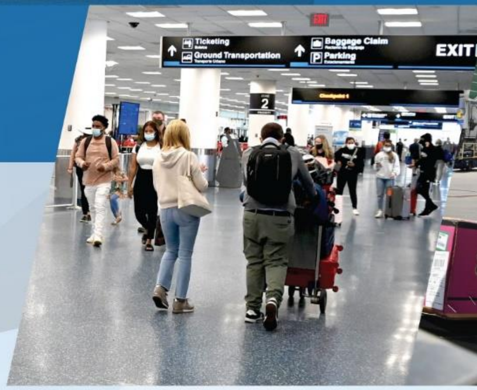
2022

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2022

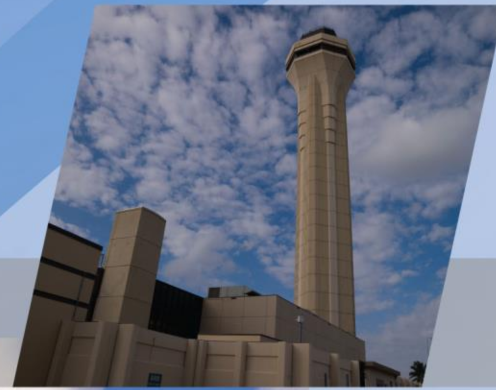


Miami-Dade Aviation Department
An Enterprise Fund of Miami-Dade County, Florida

2022

Annual Comprehensive Financial Report

(This page intentionally left blank)



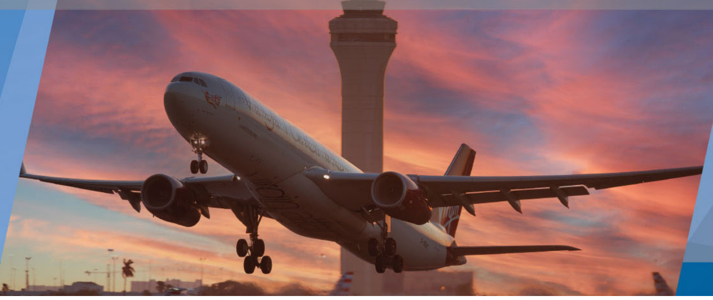
Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2022

Prepared by: Finance & Strategy Division

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

(This page intentionally left blank)



Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2022

INDEX

Introductory Section (Unaudited)

Financial Section

Statistical Section (Unaudited)

(This page intentionally left blank)

Introductory Section

Letter of Transmittal

Miami-Dade County Officials

Miami-Dade Aviation Department Senior Staff

Miami-Dade Aviation Department Organizational Chart

GFOA Certificate of Achievement

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

2022
Annual Comprehensive Financial Report

(This page intentionally left blank)

Miami-Dade Aviation Department
P.O. Box 025504
Miami, Florida 33102
T 305-876-7000 F 305-876-0948
www.miami-airport.com

miamidade.gov

Commercial Airport:
Miami International Airport

General Aviation Airports:
Dade-Collier Training & Transition Airport
Miami Homestead General Aviation Airport
Miami Executive Airport
Miami-Opa Locka Executive Airport

May 10, 2023

Honorable Chairman Oliver G. Gilbert, III
Honorable Members of the Board of County Commissioners
Honorable Daniella Levine Cava, Mayor
Luis G. Montaldo, Clerk Ad Interim, Clerk of Courts

Ladies and Gentlemen:

The Annual Comprehensive Financial Report of the Miami-Dade Aviation Department (Aviation Department or MDAD) for the fiscal year ended September 30, 2022, is hereby submitted. Responsibility for both the accuracy and completeness and fairness of presentation, including all disclosures, rests with the Aviation Department. To provide a reasonable basis for making these representations, management of the Aviation Department has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Aviation Department's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Aviation Department's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. This report presents fairly, and discloses fully, in all material respects, the financial position and results of operations of the Aviation Department.

The Aviation Department is also required to be audited in accordance with the provisions of the Single Audit Act of 1984 and the Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments and Non-Profit Organizations, and the Florida Single Audit Act requirement. Information related to the single audit, including the schedule of expenditures of federal awards and state financial assistance, schedule of findings and questioned costs, and the reports of independent auditor, are reported under a separate cover.

GAAP requires that management provide a narrative overview and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditor in the Financial Section of this report.

Profile Overview

The Aviation Department operates as an enterprise fund of Miami-Dade County (the County). An enterprise fund is used to account for the financing of services to the general public on a continuing basis with costs recovered primarily through user charges. The County owns Miami International Airport (MIA or the Airport), three general aviation airports, and one training airport (collectively - "the Airport System"), all of which are operated by the Aviation Department.

The County operates the Airport System through the Aviation Department with policy guidance from the Mayor and the Board of County Commissioners of Miami-Dade County, Florida (the Board).

Economic Conditions and Outlook

MIA continues to be an economic engine for Miami-Dade County and the State of Florida. The most recent economic impact study indicated that MIA has an annual financial impact on local tourism, cruise operations, international banking, trade, and commerce of $31.9 billion. MIA and aviation-related industries contribute 275,708 jobs directly and indirectly to the South Florida economy and are responsible for one out of every 4.6 jobs.

The Airport offers an extensive air service network, enhanced by multiple daily scheduled and non-scheduled flights. MIA's stronghold market, the Latin America/Caribbean region, was served by more passenger flights from the airport than from any other U.S. airport. MIA is the premier international gateway to Florida, handling nearly 65% of Florida's total international passenger traffic during calendar year 2021.

MIA is a major transshipment point by air for the Americas. During calendar year 2021, the most recent year for which such information is available, the Airport handled 83% of all air imports and 79% of all air exports between the USA and the Latin American/Caribbean region. The Airport also maintained its ranking as the nation's number one airport in international freight (excluding mail) and became the busiest U.S. gateway for international passengers during calendar year 2021 (most recent data available). In 2015, the International Air Transport Association (IATA) designated MIA as the first pharmaceuticals (pharma) freight hub in the U.S. and only the second in the world at that time. This certification brands the airport to pharmaceutical manufacturers as a trusted industry leader that transports their products in accordance with global best practices.

The Airport stimulates a host of industries such as tourism, the cruise industry, and international banking and commerce. In terms of trade, the most recent Department of Commerce data showed that the Airport handled 95% of the dollar value of the State's total air imports and exports, and 41% of the State's total air and sea trade with the world. In 2018, MDAD gained final approval from the U.S. Department of Commerce to designate MIA as a Foreign Trade Zone (FTZ) magnet site. The MIA FTZ creates new synergies for on-airport businesses.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a global pandemic, which adversely impacted global commercial activity and significantly affected the air travel industry. The domestic and international travel restrictions imposed by the United States and many countries across the globe resulted in a significant decline in air passenger volume and air travel demand. MIA's passenger traffic fell to an all-time low, however, additional new low-cost carriers and routes has led to phenomenal growth in passenger volume since the steep decline in the early days of the global pandemic. Domestic passenger volumes at the Airport surged passed pre-pandemic levels to a historic high in fiscal year 2022, up 27.1% and 89.6%, respectively, over 2019 and 2021. However, international traffic remained below 2019 levels, a drop of 10.7%, but is expected to rise in the upcoming fiscal year, as more international carriers resume or commence service to MIA, with the lifting of global travel restrictions and COVID-19 testing requirements for inbound passengers.

Passenger Activity

During fiscal year 2022, 49,733,342 passengers travelled through MIA, a 64.6% increase compared to fiscal year 2021, and an all-time high for the Airport. Domestic traffic increased by 51.1% to 29,694,216, or 59.7% of the total traffic. International traffic accounted for 40.3% of the traffic or 20,039,126 passengers, an increase of 89.6% over the prior fiscal year. In calendar year 2021, MIA was ranked first in the U.S. over New York's John F. Kennedy Airport for international passengers.

The Airport is American Airline's largest international hub operation, for international passengers. American Airlines accounted for approximately 58% of the enplaned passengers at the Airport during fiscal year 2022, and together with its affiliate, Envoy (previously known as American Eagle Airlines), approximately 63% of all enplaned passengers during such period. Delta Air Lines reverted back to the third largest carrier at MIA, representing approximately 6.0% of the enplaned passenger traffic.

Cargo Activity

Cargo (mail and freight) tonnage totaled 2,807,140 tons in fiscal year 2022, resulting in an increase of 6.1%. MIA remains the number one airport in the U.S. for international freight. Cargo activity generates different types of revenues for the Aviation Department including landing fees, cargo warehouse rentals, aircraft apron rentals, and ground rentals. Cargo carriers represented 25% of the landed weight in fiscal year 2022, which is a decrease from the 33.4% in the prior fiscal year.

Airline Agreements

In August 2018, the County entered into separate but identical Airline Use Agreements (AUA) with the airlines using MIA. The AUA, which is a 15-year agreement expiring in 2033, provides that the County, acting through its Board of County Commissioners, has the right to calculate landing fees using an airport system residual cost methodology so that the revenues from landing fees, together with revenues from other sources, will be sufficient to meet the rate covenant and other requirements.

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

The County has entered into separate but substantially similar Terminal Building Lease Agreements with its airline tenants. Under these agreements, airlines have no obligations to make real property investments in tenant improvements to their premises and in personal property to support their operations.

Passenger Facility Charges (PFC)

The Federal Aviation Administration (FAA) authorized the Aviation Department to impose a Passenger Facility Charge (PFC) of $3 per passenger commencing November 1, 1994. Subsequently, on October 21, 2001, the FAA approved a revised PFC collection level of $4.50 with an effective date of January 1, 2002. In December 2002, the FAA approved a PFC application that enables the Aviation Department to use PFC revenues to pay debt service related to the bonds that were issued to finance the construction of the North and South Terminals at MIA.

Per FAA regulations, net receipts from PFCs are restricted to use only on these FAA approved capital projects and related financing costs. The Aviation Department has been authorized to collect PFCs in the estimated aggregate amount of approximately $2.7 billion including interest. The authorization is expected to expire January 1, 2039. The amount of PFC collections from inception through September 30, 2022, was approximately $1.64 billion and with interest, approximately $1.73 billion. Of this amount, the Aviation Department has expended $1.53 billion. As of September 30, 2022, the Aviation Department had a cash balance of $207.2 million in the PFC account.

Capital Projects

In fiscal year 2015, the Aviation Department created a near to mid-term Capital Improvement Program (CIP) that addressed facilities in need of renovations. The CIP started with an approved budget of $651 million through a Majority-In-Interest (MII) review process (by a majority of the 11 Signatory Airlines that represent the MIA Signatory Airlines as members of the Miami Airport Affairs Committee) in July 2015. As a result of the Airport's changing needs, MDAD decided to increase the CIP to $3.0 billion, through several MII review processes held between 2017 and 2022. Today, the CIP has grown to a long-term and bigger program with an approved budget of $5.9 billion, which addresses the Airport's current demands. The CIP includes projects and funding sources from fiscal year 2015 through fiscal year 2035. Concurrent with the development of the CIP, the Aviation Department is in the process of defining new projects and new funding sources to grow the program.

The CIP now consists of twenty (20) subprograms that are: General Aviation Airports, MIA Airfield and Airside, MIA Cargo and non-Terminal Buildings, MIA Central Base Apron and Utilities, MIA Central Terminal, MIA Concourse E, MIA Fuel Facilities, MIA Land Acquisition 2020, MIA Land Acquisition Future, MIA Landside and Roadways, MIA Miscellaneous Projects, MIA North Terminal, MIA Passenger Boarding Bridges, MIA Reserve Maintenance, MIA South Terminal Expansion, MIA South Terminal Improvements, MIA Support Projects, MIA Terminal Wide Projects, MIA Terminal Wide Restrooms Modernization, and MIA Terminal Wide Roof. The program started with the renovation of Concourse E, which is now mostly complete and open to the public; then moved into the South Terminal, Taxiways, Apron, Central Terminal Ticket Counters, Central Base Apron and Utilities, General Aviation Airports, Land Acquisitions, and Terminal Wide Restrooms. The South Terminal major project, the Baggage Handling System Renovation for the Central and South Terminals is now complete; Taxiways T, S, and R, from the Miscellaneous subprogram is almost finished; the Central Base Apron and Utilities and Passenger Boarding Bridges Phase I are halfway through, while the General Aviation Airports, Terminal Wide Restrooms, Land Acquisition, and most of the Support Projects are in progress at various stages of completion. The Central Terminal subprogram has recently started.

The CIP intends to modernize the terminal facilities to accommodate larger aircraft and to provide capacity for increased passenger traffic. The terminal facilities renovation upgrades will improve aesthetics, meet current life-safety and security requirements, and meet maintenance needs. The CIP also includes apron improvements in the Central Base area that will improve drainage and add additional hardstands; a revamped Automated People Mover (APM) connecting Lower Concourse E with Satellite E, which opened for service, along with new gates including one Airbus A380 gate area, and new passenger boarding bridges; the renovation of Concourse E Federal Inspection Services (FIS) that improves vertical circulation and provides additional international passenger traffic processing capacity; Apron pavement and rehabilitation around Concourse E and E Satellite; and the rehabilitation of Taxiways R, S, & T. A major component for this program is the Baggage Handling System (BHS) Improvements which has a new automated Checked Baggage Inspection System (CBIS); the MIA Employee Parking Garage project which includes scope for a multi-level parking garage structure that will mostly benefit airline and other terminal employees; the construction of an integrated Airport Operations Center (AOC); the replacing of 44 Passenger Boarding Bridges (PBBs) throughout the concourses; the renovation of ramp level restrooms at concourse H as well as the Terminal-wide Restrooms Modernization; the MIA Runway Incursion Mitigation (RIM) Hot Spot 5 (Corral Area); the MIA Runway 9-27 Pavement; the Terminal-wide Roof System Replacement and Lightning Systems Upgrades and the maintenance of all airport facilities.

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

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

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

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

In June 2015, the Aviation Department issued $75.0 million in Aviation Revenue Bonds under the Trust Agreement to begin the bond financing portion (including financing costs) of the Capital Improvement Program (CIP), which is currently estimated at $5.9 billion. In May 2019, the Aviation Department issued $282.18 million in Aviation Revenue Bonds to continue to fund the CIP. Most of the proceeds were used to pay off $170 million in outstanding Aviation Commercial Paper Notes for the Commercial Paper program that expired on March 2, 2021. In March 2021, the Aviation Department issued $200 million in Aviation Commercial Paper Notes for the purpose of providing temporary funding for the CIP.

Tenant Financed Facilities

The Aviation Department has decided, as a matter of policy, to permit tenants of airside facilities to construct some buildings with private financing or private funding. Accordingly, certain hangars and cargo facilities (including those for Federal Express, UPS, LAN Airlines, and Centurion Air Cargo) have been constructed with private financing. Ownership to improvements constructed by a tenant is typically retained in the tenant's name for a stated period of time or until expiration of the lease agreement. If the tenant remains in possession following either of these dates, the tenant is obligated to pay building rent in addition to ground rent or depending on the condition of the improvements, MDAD reserves the right to require the tenant to demolish the improvement(s).

Major Initiatives and Long-Term Financial Planning

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

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

In 2022, the MII reviewed and approved new projects that will be constructed through the implementation of the following sub-programs:

- *North Terminal* - Sub-program includes the North Terminal Gate Optimization Phase 1 & 2 and infrastructure projects, Concourse D West Extension - D60, (Building Expansion and Apron), and purchase of additional Skytrain Vehicles
- *Central Terminal* **-** Sub-program includes Concourse F Refurbishment phase 2 and the Central Terminal Redevelopment Phase 1 (E-F Connector & Cc F Infill) and 2 (Checkpoint, Vertical Core, E-F TC, Roof Bump Up)
- *South Terminal* - Sub-program includes the South Terminal Expansion East Phase 1, South Terminal Apron & Utilities Modification, Concourse H Glazing Curtain Wall Assessment & Corrective Action, and Miscellaneous South Terminal Enabling Projects
- *Cargo and Non-Terminal Buildings* - Sub-program includes Building 702 Apron and Airside Improvements and Building 3032 Demolition and Replacement
- *Terminal Wide Public Restroom Modernization* **-** Sub-program includes Restroom Modernization at North, Central, and South Terminals
- *Terminal Wide* - Sub-program includes the North and Central Terminal Passenger Loading Bridges Phase II
- *Landside & Roadways* - Sub-program includes Perimeter Security Hardening Program - Phase 1 and the Dolphin/Flamingo and New Parking Garage 6 Exterior Cladding.

MIA's current capital budget is $5.9 billion. The current approved projects total $2.9 billion, of which $2.3 billion was approved through the MII review process and $637.5 million did not require an MII review. Future funding for the Department's capital program consists of Aviation Revenue Bonds, Commercial Paper, Federal and State Grants, and Passenger Facility Charges. The Department maximizes the use of the grants as an equity funding source to lessen the amount of Aviation Revenue Bonds (debt) required to fund the capital projects.

Independent Audit

The financial statements for fiscal year 2022 were audited by Cherry Bekaert LLP, and the opinion resulting from their audit is included in this Annual Comprehensive Financial Report. Their audit was made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Department for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the Department was required to publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This Annual Comprehensive Financial Report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The Department has received a Certificate of Achievement for the last 30 consecutive fiscal years (1992-2021). It believes the current report continues to conform to the Certificate of Achievement program requirements, and as such it is being submitted to GFOA.

Acknowledgements

This report could not have been presented without the efforts of the Finance and Strategy Division staff. We sincerely appreciate their time and thank them for their valuable contributions. The Department also thanks the County Mayor and the Board of County Commissioners for providing continued support to the Department, enabling the successful operation of the Airport System.

Respectfully submitted,

Ralph Cutié
Aviation Director & CEO

Sergio San Miguel, CPA
Chief Financial Officer

Miami-Dade County Officials

Daniella Levine Cava
Mayor

Board of County Commissioners

Oliver G. Gilbert, III, Chairman

Anthony Rodriguez, Vice Chairman

Oliver G. Gilbert, III, District 1

Marleine Bastien, District 2

Keon Hardemon, District 3

Micky Steinberg, District 4

Eileen Higgins, District 5

Kevin M. Cabrera, District 6

Raquel A. Regalado, District 7

Danielle Cohen Higgins, District 8

Kionne L. McGhee, District 9

Anthony Rodriguez, District 10

Roberto J. Gonzalez, District 11

Juan Carlos Bermudez, District 12

René Garcia, District 13

Luis G. Montaldo
Clerk Ad Interim, Clerk of the Courts

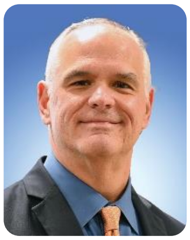
Pedro J. Garcia
Property Appraiser

Geri Bonzon-Keenan
County Attorney

www.miamidade.gov

Miami-Dade Aviation Department

Senior Staff

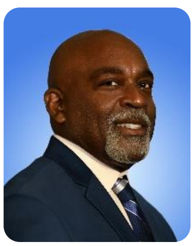


Ralph Cutié
Aviation Director
& Chief Executive Officer

Ken Pyatt
Deputy Director

Basil A. Binns, II
Deputy Director

Arlyn Rull Valenciaga
Chief of Staff &
Senior Policy Advisor



Maurice Jenkins
Digital Strategy &
Innovation Advisor
Chief Innovation Officer

Patricia Hernandez
Senior Executive Assistant

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

Barbara S. Jimenez
Assistant Director,
Administration

Denise B. Ridge
Assistant Director,
Operations

Isaac Smith
Assistant Director, Facilities
Management & Engineering

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

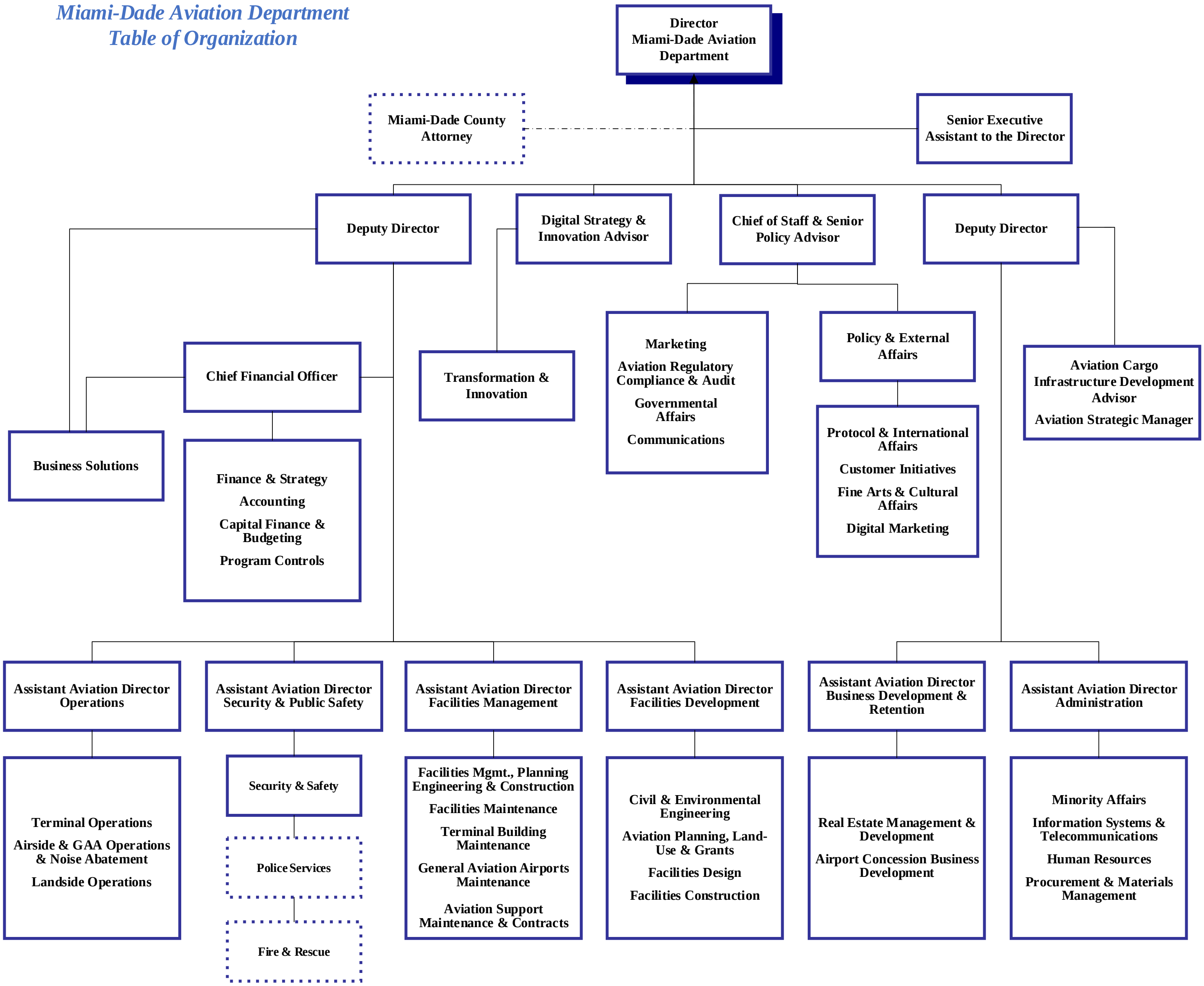
Robert Warren
Assistant Director, Business
Retention Development

Sergio San Miguel
Chief Financial Officer

Tony Quintero
Associate Director,
Governmental Affairs

Miami-Dade Aviation Department
Organizational Chart

Miami-Dade Aviation Department
Table of Organization



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Miami-Dade County Aviation Department
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

2022

Annual Comprehensive Financial Report

(This page intentionally left blank)

Financial Section

Independent Auditor's Report

Management Discussion & Analysis

Financial Statements

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

2022

Annual Comprehensive Financial Report

(This page intentionally left blank)

(This page intentionally left blank)

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Miami-Dade County Aviation Department ("Aviation Department"), an enterprise fund of Miami-Dade County, Florida (the "County"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Aviation Department of the County as of September 30, 2022, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1.a., the financial statements present only the Aviation Department and do not purport to, and do not, present fairly the financial position of the County as of September 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Aviation Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2023, on our consideration of the Aviation Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Aviation Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Aviation Department's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tampa, Florida
May 10, 2023

Introduction

The following discussion and analysis of the financial performance and activity of the Miami-Dade County Aviation Department (the Aviation Department) is to provide an introduction and understanding of the financial statements of the Aviation Department for the year ended September 30, 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The Aviation Department operates an airport system consisting of Miami International Airport ("MIA"), four general aviation airports: Miami-Opa Locka Executive Airport, Miami Homestead General Aviation Airport, Miami Executive Airport, and the Dade-Collier Training and Transition Airport.

The Aviation Department operates as an enterprise fund of Miami-Dade County, Florida (the "County"). The Aviation Department is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenue from concessions to fund operating expenses. The Capital Improvement Program ("CIP"), which is scheduled to be completed in fiscal year 2023, is primarily funded by bonds, federal and state grants, Passenger Facility Charges ("PFC"), and monies set aside from the Reserve Maintenance Fund and Improvement Fund. Additionally, the Board of County Commissioners approved a Capital Improvement Program (the "New CIP") on June 4, 2019. The New CIP will fund five sub-programs that will be built during the period of 5 to 15 years through 2035 and beyond.

Required Financial Statements

The Aviation Department's financial report includes three financial statements: the statement of net position, statement of revenue, expenses, and changes in net position, and statement of cash flows. The financial statements are prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board ("GASB"). The Aviation Department is structured as a single enterprise fund with revenue recognized when earned and expenses recognized when incurred. Capital asset costs, with the exception of land and construction in progress, are capitalized and depreciated over their estimated useful lives. Certain net position balances are restricted for debt service, construction activities, and major maintenance-type activities.

The statement of net position includes all of the Aviation Department's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and provides information about the nature and amounts of investments in resources (assets) as well as obligations to creditors and investors (liabilities). These statements also provide the basis for evaluating the capital structure of the Aviation Department and assessing liquidity and financial flexibility.

The statement of revenue, expenses, and changes in net position report the operating revenue and expenses and nonoperating revenue and expenses of the Aviation Department for the fiscal year with the difference, net income or loss, being combined with any capital contributions to arrive at the change in net position for the fiscal year. These statements capture the amount of operating revenue the Aviation Department earned for the fiscal year along with the amount of operating expenses that were incurred during the same period, thus determining whether the Aviation Department was able to cover its operating obligations with its operating income.

The statements of cash flows provide information about the Aviation Department's cash receipts and payments during the reporting period. These statements report cash receipts, cash payments, and net changes in cash resulting from operating, investing, and capital and noncapital financing activities, and provide an insight regarding sources providing cash and activities using cash.

Activity Highlights

During fiscal year 2022, MIA surpassed 49 million passengers for the first time in its history. Boosted by increased leisure air travel and new low-cost carriers and routes, passenger volumes rose past pre-pandemic levels to a record high of 49.7 million passengers, up 64.6% over fiscal year 2021. Enplaned passengers totaled 24,937,982, a 64.8% increase compared to fiscal year 2021. Landed weight, which represents the total weight of the commercial aircraft that landed at MIA, increased by 29.1% in fiscal year 2022. Enplaned cargo also attained a record high, increasing by 5.6% in fiscal year 2022, as compared to fiscal year 2021. Below is a comparison of these activities at MIA by fiscal year:

	2022	**2021**
Enplanements	24,937,982	15,136,208
Landed weight (1,000 pounds)	41,894,203	32,459,893
Enplaned cargo (in tons)	1,176,178	1,113,995

Financial Highlights

- During fiscal year 2022, operating revenue was $900.5 million, an increase of $250.8 million, or 38.6%, as compared to fiscal year 2021. Phenomenal air cargo growth, increased leisure air travel, and additional carriers and routes resulted in the substantial increase in operating revenue across all income sources during fiscal year 2022, compared to fiscal year 2021.

- During fiscal year 2022, operating expenses before depreciation and amortization were $534.1 million, an increase of $53.3 million, or 11.1%, as compared to fiscal year 2021. The increase in operating expenses is primarily attributed to higher salaries, fringe benefits, utilities, and services provided by other County departments, such as fire and police.

The table below shows the composition of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of September 30, 2022 and 2021:

	2022 (In thousands)	2021[1] (In thousands)
Current Assets:		
Unrestricted assets	$ 477,791	$ 353,722
Restricted assets	281,409	251,758
Total Current Assets	759,200	605,480
Noncurrent Assets:		
Restricted assets	641,847	637,398
Capital assets, net	5,479,199	5,650,701
Lease receivable, net of current portion	163,527	-
Total Assets	$ 7,043,773	$ 6,893,579
Deferred Outflows of Resources:		
Deferred outflow - pension	$ 27,373	$ 21,003
Deferred outflow - other postemployment benefit	6,512	7,661
Deferred loss on refunding	97,180	109,837
Total Deferred Outflows	$ 131,065	$ 138,501
Current Liabilities:		
Current liabilities payable from unrestricted assets	$ 99,776	$ 91,856
Current liabilities payable from restricted assets	258,145	241,670
Total Current Liabilities	357,921	333,526
Noncurrent liabilities	5,707,378	5,763,953
Total Liabilities	$ 6,065,299	$ 6,097,479
Deferred Inflows of Resources:		
Deferred inflow - pension	$ 3,872	$ 59,376
Deferred inflow - other postemployment benefit	3,687	2,120
Deferred inflow - leases	164,767	-
Total Deferred Inflows	$ 172,326	$ 61,496
Net Position:		
Net investment in capital assets	$ 24,800	$ 132,468
Restricted	717,754	648,436
Unrestricted	194,659	92,201
Total Net Position	$ 937,213	$ 873,105

[1] Amounts for fiscal year 2021 have not been restated for the adoption of GASB No. 87.

Capital assets, net as of September 30, 2022 were $5.5 billion, $171.5 million lower than at September 30, 2021. The decrease was due primarily to current-year depreciation expense exceeding capital asset additions.

As of September 30, 2022, the assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately $937.2 million, an increase of approximately $64.1 million as compared to fiscal year 2021.

Changes in net position can be determined by reviewing the following summary of revenue, expenses, and changes in net position for the years ended September 30, 2022 and 2021:

	2022	**2021**[1]
	(In thousands)	(In thousands)
Operating Revenues:		
Aviation fees	$ 443,330	$ 309,109
Rentals	172,591	152,794
Commercial operations	264,597	173,325
Other operating	12,753	9,217
Other – environmental remediation	7,195	5,200
Nonoperating Revenues:		
Passenger facility charges	100,363	63,719
Investment income	2,349	178
Lease interest income	6,412	-
Other	35,998	62,657
Total Revenues	1,045,588	776,199
Operating Expenses:		
Operating expenses	395,948	358,634
Operating expenses – environmental remediation	5,375	3,914
Operating expenses – commercial operations	27,113	22,338
General and administrative expenses	105,618	95,916
Depreciation and amortization	280,175	277,391
Nonoperating Expenses:		
Interest expense	211,442	219,658
Total Expenses	1,025,671	977,851
Gain (loss) before capital contributions	19,917	(201,652)
Capital contributions	44,191	34,802
Change in net position	64,108	(166,850)
Net position at beginning of year	873,105	1,039,955
Net position at end of year	$ 937,213	$ 873,105

[1] Amounts for fiscal year 2021 have not been restated for the adoption of GASB No. 87.

Total revenue for fiscal year 2022 was $1.05 billion, an increase of $269.4 million, or 34.7%, as compared to fiscal year 2021. Operating revenue in fiscal year 2022 was $900.5 million, an increase of $250.8 million, or 38.6%, as compared to fiscal year 2021. Phenomenal air cargo growth, increased leisure air travel, and additional carriers and routes during fiscal year 2021, resulted in the substantial increase in revenue across all income streams over the prior fiscal year.

Total expenses, including depreciation and amortization, for fiscal year 2022 were $1.03 billion, an increase of $47.8 million, or 4.9%, as compared to fiscal year 2021. Operating expenses in fiscal year 2022, excluding depreciation and amortization, were $534.1 million, an increase of $53.3 million, or 11.1%, as compared to fiscal year 2021. The increase in operating expenses is primarily attributed to higher salaries, fringe benefits, utilities, and services provided by other County departments.

In accordance with the amended and restated Trust Agreement (the "Trust Agreement"), the Aviation Department is required to meet its rate covenant, which means the Aviation Department is required to maintain, charge, and collect rates and charges for the use of, and for the services and facilities provided to, all users of these facilities. In addition, these rates and charges are to provide revenue sufficient to pay current expenses: to make the required Reserve Maintenance Fund annual deposits as recommended by the Consulting Engineers and to make deposits to the Sinking Fund, which comprises the Bond Service Account, the Reserve Account, and the Redemption Account, of not less than 120% of the Principal and Interest Requirements of the Outstanding bonds, as defined in the Trust Agreement (all capitalized terms referenced in the last few sentences are defined terms in the Trust Agreement). The Aviation Department uses an airport system residual cost recovery methodology to set its landing fee rate. The manner in which the residual landing fee is calculated enables the Aviation Department to establish rates to meet its rate covenant.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2022 and 2021, the Aviation Department had $5.5 billion and $5.7 billion, respectively, invested in capital assets, net of accumulated depreciation and amortization.

The following table summarizes the composition of capital assets, net of accumulated depreciation and amortization, as of September 30, 2022 and 2021:

	2022 (In thousands)	2021 (In thousands)
Land	$ 146,906	$ 141,906
Buildings, improvements, and systems	4,191,211	4,340,136
Infrastructure	499,601	465,583
Furniture, machinery, and equipment	510,181	550,713
Intangible lease assets	6,761	-
	5,354,660	5,498,338
Construction in progress	124,539	152,363
Total capital assets, net	$ 5,479,199	$ 5,650,701

The Aviation Department has grown its capital program to a long-term and bigger Capital Improvement Program ("CIP") with an approved budget of $5.9 billion. The CIP includes projects and funding sources from fiscal year 2015 through 2032. The program consists of 151 capital projects grouped in 19 subprograms plus the *Reserve Maintenance Projects* subprogram for $228.1 million to include miscellaneous environmental and maintenance projects under the Reserve Maintenance Division for a total of 20 subprograms. As of September 30, 2022, the status of the CIP can be described as follows:

- 76 projects in Planning and Design: $4.2 Billion

  These projects include: MIA North Terminal Public Restrooms Modernization, MIA Central Terminal Public Restrooms Modernization, AA017D – MIA Terminal Public Restrooms Modernization – Phase 2-5, AA017D – MIA Terminal Public Restrooms Modernization – Phase 2-5 Construction, MIA Concourse H Glazing, Curtain Wall Assessment and Corrective Action, TMB New ATCT, MIA West Cargo Truck Parking, MIA North Terminal Gate Optimization – PHASE 1, MIA North Terminal Gate Infrastructure Upgrades, MIA North Terminal Gate Infrastructure Upgrades, MIA North Terminal Gate Optimization Phase 2, MIA Runway 9-27 Rehabilitation, MIA NW 37th Avenue Intersection Improvements, MIA Consolidated Office Complex – Landside, MIA Demolition Building 5A, MIA Consolidated Office Complex – MIA Finance Division and Administration Office Relocation, MIA Building 5A Tenants Relocation, MIA Tenant Relocation, MIA Terminal Wide Re-roofing and Lightning System Upgrades, MIA General Land Acquisition, MIA LATAM Hangar – Land Acquisition, MDAD Security Cameras Project, MIA AOA Perimeter Security Hardening Program – Phase 1, MIA NTD Baggage Handling System Modification to the Inline Check Baggage Inspection System (CBIS), MIA Building 3032 Replacement and New Building, MIA Demolition Building 3039 – South Terminal Enabling Project, MIA Demolition Building 3051 (Gas Station) and Building 3045 (Car Wash) – Enabling, AB049A – MIA Temporary South Terminal GSE Facility & 20th Street Modification AOA – Enabling, MIA South Terminal Apron Enabling – Demolition Building 3050, MIA Central Base Airside Operating Area (AOA) Construction Gate, MIA North Terminal Gate D-15 AA VIP Club Water Leak Design, MIA Dolphin/Flamingo and New Parking Garage 6 Exterior Cladding, MIA Concourse G – Gate G12 Office Renovation at Ramp Level – Design, BA017A – MIA North Terminal Additional Skytrain Vehicles, MIA Central Terminal Redevelopment – Phase 1 (E-F Connector & Cc F Infill) – Design only, MIA Central Terminal Redevelopment – Phase 1 (E-F Connector & Cc F Infill), MIA Building 3050 Tenant Relocations to Building 5A, MIA Airport Operations Center (AOC), MIA Cc D 3rd Floor Demolition, P259A – MIA Concourse "E" and "F" Taxilane and Apron Rehabilitation, MIA Central and South Terminal Bag Claim Optimization Phase 1, MIA Cc E FIS Area Renovations – Phase 2, MIA Concourse D West Extension – D60 (Building Expansion and Apron) – Design, MIA Concourse D West Extension – D60 (Building Expansion and Apron) Construction, T180D – MIA Concourse D West Extension – D60 Apron and Utilities – Design, MIA Satellite E New Chiller Plant, MIA Central Terminal CCTV and Access Control, MIA South Terminal Apron and Utilities Relocation Phase 1, MIA South Terminal Apron and Utilities Relocation Phase 1 – Construction, MIA Concourse E-F Connector, MIA New Concourse F, MIA Central Terminal Redevelopment – Phase 2 (Checkpoint, Vertical Core, E-F TC, Roof Bump Up) – Design only, MIA Central Terminal Redevelopment – Phase 2 (Checkpoint, Vertical Core, E-F TC, Roof Bump Up), MIA New Cc Enabling Up-Gauge & Down-Gauge Project, V013A – MIA Concourse F Apron Phase 1 and Phase 2, V013B – MIA Concourse F Demo Phase 1 – Headhouse Demo & New Hardstand Area, V013C – MIA Concourse F Demo Phase 2 – Cc F Pier Demo & New Cc F Apron Phase 3, MIA GSE Facility for North Terminal, EFSO IVP 14 (Emergency Fuel Shut Off), MIA Cc. J Gates Advanced Visual Docking Guidance System (VDGS), OPF Customs Building Expansion-Remodeling, MIA Fuel Storage Facility Expansion, MIA Fueling Maintenance and Administration Consolidation Building , W019C – MIA Fuel Storage Facility Expansion Phase 2, MIA North and Central Terminal Passenger Loading Bridges Phase II, TMB South Apron Expansion / New Taxilane, Miami-Opa Locka Executive Airport (OPF) Runway 09L-27R Rehabilitation, MIA Building 702 Apron & Airside Improvements, MIA Building 702 Apron & Airside Improvements – Construction, Demo Bldg. 703 – Environmental Assessment and Remediation, Demolition Bldg. 704, MIA Perimeter Rd. Bridge Replacement, MIA Vehicle Fueling and Car Wash Facility – South Terminal Enabling Project, MIA South Terminal Expansion East (New Gates) Phase 1, MIA South Terminal Expansion East (New Gates) Phase 1 – Construction, X079A – MIA Concourse G Demolition, MIA RIM Hot Spot 5 (Corral Area), MIA Low E – Train Station Emergency Doors, and also included in this group is the Program Contingency for $463 million.

- 13 projects in Bid & Award: $209.6 Million

  These projects include: MIA Lower Cc E, E Satellite and DE Connector Stucco Replacement, Exterior Painting, Lightning Protection and VDGS, Biometric Enabled Common Use Passenger Processing System, MIA North Terminal Ramp Level Restrooms Upgrade, MIA Building 3030 1st Floor D-Wing Tenant Relocation, MIA Bldg. 3030 SITA Demolition & Renovation, MIA Terminal Wide Two-Way Radio MDFR, MIA Parking Garage Structural Repairs, MIA Cc H Gates & Internationalization, MIA BHS Central Terminal to South Terminal Crossover, MIA Employee Parking Garage, OPF Engine Run-Up Pad, Demolition Bldg. 703 & 703A, and MIA Advanced Technology (AT) X-Ray Security Screening System.

- 29 projects under Construction: $551.9 Million

  These Capital projects primarily consist of: MIA North Terminal Public Restrooms Modernization, MIA Central Terminal Public Restrooms Modernization, MIA South Terminal Public Restrooms Modernization, MIA South Terminal Public Restrooms Modernization, MIA Lower E and Satellite E Third Floor APM Platform Annunciation System, MIA Enterprise Land Lot – Land Acquisition, MIA Perimeter Protection, Airport Security Network (ASN) – Core Replacement, MIA End of Life Replacement for the AOIS/CUTE, MIA PASI Hardware System Upgrade (Terminal & Concourses), MIA Lower Cc E Passenger Loading Bridges, MIA Lower Cc E Third Level Sterile Corridor, MIA Lower Cc E Roofing, Mechanical, and Electrical Equipment Replacement, MIA Satellite E Renovations, MIA Satellite E Roofing, Mechanical and Electrical Equipment Replacement, MIA South Terminal Smoke Evacuation, MIA Parking Access & Revenue Control System Replacement, MIA Taxi and Transportation Network Company (TNC) Parking Lot and Facilities, MIA Concourse F Refurbishment, TMB RIM HS1 With Taxiway H West Extension to Threshold 9R, MIA Central Base Apron and Utilities Modifications and Expansion, MIA Central Terminal E-H Ticket Counters, MIA Credentialing and Identity Management System – COTS, MIA Employee Parking Lot Road Improvement, MIA Central Terminal Fire Protection Notice of Violation (Design), MIA North and Central Terminal Passenger Boarding Bridges (PBBs) – Phase 1, MIA Admiral's Club Infrastructure and New Stairs, MIA Cc H Restrooms Renovation, and Miami Homestead General Aviation Security Enhancement.

- 33 projects in Close Out: $692.6 Million

  These projects include: MIA Checkpoint Queue Wait Time Analyzer, MIA Land Acquisition – NW South River Property, MIA Warehouse – Land Acquisition, MIA Land Acquisition – Miami Intermodal Center (MIC), MIA Land Acquisition – Warehouse at 1777 NW 72 Ave, MIA Central Terminal Upper Drive Façade & Curbside (Design), MIA Cc E Satellite Automated People Mover Replacement, MIA Rehabilitation of Taxiways R, S, T; Extend Taxiway R, Reconfigure Connector Taxiway M5, MIA Partial Demo Bldg. 704, FPL Vault Relocation & Wash Rack Relocation, MIA Bldg. 704 Tenants Relocation and Finish Out Building 701, MIA Fumigation Facility Temporary Relocation, MIA Fuel Tender Facility, MIA Concourse H Roof Replacement, MIA South and Central Terminal BHS Improvements, MIA Lower Concourse E Renovations, MIA Lower Cc E Admirals Club Elevators, MIA Lower Cc E APM Station 4th Level, MIA Lower Cc E FIS Area Renovations – Phase 1, MIA Airside Operation Break Room, MIA Satellite E Passenger Loading Bridges, MIA Satellite E New Generator, MIA Satellite E ICE Detention Center, MIA Satellite E 4th Level Demolition Work, MIA Satellite E Fire Pump Room, MIA Satellite E Pavement Rehabilitation, MIA Concourse D Mechanical Room Mildew Remediation, MIA RCF D60 New Swing Doors, MIA Fuel Farm Utilities Relocation, TMB RIM Option 2 Phase 1, MIA CC G Preconditioned Air Equipment, MIA Airport Surface Management System (SMS), MIA Dolphin & Flamingo Painting, and MIA Building 3030 Offices.

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

Debt Administration

As of September 30, 2022 and 2021, the Aviation Department had a total of $5.6 billion and $5.7 billion, respectively, in long-term debt outstanding. The long-term debt consists of Aviation Revenue Bonds issued under the Trust Agreement, Double-Barreled Aviation Bonds issued by the County, and Commercial Paper Notes. Maturity dates range from 2022 to 2050, and the interest rates range from 1.183% to 5.500%.

Both principal and interest for the Aviation Revenue Bonds are payable solely from net revenue generated from the airport facilities constructed under the provisions of the Trust Agreement. These Aviation Revenue Bonds do not constitute debt of the County or a pledge of the full faith and credit of the County. In addition to net revenue, the Aviation Department used $80.0 million of PFC revenue to pay principal and interest due in fiscal year 2022.

Some issues of General Aviation Revenue Bonds are insured by various original monoline insurance companies whose credit ratings reflect the financial capacity of these companies. The purchase of insurance at the time the debt was issued, elevated bond ratings by Standard & Poor's, Moody's Investor Service, and Fitch Ratings to AAA, Aaa, and AAA, respectively, and lowered the interest rate on the related debt. The Trust Agreement requires that insurers have certain minimum ratings in order to insure County bonds. The policies provide that insurers will make debt service payments in the unlikely event the County is unable to do so. Since the insured bonds were issued, the ratings of the various monoline insurers have been lowered or withdrawn by the rating agencies. The rating downgrades do not necessarily affect the insurance companies' ability to pay claims, and the various insurance policies remain in effect. However, the Reserve Account was affected by the rating downgrades of the Surety policies that were purchased in lieu of cash funding the Debt Service Reserve Requirement. The Aviation Department funded the reserve requirement shortfall by funding the difference over a specified time period. As a result, the Aviation Department has a fully funded cash reserve along with potentially viable but unusable Surety policies unless the ratings of the Reserve Surety Providers are upgraded to "AA/Aa" or higher. The County's cash flow and its ability to pay its debt service obligation have not been affected.

As of September 30, 2022, the public underlying ratings for the Aviation Department's outstanding General Aviation Revenue Bonds were A with a positive outlook, A+ with a stable outlook, and A with a stable outlook per Standard & Poor's, Kroll Bond Rating Agency, and Fitch Ratings, respectively.

Additional information on the Aviation Department's debt administration can be found in Note 6 of this report.

Economic Factors and Outlook

As noted in the passenger statistics below, the COVID-19 global pandemic significantly affected MIA passenger traffic, which fell to an all-time low, during fiscal year 2020. Passenger traffic, however, rebounded to a record high in fiscal year 2022, as did the economy of the metropolitan area of Miami Dade County, which principally serves MIA. Because the local residents in Miami Dade County serve as a portion of the MIA passenger traffic, the health of the local economy affects the Airport's revenue. One of the local economic factors that affects MIA is the, not seasonally adjusted, unemployment rate, which decreased from 4.5% in September 2021 to 1.9% in September 2022.

One of the hardest hit local employment super-sectors was the leisure and hospitality sector. For the 12 months ending in September 2020, employment in the Miami metropolitan area leisure and hospitality sector declined by 24% compared to 21.7% nationwide. However, for the same time span in the following year (i.e., September 2020 to September 2021), this sector increased by 22.5% for the Miami metropolitan area and 14.6% for the nation. This recovery continued into 2022; with an increase of 12.6% in the metropolitan area and 8.1% on a national level as of September 2022. Home prices significantly increased by 24.6% from September 2021 to September 2022 according to the Standard & Poor/Case-Shiller Home Price Index.

In terms of overall aviation recovery, MIA passenger traffic continued its phenomenal growth in fiscal year 2022. Passenger traffic surged past pre-pandemic levels to a new record for the most annual passengers in MIA's history. Over 49.7 million passengers travelled through MIA, up 8.6% over its previous record set in 2019 and 64.6% over 2021. MIA welcomed a record 29.7 million domestic passengers in fiscal year 2022, up 27.1% or 6.3 million passengers over fiscal year 2019 and 51.1% or 10 million passengers year-over-year. International traffic, however, remained below pre-pandemic levels, down 10.7% or 2.4 million passengers versus fiscal year 2019, but up 89.6% or 9.5 million travelers over fiscal year 2021. Contributing to MIA's significant recovery from the pandemic were hub carrier American Airlines and its subsidiary Envoy, new low-cost U.S. carriers, Southwest Airlines, JetBlue Airways, and Spirit Airlines, and the addition of 15 international routes in 2022. Low-cost carriers, including Frontier Airlines, carried 6.3 million passengers in fiscal year 2022, which was 12.6% of total MIA's traffic and an increase of 5.9 million passengers over 2019.

In terms of passenger activities at MIA, the numbers are noted in the following table.

Fiscal Year	Total Passengers	Percentage Change
2013	40,115,305	1.4%
2014	40,844,964	1.8%
2015	43,347,129	6.1%
2016	44,901,753	3.6%
2017	43,758,409	-2.5%
2018	44,938,486	2.7%
2019	45,811,583	1.9%
2020	25,382,384	-44.6%
2021	30,219,088	19.1%
2022	49,733,342	64.6%

Since Concourse D was completed in 2010, American Airlines has been able to grow its hub operation at MIA. American Airlines, along with its regional airline, Envoy, has significantly increased service to MIA, which is represented by its 28.1% enplaned passenger growth rate from fiscal years 2010 to 2022. In fiscal year 2022, American and Envoy not only had a record growth rate at 55.8% over fiscal year 2021 but also a record number of enplaned passengers at MIA. American Airlines and its affiliates continue to represent the majority of the MIA passengers at 63.3% of the passenger numbers for fiscal year 2022, and an increase of 1.3 million passengers over 2019.

The financial strength and stability of the airlines serving MIA may affect future airline passenger traffic. While passenger demand at the Airport is expected to increase in the future, there can be no assurance given as to the levels of aviation activity that will be achieved at the Airport in the future. Any financial or operational difficulties incurred by American Airlines or any other major air carriers at the Airport could have a material, adverse effect on the Airport as well as any natural disasters such as hurricanes or pandemics, although the Aviation Department would take measures to mitigate these potential effects as it has done for the recent pandemic.

Air cargo tonnage at MIA increased by 6.1% for fiscal year 2022, as compared to fiscal year 2021, which is consistent with the air cargo industry that had cratered in the early days of the pandemic but returned to pre-pandemic levels due to a number of reasons including the congestion in the ocean freight market and the increase in e-commerce.

As shown in the table below, air cargo tonnage at MIA tends to fluctuate on an annual basis. However, the carriage of cargo in the belly of the aircraft is a key source of operating revenue for many passenger airlines serving MIA, particularly the foreign-flag airlines, and an important contributor to the viability of their passenger flights. In addition, MIA benefits from its geographic location because MIA acts as a transshipment location with a major portion of the goods being shipped beyond MIA. During 2021, the Airport handled 83% of all air imports and 79% of all air exports between the United States and the Latin American/Caribbean region.

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

Fiscal Year	Total Cargo (Tons)	Percentage Change
2013	2,134,943	1.6%
2014	2,187,474	2.5%
2015	2,206,306	0.9%
2016	2,219,606	0.6%
2017	2,247,913	1.3%
2018	2,368,617	5.4%
2019	2,346,241	-0.9%
2020	2,301,051	-1.9%
2021	2,645,956	15.0%
2022	2,807,140	6.1%

Airline Rates and Charges – In previous years, airline rates and charges at MIA had significantly increased primarily due to the large amount of new money Aviation Revenue Bonds that was issued between 1994 and 2010. The additional debt translated into higher annual debt service costs and resulted in MIA becoming one of the more expensive U.S. airports from an airline rates and charges perspective. Under the Aviation Department's airline rate methodology, these debt service costs are passed along to the MIA air carriers, mostly through aviation fees and terminal rental rates. The increase in the airline costs due to the higher annual debt service has been mitigated in prior years for the reasons noted below:

1) The higher than anticipated surplus revenue (i.e., realizing higher than budgeted revenue and spending less than budgeted expenses), which is used to offset the residual landing fee related costs in the subsequent fiscal year. In fact, the landing fee rate has stayed below fiscal year 2014 landing fee rate for the last eight years, $1.75 in fiscal year 2014 with the subsequent fiscal years being no higher than $1.68 and the last four fiscal years (2019-2022) being $1.62.
2) The refunding of the Aviation Revenue Bonds and the Double-Barreled General Obligation Bonds that were issued between 1994 and 2012. These refunding transactions have resulted in a net present value savings of $787.1 million based on a par amount of $6.1 billion for the refunded bonds; an overall net present value savings of 12.8%.
3) The Aviation Department has controlled its budgeted (and thereby the actual) operating expenses as shown by a moderate increase in operating expenses (excluding depreciation and amortization) over the last few years. The higher than anticipated nonairline revenue in various years has also offset the airline costs under the residual rate methodology. Due to the pandemic, the Aviation Department decreased its FY 2022 operating budget by 1.6% and took other measures in order to keep most of the major FY 2022 rates and charges at the same amount, if not less, than FY 2021 rates and charges.

4) Assistance from the federal government in the form of grants that reimbursed operating costs and debt service costs through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA Act), and the American Rescue Plan Act (ARP Act), which were created as federally funded pandemic relief programs. In fiscal years 2022, 2021, and 2020, the Aviation Department received $30 million, $58.1 million, and $184.1 million, respectively, for a total of $272.2 million in grant reimbursements from these programs.

Request for Information

This financial report is designed to provide customers, creditors, and other interested parties with a general overview of the Aviation Department's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed in writing to the Chief Financial Officer, Miami-Dade County Aviation Department, 4200 N.W. 36th Street, Suite 300, Miami, Florida 33122.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
STATEMENT OF NET POSITION

SEPTEMBER 30, 2022 (IN THOUSANDS)

ASSETS		
Current Assets:		
Cash and cash equivalents	$	273,607
Investments, including interest receivable		141,948
Accounts receivable, net of allowance for doubtful accounts of $2,821 and $2,175, respectively		44,564
Lease receivable		3,671
Inventories, prepaid expenses, and other current assets		12,971
Due from County Agencies		1,030
Total Current Unrestricted Assets		477,791
Restricted Assets:		
Current Restricted Assets:		
Cash and cash equivalents		21,536
Investments, including interest receivable		236,609
Government grants receivable		8,568
Passenger facility charges receivable		14,696
Total Current Restricted Assets		281,409
Total Current Assets		759,200
Noncurrent Assets:		
Restricted Assets:		
Cash and cash equivalents		641,781
Investments, including interest receivable		66
Total Noncurrent Restricted Assets		641,847
Lease receivable, net of current portion		163,527
Capital assets, net		5,479,199
Total Noncurrent Assets		6,284,573
Total Assets	$	7,043,773
Deferred Outflows of Resources:		
Deferred outflows pension	$	27,373
Deferred outflows other postemployment benefit		6,512
Deferred loss on refundings		97,180
Total Deferred Outflows of Resources	$	131,065

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

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

SEPTEMBER 30, 2022 (IN THOUSANDS)

LIABILITIES AND NET POSITION		
Current Liabilities Payable from Unrestricted Assets:		
Accounts payable and accrued expenses	$	32,883
Security deposits		23,638
Environmental remediation liability		9,216
Compensated absences		11,625
Rent advances		7,487
Other current liabilities		5,072
Due to County Agencies		9,855
Total Current Liabilities Payable from Unrestricted Assets		99,776
Current Liabilities Payable from Restricted Assets:		
Accounts and contracts payable and other liabilities		23,149
Bonds Payable within One Year:		
Bonds payable		125,575
Interest payable		109,421
Total Current Liabilities Payable from Restricted Assets		258,145
Total Current Liabilities Payable		357,921
Noncurrent Liabilities:		
Bonds and loans payable after one year		5,402,335
Commercial paper notes		30,064
Environmental remediation liability, net of current portion		36,864
Compensated absences, net of current portion		27,992
Rent advances		16,762
Other noncurrent liabilities, net of current portion		61,465
Total other postemployment benefit liability		26,153
Net pension liability		105,743
Total Noncurrent Liabilities		5,707,378
Total Liabilities	$	6,065,299
Deferred Inflows of Resources:		
Deferred inflows pension	$	3,872
Deferred inflows other postemployment benefit		3,687
Deferred inflows leases		164,767
Total Deferred Inflows of Resources	$	172,326
Net Position:		
Net investment in capital assets	$	24,800
Restricted:		
Restricted for debt service		324,859
Restricted for reserve maintenance		117,587
Restricted for construction		275,308
Unrestricted		194,659
Total Net Position	$	937,213

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

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

YEAR ENDED SEPTEMBER 30, 2022 (IN THOUSANDS)

Operating Revenue:	
Aviation fees	$ 443,330
Rentals	172,591
Commercial Operations:	
Management agreements	84,568
Concessions	180,029
Other	12,753
Other – environmental remediation	7,195
Total Operating Revenue	900,466
Operating Expenses:	
Operating expenses	395,948
Operating expenses – environmental remediation	5,375
Operating expenses under management agreements	19,733
Operating expenses under operating agreements	7,380
General and administrative expenses	105,618
Total Operating Expenses Before Depreciation and Amortization	534,054
Operating income before depreciation and amortization	366,412
Depreciation and amortization	280,175
Operating Income	86,237
Nonoperating Revenues (Expenses):	
Passenger facility charges	100,363
Interest expense	(211,442)
Investment income	2,349
Lease interest income	6,412
Other revenue	35,998
Total Nonoperating Expenses	(66,320)
Income before capital contributions	19,917
Capital contributions	44,191
Change in net position	64,108
Net position, beginning of year	873,105
Net position, end of year	$ 937,213

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

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

YEAR ENDED SEPTEMBER 30, 2022 (IN THOUSANDS)

Cash flows from operating activities:	
Cash received from customers and tenants	$ 901,354
Cash paid to suppliers for goods and services	(372,558)
Cash paid to employees for services	(157,028)
Net cash flows from operating activities	371,768
Cash flows from capital and related financing activities:	
Proceeds from bonds issues and commercial paper	210,000
Principal paid on bonds and commercial paper	(292,775)
Interest paid on bonds, loans, and commercial paper	(225,971)
Purchase and construction of capital assets	(109,003)
Proceeds from sale of property	18
Capital contributed by federal and state governments	43,257
Passenger facility charges	97,580
Interest received from leases	5,774
Interest paid on leases	(289)
Other (payments) proceeds	2,590
Net cash flows from capital and related financing activities	(268,819)
Cash flows from noncapital financing activity:	
Reimbursements received from government grants	36,299
Net cash flows from noncapital financing activity	36,299
Cash flows from investing activities:	
Purchase of investments	(1,171,452)
Proceeds from sales and maturities of investments	1,057,614
Interest and dividends on investments	2,741
Net cash flows from investing activities	(111,097)
Net change in cash and cash equivalents	28,151
Cash and cash equivalents, beginning of year	908,773
Cash and cash equivalents, end of year	$ 936,924
Cash and cash equivalents reconciliation:	
Unrestricted assets	$ 273,607
Restricted assets	663,317
Cash and cash equivalents	$ 936,924

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

YEAR ENDED SEPTEMBER 30, 2022 (IN THOUSANDS)

Reconciliation of operating loss to net cash from operating activities:		
Operating income	$	86,237
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization		280,175
Provision for uncollectible accounts		646
Loss (gain) on sale of property		(16)
Changes in operating assets and liabilities:		
Accounts receivable		(4,742)
Lease receivable		(167,198)
Inventories, prepaid expenses, and other assets		(4,585)
Due from County agencies		135
Deferred outflows related to pensions		(6,370)
Deferred outflows related to other postemployment benefits		1,149
Accounts and contracts payable and accrued expenses		(1,730)
Security deposits		2,307
Due to County agencies		2,568
Rent advances		12,184
Liability for compensated absences		5,984
Liability for other postemployment benefits		(5,461)
Net pension liability		66,850
Environmental remediation liability		(7,195)
Deferred inflows related to pensions		(55,504)
Deferred inflows related to other postemployment benefits		1,567
Deferred inflows related to leases		164,767
Total adjustments		285,531
Net cash flows from operating activities	$	371,768
Noncash investing, capital, and financing activities:		
Decrease in fair value of investments	$	(4,238)
Decrease in construction in progress accrual		(328)
Decrease in premium from bonds		(25,262)

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

Note 1—General

a. *Description* – Miami-Dade County, Florida (the "County") is a chartered political subdivision of the state of Florida and is granted home rule county powers by the Constitution of the state of Florida and Florida Statutes. The Board of County Commissioners (the "Board" or the "BCC") is the legislative and governing body of the County. The Miami-Dade County Aviation Department (the "Aviation Department"), established on February 6, 1973, is included as an enterprise fund in the County's annual comprehensive financial report as part of the County's reporting entity.

These financial statements present only the Aviation Department and do not purport to, and do not, present fairly the financial position of the County as of September 30, 2022, and the changes in its financial position and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles ("U.S. GAAP").

Pursuant to the general laws of Florida, the County owns Miami International Airport ("MIA"), three general aviation airports, and two training airports, one of which has been closed (collectively, the "Airports"), all of which are operated by the Aviation Department.

b. *Basis of Presentation* – The Aviation Department operates as an enterprise fund of the County. An enterprise fund is used to account for the financing of services to the general public, since substantially all of the costs involved are paid in the form of charges by users of such services. Accordingly, the Aviation Department's financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

c. *Authority to Fix Rates* – Under the provisions of the Trust Agreement, amended and restated dated December 15, 2002 by the County, The Bank of New York, successor in interest to JP Morgan Chase Bank, New York, New York, as trustee (the Trustee), and U.S. Bank National Association (successor in interest to Wachovia Bank, National Association, Miami, Florida) as co-trustee (the "Co-Trustee") (the "Trust Agreement"), which amended and restated the Trust Agreement dated as of October 1, 1954 with the Chase Manhattan Bank (predecessor-in-interest to the Trustee) and First Union National Bank of Miami (predecessor-in-interest to the Co-Trustee), as amended and supplemented (the Original Trust Agreement), the Aviation Department is required to maintain, charge, and collect rates and charges for the use and services provided, which will provide revenue sufficient to:

- Pay current expenses, as defined in the Trust Agreement.
- Make the Reserve Maintenance Fund (the Reserve Maintenance Account) deposits recommended by the Consulting Engineers.
- Make deposits to the Interest and Sinking Fund (the Sinking Fund Account) comprising the Bond Service Account, the Reserve Account, and the Redemption Account of not less than 120% of the principal and interest requirements of the Trust Agreement Aviation Revenue Bonds, as defined in the Trust Agreement.

Any remaining balance in the Revenue Fund, after meeting the requirements noted above, is deposited to the Improvement Fund (the Improvement Account), as defined in the Trust Agreement.

Note 1—General (continued)

d. *Agreements with Airlines* – The Airline Use Agreement ("AUA") which was in effect since May 2002, was replaced with a new AUA, which became effective in August 2018. The AUA establishes an airport system residual landing fee such that all costs not recovered through other revenue will be recovered from the landing fee revenue. Pursuant to the requirements of the AUA, remaining money residing in the Improvement Fund at the end of the fiscal year in excess of $7.6 million, adjusted annually by the Consumer Price Index ("CPI"), is to be transferred to the Revenue Fund in the subsequent fiscal year, thus reducing the amounts otherwise to be paid by the MIA air carriers in that fiscal year. The $7.6 million annual contribution is deposited into a separate account that has a cumulative cap of $22.8 million also subject to a CPI adjustment and can be used for any discretionary airport related purpose. As of September 30, 2022, the excess deposit, which was transferred to the Revenue Fund annually by March, was approximately $47,572,000.

e. *Relationship with County Departments* – The Aviation Department reimburses the County's General Fund for its portion of the direct administrative service cost, such as audit and management services, the Board, Clerk of the Courts, computer services and information systems, fire, police, personnel, and others. In 1996, an internal study was conducted by the County to determine the appropriate method as a basis to establish the indirect administrative services cost reimbursement for the year ended September 30, 1996, and subsequent years. This study was updated in 2003. The General Fund Cost Allocation Study is performed by a consultant to establish the appropriate allocation to the General Fund. The study accords all administrative costs consistent treatment through the application of U.S. GAAP appropriate to the circumstances and conforms to the accounting principles and standards prescribed by the Office of Management and Budget (OMB) Circular A-87, and Cost Principles for State, Local, and Indian Tribal Governments (2 CFR Part 225). The latest cost allocation study currently in use was completed in fiscal year 2017, using administrative costs for fiscal year 2015. For the year ended September 30, 2022, the Aviation Department recorded an expense in the amount of approximately $3,119,000 for the indirect administrative services cost reimbursement in accordance with the formula developed as a result of the study.

As of September 30, 2022, the Aviation Department owes the County approximately $9,855,000 for various services. For this same period, the Aviation Department has receivables due from the County in the amount of approximately $1,030,000.

In addition, the Aviation Department pays other County departments directly for most services provided such as fire, police, legal, and general services administration. The total cost to the Aviation Department for these services was approximately $101,461,000 for the year ended September 30, 2022.

Note 2—Summary of significant accounting policies

a. Basis of Accounting – The financial statements are presented on the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded when incurred.

b. Cash and Cash Equivalents – Cash includes cash on hand, amounts in demand deposits, and positions in investment pools that can be deposited or withdrawn without notice or penalty. Cash equivalents are short-term, highly liquid securities with known market values and maturities, when acquired, of less than three months.

c. Investments – Investments consist primarily of U.S. government securities and are carried at fair value based on quoted market prices.

d. Leases – The Aviation Department, as a lessor, recognized a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for short-term leases, regulated leases, and leases with payments not fixed in substance. The lease receivable is measured at the present value of lease payments expected to be received during the lease term, and the deferred inflow of resources is equal to the lease receivable, adjusted for payments received at or before the lease commencement date that relate to future periods. Subsequently, the lease receivable is reduced by the principal portion of lease payments received, and the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Aviation Department as a lessee, also recognized a lease liability and an intangible right-to-use lease asset. The lease liability is measured at the present value of future lease payments and the lease assets are equal to the lease liability, adjusted for certain initial direct costs and lease payments made at or before the lease commencement date. The lease liability is subsequently reduced by the principal portion of the lease payments made and the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful. Lease liabilities are included in other liabilities and lease assets are reported with capital assets on the accompanying statement of net position.

Key estimates and judgement used to measure the lease receivable and liability are as follows:

- The Aviation Department uses its incremental borrowing rate to discount the expected lease receipts and payments to present value, as an implicit rate is not stated in the lease agreements.
- The lease term includes the noncancelable period of the lease, plus unilateral options to extend when it is reasonably certain to be exercised or unilateral options to terminate when it is reasonably certain not to be exercised. Periods in which both parties have an option to terminate, or those covered by a bilateral option, where both parties must agree, are excluded from the lease term.
- Lease receipts and payments included in the measurement of the lease receivable and liability are composed of fixed payments from the lessee or to the lessor.

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

For short-term lease agreements, that is, contracts with a maximum possible lease term of 12 months or less, and regulated lease agreements, the Aviation Department recognizes revenue based on the payment provisions stipulated in the individual agreements.

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

Note 2—Summary of significant accounting policies (continued)

f. Capital Assets, Depreciation and Amortization – Property acquired with an initial individual cost of $1,000 or more and an estimated useful life in excess of one year is capitalized at cost. Capital assets are recorded at cost, except for contributions by third parties, which are recorded at acquisition value at the date of contribution. Expenditures for maintenance, repairs, minor renewals, and betterments are expensed as incurred. When property is disposed of, the cost and related, accumulated depreciation is eliminated from the accounts, and any gain or loss is reflected in the statement of revenue, expenses, and changes in net position.

The Aviation Department depreciates assets using the straight-line method of depreciation over the assets' estimated useful lives as follows:

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

Management evaluates whether there has been a significant, unexpected decline in the utility of a capital asset that could indicate an impairment in the capital asset. If there is an indication an asset may be impaired, the Aviation Department determines whether an impairment should be recognized. The Aviation Department concluded that no impairment exists as of September 30, 2022.

Intangible lease assets with an initial value of $200,000 or more, are recorded at the present value of future minimum lease payments and are amortized on a straight-line basis over the shorter of the lease term or its useful life.

g. Interest on Indebtedness – Interest is charged to expense as incurred. Total interest costs incurred during the year ended September 30, 2022 amounted to approximately $211,442,000.

h. Restricted Assets – Assets required to be reserved for airport maintenance and debt service pursuant to the Trust Agreement are classified as restricted assets and are not available for payment of current expenses. In accordance with the terms of the Trust Agreement, assets of the Reserve Maintenance Account are restricted for unusual or extraordinary maintenance or repairs, renewals, and replacements, the cost of replacing equipment, and premiums on insurance required to be carried under the provisions of the Trust Agreement and are not available for the payment of current expenses.

Unexpended Passenger Facility Charges ("PFC") revenue and accumulated interest earnings are restricted to be used on Federal Aviation Administration ("FAA") approved capital projects and are classified as restricted assets.

When both restricted and unrestricted resources are available for use, it is the Aviation Department's policy to use restricted resources first, then unrestricted resources as needed.

Note 2—Summary of significant accounting policies (continued)

i. Compensated Absences – The Aviation Department accounts for compensated absences by accruing a liability for employees' compensation of future absences. The Aviation Department's policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. The Aviation Department recognizes a liability and expense in the period vacation and sick pay benefits are earned. As of September 30, 2022, liabilities related to compensated absences were approximately $39,617,000.

j. Advanced Rent – Rent payments that apply to future periods are recorded as advanced rent, when received. The Aviation Department has entered into several development leases agreements with cargo airlines, whereby the airlines financed the construction of distribution facilities for their use. These facilities revert to the Aviation Department at the end of the lease term, at which time the airlines will also pay facility rent. These agreements meet the definition of regulated leases, and thus future expected payments were excluded from the lease receivable calculation.

The second amendment to the agreement between the Aviation Department, Federal Express Corporation and Aero Miami FX, LLC (Aero Miami), executed in March 2019, extended the 25-year development lease term for an additional 21 years through 2050, and required Aero Miami to invest a minimum of $26 million to expand the current international distribution facility and prepay building rent due on the facility effective March 26, 2029, when the Aviation Department becomes the owner of the building. During the fiscal year ended September 30, 2022, the Aviation Department recorded advanced rent of $15,388,496 paid by Aero Term for rent that is due on the existing facility from March 26, 2029 to the lease expiration date in 2050.

k. Environmental Remediation – Both environmental remediation expenses that relate to current operations and environmental remediation expenses that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Assets acquired for environmental remediation are capitalized as appropriate.

l. Deferred Outflows/Inflows of Resources – The statement of net position reports a separate section for deferred outflows of resources in addition to assets. Deferred outflows of resources represent a consumption of net assets that applies to future periods. As of September 30, 2022, the Aviation Department reported deferred outflows of resources for pension related items as discussed in Note 11, for other postemployment benefits ("OPEB") related items as discussed in Note 13, and for deferred losses on refundings. The deferred loss on refundings results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt as a component of interest expense using the weighted-average method, since the results are not significantly different from the effective-interest method, over the remaining life of the old debt or the life of the new debt, whichever is shorter.

The statement of net position reports a separate section for deferred inflows of resources in addition to liabilities. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. As of September 30, 2022, the Aviation Department reported deferred inflows of resources for leases as discussed in Note 9, pension related items as discussed in Note 11 and for OPEB related items as discussed in Note 13.

m. Bond Discount/Premium and Issuance Costs – Discount/premium on bonds are amortized over the life of the related bond using the effective interest method or the straight-line method if it does not differ materially from the effective interest method. Bond issuance costs are expensed as incurred, except any portion related to prepaid insurance costs, which are amortized.

Note 2—Summary of significant accounting policies (continued)

n. Pension Plan – The Aviation Department contributes to FRS, a cost-sharing, multi-employer plan. For the purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of FRS and HIS, and additions to/deductions from FRS and HIS's fiduciary net position have been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

p. Net Position Classifications – Net *position* is classified and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings and deferred outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

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

The components of the major revenue captions are as follows:

Aviation Fees – Landing fees, concourse use charges, loading bridge use charges, baggage claim use charges, screening fees, airplane parking fees, and other similar facilities and service use fees and charges.

Rentals – Rentals of land, buildings, and machinery and equipment.

Management Agreements – Revenue from the automotive parking fees, special services lounges, the Airport Hotel, and the Fuel Farm.

Concessions – Revenue from the sale of duty-free merchandise, rental car companies, and various services provided by terminal complex concessionaires.

Note 2—Summary of significant accounting policies (continued)

r. Grants from Government Agencies – Grants received to cover costs for operating expenses, debt obligations, and relief for concessionaires are recorded as nonoperating other revenue, when earned. On November 8, 2021, the Aviation Department was awarded a FAA Airport Rescue Grant of $141,775,477 under the American Rescue Plan Act of 2021 ("ARP Act"). Additionally, on December 13, 2021, the Aviation Department was awarded a FAA Concessions Rent Relief Airport Rescue Grant of $18,351,308 under the ARP Act. The Aviation Department also received FAA Airport grant awards under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA Act") totaling $207,225,557 and $39,546,980, respectively. During fiscal year 2022, the Aviation Department recorded approximately $30,000,000 and $4,588,000, respectively, in grants under the FAA ARP Act and CRRSA Act programs to aid with costs related to debt obligations and concessions rent relief.

Grants received for the acquisition or construction of capital assets are recorded as capital contributions when all eligibility requirements have been met. Grants are earned when costs relating to such operating expenses, debt obligations, and capital assets, which are reimbursable under the terms of the grants, have been incurred. During fiscal year 2022, the Aviation Department recorded approximately $44,191,000, in grants relating to contributions consisting of federal and state grants in aid of construction. Grants receivables relating to the contributions as of September 30, 2022 were approximately $8,568,000.

s. Passenger Facility Charges – In October 2001, the FAA approved an increase in MIA's PFC charge per enplaned passenger from $3.00 to $4.50, effective January 1, 2002. The net receipts from PFCs are restricted to be used for funding FAA-approved capital projects and debt service attributable to such approved capital projects.

PFC revenue is reported as nonoperating revenue. The Aviation Department has been authorized through five applications to collect PFCs on eligible enplaning, revenue-generating passengers in the aggregate amount not to exceed $2,727,954,786 including interest, of which $1,744,114,000 has been earned through September 30, 2022. The latest application, approved by the FAA in April 2022, authorized the Aviation Department to collect additional PFCs totaling $130,824,283 from October 1, 2037, to January 1, 2039.

t. Use of Estimates – The preparation of the financial statements requires management of the Aviation Department to make a number of estimates and assumptions relating to the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

u. Implementation of New Accounting Standards – In June 2017, GASB issued Statement No. 87, *Leases,* which is effective for reporting periods beginning after June 15, 2021. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Aviation Department adopted GASB 87 in fiscal year 2022 and the results are reflected in Note 9 to the financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*, which is effective for reporting periods beginning after June 15, 2021. This statement addresses issues that have been identified during implementation of various GASB Statements. The adoption of GASB Statement No. 92 in fiscal year 2022 did not impact the Aviation Department's financial statements and related disclosures.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, which is effective for reporting periods beginning after June 15, 2021. This statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The adoption of GASB Statement No. 93 in fiscal year 2022 did not impact the Aviation Department's financial statements and related disclosures.

Note 2—Summary of significant accounting policies (continued)

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, which is effective for reporting periods beginning after June 15, 2021. This statement establishes criteria for reporting component units and requires that Section 457 plans be classified as either a pension plan or another employee benefit plan. The adoption of GASB Statement No. 97 in fiscal year 2022 did not impact the Aviation Department's financial statements and related disclosures.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. This statement addresses specific issues that have been identified during implementation of various GASB statements, some of which are effective upon issuance. The adoption of requirements related to extension of the use of LIBOR, Supplemental Nutrition Assistance Program (SNAP) distributions, disclosure of non-monetary transactions, pledges of future revenue, and terminology updates, in fiscal year 2022 did not impact the Aviation Department's financial statements and related disclosures.

v. Future Accounting Standards – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations,* which is effective for reporting periods beginning after December 15, 2021. This statement establishes the criteria for reporting conduit debt obligations for all state and local governments. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the financial statements and related disclosures.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is effective for reporting periods beginning after June 15, 2022. This statement establishes the criteria for identifying and reporting public-private, public-public partnership arrangements, and available payment arrangements of all state and local governments. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the financial statements and related disclosures.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for reporting periods beginning after June 15, 2022. This statement establishes a model for accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The Aviation Department is still in the process of determining what effect, if any, the above statement will have on the financial statements and related disclosures.

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

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

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

Note 3—Cash, cash equivalents, and investments

The County is authorized through *Florida Statutes* Section 218.415, Ordinance No. 84-47, Resolution R-31-09 and its Investment Policy to make certain investments. The Investment Policy was updated and adopted on January 22, 2009, in response to current and possible uncertainties in the domestic and international financial markets. The County's overall investment objectives are, in order of priority, the safety of principal, liquidity of funds, and maximizing investment income.

As of September 30, 2022, total unrestricted and restricted cash and cash equivalents and investments comprise the following (in thousands):

Cash and cash equivalents	$ 936,924
Investments, including interest receivable	378,623
	$ 1,315,547

The carrying amounts of the Aviation Department's local deposits were approximately $49,830,000 as of September 30, 2022. All deposits are fully insured by Federal Depository Insurance and are held in qualified, public depositories pursuant to *Florida Statutes* Chapter 280, *Florida Security for Public Deposits Act* (the "Act"). Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

As a rule, the Aviation Department intends to hold all purchased securities until their final maturity date. There may be occasional exceptions, including, but not limited to, the need to sell securities to meet unexpected liquidity needs.

Cash, cash equivalents, and investments as of September 30, 2022 are summarized as follows (in thousands):

Cash deposits	$ 49,830
U.S. government securities	889,369
Treasury bills	200,615
Commercial paper	136,729
Money market	39,004
Total cash equivalents and investments	1,265,717
Total cash, cash equivalents, and investments	$ 1,315,547

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

At September 30, 2022, the carrying value of cash equivalents and investments included the following (in thousands):

Investment Type		
Federal Home Loan Mortgage Corporation	$	78,183
Federal Home Loan Bank		633,198
Federal Farm Credit Bank		161,834
Federal National Mortgage Association		16,154
Treasury bills		200,615
Commercial paper		136,729
Money market		39,004
	$	1,265,717

a. Credit Risk – The Aviation Department's Investment Policy (the "Policy") minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission ("SEC") registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to Florida Statutes Section 280.02, which are defined as banks, savings bank, or savings association organized under the laws of the United States with an office in this state that is authorized to receive deposits, and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the U.S. Treasury; federal agencies and instrumentalities; securities of, or other interest in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio is limited to the obligations of the U.S. government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such U.S. government obligations, and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least one nationally recognized rating service; banker acceptances that have a stated maturity of 180 days or less from the date of its issuance, and have the highest letter and numerical rating as provided for by at least one nationally recognized rating service, and are drawn on and accepted by commercial banks and that are eligible for purchase by the Federal Reserve Bank; and investments in Repurchase Agreements ("Repos") collateralized by securities authorized by this policy.

All Repos shall be governed by a standard SIFMA Master Repurchase Agreement; municipal securities issued by U.S., state, or local governments, having at time of purchase, a stand-alone credit rating of AA or better assigned by two or more recognized credit rating agencies or a short-term credit rating of A1/P1 or equivalent from one or more recognized credit rating agencies.

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

The table below summarizes the investments by type and credit ratings as of September 30, 2022:

	Credit Rating		
Investment Type	**S&P**	**Moody's**	**Fitch**
Federal Home Loan Mortgage Corporation	AA+/A-1+	Aaa/P-1	AAA/F1+
Federal Home Loan Bank	AA+/A-1+	Aaa/P-1	N/A
Federal Farm Credit Bank	AA+/A-1+	Aaa/P-1	AAA/F1+
Federal National Mortgage Association	AA+/A-1+	Aaa/P-1	AAA/F1+
Treasury bills	AA+u/A-1+u	Aaa/P-1	AAA/F1+
Commercial paper	NA/A-1+	NA/P-1	NA/F1
Money market	AAAM	Aaa-mf	AAA mmf

b. Custodial Credit Risk – The Policy requires that bank deposits be secured per Chapter 280, Florida Statutes. This requires local governments to deposit funds only in financial institutions designated as qualified, public depositories by the Chief Financial Officer of the state of Florida and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. As of September 30, 2022, all of the County's bank deposits were in qualified public depositories.

The Policy requires the execution of a Custodial Safekeeping Agreement for all purchased securities and shall be held for the credit of the County in an account separate and apart from the assets of the financial institution.

c. Concentration of Credit Risk – The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 50% of the portfolio may be invested in the state of Florida Local Government Surplus Trust Fund (the "Pool"); however, bond proceeds may be temporarily deposited in the Pool until other investments have been purchased. Prior to any investment in the Pool, approval must be received from the Board. A maximum of 30% of the portfolio may be invested in SEC-registered money market funds with no more than 10% to any single money market fund. A maximum of 20% of the portfolio may be invested in interest-bearing time deposits or demand accounts with no more than 5% deposited with any one issuer.

There is no limit on the percentage of the total portfolio that may be invested in direct obligations of the U.S. Treasury or federal agencies and instrumentalities, with no limits on individual issuers (investment in agencies containing call options shall be limited to a maximum of 25% of the total portfolio). A maximum of 5% of the portfolio may be invested in open-end or closed-end funds. A maximum of 50% of the portfolio may be in prime commercial paper with a maximum of 5% with any one issuer. A maximum of 25% of the portfolio may be invested in bankers' acceptances with a maximum of 10% with any one issuer, but a maximum of 60% of the portfolio may be invested in both commercial paper and bankers' acceptances. A maximum of 20% of the portfolio may be invested in repurchase agreements with the exception of one (1) business day agreement, with a maximum of 10% of the portfolio in any one institution or dealer with the exception of one (1) business day agreement. Investments in derivative products shall be prohibited by the County. A maximum of 25% of the portfolio may be directly invested in municipal obligations, up to 5% with any one municipal issuer.

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

As of September 30, 2022, the following issuers held 5% or more of the investment portfolio:

Issuer	
Federal Home Loan Mortgage Corporation	6.18%
Federal Home Loan Bank	50.03%
Federal Farm Credit Bank	12.79%
Treasury bills	15.85%
Commercial paper	10.80%

d. *Interest Rate Risk* – The Policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash outflow requirements; following historical spread relationships between different security types and issuers; and evaluating both interest rate forecasts and maturity dates to consider short-term market expectations. The Policy requires that investments made with current operating funds shall maintain a weighted average of no longer than one year. Investments for bond reserves, construction funds, and other nonoperating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The Policy limits the maturity of an investment to a maximum of five years.

As of September 30, 2022, the County had the following investments with the respective weighted average maturity in years:

Investment Type	
Federal Home Loan Mortgage Corporation	0.575
Federal Home Loan Bank	0.332
Federal Farm Credit Bank	0.340
Federal National Mortgage Association	1.677
Treasury bills	0.132
Commercial paper	0.071
Money market	0.003

e. *Foreign Currency Risk* – The Policy limits the Aviation Department's foreign currency risk by excluding foreign investments as an investment option.

f. *Fair Value Measurement* – The Aviation Department categorizes its investments according to the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Level 1 assets are valued using quoted prices in an active market for identical assets that can be readily obtained, and Level 2 assets are valued using a matrix pricing technique of quoted prices for similar assets or liabilities in active markets. Money market funds are reported at amortized cost which approximates fair value.

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

At September 30, 2022, the carrying value of cash equivalents and investments included the following (in thousands):

Investments at Fair Value	Fair Value	Level 1	Level 2	Level 3
Federal Home Loan Mortgage Corporation	$ 78,183	$ -	$ 78,183	$ -
Federal Home Loan Bank	633,198	-	633,198	-
Federal Farm Credit Bank	161,834	-	161,834	-
Federal National Mortgage Association	16,154	-	16,154	-
Treasury bills	200,615	200,615	-	-
Commercial paper	136,729	-	136,729	-
Total investments at fair value	1,226,713	$ 200,615	$ 1,026,098	$ -
Money market at amortized cost	39,004			
Total investments and cash equivalents	$ 1,265,717			

Note 4—Disaggregation of receivables and payables

a. Receivables – As of September 30, 2022, accounts receivable, net of the allowance for doubtful accounts, in the amount of $44,564,000, comprise accounts from customers (tenants, carriers, and business partners) representing 98%, and government agencies representing 2%. American Airlines represents $5,755,000, or 12.9%, of accounts receivable, net of the allowance for doubtful accounts. American Airlines also represents approximately $269,266,000, or 30%, of total operating revenue for the year ended September 30, 2022.

b. Payables – As of September 30, 2022, accounts payable and accrued expenses and contracts payables totaled $56,032,000. These amounts comprised 90.2% for amounts payable to vendors, 9.1% due to employees, and 0.7% due to government agencies, respectively.

Note 5—Capital assets

A summary of capital asset activity and changes in accumulated depreciation and amortization for the year ended September 30, 2022 is as follows (in thousands):

	Balance at October 1, 2021	Additions/ Transfers	Deletions/ Transfers and Retirements	Balance at September 30, 2022
Capital assets not being depreciated:				
Land	$ 141,906	$ 5,000	$ -	$ 146,906
Construction in progress	152,363	90,339	(118,163)	124,539
Total capital assets not being depreciated	294,269	95,339	(118,163)	271,445
Capital assets being depreciated:				
Buildings, improvements, and systems	7,359,619	27,569	-	7,387,188
Infrastructure	1,518,889	76,517	-	1,595,406
Furniture, machinery, and equipment	1,145,508	20,058	(944)	1,164,622
Total capital assets being depreciated	10,024,016	124,144	(944)	10,147,216
Less accumulated depreciation for:				
Buildings, improvements, and systems	(3,019,483)	(176,494)	-	(3,195,977)
Infrastructure	(1,053,306)	(42,498)	-	(1,095,804)
Furniture, machinery, and equipment	(594,795)	(60,588)	941	(654,442)
Total accumulated depreciation	(4,667,584)	(279,580)	941	(4,946,223)
Depreciable capital assets, net	5,356,432	(155,436)	(3)	5,200,993
Net capital assets	$ 5,650,701	$ (60,097)	$ (118,166)	$ 5,472,438
Intangible lease assets - right-to-use				
Buildings	7,355	-	-	7,355
Total intangible lease assets being amortized	7,355	-	-	7,355
Less accumulated amortization for:				
Buildings	-	(594)	-	(594)
Total accumulated amortization	-	(594)	-	(594)
Net intangible lease assets	7,355	(594)	-	6,761
Total net capital assets	$ 5,658,056	$ (60,691)	$ (118,166)	$ 5,479,199

Note 6—Debt

a. Aviation Revenue Bonds – Aviation Revenue Bonds are issued to finance the construction of facilities at the Airports pursuant to the Trust Agreement and are payable solely from and are collateralized by a pledge of net revenue, as defined in the Trust Agreement. The Aviation Revenue Bonds do not constitute a debt of the County or a pledge of the full faith and credit of the County.

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

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

Miami-Dade County Aviation Department Debt Outstanding

Revenue Bonds	Issue Date	Rate	Maturity	2022
Serial bonds:				
2015A	July 2015	5.000%	2022-2034	$ 27,690
2002A	December 2002	5.050%	2037	15
				27,705
Term bonds:				
2019A	May 2019	4.000%-5.000%	2043-2050	282,180
2015A	July 2015	4.250%-5.000%	2037–2046	45,595
2008A	June 2008	5.500%	2042	15
				327,790

Note 6—Debt (continued)

Miami-Dade County Aviation Department Debt Outstanding (Refunding)

Revenue Bonds	Issue Date	Rate	Maturity	2022
Serial bonds:				
2020B	December 2020	1.229%-2.857%	2026-2036	$ 78,645
2020A	December 2020	4.000%-5.000%	2024-2042	301,760
2019E	August 2019	1.872%-2.649%	2021-2033	352,065
2019B	May 2019	2.569%-3.555%	2021-2035	209,350
2018C	August 2018	2.760%-4.162%	2021–2034	276,680
2018A	August 2018	5.000%	2039–2042	9,830
2017D	August 2017	1.580%-3.554%	2021–2033	103,105
2017B	August 2017	2.750%-5.000%	2021–2038	1,060
2016B	August 2016	1.183%-3.756%	2021–2037	320,580
2016A	August 2016	5.000%	2023–2037	179,540
2015B	July 2015	5.000%	2026–2028	38,500
2015A	July 2015	5.000%	2021–2034	21,965
2014B	December 2014	5.000%	2021–2035	72,540
2014A	December 2014	4.000%-5.000%	2021–2037	580,105
2014	March 2014	4.000%-5.000%	2021–2035	275,250
2012B	December 2012	3.000%-5.000%	2021–2030	38,675
2012A	December 2012	5.000%	2021–2033	120,250
				2,979,900
Term bonds:				
2020B	December 2020	3.270%	2042	35,325
2018C	August 2018	4.280%	2042	480,340
2017D	August 2017	3.732%-3.982%	2038-2042	180,550
2017B	August 2017	5.000%	2041	302,485
2017A	March 2017	4.000%	2041	145,800
2016B	August 2016	3.856%	2042	52,560
2016A	August 2016	5.000%	2042	136,190
2015A	July 2015	4.250%-5.000%	2035–2039	324,985
2014B	December 2014	5.000%	2038	82,250
				1,740,485
Grand total				$ 5,075,880

Note 6—Debt (continued)

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

Years Ending September 30,	Aviation Revenue Bonds Principal	Interest
2023	$ 124,575	$ 215,758
2024	158,785	211,224
2025	165,200	204,809
2026	169,705	198,327
2027	180,380	192,882
2028-2032	990,735	865,167
2033-2037	1,316,345	636,480
2037-2041	1,670,000	303,889
2043-2047	181,630	56,031
2048-2051	118,525	12,045
	5,075,880	$ 2,896,612
Plus unamortized premium	259,540	
	$ 5,335,420	

On December 17, 2020, the Aviation Department issued 113,970,000 of Refunding Bonds at par, Series 2020B with an interest rate of 1.229% to 3.270%. The net proceeds were placed in an irrevocable trust account to refund the 2010A Bonds which matured on January 4, 2021, 2010B Bonds which matured on January 4, 2021, 2012A Bonds which will mature on October 1, 2022, 2012B Bonds which will mature on October 1, 2022, 2016B Bonds which matured on October 1, 2021, and 2019E Bonds which matured on October 1, 2021. Payments were scheduled to be made accordingly by the Trustees. As of September 30, 2022, the Irrevocable Escrow Account for the refunding had approximately $40,785,000.

On September 19, 2019, the Aviation Department issued $360,500,000 of Refunding Bonds, Series 2019E with an interest rate of 1.872% to 2.649%. The net proceeds were placed in an irrevocable trust account to refund the 2012A and 2012B Bonds which will mature on October 1, 2022. Payments were scheduled to be made accordingly by the Trustees. As of September 30, 2022, the Irrevocable Escrow Account for the advanced refunding had approximately $329,332,000.

Bond premium is added, and bond discount is deducted from the face amount of bonds payable. Deferred loss on defeased debt is shown separately as a deferred outflow in the statement of net position. Bond premium and discount are amortized as additional interest expense using the effective interest method or the straight-line method if it does not differ materially from the effective interest method. Amortization of bond discount or premium for Aviation Revenue Bonds and Double-Barreled Aviation Bonds was approximately $25,262,000 for the year ended September 30, 2022, and is included in interest expense in the accompanying statement of revenue, expenses, and changes in net position.

Note 6—Debt (continued)

c. Double-Barreled Aviation Bond – On October 22, 2020, the Aviation Department issued 177,670,000 of Double-Barreled Aviation Refunding Bond ("General Obligation"), Series 2020, at a premium of approximately $22,195,000. The Series 2020 Refunding Bonds, which fully refunded the Series 2010 Double-Barreled Aviation General Obligation Bond, are a General Obligation of the County, secured by the full faith, credit, and taxing power of the County. The Series 2020 Refunding Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitation as to rate or amount, to the extent Net Available Airport Revenues are insufficient to pay debt services on the Series 2020 Bonds. "Net Available Airport Revenues" is defined to mean any unencumbered funds held for the credit of the Improvement Fund created under the Trust Agreement after the payment of all obligations of the County pertaining to the County airports which are payable pursuant to, and subject to, the restrictions of (i) the Trust Agreement, (ii) any Airline Use Agreement then in effect, or (iii) any other indenture, trust agreement, or contract.

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

The Series 2020 Refunding Bonds, of which $175,670,000 remains outstanding as of September 30, 2022, will provide long-term financing for certain capital improvement comprising a part of the Capital Improvement Program for the Aviation Department. The proceeds will be used for financing or reimbursing the County for costs of the acquisition, construction, improvement, and/or installation by the Aviation Department of its MIA Mover Program and a portion of its North Terminal Program. The Series 2020 refunding bonds bear stated interest ranging from 2.25% to 5.00%, with principal payments due July 1, 2021 to 2041.

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

	Issue Date	Rate	Maturity	2022
Refunding serial:				
2020	October 2020	2.250%-5.000%	2021-2041	$ 175,670

Note 6—Debt (continued)

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

Years Ending September 30,	General Obligation Bonds Principal	Interest
2023	$ 1,000	$ 6,167
2024	6,655	6,117
2025	6,985	5,785
2026	7,335	5,435
2027	7,705	5,068
2028-2032	44,595	19,259
2033-2037	53,250	10,271
2038-2042	48,145	3,278
	175,670	$ 61,380
Plus unamortized premium	16,820	
	$ 192,490	

e. Lease Liabilities – The Aviation Department has entered into a noncancelable agreement for an industrial warehouse building with the lease term expiring in 2024. The lease's, two five-year options to extend, can only be exercised by the tenant and was deemed reasonably certain by the Aviation Department. The agreement has fixed monthly payments over the lease term and does not contain variable payments or guaranteed residual values. The lease liability was measured at the present value of future lease payments and the discount rate used to measure the liability was 4.22%, MIA's weighted average incremental borrowing rate.

For the fiscal year ended September 30, 2022, the Aviation Department recognized a right-to-use lease asset, net of accumulated amortization of $6,760,958 and reported a lease liability of $6,968,166, included in other liabilities on the accompanying statement of net position. In addition, for the year ended September 30, 2022, the Aviation Department reported amortization and interest expense of $594,370 and $300,708, respectively.

The future minimum principal and interest payments under this agreement as of September 30, 2022, are as follows (in thousands):

Years Ending September 30,	Principal	Interest	Total
2023	$ 382	$ 287	$ 669
2024	418	271	689
2025	458	252	710
2026	499	231	730
2027	543	210	753
2028-2032	3,466	650	4,116
2033-2034	1,202	37	1,239
	$ 6,968	$ 1,938	$ 8,906

Note 6—Debt (continued)

f. Financed Purchase – The Aviation Department has entered into various agreements with banks to provide capital to finance the lease/purchase of certain energy improvement equipment. These leases are not subject to GASB Statement 87 accounting or disclosure requirements, as the equipment are owned by the Aviation Department and capitalized at cost. The capitalized cost related to these financed purchases is $79.4 million, with a carrying value at September 30, 2022 of $61 million, net of accumulated depreciation of $18.4 million.

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

Years Ending September 30,	Principal	Interest
2023	$ 4,690	$ 1,734
2024	5,016	1,595
2025	5,356	1,448
2026	5,599	1,292
2027	5,736	1,131
2028-2032	26,667	3,064
2033-2035	6,505	257
	$ 59,569	$ 10,521

Note 6—Debt (continued)

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

	Balance at October 1, 2021	Additions	Reductions	Total at September 30, 2022	Due Within One Year
Revenue bonds	$ 5,177,655	$ -	$ (101,775)	$ 5,075,880	$ 124,575
Add amounts:					
For issuance premiums/ discounts, net	282,045	-	(22,505)	259,540	-
General obligation bonds	176,670	-	(1,000)	175,670	1,000
Add amounts:					
For issuance premium	19,577	-	(2,757)	16,820	-
Total bonds, net	5,655,947	-	(128,037)	5,527,910	125,575
Other liabilities:					
Commercial paper notes	10,001	210,204	(190,141)	30,064	-
Environmental remediation	53,275	-	(7,195)	46,080	9,216
Compensated absences	33,633	5,984	-	39,617	11,625
Rent advances	12,065	15,388	(3,204)	24,249	7,487
Postemployment benefits	31,614	45,122	(50,583)	26,153	-
Net pension liability:					
FRS	16,525	68,851	-	85,376	-
HIS	22,368	768	(2,769)	20,367	-
Other long-term liabilities:					
Lease liabilities	7,355	-	(387)	6,968	382
Financed purchase	63,947	-	(4,378)	59,569	4,690
Total long-term liabilities	$ 5,906,730	$ 346,317	$ (386,694)	$ 5,866,353	$ 158,975

h. Commercial Paper Notes – As of September 30, 2022, the County had $30,000,000 outstanding of Commercial Paper Notes (“Notes”) plus accrued interest of $64,403.

The proceeds of the Notes were used to finance certain Airport and Airport related improvements. The Notes and accrued interest are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. The Notes are secured and payable under an irrevocable transferrable direct-pay letter of credit. The letter of credit, in the amount of $200,000,000, was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. As of September 30, 2022, there was $170,000,000 available on the letter of credit. The letter of credit was scheduled to expire on March 17, 2022, subject to earlier termination as provided therein and to extension or renewal as provided therein. On October 18, 2021, an amendment to the letter of credit agreement was executed, extending the expiration date to October 18, 2024.

Note 6—Debt (continued)

Pursuant to Section 6.01 of the Letter of Credit and Reimbursement Agreement securing the Notes, events of default resulting in finance related consequences include: 1) if the County provides materially false or misleading information in respect to the agreement and its compliance; 2) if the County fails to pay principal and interest on any Drawing when due; 3) the County fails to pay amount due to the Bank 10 days after receipt of invoice from the Bank; 4) the County fails to perform or observe any term or covenant or agreement contained in this Agreement; 5) if a final, non-appealable judgment for the payment of money in excess of $10,000,000 in excess of applicable insurance coverage and the same is not satisfied per requirements of such judgment; 6) an occurrence of an event of default under the Trust Agreement; 7) if any material provision of any Related Document shall cease to be valid, be declared null and void, or the County contest its validity and enforceability; 8) if a voluntary or involuntary case or proceeding of bankruptcy, insolvency, or other relief against the County with respect to itself or its debts; 9) if a receiver, liquidator, custodian is appointed in an involuntary case or proceeding against the County, and the appointee takes change of a substantial part of its properties and such action is not promptly stayed, discharged, or vacated; 10) if the County fails to pay its debts when due or declares a moratorium with respect to its debts; 11) if the long-term credit rating for any Aviation Revenue Bonds is withdrawn, suspended, or downgraded by any Rating Agency below Baa3, or BBB- (or the equivalent).

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

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

Following is a schedule of changes in Notes (in thousands):

Balance as of September 30, 2021	$	10,001
Additions		210,204
Deductions		(190,141)
Balance as of September 30, 2022	$	30,064

Note 7—Restricted assets

A summary of restricted assets at September 30, 2022 is as follows (in thousands):

Construction account	$	371,389
Bond service and reserve account		434,280
Reserve maintenance		117,587
	$	923,256

Note 8—Management and operating agreements

a. Management Agreements – Certain properties are provided under management agreements with nationally recognized firms or local firms with expertise in their areas of service. Among these properties are public parking, special service lounges, Fuel Farm, and the Airport Hotel. The special service lounges agreement was terminated effective January 1, 2022. The Aviation Department receives all revenue, and the agreements provide for reimbursement of approved budgeted operating expenses and a fixed management fee or fees based on percentages of revenue or operating profits of the facilities. While the Aviation Department generally looks toward the management companies for recommendations relative to operation of the facilities, the Aviation Department does exercise complete budgetary control and establishes standards, guidelines, and goals for growth and performance. Such actions are taken within the rights reserved to the Aviation Department under these agreements to control all aspects of the businesses. These include such matters as pricing, staffing, employee benefits, operating hours, facilities maintenance requirements, service levels, market selections, personnel policies, and marketing strategies. In the event the management firm is not performing in accordance with the standards established by the Aviation Department, the Aviation Department has the authority to cancel such agreements.

b. Operating Agreements – Employee shuttle transportation services are provided under an operating agreement with a nationally recognized firm with expertise in this area of service. The agreement provides for reimbursement of approved, budgeted operating expenses, and a fixed management fee. While the Aviation Department generally looks toward the operating company for recommendations relative to these operations, the Aviation Department does exercise complete budgetary control and establishes standards, guidelines, and goals for service and performance. Such actions are taken within the rights reserved to the Aviation Department under the agreement to control all aspects of the businesses. These include such matters as personnel policies, staffing, employee benefits, facilities maintenance requirements, and service levels. In the event the operating firm is not performing in accordance with the standards established by the Aviation Department, the Aviation Department has the authority to cancel such operating agreement. The operating firm do not act as general agents on behalf of the County and, therefore, cannot obligate or commit the Aviation Department beyond the scope of what is required to run the day-to-day operations of managed properties as established by the budget approved by the Aviation Department. The expenses associated with the operation of these facilities and services are recorded as operating expenses under operating agreements in the accompanying statement of revenue, expenses, and changes in net position.

Note 9—Leases

In fiscal year 2022, the Aviation Department adopted GASB Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under GASB Statement 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

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

a. Concession Agreements – The Aviation Department has entered into concession agreements with retail stores and newsstands, duty-free merchandise shops, food and beverage facilities, various rent-a-car companies, and aeronautical and other passenger service companies. The lease terms range from 3 to 21 years and include options to extend that are deemed to be reasonably certain by the Aviation Department based on all available information and past experience. The agreements, the majority of which are noncancelable, provide for rent and/or a minimum annual guarantee (MAG) and a concession fee based on a percentage of the gross revenue, whichever is greater. The MAG is either fixed, adjusted annually by the Consumer Price Index (CPI), or increased by 3% each year during the term and any extensions. The rents, which are adjusted annually in accordance with the policies and formulas approved by the Board of County Commissioners (Board), is deemed not fixed in substance and is excluded from the measurement of the lease receivable.

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

At October 1, 2021, the Aviation Department as a lessor, recognized a lease receivable and a deferred inflow of resources related to these long-term noncancelable concessions, building and land lease agreements of approximately $142,416,000. The discount rate used to measure the lease receivable was 4.22%, MIA's weighted average incremental borrowing rate, and the lease receivable was measured at the present value of the lease payments expected to be received during the lease term. The variable components, such as usage-based payments, rental income not based on CPI or other market indices, and payments based on a percentage of the lessee's gross revenue, are not included in the lease receivable calculation.

At September 30, 2022, the Aviation Department recorded a lease receivable and deferred inflow of resources related to these concessions, building and land leases of approximately $167,198,000 and $164,767,000, respectively. For fiscal year ended September 30, 2022, the Aviation Department recognized lease interest revenue of approximately $6,412,000. The Aviation Department also recognized variable lease revenue of approximately $124,592,000 during fiscal year ended September 30, 2022, for payments excluded from the measurement of the lease receivable.

Note 9—Leases (continued)

The future minimum lease payments included in the measurement of the lease receivable as of September 30, 2022 are as follows (in thousands):

Years Ending September 30,	Principal	Interest	Total
2023	$ 3,671	$ 7,050	$ 10,721
2024	4,315	6,872	11,187
2025	4,409	6,636	11,045
2026	3,311	6,464	9,775
2027	3,350	6,326	9,676
2028-2032	18,864	29,328	48,192
2033-2037	11,901	25,693	37,594
2038-2042	5,162	24,249	29,411
2043-2047	6,313	23,050	29,363
2048-2052	7,781	21,582	29,363
2053-2057	9,619	19,743	29,362
2058-2062	11,875	17,488	29,363
2063-2067	14,658	14,704	29,362
2068-2072	18,076	11,273	29,349
2073-2077	22,258	7,034	29,292
2078-2082	17,850	2,341	20,191
2083-2084	3,785	134	3,919
	$ 167,198	$ 229,967	$ 397,165

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

The AUA, which expires in 2033, establishes an airport system residual landing fee and defines the rights, services, and privileges granted to airlines while using the Airport and its facilities, including preferential gate assignments and usage. As of September 30, 2022, 89 of the 135 gates were subject to preferential use and 674,083 square feet of the 1,024,660 square feet of hold-room and circulation space was subject to exclusive use.

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

Note 9—Leases (continued)

For fiscal year ended September 30, 2022, the Aviation Department recognized fixed revenue related to such long-term noncancelable regulated leases of approximately $38,428,000 million, and minimum future rental receipts under such agreements as of September 30, 2022 are as follows (in thousands);

Years Ending September 30,		
2023	$	34,808
2024		34,808
2025		34,807
2026		30,292
2027		24,241
2028-2032		106,323
2033-2037		78,874
2038-2042		45,806
2043-2047		38,419
2048-2052		13,315
2053-2057		10,607
2058-2062		7,266
2063-2067		7,266
2068-2072		7,266
2073-2077		7,266
2078-2079		2,907
	$	484,271

Under its regulated leases, the Aviation Department recognized variable lease revenue not previously included in the future minimum payments of $458,040,000 for the year ended September 30, 2022. Due to the variable nature of the revenue from year-to-year, expected future minimum payments are undeterminable.

Note 10—Insurance

The Aviation Department, along with most other County departments, participates in the self-insurance program of the County for workers' compensation, automobile, and general liability insurance covering employees and officials of the County. The program is administered by the Risk Management Division of the Internal Services Department. Allocations of the self-insurance programs are based on the Aviation Department's claims history and administrative costs to adjudicate the claims. The long-term estimated liability for claims payable, including incurred but not reported, is recorded and retained at the County level. Therefore, such long-term liability is not included in the accompanying financial statements. The Aviation Department's long-term liability for workers' compensation and general liability is estimated to be approximately $6,115,000 as of September 30, 2022, based on an independent actuarial valuation. The short-term liability for claims payable in the amount of approximately $714,000 as of September 30, 2022, is included in due to County Agencies in the accompanying statement of net position.

The Aviation Department also pays premiums to commercial insurance carriers for airport liability insurance and property insurance. The airport liability coverage provides comprehensive general liability, contractual liability, and personal injury liability at all airports. The limit of liability is $1 billion with a self-insured retention of $50,000 per occurrence and an annual aggregate retention of $500,000. The limit for personal injury is $25 million per occurrence.

The property of the Aviation Department is insured under a County-wide master program that covers most County properties. The Aviation Department allocation is based on the value of the property of the Aviation Department as a percentage of the total value of the property insured. The limit is $350 million countywide with a $5 million deductible per occurrence for most perils and a $200 million deductible for Named Storms. The sublimit for flood is $50 million. Terrorism is included in the program with a limit of $195 million. The Business Interruption limit for the Aviation Department is $17.9 million.

There were no significant reductions in coverage in 2022. The amounts of insurance settlements during the past three fiscal years have not exceeded the Aviation Department's insurance coverage.

Note 11—Retirement benefits

Miami Dade County provides retirement benefits to its employees through the FRS and a Deferred Retirement Option Program (the "DROP"), as well as state approved OPEB in the form of subsidized health insurance premiums.

Florida Retirement System Overview – The County participates in the FRS. The FRS was created in Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the DROP under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective October 1, 2002. This integrated, defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree HIS Program, a cost-sharing, multiple-employer, defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Note 11—Retirement benefits (continued)

Essentially all regular employees of the County are eligible to enroll as members of the state-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, *Florida Administrative Code*; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

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

FRS Pension Plan

Plan Description – The FRS Pension Plan (the "FRS Plan") is a cost-sharing, multiple-employer defined benefit pension plan, with DROP for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Note 11—Retirement benefits (continued)

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. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
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 at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected County Officers	
Service as Supreme Court Justice, district court of appeal judge, circuit court judge, or county judge	3.33
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county official, or elected official of a city or special district that chose EOC membership for its elected officials	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

Note 11—Retirement benefits (continued)

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

Miami-Dade County Allocation – The County allocated the FRS Plan amounts to the different departments based on their proportionate share of contributions to total contributions made by the County to the FRS during fiscal year 2022, (October 2021 through September 2022). The Aviation Department's proportionate share of the contributions was 2.88% of the total contributions made by the County to the FRS during fiscal year 2022.

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates in effect from July 1, 2021, through June 30, 2022, were as follows:

	Percent of Gross Salary	
Class	**Employee**	**Employer**(1)
FRS, Regular	3.00	10.82
FRS, Elected County Officers	3.00	51.42
FRS, Senior Management Service	3.00	29.01
FRS, Special Risk Regular	3.00	25.89
DROP – Applicable to:		
Members from all of the above classes	0.00	18.34

Contribution rates in effect from July 1, 2022, through September 30, 2022, were as follows:

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

(1) Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.

The Aviation Department's contributions for FRS totaled $10.8 million and employee contributions totaled $2.2 million for the fiscal year ended September 30, 2022.

Note 11—Retirement benefits (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2022, the Aviation Department reported a liability of $85.4 million for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Aviation Department's proportionate share of the net pension liability was based on the Aviation Department's 2021-2022 fiscal year contributions relative to the 2021-2022 fiscal year contributions of all participating members of the FRS Plan. At June 30, 2022, the Aviation Department's proportionate share was 0.2295% which was an increase of 0.0107% from its proportionate share of 0.2188% measured at June 30, 2021.

For the fiscal year ended September 30, 2022, the Aviation Department recognized pension expense of $12.3 million, related to the FRS Plan. In addition, for the year ended September 30, 2022, the Aviation Department reported 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	$ 4,055	$ -
Change of assumptions	10,515	-
Net difference between projected and actual earnings on FRS pension plan investments	5,637	-
Changes in proportion and differences between Aviation Department FRS contributions and proportionate share of contributions	1,162	563
Aviation Department FRS contributions subsequent to the measurement date	2,800	-
	$ 24,169	$ 563

The deferred outflows of resources related to pensions, totaling $2.8 million, resulting from Aviation Department's contributions to the FRS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2023. Changes in the net pension liability arising from experience gains/losses, assumption changes, and differences between projected and actual earnings on investments must be recognized in expense over a period of years. Those amounts that are not recognized in expense during the current reporting period, are accounted for as deferred outflows and inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Years Ending September 30,	Deferred Outflows (Inflows), Net
2023	$ 5,098
2024	1,991
2025	(1,583)
2026	14,442
2027	858
	$ 20,806

Note 11—Retirement benefits (continued)

Actuarial Assumptions – The FRS pension actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2022, applied to all periods included in the measurement:

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

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

The actuarial assumptions that determined the total pension liability as of June 30, 2022 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.60%	2.60%	1.10%
Fixed income	19.80%	4.40%	4.40%	3.20%
Global equity	54.00%	8.80%	7.30%	17.80%
Real estate (property)	10.30%	7.40%	6.30%	15.70%
Private equity	11.10%	12.00%	8.90%	26.30%
Strategic investments	3.80%	6.20%	5.90%	7.80%
	100.00%			
Assumed inflation - mean			2.40%	1.30%

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

Note 11—Retirement benefits (continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at the statutorily required rates. The FRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), *Florida Statutes*. The 6.70% rate of return assumption used in the June 30, 2022 calculations was determined by the FRS Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates for the FRS Plan.

Sensitivity of the Aviation Department's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the Aviation Department's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Aviation Department's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate (in thousands):

	1% Decrease (5.70%)	**Current Discount Rate (6.70%)**	**1% Increase (7.70%)**
Aviation Department's proportionate share of the net pension liability	147,652	85,376	33,306

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

Payables to the Pension Plan – At September 30, 2022, the Aviation Department reported no payables for the outstanding amount of contributions to the FRS Plan.

The Retiree HIS Program

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

Benefits Provided – For the fiscal year ended September 30, 2022, 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, pursuant to Section 112.363, *Florida Statutes*. 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.

Note 11—Retirement benefits (continued)

Miami-Dade County Allocation – The County allocated the HIS Plan amounts to the different departments based on their proportionate share of contributions to total contributions made by the County to the FRS during fiscal years 2022, (October 2021 through September 2022). The Aviation Department's proportionate share of the contributions was 2.88% of the total contributions made by the County to the FRS during fiscal year 2022.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2022, the HIS contribution for the period July 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022 was 1.66%. The Aviation Department contributed 100% of its statutorily required contributions for the current fiscal year. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Aviation Department's contributions to the HIS Plan totaled $1.2 million for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2022, the Aviation Department reported a net pension liability of $20.4 million for its proportionate share of the HIS Plan's net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Aviation Department's proportionate share of the net pension liability was based on the Aviation Department's 2021-2022 fiscal year contributions relative to the total 2021-2022 fiscal year contributions of all participating members of the HIS Plan. At June 30, 2022, the Aviation Department's proportionate share was 0.1923%, which was an increase of 0.0099% from its proportionate share of 0.1824% measured as of June 30, 2021.

Note 11—Retirement benefits (continued)

For the fiscal year ended September 30, 2022, the Aviation Department recognized pension expense of $1.3 million, related to the HIS Plan. In addition, for the year ended September 30, 2022, the Aviation Department reported 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	$ 618	$ 90
Change of assumptions	1,168	3,151
Net difference between projected and actual earnings on HIS pension plan investments	29	-
Changes in proportion and differences between Aviation Department HIS contributions and proportionate share of HIS contributions	1,071	68
Aviation Department contributions subsequent to the measurement date	318	-
	$ 3,204	$ 3,309

The deferred outflows of resources related to pensions, totaling $0.3 million, resulting from the Aviation Department's contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. 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**
2023	$ (82)
2024	52
2025	113
2026	(17)
2027	(321)
Thereafter	(168)
	$ (423)

Note 11—Retirement benefits (continued)

Actuarial Assumptions – The HIS pension as of July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25%, average, including inflation
Municipal Bond Rate	3.54%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used that determined the total pension liability as of June 30, 2022 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate – The discount rate used to measure the total pension liability was 3.54%. 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.

Sensitivity of the Aviation Department's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Aviation Department's proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the Aviation Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate (in thousands):

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Aviation Department's proportionate share of the net pension liability	23,301	20,367	17,938

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

Payables to the Pension Plan – At September 30, 2022, the Aviation Department reported no payables for the outstanding amount of contributions to the HIS Plan.

Note 11—Retirement benefits (continued)

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

Pension Plans	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
FRS Pension Plan	$ 85,376	$ 24,169	$ 563	$ 4,209
HIS Plan	20,367	3,204	3,309	768
	$ 105,743	$ 27,373	$ 3,872	$ 4,977

FRS – Defined Contribution Pension Plan

The County contributes to the FRS Defined Contribution Investment Plan (the "Investment Plan"). The Investment Plan is administered by the State Board of Administration ("SBA") and is reported in the SBA's annual financial statements and in the state of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment members' accounts, as established by Section 121.72, *Florida Statutes*, during the 2021-2022 fiscal year were as follows:

Membership Class	Percent of Gross Compensation
FRS, Regular	9.30%
FRS, Elected County Officers	14.34%
FRS, Senior Management Service	10.67%
FRS, Special Risk Regular	17.00%

Note 11—Retirement benefits (continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% from July 1, 2020 through September 30, 2022 and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided under the Investment Plan if the member becomes permanently and totally disabled. The member must transfer the account balance to the FRS Trust Fund when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan.

The Aviation Department's Investment Plan pension contributions totaled approximately $1,050,393 and employee contributions totaled approximately $725,334 for the fiscal year ended September 30, 2022.

Note 12—Commitments and contingencies

a. Environmental Matters – In August 1993, the Aviation Department and the Dade County Department of Environmental Resources Management ("DERM") entered into a Consent Order. Under the Consent Order, the Aviation Department was required to correct environmental violations resulting from various tenants' failure to comply with their environmental obligations at the airport including those facilities previously occupied by Eastern Airlines ("Eastern") and Pan Am Airlines ("Pan Am"). In addition, the Aviation Department had a preliminary study performed by an independent engineering firm to estimate the cost to correct the environmental violations noted in the Consent Order. This study was used as a basis to record the environmental remediation liability as of September 30, 1993.

In each subsequent year, the Aviation Department has received an updated study performed by an independent engineering firm to further update the estimated costs to correct the environmental violations noted in the Consent Order based on additional information and further refinement of estimated costs to be incurred.

As a result of the updated study and costs incurred in fiscal year 2022, the total cumulative estimate to correct such violations was approximately $200,006,000. This estimate allows for uncertainties as to the nature and extent of environmental reparations and the methods, which must be employed for the remediation. The cumulative amount of environmental expenditures spent through September 30, 2022 approximated $153,926,000. The Aviation Department has also spent approximately $56,314,000 in other environmental-related projects not part of any Consent Order.

Note 12—Commitments and contingencies (continued)

During fiscal year 1998, a Consent Order ("FDEP Consent Order") was signed with the state of Florida Department of Environmental Protection ("FDEP"). The FDEP Consent Order encompasses and replaces the DERM agreement and includes additional locations. The FDEP Consent Order includes all locations at MIA that are contaminated as well as additional sites where contamination is suspected. The Aviation Department included other sites where contamination is suspected in the FDEP Consent Order under a Protective Filing. If contamination is documented at these sites, the State would be required to incur the costs of remediation. Because the State will be required to pay for remediation of sites filed in the Protective Filing and because the contamination at the sites is unknown, an accrual amount is not reflected in the Opinion of Cost report or in the accompanying financial statements.

Currently, the County has several pending lawsuits in State Court against the Potentially Responsible Parties ("PRP") and insurers to address recovery of past and future damages associated with the County's liability under the FDEP Consent Order. As of September 30, 2022, the Aviation Department has received approximately $60,365,000 from the State, insurance companies, and PRPs.

The outstanding liability amount at September 30, 2022 was $46,080,000, representing the unexpended environmental remediation costs based on the Opinion of Cost performed by an independent engineering firm. At September 30, 2022, the long-term liability was $36,864,000, and the short-term liability was $9,216,000. Management has allocated a portion of bond proceeds to fund this obligation and believes the remaining amount can be funded from recoveries and the operations of the Aviation Department. The liability recorded by the Aviation Department does not include an estimate of any environmental violations at the three general aviation airports or at the two training airports. Management is not aware of any such liabilities, and the occurrence of any would not be material to the financial statements.

In addition to the studies conducted to determine the environmental damage to the sites occupied by Eastern and Pan Am, the Aviation Department caused studies to be performed to determine the amount required to remove or otherwise contain the asbestos in certain buildings occupied by the airlines. The Aviation Department has also estimated the amount required to remove or otherwise contain the asbestos in buildings other than those formerly occupied by Eastern and Pan Am. The studies that estimate the cost to correct such damage related to all buildings were assessed at approximately $4.5 million. The Aviation Department has no intention of correcting all assessed damage related to asbestos in the near future as they pose no imminent danger to the public. Specific issues will be addressed when and if the Aviation Department decides to renovate or demolish related buildings. At such time, the Aviation Department will obligate itself to the cleanup or asbestos abatement. As emergencies or containment issues may arise from this condition, they will be isolated and handled on a case-by-case basis as repair and maintenance. Such amounts do not represent a liability of the Aviation Department until such time as a decision is made by the Aviation Department's management to make certain modifications to the buildings, which would require the Aviation Department to correct such matters. As such, no amounts are recorded as of September 30, 2022.

The nature of ground and groundwater contamination at MIA can be divided into two categories: petroleum-related contamination and hazardous/nonhazardous contamination. The Opinion of Cost is divided in three large areas: the Inland Protection Trust Fund ("IPTF"), which was created by the state of Florida to deal with contamination related to petroleum products in sites that qualified for that program; the non-IPTF contamination relates to other sites that might include petroleum as well as hazardous/nonhazardous-related contamination; and the non-consent items, which can be either of the two above but were not specifically listed in the Consent Order.

Note 12—Commitments and contingencies (continued)

The table below summarizes the remediation liability by nature of contaminant as of September 30, 2022:

Nature of Contamination	IPTF	Non-IPTF	Nonconsent	Totals
Petroleum	$ 3,375,000	$ -	$ -	$ 3,375,000
Hazardous/nonhazardous	-	39,250,000	3,455,000	42,705,000
	$ 3,375,000	$ 39,250,000	$ 3,455,000	$ 46,080,000

b. *Other Commitments and Contingencies* – As of September 30, 2022, the Aviation Department had approximately $590,498,000 of construction commitments outstanding.

A number of claims and lawsuits are pending against the County relating to the Aviation Department resulting from the normal course of conducting its operations. However, in the opinion of management and the County Attorney, the ultimate outcome of such actions will not have a material, adverse effect on the financial position of the Aviation Department.

The Aviation Department receives grants from federal and state financial assistance programs, which are subject to audit and adjustment by the grantor agencies. It is the opinion of management that no material liabilities will result to the Aviation Department from any such audit.

In a quitclaim deed dated December 20, 2011, the Rental Car Facility ("RCF") at the Miami Intermodal Center (MIC) adjacent to the airport was conveyed to the County through its Aviation Department by FDOT. The conveyance was recorded in the amount of approximately $393,327,000 ($42,000,000 for the land and $351,327,000 for the building and improvements), which represented the acquisition value at the date of the conveyance. The quitclaim deed requires that the RCF be used as a rental car facility. In the event it ceases to be used as such, all property rights in it revert to FDOT.

The RCF was designed and constructed by FDOT, which borrowed $270 million from the United States Department of Transportation (USDOT) under the TIFIA loan program. The loan will be repaid through the collection of Customer Facility Charges ("CFC") and contingent rent, if needed, from car rental company customers using the RCF. The car rental companies remit these funds directly to the Fiscal Agent servicing the loan; the CFCs are not revenue of the Aviation Department. The County and the Aviation Department do not own nor do they have access to accounts held by the Fiscal Agent. The repayment of the TIFIA loan is not secured by any Aviation Department revenue and in no event will the Aviation Department be required to use any airport revenue for the payment of debt service on the RCF portion of the TIFIA loan or any additional RCF financing.

Note 13—Postemployment benefits other than pensions

a. Plan Description – The County administers a single-employer defined-benefit healthcare plan (the Plan) that provides postretirement medical, hospital, pharmacy, and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the County's group health insurance plan, which covers both active and retired members. Benefits are established and may be amended by the Miami-Dade County Board of County Commissioners (the "BCC"), who's powers derive from F.S. 125.01(3)(a). The Plan does not issue a publicly available financial report.

Participation in the Plan consisted of the following at September 30, 2022:

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

Eligibility: To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under FRS and pay required contributions.

- Regular Class Employees (all employees not identified as members of the Special Risk Class) hired prior to July 1, 2011 are eligible for postemployment benefits at age 62 with six years of service, or with 30 years of service at any age. Eligibility for reduced retirement is six years of service at any age. Those hired after July 1, 2011 are eligible at age 65 with eight years of service, or 33 years of service at any age.

- Special Risk Employees (Police Officers, Firefighters, and Corrections Officers) that were hired prior to July 1, 2011 are eligible for postemployment benefits at age 55 with six years of service, or with 25 years of service at any age. Eligibility for reduced retirement is six years of service at any age. Those hired after July 1, 2011 are eligible at age 60 with eight years of service, or 30 years of service at any age.

Note 13—Postemployment benefits other than pensions (continued)

Benefits:

Eligible pre-Medicare retirees receive healthcare coverage through one of the four self-funded medical plans:

- AvMed POS
- AvMed HMO High
- AvMed HMO Select
- Jackson First HMO

Retirees may continue coverage beyond Medicare eligibility by enrolling in one of the County-sponsored, self-insured Medicare Supplemental plans provided by AvMed. The County only contributes to post-65 retirees electing one of these plans.

- AvMed Medicare Supplement Low Option with RX
- AvMed Medicare Supplement High Option with RX
- AvMed Medicare Supplement High Option without RX

b. Funding Policy – The County contributes to both the pre-65 and post-65 retiree medical coverage. Medical contributions vary based on plan and tier. Retirees pay the full cost of dental coverage. The postretirement medical is currently funded on a pay-as-you go basis (i.e., Miami-Dade County funds on a cash basis as benefits are paid). The County's contribution is the actual pay-as-you-go postemployment benefit payments less participant contributions for the period October 1, 2021 to September 30, 2022. No assets have been segregated and restricted to provide postretirement benefits.

Contributions are required for both retiree and dependent coverage. Retirees contribute a portion of the full active premium equivalent rates for health coverage. The full monthly premiums, retiree contribution amounts, and the County subsidies effective January 1, 2022 through December 31, 2022 are provided in the tables on the next page. The County subsidy is assumed to remain flat.

Note 13—Postemployment benefits other than pensions (continued)

PRE MEDICARE PREMIUM EQUIVALENT RATES

	January 1 through December 31, 2022		
AvMed HMO High	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	936.85	204.36	732.49
Retiree + Spouse	1,996.25	360.38	1,605.87
Retiree + Child(ren)	1,821.26	339.47	1,481.79
Retiree + Family	2,397.98	418.43	1,979.55
AvMed POS	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	1,811.20	177.80	1,633.40
Retiree + Spouse	3,448.19	302.75	3,145.44
Retiree + Child(ren)	3,160.06	175.12	2,984.94
Retiree + Family	4,680.46	711.37	3,969.09
AvMed Select	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	871.24	204.36	666.88
Retiree + Spouse	1,828.65	360.38	1,468.27
Retiree + Child(ren)	1,693.73	339.47	1,354.26
Retiree + Family	2,230.13	418.43	1,811.70
Jackson First HMO	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	871.24	204.36	666.88
Retiree + Spouse	1,828.65	360.38	1,468.27
Retiree + Child(ren)	1,693.73	339.47	1,354.26
Retiree + Family	2,230.13	418.43	1,811.70

MEDICARE RETIREE PREMIUM EQUIVALENT RATES

	January 1 through December 31, 2022		
Med Supp High	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	1,046.45	233.58	812.87
Retiree + Spouse 65+	1,792.75	260.15	1,532.60
Med Supp Low	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	934.49	208.59	725.90
Retiree + Spouse 65+	1,601.03	232.33	1,368.70
Med Supp High No Rx	Full Premium	Subsidy	Contribution
Retiree Only	454.86	101.53	353.33
Retiree + Spouse 65+	779.27	113.08	666.19

Note 13—Postemployment benefits other than pensions (continued)

c. Total OPEB Liability – The Aviation Department's total OPEB liability of $26,153,000 was measured as of September 30, 2022, and was determined by an actuarial valuation as of that date.

d. Actuarial Assumptions and Other Inputs – The total OPEB liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Valuation date	September 30, 2022
Measurement date	September 30, 2022
Discount rate	4.02% per annum
Salary increases rate	3.0% per annum
Actuarial cost method	Entry age normal based on level percentage of projected salary.
Amortization method	14.4 years
Healthcare cost trend rates	Medical/Rx 7.0% select to 4.0% ultimate
Retirees' share of benefit-related costs	26.93%
Mortality tables	Pub-2010, headcount weighted base mortality table, 'projected generationally using Scale MP-2021, 'applied on a gender-specific and job class basis '(teacher, safety, or general, as applicable).

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

The actuarial assumptions used in the September 30, 2022 valuation were based on FRS's valuation assumptions and the County's claim experience for the period of October 1, 2021 to September 30, 2022.

e. Changes in Total OPEB Liability – Changes in the Aviation Department's total OPEB liability for the year ended September 30, 2022 are as follows (in thousands):

Balance at September 30, 2021	31,614
Charges for the year:	
Service cost	17,291
Interest	9,270
Change in assumptions or other inputs	(35,893)
Difference between expected and actual experience	18,561
Benefits payments	(14,690)
Balance at September 30, 2022	$ 26,153

The decrease in the total OPEB liability for the year ended September 30, 2022 is mostly due to the increase in the discount rate.

Note 13—Postemployment benefits other than pensions (continued)

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

	1% Decrease (3.02%)	Current Discount Rate (4.02%)	1% Increase (5.02%)
Total OPEB liability	$ 28,160	$ 26,153	$ 24,320

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

	1% Decrease (6.0% initial to 3.0%)	Current Trend (7.0% initial to 4.0%)	1% Increase (8.0% initial to 5.0%)
Total OPEB liability	$ 24,564	$ 26,153	$ 27,916

f. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources – For the year ended September 30, 2022, the Aviation Department recognized OPEB expense of $2,569,000. At September 30, 2022, the Aviation Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	$ 1,144	$ 802
Differences between expected and actual experience	5,368	2,885
	$ 6,512	$ 3,687

Note 13—Postemployment benefits other than pensions (continued)

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows (in thousands):

	Deferred Outflows
2023	$ 381
2024	381
2025	381
2026	381
2027	381
Thereafter	920
	$ 2,825

Note 14—Subsequent events

On November 18, 2022, Kroll Bond Rating Agency upgraded its long-term rating on the Aviation Department's General Aviation Revenue Bonds, to AA- from A+ with a stable outlook. On March 2, 2023, Fitch Ratings also upgraded its rating to A+ from A with a stable outlook.

REQUIRED SUPPLEMENTARY INFORMATION

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

SEPTEMBER 30, 2022 (IN THOUSANDS)

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

Note: The amounts presented for each fiscal year were determined as of the fiscal year-end date, September 30th.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Unaudited - see accompanying report of independent auditor.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
FLORIDA RETIREMENT SYSTEM – SCHEDULES OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)

SEPTEMBER 30, 2022 (IN THOUSANDS)

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

Note: The amounts presented for each fiscal year were determined as of the measurement date, June 30th.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Unaudited - see accompanying report of independent auditor.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
SUPPLEMENTAL HEALTH INSURANCE SUBSIDY PENSION INFORMATION – SCHEDULES OF EMPLOYER CONTRIBUTIONS (UNAUDITED)

SEPTEMBER 30, 2022 (IN THOUSANDS)

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

Note: The amounts presented for each fiscal year were determined as of the fiscal year-end date, September 30th.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Unaudited - see accompanying report of independent auditor.

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
SUPPLEMENTAL HEALTH INSURANCE SUBSIDY PENSION INFORMATION – SCHEDULES OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)

SEPTEMBER 30, 2022 (IN THOUSANDS)

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

Note: The amounts presented for each fiscal year were determined as of the measurement date, June 30th.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Unaudited - see accompanying report of independent auditor

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – SCHEDULES OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS (UNAUDITED)

SEPTEMBER 30, 2022 (IN THOUSANDS)

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

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

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Unaudited - see accompanying report of independent auditor.

Statistical Section

(Unaudited)

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

2022

Annual Comprehensive Financial Report

(This page intentionally left blank)

Overview

The Statistical Section is divided into five areas: financial trend data; revenue capacity data; operating information; demographic and economic information; and debt capacity data. The source of all non-accounting data presented in the statistical section is Miami-Dade Aviation (Department) unless otherwise stated.

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

- Department Schedules of Revenues and Expenses
- Department Statements of Net Position
- Department Changes in Cash and Cash Equivalents
- Department's Largest Sources of Revenue

Revenue Capacity data shows MIA's major revenue sources and changes in key rates and charges:

- Key Usage Fees and Charges
- Concession Revenue per Enplaned Passenger
- Parking Revenue per Enplaned Passenger
- Rental Car Revenue per Enplaned Passenger
- Terminal Rent Revenue per Enplaned Passenger
- Food and Beverage Revenues per Enplaned Passenger

Operating Information shows how the Airport has performed on an annual basis and within the airport market sector:

- Department Employee Strength
- Aircraft Operations
- Aircraft Landed Weight
- Passenger Enplanements
- Passenger Deplanements
- Enplanement Market Share by Airline by Fiscal Year
- Air Cargo Activity

Demographic and Economic Information shows the major drivers of usage and how the Airport service area is performing compared to the region and the nation:

- Miami-Dade County Population and Per Capita Personal Income
- Principal Employers in Miami-Dade County

Debt Capacity Information shows how the Airport is meeting its debt obligations and the relative level of debt:

- Revenue Bond Debt Service Coverage
- Outstanding Debt
- Long Term Debt per Enplaned Passenger
- Capital Assets

(This page intentionally left blank)

Department Schedules of Revenues and Expenses

Fiscal Years Ended September 30, 2013 to 2022

(In Thousands)
(Unaudited)

	2013	2014	2015[1]	2016	2017	2018[2]	2019	2020	2021	2022[3]
OPERATING REVENUES:										
Aviation Fees	$357,116	$374,929	$381,872	$395,586	$372,977	$384,989	$390,299	$233,166	$309,109	$443,330
Rentals	127,817	130,597	133,394	140,482	144,046	149,111	147,198	144,074	152,794	172,591
Commercial Operations:										
Management Agreements	81,481	80,325	79,925	78,010	73,624	73,595	72,147	41,409	46,830	84,568
Concessions	187,223	187,635	191,236	187,187	196,698	202,555	199,955	120,663	126,495	180,029
Other	8,562	5,003	4,850	16,128	12,229	11,259	10,963	14,450	9,217	12,753
Other Environmental Remediation	2,259	17,397	3,106	13,310	5,150	-	-	-	5,200	7,195
Total Operating Revenue	**764,458**	**795,886**	**794,383**	**830,703**	**804,724**	**821,509**	**820,562**	**553,762**	**649,645**	**900,466**
OPERATING EXPENSES:										
Operating Expenses	255,153	265,449	281,029	273,180	292,639	318,363	334,198	354,244	358,634	395,948
Operating Expenses for Environmental Remediation	3,155	993	504	889	368	2,621	10,842	10,433	3,914	5,375
Operating Expenses Under Management Agreements	20,655	19,691	18,547	16,753	15,964	18,041	19,152	17,647	15,900	19,733
Operating Expenses Under Operating Agreements	36,684	37,488	37,756	39,205	40,614	41,936	42,935	35,577	6,438	7,380
General and Administrative Expenses	69,027	83,693	88,143	82,769	87,773	93,387	93,236	92,287	95,916	105,618
Depreciation and Amortization	263,724	245,619	261,801	259,523	259,280	262,821	264,935	270,973	277,391	280,175
Total Operating Expenses	**648,398**	**652,933**	**687,780**	**672,319**	**696,638**	**737,169**	**765,298**	**781,161**	**758,193**	**814,229**
Operating Income (Loss)	116,060	142,953	106,603	158,384	108,086	84,340	55,264	(227,399)	(108,548)	86,237
NON-OPERATING REVENUES (EXPENSES):										
Interest Expense	(307,177)	(299,252)	(302,642)	(279,178)	(268,118)	(259,857)	(246,046)	(241,319)	(219,658)	(211,442)
Investment Income:										
Current Investments	918	1,701	1,936	2,213	2,318	5,735	8,781	2,456	54	3,553
Restricted Investments	(909)	3,784	3,807	3,684	3,478	8,526	20,356	4,725	124	(1,204)
Interest Income Lease	-	-	-	-	-	-	-	-	-	6,412
Passenger Facility Charges	72,650	72,630	79,799	77,431	88,914	82,242	96,785	52,655	63,719	100,363
Environmental Cost Recovery	-	-	-	-	175	21	22	12	-	-
Other Non-operating Revenue	25,708	10,366	3,180	7,556	2,314	2,935	3,040	189,082	62,657	35,998
Total Non-operating (Expenses) Revenues	**(208,810)**	**(210,771)**	**(213,920)**	**(188,294)**	**(170,919)**	**(160,398)**	**(117,062)**	**7,611**	**(93,104)**	**(66,320)**
(Loss) Income before Capital Contribution	**(92,750)**	**(67,818)**	**(107,317)**	**(29,910)**	**(62,833)**	**(76,058)**	**(61,798)**	**(219,788)**	**(201,652)**	**19,917**
Capital Contributions	42,272	34,716	91,444	44,022	48,525	372,822	61,550	31,425	34,802	44,191
Change in Net Position	**($50,478)**	**($33,102)**	**($15,873)**	**$14,112**	**($14,308)**	**$296,764**	**($248)**	**($188,363)**	**(166,850)**	**64,108**

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

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

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

Department Statements of Net Position

Fiscal Years Ended September 30, 2013 to 2022

(In Thousands)

(Unaudited)

	2013[1]	2014	2015[2]	2016	2017	2018[3]	2019	2020	2021	2022[4]
Current Assets	$591,056	$626,584	$641,876	$653,195	$667,853	$701,811	$715,962	$666,838	$605,480	$759,200
Noncurrent assets:										
Restricted assets	559,958	533,576	629,950	602,259	632,401	693,395	846,203	746,894	637,398	641,847
Capital assets, net	6,715,326	6,548,281	6,420,564	6,327,890	6,178,268	6,062,007	5,952,697	5,811,183	5,650,701	5,479,199
Lease receivable, net of current portion	-	-	-	-	-	-	-	-	-	163,527
Other assets	58,659	53,663	34,567	19,466	7,372	4,692	2,762	1,198	-	-
Total assets	7,924,999	7,762,104	7,726,957	7,602,810	7,485,894	7,461,905	7,517,624	7,226,113	6,893,579	7,043,773
Deferred outflows of resources:										
Deferred outflows pension	-	-	7,703	27,710	33,835	30,706	28,365	33,211	21,003	27,373
Deferred outflows other post-employment benefit	-	-	-	-	-	-	3,327	8,605	7,661	6,512
Deferred loss on refundings	31,258	28,624	45,860	119,042	125,275	150,009	142,097	125,735	109,837	97,180
Total deferred outflows of resources	31,258	28,624	53,563	146,752	159,110	180,715	173,789	167,551	138,501	131,065
Current liabilities	81,976	77,882	89,178	80,850	88,462	85,073	85,774	94,367	91,856	99,776
Current liabilities payable from restricted assets	251,651	255,285	249,627	248,820	265,193	271,612	278,052	301,464	241,670	258,145
Noncurrent liabilities	6,568,378	6,436,411	6,477,934	6,449,246	6,332,650	6,048,480	6,092,420	5,954,166	5,763,953	5,707,378
Total liabilities	6,902,005	6,769,578	6,816,739	6,778,916	6,686,305	6,405,165	6,456,246	6,349,997	6,097,479	6,065,299
Deferred inflows of resources:										
Deferred inflows pension	-	-	10,136	2,889	5,250	7,648	5,744	1,462	59,376	3,872
Deferred inflows other post-employment benefit	-	-	-	-	-	1,241	1,105	2,250	2,120	3,687
Deferred inflows leases	-	-	-	-	-	-	-	-	-	164,767
Total deferred inflows of resources	-	-	10,136	2,889	5,250	8,889	6,849	3,712	61,496	172,326
Net Position:										
Net investment in capital assets	365,060	257,124	181,930	32,462	65,879	327,993	250,623	212,137	132,468	24,800
Restricted	479,191	507,721	614,006	750,114	683,147	719,116	806,979	733,121	648,436	717,754
Unrestricted net Position	210,001	256,305	157,709	185,181	204,423	181,457	170,716	94,697	92,201	194,659
Total net Position	$1,054,252	$1,021,150	$953,645	$967,757	$953,449	$1,228,566	$1,228,318	$1,039,955	$873,105	$937,213

[1] Amounts for fiscal year 2013 have been restated for the adoption of GASB Statement No. 65.

[2] Amounts prior to fiscal year 2015 do not reflect the adoption of GASB Statement No. 68 and 71.

[3] Amounts prior to fiscal year 2018 do not reflect the adoption of GASB Statement No. 75.

[4] Amounts prior to fiscal year 2022 do not reflect the adoption of GASB Statement No. 87.

Department Changes in Cash and Cash Equivalents

Fiscal Years Ended September 30, 2013 to 2022

(In Thousands)

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash flows from operating activities:										
Cash received from customers and tenants	$768,338	$786,730	$825,000	$819,150	$805,628	$814,284	$823,610	$537,584	$667,806	$901,354
Cash paid to suppliers for goods and services	(309,274)	(311,578)	(301,459)	(289,935)	(301,698)	(332,063)	(351,427)	(320,496)	(349,206)	(372,558)
Cash paid to employees for services	(96,197)	(102,465)	(113,317)	(119,920)	(125,350)	(130,011)	(137,054)	(143,815)	(146,884)	(157,028)
Net cash provided by operating activities	362,867	372,687	410,224	409,295	378,580	352,210	335,129	73,273	171,716	371,768
Cash flows from capital and related financing activities:										
Proceeds from bonds issues and commercial paper	901,110	347,070	1,424,188	849,023	1,097,858	1,368,311	1,397,861	-	695,159	210,000
Principal paid on bonds, loans, and commercial paper	(975,284)	(432,668)	(1,417,092)	(864,907)	(1,157,755)	(1,372,429)	(1,332,549)	(140,520)	(826,930)	(292,775)
Interest paid on bonds, loans, and commercial paper	(322,661)	(308,048)	(328,150)	(371,986)	(297,890)	(315,369)	(258,317)	(240,862)	(235,103)	(225,971)
Purchase and construction of capital assets, net	(82,604)	(74,324)	(98,453)	(156,494)	(98,040)	(141,693)	(165,185)	(122,293)	(115,904)	(109,003)
Proceeds from sale of property	3,810	(458)	-	3,400	72	1,099	1,155	38	21	18
Capital contributed by federal and state governments	25,737	21,911	40,914	20,438	40,448	35,408	52,614	55,507	35,834	43,257
Passenger facility charges	75,345	69,482	82,593	82,353	81,145	85,373	96,673	56,203	56,155	97,580
Interest received from leases	-	-	-	-	-	-	-	-	-	5,774
Interest paid on leases	-	-	-	-	-	-	-	-	-	(289)
Proceeds from environmental reimbursements	3	6	-	-	175	21	22	12	-	-
Proceeds from North Terminal Program Claims	7,500	7,500	-	-	-	-	-	-	-	-
Other (payments) proceeds	(2,409)	(2,284)	(2,199)	(1,535)	(5,882)	47,602	(3,490)	(8,252)	(4,994)	2,590
Net cash (used in) provided by capital and related financing activities	(369,453)	(371,813)	(298,199)	(439,708)	(339,869)	(291,677)	(211,216)	(400,167)	(395,762)	(268,819)
Cash flows from non capital financing activities:										
Reimbursements received from government grants	18,205	2,860	3,180	1,317	2,314	2,935	3,040	189,082	62,657	36,299
Net cash provided by non capital financing activities	18,205	2,860	3,180	1,317	2,314	2,935	3,040	189,082	62,657	36,299
Cash flows from investing activities:										
Purchase of investments	(1,061,649)	(1,231,766)	(1,492,564)	(1,596,087)	(1,419,627)	(1,152,098)	(1,579,213)	(1,905,926)	(1,610,071)	(1,171,452)
Proceeds from sales and maturities of investments	1,015,801	1,153,302	1,495,548	1,494,721	1,436,653	1,252,064	1,729,974	1,848,497	1,671,978	1,057,614
Interest and dividends on investments	9	5,485	5,743	4,605	6,872	12,999	21,685	15,585	1,816	2,741
Net cash provided by (used in) investing activities	(45,839)	(72,979)	8,727	(96,761)	23,898	112,965	172,446	(41,844)	63,723	(111,097)
Net increase (decrease) in cash and cash equivalents	(34,220)	(69,245)	123,932	(125,857)	64,923	176,433	299,399	(179,656)	(97,666)	28,151
Cash and cash equivalents, beginning of year	750,730	716,510	647,265	771,197	645,340	710,263	886,696	1,186,095	1,006,439	908,773
Cash and cash equivalents, end of year	$716,510	$647,265	$771,197	$645,340	$710,263	$886,696	$1,186,095	$1,006,439	$908,773	$936,924

Department's Largest Sources of Revenue

Ten Largest Sources of Revenue

Fiscal Years Ended September 30, 2013 to 2022

Ranked by the Last Fiscal Year

(Unaudited)

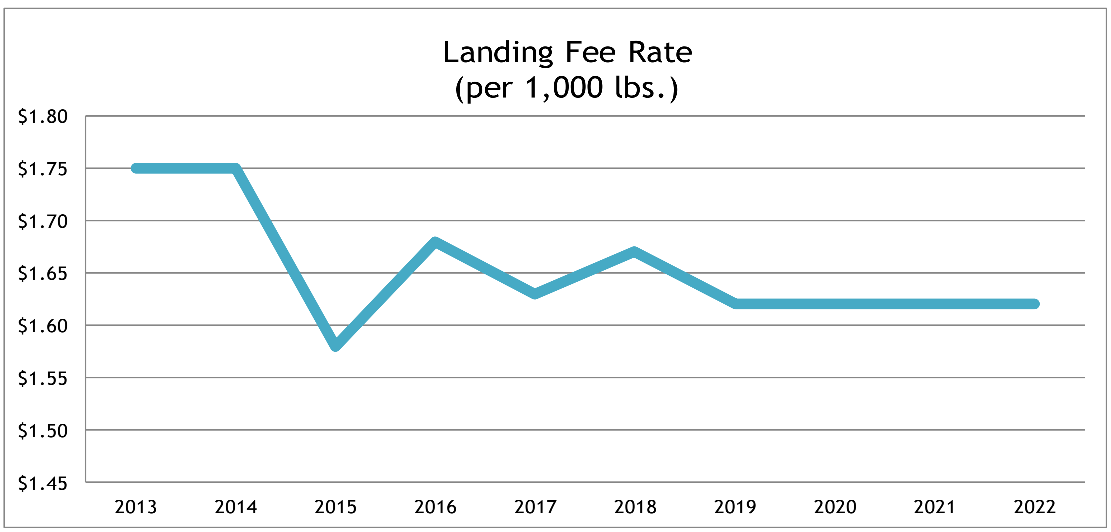
Ranking 2022	Tenant/Management Company	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
1	American Airlines Inc.	$ 330,085,704	$ 273,327,157	$ 207,461,767	$ 320,049,574	$ 311,998,697	$306,455,379	$ 316,764,220	$301,972,927	$303,256,539	$299,240,490
2	Airport Parking Associates	52,526,140	27,275,399	23,908,218	45,861,739	46,146,465	47,382,080	50,777,712	49,926,040	50,199,714	47,957,157
3	Spirit Airlines	25,473,336	-	-	-	-	-	-	-	-	-
4	Delta Air Lines Inc.	23,927,082	21,168,904	18,614,727	31,305,647	31,118,057	29,977,612	29,769,670	27,558,470	26,612,576	24,931,875
5	Duty Free Americas Miami, LLC	20,466,580	10,980,686	15,847,056	32,961,387	32,057,358	32,441,717	33,038,604	31,500,414	35,772,074	35,534,211
6	Allied Aviation Services	20,260,917	12,575,528	12,706,850	18,437,746	17,681,060	16,631,524	15,147,553	19,614,717	18,261,890	21,524,823
7	LATAM	18,478,047	15,482,117	11,071,798	12,217,977	12,725,421	12,779,703	12,424,767	11,221,371	10,553,849	5,538,613
8	Frontier Airlines	16,414,525	15,586,174	6,748,850	3,948,959	7,436,351	4,499,357	5,381,380	4,502,980	1,717	10,609
9	MDIA Hospitality Management,LLC	16,332,655	-	-	-	-	-	-	-	-	-
10	Southwest Airlines	15,288,804	10,690,880	30,754	15,305	-	1,012	-	-	-	-

Key Usage Fees and Charges

Fiscal Years Ended September 30, 2013 to 2022

(Unaudited)

Fiscal Year	Landing Fees/ 1,000 lbs.	Percent Change	Terminal Rental Rates (average cost per sq. foot) (Class III)	Percent Change	Concourse Use Fee	Percent Change	Int'l Facilities Fee	Percent Change	Domestic Baggage Claim Charge	Percent Change	Outbound Baggage Makeup Charge	Percent Change	Security Screening Fee	Percent Change
2013	$1.75	-8.9%	$76.77	4.2%	$4.15	1.5%	$ 1.62	7.3%	$1.49	-30.4%	$1.25	26.3%	$0.50	6.4%
2014	$1.75	0.0%	$79.92	4.1%	$4.32	4.1%	$ 1.90	17.3%	$1.47	-1.3%	$1.13	-9.6%	$0.49	-2.0%
2015	$1.58	-9.7%	$83.05	3.9%	$4.32	0.0%	$ 1.87	-1.6%	$1.47	0.0%	$1.13	0.0%	$0.46	-6.1%
2016	$1.68	6.3%	$84.90	2.2%	$4.27	-1.2%	$ 2.20	17.6%	$1.49	1.4%	$1.06	-6.2%	$0.43	-6.5%
2017	$1.63	-3.0%	$86.94	2.4%	$4.09	-4.2%	$ 2.16	-1.8%	$1.42	-4.7%	$1.13	6.6%	$0.43	0.0%
2018	$1.67	2.5%	$88.18	1.4%	$4.18	2.2%	$ 2.16	0.0%	$1.53	7.7%	$1.18	4.4%	$0.47	9.3%
2019	$1.62	-3.0%	$89.88	1.9%	$4.26	1.9%	$ 2.36	9.3%	$1.56	2.0%	$1.20	1.7%	$0.49	4.3%
2020	$1.62	0.0%	$95.00	5.7%	$2.40	-43.7%	$10.66	351.7%	$0.87	-44.2%	$1.15	-4.2%	$0.85	73.5%
2021	$1.62	0.0%	$88.75	-6.6%	$4.91	104.6%	$12.43	16.6%	$0.92	5.7%	$1.75	52.2%	$1.44	69.4%
2022	$1.62	0.0%	$85.16	-4.0%	$4.91	0.0%	$12.77	2.7%	$1.00	8.7%	$1.83	4.6%	$1.57	9.0%

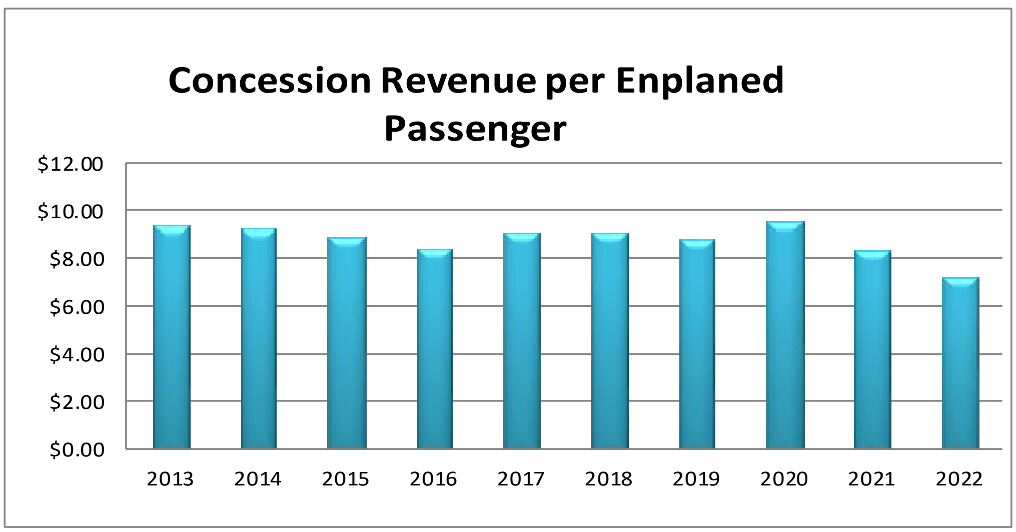


Concession Revenue per Enplaned Passenger

Fiscal Years Ended September 30, 2013 to 2022

(Unaudited)

Fiscal	Concession Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2013	$187,223,261	11.7%	19,877,691	1.0%	$9.42	10.7%
2014	$187,635,428	0.2%	20,219,931	1.7%	$9.28	-1.5%
2015	$191,235,889	1.9%	21,375,095	5.7%	$8.95	-3.6%
2016	$187,186,622	-2.1%	22,154,289	3.6%	$8.45	-5.6%
2017	$196,698,037	5.1%	21,602,794	-2.5%	$9.11	7.8%
2018	$202,555,196	3.0%	22,220,423	2.9%	$9.12	0.1%
2019	$199,955,318	-1.3%	22,685,074	2.1%	$8.81	-3.4%
2020	$120,663,237	-39.7%	12,649,609	-44.2%	$9.54	8.3%
2021	$126,495,311	4.8%	15,136,208	19.7%	$8.36	-12.4%
2022	$180,028,303	42.3%	24,937,982	64.8%	$7.22	-13.6%

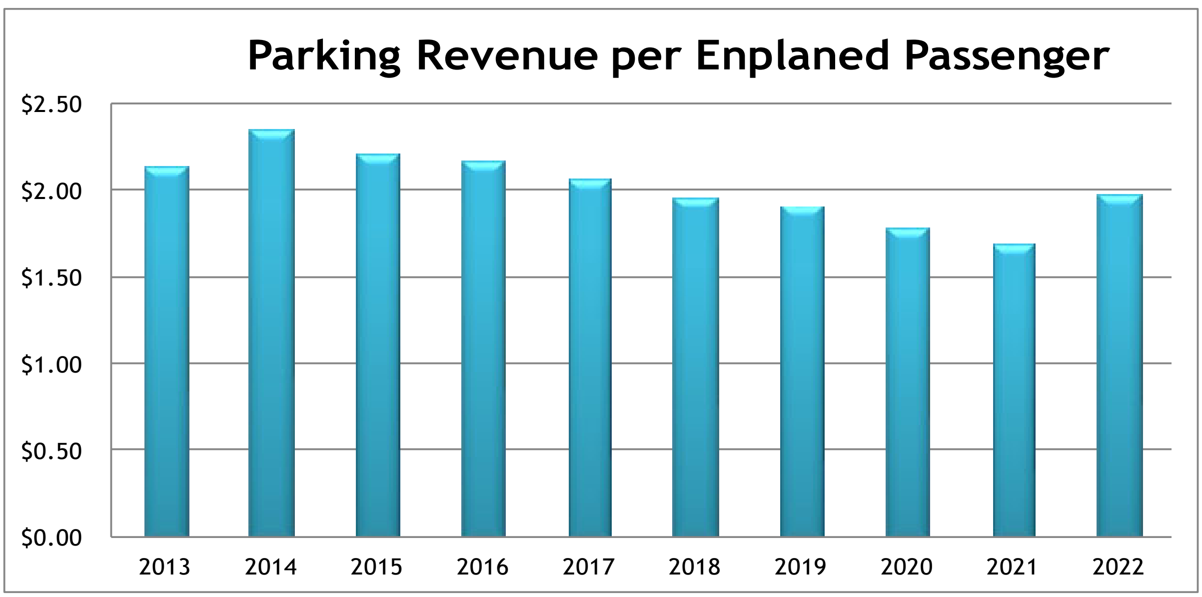


Parking Revenue per Enplaned Passenger

Fiscal Years Ended September 30, 2013 to 2022

(Unaudited)

Fiscal	Parking Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2013	$42,571,213	2.6%	19,877,691	1.0%	$2.14	1.4%
2014	$47,563,451	11.7%	20,219,931	1.7%	$2.35	9.8%
2015	$47,263,378	-0.6%	21,375,095	5.7%	$2.21	-6.0%
2016	$48,024,900	1.6%	22,154,289	3.6%	$2.17	-1.8%
2017	$44,783,394	-6.7%	21,602,794	-2.5%	$2.07	-4.6%
2018	$43,607,001	-2.6%	22,220,423	2.9%	$1.96	-5.3%
2019	$43,317,243	-0.7%	22,685,074	2.1%	$1.91	-2.6%
2020	$22,558,052	-47.9%	12,649,609	-44.2%	$1.78	-6.8%
2021	$25,670,873	13.8%	15,136,208	19.7%	$1.70	-4.5%
2022	$49,496,342	92.8%	24,937,982	64.8%	$1.98	16.5%

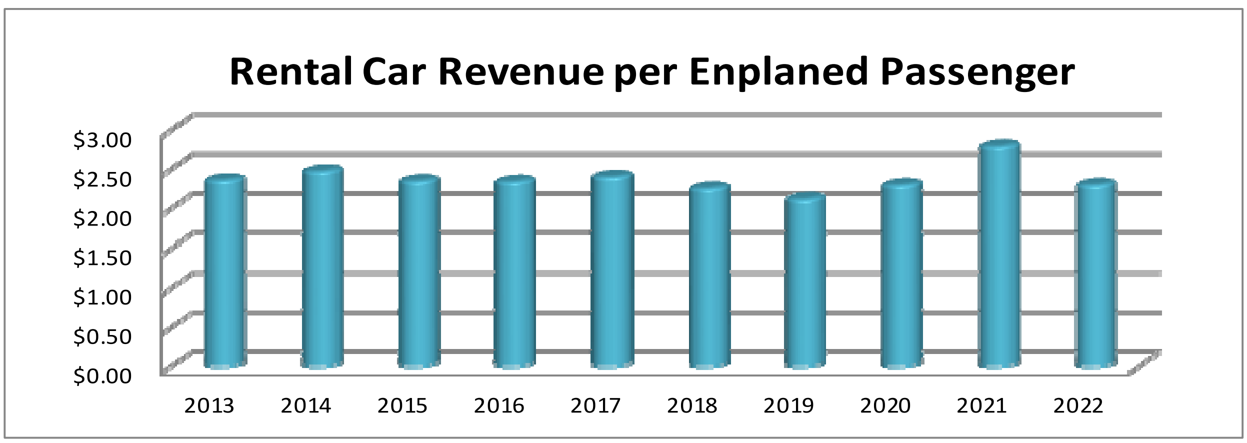


Rental Car Revenue per Enplaned Passenger

Fiscal Years Ended September 30, 2013 to 2022

(Unaudited)

Fiscal	Rental Car Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2013	$46,692,386	9.7%	19,877,691	1.0%	$2.35	8.8%
2014	$49,790,648	6.6%	20,219,931	1.7%	$2.46	4.7%
2015	$49,978,275	0.4%	21,375,095	5.7%	$2.34	-4.9%
2016	$51,642,482	3.3%	22,154,289	3.6%	$2.33	-0.4%
2017	$51,630,646	0.0%	21,602,794	-2.5%	$2.39	2.6%
2018	$49,883,484	-3.4%	22,220,423	2.9%	$2.24	-6.3%
2019	$47,866,708	-4.0%	22,685,074	2.1%	$2.11	-5.8%
2020	$28,930,370	-39.6%	12,649,609	-44.2%	$2.29	8.5%
2021	$42,147,792	45.7%	15,136,208	19.7%	$2.78	21.4%
2022	$57,075,745	35.4%	24,937,982	64.8%	$2.29	-17.6%

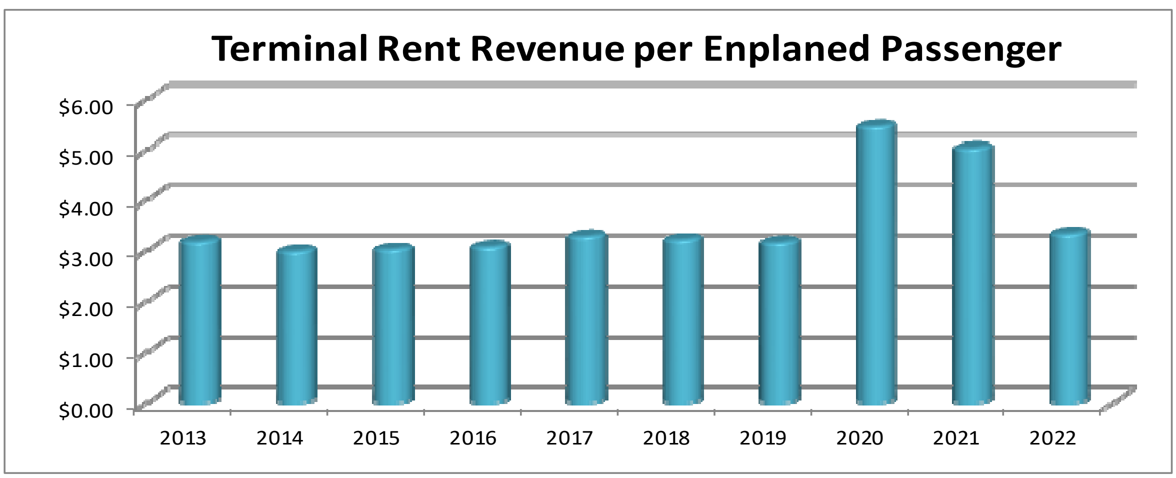


Terminal Rent Revenue per Enplaned Passenger

Fiscal Years Ended September 30, 2013 to 2022

(Unaudited)

Fiscal	Terminal Rent Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2013	$62,986,765	4.4%	19,877,691	1.0%	$3.17	3.6%
2014	$60,137,518	-4.5%	20,219,931	1.7%	$2.97	-6.3%
2015	$64,398,023	7.1%	21,375,095	5.7%	$3.01	1.3%
2016	$67,843,941	5.3%	22,154,289	3.6%	$3.06	1.6%
2017	$70,705,323	4.2%	21,602,794	-2.5%	$3.27	6.9%
2018	$71,249,445	0.8%	22,220,423	2.9%	$3.21	-1.8%
2019	$71,433,297	0.3%	22,685,074	2.1%	$3.15	-1.9%
2020	$68,868,294	-3.6%	12,649,609	-44.2%	$5.44	72.7%
2021	$75,987,856	10.3%	15,136,208	19.7%	$5.02	-7.7%
2022	$82,943,444	9.2%	24,937,982	64.8%	$3.33	-33.7%

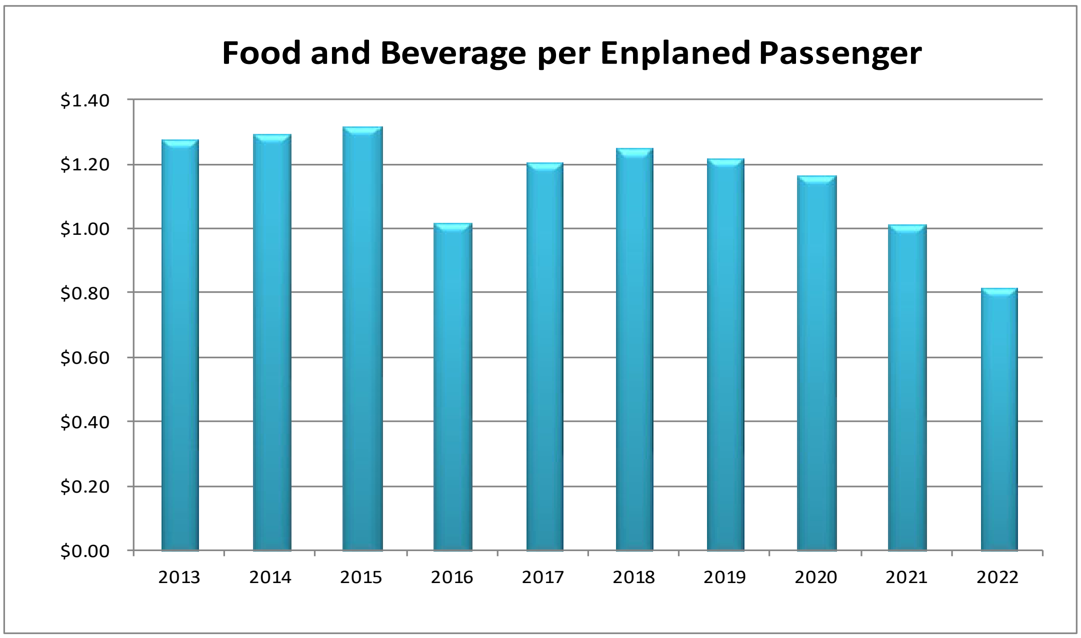


Food and Beverage Revenues per Enplaned Passenger

Fiscal Years Ended September 30, 2013 to 2022

(Unaudited)

Fiscal	Food & Beverage Revenues		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2013	$25,394,843	0.5%	19,877,691	1.0%	$1.28	0.0%
2014	$26,156,735	3.0%	20,219,931	1.7%	$1.29	0.8%
2015	$28,181,765	7.7%	21,375,095	5.7%	$1.32	2.3%
2016	$22,551,928	-19.9%	22,154,289	3.6%	$1.02	-22.7%
2017	$26,090,995	15.6%	21,602,794	-2.5%	$1.21	18.6%
2018	$27,698,314	6.2%	22,220,423	2.9%	$1.25	3.3%
2019	$27,675,420	-0.1%	22,685,074	2.1%	$1.22	-2.4%
2020	$14,731,503	-46.8%	12,649,609	-44.2%	$1.16	-4.9%
2021	$15,346,844	4.2%	15,136,208	19.7%	$1.01	-12.9%
2022	$20,372,610	32.7%	24,937,982	64.8%	$0.82	-18.8%



Department Employee Strength

Full-Time Equivalent Employees (FTE)

Fiscal Years 2013 to 2022

(Unaudited)

Fiscal Year	FTEs as of September 30	% Change	Enplaned Passenger	Enplaned Passengers per FTEs
2013	1,175	-2.6%	19,877,691	16,917
2014	1,184	0.8%	20,219,931	17,078
2015	1,192	0.7%	21,375,095	17,932
2016	1,196	0.3%	22,154,289	18,524
2017	1,255	4.9%	21,602,794	17,213
2018	1,285	2.4%	22,220,423	17,292
2019	1,318	2.6%	22,685,074	17,212
2020	1,318	0.0%	12,649,609	9,598
2021	1,280	-2.9%	15,136,208	11,825
2022	1,305	2.0%	24,937,982	19,110

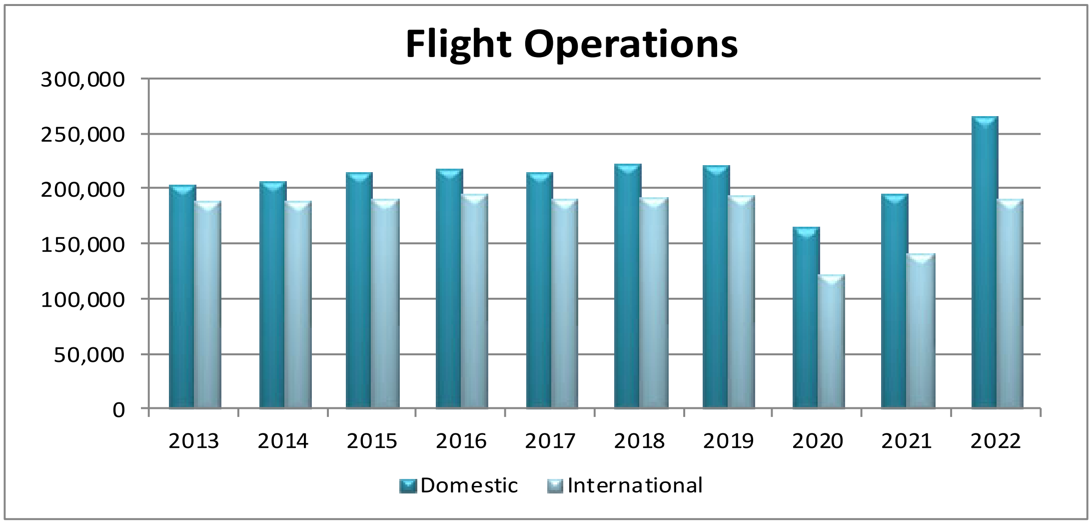
Aircraft Operations

Flight Operations

Fiscal Years Ended September 30, 2013 to 2022

(Unaudited)

Fiscal	Domestic		International		Total	
Year	Operations	% Change	Operations	% Change	Operations	% Change
2013	203,797	1.1%	189,558	0.7%	393,355	0.9%
2014	207,967	2.0%	189,294	-0.1%	397,261	1.0%
2015	214,609	3.2%	191,287	1.1%	405,896	2.2%
2016	217,950	1.5%	195,451	2.1%	413,401	1.8%
2017	215,928	-0.9%	191,232	-2.1%	407,160	-1.5%
2018	223,070	3.3%	192,711	0.8%	415,781	2.1%
2019	221,436	-0.7%	193,596	0.5%	415,032	-0.2%
2020	165,508	-25.3%	123,246	-36.3%	288,754	-30.4%
2021	195,347	18.0%	141,975	15.2%	337,322	16.8%
2022	265,716	36.0%	191,438	34.8%	457,154	35.5%

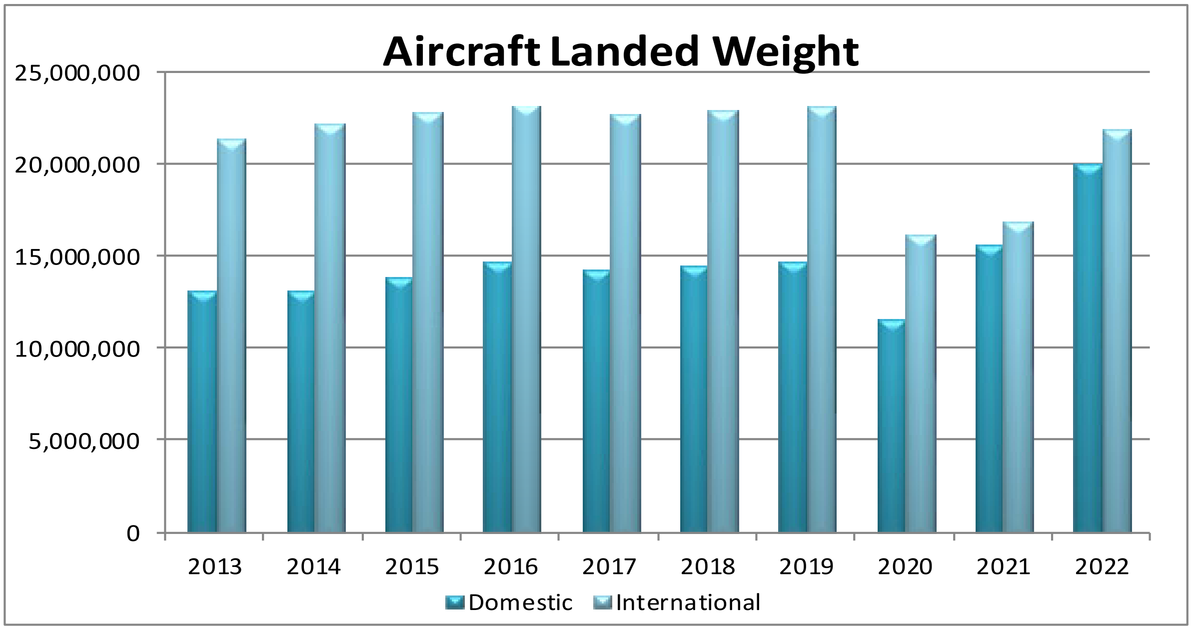


Aircraft Landed Weight

Fiscal Years Ended September 30, 2013 to 2022

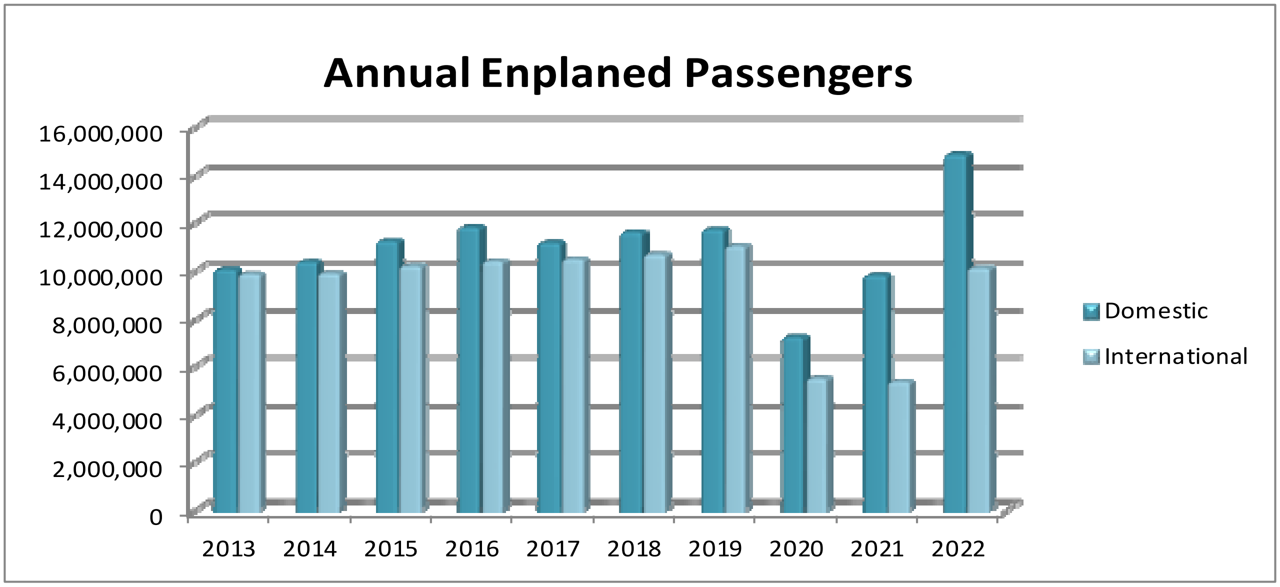
(Unaudited)

Fiscal	Domestic		International		Total	
Year	1,000 lbs.	% Change	1,000 lbs.	% Change	1,000 lbs.	% Change
2013	13,115,308	-0.7%	21,323,070	4.9%	34,438,378	2.7%
2014	13,141,290	0.2%	22,157,206	3.9%	35,298,496	2.5%
2015	13,886,215	5.7%	22,835,492	3.1%	36,721,707	4.0%
2016	14,683,385	5.7%	23,243,509	1.7%	37,926,894	3.2%
2017	14,266,146	-2.8%	22,723,364	-2.2%	36,989,510	-2.5%
2018	14,549,871	2.0%	22,907,237	0.8%	37,457,108	1.3%
2019	14,710,443	1.1%	23,147,790	1.1%	37,858,233	1.1%
2020	11,546,694	-21.5%	16,135,051	-30.3%	27,681,745	-26.9%
2021	15,619,024	35.3%	16,840,869	4.4%	32,459,893	17.3%
2022	20,029,017	28.2%	21,865,186	29.8%	41,894,203	29.1%



Passenger Enplanements
Fiscal Years Ended September 30, 2013 to 2022
(Unaudited)

Fiscal	Domestic		International		Total	
Year	Passengers	% Change	Passengers	% Change	Passengers	% Change
2013	10,033,126	-1.2%	9,844,565	3.3%	19,877,691	1.0%
2014	10,342,784	3.1%	9,877,147	0.3%	20,219,931	1.7%
2015	11,197,406	8.3%	10,177,689	3.0%	21,375,095	5.7%
2016	11,774,663	5.1%	10,379,626	1.9%	22,154,289	3.6%
2017	11,132,819	-5.4%	10,469,975	0.8%	21,602,794	-2.5%
2018	11,571,473	3.9%	10,648,950	1.7%	22,220,423	2.9%
2019	11,680,797	0.9%	11,004,277	3.3%	22,685,074	2.1%
2020	7,175,682	-38.6%	5,473,927	-50.3%	12,649,609	-44.2%
2021	9,792,146	36.5%	5,344,062	-2.4%	15,136,208	19.7%
2022	14,842,208	51.6%	10,095,774	88.9%	24,937,982	64.8%

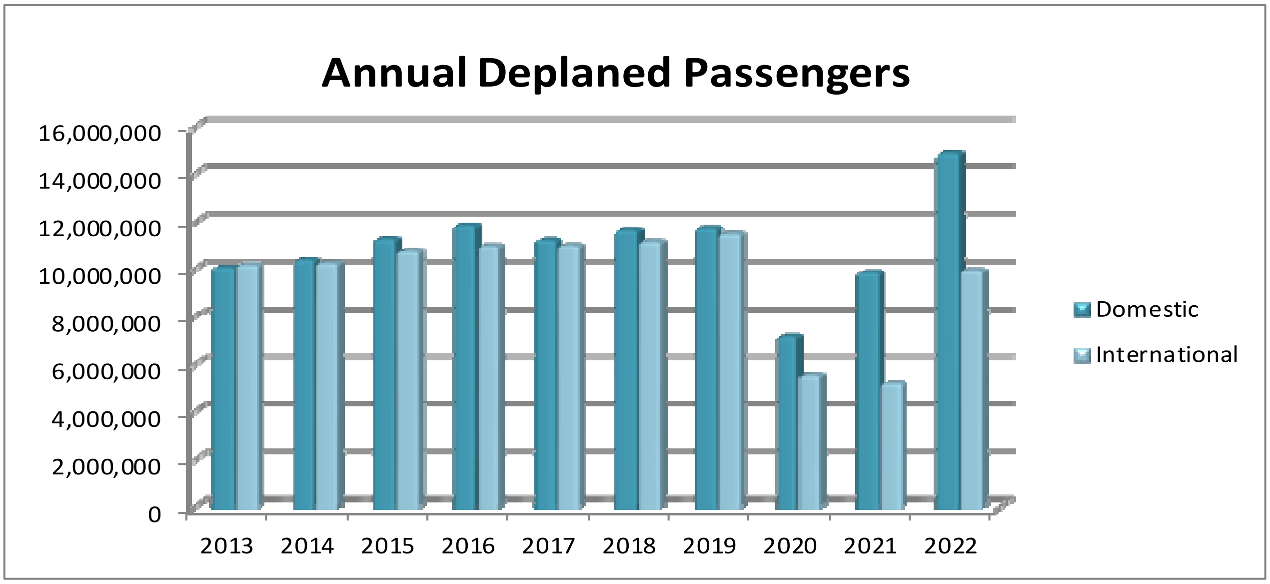


Passenger Deplanements

Fiscal Years Ended September 30, 2013 to 2022

(Unaudited)

Fiscal	Domestic		International		Total	
Year	Passengers	% Change	Passengers	% Change	Passengers	% Change
2013	10,066,662	-1.3%	10,170,952	5.0%	20,237,614	1.8%
2014	10,386,247	3.2%	10,238,786	0.7%	20,625,033	1.9%
2015	11,234,660	8.2%	10,737,374	4.9%	21,972,034	6.5%
2016	11,802,705	5.0%	10,944,759	1.9%	22,747,464	3.5%
2017	11,190,241	-5.1%	10,965,374	0.1%	22,155,615	-2.6%
2018	11,596,475	3.6%	11,121,588	1.4%	22,718,063	2.5%
2019	11,679,065	0.7%	11,447,444	2.9%	23,126,509	1.8%
2020	7,166,336	-38.6%	5,566,439	-51.4%	12,732,775	-44.9%
2021	9,857,569	37.6%	5,225,311	-6.1%	15,082,880	18.5%
2022	14,852,008	50.7%	9,943,352	90.3%	24,795,360	64.4%



Enplanement Market Share by Airline by Fiscal Year

Fiscal Years Ended September 30, 2013 to 2022

(In Thousands)

(Unaudited)

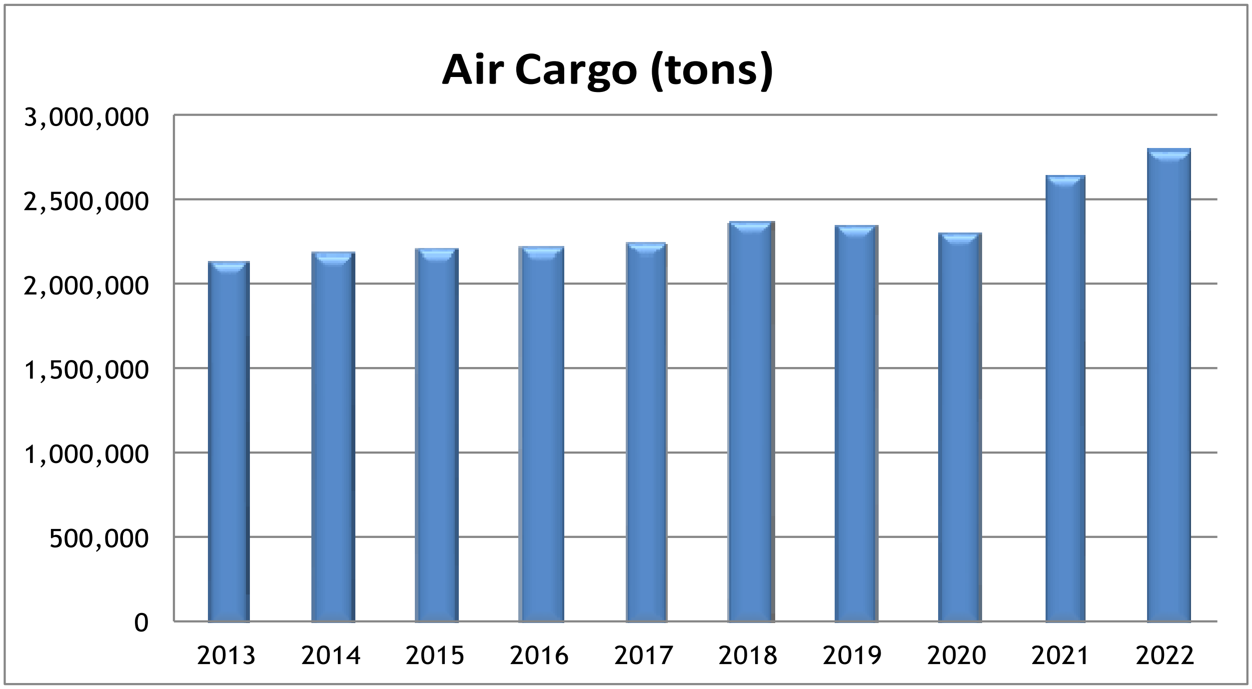
Airline	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
American Airlines Inc.	12,526.5	12,520.8	12,951.4	13,433.0	12,902.7	13,254.5	13,571.2	7,599.3	9,110.5	14,406.9
Envoy (Previously American Eagle)	926.9	945.9	1,113.4	1,239.3	1,349.0	1,570.2	1,604.8	834.6	1,016.9	1,376.3
Delta Air Lines Inc.	1,098.5	1,158.3	1,238.8	1,341.9	1,360.9	1,333.5	1,348.2	757.2	1,020.6	1,363.2
Spirit Airlines	-	-	-	-	-	-	-	-	-	1,159.1
Southwest Airlines	-	-	-	-	-	-	-	-	543.7	848.2
United Airlines, Inc.	341.0	459.8	451.4	561.0	672.5	679.7	632.1	454.9	607.6	689.2
Frontier Airlines	-	-	245.3	301.0	232.1	361.9	193.9	313.9	688.8	671.5
LATAM Airlines	180.1	171.8	165.5	192.5	191.7	175.7	170.7	94.2	207.3	466.7
JetBlue Airways	-	-	-	-	-	-	-	-	407.3	449.3
COPA Airlines	225.2	248.9	245.3	243.9	259.3	279.8	299.5	154.9	271.3	331.4
All Others	4,579.5	4,714.4	4,964.0	4,841.7	4,634.6	4,565.1	4,864.7	2,440.6	1,262.2	3,176.1
	19,877.7	20,219.9	21,375.1	22,154.3	21,602.8	22,220.4	22,685.1	12,649.6	15,136.2	24,937.9

Air Cargo Activity

Fiscal Years Ended September 30, 2013 to 2022

(Unaudited)

Fiscal Year	Mail	Freight	Total	% Change
2013	38,915	2,096,028	2,134,943	1.6%
2014	32,014	2,155,460	2,187,474	2.5%
2015	35,482	2,170,825	2,206,307	0.9%
2016	41,005	2,178,601	2,219,606	0.6%
2017	37,928	2,209,986	2,247,914	1.2%
2018	42,717	2,325,899	2,368,616	5.4%
2019	37,013	2,309,228	2,346,241	-0.9%
2020	32,402	2,268,649	2,301,051	-1.9%
2021	31,230	2,614,726	2,645,956	15.0%
2022	30,132	2,777,008	2,807,140	6.1%



Miami-Dade County Population and Per Capita Personal Income

Last Ten Calendar Years

(Unaudited)

Year	Population	Total Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Civilian Labor Force	Median Age
2013	2,565,685	$104,373,301	$40,680	8.9%	1,289,617	39
2014	2,586,290	$111,528,866	$41,883	7.2%	1,282,854	39
2015	2,629,877	$119,599,683	$44,550	5.9%	1,317,469	40
2016	2,674,278	$123,276,064	$45,440	5.4%	1,341,500	40
2017	2,702,695	$126,715,595	$46,048	4.7%	1,386,660	40
2018	2,732,727	$138,138,976	$50,022	3.6%	1,381,547	40
2019	2,762,698	$149,166,155	$54,902	2.4%	1,383,989	41
2020	2,701,767	$154,891,958	$57,213	8.0%	1,291,854	41
2021	2,662,777 (1)	$172,678,816	$64,849	5.2%	1,307,815	41
2022	(2)	(2)	(2)	(2)	(2)	41 (1)

Source: U.S Bureau of Economic Analysis, Local Area Personal Income
U.S. Census Bureau, American Community Survey 2019 1-Year Estimate
U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics
Miami-Dade County, Department of Regulatory and Economic Resources
Planning Research and Economic Analysis Section

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

Principal Employers in Miami-Dade County

Latest Available Year and Nine Years Previous

(Unaudited)

	2007			2016 [1]		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Miami-Dade County Public Schools	50,000	1	4.19%	31,000	1	2.32%
Miami-Dade County	32,000	2	2.68%	24,692	2	1.85%
U.S. Federal Government	19,800	3	1.66%	19,300	3	1.45%
Florida State Government	16,200	4	1.36%	19,200	4	1.44%
University of Miami	10,170	7	0.85%	13,864	5	1.04%
Baptist Health South Florida	11,257	5	0.94%	13,369	6	1.00%
American Airlines	9,000	9	0.75%	11,773	7	0.88%
Jackson Health System	10,000	8	0.84%	8,163	8	0.61%
Florida International University	-	-	-	4,951	9	0.37%
City of Miami	4,297	15	0.36%	3,820	10	0.29%
Mount Sinai Medical Center	-	-	-	3,402	11	0.25%
Florida Power & Light Company	-	-	-	3,011	12	0.23%
Miami Children's Hospital	-	-	-	2,991	13	0.22%
Homestead AFB	-	-	-	2,810	14	0.21%
Miami-Dade College	6,004	11	0.50%	2,572	15	0.19%
Precision Response Corporation	6,000	12	0.50%	-	-	-
United Parcel Service	6,123	10	0.51%	-	-	-
Bell South Corporation - Florida	5,500	13	0.46%	-	-	-
Winn Dixie Stores	4,833	14	0.41%	-	-	-
Publix Super Markets	11,000	6	0.92%	-	-	-
	202,184		16.93%	164,918		12.35%

Source:

The Beacon Council, Miami, Florida, Miami Business Profile

[1] **Information is based on data from year 2016. The data for years 2017-2022 was not available as of the date of this report**

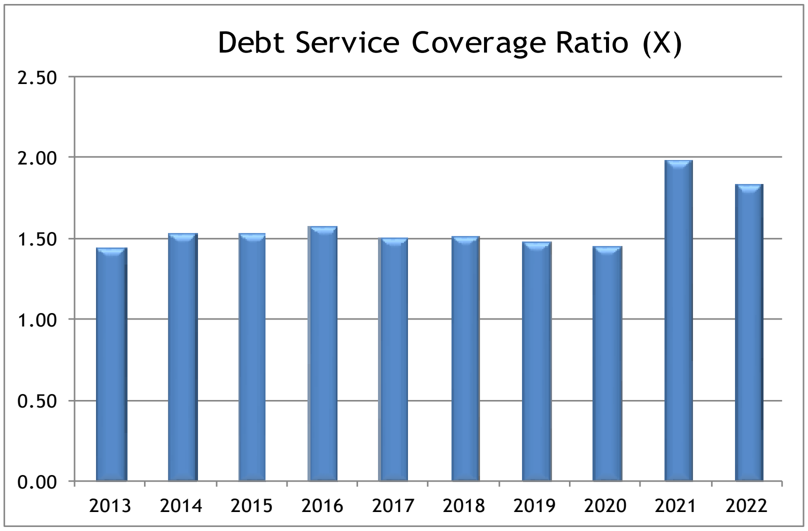
Revenue Bond Debt Service Coverage

Fiscal Years Ended September 30, 2013 to 2022

(In Thousands)

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pledged Revenues	$868,802	$894,079	$892,846	$925,548	$913,151	$931,800	$947,457	$721,677	$775,605	$952,706
Expenses	384,004	387,135	402,831	415,554	429,974	454,871	480,910	452,022	471,836	514,331
Net Revenues	484,798	506,944	490,015	509,994	483,177	476,929	466,547	269,655	303,769	438,375
Reserve Maintenance Fund Deposit	17,000	15,000	17,000	25,000	30,000	20,000	15,000	15,000	15,000	15,000
Net Revenues after Deposits	467,798	491,944	473,015	484,994	453,177	456,929	451,547	254,655	288,769	423,375
Principal & Interest Requirement	322,029	319,802	307,028	307,386	300,068	301,326	304,940	174,602	145,108	230,333
Debt Service Coverage Ratio (x)	1.45	1.54	1.54	1.58	1.51	1.52	1.48	1.46	1.99	1.84



Outstanding Debt

Last Ten Fiscal Years
(In Thousands)
(Unaudited)

Fiscal Year Ended September 30,	Trust Agreement Revenue Bonds (a)	Double-Barreled Aviation Bonds (General Obligation) (b)	Commercial Paper Notes (c)	State Infrastructure Bank (SIB) Loan (d)	Other Liabilities (e)	Total
2013	$5,822,665	$231,785	-	$28,345	-	$6,082,795
2014	$5,726,745	$227,600	-	$23,912	-	$5,978,257
2015	$5,616,550	$223,205	-	$19,390	-	$5,859,145
2016	$5,791,531	$223,086	$20,012	$14,778	-	$6,049,407
2017	$5,680,386	$218,103	$60,066	$10,074	$33,081	$6,001,710
2018	$5,584,857	$212,891	$140,168	$5,274	$80,683	$6,023,873
2019	$5,777,068	$207,240	-	-	$77,193	$6,061,501
2020	$5,621,474	$201,388	-	-	$68,941	$5,891,803
2021	$5,459,700	$196,247	$10,001	-	$63,947	$5,729,895
2022	$5,335,420	$192,490	$30,064	-	$66,537	$5,624,511

a) Revenue Bonds issued under the Trust Agreement are payable solely by a pledge of net revenues, as defined in the Trust Agreement. The Revenue Bonds are being paid by the Aviation Department's Net Revenues.

b) In FY 2010 the County issued its Series 2010 Double-Barreled Aviation Bond (General Obligation), in the aggregate principal amount of $239,775,000. In FY 2021 the County issued its Series 2020 Double-Barreled Aviation Refunding Bond (General Obligation), in the aggregate principal amount of $177,670,000, to fully refund the principal amount of the Series 2010 Bonds. The Series 2020 Bonds are payable first from the Net Available Airport Revenues. Additionally, the Series 2020 Bonds are general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2020 Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitations as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt service on the Series 2020 Bonds.

c) The Commercial Paper Notes are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. An irrevocable letter of credit in the amount of $400 million dollars was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. The use of Commercial Paper was discontinued in May of 2019 and a new Commercial Paper Notes Program was started in March 2021. The new program is secured with an irrevocable letter of credit in the amount of $200 million.

d) A County loan in the amount of $50 million from the FDOT State Infrastructure Bank to fund the County's share of the cost of the Viaduct Project. The loan was secured by a County covenant to annually budget and appropriate from the County legally available non-ad valorem revenue sufficient to pay debt service costs. The debt service costs were reimbursed to the County by the Aviation Department. The loan was paid off in September 2019.

e) Total includes lease liabilities and financed purchases of $6,968,000 and $59,569,000, respectively. The Aviation Department has entered into various agreements with banks to provide capital to finance the purchase of certain energy improvement equipment.

Long-Term Debt per Enplaned Passenger

Last Ten Fiscal Years

(In Thousands Except Enplaned Passengers)
(Unaudited)

Fiscal Year Ended September 30	Trust Agreement Revenue Bonds (a)	Double-Barreled Aviation Bonds (General Obligation) (b)	Commercial Paper Notes (c)	State Infrastructure Bank (SIB) Loan (d)	Other Liabilities (e)	Total	Enplaned Passenger	Long Term Debt per Enplaned Passenger
2013	$5,822,665	$231,785	-	$28,345	-	$6,082,795	19,877,691	$306.01
2014	$5,726,745	$227,600	-	$23,912	-	$5,978,257	20,219,931	$295.66
2015	$5,616,550	$223,205	-	$19,390	-	$5,859,145	21,375,095	$274.11
2016	$5,791,531	$223,086	$20,012	$14,778	-	$6,049,407	22,154,289	$273.06
2017	$5,680,386	$218,103	$60,066	$10,074	$33,081	$6,001,710	21,602,794	$277.82
2018	$5,584,857	$212,891	$140,168	$5,274	$80,683	$6,023,873	22,220,423	$271.10
2019	$5,777,068	$207,240	-	-	$77,193	$6,061,501	22,685,074	$267.20
2020	$5,621,474	$201,388	-	-	$68,941	$5,891,803	12,649,609	$465.77
2021	$5,459,700	$196,247	$10,001	-	$63,947	$5,729,895	15,136,208	$378.56
2022	$5,335,420	$192,490	$30,064	-	$66,537	$5,624,511	24,937,982	$225.54

a) Revenue Bonds issued under the Trust Agreement are payable solely by a pledge of net revenues, as defined in the Trust Agreement. The Revenue Bonds are being paid by the Aviation Department's net Revenue.

b) In FY 2010 the County issued its Series 2010 Double-Barreled Aviation Bond (General Obligation), in the aggregate principal amount of $239,775,000. In FY 2021 the County issued its Series 2020 Double-Barreled Aviation Refunding Bond (General Obligation), in the aggregate principal amount of $177,670,000, to fully refund the principal amount of the Series 2010 Bonds. The Series 2020 Bonds are payable first from the Net Available Airport Revenues. Additionally, the Series 2020 Bonds are general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2020 Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitations as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt service on the Series 2020 Bonds.

c) The Commercial Paper Notes are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. An irrevocable letter of credit in the amount of $400 million dollars was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. The use of Commercial Paper was discontinued in May of 2019 and a new Commercial Paper Notes Program was started in March 2021. The new program is secured with an irrevocable letter of credit in the amount of $200 million.

d) A County loan in the amount of $50 million from the FDOT State Infrastructure Bank to fund the County's share of the cost of the Viaduct Project. The loan was secured by a County covenant to annually budget and appropriate from the County legally available non-ad valorem revenue sufficient to pay debt service costs. The debt service costs were reimbursed to the County by the Aviation Department. The loan was paid off in September 2019.

e) Total includes lease liabilities and financed purchases of $6,968,000 and $59,569,000, respectively. The Aviation Department has entered into various agreements with banks to provide capital to finance the purchase of certain energy improvement equipment.

Capital Assets

Fiscal Years Ended September 30, 2013 to 2022

(Unaudited)

Miami-Dade Aviation Department	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of airports	5	5	5	5	5	5	5	5	5	5
Number of runways										
Miami International	4	4	4	4	4	4	4	4	4	4
Opa-Locka	3	3	3	3	3	3	3	3	3	3
Tamiami	3	3	3	3	3	3	3	3	3	3
Homestead	2	2	2	2	2	2	2	2	2	2
Training & Transition Airport	1	1	1	1	1	1	1	1	1	1

(This page intentionally left blank)

Miami-Dade Aviation Department

Finance & Strategy Division
P.O. Box 526624
Miami, FL 33152-6624
www.iflyMIA.com

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