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

2016 Comprehensive Annual Financial Report

(For the fiscal years ended September 30, 2016 and 2015)

Miami-Dade Seaport Department

A Department of Miami-Dade County, Florida

Comprehensive Annual Financial Report

For the fiscal years ended September 30, 2016 and 2015

Prepared by the Miami-Dade Seaport Department

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MIAMI-DADE
COUNTY

Delivering Excellence Every Day

MIAMI-DADE COUNTY, FLORIDA SEAPORT DEPARTMENT
A Department of Miami-Dade County, Florida
Comprehensive Annual Financial Report
For the Fiscal Years Ended September 30, 2016 and 2015

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COUNTY

Delivering Excellence Every Day

INTRODUCTORY SECTION

MIAMI-DADE
COUNTY

Delivering Excellence Every Day

ELECTED AND APPOINTED OFFICIALS
MIAMI-DADE COUNTY, FLORIDA

CARLOS A. GIMENEZ, *MAYOR*

BOARD OF COUNTY COMMISSIONERS
ESTEBAN L. BOVO, JR., CHAIRMAN
AUDREY M. EDMONSON, VICE-CHAIR

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DISTRICT 2

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DISTRICT 5

REBECA SOSA
DISTRICT 6

XAVIER L. SUAREZ
DISTRICT 7

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DISTRICT 8

DENNIS C. MOSS
DISTRICT 9

SENATOR JAVIER D. SOUTO
DISTRICT 10

JOE A. MARTINEZ
DISTRICT 11

JOSÉ "PEPE" DIAZ
DISTRICT 12

ESTEBAN BOVO, JR.
DISTRICT 13

HARVEY RUVIN
CLERK OF COURTS

PEDRO J. GARCIA
PROPERTY APPRAISER

ABIGAIL PRICE-WILLIAMS
COUNTY ATTORNEY

PORTMIAMI

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March 31, 2017

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

Honorable Harvey Ruvin, Clerk of the Courts

Honorable Pedro J. Garcia, Property Appraiser

Ladies and Gentlemen:

We are pleased to present the Miami-Dade County, Florida Seaport Department's (the "Seaport") Comprehensive Annual Financial Report ("CAFR") for the fiscal years ended September 30, 2016 and 2015. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB") and audited by a firm of independent certified public accountants retained by Miami-Dade County, Florida (the County) and paid from its public funds. This report may also be accessed via the internet at http://www.miamidade.gov/portofmiami.

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

Independent Audit

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

Profile of the Government and Government Structure

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

The Port is the largest cruise home port in the world and is among the leading international waterborne container ports in the United States. The Port is an island port and occupies approximately 520 acres of land. For fiscal year 2016, the Seaport handled approximately 4.98 million passengers. During this same period, approximately 8.78 million tons of cargo and 1.03 million TEUs (twenty-foot equivalent units) were processed through the Seaport.

Budgetary Process and Control

Annually, as part of the budget process, the Seaport recommends rates to provide for anticipated operating expenses, capital improvement, and debt service requirements. By October 1st, the beginning of the new fiscal year, the Board of County Commissioners adopts an annual budget for the Seaport's recommended rates, operating expenses, capital outlays, and debt service payments. An analysis of revenue and operating expenses for the fiscal years ended September 30, 2016 and 2015, can be found in the MD&A section of this report. Capital Projects are budgeted in the year anticipated to be obligated and in the subsequent years the unused budget is re-appropriated until the project is complete, consequently an annual comparison of these expenses is not included in this report.

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

Factors Affecting Financial Conditions

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

Economic Condition and Outlook

This economic condition and outlook report outlines the level of economic activity throughout fiscal year 2016 and forecasts the area's economic outlook for next fiscal year.

One year ago, in the year-end outlook for the local economy, it was anticipated that the level of economic activity in Miami-Dade would continue to grow in FY 2016 at a somewhat slower pace than in FY 2015. The reasoning behind this outlook was an expected slowdown of the national economy and a contraction in the Latin American economy coupled with continued positive impacts of low oil prices for the state and the county.

Economic growth in the emerging markets and more importantly, Latin America was expected to be negative in FY 2016. The combination of a healthier US economy and a slower Latin American expansion was expected to prolong the strengthening of imports and weakening of exports in the Miami Customs District. The same phenomenon was seen as likely to extend the rebalancing of the tourist mix away from international and towards domestic visitors in FY 2016.

Real estate and construction activity in FY 2016 was expected to moderate as foreign buyers retreated and the effects of years of real estate appreciation affected affordability for residents.

Miami-Dade's employment would continue to grow as a result of continued strength in the tourism sector and stable to positive growth in all other sectors, albeit at a slower rate.

This forecast of FY 2016 turned out to be an accurate assessment of what actually took place at the international, national and local levels.

At the national level FY 2016 saw a slowdown in economic activity, with real gross domestic product (GDP) increasing at an annual rate of 1.6 percent, compared to an increase of 2.8 percent in the prior year. The slowdown in GDP growth was brought about by a level of investment that went from positive 5.3 percent in FY 2015 to negative 1 percent in FY 2016 and by a slowdown in personal consumption from 2.8 percent to 1.6 percent between both fiscal years. Even though economic growth slowed due to energy prices finding their footing, inflation increased from a FY 2015 record low of 0.3 percent to a still tepid 0.9 percent. This uptick in the level of inflation came on the heels of a decrease of the headline unemployment rate of 50 basis points to 5 percent, the lowest level since FY 2007.

At the County level, the signs of an economy functioning at or near the mature stage of the cycle are clearly visible. FY 2016 closed with the lowest unemployment rate since FY 2007, and, after adding a smaller amount of workers to payrolls, FY 2016 ended with the highest number of employed persons ever. The residential real estate market began to moderate with both single-family home sales and permits for new residential construction declining after years of expansion. Taxable sales surpassed the $50 billion mark for the first time despite a contraction in consumer durables. The number of visitors to Miami grew at a similar rate than the previous year while the growth in passenger traffic moving through Miami International Airport moderated in FY 2016 compared to FY 2015.

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

■ ***International Trade and Commerce***

At the Port, cargo activity, measured in TEUs, increased by approximately 2.02 percent for fiscal year 2016. The Seaport expects cargo activity to increase in Fiscal Year 2017. The Seaport is optimistic regarding international commerce in Miami-Dade and anticipates higher volume levels in cargo activity movement through the Port. The optimism is based on the assumption that the cruise and cargo coupled with the Port's incentivized agreements, improving economy, and the addition of new cargo services will increase activity. Looking beyond the fiscal year 2017, the completion of the Deep Dredge and intermodal and rail reconnection projects in fiscal year 2015, coupled with the acquisition of four gantry cranes in the Post Panamax period, augurs well for the future of the Seaport.

The Americas continue to represent a major share of the Seaport's total cargo. For fiscal year 2016, the Americas accounted for approximately 46 percent (Caribbean—13 percent South America—9 percent, Central America and Mexico—24 percent) of total cargo. This was followed by The Far East, Asia and the Pacific with 36 percent. The balance of approximately 18 percent consisted of Europe, North America, Middle East, Southwest Asia, and Africa.

■***Competition***

The Seaport's cargo related revenues had a slight increase of 1.80 percent from fiscal year 2015. The Seaport's commitment to expanding its cargo business, coupled with incentivized cargo contracts will contribute to an overall cargo activity increase. The Seaport is encouraged and anticipates continued cargo activity growth in fiscal year 2017.

International trade and commerce is a key component of Miami-Dade's economy. Since achieving its highest level ever measured by value ($129.5 billion 2016 inflation adjusted dollars) in FY 2013, merchandise trade passing through the Miami Customs District (that includes an area broader than Miami-Dade) has fallen 15.3 percent to $109.6 billion in FY 2016.

In contrast to the recurring merchandise trade deficits that the United States maintains year after year, the Miami Customs District exports more than it imports, resulting in a trade surplus. Although the surplus is still present it has been narrowing in the last five years. Exports registered a decrease of 8.7 percent compared to a decrease of 6.4 percent during the prior year. Imports increased by 3.4 percent following a decrease of 4 percent in the prior year. Most of the Miami Customs District export markets are in South America, Central America, and the Caribbean accounting for 77 percent of the total. In addition, the majority of all U.S. imported perishables from these same regions are passing through the Miami District. The decrease in trade flows reflects the sluggish performance in the economies of most of the countries in these regions.

Two of Miami-Dade County's barometers of trade activity are the freight tonnage moving through Miami International Airport ("MIA") and the Port. At the former, overall air freight tonnage increased 0.6 percent, after decreasing by 1.4 percent the preceding two years. At the Port, cargo tonnage figures were up by 1.9 percent after increasing 14 percent the year before. The Port accounts for 80 percent of total County trade measured by weight.

■***Tourism***

The state of Florida played host to a record of more than 110 million overnight visitors for the first time in FY 2016. Miami-Dade contributed to this feat by also posting its highest number of visitors in the fiscal year.

Visitors to the Miami area increased about 4.8 percent in FY 2016, a similar rate as the previous year. In total, there were 15.8 million overnight visitors over this past year up from 15.1 million recorded in FY 2015. The growth in visitors came from both the domestic and international markets, with 6.4 percent growth in domestic visitors and 3.1 percent growth in international visitors.

In conjunction with the increase in visitors, the Miami International Airport passenger levels reached 44.9 million in FY 2016, representing a gain of 3.6 percent compared to a gain of 6.1 percent in the prior year. Passenger traffic at Port Miami increased 1.3 percent to 4.98 million passengers in FY 2016 after no change in FY 2015 and increasing by an impressive 21 percent in FY 2014.

The higher number of visitors was accommodated by an increased hotel room inventory, leaving hotel occupancy rates lower with respect to a year ago. In FY 2016, the hotel occupancy rate stood at 77.3 percent after reaching 78.6 percent in FY 2015. The average hotel room rate remained unchanged at just over 190 dollars per night.

■ ***Future Outlook***

As mentioned in the economic condition and outlook section, FY 2016 displayed the signs of a mature phase of the economic cycle. In such a phase employment is high and grows at a slow pace, the unemployment rate is low and if it drops, it does so modestly, and prices and wages tend to start rising. Going forward, FY 2017 should display these same characteristics absent an external shock to the system.

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

Prospects for growth of the United States' economy are thought to hold at a healthy 2.3 percent by the Organization for Economic Co-operation and Development (OECD). A unified government may lead to a more expansionary fiscal policy than had been possible up to 2016.

Within the United States, Florida is particularly well suited to continue to benefit from an expansion of the nation's economy and low oil prices due to its positive effect on transportation and tourism.

At the same time economic conditions in Latin America should begin to stabilize as the region finds its footing after the downturn experienced in FY 2016. The combination of a strong US dollar and continued weakness in Latin America is expected to prolong the strengthening of imports and weakening of exports in the Miami Customs District, possibly resulting in the first trade deficit for the District in at least 30 years. Looking beyond FY 2017, the changing relationship of the United State with the rest of the world, including Cuba, in terms of immigration and trade, remains a very big unknown.

Real estate and construction activity in FY 2017 is expected to continue to moderate as foreign buyers retreat and the effects of years of real estate appreciation affect affordability for residents.

Employment should continue to grow given the health of the overall economy, but at a slower pace given that both idle workers and economic resources are harder to come by. A smaller drop in the unemployment rate than that experienced this year is likely to occur in FY 2017. The higher utilization rate of economic inputs coupled with a more expansionary fiscal policy should put upward pressure on wages and prices.

Evaluating all the likely developments in major areas of the economy leads to a forecast that the Miami-Dade economy appears poised to continue growing through FY 2017, similar to the previous fiscal year. There is expected to be continued improvements on the local economic front with somewhat slower growth rates, as the economy reaches closer to full capacity. The degree of expansion will depend upon the stability in government employment, moderate growth in the tourism, real estate and construction sectors and growth rates in Central and South America and the Caribbean.

Long-Term Financial Planning

MAJOR INITIATIVES

■ ***Construction Management***

The Seaport's proposed Capital Improvement Program funding for the period October 1, 2016 through September 30, 2021 is budgeted at approximately $301.8 million. Of this amount, approximately $282.5 million, $18.3 million and $1.0 million will be funded by debt proceeds, state grants, and tenant financing, respectively. Of the approximately $301.8 million in construction in progress expenditures (CIP), approximately $183.0 million, $41.6 million and $77.2 million will fund the Seaport facility improvements, equipment purchases and cargo facilities improvements, respectively.

The Seaport secured Congressional approval in the fall of 2007 for the Miami Harbor Project "the Project".

The Project called for deepening the Seaport's south channel to a depth of 50 feet from the existing 42 feet. By deepening its south channel from the existing—42 feet to the 50—foot depth, the Seaport is one of a few ports along the U.S. east coast capable of accommodating mega container vessels. The Project was completed in fiscal year 2015. Additionally, redevelopment of 80 acres of cargo terminal area will enhance cargo terminal operations and efficiencies will be achieved.

Additional information regarding the Seaport's capital improvement program can be found in the Management's Discussion and Analysis ("MD&A") section and the Notes to the Financial Statements section of this report. CHART I summarizes the funding sources for the Seaport's capital improvement program for the next fiscal year and fiscal years 2018-2021.

CHART 1
CIP FUNDING SOURCES
($ IN THOUSANDS)

Revenue	Fiscal Year 2017	Fiscal Year 2018 – Future	Total
Debt proceeds	$ 132,426	$ 150,094	$ 282,520
State grants	2,274	16,000	18,274
Tenant financing	1,000	-	1,000
Total	$ 135,700	$ 166,094	$ 301,794

CIP PROJECT SUMMARY
($ IN THOUSANDS)

Expenditures	Fiscal Year 2017	Fiscal Year 2018 – Future	Total
Cargo facilities; improvements	$ 26,000	$ 51,174	$ 77,174
Port facilities; improvements	89,700	93,320	183,020
Equipment purchases	20,000	21,600	41,600
Total	$ 135,700	$ 166,094	$ 301,794

Security

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

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

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Seaport for its comprehensive annual financial report for the fiscal year ended September 30, 2015. This was the seventeenth consecutive year that the Seaport received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,

Juan Kuryla,
Port Director and CEO

Kevin T. Lynskey,
Deputy Port Director and COO

Miriam N. Abreu, CPA
Assistant Director for Finance and CFO

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Miami-Dade County

Seaport Department, Florida

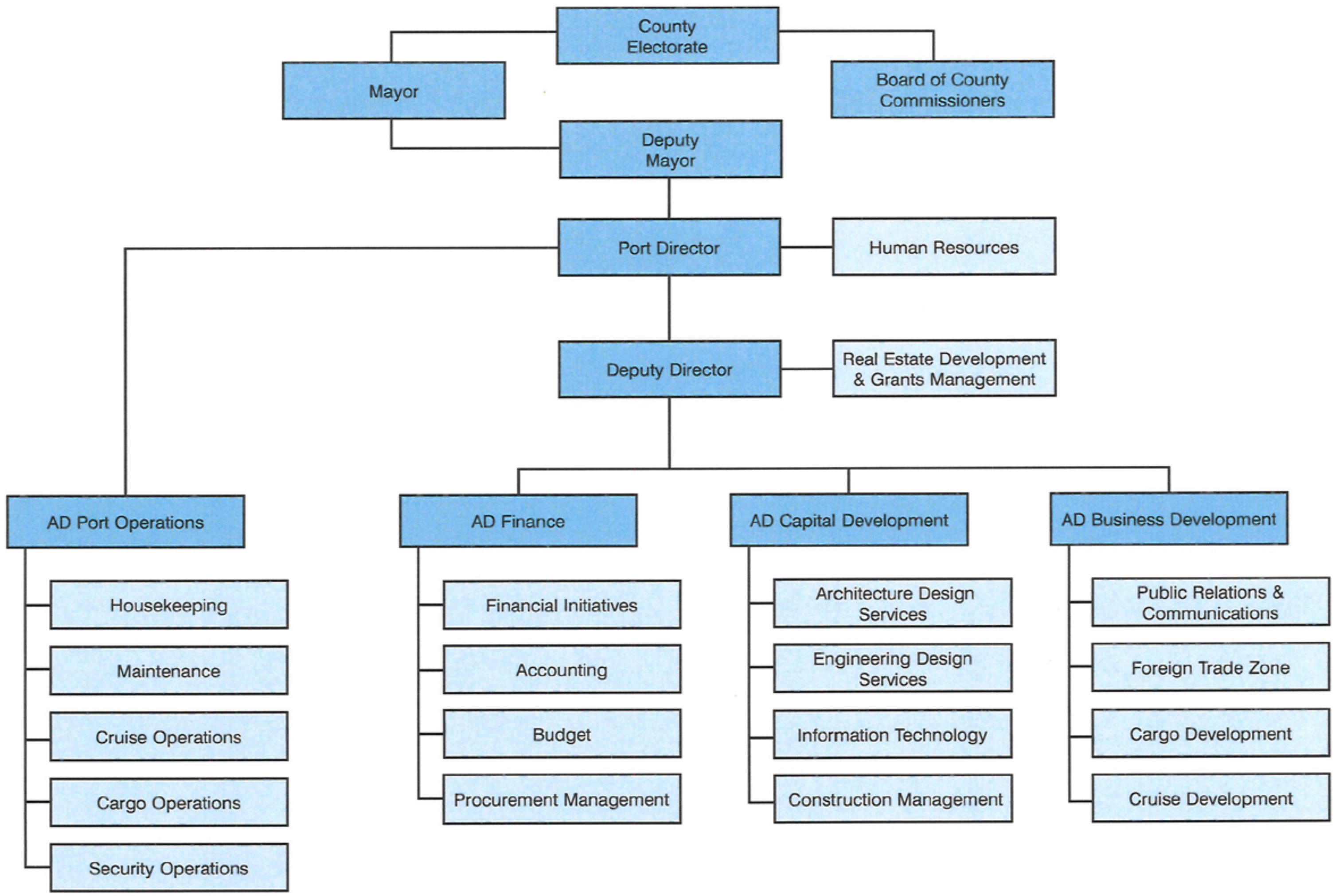
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Jeffrey R. Emer

Executive Director/CEO

Miami-Dade County Seaport Department Organizational Chart 2015-2016



FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Miami-Dade County Seaport Department (the Department), an enterprise fund of Miami-Dade County, Florida (the County), as of and for the years ended September 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Miami-Dade County Seaport Department, an enterprise fund of Miami-Dade County, Florida, as of September 30, 2016 and 2015, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1, the financial statements present only the Department and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida, as of September 30, 2016, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our reports dated March 31, 2017 and May 27, 2016 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

RSM US LLP

Miami, Florida
March 31, 2017

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

The following narrative provides an overview of the Miami-Dade County, Florida Seaport Department's (the "Seaport") financial activities and net position as of and for the fiscal years ended September 30, 2016 and 2015. The MD&A represents management's analysis of the Seaport's financial condition, performance, long-term debt, and economic factors. The MD&A should be read in conjunction with the financial information of the transmittal letter in the introductory section, the financial statements, the accompanying notes, and the statistical section. The financial statements consist of the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; the Statements of Cash Flows; and the Notes to the Financial Statements.

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

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

The Statements of Cash Flows present the cash activities of the Seaport segregated in the following major categories: operating, non-capital financing activities, capital and related financing activities, and investing. These statements also present the changes in cash and cash equivalents of the Seaport.

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

Financial analysis of the Seaport Department

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

The Seaport's net position is summarized in **Table I**. Net position may be used to assess the financial position of the Seaport. Total Seaport net position as of September 30, 2016 was $166.1 million, comprising of approximately $302.5 million in net investment in capital assets; approximately $7.2 million in restricted for debt service and unrestricted deficit of approximately $143.6 million. Total Seaport net position as of September 30, 2015 was $159.7 million, comprising of approximately $317.4 million in net investment in capital assets; approximately $12.9 million in restricted for debt service and unrestricted deficit of approximately $170.6 million. Total Seaport net position as of September 30, 2014 was $123.8 million, comprising of approximately $272.8 million in net investment in capital assets; approximately $22.6 million in restricted for debt service and construction and unrestricted deficit of approximately $171.6 million.

Table I

SUMMARY STATEMENTS OF NET POSITION
AS OF SEPTEMBER 30, 2016, 2015, and 2014
(IN MILLIONS)

	Fiscal Year 2016	Change from Fiscal Year 2015	Fiscal Year 2015	Change from Fiscal Year 2014	Fiscal Year 2014
Capital assets, net	$ 1,097.8	$ (8.4)	$ 1,106.2	$ 114.2	$ 992.0
Current and other assets	202.5	(14.3)	216.8	(134.3)	351.1
Total assets	1,300.3	(22.7)	1,323.0	(20.1)	1,343.1
Deferred outflows of resources	14.1	4.7	9.4	1.4	8.0
Long-term liabilities outstanding	1,088.1	(12.0)	1,100.1	(58.9)	1,159.0
Other liabilities	59.4	(10.4)	69.8	1.5	68.3
Total liabilities	1,147.5	(22.4)	1,169.9	(57.4)	1,227.3
Total deferred inflow of resources	0.8	(2.0)	2.8	2.8	-
Net position:					
Net investment in capital assets	302.5	(14.9)	317.4	44.6	272.8
Restricted	7.2	(5.7)	12.9	(9.7)	22.6
Unrestricted:	(143.6)	27.0	(170.6)	1.0	(171.6)
Total net position	$ 166.1	$ 6.4	$ 159.7	$ 35.9	$ 123.8

The decrease in net investment in capital assets from fiscal year 2015 to 2016 is mostly attributed to depreciation recognized in fiscal year 2016. The increase in net investment in capital assets from 2014 to 2015 can be mostly attributed to new construction projects. The Seaport recorded a net pension liability for the year ended September 30, 2015 in the amount of $12.5 million as a result of implementing GASB Statements No. 68 and 71. See Note 9 to the financial statements for more information regarding the net pension liability. The balances in the fiscal year 2014 columns of the MD&A section have not been restated for the implementation of GASB Statements No. 68 and 71.

The Seaport worked closely with its consultants to finalize the Port's 2035 Master Plan, (the Plan). The Plan was unveiled in December 2011. The Plan is a useful roadmap for the Seaport to help ensure that it maintains its unique dual distinction as Cargo Gateway of the Americas and Cruise Capital of the World; meets the future demands and expectations of the cargo and cruise industries, and that it maximizes the use of its resources. Plans to update the 2035 Master Plan are currently being developed with a proposed completion date during fiscal year 2017.

Table II summarizes the change in the Seaport's net position. Total net position, as of September 30, 2016, was approximately $166.1 million, representing an increase of approximately $6.4 million from prior year. The increase in fiscal year 2016 can be mostly attributed to an increase in operating revenues. Total net position as of September 30, 2015, was approximately $159.7 million, representing an increase of approximately $35.9 million from prior year. The increase in fiscal year 2015 can be mostly attributed to new grant funded capital projects.

The negative unrestricted net position balance resulted from Seaport's $203.1 million contribution to the Florida Department of Transportation (FDOT) Port Tunnel Project. The majority of the contribution occurred during the 2014 fiscal year. The "Tunnel" or "Port of Miami Tunnel", located beneath the Governmental Cut connects the Port directly with the interstate highway system. The Tunnel improves access to and from the Port, making trucking and passenger vehicle connections from the Port to the rest of the region and the County substantially easier and eliminates the Port's dependence on the current Port Boulevard Bridge. It will also reduce traffic congestion in the downtown area of Miami. The Tunnel is owned by the State of Florida and as such is not reported as a capital asset of the Port.

In March 2015 FDOT and the County entered into an agreement that would allow the Seaport to receive State Comprehensive Transportation System Tax (SCETS) revenues from FDOT in the amount of $8 million in fiscal year 2018 and $17 million annually for fiscal years 2019 through 2042. Payment of the SCETS tax to the Seaport is not guaranteed on an annual basis since such payments are contingent on an annual appropriation by the State of Florida.

Because the SCETS funds are subject to annual appropriation by FDOT, Government Accounting Standards do not allow a receivable to be reported until the funds are appropriated by the State, to be paid to the County. Therefore, revenue will only be reported for the annual amount appropriated each year. If a receivable for the full amount expected to be appropriated by FDOT was reported it would have offset a portion of the negative unrestricted net position balance reported as of fiscal year end 2016.

Table II

Change in Net Position
For the Fiscal Years Ended September 30, 2016, 2015, and 2014
(in millions)

	Fiscal Year 2016	Change from Fiscal Year 2015	Fiscal Year 2015	Change from Fiscal Year 2014	Fiscal Year 2014
Operating revenues					
Cruise wharfage/dockage	$ 69.2	$ 5.5	$ 63.7	$ 3.4	$ 60.3
Cargo wharfage/dockage	23.3	(0.8)	24.1	(0.7)	24.8
Container crane user fees	10.0	1.4	8.6	2.4	6.2
Rentals	22.0	2.7	19.3	4.5	14.8
Ground transportation	2.2	(0.1)	2.3	0.2	2.1
Parking	14.7	-	14.7	(0.3)	15.0
Misc. charges and fees	2.4	(1.0)	3.4	0.5	2.9
Total operating revenues	143.8	7.7	136.1	10.0	126.1
Investment earnings	0.7	(0.2)	0.9	0.4	0.5
Other nonoperating	0.7	-	0.7	-	0.7
Total revenues	145.2	7.5	137.7	10.4	127.3
Operating expenses	71.3	4.6	66.7	2.4	64.3
Depreciation	30.5	0.5	30.0	2.6	27.4
Interest expense, net	40.2	2.9	37.3	1.8	35.5
Other nonoperating expenses	-	(1.3)	1.3	(4.0)	5.3
Total Expenses	142.0	6.7	135.3	2.8	132.5
Net Income (loss) before contributions	3.2	0.8	2.4	7.6	(5.2)
Net contributions	3.2	(44.4)	47.6	133.6	(86.0)
Change in net position	6.4	(43.6)	50.0	141.2	(91.2)
Net position at beginning of year, as restated	159.7	50.0	109.7		215.0
Net position at end of year	$ 166.1	$ 6.4	$ 159.7		$ 123.8

Net position as of October 1, 2014 was restated for the implementation of GASB Statements No. 68 and 71. The balances in the fiscal year 2014 columns of the MD&A section have not been restated for the implementation of GASB Statements No. 68 and 71.

Operating revenues for fiscal year 2016 were approximately $143.8 million or $7.7 million higher than fiscal year 2015. The increase can be mostly attributed to increases in cruise and related revenues, container crane user fees and rentals offset by decreases in cargo and related revenues and miscellaneous charges. The increase in cruise related revenue is related to tariff and cruise activity increases. The net increase in cargo related revenue (container crane user fees and cargo wharfage/dockage) is related to an increase in cargo activity offsetting by certain discounts to cargo operators. The increase in rentals is attributable to new open ground rental agreements. The decrease in miscellaneous charges can be attributed to a one time certain terminal operator payment. Operating revenues for fiscal year 2015 were approximately $136.1 million or $10.0 million higher than fiscal year 2014. The increase can be mostly attributed to increases in cruise and related revenues, container crane user fees and rentals. The increase in cruise related revenue is related to tariff and contract rate increases. The increase in cargo related revenue (container crane user fees and cargo wharfage/dockage) is related to an increase in cargo activity. The increase in rentals is attributable to a new open ground rental agreement.

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

Table III

Summary of Operating Revenues
For the Fiscal Years Ended September 30, 2016, 2015, and 2014
(in millions)

	Fiscal Year 2016	Change from Fiscal Year 2015	Fiscal Year 2015	Change from Fiscal Year 2014	Fiscal Year 2014
Operating Revenues:					
Cruise wharfage/dockage	$ 69.2	$ 5.5	$ 63.7	$ 3.4	$ 60.3
Cargo wharfage/dockage	23.3	(0.8)	24.1	(0.7)	24.8
Container crane user fees	10.0	1.4	8.6	2.4	6.2
Rentals	22.0	2.7	19.3	4.5	14.8
Ground transportation	2.2	(0.1)	2.3	0.2	2.1
Parking	14.7	-	14.7	(0.3)	15.0
Miscellaneous fees and charges	2.4	(1.0)	3.4	0.5	2.9
Total revenues	$ 143.8	$ 7.7	$ 136.1	$ 10.0	$ 126.1

Operating expenses for fiscal year 2016 increased approximately $4.6 million from the prior year. The increase in the gantry crane operations category can be mostly attributed to increase in repair costs for certain gantry cranes. Increase in the maintenance category is mainly due to certain building costs related to new rental agreements. Operating expenses for fiscal year 2015 increased approximately $2.4 million from the prior year. The increase in security category can be mostly attributed to increased personnel related costs mainly due to increase in vessel calls. However, The Port continued to streamline processes and increase efficiencies to reduce costs. Additionally, employee contributions and concessions, which became effective during fiscal year 2010, carried over partially through fiscal year 2015, and have yielded savings for the Seaport.

Table IV below summarizes the Seaport's operating expenses.

Table IV

Summary of Operating Expenses (Exclusive of Depreciation)
For the Fiscal Years Ended September 30, 2016, 2015, and 2014
(in millions)

	Fiscal Year 2016	Change from Fiscal Year 2015	Fiscal Year 2015	Change from Fiscal Year 2014	Fiscal Year 2014
Operating Expenses:					
Cruise Operations	$ 6.8	$ (0.4)	$ 7.2	$ (0.3)	$ 7.5
Cargo Operations	1.3	0.1	1.2	-	1.2
Maintenance	8.6	1.6	7.0	0.7	6.3
Utilities	3.7	-	3.7	0.8	2.9
Marketing and Advertising	2.2	0.4	1.8	-	1.8
Gantry Crane Operations	8.4	1.4	7.0	(0.5)	7.5
Security	18.3	0.2	18.1	1.3	16.8
General and Administration	22.0	1.3	20.7	0.4	20.3
Total Operating Expenses	$ 71.3	$ 4.6	$ 66.7	$ 2.4	$ 64.3

Capital assets and debt administration

Capital assets

The Seaport's total net capital assets at September 30, 2016 and September 30, 2015 were $1.1 billion and $992.0 million in September 30, 2014. The decrease from fiscal year 2015 to 2016 is due to depreciation of capital assets. The increase of $114.2 million for fiscal year 2014 to 2015 can be mostly attributed to costs incurred for various capital construction projects in accordance with the Seaport's Master Plan and Multi-year Capital Budget. Additional information in changes in capital assets can be found in Note 4 of the Financial Statements and in the Construction Management Section in the transmittal letter. **Table V** below summarizes the components of the Seaport's investment in capital assets.

Table V

Capital Assets (net of Depreciation)
As of September 30, 2016, 2015, and 2014
(in millions)

	Fiscal Year 2016	Change from Fiscal Year 2015	Fiscal Year 2015	Change from Fiscal Year 2014	Fiscal Year 2014
Land and related costs	$ 164.2	$ -	$ 164.2	$ -	$ 164.2
Port dredging and related costs	$ 322.4	3.9	318.5	272.1	46.4
Buildings, transit sheds and terminals	283.4	(15.5)	298.9	17.2	281.7
Machinery and equipment	44.4	(3.2)	47.6	(5.0)	52.6
Improvements other than buildings	237.7	(2.3)	240.0	21.1	218.9
Construction in progress	45.7	8.7	37.0	(191.2)	228.2
Totals	$ 1,097.8	$ (8.4)	$ 1,106.2	$ 114.2	$ 992.0

During fiscal year 2016, several construction projects were completed. The major projects completed were the construction of certain cruise terminal improvements; construction of certain cargo area related improvements and certain security enhancements. Additional construction in progress information can be found in Note 4 to the financial statements. The significant projects under construction in accordance with the Seaport's Master Development program are as follows:

Projects underway

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

Debt administration

At September 30, 2016, 2015 and 2014, the Seaport had approximately $1.1 billion in bonds and loans outstanding. The decreases from fiscal year 2015 to 2016 and from fiscal year 2014 to 2015 are attributed to the payment of scheduled annual principal payments. Additional long-term debt detail can be found in Notes 5 and 7 to the financial statements.

Table VI

Outstanding Long-Term Debt
As of September 30, 2016, 2015, and 2014
(in millions)

	Fiscal Year 2016	Change from Fiscal Year 2015	Fiscal Year 2015	Change from Fiscal Year 2014	Fiscal Year 2014
Seaport general obligation bonds	$ 83.8	$ (5.8)	$ 89.6	$ (5.6)	$ 95.2
Seaport revenue bonds	570.2	(7.0)	577.2	(6.9)	584.1
Sunshine state loans	288.1	(15.0)	303.1	(5.4)	308.5
Capital acquisition bonds	109.7	(4.1)	113.8	(4.0)	117.8
Totals	$ 1,051.8	$ (31.9)	$ 1,083.7	$ (21.9)	$ 1,105.6

The Seaports debt was rated by Moody's Investor Service and Fitch Ratings Inc. in June and October 2016, respectively. Fitch Ratings affirmed an "A" rating with a stable outlook on all Seaport Revenue Bonds. Moody's Investor Services affirmed the "Baa1" rating on the Seaport Revenue Bonds with a stable outlook. Moody's Baa1 rating benefits from the Port's strong competitive position as the largest cruise port in the world and among the largest cargo ports in the State of Florida. In addition, close to 80 percent of future expected operating revenues over the next few years is covered by minimum annual guarantee revenue contracts which provide substantial revenue and cash flow stability.

Other Obligations. The Seaport participates in the County's self-insurance program for workers' compensation, general liability and automotive liability insurance. Certain group health insurance programs are also self insured, subject to certain stop loss provisions. Detailed information about the Seaport's participation in the County's self-insurance program is included in Note 10. Other obligations include accrued vacation pay and sick leave, other post employment benefits for retirees, net pension liability, arbitrage liability, and other contingent liabilities.

Economic factors and next year's budget and rates

For fiscal year 2016, cargo activity, measured in Twenty Foot Equivalent Units (TEUS) approximately increased by 2.0 percent. The Seaport anticipates cargo activity will increase after opening of the Panama Canal. Most of the cargo is exported to Latin America (South America, Central America, and the Caribbean), followed by the Far East, Asia, the Pacific, Europe and the Middle East. The majority of the imports are located in Latin America followed by the Far East, Asia and the Pacific, and Europe.

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

For 2017, it is expected that the number of visitors to Miami-Dade County will increase. Passenger levels at Miami International Airport (MIA) increased approximately 3.6 percent from prior year. During Fiscal Year 2016, approximately 5.0 million passengers came through PortMiami. This represents a slight increase from Fiscal Year 2015. The Seaport is extremely optimistic and encouraged with its future. The Tunnel; Deep Dredge and related projects and the reengineering of the port railroad projects allow PortMiami to increase throughput, become more efficient and position itself as a key player in the global marketplace. These major enhancements to the region's transportation infrastructure provide new efficiencies with the goal of doubling cargo traffic over the next decade. Additionally, the Port's re-engineered rail line provides access to reach key distribution centers throughout the U.S. quickly and efficiently. The Deep Dredge provides access to Post Panamax cargo ships and positions Port Miami as a key Port in the global market place. Deepening Port Miami's waters to -50 feet allow the largest cargo ships to cross the Panama Canal to call Port Miami home. In all, the trio of port enhancements will create thousands of new jobs, making South Florida a true powerhouse in international trade and commerce.

Annually the Seaport scrutinizes Terminal Tariff No. 010 to ensure the Seaport's ability to meet its budgetary obligations through Tariff revenues. The adopted budget for fiscal year 2017 includes the necessary increases in order for the Seaport to meets its budgetary obligations. The Seaport continually reviews the Tariff and its rate structure to ensure that it remains competitive, attracts new business, and maintains its existing customer base.

Request for Information

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

Controller
Miami-Dade Seaport Department
1015 North America Way
Miami, Florida 33132

MIAMI-DADE COUNTY

Delivering Excellence Every Day

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statements of Net Position
As of September 30, 2016 and September 30, 2015

Assets	**2016**	2015
Current assets:		
Pooled cash and cash equivalents	**$ 10,202,341**	$ 4,163,370
Pooled investments	**69,416,236**	44,508,587
Accounts receivable, less allowance for doubtful accounts of $539,560 and $633,837 at September 30, 2016 and 2015, respectively	**8,161,129**	10,103,225
Prepaid expenses and other current assets	**8,196,112**	8,570,899
Total current unrestricted assets	**95,975,818**	67,346,081
Restricted assets:		
Current restricted assets:		
Pooled cash and cash equivalents	**13,519,929**	12,314,465
Pooled investments	**11,881,720**	14,481,418
Due from other governments	**2,170,560**	7,289,636
Total current restricted assets	**27,572,209**	34,085,519
Total current assets	**123,548,027**	101,431,600
Noncurrent assets:		
Noncurrent restricted assets		
Pooled investments	**75,917,184**	111,437,266
Cash with fiscal agent	**3,006,862**	—
Advance to other governments	**—**	3,809,186
Total noncurrent restricted assets	**78,924,046**	115,246,452
Capital Assets:		
Land and related costs	**164,206,588**	164,206,588
Dredging and related costs	**322,445,706**	318,467,704
Buildings, transit sheds and terminals	**536,740,493**	535,471,456
Improvements other than buildings	**365,876,370**	359,830,964
Machinery and equipment	**91,391,201**	89,316,814
Construction in progress	**45,747,593**	37,035,145
Capital assets, gross	**1,526,407,951**	1,504,328,671
Less accumulated depreciation	**(428,561,633)**	(398,087,044)
Capital assets, net	**1,097,846,318**	1,106,241,627
Total noncurrent assets	**1,176,770,364**	1,221,488,079
Total assets	**1,300,318,391**	1,322,919,679
Deferred outflows of resources:		
Deferred charge on refunding debt	**6,648,607**	7,309,373
Deferred outflow of resources related to pension	**7,464,000**	2,099,000
Total deferred outflows of resources	**$ 14,112,607**	$ 9,408,373

(Continued)

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

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statements of Net Position (continued)
As of September 30, 2016 and September 30, 2015

Liabilities and Net Position	**2016**	2015
Current liabilities payable from unrestricted assets:		
Accounts payable and accrued expenses	**14,314,530**	$ 13,527,734
Accrued payroll and related expenses	**334,584**	1,004,837
Compensated absences	**1,687,514**	1,543,418
Current portion of loans payable	**11,055,000**	15,015,000
Current portion of capital acquisition bonds payable	**4,150,000**	4,085,000
Current portion of capital lease liability	**58,338**	—
Due to other Miami-Dade County funds	**264,090**	548,713
Total current liabilities payable from unrestricted assets	**31,864,056**	35,724,702
Current liabilities payable from restricted assets:		
Current portion of revenue and general obligation bonds payable	**7,165,000**	12,880,000
Accrued interest payable	**16,573,078**	16,722,968
Accounts payable and accrued expenses	**3,402,342**	3,082,109
Contracts and retainage payable	**431,789**	790,298
Other liabilities	**—**	610,144
Total current liabilities payable from restricted assets	**27,572,209**	34,085,519
Total current liabilities payable from unrestricted and restricted assets	**59,436,265**	69,810,221
Long-term liabilities:		
Bonds payable, plus unamortized premium of $17,333,457 at September 30, 2016 and $18,425,366 September 30, 2015	**664,128,457**	672,385,366
Loans payable, plus unamortized premium of $10,535,764 at September 30, 2016 and $11,418,784 September 30, 2015	**287,570,764**	299,508,784
Capital acquisition bonds payable, plus unamortized premium of $441,131 at September 30, 2016 and $471,588 September 30, 2015	**105,993,214**	110,173,671
Capital lease liability	**3,949,380**	—
Compensated absences	**4,892,699**	4,663,637
Other post-employment benefit	**923,000**	858,000
Net pension liability	**20,561,000**	12,503,000
Total long-term liabilities	**1,088,018,514**	1,100,092,458
Total liabilities	**1,147,454,779**	1,169,902,679
Deferred inflows of resources:		
Deferred inflow of resources related to pension	**859,000**	2,761,000
Net Position		
Net investment in capital assets	**302,507,731**	317,408,557
Restricted for debt service and reserve	**7,165,000**	12,880,000
Unrestricted	**(143,555,512)**	(170,624,184)
Total Net Position	**166,117,219**	$ 159,664,373

(Concluded)

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

MIAMI-DADE COUNTY

Delivering Excellence Every Day

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statements of Revenues, Expenses and Changes in Net Position
Fiscal years ended September 30, 2016 and September 30, 2015

	2016	2015
Operating revenues:		
Cruise wharfage/dockage	**$ 69,199,133**	$ 63,658,599
Cargo wharfage/dockage	**23,337,518**	24,120,260
Container crane user fees	**9,995,060**	8,624,411
Rentals	**21,998,759**	19,253,830
Ground transportation	**2,230,014**	2,329,366
Parking	**14,679,273**	14,690,557
Miscellaneous charges and fees	**2,424,525**	3,409,018
Total operating revenues	**143,864,282**	136,086,041
Operating expenses:		
Cruise operations	**6,828,411**	7,165,025
Cargo operations	**1,307,558**	1,242,371
Maintenance	**8,552,790**	6,992,910
Utilities	**3,674,824**	3,729,759
Marketing and advertising	**2,203,876**	1,802,976
Gantry crane operations	**8,385,554**	7,005,976
Security	**18,291,858**	18,092,697
General and administrative	**22,021,663**	20,667,913
Total operating expenses before depreciation	**71,266,534**	66,699,627
Operating income before depreciation	**72,597,748**	69,386,414
Depreciation expense	**30,474,589**	30,019,762
Operating income	**42,123,159**	39,366,652
Nonoperating revenues (expenses):		
Investment earnings	**719,920**	861,405
Interest subsidy	**669,271**	665,680
Interest expense, net of capitalized interest	**(40,213,339)**	(37,282,763)
Other, net	**—**	(1,267,143)
Total nonoperating revenues (expenses)	**(38,824,148)**	(37,022,821)
Income before capital contributions	**3,299,011**	2,343,831
Capital contributions	**3,153,835**	9,832,838
Capital contributions – specific to port dredging	**—**	37,810,824
Total capital contributions	**3,153,835**	47,643,662
Change in net position	**6,452,846**	49,987,493
Total net position – Beginning	**159,664,373**	109,676,880
Total net position – Ending	**$ 166,117,219**	$ 159,664,373

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statements of Cash Flows
Fiscal years ended September 30, 2016 and September 30, 2015

	2016	2015
Cash flows from operating activities:		
Cash received from customers and tenants	**$ 145,806,377**	$ 136,556,001
Cash paid to suppliers	**(41,375,743)**	(40,328,912)
Cash paid to employees for services	**(28,767,425)**	(26,861,118)
Net cash provided by operating activities	**75,663,209**	69,365,971
Cash flows from noncapital financing activities:		
Contribution to fund Port Tunnel	**—**	(1,246,050)
Interest paid	**(1,535,691)**	(994,133)
Contribution to fund Railway project	**—**	(1,267,143)
Litigation settlement	**—**	(1,964,874)
Net cash used in noncapital financing activities	**(1,535,691)**	(5,472,200)
Cash flows from capital and related financing activities:		
Advance payment to other government for dredging project	**—**	(2,650,000)
Proceeds from capital lease	**4,007,718**	—
Capital grants received	**2,959,323**	13,038,267
Capital grant for Dredging project	**5,313,588**	962,694
Principal payments:		
Bonds	**(12,880,000)**	(12,485,000)
Notes and loans	**(15,015,000)**	(5,360,000)
Capital Acquisition Bonds	**(4,085,000)**	(4,025,000)
Interest paid	**(41,679,421)**	(42,855,307)
Interest subsidy received	**669,271**	665,680
Purchase of capital assets	**(17,085,744)**	(30,296,600)
Net cash used in capital and related financing activities	**(77,795,265)**	(83,005,266)
Cash flows from investing activities:		
Investments purchased	**(157,228,147)**	(170,227,446)
Proceeds from sale and maturities of investments	**170,427,271**	197,320,543
Interest and dividends from investments	**719,920**	661,580
Net cash provided by investing activities	**13,919,044**	27,754,677
Net increase in cash and cash equivalents	**10,251,297**	8,643,182
Cash and cash equivalents (including restricted assets) at beginning of year	**16,477,835**	7,834,653
Cash and cash equivalents (including restricted assets) at end of year	**$ 26,729,132**	$ 16,477,835

(Continued)

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

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statements of Cash Flows (continued)
Fiscal years ended September 30, 2016 and September 30, 2015

		2016		2015
Reconciliation of operating income to net cash provided by operating activities				
Operating income	**$**	**42,123,159**	$	39,366,652
Adjustments to reconcile operating income to net cash				
Depreciation		**30,474,589**		30,019,762
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable, net		**1,942,096**		564,383
(Increase) decrease in prepaid expenses and other current assets		**374,788**		(1,709,740)
Increase (decrease) in accounts payable, accrued expenses and due to other Miami-Dade County Funds		**502,173**		2,645,356
Increase (decrease) in accrued payroll and related expenses and compensated absences		**(526,157)**		(34,308)
Increase (decrease) in unearned revenue and other liabilities		**(312,500)**		(511,921)
Increase (decrease) in compensated absences and other post – employment benefits		**294,061**		(74,213)
Increase (decrease) in net pension liability		**8,058,000**		4,368,000
Increase (decrease) in deferred inflows/outflows, net		**(7,267,000)**		(5,268,000)
Net cash provided by operating activities	**$**	**75,663,209**	$	69,365,971

Supplemental disclosure for noncash investing, capital and financing activities:

Construction and related liabilities were $3,834,131 and $3,872,407 for fiscal years ended 2016 and 2015, respectively.
Additionally, the Seaport capitalized $1,520,269 and $5,024,824 of interest expense during the sa

As of September 30, 2016 and 2015, the Seaport had a balance of $0 and $3,809,186 in Advance to other governments for the Dredging project.

Capital grants receivable were $2,170,560 and $7,289,636 for fiscal years 2016 and 2015, respectively.

For fiscal years 2016 and 2015, the Seaport did not record any changes in fair value of investments due to amounts being immaterial.

(Concluded)

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

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(1) General Description

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

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

(2) Summary of significant accounting policies

(a) Basis of Accounting and Reporting Entity

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

(b) Cash and Cash Equivalents and Investments

Seaport maintains substantially all of its cash and investments with the County's pool of cash and investments, except for those situations in which debt indentures and other agreements require separate cash and investment accounts to be maintained in accordance with legal restrictions. The Seaport's share of the total pooled cash and investments (including accrued interest), as well as non-pooled cash and investments, is displayed in the statements of net position as "Pooled Cash and Cash Equivalents" and "Pooled Investments". Income earned or losses arising from pooled balances are allocated by the County on a monthly basis to the appropriate funds and entities based on their respective average daily balances. Income earned and losses on non-pooled cash and investment balances are recorded directly to the fund where non-pooled cash and investment balances are recorded. Pooled cash includes amounts in demand deposits, and positions in investment pools that can be deposited or withdrawn without notice or penalty. Cash equivalents are short-term, highly liquid securities with known market values and maturities, when acquired, of less than three months.

Non-participating investments, such as nonnegotiable certificates of deposit with redemption values that do not consider market rates, are reported at amortized cost. Participating investments are carried at fair value, and unrealized gains and losses due to variations in fair value are recognized for the year.

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

(c) Accounts Receivable and Allowance for Doubtful Accounts

Receivables include amounts due from customers for services provided by Seaport and are recorded when the related revenue is earned. Allowances for uncollectible receivables are based upon specifically identifying uncollectible accounts, historical trends, and periodic aging of receivables. The allowance balance was $0.54 million and $0.63 million for fiscal years 2016 and 2015, respectively.

(d) Restricted Assets
The use of certain assets is restricted by debt and capital lease indentures and other agreements. Assets so designated are identified as restricted assets on the statement of net position.

(e) Application of Restricted and Unrestricted Resources
The Seaport's policy when both restricted and unrestricted resources are available to be used for a certain purpose, is to use restricted resources first, then use unrestricted resources as needed.

(f) Capital Assets and Depreciation
Property and equipment are recorded at cost, except for property contributed by third parties, which is recorded at acquisition cost at the date of contribution. Expenditures for maintenance, repairs, minor renewals and betterments are expensed as incurred. Major renewals and betterments are treated as property additions. When property is disposed of, the cost and related accumulated depreciation is eliminated from the accounts and any gain or loss on the transaction is reflected in the statements of revenues, expenses, and changes in net position.

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible (e.g., land, dredging, and certain individual items or collections with historical or artistic value). Dredging costs associated with excavating the sea floor to reach a certain depth are capitalized. Conversely, the costs associated with maintaining the channel to the designed depths are expensed as incurred. The Seaport capitalizes all assets with a historical cost of $1,000 or more and a useful life of greater than one year. The straight-line depreciation method over the following estimated useful lives is utilized:

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

(g) Interest on Indebtedness
Interest is charged to expense as incurred, except for the amount of interest that is capitalized which is determined by applying the Seaport's weighted average interest rate to the average amount of qualifying accumulated expenditures for capital construction during the period and for interest related to tax-exempt borrowings approved for specific construction projects, net of interest earned on those construction funds borrowed, which are capitalized. In fiscal years 2016 and 2015, the Seaport incurred interest expense of approximately $40.2 million, net of capitalized interest of approximately $1.5 million and $37.3 million, net of capitalized interest of approximately $5.0 million, respectively.

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

The difference between expected and actual experience of the total pension liability losses is deferred and amortized over the remaining service lives of all employees (in years). The deferred outflow of resources due to employer pension contributions made subsequent to the measurement date is deferred and will be recognized in pension expense in the next fiscal year.

Deferred inflow of resources represents the acquisition of net position applicable to future periods and will be recognized as income in the future period to which it applies. Currently, the only items in this category are deferred inflow of resources related to pensions and is comprised of the net difference between projected and actual earnings on pension plan investments gains, difference between expected and actual experience, changes in proportion and differences between Seaport's FRS contributions and proportionate share of contributions.

(i) Debt Premiums and Discounts

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

(j) Compensated Absences

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

(k) Deferred Compensation Plan

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

(l) Pension Plan

The County contributes to the Florida Retirement System, a cost-sharing multi-employer plan. GASB Statement No. 68, *Accounting for Public Pension Plan Obligations for participating employers: An Amendment of GASB Statement No. 27* requires employers that participate in multi-employer defined benefit plans to recognize a pension liability (asset), pension expense and deferred inflows/outflows related to pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about the Seaport's share of the County's net pension liability in the Florida Retirement System (FRS), Health Insurance Subsidy (HIS) deferred benefit plans, and additions to/deductions from both Plans' net pension liability have been determined on the same basis as they are reported by the Plans and are recorded in the financial statements.

(m) Revenue and Expense Classifications

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

Cruise Wharfage — revenue from charges assessed per passenger when embarking from or debarking to Seaport property.

Cruise Dockage — revenue from charges assessed to cruise vessels for use of berthing space.

Cargo Wharfage — revenue from charges assessed against cargo for the use of the Seaport to load and unload cargo from vessels.

Cargo Dockage — revenue from charges assessed to cargo vessels for use of berthing space.

Rentals — rentals of land, buildings, machinery and equipment.

Container crane user fees — revenue from charges assessed to cargo operators for crane usage.

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

For fiscal years 2016 and 2015, approximately 87 percent and 93 percent of the Port's operating revenues and corresponding receivables are generated from eight major operators, net of incentive discounts/rebates as required by the individual operating agreements. The following tables summarize the balances for cruise and cargo operators. Amounts are in thousands.

Fiscal year 2016:

Cruise Operator		Revenue	Receivable	Cargo Operator		Revenue	Receivable
Company A		$ 33,025	$ 1,014	Company F		$ 14,359	$ 1,078
Company B		15,252	299	Company G		12,056	297
Company C		24,965	1,611	Company H		14,444	969
Company D		5,108	609	Total	**	$ 40,859	$ 2,344
Company E		6,275	1,616				
Total	*	$ 84,625	$ 5,149				

Fiscal year 2015:

Cruise Operator		Revenue	Receivable	Cargo Operator		Revenue	Receivable
Company A		$ 35,610	$ 1,985	Company F		$ 16,345	$ 842
Company B		12,404	534	Company G		16,808	264
Company C		21,030	1,372	Company H		14,803	1,098
Company D		5,231	647	Total	**	$ 47,956	$ 2,204
Company E		3,657	58				
Total	*	$ 77,932	$ 4,596				

* Includes cruise wharfage/dockage and parking revenues.
** Includes cargo wharfage/dockage, rental revenues and container crane user fees.

(n) Rates, Fees, Rentals and Other Charges
If not specified by contract, the Seaport's rates, fees, rentals and other charges are published in Terminal Tariff No.010 and are subject to the rate covenant provisions of County Ordinance 88-66 ("Master Bond Ordinance") governing senior lien bonds (see Note 5). Pursuant to this covenant, the Seaport agrees that it will maintain the present level of rates, fees, rentals and other charges unless the Seaport Director requests and concurs with recommendations by the Seaport's consulting engineers for revisions. The consulting engineers review the rates and issues recommendations to meet the Master Bond Ordinance's provisions. The Seaport reviews its tariffs annually during the budget process for any necessary revisions.

(o) Postemployment Benefits
The Seaport participates in the County administered single-employer defined benefit healthcare plan that provides postretirement medical and dental coverage to retirees, their eligible spouses and dependents. These benefits are currently funded on a pay-as-you go basis. No assets have been segregated and restricted to fund these benefits. The Department makes contributions and records an obligation at the end of the fiscal year for the remaining balance (if any) based on the County's allocation (see Note 9).

(p) Grants
Grants received for the acquisition or construction of capital assets are recorded as capital contributions in the Statements of Revenues, Expenses and Changes in Net Position when eligibility requirements are met, which is when qualifying eligible cost are incurred.

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

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

(s) Advance to other governments
Advance to other governments are upfront payments made to other governments to fund certain capital improvements projects of the Port. For the fiscal year ending 2015, upfront payments were made to the United States Department of the Army Core of Engineers (USCOE) to fund the dredging at the Port.

(3) Cash, Cash Equivalents, and Investments

The County is responsible for all treasury functions, and pools all cash and investments, except separate cash and investment accounts required by debt indentures and other agreements which are maintained under legal restrictions. Seaport's equity share of the total pooled cash and investments is included in the accompanying Statement of Net Position under the current and restricted captions "Pooled cash and cash equivalents" or "Pooled investments". For fiscal year 2016, the carrying amounts of Seaport's pooled cash is $23.7 million, pooled current and noncurrent investments for the Seaport are $81.3 million and $75.9 million, respectively, which represents less than 10 percent of the County's pooled cash, cash equivalent, and investments as of September 30, 2016. For fiscal year 2015, the carrying amounts of Seaport's pooled cash was $16.5 million, pooled current and noncurrent investments for the Seaport are $59.0 million and $111.4 million which represented less than 10 percent of the County's pooled cash, cash equivalent, and investments (See the County's Comprehensive Annual Financial Report for disclosures relating to its interest rate risk, credit risk, custodial credit risk, concentration of credit risk and related fair value disclosures required by GASB).

During fiscal year 2016, Seaport maintained cash and investment reserves required by its Master Bond Ordinance (see note 5) and made all transfers and deposits required by its Master Bond Ordinance and other subordinated debt agreements from available operating and nonoperating revenue.

(4) Capital assets

Capital asset activity for the years ended September 30, 2016 and 2015, are as follows (in thousands):

	Balance at 9/30/14	Additions/ Transfers	Deletions/ Transfers	Balance at 9/30/15	Additions/ Transfers	Deletions/ Transfers	Balance at 9/30/16
Capital assets not being depreciated:							
Land	$ 164,207	$ -	$ -	$ 164,207	$ -	$ -	$ 164,207
Port dredging and related costs	46,366	272,101	-	318,467	3,978	-	322,445
Construction in progress	228,215	136,918	(328,098)	37,035	17,727	(9,015)	45,747
Total capital assets not being depreciated	438,788	409,019	(328,098)	519,709	21,705	(9,015)	532,399
Capital assets being depreciated:							
Buildings, transit sheds and terminals	501,660	33,812	-	535,472	1,269	-	536,741
Improvements other than buildings	330,714	29,117	-	359,831	6,045	-	365,876
Machinery and equipment	88,921	395	-	89,316	2,075	-	91,391
Total capital assets being depreciated	921,295	63,324	-	984,619	9,389	-	994,008
Less accumulated depreciation for:							
Buildings, transit sheds and terminals	(219,943)	(16,621)	-	(236,564)	(16,741)	-	(253,305)
Improvements other than buildings	(111,846)	(7,991)	-	(119,837)	(8,392)	-	(128,229)
Machinery and equipment	(36,279)	(5,407)	-	(41,686)	(5,341)	-	(47,027)
Total accumulated depreciation	(368,068)	(30,019)	-	(398,087)	(30,474)	-	(428,561)
Total capital assets being depreciated, net	553,227	33,305	-	586,532	(21,085)	-	565,447
Total capital assets, net	$ 992,015	$ 442,324	$ (328,098)	$ 1,106,241	$ 620	$ (9,015)	$ 1,097,846

The following table summarizes the major construction in progress projects for the Port as of September 30, 2016 (dollars in thousands).

Project Description	Amount
Cruise terminal improvements	$ 15,488
Security enhancements	14,620
Cargo yard related improvements	7,380
Port-Wide infrastructure improvements	1,854
Total	$ 39,342

(5) Long-term Debt

(a) Bond Covenant

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

The Ordinance requires the County to maintain and revise the schedule of rates and fees at the Seaport such that operating revenue shall be sufficient to provide an amount at least equal to the total of 100 percent of operating expenses (seaport operations, as defined), as computed from the annual budget. Operating income, defined as revenue less operating expenses before depreciation must be at least 125 percent of the maximum principal and interest requirements on all revenue bonds for any future fiscal year plus 110 percent of the maximum principal and interest requirements on general obligation bonds for any future fiscal year. The Seaport must have debt service reserves at least equal to 100 percent of the amount required to pay maturing principal and interest semiannually. Debt covenants are to be met on an annual basis at each fiscal year end.

In May 2014, via Ordinance 14-34, the Board approved an amendment to the Master Bond Ordinance 88-66, which provided additional security to the Bondholders, by adding certain revenues that may be received by the Seaport Department to the definition of Revenue including without limitations, funds remitted to the County from the State Comprehensive Enhanced Transportation System Tax (SCETS). Payment of the SCETS tax to the Seaport is not guaranteed on an annual basis since such payments are contingent on the annual appropriation by the State of Florida. The Seaport expects to receive the SCETS tax from the Florida Department of Transportation for fiscal years 2018 thru 2042, as a reimbursement to the Seaport for its portion of the cash contributions made towards construction of the FDOT owned Port Tunnel.

A summary of the Seaport's long-term debt outstanding as of September 30, 2016 and 2015 is presented in the following table (amounts in thousands):

Description	Year Issued	Interest Rate	Amount Issued	Year of Maturity	Outstanding Balance 2016	Outstanding Balance 2015
Revenue Bonds:						
Series 2013 A (fixed rate)	2013	4.00%-6.00%	244,140	2043	**$ 244,140**	$ 244,140
Series 2013 B (fixed rate)	2013	5.00%-6.25%	109,220	2043	**109,220**	109,220
Series 2013 C (Refunding Bonds)	2013	2.00%-3.00%	11,825	2016	**-**	5,975
Series 2013 D (Refunding Bonds)	2013	2.00%-6.00%	17,465	2027	**15,365**	16,440
Series 2014 A (variable rate)	2014	1.43%	181,320	2051	**181,320**	181,320
Series 2014 B (variable rate)	2014	1.45%	20,150	2051	**20,150**	20,150
Unamortized net deferred amounts					**11,632**	12,155
Less: Current portion					**(1,095)**	(7,050)
Total Long-term Revenue Bonds					**580,732**	582,350
General Obligation Bonds:						
Series 2011C (Refunding Bonds)	2011	2.00%-5.00%	111,375	2026	**83,765**	89,595
Unamortized premium amount					**5,701**	6,270
Less: Current portion					**(6,070)**	(5,830)
Total Long-term General Obligation Bonds					**83,396**	90,035
Sunshine State Loans:						
Series 2010A (variable rate)	2014	1.31%	47,620	2035	**46,205**	46,205
Series 2010A-1 (fixed rate)	2014	4.00%-5.00%	65,330	2028	**61,700**	65,330
Series 2010B (variable rate)	2014	1.31%	47,620	2035	**46,205**	46,205
Series 2010B-1 (fixed rate)	2014	4.00%-5.00%	60,670	2028	**57,040**	60,670
Series 2011A (fixed rate)	2011	5.00%	50,105	2021	**19,940**	27,695
Series 2011B-1 (fixed rate)	2014	3.75%-5.50%	28,500	2032	**28,500**	28,500
Series 2011C-1 (fixed rate)	2014	4.00%-5.50%	28,500	2032	**28,500**	28,500
Unamortized premium amounts					**10,536**	11,419
Less: Current portion					**(11,055)**	(15,015)
Total Long-term Sunshine State Loans					**287,571**	299,509
Capital Asset Acquisition Bonds:						
Series 2009A	2009	3.00%-5.13%	68,630	2039	**57,665**	60,175
Series 2010D	2010	7.50%	21,277	2040	**21,277**	21,277
Series 2010E	2010	3.50%-5.00%	38,050	2030	**30,760**	32,335
Unamortized premium amounts					**441**	472
Less: Current portion					**(4,150)**	(4,085)
Total Capital Asset Acquisition Bonds					**105,993**	110,174
Total Long-term debt, net					**$ 1,057,692**	$ 1,082,068

(b) Seaport Revenue Bonds

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

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

Seaport Revenue Refunding Bonds, Series 2013C—On September 20, 2013, the County issued $11.8 million of Seaport Revenue Refunding Bonds, Series 2013C (Series 2013C Bonds). The proceeds of $12.48 million were used to: (1) refund substantially all of Series 1995 Bonds; (2) and pay issuance costs. The Series 2013C Bonds are scheduled for payment through 2016.

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

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

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

Series 2014A and 2014B Variable Rate Bonds (2014 Bonds)
The 2014 Bonds are being secured by an irrevocable, direct-pay letter of credit (“LOC’s”) issued by a Credit Facility Provider (“The Bank”). Under the LOC’s, the agent is permitted to draw thereon to pay: (i) principal when due whether at stated maturity or sinking fund redemption (ii) portion of the purchase price equal to the principal amount tendered for optional or mandatory purchase and (iii) up to 56 days’ interest accrued calculated at a rate of 12 percent per annum. The LOC’s will serve as a Liquidity Facility for the 2014 Bonds in the Weekly Mode and will expire on May 7, 2019. Upon expiration or earlier termination of the Series 2014 Bonds LOC’s, the 2014 Bonds shall be subject to mandatory tender for purchase in the amount of $201.5 million. In the event that the LOC is drawn upon the amounts due will be converted to a three year term loan.

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

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

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

Series 2010A and 2010B Bonds (variable rate)
On December 30, 2010 the Commission issued multimodal bonds in a variable rate mode known as the Series 2010A & 2010B Bonds. The proceeds were used to replace $226 million of the previously issued commission series loans. On December 17, 2013, the Commission reoffered and sold $95.2 million of Multimodal Revenue Bonds, which are unconverted variable rate bonds know as Series 2010A & 2010B Bonds. The Series 2010A & 2010B Bonds will remain in a weekly interest rate mode and will bear interest at rates determined by the Remarketing Agent. In connection with the Series 2010A and B bonds, the Commission renewed a LOC agreement which will expire in December 2019. See Note 15 for more information on the LOCs renewal.

In the event that the LOCs are not renewed and replacement LOCs are not provided, the Seaport shall prepay the loan in full by paying the then applicable prepayment price in the amount of approximately $92.4 million (balance as of December 2019). As of September 30, 2016, no draw had been made against the LOCs.

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

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

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

(f) Capital Asset Acquisition Bonds
Capital Asset Acquisition Bonds, Series 2009A—On September 3, 2009, the County issued $69 million of Capital Asset Acquisition Special Obligation Bonds, Series 2009A (Series 2009A Bonds). The total proceeds of approximately $69 million were used to: (1) pay certain capital improvements costs for Seaport's passenger terminal facilities, dredging projects, and other improvements; (2) pay issuance costs; (3) and to fund the Reserve Account Requirement for the Series 2009A Bonds. Net proceeds received by Seaport after funding required reserves and paying issuance costs were approximately $67.5 million. The Series 2009A Bonds are scheduled for payment through the year 2039.

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

Capital Asset Acquisition Special Obligation Bonds, Series 2010E – On December 2, 2010, the County, on behalf of Seaport issued $38.1 million of Capital Asset Acquisition Special Obligation Bonds, Series 2010E ("Series 2010E Bonds"). The purposes for issuing the Series 2010E Bonds are to (1) pay the costs of construction, improvement and renovation of certain capital assets of the Seaport; (2) fund the Reserve Account for the Series 2010E Bonds; and (3) pay the costs of issuance relating to the Series 2010E Bonds. The Series 2010E Bonds are scheduled for payment through the year 2030.

(h) Debt Service Requirements

The Seaport's stated debt service requirements to maturity by type, assuming the various variable rate demand bonds are remarketed and the Letters of Credit are renewed and are extended over the terms of the respective bond and loan agreements (including the current portion), at September 30, 2016, are as follows (in thousands):

Year Ending September 30,	Revenue ** Bonds	G.O. Bonds	Sunshine ** State Loans	Cap. Acq. Bonds	Total
Principal					
2017	$ 1,095	$ 6,070	$ 11,055	$ 4,150	$ 22,370
2018	6,840	6,320	12,085	4,215	29,460
2019	7,130	6,585	12,120	4,300	30,135
2020	7,450	6,875	12,160	4,390	30,875
2021	7,815	7,180	13,170	4,485	32,650
2022-2026	45,440	41,320	59,240	24,000	170,000
2027-2031	59,510	9,415	121,910	25,161	215,996
2032-2036	78,240	-	46,350	22,205	146,795
2037-2041	104,470	-	-	16,796	121,266
2042-2046	126,135	-	-	-	126,135
2047-2051	126,070	-	-	-	126,070
Total	570,195	83,765	288,090	109,702	1,051,752
Interest					
2017	23,614	3,658	10,449	5,947	43,668
2018	23,446	3,395	10,009	5,767	42,617
2019	23,140	3,121	9,452	5,570	41,283
2020	22,795	2,826	8,893	5,373	39,887
2021	22,414	2,510	8,321	5,172	38,417
2022-2026	105,499	6,964	32,249	22,576	167,288
2027-2031	90,950	200	14,462	16,279	121,891
2032-2036	71,638	-	1,323	9,568	82,529
2037-2041	44,601	-	-	2,546	47,147
2042-2046	15,720	-	-	-	15,720
2047-2051	4,518	-	-	-	4,518
Total	448,335	22,674	95,158	78,798	644,965
Principal and Interest					
2017	24,709	9,728	21,504	10,097	66,038
2018	30,286	9,715	22,094	9,982	72,077
2019	30,270	9,706	21,572	9,870	71,418
2020	30,245	9,701	21,053	9,763	70,762
2021	30,229	9,690	21,491	9,657	71,067
2022-2026	150,939	48,284	91,489	46,576	337,288
2027-2031	150,460	9,615	136,372	41,440	337,887
2032-2036	149,878	-	47,673	31,773	229,324
2037-2041	149,071	-	-	19,342	168,413
2042-2046	141,855	-	-	-	141,855
2047-2051	130,588	-	-	-	130,588
Total	$ 1,018,530	$ 106,439	$ 383,248	$ 188,500	$ 1,696,717

****** Series 2010A & B loans and 2014A & B Bonds in the amount of $92.4 million and $201.5 million are variable rate debt with interest calculated on the basis of the interest paid at the end of the fiscal year. The table of debt service requirements to maturity above is prepared using expected maturities reflecting the Seaport's intended amortization to maturity. At each stated maturity the Seaport can retire the maturing amount in whole or in part, or refund the maturing bonds and loans as a part of its annual capital borrowing into another stated maturity, variable rate debt, or fixed rate debt amortized to maturity as determined by then market conditions. The table does not reflect any accelerated amortizations that may result under the term out provisions as discussed in Note 6(e) for the Sunshine State Loans and 2014A & B Bonds. The average interest rate at year end on the variable rate state loans was 1.31 percent and for 2014 Bonds was 1.44 percent.

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

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

The Series 2014A and B Bonds are being secured by an irrevocable, direct-pay letter of credit (LOC) issued by a Credit Facility Provider. The LOC will serve as a Liquidity Facility for the 2014 Bonds in the Weekly Mode and will expire on May 7, 2019. In the event that the LOC is not renewed and a replacement LOC is not provided by the expiration date of May 7, 2019, Seaport shall prepay the loans in full by paying the then applicable prepayment price in the amount of approximately $201.5 million as follows:

	Principal	Interest	Total
Year 1	$ 67,156,667	$ 18,132,300	$ 85,288,967
Year 2	67,156,667	12,088,200	79,244,867
Year 3	67,156,666	6,044,100	73,200,766
Total Debt Service Requirements	$ 201,470,000	$ 36,264,600	$ 237,734,600

(i) Capital Lease

On October 27, 2015, the Seaport entered into a capital lease agreement as lessee for financing the installation and acquisition of certain energy improvement equipment. Lease payments will commence in December 2016. Under the term of the agreement, which is accounted for as a capital lease, the Seaport will make semi-annual payments that range from $123,818 to $195,267, including interest at 2.65 percent over a period of 16 years.

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

Year Ending September 30,	**Total Payments**
2017	$ 164,620
2018	251,272
2019	258,651
2020	266,248
2021	274,070
2022-2026	1,524,545
2027-2031	1,765,800
2032-2033	580,220
Total minimum lease payments	5,085,426
Less amount representing interest	1,077,708
Present value of minimum lease payments	$ 4,007,718

The capital assets acquired through the capital lease as of September 30, 2016, are as follows:

Asset	Cost to Date
Equipment	$ 1,000,856

Assets are under construction and not in use as of fiscal year end, therefore, no depreciation expense has been incurred to date.

(6) Operating Lease Agreements

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

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

Future minimum lease income under the operating leases (with initial or remaining lease terms in excess of one year) as of September 30, 2016, are summarized in the table below (in thousands):

Year Ending September 30,	**Annual Operating Lease Income**
2017	$ 22,778
2018	22,373
2019	21,656
2020	21,078
2021	19,197
2022-2026	67,028
2027-2031	30,648
2032-2036	695
Total lease income	$ 205,453

Rental income was $22.0 million and $19.2 million for fiscal years ended 2016 and 2015. At September 30, 2016, the net book values of assets being leased by Seaport as lessor are as follows:

Asset	Asset Cost	Accumulated Depreciation	Net Book Value
Land	$ 85,305,431	$ -	$ 85,305,431
Buildings	38,476,416	33,954,700	4,521,716
Total	$123,781,847	$ 33,954,700	$ 89,827,147

(7) Long-term Obligation Activity

Changes in long-term obligations for the year ending September 30, 2016, are as follows (in thousands):

	Balance at 9/30/15	**Increase**	**Decrease**	**Balance at 9/30/16**	**Due within One year**
Bonds and loans payable:					
Revenue bonds	$ 577,245	$ -	$ 7,050	$ 570,195	$ 1,095
General obligation bonds	89,595	-	5,830	83,765	6,070
Sunshine State loans	303,105	-	15,015	288,090	11,055
Capital acquisition bonds	113,787	-	4,085	109,702	4,150
Unamortized (discount) and premiums, net	30,316	-	2,006	28,310	-
Total	1,114,048	-	33,986	1,080,062	22,370
Other liabilities:					
Compensated absences	6,207	2,644	2,271	6,580	1,687
Other post-employment benefits	858	65	-	923	-
Net pension liability	12,503	8,058	-	20,561	-
Capital lease	-	4,008	-	4,008	58
Other liabilities	610	-	610	-	-
Total	20,178	14,775	2,881	32,072	1,745
Total long-term liabilities	$ 1,134,226	$ 14,775	$ 36,867	$ 1,112,134	$ 24,115

Changes in long-term obligations for the year ending September 30, 2015, are as follows (in thousands):

	Balance at 9/30/14	Increase	Decrease	Balance at 9/30/15	Due within One year
Bonds and loans payable:					
Revenue bonds	$ 584,120	$ -	$ 6,875	$ 577,245	$ 7,050
General obligation bonds	95,205	-	5,610	89,595	5,830
Sunshine State loans	308,465	-	5,360	303,105	15,015
Capital acquisition bonds	117,812	-	4,025	113,787	4,085
Unamortized (discount) and premiums, net	32,107	-	1,791	30,316	-
Total	1,137,709	-	23,661	1,114,048	31,980
Other liabilities:					
Compensated absences	6,332	2,079	2,204	6,207	1,543
Other post-employment benefits	826	32	-	858	-
Net pension liability	8,135	4,368	-	12,503	-
Other liabilities	1,013	-	403	610	610
Total	16,306	6,479	2,607	20,178	2,153
Total long-term liabilities	$ 1,154,015	$ 6,479	$ 26,268	$ 1,134,226	$ 34,133

(8) Restricted Assets

Restricted assets represent bond proceeds and other cash, cash equivalents, and investments required to be restricted for debt service, acquisition of certain lease assets and maintenance andimprovements under the terms of outstanding bond and other contractual agreements. Assets restricted for debt service are for the payment of bond principal and interest. Assets restricted for reserve maintenance are for the payment of unusual or extraordinary maintenance or repairs of Seaport properties that are intended to extend the life of the asset. Under the terms of outstanding bonds and other contractual agreements, assets were restricted for the following purposes (in thousands):

	Year	
	2016	2015
Debt service and reserve	**$ 76,330**	$ 106,057
Improvement and construction	**30,166**	43,275
Total	**$ 106,496**	$ 149,332

(9) Pension Plans

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

Florida Retirement System Overview

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

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

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

FRS Pension Plan

Plan Description

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011 are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

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

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

Benefits Provided

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

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

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent 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 percent determined by dividing the sum of the pre-October 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions
The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates in effect from July 1, 2015 through June 30, 2016, were as follows:

	Percent of Gross Salary	
Class	**Employee**	**Employer (*)**
FRS, Regular	3.00	7.26
FRS, Elected County Officers	3.00	42.27
FRS, Senior Management Service	3.00	21.43
FRS, Special Risk Regular	3.00	22.04
DROP – Applicable to members from all of the above classes	0.00	12.88

*Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.

Seaport's employer contributions to the FRS totaled $1.86 million and $1.76 million and employee contributions totaled $0.50 million and $0.64 million for the fiscal years ended September 30, 2016 and 2015, respectively.

Seaport's Allocation
Seaport's proportionate share of the Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2016 and 2015 (in thousands):

Fiscal year ended	NET PENSION LIABILITY	DEFERRED OUTFLOW OF RESOURCES	DEFERRED INFLOW OF RESOURCES
September 30, 2016	**$ 14,958**	**$ 6,516**	**$ 792**
September 30, 2015	$ 7,547	$ 1,633	$ 2,723

The amounts reflected in the table above represent an allocation of 0.76 percent and 0.79 percent of the total Miami-Dade County balances for the FRS Plan for fiscal years ending September 30, 2016 and September 30, 2015, respectively. Seaport's proportionate share of the total County balances was based on Seaport's fiscal year contributions relative to fiscal year contributions for all participating County employees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At September 30, 2016 and 2015, Seaport reported a liability of $14.96 million and $7.55 million respectively, for its proportionate share of the County's share of the Plan's net pension liability. For fiscal years 2016 and 2015, the net pension liability was measured as of June 30, 2016 and June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and July 1, 2015, respectively. The overall County's proportionate share of the net pension liability was based on the 2016 and 2015 fiscal year contributions relative to the 2016 and 2015 fiscal year contributions of all participating members.

For the fiscal year ended September 30, 2016, Seaport recognized pension expense of $597,000 related to the Plan. For the fiscal year ended September 30, 2015, Seaport recognized a pension expense reduction adjustment of $1.1 million related to the Plan.

For fiscal year 2016, the Seaport reported its share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 1,134	$ 157
Change of assumptions	896	-
Net difference between projected and actual earnings on FRS pension plan investments	3,829	-
Changes in proportion and differences between Seaport FRS contributions and proportionate share of contributions	228	635
Seaport FRS contributions subsequent to the measurement date	429	-
Total	$ 6,516	$ 792

The deferred outflows of resources related to pensions totaling approximately $429,000 resulting from Seaport's contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2017. 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 Year Ending September 30	**Deferred outflows/ (inflows), net**
2017	$ 660
2018	660
2019	2,094
2020	1,527
2021	264
Thereafter	90

For fiscal year 2015, the Seaport reported its share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 800	$ 191
Change of assumptions	498	-
Net difference between projected and actual earnings on FRS pension plan investments	-	1,802
Changes in proportion and differences between Seaport FRS contributions and proportionate share of contributions	-	730
Seaport FRS contributions subsequent to the measurement date	335	-
Total	$ 1,633	$ 2,723

The deferred outflows of resources related to pensions totaling approximately $335,000 resulting from Seaport's contributions to the Plan subsequent to the measurement date was recognized as a reduction of the net pension liability in fiscal year 2016. 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 Year Ending September 30	Deferred Outflows/ (Inflows, Net
2016	$ (765)
2017	(765)
2018	(765)
2019	721
2020	109
Thereafter	41

Actuarial Assumptions

The FRS plan pension actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2016, applied to all periods included for the measurement date of June 30, 2016:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	7.60%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation [1]	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.7%
Fixed income	18%	4.7%	4.6%	4.6%
Global equity	53%	8.1%	6.8%	17.2%
Real estate (property)	10%	6.4%	5.8%	12.0%
Private equity	6%	11.5%	7.8%	30.0%
Strategic investments	12%	6.1%	5.6%	11.1%
	100%			
Assumed inflation-Mean		2.6%		1.9%

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

Discount Rate

The discount rate used to measure the net pension liability of the Plan was 7.60 percent. The 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.

Sensitivity of Seaport's Proportionate Share of the Net Pension Liability (asset) to Changes in the Discount Rate

The following represents Seaport's proportionate share of the County's share of the Plan's net pension liability (asset) as of June 30, 2016 calculated using the discount rate of 7.60 percent, as well as what Seaport's proportionate share of the net pension liability would be if it was calculated using a discount rate that is one percentage point lower (6.60 percent) or one percentage point higher (8.60 percent) than the current rate (in thousands):

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Seaport's proportionate share of the net pension liability (asset)	$ 27,012	$ 14,958	$ 4,400

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 Comprehensive Annual Financial Report.

The Retiree Health Insurance Subsidy Program (HIS)

Plan Description

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

Benefits Provided

For the fiscal year ended September 30, 2016, 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.

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, 2016, the HIS contribution for the period July 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016 was 1.20 percent and 1.66 percent, respectively. The County contributed 100 percent of its statutorily required contributions for the current year. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Seaport's contributions to the HIS Plan totaled $247,760 and $185,776 for the fiscal year ended September 30, 2016 and September 30, 2015, respectively.

Seaport's Allocation

Seaport's proportionate share of the HIS Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2016 and September 30, 2015, as follows (in thousands):

Fiscal year ended	NET PENSION LIABILITY	DEFERRED OUTFLOW OF RESOURCES	DEFERRED INFLOW OF RESOURCES
September 30, 2016	**$ 5,603**	**$ 948**	**$ 67**
September 30, 2015	$ 4,956	$ 466	$ 38

The amounts reflected in the table from the previous page represent an allocation of 0.76 percent and 0.79 percent of the total County balances for the HIS Plan for fiscal years ending September 30, 2016 and September 30, 2015, respectively. Seaport's proportionate share of the total County balances for fiscal year 2016 was based on Seaport's 2016 fiscal year contributions relative to the 2016 fiscal year contributions for all participating County employees and fiscal year 2015 was based on Seaport's 2015 fiscal year contributions relative to the 2015 fiscal year contributions for all participating County employees.

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

At September 30, 2016 and 2015, the Seaport reported a net pension liability of $5.60 million and $4.96 million respectively, for its proportionate share of the County's share of the HIS Plan's net pension liability. For fiscal years 2016 and 2015, the net pension liability was measured as of June 30, 2016 and June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and July 1, 2015, respectively. The overall County's proportionate share of the net pension liability was based on the 2016 and 2015 fiscal year contributions relative to the 2016 and 2015 fiscal year contributions of all participating members.

For the fiscal year ended September 30, 2016, Seaport recognized pension expense of $194,000. For the fiscal year ended September 30, 2015, the Seaport recognized a pension expense adjustment of $164,000, related to the HIS Plan.

For fiscal year 2016, Seaport reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources (in thousands):

Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 13
Change of assumptions	866	-
Net difference between projected and actual earnings on HIS pension plan investments	3	-
Changes in proportion and differences between Seaport HIS contributions and proportionate share of HIS contributions	14	54
Seaport contributions subsequent to measurement date	65	-
Total	$ 948	$ 67

The deferred outflows of resources related to pensions totaling approximately $65,000 resulting from Seaport's contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2017. 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 Year Ending September 30	**Deferred Outflows/ (Inflows), Net**	
2017	$	145
2018		145
2019		145
2020		145
2021		130
Thereafter		106

For fiscal year 2015, Seaport reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources (in thousands):

Description	**Deferred Outflows of Resources**		**Deferred Inflows of Resources**	
Change of assumptions	$	391	$	-
Net difference between projected and actual earnings on HIS pension plan investments		3		-
Changes in proportion and differences between Seaport HIS contributions and proportionate share of HIS contributions		17		38
Seaport contributions subsequent to measurement date		55		-
Total	$	466	$	38

The deferred outflows of resources related to pensions totaling approximately $55,000 resulting from Seaport's contributions to the HIS Plan subsequent to the measurement date was recognized as a reduction of the net pension liability in fiscal year 2016. 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 Year Ending September 30,	**Deferred Outflows/ (Inflows), Net**	
2016	$	63
2017		63
2018		63
2019		63
2020		63
Thereafter		58

Actuarial Assumptions
The HIS plan pension actuarial valuation was determined using the following actuarial assumptions as of July 1, 2016 applied to all periods included for the measurement date of June 30, 2016:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Municipal Bond Rates- Investment Rate of Return	2.85%

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate
The discount rate used to measure the total pension liability for the HIS Plan was 2.85 percent. 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 Seaport's Net Pension Liability to Changes in the Discount Rate
The following presents the Seaport's proportionate share of the County's share of the Plan's net pension liability calculated using a discount rate of 2.85 percent, as well as what the Seaport's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.85 percent) or one percentage point higher (3.85 percent) than the current rate (in thousands):

	1% Decrease 1.85%	Current Discount Rate 2.85%	1% Increase 3.85%
Seaport's proportionate share of the net pension liability (asset)	$ 6,212	$ 5,603	$ 4,753

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

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

Fiscal year 2016:

Plan	Net Pension Expense	Net Pension Liability	Deferred Inflow of Resources	Deferred Outflow of Resources
FRS	$ 597	$ 14,958	$ 792	$ 6,516
HIS	194	5,603	67	948
Total	$ 791	$ 20,561	$ 859	$ 7,464

Fiscal year 2015:

Plan	Net Pension Expense	Net Pension Liability	Deferred Inflow of Resources	Deferred Outflow of Resources
FRS	$ (1,064)	$ 7,547	$ 2,723	$ 1,633
HIS	164	4,956	38	466
Total	$ (900)	$ 12,503	$ 2,761	$ 2,099

In the comprehensive annual financial report issued by FRS for the plan year ended June 30, 2016, management of the plan included a disclosure about the discount rate assumption as set by the 2016 FRS Actuarial Assumption Conference, the body responsible for establishing the actuarial assumptions, along with the exception taken by the Plan Actuary in its Actuarial Valuation report of the Plan as of and for the year ended June 30, 2016. Refer to http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports for further information. Management of the County considered this information, as well as the audited financial statements of the FRS Pension Plan and Employer Allocation Reports, and other clarifying information issued by the Auditor General of State of Florida as and for the year ended June 30, 2016, whose opinions were unmodified. Based on the reading of the reports and our reliance on the results of the reports, management has incorporated the FRS' applicable information within the financial statements.

FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Miami-Dade County employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds.

Benefit terms, including contribution requirements for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

Membership Class	**Percent of Gross Compensation**
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal years ended September 30, 2016 and 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to Miami-Dade County.

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

The Seaport's Investment Plan pension contributions totaled approximately $428,231 and $203,653 for the fiscal years ended September 30, 2016 and 2015, respectively.

(b) Postemployment Benefits Other than Pensions

In accordance with the requirements of Governmental Accounting Standards Board Statement 45 (GASB 45) for other post-employment benefits (OPEB), the County accrues the cost of retiree health subsidy and OPEB during the period of employees' active employment as the benefits are being earned. It requires the unfunded actuarial accrued liability to be disclosed in order to accurately account for the total future cost of OPEB and the financial impact on the County. The financial impact of this statement is reflected in the accompanying financial statements.

Plan Description. The County, for which the Seaport participates, administers a single-employer defined benefit healthcare plan ("the Plan") that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the County's group health insurance plan, which covers both active and retired members.

Benefits are established and may be amended by the Miami-Dade County Board of County Commissioners ("the BOCC"), whose powers derive from F.S. 125.01(3) (a). The Plan does not issue a publicly available financial report.

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

- Regular Class (All employees not identified as members of the Special Risk Class)

  Eligibility for Unreduced Pension Benefits under FRS
  - Age 62 with 6 years of service
  - 30 years of service (no age requirement)

  Eligibility for Reduced Pension Benefits under FRS
  - 6 years of service (no age requirement)

- Special Risk Class (Police Officers, Firefighters and Corrections Officers)

  Eligibility for Unreduced Pension Benefits under FRS
  - Age 55 with 6 years of special risk service
  - 25 years of special risk service (no age requirement)
  - Age 52 and 25 years of creditable service, including special risk service and up to maximum of 4 years of active duty wartime military service credit
  - Regular Class criteria

  Eligibility for Reduced Pens ion Benefits under FRS
  - 6 years of service (no age requirement)

Benefits:
The medical plans offered provide hospital, medical and pharmacy coverage. Pre-65 retirees are able to select from five medical plans as follows:
- AvMed POS
- AvMed HMO High Option
- AvMed HMO Low Option
- JMH HMO High Option
- JMH HMO Low Option

Post-65 retirees are able to select from five medical plans as follows. The County only contributes to post-65 retirees electing an AvMed Medicare Supplement Plan.

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

Number of Covered Participants for the overall County:

Actives	34,061
Retirees under age 65	3,116
Eligible spouses under age 65	832
Retirees age 65 and over	727
Eligible spouses age 65 and over	375
Total	39,111

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 and dental benefits are currently funded on a pay-as-you go basis (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, 2015 to September 30, 2016. 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, 2016 through December 31, 2016, are provided in the tables below. The County's subsidy is assumed to remain flat.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The methodology used to determine the Seaport's allocated portion of the Annual OPEB cost and Net OPEB Obligation was based on the number of Seaport employees proportionate to the County's total eligible employees. Seaport's proportionate share of the total County's Annual OPEB cost and Net OPEB Obligation was approximately 1.5 percent for both fiscal years 2016 and 2015, respectively.

The Seaport's annual OPEB costs for fiscal years 2016 and 2015, and the related proportional information for the plan are as follows (dollar amounts in thousands):

	Fiscal year 2016	Fiscal year 2015
Annual required contribution	**$ 357**	$ 360
Interest on net OPEB obligation	**34**	36
Adjustment to annual required contribution	**(42)**	(33)
Annual OPEB cost	**349**	363
Contributions made	**(284)**	(331)
Increase in net OPEB obligation	**65**	32
Net OPEB obligation-beginning of year	**858**	826
Net OPEB obligation-end of year	**$ 923**	$ 858

The Seaport's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 and two preceding years are as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2016	**$ 349**	**81.4%**	**$ 923**
9/30/2015	$ 363	91.2%	$ 858
9/30/2014	$ 346	89.9%	$ 826

Funded Status and Funding Progress. The schedule below shows the County's balance of the OPEB actuarial accrued liability (AAL) as of October 1, 2015, the most recent actuarial valuation date. The funding status and funding progress was not determined separately for Seaport.

The AAL was unfunded as of September 30, 2016 (dollar amounts in thousands).

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as % of Covered Payroll ([b-a]/c)
10/1/2015	**$ -**	**$ 459,535**	**$ 459,535**	**0%**	**$ 2,180,168**	**21%**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions by the County are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress presented as required supplementary information (RSI) following the notes to the financial statements, provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial cost method used in the valuation to determine the Actuarial Accrued Liability (AAL) and the Actuarial Required Contribution (ARC) was the Projected Unit Credit Method with service prorated. Under this method, the total present value of benefits is determined by projecting the benefit to be paid after the expected retirement date (or other event) and discounting those amounts to the valuation date. The normal cost is computed by dividing the total present value of benefits by the participant's total service (actual plus expected service) at retirement. The AAL under this method represents the total present value of benefits multiplied by the ratio of the participant's actual service to date and divided by expected service at retirement. The AAL for participants currently receiving payments and deferred vested participants is calculated as the actuarial present value of future benefits expected to be paid. No normal cost for these participants is payable. The AAL and normal costs were calculated at the measurement date, which is the beginning of the applicable fiscal year using standard actuarial techniques.

The following table summarizes other significant methods and assumptions used in valuing the OPEB under the OPEB plan.

Actuarial valuation date	10/01/2015
Amortization method	Level percentage of payroll, closed, over 30 years
Actuarial cost method	Projected unit credit, benefits attributed from date of hire to expected retirement age
Remaining amortization periods	22 years
Actuarial assumptions:	
Discount rate	4.0%
Inflation rate	3.5%
Payroll growth assumption	3.0%
Health CPI	3.0%
Health care cost trend period	Grades down over six years by 0.5% per year
Health care cost trend rates	Medical/Rx 7.5% initial to 4.5% ultimate
Mortality table	RP 2014 Generational Table using MP 2016 Projection Scale and applied on a gender-specific basis.

Further, the participation assumption used in the valuation (the assumed percentage of future retirees that participate and enroll in the health plan) is 20 percent for those prior to age 55 (50 if special risk) and 60 percent until age 65. Once reaching Medicare eligibility, the participation rate is assumed to be 20 percent.

The valuation assumes that the County will continue to fund the liability on a pay-as-you-go basis and that the County's per-capita contribution for retiree benefits will remain flat. As a result, the retiree contributions will be increased to the extent necessary so that they are sufficient to provide for the difference between the gross costs and the fixed County contributions.

The Seaport recorded $284,000 and $331,000 of contribution expenses for fiscal years 2016 and 2015, in operating expenses of the Statements of Revenues, Expenses and Changes in Net Position. Additionally, the Seaport recorded $923,000 and $858,000 as a Net OPEB liability as of fiscal years ended 2016 and 2015, respectively, in the Statements of Net position, under "Other long-term liabilities".

(10) Risk Management

The County's Risk Management Division (the RMD) administers workers' compensation and general and automobile liability self-insurance programs. The Seaport, along with other County departments, participates in the County's self-insurance programs. Certain group health insurance programs are also self-insured. An independent administrator administers the programs. There has been no significant reduction in coverage for the last 3 years. Seaport properties are covered under the County's Master Property Insurance Program. The County purchases coverage through commercial carriers. The insurance program contains a $5 million deductible per occurrence for most perils. A $200 million deductible per occurrence applies to named windstorm losses. The current County wide limit per occurrence provided by this program is $350 million (inclusive of deductibles). Property coverage for the Seaport's gantry cranes are provided through a combination of the County's program and a policy purchased by the crane management company. There were no property damage claims at the Seaport that exceeded the commercial coverage for the last three fiscal years.

The County maintains no excess coverage with independent insurance carriers for the workers' compensation and general liability self-insurance programs. Premiums are charged to the various County departments based on amounts necessary to provide funding for current and anticipated losses. For the years ended September 30, 2016 and 2015, the Seaport incurred approximately $2.1 million and $2.2 million, in insurance premium costs, respectively.

The estimated liability for reported and unreported claims of the self-insurance programs administered by RMD is determined annually based on the estimated ultimate cost of settling claims, past experience adjusted for current trends, and other factors that would modify past experience. Outstanding claims are evaluated through a combination of case-by-case reviews and the application of historical experience. The estimates of incurred, but not reported losses are based on historical experience, and are reported only in the County's internal service fund as a liability.

(11) Due from other governments

The Seaport has received state and federal grants to fund various cruise and cargo improvement projects including a harbor-dredging project. As of September 30, 2016 and 2015, total receivables for reimbursement of grant expenditures incurred, were $2.2 million and $7.3 million, respectively.

(12) Related-party transactions

(a) County Services Received

Various departments within the County provide goods, administration, public safety, maintenance and various other services to other operating departments. Charges for these services are determined using direct and indirect cost allocation methods or amounts determined based upon direct negotiations between the related parties. Charges for services provided to the Seaport by other County departments included as operating expenses in the accompanying Statements of Revenues, Expenses and Changes in Net Position amounted to approximately $24.7 million and $23.5 million for the fiscal years ended September 30, 2016 and 2015, respectively.

The table presents a list of providers of services and respective charges for the fiscal years ended September 30, 2016 and 2015 (in thousands):

	2016	2015
Audit and Management Services	**$ 190**	$ 190
Fire Services	**2,617**	2,697
Fleet Management	**783**	685
Administrative Service Charges	**2,282**	2,500
Information Technology	**3,963**	2,009
Police Services	**9,467**	9,451
Public Works Services	**41**	42
Miami-Dade Water and Sewer	**2,934**	2,807
Other	**2,408**	3,126
Total	**$ 24,685**	$ 23,507

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

(13) Commitments, Contingencies and Guarantees

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

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

Year Ending September 30,	Cruise Operators	Cargo Operators
2017	$ 60,653	$ 48,412
2018	64,338	50,342
2019	71,770	52,359
2020	79,530	54,465
2021	83,346	56,654
2022-2026	320,480	320,753
2027-2031	193,501	318,918
2032-2036	-	19,111
Totals	$ 873,618	$ 921,014

Seaport has entered into several terminal usage agreements with cruise line operators which commits the Seaport to make certain terminal improvements at future dates, in order to accommodate the cruise operators' passengers and vessel operations as follows:

- Terminal improvements include an expansion of the terminal footprint, increased queuing and check-in capacity, additional seating, enlarged baggage collection, and passenger boarding bridges designed to accommodate larger vessels. The Seaport's obligation is capped at $25 million to the cruise line. However, the Seaport has elected to make additional substantial terminal improvements. These improvements will be completed by November 2017.
- Additional terminal improvements to accommodate a new vessel starting in fiscal year 2018. In addition to the $25 million mentioned above, an additional $24 million will be spent within the next two fiscal years to upgrade said terminal for even larger vessels by fiscal year 2018.
- Improvements to other terminals to allow for simultaneous berthing of cruise ships, both portside and starboard side, and other improvements to allow for six security screening machines and additional seating for approximately 1,000 passengers. These improvements are estimated to cost $14 million and are the sole responsibility of the Seaport. The improvements will be completed by the Seaport no later than May 2017.
- On July 6, 2016, the Board approved a ground lease agreement between Seaport and one of its cruise operator to lease land for a new cruise terminal. The Seaport's commitment related to this lease agreement is approximately $15.5 million, consisting of certain infrastructure improvements pre-development costs related to the new terminal.

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

In fiscal year 2016, the Seaport had a liability of $833,226 for claims related to environmental mitigation and monitoring costs for its Dredge Project. Additionally, post-dredge surveys are required one-year after project completion to assess actual environmental impacts attributable to the project. If, based on not-yet completed post-dredging surveys, applicable oversight environmental agencies determine that actual project impacts exceed already-mitigated-for anticipated impacts, such agencies could seek to require additional environmental mitigation and/or monitoring work, the cost of which could exceed $1,000,000, and for which the Seaport may be financially responsible.

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

(e) Construction
Seaport had contractual commitments of $11.5 million for the construction of cruise and cargo improvements, other port-wide infrastructure improvements, and certain other asset acquisitions at September 30, 2016.

(f) Phase III Dredging
In July 2012, the Board approved a resolution authorizing a Project Partnership Agreement between Miami-Dade County (County) and the United States Department of the Army (Army) for the construction of the -50 feet Dredging Miami Harbor Federal Navigation Project Phase Ill at the Port. The total cost of the project, including the cost of construction, Army procurement and administration, environmental mitigation and monitoring, and an Army required contingency, was estimated to be in the range of $180 to $220 million. The Project was completed in fiscal year 2015 and a final reconciliation of records with the Army is still in progress. In connection with the project, the County also entered into grant agreements with the Florida Department of Transportation (FDOT) to receive approximately $115 million of funding from FDOT to reimburse the Seaport for certain specific costs incurred to complete the Project. As of fiscal year end 2016, approximately $115 million of funding was received from FDOT related to project.

(14) Unrestricted Net Position

As previously mentioned in the MD&A section, the $203.1 million contribution to FDOT for the Port Tunnel Project (Tunnel) resulted in negative unrestricted net position balance of $143.6 million as of September 30, 2016. The Tunnel, located beneath the Governmental Cut connects the Port directly with the interstate highway system. The Tunnel improves access to and from the Port, making trucking and passenger vehicle connections from the Port to the rest of the region and country substantially easier and eliminates the Port's dependence on the current Port Boulevard Bridge. It is expected to reduce traffic congestion in the downtown area of Miami. The Tunnel is owned by the State of Florida and as such not recorded as a Seaport asset.

In return for the County providing a portion of the funds for the Tunnel Project, in March 2015 FDOT and the County entered into a Joint Participating Agreement (JPA) to pay the County from annually appropriated State Comprehensive Enhance Transportation System Tax (SCETS) the amount of $8 million for fiscal year 2018 and $17 million annually in each of the State's fiscal years 2019 through 2042.

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

(15) Subsequent Event

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

On March 20, 2017, the Board approved a resolution approving and authorizing the County Mayor to execute a termination and buyout agreement with one of Seaport's cruise operator. Under this agreement, the cruise operator paid Seaport approximately $21.1 million, consisting of a Pre-termination payment of approximately $1.1 million and Buyout payment of $20 million, in exchange for terminating its berthing rights under said Cruise Terminal Usage and Development Agreement (Terminal Agreement), which represented a buyout of 6.5 years out of the 10 years from the Terminal Agreement.

MIAMI-DADE
COUNTY

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REQUIRED SUPPLEMENTARY INFORMATION

Miami-Dade County, Florida Seaport Department
Required Supplmentary Information
Schedule of Funding Progress For Miami-Dade County
For the Retiree Health Plan
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as % of Covered Payroll ([b-a]/c)
10/1/2015	**$ -**	**$ 459,535**	**$ 459,535**	**0%**	**$ 2,180,168**	**21%**
10/1/2014	$ -	$ 401,180	$ 401,180	0%	$ 1,937,015	21%
10/1/2013	$ -	$ 400,103	$ 400,103	0%	$ 1,919,888	21%

Notes to Schedule

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

(2) The schedule of funding progress above presents balances for the overall County, which includes the Seaport Department.

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

	2014	2015	2016
Seaport's proportion of Miami-Dade County's FRS Plan net pension liability	0.79%	0.79%	0.76%
Seaport's proportionate share of Miami-Dade County's FRS net pension liability	$ 3,611	$ 7,547	$ 14,958
Seaport's covered employee payroll	$ 17,768	$ 17,119	$ 17,681
Seaport's proportionate share of Miami-Dade County's FRS net pension liability as a percentage of its covered employee payroll	20.32%	44.09%	84.60%
FRS Plan fiduciary net position as a percentage of the total pension liability	92.0%	92.0%	84.9%

Notes to Schedule

(1) See Note 9 for information regarding the Plan.

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

(3) The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate GASB 68 requirements. Currently, only data for fiscal years ending June 30, 2014, 2015 and 2016 are available.

Miami-Dade County, Florida Seaport Department
Required Supplmentary Information
Schedule of Seaport's Contributions
Pension Plan
Florida Retirement System
(dollars in thousands) (Unaudited)

	2014	2015	2016
Seaport's proportionate share of Miami-Dade County's required FRS contribution	$ 1,296	$ 1,756	$ 1,864
Seaport's contribution in relation to the contractually required contribution	1,296	1,756	1,864
Contribution deficiency (excess)	$ -	$ -	$ -
Seaport's covered employee payroll	$ 17,768	$ 17,119	$ 17,681
FRS contribution as a percentage of covered employee payroll	7.29%	10.26%	10.54%

Notes to Schedule

(1) See Note 9 for information regarding the Plan.

(2) The schedule of the contributions and related information above presents the Seaport's allocation of Miami-Dade County's share of FRS Plan contributions.

(3) The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate GASB 68 requirements. Currently, only data for fiscal years ending June 30, 2014, 2015 and 2016 are available.

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

	2014	2015	2016
Seaport's proportion of Miami-Dade County's HIS net pension liability	0.79%	0.79%	0.76%
Seaport's proportionate share of Miami-Dade County's HIS. net pension liability	$ 4,524	$ 4,956	$ 5,603
Seaport's covered employee payroll	$ 22,822	$ 22,281	$ 23,330
Seaport's proportionate share of Miami-Dade County's HIS net pension liability as a percentage of its covered employee payroll	19.82%	22.24%	24.02%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.50%	0.50%

Notes to Schedule

(1) See Note 9 for information regarding the Plan.

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

(3) The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate GASB 68 requirements. Currently, only data for fiscal years ending June 30, 2014, 2015 and 2016 are available.

Required Supplmentary Information
Schedule of Seaport's Contributions
Florida Retirement System
Health Insurance Subsidy Pension Plan (HIS)
(dollars in thousands) (Unaudited)

	2014	2015	2016
Seaport's proportionate share of Miami-Dade County's required HIS contribution	$ 166	$ 186	$ 177
HIS contribution in relation to the contractually required contribution	166	186	177
Contribution deficiency (excess)	$ -	$ -	$ -
Seaport's covered employee payroll	$ 22,822	$ 22,281	$ 23,330
FRS contribution as a percentage of covered employee payroll	0.73%	0.83%	0.76%

Notes to Schedule

(1) See Note 9 for information regarding the Plan.

(2) The schedule of the contributions and related information above presents the Seaport's allocation of Miami-Dade County's share of FRS Plan contributions.

(3) The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate GASB 68 requirements. Currently, only data for fiscal years ending June 30, 2014, 2015 and 2016 are available.

STATISTICAL SECTION

MIAMI-DADE COUNTY

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Statistical Section

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

<u>Contents</u>

Financial Trends

> These schedules contain information to assist readers assess how the Department's financial position has changed over time. (Pages 76-77)

Revenue Capacity

> These schedules contain information to assist readers assess the variables affecting the Department's revenue capabilities. (Page 78)

Debt Capacity

> These schedules contain information to assist readers assess the Department's debt burden and its ability to issue new debt. (Pages 79-83)

Demographic and Economic Information

> These schedules contain demographic and economic information to assist readers understands the environment within which the Department's financial activities take place. (Pages 84-85)

Operating Information

> These schedules contain service and infrastructure data to assist readers understand how the information in the Department's financial report relates to the services the Department provides and activities it performs. (Pages 86-88)

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Operating revenues	$ 84,568	$ 94,698	$ 100,057	$ 104,085	$ 109,146	$ 103,578	$ 109,177	$ 126,144	$ 136,086	$ 143,864
Investment earnings	3,100	960	247	414	512	359	153	510	861	720
Other nonoperating	-	2,734	-	-	810	718	687	666	666	669
Total revenues	87,668	98,392	100,304	104,499	110,468	104,655	110,017	127,320	137,613	145,253
Operating expenses	64,021	61,579	68,999	66,335	65,836	59,550	66,011	64,341	66,700	71,267
Depreciation	17,927	19,863	20,790	22,995	23,548	24,947	25,958	27,423	30,020	30,474
Interest expense	25,280	22,409	19,448	16,961	18,901	18,668	18,167	35,496	37,283	40,213
Other nonoperating expenses	12,359	-	166	4,193	1,072	6,118	1,861	5,349	1,267	-
Total expenses	119,587	103,851	109,403	110,484	109,357	109,283	111,997	132,609	135,270	141,954
Net income (loss) before contributions	(31,919)	(5,459)	(9,099)	(5,985)	1,111	(4,628)	(1,980)	(5,289)	2,343	3,299
Net contributions	27,730	7,212	13,315	11,796	6,331	12,789	(16,781)	(85,944)	47,644	3,154
Change in net position	(4,189)	1,753	4,216	5,811	7,442	8,161	(18,761)	(91,233)	49,987	6,453
Net position at beginning of year (1)	210,542	206,353	208,106	212,322	218,133	225,575	233,736	214,975	109,677	159,664
Net position at end of year	206,353	208,106	212,322	218,133	225,575	233,736	214,975	123,742	159,664	166,117
Net position, end of year classified as:										
Net investment in capital assets	191,448	204,261	185,871	194,133	201,468	217,486	204,722	272,815	317,408	302,508
Restricted for debt service	21,257	19,078	19,125	13,259	13,228	12,647	11,860	12,485	12,880	7,165
Restricted for construction and other	-	-	-	1,914	-	5,310	2,349	10,067	-	-
Unrestricted and other	(6,352)	(15,233)	7,326	8,827	10,879	(1,707)	(3,956)	(171,625)	(170,624)	(143,556)
Net position at end of year	$ 206,353	$ 208,106	$ 212,322	$ 218,133	$ 225,575	$ 233,736	$ 214,975	$ 123,742	$ 159,664	$ 166,117

Notes to Schedule
(1) Net position balance was restated as of October 1, 2014.
See Note 2(t) Notes to the Financial Statements.

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

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
OPERATING REVENUES:										
Cruise Wharfage/Dockage	$ 33,094	$ 39,492	$ 40,195	$ 41,963	$ 46,424	$ 45,192	$ 50,528	$ 60,295	$ 63,659	$ 69,199
Cargo Wharfage/Dockage	20,499	19,082	19,176	21,958	23,752	23,089	23,932	24,809	24,120	23,337
Container Crane Fees	8,525	7,922	8,180	8,471	9,910	7,607	6,619	6,243	8,624	9,995
Rentals	7,213	9,106	14,856	14,826	13,906	13,428	13,365	14,829	19,254	21,999
Ground Transportation	1,012	1,267	1,425	1,464	1,880	1,763	1,861	2,100	2,329	2,230
Parking	7,778	9,792	10,686	10,042	9,184	8,305	9,374	14,963	14,691	14,679
Miscellaneous	6,447	8,037	5,539	5,361	4,090	4,194	3,498	2,905	3,409	2,425
	84,568	94,698	100,057	104,085	109,146	103,578	109,177	126,144	136,086	143,864
OPERATING EXPENSES:										
Cruise Operations	4,766	5,799	6,502	7,047	6,590	6,002	6,293	7,523	7,165	6,828
Cargo Operations	1,618	1,409	1,389	1,087	1,338	1,180	1,314	1,235	1,242	1,308
Maintenance	6,954	6,304	6,269	6,453	6,731	6,083	6,590	6,329	6,993	8,553
Utilities	2,791	2,110	5,102	2,950	3,256	2,225	1,814	2,881	3,730	3,675
Marketing & Advertising	1,307	1,293	1,680	1,321	1,015	1,105	1,848	1,747	1,803	2,204
Gantry Cranes Operations	10,018	7,641	8,042	6,811	6,926	6,357	7,533	7,543	7,006	8,385
Security	20,345	20,975	21,096	19,636	18,510	15,488	15,210	16,782	18,093	18,292
General & Administration	16,222	16,048	18,919	21,030	21,470	21,110	25,409	20,301	20,668	22,022
Total Operating Expenses	64,021	61,579	68,999	66,335	65,836	59,550	66,011	64,341	66,700	71,267
Operating income before depreciation	20,547	33,119	31,058	37,750	43,310	44,028	43,166	61,803	69,386	72,597
DEPRECIATION	17,927	19,863	20,790	22,995	23,548	24,947	25,958	27,423	30,020	30,474
Operating Income	2,620	13,256	10,268	14,755	19,762	19,081	17,208	34,380	39,366	42,123
NON-OPERATING REVENUES (EXPENSES):										
Interest Income, net	3,100	960	247	414	512	359	153	510	861	720
Interest expense, net	(25,280)	(22,409)	(19,448)	(16,961)	(18,901)	(18,668)	(18,167)	(35,496)	(37,283)	(40,213)
Operating grants	-	-	-	-	-	-	-			
Operating transfers	-	-	-	-	(1,072)	-	-			
Transfer in	-	-	-	-	-	-	-			
Other income (expense)	(12,359)	2,734	(166)	(4,193)	810	(5,400)	(1,174)	(4,683)	(601)	669
Income (loss) before Contributions	(31,919)	(5,459)	(9,099)	(5,985)	1,111	(4,628)	(1,980)	(5,289)	2,343	3,299
Net contributions	27,730	7,212	13,315	11,796	6,331	12,789	(16,781)	(85,944)	47,644	3,154
Net income (loss)	$ (4,189)	$ 1,753	$ 4,216	$ 5,811	$ 7,442	$ 8,161	$ (18,761)	$ (91,233)	$ 49,987	$ 6,453

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

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cargo revenue	$ 29,024	$ 27,004	$ 27,356	$ 30,429	$ 33,662	$ 30,696	$ 30,551	$ 31,052	$ 32,744	$ 33,332
Tonnage	7,835	7,430	6,831	7,389	8,222	8,108	7,981	7,700	8,614	8,778
Revenue per ton	$ 3.70	$ 3.63	$ 4.00	$ 4.12	$ 4.09	$ 3.79	$ 3.83	$ 4.03	$ 3.80	$ 3.80
TEU	885	828	807	847	907	909	901	877	1,008	1,028
Revenue per TEU	$ 32.80	$ 32.61	$ 33.90	$ 35.93	$ 37.11	$ 33.77	$ 33.91	$ 35.41	$ 32.48	$ 32.42

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

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cruise Revenue	$ 33,094	$ 39,492	$ 40,195	$41,963	$ 46,424	$ 45,192	$ 50,528	$ 60,295	$ 63,659	$ 69,199
Passengers	3,787	4,138	4,110	4,145	4,018	3,774	4,079	4,939	4,916	4,980
Revenue per passenger	$ 8.74	$ 9.54	$ 9.78	$ 10.12	$ 11.55	$ 11.97	$ 12.39	$ 12.21	$ 12.95	$ 13.90

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

Description	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Primary Debt Coverage										
Net Operating Revenues	$ 20,547	$ 33,119	$ 31,058	$ 37,750	$ 43,310	$ 44,028	$ 43,166	$ 61,803	$ 69,386	$ 72,597
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,937)	(1,937)	(1,130)	-	-	-	-	-
Other Income (loss)	2,696	-	-	-	-	-	-	-	-	-
Non-Cash Items	4,269	2,786	1,661	1,238	(293)	165	475	46	(868)	856
Unrestricted Interest	968	175	40	11	4	8	-	-	-	-
Revenues Available	$ 26,543	$ 34,143	$ 30,822	$ 37,062	$ 41,891	$ 44,201	$ 43,641	$ 61,849	$ 68,518	$ 73,453
Revenue Bonds Maximum Debt Service Required	8,399	8,399	8,399	8,399	8,399	8,399	27,547	27,671	27,640	27,640
Coverage Required 125%	10,499	10,499	10,499	10,499	10,499	10,499	34,434	34,589	34,550	34,550
Net Revenue Coverage	253%	325%	294%	353%	399%	421%	127%	179%	198%	213%

Note: Coverage requirement under master bond ordinance is 125% of maximum principal and interest for revenue bonds.

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

Description	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Primary Debt Coverage										
Net Operating Revenues	$ 20,547	$ 33,119	$ 31,058	$ 37,750	$ 43,310	$ 44,028	$ 43,166	$ 61,803	$ 69,386	$ 72,597
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,937)	(1,937)	(1,130)	-	-	-	-	-
Other Income (loss)	2,696	-	-	-	-	-	-	-	-	-
Non-Cash Items	4,269	2,786	1,661	1,238	(293)	165	475	46	(868)	856
Unrestricted Interest	968	175	40	11	4	8	-	-	-	-
Revenues Available	$ 26,543	$ 34,143	$ 30,822	$ 37,062	$ 41,891	$ 44,201	$ 43,641	$ 61,849	$ 68,518	$ 73,453
G O Bonds Maximum Debt Service Required	11,149	11,149	11,149	11,149	9,884	9,884	9,863	9,863	9,863	9,863
Coverage Required 110%	12,264	12,264	12,264	12,264	10,872	10,872	10,849	10,849	10,849	10,849
Net Revenue Coverage	216%	278%	251%	302%	385%	407%	402%	570%	632%	677%

Note: Coverage requirement under master bond ordinance is 110% of maximum principal and interest for GO bonds.

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

Description	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Primary Debt Coverage										
Net Operating Revenues	$ 20,547	$ 33,119	$ 31,058	$ 37,750	$ 43,310	$ 44,028	$ 43,166	$ 61,803	$ 69,386	$ 72,597
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,937)	(1,937)	(1,130)	-	-	-	-	-
Other Income (loss)	2,696	-	-	-	-	-	-	-	-	-
Non-Cash Items	4,269	2,786	1,661	1,238	(293)	165	475	46	(868)	856
Unrestricted Interest	968	175	40	11	4	8	-	-	-	-
Revenues Available	$ 26,543	$ 34,143	$ 30,822	$ 37,062	$ 41,891	$ 44,201	$ 43,641	$ 61,849	$ 68,518	$ 73,453
Revenue Bonds Maximum Debt Service Required	8,399	8,399	8,399	8,399	8,399	8,399	27,547	27,671	27,640	28,050
Coverage Required 125%	10,499	10,499	10,499	10,499	10,499	10,499	34,434	34,589	34,550	35,063
G O Bonds Maximum Debt Service Required	11,149	11,149	11,149	11,149	9,884	9,884	9,863	9,863	9,863	9,863
Coverage Required 110%	12,264	12,264	12,264	12,264	10,872	10,872	10,849	10,849	10,849	10,849
Excess coverage required greater (less) than maximum coverage	3,215	3,215	3,215	3,215	3,088	3,088	7,873	7,904	7,896	7,999
Needed to Meet Coverage	22,763	22,763	22,763	22,763	21,371	21,371	45,283	45,438	45,399	45,912
Net Revenues Coverage	117%	150%	135%	163%	196%	207%	96%	136%	151%	160%

Note: Coverage requirement under master bond ordinance is 125% and 110% of maximum principal and interest for revenue bonds and GO bonds, respectively. The combined debt service coverage has increased 64%, from 96% in fiscal year 2013 when the Seaport did not meet its combined debt service coverage of 100%, as required by the debt covenants, to 160% in the current fiscal year.

Refer to Note 6 (a) of the Notes to Financial Statements for further information.

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

Fiscal year	G.O. Bonds	Revenue Bonds	Loans	Capital Acquisition Bond	Total Debt	Ratio of Debt to TEUs	Ratio of Debt to Cruise Passengers
2007	130,315	63,320	345,305	-	538,940	609	142
2008	126,821	60,472	339,671	-	526,964	636	127
2009	123,067	57,408	336,252	68,953	585,680	726	143
2010	119,043	53,849	332,832	68,642	574,366	678	139
2011	111,559	48,435	328,981	127,941	616,916	680	154
2012	105,862	42,681	325,300	126,240	600,083	660	159
2013	107,984	402,340	322,702	122,310	955,336	1,060	234
2014	102,045	596,797	320,553	118,314	1,137,709	1,297	230
2015	95,865	589,400	314,524	114,259	1,114,048	1,105	227
2016	89,466	581,827	298,626	110,143	1,080,062	1,051	217

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

Year	Total	Difference	% Change
2007	7,835	-	0.0%
2008	7,430	(405)	-5.2%
2009	6,831	(599)	-8.1%
2010	7,389	558	8.2%
2011	8,222	833	11.3%
2012	8,108	(114)	-1.4%
2013	7,981	(127)	-1.6%
2014	7,700	(281)	-3.5%
2015	8,614	914	11.9%
2016	8,778	164	1.9%

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

Year	TEU's	Difference	% Change
2007	885	-	0.0%
2008	828	(57)	-6.4%
2009	807	(21)	-2.5%
2010	847	40	5.0%
2011	907	60	7.1%
2012	909	2	0.2%
2013	901	(8)	-0.9%
2014	877	(24)	-2.7%
2015	1,008	131	14.9%
2016	1,028	20	2.0%

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

Year	Export Tons	% of Total	Import Tons	% of Total	Total
2007	3,462	44%	4,373	56%	7,835
2008	3,655	49%	3,775	51%	7,430
2009	3,500	51%	3,331	49%	6,831
2010	3,865	52%	3,524	48%	7,389
2011	4,376	53%	3,846	47%	8,222
2012	4,222	52%	3,886	48%	8,108
2013	4,020	50%	3,961	50%	7,981
2014	3,828	50%	3,872	50%	7,700
2015	4,046	47%	4,568	53%	8,614
2016	4,029	46%	4,749	54%	8,778

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

Year	Total	Difference	% Change
2007	3,787	-	0.0%
2008	4,138	351	9.3%
2009	4,110	(28)	-0.7%
2010	4,145	35	0.8%
2011	4,018	(127)	-3.1%
2012	3,774	(244)	-5.9%
2013	4,079	305	8.1%
2014	4,939	860	21.1%
2015	4,916	(23)	-0.5%
2016	4,980	64	1.3%

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

Years	Resident Population	Change
1900	4,955	-
1910	11,933	6,978
1920	42,752	30,819
1930	142,955	100,203
1940	267,739	124,784
1950	495,084	227,345
1960	935,047	439,963
1970	1,267,792	332,745
1980	1,625,781	357,989
1990	1,937,000	311,219
2000	2,253,362	316,362
2010	2,563,885	310,523
2011	2,516,515	(47,370)
2012	2,551,255	34,740
2013	2,565,685	14,430
2014	2,586,290	20,605
2015	2,653,934	67,644
2016	2,696,353	42,419

Miami-Dade County, Florida Seaport Department

DEMOGRAPHIC AND ECONOMIC INFORMATION

PRINCIPAL EMPLOYERS (Unaudited)

FISCAL YEAR 2015 AND NINE YEARS AGO

	2015*			2006		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	31,000	1	2.35%	50,000	1	4.31%
Miami-Dade County	24,692	2	1.87%	32,000	2	2.76%
U.S. Federal Government	19,300	3	1.46%	20,400	3	1.76%
Florida State Government	19,200	4	1.45%	17,000	4	1.47%
University of Miami	13,864	5	1.05%	9,874	7	0.85%
Baptist Health South Florida	13,369	6	1.01%	10,826	5	0.93%
American Airlines	11,773	7	0.89%	9,000	8	0.78%
Jackson Health System	8,163	8	0.62%	10,500	6	0.91%
Florida International University	4,951	9	0.37%	-		-
City of Miami	3,820	10	0.29%	4,034	13	0.35%
Mount Sinai Medical Center	3,402	11	0.26%	-		-
Florida Power & Light Company	3,011	12	0.23%	3,900	15	0.34%
Miami Children's Hospital	2,991	13	0.23%	-		-
Homestead AFB	2,810	14	0.21%	-		-
Miami-Dade College	2,572	15	0.19%	6,500	9	0.56%
Precision Response Corporation	-		-	6,000	10	0.52%
United Parcel Service	-		-	-		-
Bell South Corporation - Florida	-		-	5,500	11	0.47%
Winn Dixie Stores	-		-	4,833	12	0.42%
Publix Super Markets	-		-	4,000	14	0.35%
	164,918		12.48%	194,367		16.78%

Source: The Beacon Council, Miami, Florida, Miami Business Profile
Miami-Dade County, Florida 2006 Comprehensive Annual Financial Report
* Information for fiscal year 2016 was not available for this report.

DEMOGRAPHIC AND ECONOMIC STATISTICS

(Unaudited)

LAST TEN FISCAL YEARS

Year	Population	Total Personal (in thousands of dollars)	Per Capita Personal Income	Unemployment Rate	Civilian Labor Force	Median Age
2007	2,402,208	85,978,571	35,791	3.6%	1,192,231	38
2008	2,387,170	88,954,732	37,264	5.3%	1,205,913	39
2009	2,398,245	90,915,774	37,909	8.9%	1,218,871	39
2010	2,563,885	92,227,399	35,972	12.0%	1,257,324	38
2011	2,516,515	97,815,794	38,870	12.7%	1,300,030	39
2012	2,551,255	100,688,604	39,466	9.7%	1,290,751	39
2013	2,565,685	104,373,301	40,680	8.9%	1,289,617	39
2014	2,586,290	111,528,866	43,123	7.2%	1,282,854	39
2015	2,653,934	116,553,169	43,278	6.2%	1,321,033	40
2016	2,696,353	(1)	(1)	5.8%	1,334,404	(1)

Source: U.S. Department of Commerce, Economics and Statistics Administration,
Bureau of Economic Analysis/Regional Economic Information System.
Florida Agency for Workforce Innovation, Labor Market Statistics.
U.S. Census Bureau, 2009 Population Estimates and 2009 American Community Survey.
Miami-Dade County, Department of Planning and Zoning, Research Section.
University of Florida, Bureau of Economic and Business Research.

Legend: (1) Information unavailable.

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

Coverage/Insurance Company	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage
Crime Policy				
	Fidelity & Deposit Co. of Maryland	08/19/16 - 08/19/17	Employee Theft Theft of Money and Securities	$1,000,000 $500,000
Accidental Death:				
	Hartford Life Insurance Co.	08/29/16 - 08/29/17	Accidental death and dismemberment	$25,000
Property Insurance:				
	Various companies	04/15/16 - 04/15/17	Real & Personal Property	Various
Automobile Liability		Continuous	Self-insured	$100,000 per/person $200,000 per occurrence pursuant to F.S. 768.28
General Liability		Continuous	Self-insured	$100,000 per/person $200,000 per occurrence pursuant to F.S. 768.28
Workers' Compensation		Continuous	Self-insured	Statutory coverage

Miami-Dade County, Florida Seaport Department
Schedule of Full-Time Seaport employees by Function (Unaudited)
Last ten fiscal years

Function/program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cruise & Housekeeping	67	69	64	63	62	58	57	57	54	56
Cargo Operations	26	18	15	15	15	13	12	12	12	13
Port Security	112	126	135	135	142	130	96	96	93	88
Maintenance	97	116	84	77	78	69	69	69	69	64
Marketing & Advertising	14	11	10	10	7	8	8	8	8	11
Administration & Engineering	71	71	102	110	113	99	120	120	113	99
Total	387	411	410	410	417	377	362	362	349	331

Miami-Dade County, Florida Seaport Department
Schedule of Capital Asset Indicators (Unaudited)
Last ten fiscal years

Description	2007	2008	2009	2010	2011	2012	2013	2014*	2015	2016
Number of gantry cranes	9	9	9	9	9	9	9	13	13	13
Number of passenger terminals	12	12	12	12	12	12	12	12	12	12

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

PORTMIAMI | MIAMI-DADE COUNTY

Miami-Dade County Seaport Department

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