Reimburse the Letter of Credit draw of $4.6 million with regards to the Multimodal Revenue Bonds Series 2010B maturing 2025; (c) Redeem the Series 2010A Bonds and Series 2010B Bonds maturing 2035 for $2.8 million; and (e) pay issuance costs related to the conversion of $852 thousand.

Series 2011B-1 and 2011C-1 Bonds (fixed rate)

On February 27, 2014, the Seaport exercised the conversion option included in its Commission Multimodal Revenue Bonds trust indenture and converted its Series 2011B and 2011C variable rate bonds to Series 2011B-1 and 2011C-1 fixed rate bonds. The conversion resulted in the principal amounts of Series 2011B and Series 2011C bonds being converted from a weekly rate reset period (variable rate) to a long term interest rate period (fixed rate). The proceeds of $61 million (which included a premium of $4 million) from the conversion were used to: (a) Redeem the Series 2011B Bonds maturing from 2022 through 2032 for $28.5 million; (b) Redeem the Series 2011C Bonds maturing from 2022 through 2032 for $28.5 million; (c) pay issuance costs related to the conversion of $188 thousand; and (d) Deposit $4.3 million to the Redemption Account to partially redeem the Series 2011A Bonds maturing on September 1, 2014. Exercising the conversion option included in the Sunshine State Governmental Financing Commission Multimodal Revenue Bonds trust indentures for the Series 2010A, 2010B, 2011B, and 2011C bonds allowed the Port to lock in rates in a low interest rate environment.

Note 4. Long-Term Debt (Continued)

Series 2011A Bonds (fixed rate)
On March 30, 2011, the Commission issued $248 million (Series 2011A Bonds) under the Multimodal Program. The Series 2011A Bonds are fixed rate bonds with a final maturity on September 1, 2021. The proceeds of $248 million and the original issue premium in the amount of approximately $8.2 million were lent to the County pursuant to a loan agreement (Series 2011A Loan Agreement) on April 14, 2011, and was used to replace $227 million of the then outstanding County's Series L Loans and $28 million of the outstanding County's 1986 Loans. Seaport's share of the original issued amount was $50.1 million which is included in Seaport's financial statements as the Series 2011 A Bonds.

Capital Asset Acquisition Bonds
Capital Asset Acquisition Bonds, Series 2009A—On September 3, 2009, the County issued $69 million of Capital Asset Acquisition Special Obligation Bonds, Series 2009A (Series 2009A Bonds). The total proceeds of approximately $69 million were used to: (1) pay certain capital improvements costs for Seaport's passenger terminal facilities, dredging projects, and other improvements; (2) pay issuance costs; (3) and to fund the Reserve Account Requirement for the Series 2009A Bonds. Net proceeds received by Seaport after funding required reserves and paying issuance costs were approximately $67.5 million. In fiscal year 2017, the County on behalf of the Seaport partially refunded the Series 2009A Bonds. The unrefunded portion of the Series 2009A Bonds are scheduled for payment through the year 2019.

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 2010 D 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, the 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 Special Obligation Bonds, Series 2010E—On December 2, 2010, the County, on behalf of Seaport issued $38.1 million of Capital Asset Acquisition Special Obligation Bonds, Series 2010E (Series 2010E Bonds). The purposes for issuing the Series 2010E 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 2010E Bonds; and (3) pay the costs of issuance relating to the Series 2010E Bonds. The Series 2010E Bonds are scheduled for payment through the year 2030.

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 deposited by the County with the escrow agent to refund the Series 2009A Bonds. Refunding the Series 2009A Bonds with issuing the Series 2017A Bonds resulted in Seaport recognizing a deferred loss on refunding of approximately $3.3 million and economic savings of approximately $8.2 million. The Series 2017A Bonds are scheduled for payment through the year 2039.

Note 4. Long-Term Debt (Continued)

Debt Service Requirements

The Seaport's stated debt service requirements to maturity by type, (including the current portion), at September 30, 2018, are as follows (in thousands):

Years Ending September 30,	Revenue *** Bonds	G.O. Bonds	Sunshine ** State Loans	Cap. Acq. Bonds	Total
Principal					
2019	$ 40,708	$ 6,585	$ 12,120	$ 4,300	$ 63,713
2020	141,764	6,875	12,160	4,320	165,119
2021	41,393	7,180	13,170	4,435	66,178
2022	8,210	7,510	13,180	4,540	33,440
2023	8,620	7,865	13,180	4,655	34,320
2024-2028	50,470	35,360	82,250	25,130	193,210
2029-2033	66,380	-	105,720	23,081	195,181
2034-2038	87,675	-	13,170	21,418	122,263
2039-2043	117,040	-	-	6,833	123,873
2044-2048	-	-	-	-	-
2049-2052	-	-	-	-	-
Total	562,260	71,375	264,950	98,712	997,297
Interest					
2019	29,320	3,121	10,003	5,072	47,516
2020	44,085	2,826	9,444	4,874	61,229
2021	22,549	2,510	8,872	4,658	38,589
2022	19,127	2,170	8,233	4,437	33,967
2023	18,706	1,805	7,574	4,210	32,295
2024-2028	85,839	3,188	28,846	17,417	135,290
2029-2033	69,469	-	8,713	11,033	89,215
2034-2038	47,408	-	350	5,576	53,334
2039-2043	17,317	-	-	612	17,929
2044-2048	-	-	-	-	-
2049-2052	-	-	-	-	-
Total	353,820	15,620	82,035	57,889	509,364
Principal and Interest					
2019	70,028	9,706	22,123	9,372	111,229
2020	185,849	9,701	21,604	9,194	226,348
2021	63,942	9,690	22,042	9,093	104,767
2022	27,337	9,680	21,413	8,977	67,407
2023	27,326	9,670	20,754	8,865	66,615
2024-2028	136,309	38,548	111,096	42,547	328,500
2029-2033	135,849	-	114,433	34,114	284,396
2034-2038	135,083	-	13,520	26,994	175,597
2039-2043	134,357	-	-	7,445	141,802
2044-2048	-	-	-	-	-
2049-2052	-	-	-	-	-
Total	$ 916,080	$ 86,995	$ 346,985	$ 156,601	$ 1,506,661

Note 4. Long-Term Debt (Continued)

****** Series 2010A & B State loans and Series 2014A & B Revenue Bonds in the amount of $92.4 million and $201.5 million are variable rate debt with interest calculated on the basis of the interest paid at the end of the fiscal year. The table of debt service requirements to maturity above is prepared using expected maturities reflecting the Seaport's intended amortization to maturity. At each stated maturity the Seaport can retire the maturing amount in whole or in part, or refund the maturing bonds and loans as a part of its annual capital borrowing into another stated maturity, variable rate debt, or fixed rate debt amortized to maturity as determined by then market conditions. The table does not reflect any accelerated amortizations that may result under the term out provisions as discussed previously for the Sunshine State Loans and 2014A & B Bonds. The average interest rate at year end on the variable rate state loans and 2014 Bonds was 1.91% and 2.05%, respectively.

On December 1, 2016, the Commission and a bank entered into a Letter of Credit (LOC) Reimbursement Agreement to provide LOCs to secure the principal amounts (variable rate bonds) for the Series 2010 A&B State Loans of approximately $92.4 million for a term of 3 years expiring in December 2019. In the event that the LOCs for the variable rate Series 2010A&B Bonds are not renewed and replacement LOCs are not provided by the expiration date of December 2019, Seaport shall prepay the loans in full by paying the then applicable prepayment price in the amount of approximately $92.4 million (balance as of December 2019). In the event that the LOCs are exercised, the outstanding principal amounts will be converted into a term loan, payable in six equal consecutive semi-annual installments over a three year period. Interest payments will be calculated using the Bank Bond Rate, the Base Rate comprised of: (a) higher of Prime Rate of such day plus 2%, (b) the Feds Fund Rate of such day plus 4%; or (c) 7.5% plus 1%. Assuming a rate of 5.5%, the debt service requirements would be as follows:

Period	Principal	Interest	Total
Year 1	$ 30,803,333	$ 5,082,550	$ 35,885,883
Year 2	30,803,333	3,388,367	34,191,700
Year 3	30,803,334	1,694,183	32,497,517
Total Debt Service Requirements	$ 92,410,000	$ 10,165,100	$ 102,575,100

***The Series 2014A and Series 2014B Revenue Bonds are being secured by an irrevocable, direct-pay letter of credit (LOC) issued by a Credit Facility Provider. The LOC will serve as a Liquidity Facility for the 2014 Bonds in the Weekly Mode and will expire on May 7, 2019. As required by governmental accounting standards, the maturity table above presents the debt service requirements in the event that the LOC is not renewed and a replacement LOC is not provided by the expiration date of May 7, 2019. In the event that the LOC is not renewed and a replacement LOC is not provided, the Seaport will be required to prepay the bonds in full by paying the then applicable prepayment price in the amount of approximately $201.5 million, assuming a rate of 9.0% as follows and as previously presented in the maturity schedule:

Fiscal Year	Principal	Interest	Total
2019	$ 33,578,333	$ 9,066,150	$ 42,644,483
2020	134,313,334	24,176,400	158,489,734
2021	33,578,333	3,022,050	36,600,383
Total Debt Service Requirements	$ 201,470,000	$ 36,264,600	$ 237,734,600

In the event the letter of credit on the Series 2014A and Series 2014B Revenue Bonds are replaced by the expiration date of May 7, 2019, the Seaport's debt service requirements to maturity will be scheduled as presented on the table on the following page.

Note 4. Long-Term Debt (Continued)

Debt Service Requirements, Assuming all Letters of Credit are Extended and in Place Beyond September 30, 2019

The Seaport's stated debt service requirements to maturity by type, assuming the various variable rate demand debt are remarketed and letters of credit (including the renewal of the Series 2014A and Series 2014B Revenue Bonds' LOC expiring on May 7, 2019) are renewed and are extended over the terms of the respective bond and loan agreements (including the current portion) at September 30, 2018 would be as follows (in thousands):

Years Ending September 30,	Revenue Bonds	G.O. Bonds	Sunshine State Loans	Cap. Acq. Bonds	Total
Principal					
2019	$ 7,130	$ 6,585	$ 12,120	$ 4,300	$ 30,135
2020	7,450	6,875	12,160	4,320	30,805
2021	7,815	7,180	13,170	4,435	32,600
2022	8,210	7,510	13,180	4,540	33,440
2023	8,620	7,865	13,180	4,655	34,320
2024-2028	50,470	35,360	82,250	25,130	193,210
2029-2033	66,380	-	105,720	23,081	195,181
2034-2038	87,675	-	13,170	21,418	122,263
2039-2043	117,040	-	-	6,833	123,873
2044-2048	125,770	-	-	-	125,770
2049-2052	75,700	-	-	-	75,700
Total	562,260	71,375	264,950	98,712	997,297
Interest					
2019	24,346	3,121	10,003	5,072	42,542
2020	24,001	2,826	9,444	4,874	41,145
2021	23,620	2,510	8,872	4,658	39,660
2022	23,219	2,170	8,233	4,437	38,059
2023	22,798	1,805	7,574	4,210	36,387
2024-2028	106,302	3,188	28,846	17,417	155,753
2029-2033	89,932	-	8,713	11,033	109,678
2034-2038	67,871	-	350	5,576	73,797
2039-2043	37,779	-	-	612	38,391
2044-2048	14,080	-	-	-	14,080
2049-2052	2,308	-	-	-	2,308
Total	436,256	15,620	82,035	57,889	591,800
Principal and Interest					
2019	31,476	9,706	22,123	9,372	72,677
2020	31,451	9,701	21,604	9,194	71,950
2021	31,435	9,690	22,042	9,093	72,260
2022	31,429	9,680	21,413	8,977	71,499
2023	31,418	9,670	20,754	8,865	70,707
2024-2028	156,772	38,548	111,096	42,547	348,963
2029-2033	156,312	-	114,433	34,114	304,859
2034-2038	155,546	-	13,520	26,994	196,060
2039-2043	154,819	-	-	7,445	162,264
2044-2048	139,850	-	-	-	139,850
2049-2052	78,008	-	-	-	78,008
Total	$ 998,516	$ 86,995	$ 346,985	$ 156,601	$ 1,589,097

Note 4. Long-Term Debt (Continued)

Capital Lease

On October 27, 2015, the Seaport entered into a capital lease agreement as lessee for financing the installation and acquisition of certain energy improvement equipment. Under the term of the agreement, which is accounted for as a capital lease, the Seaport will make semi-annual payments that range from $123,818 to $195,267, including interest at 2.65% through 2033.

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

Years Ending September 30,	Total Payments
2019	$ 258,651
2020	266,248
2021	274,070
2022	285,129
2023	296,516
2024-2028	1,618,643
2029-2033	1,670,277
Total minimum lease payments	4,669,534
Less amount representing interest	(867,637)
Present value of minimum lease payments	$ 3,801,897

The net book value of capital assets acquired through the capital lease as of September 30, 2018, are as follows:

Asset	Balance
Equipment	$ 4,385,403
Less accumulated depreciation	(430,461)
Capital asset, net	$ 3,954,942

Commercial Paper Notes

On July 18, 2017, the Board adopted a resolution authorizing issuance of not to exceed $200 million of Miami-Dade County Florida Seaport Commercial Paper Notes (Notes). 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 A-1 (AMT) and Seaport Notes Series A-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, which will be advantageous to Seaport. 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, 2020, subject to earlier termination as provided therein and to extension or renewal as provided therein. The Notes and accrued interest are payable solely from future revenue bond proceeds.

Note 4. Long-Term Debt (Continued)

At September 30, 2018, the Seaport had approximately $170.3 million outstanding of Seaport Notes with maturities as follows:

Principal Balance Series A-1	Maturity Date	Principal Balance Series A-2	Maturity Date
$ 10,000,000	7/8/2019	$ 2,619,000	4/9/2019
41,500,000	7/8/2019		
31,500,000	6/4/2019		
14,643,000	6/5/2019		
70,000,000	6/5/2019		
$ 167,643,000			

Note 5. Operating Lease Agreements

In July 2011, the Seaport entered into an amended Office Space Building Lease Agreement as lessor, with a cruise ship company (the Company). The initial term of the amended lease is 10 years through March 31, 2021, with an additional five-year renewal terms at the Company’s option.

The Seaport also has several other operating leases (as lessor) consisting principally of the leasing of land, office space, and warehouses to several tenants. The lease agreements consist of both cancelable and noncancelable agreements. The agreements expire over the next 18 years.

Future minimum lease income under the operating leases (with initial or remaining lease terms in excess of one year) as of September 30, 2018, is summarized in the table below (in thousands):

Years Ending September 30,	Annual Operating Lease Income
2019	$ 23,495
2020	22,421
2021	20,274
2022	18,041
2023	17,721
2024-2028	57,221
2029-2033	8,375
2034-2038	104
2039-2043	36
	$ 167,688

Note 5. Operating Lease Agreements (Continued)

Rental income for operating leases was $23.1 million for the fiscal year ended 2018. At September 30, 2018, the net book values of assets being leased by Seaport as lessor are as follows:

Asset	Asset Cost	Accumulated Depreciation	Net Book Value
Land	$ 85,305,431	$ -	$ 85,305,431
Buildings	38,663,129	37,680,156	982,973
Total	$ 123,968,560	$ 37,680,156	$ 86,288,404

Note 6. Long-Term Obligations

Changes in long-term obligations for the year ended September 30, 2018, are as follows (in thousands):

	Beginning Balance	Increase	Decrease	Ending Balance	Due within One year
Bonds and loans payable:					
Revenue bonds	$ 569,100	$ -	$ 6,840	$ 562,260	$ 40,708
General obligation bonds	77,695	-	6,320	71,375	6,585
Sunshine State loans	277,035	-	12,085	264,950	12,120
Capital acquisition bonds	102,927	-	4,215	98,712	4,300
Unamortized (discount) and premiums, net	30,991	-	2,223	28,768	-
Total	1,057,748	-	31,683	1,026,065	63,713
Other liabilities:					
Compensated absences	7,109	2,571	2,356	7,324	1,815
Other post-employment benefits	6,218	-	341	5,877	-
Net pension liability	23,397	-	2,524	20,873	-
Capital lease	3,950	-	148	3,802	159
Commercial paper notes	37,262	133,000	-	170,262	-
Total	77,936	135,571	5,369	208,138	1,974
Total long-term liabilities	$ 1,135,684	$ 135,571	$ 37,052	$ 1,234,203	$ 65,687

Note 7. 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 the terms of outstanding debt and other contractual agreements, assets were restricted for the following purposes (in thousands):

Purpose		Balance
Debt service and reserve	$	113,997
Capital improvement and other projects		88,378
Total	$	202,375

Note 8. Pension Plans

The 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

The 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.

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

Note 8. Pension Plans (Continued)

FRS Pension Plan

Plan Description

The 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.

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

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.

Note 8. Pension Plans (Continued)

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

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-October 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.

Note 8. Pension Plans (Continued)

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates in effect from July 1, 2017 through June 30, 2018, were as follows:

	Percent of Gross Salary	
Class	**Employee**	**Employer (*)**
FRS, Regular	3.00	7.92
FRS, Elected County Officers	3.00	45.50
FRS, Senior Management Service	3.00	22.71
FRS, Special Risk Regular	3.00	23.27
DROP – Applicable to members from all of the above classes	0.00	13.26

*Employer rates include 1.66% for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.

Seaport's employer contributions to the FRS totaled $1.43 million and employee contributions totaled $0.54 million for the fiscal year ended September 30, 2018.

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, 2018 (in thousands):

Net pension liability	Deferred outflows of resources	Deferred inflows of resources	Pension expense (credit)
$16,275	$7,423	$1,515	($196)

The amounts reflected in the table above represent an allocation of 0.69% of the total Miami-Dade County balances for the FRS Plan for the fiscal year ended September 30, 2018. 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.

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

At September 30, 2018, Seaport reported a liability of $16.3 million for its proportionate share of the County's share of the FRS Plan's net pension liability. For fiscal year 2018, the net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The overall County's proportionate share of the net pension liability was based on the 2018 fiscal year contributions relative to the 2018 fiscal year contributions of all participating entities.

Note 8. Pension Plans (Continued)

For the fiscal year ended, Seaport recognized pension expense(credit) of ($196,000) 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	$ 1,379	$ 50
Change of assumptions	5,318	-
Net difference between projected and actual earnings on FRS pension plan investments	-	1,257
Changes in proportion and differences between Seaport FRS contributions and proportionate share of contributions	284	208
Seaport FRS contributions subsequent to the measurement date	442	-
Total	$ 7,423	$ 1,515

The deferred outflows of resources related to pensions totaling approximately $442,000 resulting from Seaport's contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2019. 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
2019	$ 2,011
2020	1,440
2021	264
2022	997
2023	655
Thereafter	99
Total	$ 5,466

Actuarial Assumptions

The FRS plan pension actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2018, applied to all periods included for the measurement:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation
Discount Rate	7.10%

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

Note 8. Pension Plans (Continued)

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Long-Term Expected Rate of Return
The 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%	3.0%	3.0%	1.8%
Fixed income	18%	4.5%	4.4%	4.2%
Global equity	54%	7.8%	6.6%	17.0%
Real estate (property)	11%	6.6%	5.9%	12.8%
Private equity	10%	11.5%	7.8%	30.0%
Strategic investments	6%	6.1%	5.6%	9.7%
	100%			
Assumed inflation-Mean		2.6%		1.9%

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

Discount Rate
The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at the statutorily required rates. The 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, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The 7.00% rate of return assumption used in the July 1, 2018 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, 2018 calculated using the discount rate of 7.00%, as well as what Seaport's proportionate share of the net pension liability would be if it was calculated using a discount

Note 8. Pension Plans (Continued)

rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate (in thousands):

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Seaport's proportionate share of the net pension liability	$29,702	$16,275	$5,123

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 Comprehensive Annual Financial Report.

The Retiree Health Insurance Subsidy Program (HIS)

Plan Description

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

Benefits Provided

For the fiscal year ended, 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. 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.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended, the HIS contribution was 1.66%. 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.

The Seaport's contributions to the HIS Plan totaled $237,467 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):

Net pension liability	Deferred outflow of resources	Deferred inflow of resources	Pension expense (credit)
$4,598	$758	$523	($503)

Note 8. Pension Plans (Continued)

The amounts reflected in the table above represent an allocation of 0.69% 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 2018 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, 2018, the Seaport reported a net pension liability of $4.60 million for its proportionate share of the County's share of the HIS Plan's net pension liability. For fiscal year ended, the net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The overall County's proportionate share of the net pension liability was based on 2018 fiscal year contributions relative to the 2018 fiscal year contributions of all participating entities.

For the fiscal year ended, Seaport recognized pension expense(credit) of ($503,000) 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	$ 70	$ 8
Change of assumptions	511	486
Net difference between projected and actual earnings on HIS pension plan investments	3	-
Changes in proportion and differences between Seaport HIS contributions and proportionate share of HIS contributions	109	29
Seaport contributions subsequent to measurement date	65	-
Total	$ 758	$ 523

Note 8. Pension Plans (Continued)

The deferred outflows of resources related to pensions totaling approximately $65,000 resulting from Seaport's contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2019. 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
2019	$ 73
2020	73
2021	59
2022	24
2023	(55)
Thereafter	(4)
Total	$ 170

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

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation
Discount Rate	7.10%

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate
The discount rate used to measure the total pension liability for the HIS Plan was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Note 8. Pension Plans (Continued)

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 3.87%, 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 (2.87%) or one percentage point higher (4.87%) than the current rate (in thousands):

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Seaport's proportionate share of the net pension liability	$ 5,237	$ 4,598	$ 4,066

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 Comprehensive Annual 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 (Credit)	Net Pension Liability	Deferred Inflow of Resources	Deferred Outflow of Resources
FRS	$ (196)	$ 16,275	$ 1,515	$ 7,423
HIS	(503)	4,598	523	758
Total	$ (699)	$ 20,873	$ 2,038	$ 8,181

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 Comprehensive Annual Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. 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.

Note 8. 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	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% 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 Miami-Dade 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.

The Seaport's Investment Plan pension contributions totaled approximately $384,693 for the fiscal year ended.

Note 9. Post-Employment Benefits Other than Pensions

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.

Note 9. Post-Employment Benefits Other than Pensions (Continued)

Plan Description. The County, for which the 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

Note 9. Post-Employment Benefits Other than Pensions (Continued)

Funding Policy: The County contributes to both the pre-65 and post-65 retiree medical coverage. Medical contributions vary based on plan and tier. Retirees pay the full cost of dental coverage. The postretirement medical is currently funded on a pay-as-you go basis (i.e., Miami-Dade County funds on a cash basis as benefits are paid). The County's contribution is the actual pay-as-you-go postemployment benefit payments less participant contributions for the 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.

Total OPEB Liability

The Seaport's allocated share of the County's total OPEB liability is $5.9 million measured as of September 30, 2018, and determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2018 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, 2018
Discount rate	4.24% per annum
Salary increases rate	3.5% per annum
Medical consumer price index trend	2.0% per annum
Inflation rate	3.0% per annum
Actuarial cost method	Entry Age Normal based on percentage of projected salary
Amortization method	11.4 years
Healthcare cost trend rates	Medical/Rx 7.0% initial to 4.5% ultimate
Retirees share of benefit-related costs	43.1%
Mortality tables	RP-2014 generational table scaled using MP-18 and applied on a gender

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

The actuarial assumptions used in the September 30, 2018 valuation were based on the results of an actuarial experience study for the period of October 1, 2017 to September 30, 2018.

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, 2017	$ 6,218
Changes for the year:	
Service cost	338
Change of benefit terms	(335)
Benefits payments	(344)
Balance at September 30, 2018	$ 5,877

Note 9. Post-Employment Benefits Other than Pensions (Continued)

The decrease in the total OPEB liability is mostly due to: (1) a change in the actuarial cost method from Projected Unit Credit to Entry Age Normal, (2) a change to the chained CPI, which is used to calculate the excise tax, and (3) resetting the base trend.

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 (3.24%)	Current Discount Rate (4.24%)	1% Increase (5.24%)
Total OPEB Liability	$ 6,435	$ 5,877	$ 5,388

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend. 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 (6%)	Current Trend (7%)	1% Increase (8%)
Total OPEB Liability	$ 4,597	$ 5,877	$ 6,515

<u>OPEB Expense and Deferred Inflows of Resources</u>

For the year ended, the Seaport recognized OPEB expense of $313,000. At September 30, 2018, the Seaport reported deferred inflows of resources for changes in assumptions/inputs of $305,000 related to OPEB.

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

Fiscal Years Ending September 30,	Amount
2019	$ 27
2020	27
2021	27
2022	27
2023	27
Thereafter	170
Total	$ 305

Note 10. 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 3 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.

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, 2018, the Seaport incurred approximately $1.9 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 11. 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 $29.2 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
Audit and management services	$ 190
Fire services	4,379
Fleet management	672
Administrative service charges	2,096
Information technology	4,517
Police services	11,184
Public works services	180
Water and sewer	2,357
Other	3,637
Total	$ 29,212

Note 11. Related-Party Transactions – County Services Received (Continued)

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 12. 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 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.

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
2019	$ 74,722	$ 51,785
2020	94,389	53,866
2021	98,836	56,029
2022	101,792	58,287
2023	109,231	330,734
2024-2028	442,626	252,960
2029-2033	88,718	9,792
2034-2038	60,290	-
2039-2043	25,402	-
Totals	$ 1,096,006	$ 813,453

Seaport has entered into several terminal usage agreements with cruise line operators which commits the Seaport to 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 July 6, 2016, the Board approved a ground lease agreement between Seaport and one of its cruise operator to lease land for a new cruise terminal. The Seaport's commitment related to this lease agreement was approximately $15.5 million, consisting of certain infrastructure improvements and pre-development costs related to the new terminal. As of October 2018, the terminal was completed and Seaport's commitments have been fulfilled.

- On September 5, 2018, the Board approved a resolution to amend one of its existing terminal agreements: (a) allowing the operator to build a new terminal for an increased amount of $215 million; (b) provide the operator with preferential berthing rights at certain existing terminals and at the new terminal; and (c) increase the minimum annual passengers for the cruise operator. The Seaport's contribution to the new terminal is approximately $100 million, not subject to be reimbursed by the cruise operator. The cruise operator will reimburse the Seaport for all advanced project costs over $100 million and up to $215 million. As of fiscal year end 2018, Seaport's remaining commitment towards the new terminal was $88.65 million, which is not subject to reimbursement.

Note 12. Commitments, Contingencies and Guarantees (Continued)

- On May 2, 2017, the Board approved and ratified a contract with a vendor to construct certain terminal upgrades not to exceed $37.6 million, inclusive of a contingency allowance of $3.3 million.

Construction
As of the fiscal year end, Seaport had construction commitments of $59.4 million to include the construction of a new cruise terminal, cruise and cargo improvements, and other port-wide infrastructure improvements as discussed above.

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.

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 Ill 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 the 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. As of fiscal year end 2018, approximately $117.5 million of funding was received from FDOT related to project. Final close-out of this project is expected to occur in fiscal year 2019.

On September 4, 2018, the 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 2021 and is estimated to cost approximately $3.0 million to complete towards the study. Such amounts are reported as an advance to other governments at year end on the Statement of Net Position.

Note 13. Unrestricted Net Position

As previously mentioned in the MD&A section, the $177.7 million contribution to FDOT for the Port Tunnel Project (Tunnel) contributed to the negative unrestricted net position balance of $138.0 million as of September 30, 2018 for the Seaport. As of fiscal year end to date, the Port has recognized $25 million of SCETS revenues to offset the $203.1 million contribution initially made towards the Tunnel that contributed to the Port's negative unrestricted net position balance. The Tunnel, located beneath the Governmental Cut, connects the Port directly with the interstate highway system. The Tunnel improves access to and from the Port, making trucking and passenger vehicle connections from the Port to the rest of the region and country substantially easier and eliminates the Port's dependence on the current Port Boulevard Bridge. It has also reduced traffic congestion in the downtown area of Miami. The Tunnel is owned by the State of Florida and is not reported as an asset of the Seaport.

In return for the County providing a portion of the funds for the Tunnel Project, in March 2015 FDOT and the County entered into a Joint Participating Agreement (JPA) to pay the County from annually appropriated State Comprehensive Enhance Transportation System Tax (SCETS) $17 million annually in each of the State's fiscal years 2018 through 2041. Because the SCETS funds are subject to annual appropriation by FDOT, Government Accounting Standards does not allow revenues to be reported until the funds are appropriated in each fiscal year and therefore revenues will only be reported for the annual amount appropriated each year. If revenues for the full amount expected to be appropriated by FDOT was reported it would offset the negative unrestricted net position previously discussed.

Note 14. Subsequent Events

On November 8, 2018, the Board passed a resolution executing an agreement with a construction company for certain infrastructure improvements to the cargo area for the use of electric rubber tire gantries in the area. The total amount of the contract is approximately $34.9 million and is expected to be completed in fiscal year 2021.

On November 8, 2018, the Board passed a resolution approving a second amendment to one of the cargo's terminal operator agreement for improvements to the cargo area for usage of electric tire gantries in the area. The total cost of the improvements is approximately $64 million, of which the Seaport allocated amount was $42 million and the operator $22 million.

On January 23, 2019, the Board passed a resolution for the Seaport to purchase three passenger board bridges from a contractor for certain cruise terminals not to exceed $14.2 million.

On March 19, 2019, the Board passed a resolution authorizing management to enter into a Letter of Credit (LOC) agreement with a provider for the Series 2014 Bonds. The new LOC agreement will replace the current LOC due to expire on May 7, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

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

Total OPEB Liability		**2018**
Changes for the Year:		
Service Cost	$	338
Change of Benefit Terms		(335)
Benefit Payments		(344)
Net Change in Total OPEB Liability		(341)
Total OPEB Liability – Beginning		6,218
Total OPEB Liability – Ending	$	5,877
Covered Payroll	$	23,140
Total OPEB Liability as a Percentage of Covered Payroll		25.40%

Notes to Schedule:

(1) For information regarding plan contributions, rates, assumptions and amortization method, see Note 9.

(2) Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. Currently, only fiscal year 2018 information is available.

Miami-Dade County, Florida Seaport Department
Required Supplmentary 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)

	2016	2017	2018
Seaport's proportion of Miami-Dade County's FRS Plan net pension liability	0.76%	0.79%	0.69%
Seaport's proportionate share of Miami-Dade County's FRS net pension liability	$ 14,958	$ 18,160	$ 16,275
Seaport's covered payroll	$ 17,019	$ 18,111	$ 18,781
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%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.9%	83.9%	84.3%

Notes to Schedule

(1) See Note 8 for information regarding the Plan.

(2) The schedule of the net pension liability and related information above presents the 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. 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)

	2016	2017	2018
Seaport's proportionate share of Miami-Dade County's required FRS contribution	$ 1,864	$ 1,308	$ 1,968
Seaport's contribution in relation to the contractually required contribution	1,864	1,308	1,968
Contribution deficiency (excess)	$ -	$ -	$ -
Seaport's covered payroll	$ 17,681	$ 18,567	$ 18,895
FRS contribution as a percentage of covered payroll	10.54%	7.04%	10.42%

Notes to Schedule

(1) See Note 8 for information regarding the Plan.

(2) The schedule of the contributions and related information above presents the 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 illustra GASB 68 requirements. 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)

	2016	2017	2018
Seaport's proportion of Miami-Dade County's HIS net pension liability	0.76%	0.79%	0.69%
Seaport's proportionate share of Miami-Dade County's HIS. net pension liability	$ 5,603	$ 5,237	$ 4,598
Seaport's covered payroll	$ 22,343	$ 24,010	$ 24,909
Seaport's proportionate share of Miami-Dade County's HIS net pension liability as a percentage of its covered payroll	25.08%	21.81%	18.46%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.97%	1.64%	2.15%

Notes to Schedule

(1) See Note 8 for information regarding the Plan.

(2) The schedule of the net pension liability and related information above presents the Seaport's allocation of Miami-Dade County's share of the HIS 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. 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)

	2016	2017	2018
Seaport's proportionate share of Miami-Dade County's required HIS contribution	$ 177	$ 264	$ 237
HIS contribution in relation to the contractually required contribution	177	264	237
Contribution deficiency (excess)	$ -	$ -	$ -
Seaport's covered payroll	$ 23,330	$ 24,674	$ 24,969
HIS contribution as a percentage of covered payroll	0.76%	1.07%	0.95%

Notes to Schedule

(1) See Note 8 for information regarding the Plan.

(2) The schedule of the contributions and related information above presents the Seaport's allocation of Miami-Dade County's share of the 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. Currently, only data for fiscal years presented are available.

STATISTICAL SECTION

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Statistical Section

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 70-71)

Revenue Capacity

These schedules contain information to assist readers assess the variables affecting the Department's revenue capabilities. (Page 72)

Debt Capacity

These schedules contain information to assist readers assess the Department's debt burden and its ability to issue new debt. (Pages 73-77)

Demographic and Economic Information

These schedules contain demographic and economic information to assist readers understands the environment within which the Department's financial activities take place. (Pages 78-79)

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 80-82)

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating revenues	$ 100,057	$ 104,085	$ 109,146	$ 103,578	$ 109,177	$ 126,144	$ 136,086	$ 143,864	$ 166,756	$ 155,928
Investment earnings	247	414	512	359	153	510	861	720	953	2,344
Other nonoperating	-	-	810	718	687	666	666	669	8,633	17,671
Total revenues	100,304	104,499	110,468	104,655	110,017	127,320	137,613	145,253	176,342	175,943
Operating expenses	68,999	66,335	65,836	59,550	66,011	64,341	66,700	71,267	79,575	80,383
Depreciation	20,790	22,995	23,548	24,947	25,958	27,423	30,020	30,474	30,598	31,872
Interest expense	19,448	16,961	18,901	18,668	18,167	35,496	37,283	40,213	39,171	40,988
Other nonoperating expenses	166	4,193	1,072	6,118	1,861	5,349	1,267	-	1,628	3,332
Total expenses	109,403	110,484	109,357	109,283	111,997	132,609	135,270	141,954	150,972	156,575
Net income (loss) before contributions	(9,099)	(5,985)	1,111	(4,628)	(1,980)	(5,289)	2,343	3,299	25,370	19,368
Net contributions	13,315	11,796	6,331	12,789	(16,781)	(85,944)	47,644	3,154	1,642	3,378
Change in net position	4,216	5,811	7,442	8,161	(18,761)	(91,233)	49,987	6,453	27,012	22,746
Net position at beginning of year (1)	208,106	212,322	218,133	225,575	233,736	214,975	109,677	159,664	166,117	188,288
Net position at end of year	212,322	218,133	225,575	233,736	214,975	123,742	159,664	166,117	193,129	211,034
Net position, end of year classified as:										
Net investment in capital assets	185,871	194,133	201,468	217,486	204,722	272,815	317,408	300,337	293,530	304,318
Restricted for debt service	19,125	13,259	13,228	12,647	11,860	12,485	12,880	7,165	13,160	44,715
Restricted for construction and other	-	1,914	-	5,310	2,349	10,067	-	-	-	-
Unrestricted and other	7,326	8,827	10,879	(1,707)	(3,956)	(171,625)	(170,624)	(141,385)	(113,561)	(137,998)
Net position at end of year	$ 212,322	$ 218,133	$ 225,575	$ 233,736	$ 214,975	$ 123,742	$ 159,664	$ 166,117	$ 193,129	$ 211,035

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

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

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
OPERATING REVENUES:										
Cruise Wharfage/Dockage	$ 40,195	$ 41,963	$ 46,424	$ 45,192	$ 50,528	$ 60,295	$ 63,659	$ 69,199	$ 93,302	$ 76,997
Cargo Wharfage/Dockage	19,176	21,958	23,752	23,089	23,932	24,809	24,120	23,337	19,310	22,721
Container Crane Fees	8,180	8,471	9,910	7,607	6,619	6,243	8,624	9,995	13,658	15,018
Rentals	14,856	14,826	13,906	13,428	13,365	14,829	19,254	21,999	22,124	23,120
Ground Transportation	1,425	1,464	1,880	1,763	1,861	2,100	2,329	2,230	2,311	1,625
Parking	10,686	10,042	9,184	8,305	9,374	14,963	14,691	14,679	13,747	14,068
Miscellaneous	5,539	5,361	4,090	4,194	3,498	2,905	3,409	2,425	2,304	2,379
	100,057	104,085	109,146	103,578	109,177	126,144	136,086	143,864	166,756	155,928
OPERATING EXPENSES:										
Cruise Operations	6,502	7,047	6,590	6,002	6,293	7,523	7,165	6,828	8,210	8,865
Cargo Operations	1,389	1,087	1,338	1,180	1,314	1,235	1,242	1,308	1,572	1,877
Maintenance	6,269	6,453	6,731	6,083	6,590	6,329	6,993	8,553	9,386	9,097
Utilities	5,102	2,950	3,256	2,225	1,814	2,881	3,730	3,675	3,002	2,758
Marketing & Advertising	1,680	1,321	1,015	1,105	1,848	1,747	1,803	2,204	2,212	2,167
Gantry Cranes Operations	8,042	6,811	6,926	6,357	7,533	7,543	7,006	8,385	8,858	9,487
Security	21,096	19,636	18,510	15,488	15,210	16,782	18,093	18,292	20,552	20,931
General & Administration	18,919	21,030	21,470	21,110	25,409	20,301	20,668	22,022	25,783	25,201
Total Operating Expenses	68,999	66,335	65,836	59,550	66,011	64,341	66,700	71,267	79,575	80,383
Operating income before depreciation	31,058	37,750	43,310	44,028	43,166	61,803	69,386	72,597	87,181	75,545
DEPRECIATION	20,790	22,995	23,548	24,947	25,958	27,423	30,020	30,474	30,598	31,872
Operating Income	10,268	14,755	19,762	19,081	17,208	34,380	39,366	42,123	56,583	43,673
NON-OPERATING REVENUES (EXPENSES):										
Interest Income, net	247	414	512	359	153	510	861	720	953	2,344
Interest expense, net	(19,448)	(16,961)	(18,901)	(18,668)	(18,167)	(35,496)	(37,283)	(40,213)	(39,171)	(40,988)
Other income (expense)	(166)	(4,193)	810	(5,400)	(1,174)	(4,683)	(601)	669	7,005	16,939
Income (loss) before Contributions and transfers	(9,099)	(5,985)	2,183	(4,628)	(1,980)	(5,289)	2,343	3,299	25,370	21,968
Operating transfers	-	-	(1,072)	-	-					(2,600)
Net contributions and transfers	13,315	11,796	6,331	12,789	(16,781)	(85,944)	47,644	3,154	1,642	778
Net income (loss)	$ 4,216	$ 5,811	$ 7,442	$ 8,161	$ (18,761)	$ (91,233)	$ 49,987	$ 6,453	$ 27,012	$ 22,746

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

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cargo revenue	$ 27,356	$ 30,429	$ 33,662	$ 30,696	$ 30,551	$ 31,052	$ 32,744	$ 33,332	$ 32,968	$ 37,739
Tonnage	6,831	7,389	8,222	8,108	7,981	7,700	8,614	8,778	9,162	9,612
Revenue per ton	$ 4.00	$ 4.12	$ 4.09	$ 3.79	$ 3.83	$ 4.03	$ 3.80	$ 3.80	$ 3.60	$ 3.93
TEU	807	847	907	909	901	877	1,008	1,028	1,024	1,083
Revenue per TEU	$ 33.90	$ 35.93	$ 37.11	$ 33.77	$ 33.91	$ 35.41	$ 32.48	$ 32.42	$ 32.20	$ 34.85

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

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017*	2018
Cruise Revenue	$ 40,195	$ 41,963	$ 46,424	$ 45,192	$ 50,528	$ 60,295	$ 63,659	$ 69,199	$ 73,302	$ 76,997
Passengers	4,110	4,145	4,018	3,774	4,079	4,939	4,916	4,980	5,340	5,592
Revenue per passenger	$ 9.78	$ 10.12	$ 11.55	$ 11.97	$ 12.39	$ 12.21	$ 12.95	$ 13.90	$ 13.73	$ 13.77

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

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Primary Debt Coverage										
Net Operating Revenues	$ 31,058	$ 37,750	$ 43,310	$ 44,028	$ 43,166	$ 61,803	$ 69,386	$ 72,597	$ 87,181	$ 75,545
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,130)	-	-	-	-	-	-	-
Intergovernmental revenue*	-	-	-	-	-	-	-	-	8,000	17,000
Noncash Items	1,661	1,238	(293)	165	475	46	(868)	856	1,574	527
Unrestricted Interest	40	11	4	8	-	-	-	-	219	1,065
Revenues Available	$ 30,822	$ 37,062	$ 41,891	$ 44,201	$ 43,641	$ 61,849	$ 68,518	$ 73,453	$ 96,974	$ 94,137
Revenue Bonds Maximum Debt Service Required	8,399	8,399	8,399	8,399	27,547	27,671	27,640	28,050	29,177	31,033
Coverage Required 125%	10,499	10,499	10,499	10,499	34,434	34,589	34,550	35,063	36,471	38,791
Net Revenue Coverage	294%	353%	399%	421%	127%	179%	198%	209%	266%	243%

Note: Coverage requirement under master bond ordinance is 125% of maximum principal and interest for revenue bonds.
* Commencing in fiscal year 2017, the 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 General Obligation Bonds Debt Service Coverage
Last Ten Fiscal Years (Unaudited)
(in thousands)
Based on Maximum Debt Service Requirements

Description	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Primary Debt Coverage										
Net Operating Revenues	$ 31,058	$ 37,750	$ 43,310	$ 44,028	$ 43,166	$ 61,803	$ 69,386	$ 72,597	$ 87,181	$ 75,545
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,130)	-	-	-	-	-	-	-
Intergovernmental revenue*	-	-	-	-	-	-	-	-	8,000	17,000
Non-Cash Items	1,661	1,238	(293)	165	475	46	(868)	856	1,574	527
Unrestricted Interest	40	11	4	8	-	-	-	-	219	1,065
Revenues Available	$ 30,822	$ 37,062	$ 41,891	$ 44,201	$ 43,641	$ 61,849	$ 68,518	$ 73,453	$ 96,974	$ 94,137
G O Bonds Maximum Debt Service Required	11,149	11,149	9,884	9,884	9,863	9,863	9,863	9,863	9,863	9,863
Coverage Required 110%	12,264	12,264	10,872	10,872	10,849	10,849	10,849	10,849	10,849	10,849
Net Revenue Coverage	251%	302%	385%	407%	402%	570%	632%	677%	894%	868%

Note: Coverage requirement under master bond ordinance is 110% of maximum principal and interest for GO bonds.
* Commencing in fiscal year 2017, the 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Primary Debt Coverage										
Net Operating Revenues	$ 31,058	$ 37,750	$ 43,310	$ 44,028	$ 43,166	$ 61,803	$ 69,386	$ 72,597	$ 87,181	$ 75,545
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,130)	-	-	-	-	-	-	-
Intergovernmental revenue*	-	-	-	-	-	-	-	-	8,000	17,000
Non-Cash Items	1,661	1,238	(293)	165	475	46	(868)	856	1,574	527
Unrestricted Interest	40	11	4	8	-	-	-	-	219	1,065
Revenues Available	$ 30,822	$ 37,062	$ 41,891	$ 44,201	$ 43,641	$ 61,849	$ 68,518	$ 73,453	$ 96,974	$ 94,137
Revenue Bonds Maximum Debt Service Required	8,399	8,399	8,399	8,399	27,547	27,671	27,640	28,050	29,177	31,033
Coverage Required 125%	10,499	10,499	10,499	10,499	34,434	34,589	34,550	35,063	36,471	38,791
G O Bonds Maximum Debt Service Required	11,149	11,149	9,884	9,884	9,863	9,863	9,863	9,863	9,863	9,863
Coverage Required 110%	12,264	12,264	10,872	10,872	10,849	10,849	10,849	10,849	10,849	10,849
Excess coverage required greater (less) than maximum coverage	3,215	3,215	3,088	3,088	7,873	7,904	7,896	7,999	8,281	8,745
Needed to Meet Coverage	22,763	22,763	21,371	21,371	45,283	45,438	45,399	45,912	47,321	49,641
Net Revenues Coverage	135%	163%	196%	207%	96%	136%	151%	160%	205%	190%

Note: Coverage requirement under master bond ordinance is 125% and 110% of maximum principal and interest for revenue bonds and GO bonds, respectively. 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 2017, the 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	Capital Lease	Total Debt	Ratio of Debt to TEUs	Ratio of Debt to Cruise Passengers
2009	123,067	57,408	336,252	68,953	-	-	585,680	726	143
2010	119,043	53,849	332,832	68,642	-	-	574,366	678	139
2011	111,559	48,435	328,981	127,941	-	-	616,916	680	154
2012	105,862	42,681	325,300	126,240	-	-	600,083	660	159
2013	107,984	402,340	322,702	122,310	-	-	955,336	1,060	234
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

(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
2009	6,831	-	0.0%
2010	7,389	558	8.2%
2011	8,222	833	11.3%
2012	8,108	(114)	-1.4%
2013	7,981	(127)	-1.6%
2014	7,700	(281)	-3.5%
2015	8,614	914	11.9%
2016	8,778	164	1.9%
2017	9,162	384	4.4%
2018	9,612	450	4.9%

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

Year	TEU's	Difference	% Change
2009	807	-	0.0%
2010	847	40	5.0%
2011	907	60	7.1%
2012	909	2	0.2%
2013	901	(8)	-0.9%
2014	877	(24)	-2.7%
2015	1,008	131	14.9%
2016	1,028	20	2.0%
2017	1,024	(4)	-0.4%
2018	1,083	59	5.8%

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
2009	3,500	51%	3,331	49%	6,831
2010	3,865	52%	3,524	48%	7,389
2011	4,376	53%	3,846	47%	8,222
2012	4,222	52%	3,886	48%	8,108
2013	4,020	50%	3,961	50%	7,981
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

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

Year	Total	Difference	% Change
2009	4,110	-	0.0%
2010	4,145	35	0.9%
2011	4,018	(127)	-3.1%
2012	3,774	(244)	-6.1%
2013	4,079	305	8.1%
2014	4,939	860	21.1%
2015	4,916	(23)	-0.5%
2016	4,980	64	1.3%
2017	5,340	360	7.2%
2018	5,592	252	4.7%

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	2,743,095	46,742
2018	**2,779,322**	36,227

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

Miami-Dade County, Florida Seaport Department

DEMOGRAPHIC AND ECONOMIC INFORMATION

PRINCIPAL EMPLOYERS (Unaudited)

FISCAL YEAR 2017 AND NINE YEARS AGO

	2017*			2008		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	38,324	1	2.87%	38,819	1	3.18%
Miami-Dade County	25,502	2	1.91	29,000	2	2.38
U.S. Federal Government	19,200	3	1.44	19,900	3	1.63
Baptist Health Systems of South Floric	18,400	4	1.38	12,000	6	0.98
Florida State Government	17,100	5	1.28	16,100	4	1.32
University of Miami	15,091	6	1.13	12,000	7	0.98
Florida International University	12,194	7	0.91	8,000	10	0.66
American Airlines	11,031	8	0.83	9,000	9	0.74
Jackson Health System	9,797	9	0.73	12,468	5	1.02
Miami Dade College	6,838	10	0.51			
Publix Super Markets				11,625	8	0.95
	173,477			168,912		

Source: The Beacon Council, Miami, Florida, Miami Business Profile

* Information for fiscal year 2018 was not available for this report.

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
2009	2,398,245	90,915,774	37,909	8.9%	1,218,871	39
2010	2,563,885	92,227,399	35,972	12.0%	1,257,324	38
2011	2,516,515	97,815,794	38,870	12.7%	1,300,030	39
2012	2,551,255	100,688,604	39,466	9.7%	1,290,751	39
2013	2,565,685	104,373,301	40,680	8.9%	1,289,617	39
2014	2,586,290	111,528,866	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	126,715,595	46,048	5.0%	1,375,376	40
2018	2,779,322	(1)	(1)	3.6%	1,363,766	(1)

Source: U.S. Department of Commerce, Economics and Statistics Administration,
Bureau of Economic Analysis/Regional Economic Information System.
Florida Agency for Workforce Innovation, Labor Market Statistics.
U.S. Census Bureau, 2009 Population Estimates and 2009 American Community Survey.
Miami-Dade County, Department of Planning and Zoning, Research Section.
University of Florida, Bureau of Economic and Business 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	08/19/18 - 08/19/19	Employee Theft Theft of Money and Securities	$1,000,000 $500,000
Accidental Death:				
	Hartford Life Insurance Co.	08/29/18 - 08/29/19	Accidental death and dismemberment	$25,000
Property Insurance:				
	Various companies	04/15/18 - 04/15/19	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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cruise and Housekeeping	64	63	62	58	57	57	54	56	56	53
Cargo Operations	15	15	15	13	12	12	12	13	14	16
Port Security	135	135	142	130	96	96	93	88	83	83
Maintenance	84	77	78	69	69	69	69	64	62	61
Marketing and Advertising	10	10	7	8	8	8	8	11	11	13
Administration and Engineering	102	110	113	99	120	120	113	99	99	99
Total	410	410	417	377	362	362	349	331	325	325

Source: Seaport's Budget Section.

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

Description	2009	2010	2011	2012	2013	2014*	2015	2016	2017**	2018
Number of gantry cranes	9	9	9	9	9	13	13	13	13	13
Number of passenger terminals	12	12	12	12	12	12	12	12	9	8

* In fiscal year 2014, the Seaport acquired 4 Post Panamax cranes.
** In fiscal year 2017, the Seaport merged certain cruise terminals for naming purposes only.

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