Miami-Dade County, Florida
Rickenbacker Causeway
Enterprise Fund

Financial Statements
For the Year Ended September 30, 2018

Contents

Independent Auditor's Report

The Honorable 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 Rickenbacker Causeway Enterprise Fund (the Causeway), an enterprise fund of Miami-Dade County, Florida (the County), as of and for year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Causeway'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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 Rickenbacker Causeway Enterprise Fund of Miami-Dade County as of September 30, 2018, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1, the financial statements present only the Rickenbacker Causeway Enterprise Fund of Miami-Dade County, and do not purport to, and do not, present fairly the financial position of the County, as of September 30, 2018, the changes in its financial position, or where applicable, its cash flows thereof 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.

As discussed in Note 12 to the accompanying financial statements, the Causeway adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions, effective October 1, 2017. The net position balance of the Causeway as of October 1, 2017, has been restated. Our opinion was not modified with respect to this matter.

Other Matters
Management has omitted the *management's discussion and analysis and required supplementary information – schedules of the proportionate share of net pension liability, schedules of contributions, and other post-employment benefits related schedules,* that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

RSM US LLP

Miami, Florida
March 20, 2019

Rickenbacker Causeway Enterprise Fund
An Enterprise Fund of Miami-Dade County, Florida

Statement of Net Position
September 30, 2018
(In thousands)

Assets		
Current Assets		
Current unrestricted assets		
Pooled cash and cash equivalents	$	1,873
Pooled investments		6,993
Due from other governments		1,039
Accounts receivable		2
Total current unrestricted assets		9,907
Current restricted assets		
Pooled investments		1,802
Total current restricted assets		1,802
Total current assets		11,709
Noncurrent Assets		
Noncurrent restricted assets		
Pooled cash and cash equivalents		2,415
Pooled investments		7,104
Total noncurrent restricted assets		9,519
Capital assets		
Land		16
Buildings and improvements, net of depreciation		779
Furniture, fixtures, machinery and equipment, net of depreciation		878
Roads, bridges and other infrastructure, net of depreciation		46,926
Construction in progress		309
Total capital assets, net		48,908
Total noncurrent assets		58,427
Total assets		70,136
Deferred outflows of resources		
Pension		356
Total deferred outflows of resources		356
Total assets and deferred outflows	$	70,492

(Continued)

Rickenbacker Causeway Enterprise Fund
An Enterprise Fund of Miami-Dade County, Florida

Statement of Net Position
September 30, 2018
(In thousands)

Liabilities		
Current Liabilities		
Payable from unrestricted assets		
Accounts payable and accrued expenses	$	89
Construction payable		4
Due to other County funds		1
Due to other governments		365
Compensated absences		72
Unearned revenues		417
Customer deposits		748
Total payable from unrestricted assets		1,696
Payable from restricted assets		
Accrued interest payable		907
Bonds and loans payable		895
Total payable from restricted assets		1,802
Total current liabilities		3,498
Long-term liabilities		
Long-term portion of bonds and loans payable, net of unamortized premiums and discounts		38,705
Compensated absences		305
Due to other governments		730
Other post-employment benefits		237
Pension		908
Total long-term liabilities		40,885
Total liabilities		44,383
Deferred inflows of resources		
Other post-employment benefits		13
Pension		89
Total deferred inflows of resources		102
Total liabilities and deferred inflows		44,485
Net position		
Net investment in capital assets		9,936
Restricted for:		
Debt service		651
Reserve account		2,061
Renew and replacement		6,510
Operating reserve		563
Total restricted		9,785
Unrestricted		6,286
Total net position	$	26,007

See notes to financial statements.

Rickenbacker Causeway Enterprise Fund
An Enterprise Fund of Miami-Dade County, Florida

Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended September 30, 2018
(In thousands)

Operating revenues		
Tolls	$	12,434
Other		148
Total operating revenues		12,582
Operating expenses		
Personnel costs		1,500
Contractual services		2,173
Material and supplies		85
Other		53
Operating expenses before depreciation		3,811
Depreciation		4,212
Total operating expenses after depreciation		8,023
Operating income		4,559
Non-operating revenues (expenses)		
Investment income		198
Interest expense		(1,795)
Capital contributions		101
Total non-operating revenues (expenses), net		(1,496)
Changes in net position		3,063
Total net position, beginning as restated (Note 12)		22,944
Total net position, ending	$	26,007

See notes to financial statements.

Rickenbacker Causeway Enterprise Fund
An Enterprise Fund of Miami-Dade County, Florida

Statement of Cash Flows
For the Fiscal Year Ended September 30, 2018
(In thousands)

Cash flows from operating activities:		
Cash received from fees and charges	$	11,899
Cash paid to suppliers		(2,726)
Cash paid to employees for services		(1,218)
Net cash provided (used) by operating activities		7,955
Cash flows from capital and related financing activities:		
Principal payments on bonds, loans, and notes payable		(864)
Interest paid		(1,919)
Purchase and construction of capital assets		(59)
Federal subsidy		101
Net cash provided (used) by capital and related financing activities		(2,741)
Cash flows from investing activities:		
Sale/(purchase) of investments		(2,970)
Interest earned on investments		198
Net cash provided (used) by investing activities		(2,772)
Net increase (decrease) in cash and cash equivalents		2,442
Pooled cash and cash equivalents, beginning of year		1,846
Pooled cash and cash equivalents, end of year	$	4,288
Classified As:		
Unrestricted pooled cash and cash equivalents	$	1,873
Restricted pooled cash and cash equivalents		2,415
Total	$	4,288

(Continued)

Rickenbacker Causeway Enterprise Fund
An Enterprise Fund of Miami-Dade County, Florida

Statement of Cash Flows
For the Fiscal Years Ended September 30, 2018
(In thousands)

Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	$	4,559
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		4,212
(Increase) decrease in assets:		
Accounts receivable, net		(2)
Inventory		20
Due from other governments		(826)
Pension deferred outflows		(64)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses		(70)
Due to other governments		(365)
Compensated absences		120
Unearned revenues		148
Customer deposits		(3)
Other post-employement benefits		(13)
Net pension liability		183
Other post-employement benefits and pension related deferred inflows		56
Net cash provided by operating activities	$	7,955
Noncash investing, capital and financing activities:		
Increase in the fair value of investments		2,970
Capitalized interest		12
Amortization of bond premium, discounts and issuance costs		109

See notes to financial statements.

NOTE 1. GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Fund – The Rickenbacker Causeway of Miami-Dade County, Florida (the “Causeway”) was opened in 1947. The Causeway connects the Miami-Dade County, Florida (the “County”) mainland with Virginia Key and Key Biscayne. The Causeway operates as a one-way (eastbound) toll road facility approximately 3.6 miles in overall length which includes 1.2 miles of bridge structures and 2.4 miles of roadway with the toll facility near its western terminus at Brickell Avenue on the mainland. The eastern terminus occurs at the end of the Bear Cut Bridge where the roadway becomes Crandon Boulevard. The Causeway is under the jurisdiction of the County. The Causeway’s operations are reported as an enterprise fund in the County’s Comprehensive Annual Financial Report.

The accompanying financial statements present only the financial position, results of operations and the cash flows of the Causeway. This presentation is not intended to present the financial position, results of operations and the cash flows of the Venetian Causeway, Parks, Recreation & Open Spaces Department or the County, as a whole.

Measurement Focus and Basis of Accounting – The accounting policies of the Causeway conform to accounting principles generally accepted in the United States of America for state and local governments. Specifically, it is reported as an enterprise fund. An enterprise fund is used to account for operations that recover the cost of services provided from user charges. Accordingly, the accompanying 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 when a liability is incurred.

Use of Estimates – The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Operating and Non-Operating Revenues – The Causeway distinguishes operating revenues and expenses from non-operating items in its statement of revenues, expenses and changes in net position. In general, operating revenues result from charges to vehicles for the use of the Causeway. Operating expenses relate to the cost of providing these services including personnel costs, contractual services, materials and supplies, and depreciation.

All other revenues and expenses that do not result from the Causeway’s ongoing operations are considered to be non-operating. Non-operating items include but are not limited to investment earnings, interest expense, subsidy payments and hurricane expenses, if any.

Revenue Recognition – Revenues are recognized when the related services are provided and when access to use the Causeway is granted. Interest income is recognized in the period earned. Revenues from the sale of toll passes are reported as unearned and recognized as revenue in the period earned, which is when access to use the Causeway is granted.

The Causeway records grant receipts as non-operating revenues, when all eligibility requirements are met under the appropriate grant terms. This normally occurs as amounts are expended and become reimbursable from the granting agency.

NOTE 1. GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments – The County's Finance Department is responsible for all treasury functions and the Causeway participates in the County's pooled cash and investment system (pool) so as to maximize earnings and facilitate cash management. The Causeway's equity share of the pool is displayed in the accompanying financial statements as "pooled cash and cash equivalents" or "pooled investments". Pooled cash and cash equivalents include demand deposits, money market accounts, and highly liquid debt securities purchased with maturities of three months or less from when acquired. They are reported at cost or amortized cost. Each Department reports its share of the pool. Investments which consist primarily of debt securities and debt type investments are reported at fair value or amortized cost in the pool and the Causeway's equity share of the pool represents the net asset value of the internal investment pool. Investment income which includes, interest, dividends, realized gains from investments sold, unrealized gains for change in fair value between reporting dates is allocated on a monthly basis based in each funds share of the pool. Restricted and unrestricted cash and cash equivalents represent the amounts reported as cash and cash equivalents for cash flow reporting purposes.

Restricted Assets – Assets restricted by specific bond covenants, enabling legislation and other legal requirements are presented as restricted assets in the Statement of Net Position.

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

Capital Assets and Depreciation – Property, plant and equipment are capitalized at cost, when cost exceeds $1,000. Costs include ancillary costs and interest costs during the period of readying the asset for use. Contributions by third parties are recorded at their acquisition value on the date of contribution. Expenses for maintenance, repairs and minor renewals and betterments are expensed as incurred.

Depreciation expense includes depreciation on contributed assets. The Causeway utilizes the straight-line method of depreciation over the estimated useful lives of the capital assets, starting with the period when the asset is placed into service. Useful lives of capital assets are as follows:

Assets	Years
Buildings	25
Roads and bridges	20-50
Other improvements	10-20
Furniture, fixtures, machinery and equipment	6-10

Interest on Indebtedness – Interest is charged to expense as incurred. Interest expense for the fiscal year ended 2018 was $1.8 million, net of capitalized interest of $12 thousand.

New Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) has issued the following pronouncements prior to September 30, 2018 which have an effective date that may impact future presentations.

NOTE 1. GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations,* which is effective for reporting periods beginning after June 15, 2018. This Statement addresses accounting and financial reporting for certain asset retirement obligation (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance of this Statement. This Statement also require disclosure of information about the nature of the government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated capital asset.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*, which is effective for reporting periods beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

In June 2017, GASB issued Statement No. 87, *Leases*, which is effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,* which is effective for reporting periods beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Besides, Statement No. 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. In addition, this Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

NOTE 1. GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* which is effective for reporting periods beginning after December 15, 2019. The objectives of this Statement are: (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61,* which is effective for reporting periods beginning after December 15, 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

Net Position – Equity in the Causeway's Statement of Net Position is displayed in three categories: 1) net investment in capital assets, (2) restricted, 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, net of unexpended debt proceeds. Net position is reported as restricted when there are third-party limitations (statutory, enabling legislation, contractual or bond covenant) on their use. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

Pension Plan – The Causeway contributes via the County to the Florida Retirement System, a cost-sharing multiple employer plan. The Causeway Fund is charged by the County for its allocable share of related pension costs for employees participating in the Florida Retirement System. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) defined benefit plans (Plans) additions to/deductions from both Plans fiduciary net position have been determined on the same basis as they are reported by the Plans and are recorded in the financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1. GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences – The cost of accumulated vacation and sick time is recorded by the Causeway when earned by the employees. This liability is recorded for amounts expected to be paid for future absences at the time of the absence, or upon termination or retirement.

Post-employment Benefits Other than Pensions – The Causeway 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 Causeway makes contributions and records a liability at the end of the fiscal year for the remaining balance (if any) based on the County's allocation (see Note 7).

Bond Premiums – Premiums on bonds and loans payable are amortized using the straight-line method over the life of the related debt issue since, in the opinion of management, the results are not significantly different than those obtained by using the effective interest method of amortization.

Risk Management – The Causeway participates in the County's self-insurance programs. The County's Risk Management Division administers property, workers' compensation and general and automobile liability self-insurance programs. The Causeway pays an annual premium to participate in the County's self-insurance program (see Note 5).

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits and Investments

The Causeway's pooled cash and cash equivalents and investments at September 30, 2018, included the following (in thousands):

Unrestricted:		
Current cash and cash equivalents (1)	$	1,873
Current investments (2)		6,993
Restricted:		
Current and noncurrent cash and cash equivalents (1)		2,415
Current and noncurrent investments (2)		8,906
Total in pooled cash and cash equivalents and investments	$	20,187

(1) For FY 2018, the County's percentage-split between investments and cash and cash equivalents yielded 79% of the pool for investments and 21% for cash and cash equivalents.
(2) The County classifies interest bearing money market accounts as investments.

Information regarding credit risk, custodial credit risk, concentration of credit risk, interest rate risk, foreign currency risk and fair value measurement for pooled cash and cash equivalents and investments can be found in the County's footnotes to the financial statements included in the separate County's Comprehensive Annual Financial Report. The County's pool is not rated and it has an average maturity of 235 days in fiscal year 2018.

RICKENBACKER CAUSEWAY ENTERPRISE FUND
AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 3. CAPITAL ASSETS

Capital assets activitiy for the fiscal year ended September 30, 2018, was as follows (in thousands):

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 16	$ -	$ -	$ 16
Construction in progress	248	62	1	309
Total non-depreciable assets	264	62	1	325
Building and building improvements:				
Buildings	1,720	-	-	1,720
Total buildings and improvements	1,720	-	-	1,720
Furniture, fixtures, machinery and equipment:				
Furniture, machinery and equipment	2,294	-	-	2,294
Automotive equipment	757	-	-	757
Total furniture, fixtures, machinery and equipment	3,051	-	-	3,051
Roads, bridges and other infrastructure improvements	97,760	-	-	97,760
Total depreciable assets	102,531	-	-	102,531
Less accumulated depreciation for:				
Buildings and building improvements	(883)	(58)	-	(941)
Furniture, fixtures, machinery and equipment:	(2,025)	(148)	-	(2,173)
Infrastructure improvements	(46,828)	(4,006)	-	(50,834)
Total accumulated depreciation	(49,736)	(4,212)	-	(53,948)
Total depreciable assets, net	52,795	(4,212)	-	48,583
Total capital assets, net	$ 53,059	$ (4,150)	$ 1	$ 48,908

NOTE 4. LONG–TERM DEBT

Long-term debt includes bonds and loans payable which have been issued or approved by the County for the construction and improvement of the Causeway's infrastructure assets and for the acquisition of certain equipment.

Miami-Dade County Capital Asset Acquisition Bonds, Series 2010A and Series 2010B – On August 27, 2010, the County issued Capital Asset Acquisition Special Obligation Bonds, Series 2010A and Capital Asset Acquisition Taxable Special Obligation Bonds, Series 2010B of which $5.4 million was allocated to the Causeway. Under the Bond Ordinance, the County has covenanted and agreed to annually budget and appropriate in its Annual Budget, by amendment, if required and to the extent permitted and in accordance with budgetary procedures provided by the laws of the State, and to pay when due directly into the appropriate fund or account created in the Bond Ordinance or to the Bond Insurer or provider of a Reserve Facility directly, as the case may be, sufficient amounts of legally available non-ad valorem revenues or other legally available funds sufficient to satisfy principal of, premium, if any, and interest on the Bonds, as the same become due and payable.

The Causeway's $5.4 million share of the bond proceeds were used for: Procurement and installation of new toll equipment ($473 thousand); shoreline stabilization, beach re-nourishment, storm water management, parking improvements, invasive vegetation removal and installation of upland area to prevent erosion of the Causeway's Barrier Islands ($4.253 million); and structural repairs to the William Powell Bridge ($700 thousand).

The Causeway pays the County for its share of the annual principal due on the bonds which started on April 1, 2011 and continues through the year 2040, along with its share of the semiannual interest payable on April 1 and October 1. Interest rates on the bonds range from 3.00% to 6.743%.

Sunshine State Series 2011A Loan Agreement – On June 24, 2008, the County entered into a Loan Agreement in the amount of $52 million with the Sunshine State Governmental Financing Commission (the "Sunshine State Commission"), for certain capital improvements; the loan is secured by covenant to budget and appropriate from legally available non-ad valorem revenues of the County. The allocation by the County to the Causeway from this loan was $4 million. The $4 million loan proceeds were to be used for: The phase 3 of the bike path ($1 million), the Powell Bridge structural survey ($150 thousand), toll booths ($100 thousand) and shoreline roadway protection ($2.750 million). The Series 2008A Loan was restructured and replaced with the Series 2011A Loan Agreement on March 30, 2011. The Series 2011A Loan bears interest at a rate of 2.00% to 5.375% pursuant to the loan restructure (fixed rate financing), which was based on the various maturities of the bonds which provided the funding for the loan. The loan matures in 2027.

Miami-Dade County Rickenbacker Causeway Revenue Bonds Series 2014 – On September 10, 2014, the County issued $31.6 million of Miami-Dade County Rickenbacker Causeway Revenue Bonds Series 2014 ("the Series 2014 Revenue Bonds").

The Series 2014 Revenue Bonds are secured by the operating and non-operating revenues of the Causeway, with principal payable annually on October 1 through the year 2043, along with semi-annual interest payable on April 1 and October 1, with interest rates ranging from 2.0% to 5.0%. The required Net Revenues (as defined on the bond ordinance) coverage ratio of 1.25 times the current year's debt service was met for fiscal year 2018.

NOTE 4. LONG–TERM DEBT (Continued)

The proceeds of $34.4 million, including the bond premium, were used to: (1) reimburse the County for the costs of acquisition, construction and equipping required to rehabilitate the Bear Cut and West Bridges, (2) fund the reserve account, (3) pay for the underwriter's discount and costs of issuance for the series 2014 Revenue Bonds.

	Interest Rate	Amount Issued	Maturity Date	Balance Outstanding
Series 2010A and Series 2010B Capital Asset Acquisition Bonds	3.00-	$ 5,400	4/1/2040	$ 4,935
Less current portion	6.743%			(144)
Total long-term debt payable on Series 2010A and Series 2010B				4,791
Sunshine State Series 2011A Loan Agreement	2.00-	4,000	9/1/2027	2,141
Plus unamortized premium	5.375%			96
Less current portion				(161)
Total long-term Series 2011A Loan Agreement				2,076
Rickenbacker Revenue Bonds Series 2014	2.00-5.00%	31,610	10/1/2043	29,975
Plus unamortized premium				2,453
Less current portion				(590)
Total long-term Series 2014 Revenue Bonds				31,838
Total long-term bonds and loans outstanding, net of current portion				$ 38,705

NOTE 4. LONG–TERM DEBT (Continued)

Debt Service Cash Requirements as of September 30, 2018 (in thousands):

Fiscal Year	Principal	Interest	Gross Debt Service	Subsidy (1)	Net Debt Service
2019	$ 894	$ 1,894	$ 2,788	$ (109)	$ 2,679
2020	933	1,856	2,789	(109)	2,680
2021	969	1,815	2,784	(106)	2,678
2022	1,055	1,769	2,824	(103)	2,721
2023	1,068	1,715	2,783	(100)	2,683
2024-2028	6,234	7,632	13,866	(444)	13,422
2029-2033	6,407	5,975	12,382	(329)	12,053
2034-2038	8,161	4,062	12,223	(181)	12,042
2039-2043	9,325	1,695	11,020	(24)	10,996
2044	2,005	50	2,055	-	2,055
Subtotal	$ 37,051	$ 28,463	$ 65,514	$ (1,505)	$ 64,009

(1) The County receives cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the Series 2010B Bonds. The portion recognized by Rickenbacker is 52% of the total subsidy allocated to Venetian and Rickenbacker. The subsidy is subject to the County meeting certain conditions. The receipt of the subsidy is not guaranteed. It is subject to the availability of federal funding. Depending on the timing of certain filings and other requirements, the refundable credit payment (subsidy) may be received before or after the corresponding interest payment date.

Pledged Revenues: The Causeway has formally committed to secure the Causeway Revenue Bonds Series 2014 with specific future revenues. Below is the summary of the debt and the related pledged revenues (dollars in thousands):

Pledged Revenue Source	Description of Secured Debt / Purpose / Term of Final Bond Maturity	Future Revenue Pledged Towards Principal and Interest Payments on Secured Debt	Percentage of Revenue Pledged (1)	Pledged Revenues Recognized During the Period	Principal and Interest Requirements for the Period	Debt Coverage During the Period (2)
Rickenbacker Causeway net operating revenues	Rickenbacker Causeway Revenue Bonds	$ 53,509	Net operating revenues	$ 8,969	$ 2,070	4.33

(1) The proportion of the specific revenue stream that has been pledged.
(2) The debt coverage during the period is the ratio of pledged revenues recognized during the period to the principal and interest requirements for the debt collateralized by those revenues. Pledged revenues is net of specified operating expenses, if applicable.

NOTE 5. RISK MANAGEMENT

The Causeway, along with certain other County departments, is charged an annual premium fee to participate in the County's self-insurance programs. The County's Risk Management Division ("RMD") administers property, workers' compensation, general and automobile liability self-insurance programs. A large portion of the group medical insurance program is also self-insured and it is managed by an independent third-party administrator. In addition, the County offers one fully insured HMO program.

The property self-insurance program covers the first $5 million of property losses for most perils. A $200 million self-insured retention per occurrence applied to named windstorm losses. Named windstorm coverage is limited to $725 million per occurrence. Insurance coverage is maintained with independent carriers for property losses in excess of self-insured retention. The County maintains no excess coverage with independent insurance carriers for its workers' compensation, general liability and auto liability self-insurance programs. There were no changes made to insurance coverage and no claims exceeded coverage for fiscal year 2018. The estimated liability for reported and unreported claims of the self-insurance programs administered by the 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 estimate of incurred, but not reported losses is based on historical experience and is performed by an independent actuary. For the fiscal year ended September 30, 2018, the Causeway paid approximately $1.3 thousand in premium fees to the self-insured programs. Premiums are charged to the Causeway based on amounts necessary to provide funding for current and anticipated losses.

The unfunded losses of RMD is the responsibility of the general fund, and not a liability of the Causeway. Therefore no liability for unfunded losses is reported by the Causeway.

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS

Pension Plans

The Causeway, as an enterprise fund of the 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 Causeway participates in 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.

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS (Continued)

Essentially all regular employees of the Causeway 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 (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 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members enrolled prior to July 1, 2011 are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the 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.

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS (Continued)

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

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

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS (Continued)

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

Contributions

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

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

* Employer rates include 1.66% for the postemployment health insurance subsidy. Also employer rates, other than for DROP participants, include 0.06% for administrative costs.

The Causeway's portion of the County's contributions to FRS totaled $68 thousand and employee contributions totaled $14 thousand for the fiscal year ended September 30, 2018.

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

At September 30, 2018, the Causeway reported a liability of $708 thousand for its proportionate share of the County's share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Causeway's proportionate share of the County's net pension liability was based on the Causeway's 2017-18 fiscal year contributions relative to the 2017-18 fiscal year contributions of the total County contributions to the Plan. At June 30, 2018, the Causeway's proportionate share of the County's net pension liability was 0.03%, which was an increase from it's proportionate share of 0.02% measured at June 30, 2017.

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS (Continued)

For the fiscal year ended September 30, 2018, the Causeway recognized pension expense of $123 thousand related to the Plan. In addition, the Causeway reported in its financial statements, 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	$ 61	$ 2
Change of assumptions	231	-
Net difference between projected and actual earnings on FRS pension plan investments	-	55
Changes in proportion and differences between Causeway FRS contributions and proportionate share of contributions	12	9
Causeway contributions subsequent to measurement date	19	-
Total	$ 323	$ 66

The deferred outflows of resources related to pensions, totaling $19 thousand, resulting from the Causeway's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Years Ending September 30,	Deferred Outflows/ (Inflows), Net
2019	$ 88
2020	64
2021	11
2022	43
2023	28
Thereafter	4
Total	$ 238

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS (Continued)

Actuarial Assumptions

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

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

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

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

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.8%
Fixed income	18.0%	4.4%	4.3%	4.0%
Global equity	54.0%	7.6%	6.3%	17.0%
Real estate (property)	11.0%	6.6%	6.0%	11.3%
Private equity	10.0%	10.7%	7.8%	26.5%
Strategic investments	6.0%	6.0%	5.7%	8.6%
	100.0%			
Assumed inflation-Mean		2.6%		1.9%

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

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at the statutorily required rates. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The 7.00% rate of return assumption used in the June 30, 2018 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates for the Plan.

Sensitivity of the Causeway's Proportionate Share of the County's Net Pension Liability to Changes in the Discount Rate

The following represents the Causeway's proportionate share of the County's net pension liability calculated using the discount rate of 7.00%, as well as what the Causeway's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate (in thousands):

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Causeway's proportionate share of the County's net pension liability	$ 1,291	$ 708	$ 223

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.

Rickenbacker Causeway Allocation

County's proportionate share of the Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2018, and pension expense / adjustment for the fiscal year ended September 30, 2018 was allocated to the Causeway as follows (in thousands):

FRS PENSION			
Net Pension Liability	**Deferred Outflow of Resources**	**Deferred Inflow of Resources**	**Pension Expense Adjustment**
$(708)	$323	$(66)	$123

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS (Continued)

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, 2018 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, 2018, the HIS contribution rate was 1.66%. 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 Causeway's portion of the County's contributions to the HIS Plan totaled $10.3 thousand for the fiscal year ended September 30, 2018.

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

At September 30, 2018, the Causeway reported a net pension liability of $200 thousand for its proportionate share of the County's share of the HIS Plan's net pension liability. The total pension liability was determined by an actuarial valuation date as of June 30, 2018. The Causeway's proportionate share of the County's net pension liability was based on the Causeway's 2017-18 fiscal year contributions relative to the 2017-18 fiscal year contributions of the total County contributions to the Plan. At June 30, 2018, the Causeway's proportionate share of the County's net pension liability was 0.03%, which was an increase of its proportionate share of 0.02% measured at June 30, 2017.

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS (Continued)

For the fiscal year ended September 30, 2018, the Causeway recognized pension expense of $39 thousand related to the HIS Plan. In addition, the Causeway reported, in the financial statements, 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	$ 3	$ -
Change of assumptions	22	21
Changes in proportion and differences between Causeway HIS contributions and proportionate share of contributions	5	2
Causeway contributions subsequent to measurement date	3	-
Total	$ 33	$ 23

The deferred outflows of resources related to pensions, totaling $3 thousand, resulting from the Causeway's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Years Ending September 30,	**Deferred Outflows/ (Inflows), Net**
2019	$ 3
2020	3
2021	3
2022	1
2023	(3)
Total	$ 7

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS (Continued)

Actuarial Assumptions

The HIS pension as of July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Municipal Bond Rates-	
Investment Rate of Return	3.87%

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

The actuarial assumptions that determined total pension liability as of June 30, 2018 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate

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

Sensitivity of the Causeway's Proportionate Share of the County's Net Pension Liability to Changes in the Discount Rate

The following presents the Causeway's proportionate share of the net pension liability calculated using a discount rate of 3.87%, as well as what the Causeway's proportionate share of the net pension liability would be if it were calculated using a discount rate of one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate (in thousands):

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Causeway's proportionate share of the County's net pension liability	$ 228	$ 200	$ 177

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS (Continued)

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.

Rickenbacker Causeway Allocation
The County's proportionate share of the HIS Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2018, and pension expense / adjustment for the fiscal year ended September 30, 2018, was allocated to the Causeway as follows (in thousands):

HIS PLAN			
Net Pension Liability	**Deferred Outflow of Resources**	**Deferred Inflow of Resources**	**Pension Expense Adjustment**
$(200)	$33	$(23)	$39

FRS – Defined Contribution Pension Plan

The Causeway 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. Causeway 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	Percentage 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

NOTE 6. PENSION PLANS AND OTHER EMPLOYEE BENEFITS (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Causeway.

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 Causeway's Investment Plan pension contributions totaled $5 thousand and the employee contributions totaled $3 thousand for the fiscal year ended September 30, 2018.

Compensated Absences

It is the County's/Causeway's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from County/Causeway service. The Causeway accrues vacation and sick pay benefits in the period earned. Accrued vacation, sick pay and departure incentive program payable which are included in the compensated absences line item in the accompanying Statement of Net Position, totaled approximately $377 thousand as of September 30, 2018.

Deferred Compensation Plan

The County/Causeway 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, allows employees to defer a portion of their salary to future years. The County's direct involvement in the Plan is limited to remitting the amounts withheld from employees to the Plan's administrator. The deferred compensation plan is not available to employees until termination, retirement, death or an unforeseeable emergency. The deferred compensation plan is not included in the County's/Causeway's financial statements.

NOTE 7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Causeway as an enterprise fund of the County participates in the County's Post-employment Benefits Plan.

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

Participation in the Health Plan consisted of the following at September 30, 2018:

Number of Covered Participants for the overall County:	TOTAL
Inactive employees currently receiving benefit payments	3,732
Active employees	35,965
Total	39,697

There are no inactive employees entitled to but not yet receiving benefit payments since eligible employees who elect not to participate in the plan at any time, lose the right to join the plan at a later date.

Eligibility: To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under the Florida Retirement System (FRS) or the Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan and pay required contributions.

- Regular Class Employees (all employees not identified as members of the Special Risk Class) hired prior to July 1, 2011 are eligible for post-employment benefits at age 62 with six years of service, or with 30 years of service at any age. Eligibility for reduced retirement is six years of service at any age. Those hired on or after July 1, 2011 are eligible at age 65 with eight years of service, or 33 years of service at any age.
- Special Risk Employees (Police Officers, Firefighters and Corrections Officers) hired prior to July 1, 2011 are eligible for post-employment benefits at age 55 with 6 years of service, or with 25 years of service at any age. Eligibility for reduced retirement is 6 years of service at any age. Those hired on or after July 1, 2011 are eligible at age 60 with 8 years of service, or 30 years of service at any age.

Benefits: A number of plan changes to the pre-Medicare retiree plans were made effective January 1, 2017. The valuation reflects the impact of these changes.

NOTE 7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Eligible pre-Medicare retirees receive health care coverage through one of four self-funded medical plans.

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

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

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

Funding Policy. The County contributes to both the pre-65 and post-65 retiree medical coverage. Medical contributions vary based on plan and tier. Retirees pay the full cost of dental coverage. The postretirement medical and dental benefits are currently funded on a pay-as-you go basis (i.e., Miami-Dade County funds on a cash basis as benefits are paid). The County's contribution is the actual pay-as-you-go post-employment benefit payments less participant contributions for the period October 1, 2017 to September 30, 2018. No assets have been segregated and restricted to provide post-retirement 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, 2018 through December 31, 2018 are provided in the tables below. The County subsidy is assumed to remain flat.

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NOTE 7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

PRE MEDICARE PREMIUM EQUIVALENT RATES			
AvMed HMO High	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$774.24	$204.36	$569.88
Retiree + Spouse	$1,625.02	$360.38	$1,264.64
Retiree + Child(ren)	$1,505.18	$339.47	$1,165.71
Retiree + Family	$1,981.83	$418.43	$1,563.40
AvMed POS	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$1,496.89	$177.80	$1,319.09
Retiree + Spouse	$2,849.77	$302.75	$2,547.02
Retiree + Child(ren)	$2,611.66	$175.12	$2,436.54
Retiree + Family	$3,868.19	$711.37	$3,156.82
AvMed Select	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$720.05	$204.36	$515.69
Retiree + Spouse	$1,511.29	$360.38	$1,150.91
Retiree + Child(ren)	$1,399.80	$339.47	$1,060.33
Retiree + Family	$1,843.10	$418.43	$1,424.67
Jackson First HMO	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$684.04	$204.36	$479.68
Retiree + Spouse	$1,435.74	$360.38	$1,075.36
Retiree + Child(ren)	$1,329.81	$339.47	$990.34
Retiree + Family	$1,750.93	$418.43	$1,332.50

MEDICARE RETIREE PREMIUM EQUIVALENT RATES			
Med Supp High	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$990.03	$233.58	$756.45
Retiree + Spouse 65+	$1,696.09	$260.15	$1,435.94
Med Supp Low	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$884.11	$208.59	$675.52
Retiree + Spouse 65+	$1,514.70	$232.33	$1,282.37
Med Supp High No Rx	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$430.33	$101.53	$328.80
Retiree + Spouse 65+	$737.25	$113.08	$624.17

NOTE 7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Total OPEB Liability

The Causeway's share of the County's total OPEB liability of $237 thousand is reported in long-term liabilities, for the fiscal year ending September 30, 2018.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Measurement Date	September 30, 2018
Valuation Date	September 30, 2018
Discount Rate	3.63% per annum (BOY)
	4.24% per annum (EOY)
Salary Increases Rate	3.5% per annum
Medical Consumer Price Index Trend	2.0% per annum
Inflation Rate	3.0% per annum
Actuarial Cost Method	Entry Age Normal based on percentage of projected salary.
Amortization Method	Amortization/Assumptions gains and losses are amortized over a close period of 11.4 years starting October 1, 2017, equal to the average remaining service of active and inactive plan members.
Healthcare Cost Trend Rates	Medical/Rx 7.0% initial to 4.5% ultimate
Retirees' Share of Benefit-Related Costs	43.10%

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

Changes in Total OPEB Liability

Changes in the Causeway's share of the County's total OPEB liability for the fiscal year ended September 30, 2018, are as follows (in thousands):

Balance at September 30, 2017	$	250
Changes for the Year:		
Service Cost		6
Interest		10
Change of Benefit Terms		(13)
Difference Between Expected and Actual Experience		-
Benefits Payments		(16)
Balance at September 30, 2018	$	237

NOTE 7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Causeway, as well as what the Causeway's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (in thousands):

	1% Decrease (3.24%)	Current Discount Rate (4.24%)	1% Increase (5.24%)
Total OPEB Liability	$ 260	$ 237	$ 217

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

	1% Decrease	Current Trend	1% Increase
Total OPEB Liability	$ 216	$ 237	$ 263

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

For the year ended September 30, 2018, the Causeway recognized OPEB expense of $15 thousand. At September 30, 2018, the Causeway reported deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Inflows of Resources
Changes in assumptions / inputs	$ 13
Total	$ 13

NOTE 7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

Fiscal Years Ending September 30,		
2019	$	1
2020		1
2021		1
2022		1
2023		1
Thereafter		8
Total	$	13

The Causeway's net OPEB liability, deferred inflows, and OPEB expense were allocated by the County based on the census data. Amounts are as follows (in thousands):

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NOTE 8. RELATED PARTY TRANSACTIONS

Various departments within the County provide goods and services, including administrative services, to other operating departments including the Causeway. Charges for such goods and services and administrative overhead costs charged to the Causeway by other County departments, included in the accompanying financial statements amounted to approximately $726 thousand for the fiscal year ended September 30, 2018.

NOTE 9. CHANGES IN LONG-TERM LIABILITIES FOR FISCAL YEAR 2018:

	Beginning Balance at 10/1/2017	Additions	Reductions	Ending Balance at 9/30/2018	Due Within One Year
Bonds and loans payable:					
Revenue Bonds 2014 Series	$ 30,540	$ -	$ (565)	$ 29,975	$ 590
Capital Asset Acquisition Bonds	5,073	-	(138)	4,935	144
Loan payable	2,302	-	(161)	2,141	161
Add unamortized bond premium	2,658	-	(109)	2,549	-
Total bonds/loans payable	40,573	-	(973)	39,600	895
Other liabilities:					
Compensated absences	257	120	-	377	72
Due to other governments	1,460	-	(365)	1,095	365
Pension and HIS	725	183	-	908	-
Other Post-employment benefits	250	-	(13)	237	-
Total other liabilities	2,692	303	(378)	2,617	437
Total long-term liabilities (including current portion)	$ 43,265	$ 303	$ (1,351)	$ 42,217	$ 1,332

Interlocal Agreement with the Village of Key Biscayne

Effective in fiscal year 2007, the County entered into an interlocal agreement with the Village of Key Biscayne (the “Village”), to contribute funding in order to facilitate the construction of a road improvement project (the “Crandon Boulevard Master Plan Phase III”). Under the terms of the agreement, the County is obligated to make annual payments of $365 thousand to the Village for 15 years and the Village is required to complete Phase III of the Crandon Boulevard Improvement Project. The Village is responsible for making timely payments to contractors, subcontractors, material suppliers and other persons included in the construction of this project and to exercise all the responsibilities of the owner under the construction contract, including construction administration and inspections. As of September 30, 2018, the Causeway had made 12 required payments totaling $4,380 thousand leaving 3 remaining annual payments of $365 thousand each from fiscal year 2019 through fiscal year 2021, totaling $1,095 thousand. This liability is included in the accompanying statement of net position as of September 30, 2018 as due to other governments. The annual funding payments to the Village are subject to the availability of Causeway revenues.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Litigation

The County is subject to legal proceedings related to the activities and operations of the Causeway, which occur in the normal course of operations. In the opinion of the County's legal counsel, the ultimate resolution to each of these legal proceedings is not likely to have a material, adverse impact on the financial position of the Causeway.

Construction

The County intends to use the Causeway's net operating revenues and cash flows to fund contractual commitments related to the Causeway in future periods.

The following is the County's contractual commitment for the Causeway as of September 30, 2018:

- Hurricane Irma repairs and restoration of Hobie Island beach and Virginia Key. The contract amounts to approximately $2.5 million. As of September 30, 2018, the contract balance was approximately $2.4 million. This project will seek reimbursement, in part or whole, from federal funds through the Federal Emergency Management Agency (FEMA) Public Assistance Program.

NOTE 11. RESTRICTED ASSETS

Restricted assets represent funds that are required to be segregated in restricted accounts under the terms of various debt agreements (see Note 4). Assets were restricted for the following purposes as of September 30 (in thousands):

Assets Restricted For:		
Construction	$	628
Debt Service (1)		1,558
Renewal and Replacement		6,510
Operating Reserve		563
Bond Reserve		2,061
Total	$	11,320

(1) This amount is presented net of accrued interest payable in the corresponding Net Position section of the Statement of Net Position.

NOTE 12. RESTATEMENT OF BEGINNING NET POSITION

GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions,* was implemented in fiscal year 2018. Due to the implementation of this statement, the Causeway made a change in accounting principle, which resulted in a restatement of net pension liability and related deferred outflows and deferred inflows of resources. Also refer to Note 7 for additional information on the current period impact of the adoption of this Statement.

The adjustment to the beginning net position is presented below (in thousands):

Net Position October 1, 2017, as previously reported	Net Position Effect of GASB 75	Net Position October 1, 2017 as restated
$23,115	$171	$22,944