Miami-Dade County, Florida
Rickenbacker Causeway
Enterprise Fund

Financial Statements
For the Year Ended September 30, 2019

Contents

RSM US LLP

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, 2019, 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, 2019, and the results of its operations 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, 2019, the results of its operations, 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.

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 18, 2020

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

Statement of Net Position
September 30, 2019
(In thousands)

Assets		
Current Assets		
Current unrestricted assets		
Pooled cash and cash equivalents	$	2,826
Pooled investments		6,917
Due from other governments		261
Accounts receivable		1
Total current unrestricted assets		10,005
Current restricted assets		
Pooled cash and cash equivalents		623
Pooled investments		1,742
Total current restricted assets		2,365
Total current assets		12,370
Noncurrent Assets		
Noncurrent restricted assets		
Pooled cash and cash equivalents		2,757
Pooled investments		6,416
Total noncurrent restricted assets		9,173
Capital assets		
Land		16
Buildings and improvements, net of depreciation		721
Furniture, fixtures, machinery and equipment, net of depreciation		1,025
Roads, bridges and other infrastructure, net of depreciation		43,137
Construction in progress		2,848
Total capital assets, net		47,747
Total noncurrent assets		56,920
Total assets		69,290
Deferred outflows of resources		
Loss on Refunding		258
Other post-employment benefits		34
Pension		331
Total deferred outflows of resources		623
Total assets and deferred outflows	$	69,913

(Continued)

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

Statement of Net Position
September 30, 2019
(In thousands)

Liabilities		
Current Liabilities		
Payable from unrestricted assets		
Accounts payable and accrued expenses	$	163
Due to other County funds		1
Due to other governments		365
Compensated absences		86
Unearned revenues		335
Customer deposits		748
Total payable from unrestricted assets		1,698
Payable from restricted assets		
Construction payable		623
Accrued interest payable		753
Bonds and loans payable		989
Total payable from restricted assets		2,365
Total current liabilities		4,063
Long-term liabilities		
Long-term portion of bonds and loans payable, net of unamortized premiums and discounts		37,802
Compensated absences		446
Due to other governments		365
Other post-employment benefits		278
Pension		1,034
Total long-term liabilities		39,925
Total liabilities		43,988
Deferred inflows of resources		
Other post-employment benefits		11
Pension		67
Total deferred inflows of resources		78
Total liabilities and deferred inflows		44,066
Net position		
Net investment in capital assets		9,220
Restricted for:		
Debt service		780
Reserve account		2,061
Renew and replacement		6,589
Operating reserve		726
Total restricted		10,156
Unrestricted		6,471
Total net position	$	25,847

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, 2019
(In thousands)

Operating revenues	
Tolls	$ 11,040
Other	153
Total operating revenues	11,193
Operating expenses	
Personnel costs	1,755
Contractual services	2,008
Material and supplies	32
Other	32
Operating expenses before depreciation	3,827
Depreciation	4,012
Total operating expenses after depreciation	7,839
Operating income	3,354
Non-operating revenues (expenses)	
Investment income	488
Interest expense	(1,632)
Hurricane related expense	(2,396)
Capital contributions	51
Other, net	(25)
Total non-operating revenues (expenses), net	(3,514)
Changes in net position	(160)
Total net position, beginning as restated (Note 12)	26,007
Total net position, ending	$ 25,847

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, 2019
(In thousands)

Cash flows from operating activities:		
Cash received from fees and charges	$	11,890
Cash paid to suppliers		(2,373)
Cash paid to employees for services		(1,456)
Net cash provided (used) by operating activities		8,061
Cash flows from noncapital financing activities:		
Other non-operating related expenses		(2,421)
Net cash provided (used) by noncapital financing activities		(2,421)
Cash flows from capital and related financing activities:		
Principal payments on bonds, loans and notes payable		(5,943)
Proceeds from issuance of refunding bonds		4,984
Interest paid		(1,894)
Purchase and construction of capital assets		(2,232)
Federal subsidy		51
Net cash provided (used) by capital and related financing activities		(5,034)
Cash flows from investing activities:		
Sale/(purchase) of investments		824
Interest earned on investments		488
Net cash provided (used) by investing activities		1,312
Net increase (decrease) in cash and cash equivalents		1,918
Cash and cash equivalents, beginning of year		4,288
Cash and cash equivalents, end of year	$	6,206
Classified As:		
Unrestricted pooled cash and cash equivalents	$	2,826
Restricted pooled cash and cash equivalents		3,380
Total	$	6,206

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

Statement of Cash Flows
For the Fiscal Years Ended September 30, 2019
(In thousands)

Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	$	3,354
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		4,012
(Increase) decrease in assets and deferred outflows:		
Accounts receivable, net		1
Due from other governments		778
Other post-employment benefits and pension deferred outflows		(9)
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable and accrued expenses		74
Due to other governments		(365)
Compensated absences		155
Unearned revenues		(82)
Other postemployment benefits		41
Net pension liability		126
Other post-employment benefits and pension deferred inflows		(24)
Net cash provided by operating activities	$	8,061
Noncash Investing, Capital and Financing Activities:		
(Decrease) increase in the fair value of investments	$	(824)
Amortization of bonds premiums, discounts and issuance costs	$	108
Deferred gain (loss) on refunding	$	(258)
Capital construction related liabilities	$	619

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 $5,000. 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	50
Roads and bridges	30-50
Other improvements	10-35
Furniture, fixtures, machinery and equipment	5-15

Interest on Indebtedness – Interest is charged to expense as incurred. Interest expense for the fiscal year ended 2019 was $1.6 million.

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

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

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. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

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. The County is in the process of evaluating the impact of implementation. The impact is not known at this time, but it is expected to be significant.

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.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*, which is effective for reporting periods beginning after December 15, 2020. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

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

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:which is effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.

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 and deferred loss on refunding. 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 (FRS), 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 FRS. 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 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.

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), deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and other post-employment benefit expense based on the County's allocation (see Note 7).

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

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, 2019, included the following (in thousands):

Unrestricted:		
Current cash and cash equivalents (1)	$	2,826
Current investments (2)		6,917
Restricted:		
Current and noncurrent cash and cash equivalents (1)		3,380
Current and noncurrent investments (2)		8,158
Total in pooled cash and cash equivalents and investments	$	21,281

(1) For FY 2019, the County's percentage-split between investments and cash and cash equivalents yielded 71% of the pool for investments and 29% 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 202 days in fiscal year 2019.

NOTE 3. CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2019, was as follows (in thousands):

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 16	$ -	$ -	$ 16
Construction in progress	309	2,539	-	2,848
Total non-depreciable assets	325	2,539	-	2,864
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	312	183	1,252
Total furniture, fixtures, machinery and equipment	3,051	312	183	3,546
Roads, bridges and other infrastructure improvements	97,760	-	-	97,760
Total depreciable assets	102,531	312	183	103,026
Less accumulated depreciation for:				
Buildings and building improvements	(941)	(58)	-	(999)
Furniture, fixtures, machinery and equipment:	(2,173)	(165)	(183)	(2,521)
Infrastructure improvements	(50,834)	(3,789)	-	(54,623)
Total accumulated depreciation	(53,948)	(4,012)	(183)	(58,143)
Total depreciable assets, net	48,583	(3,700)		44,883
Total capital assets, net	$ 48,908	$ (1,161)	$ -	$ 47,747

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.

NOTE 4. LONG–TERM DEBT (Continued)

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).

On April 1, 2019, Capital Asset Acquisition Bonds Series 2010A matured. On August 28, 2019, Capital Asset Obligation Bonds Series 2010B were refunded with Capital Asset Acquisition Special Obligation Bonds Series 2019B (see next paragraph). At September 30, 2019, the Causeway had no debt obligation related to Capital Asset Acquisition Bonds Series 2010A and Series 2010B.

Miami Dade County Capital Asset Acquisition Special Obligation Refunding Bonds, Series 2019B - On August 28, 2019, The County issued Capital Asset Acquisition Special Obligation Refunding Bonds, Series 2019B of which $4.042 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 share of the bond proceeds, together with other legally available funds of the Causeway, were used to: (1) refund $4.791 million of the Causeway's outstanding portion of Capital Asset Acquisition Special Obligation Bonds Series 2010B, and (2) pay costs related to the issuance of the Series 2019B Bonds. The refunding resulted in a decrease in future debt payments of $749 thousand and an economic gain of $628 thousand.

The Causeway pays the County for its share of the annual principal due on the bonds which starts on April 1, 2020 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 are 5% and the bonds mature on April 1, 2040.

NOTE 4. LONG–TERM DEBT (Continued)

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 2019.

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
Capital Asset Acquisition Special Obligation Bonds Series 2019B	5.00%	$ 4,042	4/1/2040	$ 4,042
Plus unamortized premium				942
Less current portion				(206)
Total long-term debt payable Series 2019B				4,778
Sunshine State Loan Series 2011A	2.00-	4,000	9/1/2027	1,981
Plus unamortized premium	5.375%			85
Less current portion				(168)
Total long-term debt payable Series 2011A				1,898
Revenue Bonds Series 2014	2.00-	$ 31,610	10/1/2043	29,385
Plus unamortized premium	5.00%			2,356
Less current portion				(615)
Total long-term debt payable Series 2014				31,126
Total long-term bonds and loans outstanding, net of current portion				$ 37,802

NOTE 4. LONG–TERM DEBT (Continued)

The Causeway's loan contains a provision that in an event of default, outstanding amounts become immediately due and payable and there shall be an automatic corresponding acceleration clause of obligation to make all payments required.

The Causeway's revenue bonds contain an acceleration clause that in an event of default, outstanding amounts become immediately due.

Debt Service Cash Requirements as of September 30, 2019 (in thousands):

Fiscal Year	Principal	Interest	Debt Service
2020	$ 989	$ 1,665	$ 2,654
2021	931	1,704	2,635
2022	1,017	1,661	2,678
2023	1,030	1,609	2,639
2024	1,162	1,557	2,719
2025-2029	6,002	6,849	12,851
2030-2034	6,519	5,311	11,830
2035-2039	8,360	3,468	11,828
2040-2044	9,398	1,198	10,596
Subtotal	$ 35,408	$ 25,022	$ 60,430

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	$ 51,450	Net operating revenues	$ 7,854	$ 2,072	3.79

(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 2019. 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, 2019, the Causeway paid approximately $44 thousand in premium fees for the worker's compensation, general and automobile liability 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 5% 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, 2018 through June 30, 2019, were as follows:

	Percentage of Gross Salary	
Class	Employee	Employer (*)
FRS, Regular	3.00	8.26
FRS, Elected County Officers	3.00	48.70
FRS, Senior Management Service	3.00	24.06
FRS, Special Risk Regular	3.00	24.50
DROP-Applicable to members from all of the above classes	N/A	14.03

* Employer rates include 1.66% for the retiree Health Insurance Subsidy and 0.06% for the FRS Investment plan.

The Causeway's portion of the County's contributions for the pension plan totaled $93 thousand and employee contributions totaled $29 thousand for the fiscal year ended September 30, 2019.

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

At September 30, 2019, the Causeway reported a liability of $821 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Causeway's proportionate share of the County's net pension liability was based on the Causeway's 2018-19 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the Causeway's proportionate share of the County's net pension liability was 0.03%, which did not change from its proportionate share of 0.03% measured at June 30, 2018.

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

For the fiscal year ended September 30, 2019, the Causeway recognized pension expense of $199 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	$ 49	$ 1
Change of assumptions	210	-
Net difference between projected and actual earnings on FRS pension plan investments	-	44
Changes in proportion and differences between Causeway FRS contributions and proportionate share of contributions	15	3
Causeway contributions subsequent to measurement date	21	-
Total	$ 295	$ 48

The deferred outflows of resources related to pensions, totaling $21 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, 2019. Changes in the NPL arising from experience gain/losses, assumption changes, and differences between projected and actual earnings on investments must be recognized in expense over a period of years. Those amounts that are not recognized in expense during the current reporting period, are accounted for as deferred inflows and outflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Years Ending September 30,	Deferred Outflows/ (Inflows), Net
2020	$ 79
2021	27
2022	60
2023	45
2024	12
Thereafter	3
Total	$ 226

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	6.90%, net of pension plan investment expense

Mortality rates were based on the PUB2010 base tables projected generationally with Scale MP-2018.

The actuarial assumptions used in the Jun 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Long-Term Expected Rate of Return

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%	3.3%	3.3%	1.2%
Fixed income	18.0%	4.1%	4.1%	3.5%
Global equity	54.0%	8.0%	6.8%	16.5%
Real estate (property)	10.0%	6.7%	6.1%	11.7%
Private equity	11.0%	11.2%	8.4%	25.8%
Strategic investments	6.0%	5.9%	5.7%	6.7%
	100.0%			
Assumed inflation-Mean		2.6%		1.7%

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 6.90%. 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 6.90% rate of return assumption used in the June 30, 2019 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 6.90%, 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 (5.90%) or one percentage point higher (7.90%) than the current rate (in thousands):

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Causeway's proportionate share of the County's net pension liability	$ 1,418	$ 821	$ 321

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, 2019, and pension expense / adjustment for the fiscal year ended September 30, 2019 was allocated to the Causeway based on contributions as follows (in thousands):

FRS PENSION			
Net Pension Liability	**Deferred Outflow of Resources**	**Deferred Inflow of Resources**	**Pension Expense Adjustment**
$ (821)	$ 295	$ (48)	$ 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 non-qualified, cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries 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, 2019, eligible retirees and surviving beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $5, 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, 2019, the HIS contribution rate was 1.66%. The Causeway contributed 100% of its statutorily required contributions for the current fiscal year. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. 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 $11 thousand for the fiscal year ended September 30, 2019.

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

At September 30, 2019, the Causeway reported a net pension liability of $213 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, 2019. The Causeway's proportionate share of the County's net pension liability was based on the Causeway's 2018-19 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the Causeway's proportionate share of the County's net pension liability was 0.03%, which did not change from its proportionate share of 0.03% measured at June 30, 2018.

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

For the fiscal year ended September 30, 2019, the Causeway recognized pension expense of $17 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	24	18
Changes in proportion and differences between Causeway HIS contributions and proportionate share of contributions	6	1
Causeway contributions subsequent to measurement date	3	-
Total	$ 36	$ 19

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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Years Ending September 30,	Deferred Outflows/ (Inflows), Net
2020	$ 5
2021	4
2022	3
2023	-
2024	1
Thereafter	1
Total	$ 14

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

Actuarial Assumptions

The HIS pension as of July 1, 2018 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
Investment Rate of Return	3.50% net of pension plan investment expense

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, 2019 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability for the HIS Plan was 3.50%. 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 3.50%, 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 (2.50%) or one percentage point higher (4.50%) than the current rate (in thousands):

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Causeway's proportionate share of the County's net pension liability	$ 244	$ 213	$ 188

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.

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

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, 2019, and pension expense / adjustment for the fiscal year ended September 30, 2019, was allocated to the Causeway based on contributions as follows (in thousands):

HIS PLAN			
Net Pension Liability	**Deferred Outflow of Resources**	**Deferred Inflow of Resources**	**Pension Expense Adjustment**
$ (213)	$ 36	$ (19)	$ 6

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, 2019, 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 under the Investment Plan if the member becomes permanently and totally disabled. The member must transfer the account balance to the FRS Trust Fund when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan.

The Causeway’s contributions to the FRS Investment Plan totaled $4 thousand and the employee contributions totaled $3 thousand for the fiscal year ended September 30, 2019.

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 $532 thousand as of September 30, 2019.

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, 2019:

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 6 years of service at any age. Those hired on or after July 1, 2011 are eligible at age 65 with 8 years of service, or 33 years of service at any age.
- Special Risk Employees (Police Officers, Firefighters and Corrections Officers) hired prior to July 1, 2011 are eligible for post-employment benefits at age 55 with 6 years of service, or with 25 years of service at any age. Eligibility for reduced retirement is 6 years of service at any age. Those hired on or after July 1, 2011 are eligible at age 60 with 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.

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

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

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

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, 2018 to September 30, 2019. 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, 2019 through December 31, 2019, are provided in the tables below. The County subsidy is assumed to remain flat.

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	$ 826.67	$ 204.36	$ 622.31
Retiree + Spouse	1,735.05	360.38	1,374.67
Retiree + Child(ren)	1,607.10	339.47	1,267.63
Retiree + Family	2,116.01	418.43	1,697.58
AvMed POS	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 1,598.24	$ 177.80	$ 1,420.44
Retiree + Spouse	3,042.74	302.75	2,739.99
Retiree + Child(ren)	2,788.48	175.12	2,613.36
Retiree + Family	4,130.10	711.37	3,418.73
AvMed Select	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 768.80	$ 204.36	$ 564.44
Retiree + Spouse	1,613.63	360.38	1,253.25
Retiree + Child(ren)	1,494.57	339.47	1,155.10
Retiree + Family	1,967.90	418.43	1,549.47
Jackson First HMO	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 730.36	$ 204.36	$ 526.00
Retiree + Spouse	1,532.96	360.38	1,172.58
Retiree + Child(ren)	1,419.86	339.47	1,080.39
Retiree + Family	1,869.49	418.43	1,451.06

MEDICARE RETIREE PREMIUM EQUIVALENT RATES			
Med Supp High	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 994.97	$ 233.58	$ 761.39
Retiree + Spouse 65+	1,704.55	260.15	1,444.40
Med Supp Low	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 888.52	$ 208.59	$ 679.93
Retiree + Spouse 65+	1,522.26	232.33	1,289.93
Med Supp High No Rx	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$ 432.48	$ 101.53	$ 330.95
Retiree + Spouse 65+	740.93	113.08	627.85

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

Total OPEB Liability
The Causeway's share of the County's total OPEB liability of $278 thousand was measured as of September 30, 2019, was determined by an actuarial valuation as of that date, and is reported in long-term liabilities.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2019 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, 2019
Valuation Date	September 30, 2019
Discount Rate	2.66%
Salary Increase Rate	3.5% per annum
Medical Consumer Price Index Trend	2.0% per annum (chained CIP)
Inflation Rate	3.0% per annum
Actuarial Cost Method	Entry Age Normal based on percentage of projected salary.
Amortization Method	Experience/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 6.5% initial to 4.5% ultimate
Retirees' Share of Benefit-Related Costs	41.1%
Mortality Tables	Generational RP-2014, back-projected to 2006, projected forward using scale MP-18

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

The actuarial assumptions used in the September 30, 2019 valuation were based on the Florida Retirement System's valuation assumptions and Miami Dade County's claims experience for the period of October 1, 2018 to September 30, 2019.

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, 2019, are as follows (in thousands):

Balance at September 30, 2018	$	237
Changes for the Year:		
Service Cost		6
Interest		11
Change of Benefit Terms		42
Benefits Payments		(18)
Balance at September 30, 2019	$	278

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASb 75 to pay related benefits. There were no changes to benefit terms during the measurement period. The discount rate is the only applicable change in the actuarial valuation. All other assumptions for this update report are the same as prior valuation.

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following represents 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 (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB Liability	$ 305	$ 278	$ 255

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend. The following represents 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	$ 253	$ 278	$ 309

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended September 30, 2019, the Causeway recognized OPEB expense of $6 thousand. At September 30, 2019, the Causeway reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experince	$ -	$ -
Changes in assumptions / inputs	34	11
Net difference between projected and actaul investments	-	-
Total	$ 34	$ 11

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

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

Fiscal Years Ending September 30,		
2020	$	2
2021		2
2022		2
2023		2
2024		2
Thereafter		13
Total	$	23

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

NET OPEB LIABILITY	DEFERRED OUTFLOWS	DEFERRED INFLOWS	OPEB EXPENSE
$ (278)	$ 34	$ (11)	$ 6

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 $750 thousand for the fiscal year ended September 30, 2019.

NOTE 9. CHANGES IN LONG-TERM LIABILITIES FOR FISCAL YEAR 2019

	Beginning Balance at 10/1/2018	Additions	Reductions	Ending Balance at 9/30/2019	Due Within One Year
Bonds and loans payable:					
Revenue Bonds 2014 Series	$ 29,975	$ -	$ (590)	$ 29,385	$ 615
Capital Asset Acquisition Bonds	4,935	4,042	(4,935)	4,042	206
Loan payable	2,141	-	(160)	1,981	168
Add unamortized bond premium	2,549	942	(108)	3,383	-
Total bonds/loans payable	39,600	4,984	(5,793)	38,791	989
Other liabilities:					
Compensated absences	377	155	-	532	86
Due to other governments	1,095	-	(365)	730	365
Pension and HIS	908	126	-	1,034	-
Other post-employment benefits	237	41	-	278	-
Total other liabilities	2,617	322	(365)	2,574	451
Total long-term liabilities (including current portion)	$ 42,217	$ 5,306	$ (6,158)	$ 41,365	$ 1,440

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, 2019, the Causeway had made 13 required payments totaling $4,745 thousand leaving 2 remaining annual payments of $365 thousand each from fiscal year 2020 and fiscal year 2021, totaling $730 thousand. This liability is included in the accompanying statement of net position as of September 30, 2019 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.

NOTE 10. COMMITMENTS AND CONTINGENCIES (Continued)

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 are the County's contractual commitments for the Causeway as of September 30, 2019:

- Hobie Island North Side Shoreline Protection. The contract amounts to approximately $190 thousand. As of September 30, 2019, the contract balance was approximately $132 thousand.

- William Powell Bridge Expansion Joint and Fender System Rehabilitation. The contract amounts to approximately $4.5 million. As of September 30, 2019, the contract balance was approximately $2.4 million.

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	$	629
Debt Service (1)		1,533
Renewal and Replacement		6,589
Operating Reserve		726
Bond Reserve		2,061
Total	$	11,538

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

NOTE 12. NON-RECURRING ITEMS

Hurricane related expenses

The Causeway performed repair and restoration works on Hobie Island and Virginia Key for damages occurred during Hurricane Irma on 2017. The $2.4 million expense is reported in line: "Hurricane related expenses" under the "Non-Operating Revenues (Expenses) section of the Statement of Revenues, Expenses, and Changes in Net Position. The Causeway will seek partial reimbursement from federal government funds through the Federal Emergency Management Agency (FEMA) Public Assistance Program.