PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Financial Statements, Required Supplementary Information,
and Schedules

September 30, 2019 and 2018

(With Independent Auditors' Report Thereon)

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Table of Contents

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Table of Contents

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Independent Auditors' Report

The Board
Public Health Trust of
Miami-Dade County, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component unit and the pension trust fund of the Public Health Trust of Miami-Dade County (the Trust), a department of Miami-Dade County, Florida, as of and for the years ended September 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Trust'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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Jackson Memorial Foundation, Inc., which statements reflect 100% of the aggregate discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jackson Memorial Foundation, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Jackson Memorial Foundation, Inc. were not audited in accordance with *Government Auditing Standards.*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 opinions.

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firm of the KPMG network of independent member firms affiliated with
KPMG International Cooperative ("KPMG International"), a Swiss entity.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, and the pension trust fund of the Public Health Trust of Miami-Dade County, Florida, a department of Miami-Dade County, Florida, as of September 30, 2019 and 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As disclosed in note 1, the financial statements of the Trust are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only that portion of the business-type activities, the aggregate discretely presented component unit and the pension trust fund that is attributable to the transactions of the Trust. They do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida as of September 30, 2019 and 2018, the changes in its financial position, or, where applicable, its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in the note 2 to the financial statements, the Trust adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* during 2018. Our opinion was not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on Pages 4 to 18, Florida Retirement System (FRS) Pension Information Schedules of Employer Contributions and Schedules of Employer Proportionate Share of Net Pension Liability and Related Ratios on Pages 93 through 94, Supplemental Health Insurance Subsidy Pension Information Schedules of Employer Contributions and Schedules of Employer Proportionate Share of Net Pension Liability and Related Ratios on Pages 95 through 96, Defined-Benefit Retirement Plan Schedules of Employer Contributions, Schedules of Net Pension Liability (Asset) and Related Ratios, Schedules of Changes in Net Pension Asset (Liability) and Related Ratios, and Schedules of Investment Returns on Pages 97 through 100, and Postemployment Benefits Other Than Pensions Schedules of changes in Trust's Total OPEB Liability and Related Ratios on Page 101, and Notes to the Required Supplementary Information on Pages 102 through 103, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trust's basic financial statements. The Schedule by Account financial information on Pages 104 to 109 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule by Account financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule by Account financial information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2020 on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.

KPMG LLP

January 31, 2020

Financial and Operating Performance

This section of the Public Health Trust of Miami-Dade County, Florida's (the Trust) annual financial report presents management's discussion and analysis of the financial position and performance of the Trust for the years ended September 30, 2019, 2018 and 2017. This discussion has been prepared along with the basic financial statements and related note disclosures, and should be read in conjunction therewith. The purpose of this section is to provide an objective analysis of the financial and operating activities of the Trust based on currently known facts, decisions, and conditions. Financial and operating data have been prepared on the same basis as the audited financial statements.

Effective October 1, 1973, the Trust was created by county ordinance to provide for an independent governing body (the board of trustees or Board) responsible for the operation, governance, and maintenance of "designated facilities." Currently, the Trust operates six hospitals: Jackson Memorial Hospital, Holtz Children's Hospital, Jackson South Medical Center, Jackson North Medical Center, Jackson Rehabilitation Hospital, and Jackson Behavioral Health Hospital; two skilled nursing facilities, Jackson Memorial Long-Term Care Center and Jackson Memorial Perdue Medical Center; several primary care centers, Jefferson Reaves Senior Health Center, North Dade Health Center, Rosie Lee Wesley Health Center, Dr. Rafael Penalver clinic; as well as multiple specialty care centers; corrections health services for Miami-Dade County; and five urgent care centers, UCC Country Walk, UCC Cutler Bay, UCC Keystone Point, UCC Doral, and UCC North Dade. At September 30, 2019, the Trust operates a total of 2,137 licensed hospital beds and 343 licensed nursing home beds.

Jackson Memorial Hospital is a teaching hospital operating in association with the University of Miami School of Medicine, which provides staff and services under an annual operating agreement.

The Trust is a department of Miami-Dade County (the County). It is the intent of the Miami-Dade Board of County Commissioners (the Commission) to promote, protect, maintain, and improve the health and safety of all residents and visitors of Miami-Dade County through a fully functioning and sustainable public health trust. The Commission finds that it is in the best interest of the public it serves to take action to preserve the Trust and to ensure its financial sustainability by requiring the Trust to notify the Commission, the Mayor, and the Commission Auditor when certain financial conditions as outlined in Chapter 25A of Miami-Dade County Code of Ordinances occur. During the current year, none of the financial conditions were met that required notification. The Public Health Trust is overseen by a seven-member board that was established to serve as the governing body of the Trust.

(Continued)

Condensed statements of net position as of September 30, 2019 and 2018 are presented below:

Condensed Summary of Net Position – Trust

September 30, 2019 and 2018

	2019	2018	2019 vs. 2018	
Assets:				
Current assets	$ 697,651,470	673,330,892	24,320,578	4 %
Capital assets, net	962,483,612	734,538,378	227,945,234	31
Other assets	70,953,105	72,199,343	(1,246,238)	(2)
Total assets	$ 1,731,088,187	1,480,068,613	251,019,574	17
Deferred outflows of resources:				
Loss on bond refunding	$ 6,896,610	7,470,360	(573,750)	(8)
Pension	118,924,520	95,308,059	23,616,461	25
Other postemployment benefits	14,295,074	—	14,295,074	100
Total deferred outflows of resources	$ 140,116,204	102,778,419	37,337,785	36
Liabilities:				
Current liabilities	$ 489,693,714	474,450,277	15,243,437	3 %
Long-term liabilities	288,780,487	300,739,010	(11,958,523)	(4)
Net pension liability	214,252,176	151,235,619	63,016,557	42
Total other postemployment benefits liability	79,194,116	62,844,334	16,349,782	26
Other liabilities	54,743,362	55,095,448	(352,086)	(1)
Total liabilities	$ 1,126,663,855	1,044,364,688	82,299,167	8
Deferred inflows of resources:				
Gain on bond refunding	$ 3,481,436	4,348,403	(866,967)	(20)
Pension	44,182,450	61,667,015	(17,484,565)	(28)
Other postemployment benefits	7,641,450	8,178,599	(537,149)	(7)
Total deferred inflows of resources	$ 55,305,336	74,194,017	(18,888,681)	(25)
Net position:				
Net investment in capital assets	$ 692,310,513	452,517,408	239,793,105	53
Restricted	10,634,490	11,478,894	(844,404)	(7)
Unrestricted (deficit)	(13,709,803)	292,025	(14,001,828)	(4,795)
Total net position	$ 689,235,200	464,288,327	224,946,873	48

(Continued)

Condensed statements of net position as of September 30, 2018 and 2017 are presented below:

Condensed Summary of Net Position – Trust

September 30, 2018 and 2017

		2018	2017	2018 vs. 2017	
Assets:					
Current assets	$	673,330,892	627,018,993	46,311,899	7 %
Capital assets, net		734,538,378	654,319,348	80,219,030	12
Other assets		72,199,343	73,018,104	(818,761)	(1)
Total assets	$	1,480,068,613	1,354,356,445	125,712,168	9
Deferred outflows of resources:					
Deferred Loss on bond refunding	$	7,470,360	8,323,055	(852,695)	(10)
Other postemployment benefits		95,308,059	83,066,653	12,241,406	13
Total deferred outflows of resources	$	102,778,419	91,389,708	11,388,711	12
Liabilities:					
Current liabilities	$	474,450,277	483,027,728	(8,577,451)	(2)%
Long-term liabilities		300,739,010	312,025,413	(11,286,403)	(4)
Net pension liability		151,235,619	149,318,969	1,916,650	1
Total other postemployment benefits liability		62,844,334	65,579,879	(2,735,545)	(4)
Other liabilities		55,095,448	49,541,811	5,553,637	11
Total liabilities	$	1,044,364,688	1,059,493,800	(15,129,112)	(1)
Deferred inflows of resources:					
Gain on bond refunding	$	4,348,403	5,215,369	(866,966)	(17)
Pension		61,667,015	54,280,839	7,386,176	14
Other postemployment benefits		8,178,599	5,113,260	3,065,339	60
Total deferred inflows of resources	$	74,194,017	64,609,468	9,584,549	15
Net position:					
Net investment in capital assets	$	452,517,408	364,316,064	88,201,344	24
Restricted		11,478,894	10,661,387	817,507	8
Unrestricted (deficit)		292,025	(53,334,566)	53,626,591	(101)
Total net position	$	464,288,327	321,642,885	142,645,442	44

As a result of the implementation of GASB Statement No. 75 during the years, the information presented for 2017 has been restated to conform to the new accounting standard.

(Continued)

Total assets increased from 2018 to 2019 by approximately $251.0 million. This increase is primarily attributed to an increase in capital assets, net, of approximately $227.9 million, as a result of an increase in capital expenditures funded by Miracle Building General Obligation Bonds (GOB) program. Current assets increased by $24.3 million mainly related to an increase in patients' accounts receivable of $19.6 million, an increase in unrestricted cash and cash equivalents of $2.5 million, an increase in amounts due from Miami-Dade County of $1.8 million, and an increase in Other receivables – restricted of $1.7 million.

Day's unrestricted cash on hand was approximately 57 days at September 2019 as compared to 59 days at September 2018. Days net in accounts receivable at September 2019 and 2018 were 50 days and 47 days, respectively.

During fiscal year 2019 and 2018, the Trust recorded approximately $118.9 million and $44.2 million and approximately $95.3 million and $61.7 million of deferred outflows and inflows, respectively, related to pension in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*.

During fiscal year 2019 and 2018, the Trust recorded approximately $7.6 million and $8.2 million of deferred inflows, respectively, related to Postemployment Benefits Other Than Pensions (OPEB) in accordance with GASB Statement No. 75. During fiscal year 2019, the Trust recorded approximately $14.3 million of deferred outflows related to OPEB in accordance with GASB Statement No. 75.

Total liabilities increased by approximately $82.3 million primarily due to an increase in current liabilities of $15.2 million, an increase in Net pension liability of $63.0 million, and an increase in total OPEB liability of $16.3 at 2019 compared to 2018.

The Series 2005 Bonds, Series 2009 Bonds, 2015A Bond, and 2017 Bond (collectively, the Bonds) are secured by the gross revenues of the Trust. The Bonds are subject to certain covenants included in Ordinances Nos. 05–49 and Nos. 15–46 (the Ordinance) together with certain ordinances and board resolutions, which authorize and issue the Bonds by and between the Trust and the County. In addition, the Trust must comply with certain covenants included in the related insurance agreements.

The restrictive covenants that must be met by the Trust, include, among other items, the requirement to maintain a minimum long-term debt service coverage ratio, the requirement to make scheduled monthly deposits to the debt service fund, maintenance of insurance on the Trust's facilities, and limitations on the incurrence of additional debt.

At September 2019, the Trust was in compliance with the debt service ratio covenant and other covenants contained in the Ordinance.

The Trust reported an increase in net position of approximately $224.9 million for the year ended September 30, 2019. The increase consisted of $492.1 million from operating loss offset by $195.5 million contributions from Miami-Dade County related to the PHT-GOB 2015 Bond and General Operating Bond, and $521.6 million from nonoperating revenues, of which, $282.8 million were in sales tax revenues, and $203.2 million in Miami-Dade County funding.

Total assets increased from 2017 to 2018 by approximately $125.7 million. This increase is primarily attributed to an increase in capital assets, net, of approximately $80.2 million, as a result of an increase in capital expenditures funded by Miracle Building General Obligation Bonds (GOB) program. Current assets increased by $46.3 million mainly related to an increase in patients' accounts receivable of $23.2 million, an increase in unrestricted cash and cash equivalents of $3.2 million, and an increase in other receivables – unrestricted of $3.7 million, and an increase in estimated receivables due from other third-party payors of $7.3 million.

Day's unrestricted cash on hand was at approximately 59 days at September 2018 as compared to 61 days at September 2017. Days net in accounts receivable at September 2018 and 2017 were 47 days and 41 days, respectively.

During fiscal year 2018 and 2017, the Trust recorded approximately $95.3 million and $61.7 million and approximately $83.1 million and $54.3 million of deferred outflows and inflows, respectively, related to pension in accordance with GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date.*

Total liabilities decreased by approximately $15.1 million primarily due to a decrease in current liabilities of $8.6 million and a decrease of long-term debt of $11.3 million, offset by an increase in net pension liability of $1.9 million at 2018 compared to 2017.

At September 2018, the Trust was in compliance with the debt service ratio covenant contained in the Ordinance.

The Trust reported an increase in net position of approximately $142.6 million for the year ended September 30, 2018. The increase consisted of $438.7 million from operating loss offset by $105.6 million contributions from Miami-Dade County related to the PHT-GOB 2015 Bond and $475.8 million from nonoperating revenues, of which, $275.0 million were in sales tax revenues, and $188.6 million in Miami-Dade County funding.

(Continued)

Summary of Revenues, Expenses, and Changes in Net Position – Trust

Years ended September 30, 2019 and 2018

	2019	2018	2019 vs. 2018	
Operating revenues:				
Net patient service revenue	$ 1,298,193,116	1,221,907,510	76,285,606	6 %
Other revenue	240,060,927	243,372,286	(3,311,359)	(1)
Grants and other	22,758,490	23,321,959	(563,469)	(2)
Total operating revenues	1,561,012,533	1,488,601,755	72,410,778	5
Operating expenses:				
Salaries and related costs	1,198,223,729	1,130,237,967	67,985,762	6
Contractual and purchased services	425,778,660	399,219,065	26,559,595	7
Supplies and other	338,519,059	315,565,663	22,953,396	7
PMATF(1)	15,654,604	14,982,976	671,628	4
Depreciation and amortization	74,910,179	67,272,025	7,638,154	11
Total operating expenses	2,053,086,231	1,927,277,696	125,808,535	7
Operating loss	(492,073,698)	(438,675,941)	(53,397,757)	12
Nonoperating revenues (expenses):				
Miami-Dade County funding	203,224,000	188,585,000	14,639,000	8
Sales tax revenue	282,832,079	275,005,107	7,826,972	3
Investment income	1,576,806	1,093,310	483,496	44
Interest expense	(11,089,132)	(11,576,084)	486,952	(4)
Other income	45,009,056	22,662,340	22,346,716	99
Total nonoperating revenues, net (excluding capital contributions)	521,552,809	475,769,673	45,783,136	10
Income before capital contributions	29,479,111	37,093,732	(7,614,621)	(21)
Capital contributions	195,467,762	105,551,710	89,916,052	85
Change in net position	224,946,873	142,645,442	82,301,431	58
Net position, beginning of year (restated, see note 2)	464,288,327	321,642,885	142,645,442	44
Net position, end of year	$ 689,235,200	464,288,327	224,946,873	48

(1) Public Medical Assistance Trust Fund Assessment

(Continued)

Summary of Revenues, Expenses, and Changes in Net Position – Trust

Years ended September 30, 2018 and 2017

	2018	2017	2018 vs. 2017	
Operating revenues:				
Net patient service revenue	$ 1,221,907,510	1,208,158,987	13,748,523	1 %
Managed care revenue	—	92,899	(92,899)	(100)
Other revenue	243,372,286	189,175,445	54,196,841	29
Grants and other	23,321,959	24,211,424	(889,465)	(4)
Total operating revenues	1,488,601,755	1,421,638,755	66,963,000	5
Operating expenses:				
Salaries and related costs	1,130,237,967	1,073,163,212	57,074,755	5
Contractual and purchased services	399,219,065	410,036,330	(10,817,265)	(3)
Supplies and other	315,565,663	296,465,222	19,100,441	6
PMATF(1)	14,982,976	13,270,703	1,712,273	13
Depreciation and amortization	67,272,025	60,097,898	7,174,127	12
Total operating expenses	1,927,277,696	1,853,033,365	74,244,331	4
Operating loss	(438,675,941)	(431,394,610)	(7,281,331)	2
Nonoperating revenues (expenses):				
Miami-Dade County funding	188,585,000	175,413,000	13,172,000	8
Sales tax revenue	275,005,107	255,902,851	19,102,256	7
Investment income	1,093,310	1,231,496	(138,186)	(11)
Interest expense	(11,576,084)	(12,673,700)	1,097,616	(9)
Other income	22,662,340	42,680,372	(20,018,032)	(47)
Total nonoperating revenues, net (excluding capital contributions)	475,769,673	462,554,019	13,215,654	3
Income before capital contributions	37,093,732	31,159,409	5,934,323	19
Capital contributions	105,551,710	78,711,119	26,840,591	34
Change in net position	142,645,442	109,870,528	32,774,914	30
Net position, beginning of year (restated, see note 2)	321,642,885	211,772,357	109,870,528	52
Net position, end of year	$ 464,288,327	321,642,885	142,645,442	44

(1) Public Medical Assistance Trust Fund Assessment
As a result of the implementation of GASB Statement No. 75 during the year, the information presented for 2017 has been restated to conform to the new accounting standard.

(Continued)

Net Patient Service Revenue

Net patient revenue for the fiscal year ended September 30, 2019 and 2018 was approximately $1,298.2 million and $1,221.9 million, respectively, an increase of $76.3 million or 6.2%. Part of the increase is due to an increase in organ transplants and other surgeries. The Trust's surgeries for fiscal 2019 were 24,190 cases, 117 more cases than the prior year. In addition, there was a significant improvement in payor mix, as there was an 11.7% increase in Managed care Medicare and a 10.3% decrease in Self-pay.

Net patient revenue for the fiscal year ended September 30, 2018 and 2017 was approximately $1,221.9 million and $1,208.2 million, respectively, an increase of $13.7 million or 1%. The majority of the increase is due to an increase in organ transplants and other surgeries. The Trust's surgeries for fiscal 2018 were 24,073 or 1,494 (6.6%) more cases than the prior year.

The Trust's net patient service revenue and overall financial results are highly dependent upon the state and federal governments. Over the past several years, rate increases have not kept pace with the overall medical expense increases. The Trust is also highly dependent upon patients who are covered by health insurance, which to a large extent is dependent on the employment status of individuals treated at the Trust. Medicaid converted most beneficiary population into Medicaid Managed Care. These types of payor mix changes could cause an adverse effect by decreasing the net patient revenue due to an increase in denials. The Trust management is constantly reviewing and anticipating these adverse changes to adapt and make the necessary adjustments to maintain growth in the organization.

The payor mix below is based on patient days:

	2019	2018	2017
Medicare	14.2 %	14.7 %	15.0 %
Managed care Medicare	18.2	16.3	15.5
Medicaid	3.6	3.5	4.0
Managed care Medicaid	20.6	20.4	22.2
Medicaid pending	11.8	11.9	12.4
Commercial insurance	1.1	1.2	1.3
Managed care others	13.5	13.3	12.6
Self-pay and other	17.0	18.7	17.0
	100.0 %	100.0 %	100.0 %

Net patient service revenue for the Trust includes payments from government programs such as Medicare and Medicaid, from managed care companies under negotiated contracts, from commercial insurance companies with no negotiated contract, and directly from patients.

(Continued)

Medicare

Medicare is a federal program that provides certain hospital and medical insurance benefits to persons age 65 and over, some disabled persons, and persons with end-stage renal disease and is provided without regard to income or assets. Medicare fee for service patient days as a percentage of total in fiscal year 2019 were 14.2% or slightly lower than fiscal year 2018 percentage of 14.7%. Medicare fee for service patient days as a percentage of total in fiscal year 2018 were 14.7% or slightly lower than fiscal year 2017 percentage of 15.0%.

Inpatient

Disproportionate share hospital (DSH) payments are determined annually based on certain statistical information and are calculated as a percentage addition to Medical/Surgical-Diagnosis Related Groups (MS-DRG) payments. The primary method used by a hospital to qualify for Medicare DSH payments is a complex statutory formula that results in a DSH percentage that is applied to payments on MS-DRGs.

Outpatient

Hospital outpatient services paid under prospective payment system (PPS) are classified into groups called ambulatory payment classifications (APCs). Services for each APC are similar clinically and in terms of the resources they require. A payment rate is established for each APC. Depending on the services provided, a hospital may be paid for more than one APC for a patient visit.

Rehabilitation

The Center for Medicare and Medicaid Services (CMS) reimburses inpatient rehabilitation facilities (IRFs) on a Diagnosis Related Group (DRG) basis. Under IRF DRG, reimbursement of patients is based on the patients' acuity and individual hospital characteristics, including classification as a children's hospital, rural hospital, trauma center, and other characteristics that would warrant reimbursement.

Psychiatric

Inpatient hospital services furnished in psychiatric hospitals and psychiatric units of general, acute care hospitals are reimbursed under inpatient psychiatric facility DRG basis. DRG reimbursement of patients is based on the patients' acuity and individual hospital characteristics, including classification as a children's hospital, rural hospital, trauma center, and other characteristics that would warrant reimbursement.

Physician Services

Physician services are reimbursed under the physician fee schedule (PFS) system, under which CMS has assigned a national relative value unit (RVU) to most medical procedures and services that reflects the various resources required by a physician to provide the services relative to all other services. Each RVU is calculated based on a combination of work required in terms of time and intensity of effort for the service, practice expense (overhead) attributable to the service, and malpractice insurance expense attributable to the service. These three elements are each modified by a geographic adjustment factor to account for local practice costs then aggregated. The aggregated amount is multiplied by a conversion factor that accounts for inflation and targeted growth in Medicare expenditures (as calculated by the sustainable growth rate) (SGR) to arrive at the payment amount for each service.

Other

Under PPS, the payment rates are adjusted for the area differences in wage levels by a factor (wage index) reflecting the relative wage level in the geographic area compared to the national average wage level.

Medicaid

Medicaid is a federal-state program, administered by the State of Florida, which provides hospital and medical benefits to qualifying individuals who are unable to afford healthcare. Effective July 1, 2013, the State of Florida moved from a per diem-based payment to a fixed DRG payment per case. Effective July 1, 2014, the majority of Medicaid patients were transitioned into Managed care plans.

Hospitals that provide care to a disproportionately high number of low-income patients may receive Medicaid DSH payments. The federal government distributes federal Medicaid DSH funds to each state based on a statutory formula. Florida utilizes a supplemental reimbursement program for the purpose of providing reimbursement to providers to offset a portion of the cost of providing care to Medicaid and indigent patients.

Medicaid Pending

Medicaid pending represents patients that have applied for state funding and are waiting for approval by the state. Once approved, the patients are reclassified to Medicaid. As of September 30, 2019, 2018 and 2017 Medicaid Pending represents 11.8%, 11.9% and 12.4% respectively, of the overall payer mix.

Commercial Insurance

Private insurance carriers pay the Trust based upon the hospital's established charges and the coverage provided in the insurance policy. Commercial insurers try to limit the costs of hospital services by negotiating discounts.

Managed Care and Other Discounted Plans

The Trust's managed care agreements offer discounts from established charges to health maintenance organizations, preferred provider organizations, and other managed care plans.

Self-Pay and Other

The primary collection risks of accounts receivable relate to the uninsured patient accounts and patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. The provision for doubtful accounts relates primarily to amounts due directly from patients.

Utilization

The Trust has experienced an increase in outpatient observation cases and a decrease in inpatient utilization.

		September 30		
		2019	**2018**	**2017**
Inpatient services:				
Number of beds–licensed:				
Jackson memorial hospital	$	1,493	1,493	1,493
Jackson Memorial hospital		262	262	250
Jackson North Medical Center		382	382	382
Nursing Homes		343	343	343
Total	$	2,480	2,480	2,468
Hospital admissions (excluding newborn):				
Jackson Memorial Hospital	$	42,953	43,360	43,579
Jackson Memorial hospital		11,011	12,176	12,671
Jackson North Medical Center		9,326	9,682	9,512
Total	$	63,290	65,218	65,762
Observations:				
Jackson Memorial Hospital	$	16,615	16,028	13,427
Jackson Memorial hospital		7,616	7,252	4,572
Jackson North Medical Center		6,376	5,936	4,913
Total	$	30,607	29,216	22,912

(Continued)

In an effort to increase patient volumes, the Trust continues to focus on physician alignment and satisfaction, targeting capital spending on critical growth opportunities for hospitals, and improving the quality metrics of hospitals.

		September 30		
		2019	2018	2017
Inpatient services:				
Average daily census (excluding newborn):				
Jackson Memorial Hospital	$	899	897	904
Jackson South Medical Center		135	148	147
Jackson North Medical Center		141	146	182
Total	$	1,175	1,191	1,233
Total surgical cases:				
Jackson Memorial Hospital	$	16,415	16,299	15,049
Jackson South Medical Center		5,337	5,236	4,691
Jackson North Medical Center		2,438	2,538	2,839
Total	$	24,190	24,073	22,579

		September 30		
		2019	2018	2017
Organ transplants (includes kidney, liver, heart, lung, pancreas, and multiorgan)	$	717	614	499
Outpatient services:				
Visits to emergency services (adults and pediatric):				
Jackson Memorial Hospital	$	135,345	135,665	133,140
Jackson Memorial Hospital Trauma		4,062	4,187	4,155
Jackson South Medical Center		43,171	44,953	44,365
Jackson North Medical Center		49,732	53,999	53,342
Total	$	232,310	238,804	235,002

Other Revenue

Other revenue, which consists primarily of disproportionate share revenue (DSH), low income pool revenue (LIP), specialty pharmacy, and outpatient physician billing decreased by $3.3 million for fiscal year ended September 30, 2019 compared to 2018 and increased by $54.2 million for fiscal year ended September 30, 2018 compared to 2017. The decrease in other revenue as of September 30, 2019 compared to the prior year is mainly attributed to a decrease in DSH and LIP revenue of $15.4 million, offset by increases in Pharmacy reimbursements and Outpatient physician billing of $6.3 million and $6.2 million, respectively.

Total Operating Expenses

For the fiscal years ended September 30, 2019, 2018 and 2017, total operating expenses were $2,053.1 million, $1,927.3 million and $1,853.0 million, respectively. Operating costs as a percentage of operating revenue for the fiscal years ended September 30, 2019, 2018 and 2017:

	Year ended September 30		
	2019	**2018**	**2017**
Operating expenses:			
Salaries and related costs	76.8 %	75.9 %	75.4 %
Contractual and purchased services	27.3	26.8	28.8
Supplies and other	21.7	21.2	20.9
PMATF	1.0	1.0	0.9
Depreciation and amortization	4.8	4.5	4.2
	131.6 %	129.4 %	130.2 %

Salaries and Related Costs

The Trust employed 12,500, 12,339 and 12,126 full-time equivalents (FTE) at September 30, 2019, 2018 and 2017, respectively. The increase relates to several key operating initiatives to align the staffing needs of the organization to volume. Salaries and related costs were approximately $1,198.2 million, $1,130.2 million and $1,073.2 million for the fiscal years ended September 30, 2019, 2018 and 2017, respectively. For the year ended September 30, 2019, FTE per adjusted occupied bed was 7.56 compared to 7.46 for the prior year. For the year ended September 30, 2018, FTE per adjusted occupied bed was 7.46 compared to 7.30 for the prior year.

Approximately 91% of the Trust's workforce is represented by Service Employees International Union (SEIU), Government Supervisors Association of Florida (GSAF), or American Federation of State, County, and Municipal Employees (AFSCME) unions at September 30, 2019. The Trust, like the healthcare industry as a whole, has experienced a rate of labor inflation that is higher than general inflation. The Trust augments staff with temporary or contract personnel as necessary.

Contractual and Purchased Services

Contractual and purchased services for the years ended September 30, 2019, 2018 and 2017 was $425.8 million, $399.2 million and $410.0 million, respectively, a decrease of $26.6 million and an increase of $10.8 million, respectively, (7% and -3%, respectively) over the same period in the prior year. The increase in purchased services from 2018 to 2019 is attributed to an increase in Transplant organ acquisition of $6.7 million, an increase in Lab services of $4.0 million, and an increase in Repairs of $2.8 million.

Supplies and Other

Supplies and other related cost for the years ended September 30, 2019, 2018 and 2017 was $338.5 million, $315.6 million and $296.5 million, respectively, an increase of $23.0 million and $19.1 million, respectively, (7% and 6%, respectively) over the same period in the prior year.

The Trust experienced an unfavorable supply expense as a percentage of net patient service revenue in 2019 compared to 2018 and in 2017 compared to 2016, and increased its supplies per adjusted patient day from prior year. Increased cost of medical supplies and increased volume from transplants and other surgical cases were the primary reason for the significant increase in supply costs for the fiscal years ended September 30, 2019 and 2018. The Trust has centralized the procurement functions to reduce total supply expense across operations with a comprehensive contract portfolio, featuring solutions for medical/surgical, pharmacy, laboratory, capital equipment, radiology, facilities and construction, food and nutrition, and purchased services.

	Fiscal year ended September 30		
	2019	**2018**	**Variance**
Supplies per adjusted patient day	561	515	46
Supplies as percentage of net patient service revenue	26.1 %	25.5 %	0.6 %

	Fiscal year ended September 30		
	2018	**2017**	**Variance**
Supplies per adjusted patient day	515	479	36
Supplies as percentage of net patient service revenue	25.5 %	24.1 %	1.4 %

Capital Assets and Debt Administration

As of September 30, 2019, 2018 and 2017, the Trust had capital assets, net, of $962.5 million, $734.5 million and $654.3 million, respectively. The increase is due to projects and construction in progress as part of the system upgrades, new equipment, and new construction. Additional information related to the Trust's capital assets is included in note 9 to the financial statements.

As of September 30, 2019, 2018 and 2017, the Trust had bonds payable outstanding of $275.1 million, $284.1 million and $292.6 million, respectively. Additional information related to the Trust's long term debt is included in note 11 to the financial statements.

Risk Management

The Trust provides for self-insured funding related to medical professional and general liability claims, as well as workers' compensation claims, which are included in supplies and other operating expenses. The establishment of a self-insurance funding vehicle does not result in any transfer of risk, which occurs when commercial insurance is purchased. The Trust carries commercial excess insurance. Based on the results of an actuarially determined reserve analysis, the Trust increased the liability for medical professional and general liability claims by approximately $0.7 million and $3.8 million at September 30, 2019 compared to 2018 and at September 30, 2018 compared to 2017, respectively.

Request for Information

This report is designed to provide a general overview of Trust's finances. Questions or requests for additional information should be made in writing to the Chief Financial Officer at 1611 N.W. 12th Avenue, Miami, Florida 33136.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Statements of Net Position – Trust

September 30, 2019 and 2018

		2019	2018
Current assets:			
Cash and cash equivalents	$	306,508,199	303,990,068
Restricted cash and cash equivalents		4,181,110	4,357,511
Restricted short-term investments		7,928,377	7,689,899
Assets limited as to use – cash and investments		7,611,150	6,674,484
Patients' accounts receivable, less allowances for doubtful accounts and contractual adjustments of approximately $758,969,000 and $873,258,000 for 2019 and 2018, respectively		178,153,107	158,571,022
Estimated receivables due from other third-party payors		81,007,538	76,469,188
Due from Miami-Dade County		47,492,881	45,672,678
Other receivables – unrestricted		12,347,259	18,405,884
Other receivables – restricted		6,033,096	4,300,318
Supplies		37,119,112	36,172,525
Prepaid expenses and other current assets		9,269,641	11,027,315
Total current assets		697,651,470	673,330,892
Assets limited as to use – long-term		41,754,375	41,656,344
Restricted long-term investments		24,915,486	25,925,800
Other assets		4,283,244	4,617,199
Capital assets, net		962,483,612	734,538,378
Total noncurrent assets		1,033,436,717	806,737,721
Total assets	$	1,731,088,187	1,480,068,613
Deferred outflows of resources:			
Loss on bond refunding	$	6,896,610	7,470,360
Pension		118,924,520	95,308,059
Other postemployment benefits		14,295,074	—
Total deferred outflows of resources	$	140,116,204	102,778,419

(Continued)

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Statements of Net Position – Trust

September 30, 2019 and 2018

		2019	2018
Current liabilities:			
Accounts payable and accrued expenses	$	143,981,302	129,298,654
Accrued interest payable		4,442,191	4,588,733
Accrued salaries and payroll taxes withheld		60,528,673	54,910,190
Accrued vacation and sick pay benefits		85,353,029	84,166,311
Refunds due for patient services		6,050,467	9,968,316
Current portion of estimated self-insured liability		7,253,895	6,304,354
Estimated payables due to other third-party payors		115,001,622	115,090,336
Due to Miami-Dade County		15,099,171	15,053,117
Due to University of Miami		27,927,759	35,849,716
Other – unrestricted		6,778,757	3,068,408
Other – restricted		2,003,848	1,819,142
Current portion of total other postemployment benefits liability		5,563,000	5,348,000
Current portion of long-term debt		9,710,000	8,985,000
Total current liabilities		489,693,714	474,450,277
Long-term debt, excluding current portion		288,780,487	300,739,010
Estimated self-insured liability, excluding current portion		40,547,093	40,752,030
Net pension liability		214,252,176	151,235,619
Total other postemployment benefits liability		79,194,116	62,844,334
Due to University of Miami, excluding current portion		11,165,324	11,354,566
Other		3,030,945	2,988,852
Total noncurrent liabilities		636,970,141	569,914,411
Total liabilities	$	1,126,663,855	1,044,364,688
Deferred inflows of resources:			
Gain on bond refunding	$	3,481,436	4,348,403
Pension		44,182,450	61,667,015
Other postemployment benefits		7,641,450	8,178,599
Total deferred inflows of resources	$	55,305,336	74,194,017
Net position:			
Net investment in capital assets	$	692,310,513	452,517,408
Restricted for:			
Debt service		7,928,377	7,689,899
Capital projects		2,397	836,364
Federal and donor programs		2,703,716	2,952,631
Unrestricted (deficit)		(13,709,803)	292,025
Total net position	$	689,235,200	464,288,327

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statements of Revenues, Expenses, and Changes in Net Position – Trust

Years ended September 30, 2019 and 2018

	2019	2018
Operating revenues:		
Net patient service revenue	$ 1,298,193,116	1,221,907,510
Other revenue	240,060,927	243,372,286
Grants and other	22,758,490	23,321,959
Total operating revenues	1,561,012,533	1,488,601,755
Operating expenses:		
Salaries and related costs	1,198,223,729	1,130,237,967
Contractual and purchased services	425,778,660	399,219,065
Supplies and other operating expenses	338,519,059	315,565,663
Public Medical Assistance Trust Fund assessment	15,654,604	14,982,976
Depreciation and amortization	74,910,179	67,272,025
Total operating expenses	2,053,086,231	1,927,277,696
Operating loss	(492,073,698)	(438,675,941)
Nonoperating revenues (expenses):		
Miami-Dade County funding	203,224,000	188,585,000
Sales tax revenue	282,832,079	275,005,107
Investment income	1,576,806	1,093,310
Interest expense	(11,089,132)	(11,576,084)
Other income	45,009,056	22,662,340
Total nonoperating revenues, net (excluding capital contributions)	521,552,809	475,769,673
Income before capital contribution	29,479,111	37,093,732
Capital contributions	195,467,762	105,551,710
Increase in net position	224,946,873	142,645,442
Net position, beginning of the year	464,288,327	321,642,885
Net position, end of the year	$ 689,235,200	464,288,327

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Statements of Cash Flows – Trust

Years ended September 30, 2019 and 2018

	2019	2018
Operating activities:		
Cash received from patients, tenants, and third-party payors	$ 1,570,922,384	1,486,156,060
Cash payments for interfund services used	(36,347,617)	(35,990,031)
Cash paid to suppliers	(778,015,780)	(731,447,017)
Cash paid to employees for services	(1,166,913,971)	(1,134,076,675)
Net cash used in operating activities	(410,354,984)	(415,357,663)
Noncapital financing activities:		
Funds contributed by Miami-Dade County	203,224,000	188,585,000
Funds contributed from sales tax revenue	281,011,876	271,615,192
Funds contributed by federal, state, and miscellaneous sources	45,009,056	17,598,540
Net cash provided by noncapital financing activities	529,244,932	477,798,732
Capital and related financing activities:		
Principal payments on long-term debt	(8,985,000)	(8,555,000)
Interest paid	(13,777,413)	(14,033,925)
Contribution from Miami-Dade County	195,467,762	110,615,510
Purchases of capital assets	(291,512,688)	(149,291,898)
Sales of capital assets	945,176	—
Net cash used in capital and related financing activities	(117,862,163)	(61,265,313)
Investing activities:		
Purchase of investment securities and proceeds from sales and maturities of investments, net	(265,495)	848,802
Realized gains on investments, interest, and dividends.	1,579,440	1,208,339
Net cash provided by investing activities	1,313,945	2,057,141
Net increase in cash and cash equivalents	2,341,730	3,232,897
Cash and cash equivalents, beginning of year	308,347,579	305,114,682
Cash and cash equivalents, end of year	$ 310,689,309	308,347,579
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (492,073,698)	(438,675,941)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	74,910,179	67,272,025
Gain on capital asset disposal	(524,999)	—
Provision for doubtful accounts	622,606,438	606,438,305
(Increase) decrease in assets:		
Patients – accounts receivables and other receivables	(642,401,026)	(640,794,328)
Supplies	(946,587)	(2,053,420)
Prepaid expenses and other assets	2,091,630	(3,424,717)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	5,807,098	(10,864,079)
Due to Miami-Dade County	46,054	(610,405)
Due to other third-party payors	(88,714)	(2,002,666)
Other current liabilities	(4,026,902)	5,176,824
Estimated self-insurance liability	744,604	3,823,229
Net pension liability and related deferred outflows and inflows	21,915,531	(2,938,580)
Total other postemployment benefits and related deferred inflows	1,732,559	1,243,794
Other long-term liabilities	(147,151)	2,052,296
Total adjustments	81,718,714	23,318,278
Net cash used in operating activities	$ (410,354,984)	(415,357,663)
Noncash investing and capital and related financing activities:		
Net increase in the fair value of investments	$ 2,634	115,032
Interest capitalized on construction in progress	—	162,377
Accruals in construction in progress and project in progress	(11,762,902)	1,800,844
Amortization of bond premium and discount	2,248,523	2,301,403
Amortization of bond deferment refunding	293,216	14,271

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statements of Financial Position – Foundation (Component Unit)

September 30, 2019 and 2018

Assets		**2019**	**2018**
Current assets:			
Cash and cash equivalents	$	1,323,834	1,840,714
Accounts receivable		17,502	—
Other current assets		222,910	142,026
Pledges receivable – current portion, net		9,007,405	2,840,919
Total current assets		10,571,651	4,823,659
Pledges receivable less current portion, net		10,377,693	10,732,080
Investments		5,529,110	5,679,213
Deposits		—	15,333
Property and equipment, net		466,940	450,907
Total assets	$	26,945,394	21,701,192
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	$	515,344	369,748
Deferred revenue		—	63,597
Total current liabilities		515,344	433,345
Commitments and contingencies			
Net assets:			
Without Donor Restrictions		1,601,859	1,891,980
With Donor Restrictions		24,828,191	19,375,867
Total net assets		26,430,050	21,267,847
Total liabilities and net assets	$	26,945,394	21,701,192

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statements of Activities – Foundation (Component Unit)

Year ended September 30, 2019

	2019		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Public support and revenues:			
Donations for International Kids Fund program	$ —	63,975	63,975
General gifts revenues	1,572,991	8,592,102	10,165,093
In-kind gifts (including donated use of facilities)	235,129	—	235,129
Provision for estimated uncollectible pledges and change in present value discount of pledges receivable	482,890	(705,550)	(222,660)
Special events, net of direct costs totaling $1,148,610	—	636,760	636,760
Net public support	2,291,010	8,587,287	10,878,297
Interest income and dividends, net of investment fees	97,447	77,235	174,682
Net realized and unrealized gain (loss) on investments	24,692	(29,833)	(5,141)
Total public support and revenues before net assets released from restrictions	2,413,149	8,634,689	11,047,838
Net assets released from restrictions:			
Satisfaction of program restrictions	3,182,365	(3,182,365)	—
Total public support and revenues	5,595,514	5,452,324	11,047,838
Expenses including direct support payments:			
Program services:			
Jackson Health System	1,425,587	—	1,425,587
International Kids Fund	304,634	—	304,634
Other programs	1,231,893	—	1,231,893
Total program services	2,962,114	—	2,962,114
Management and general	621,026	—	621,026
Fund-raising	2,302,495	—	2,302,495
Total expenses including direct support payments	5,885,635	—	5,885,635
Change in net assets	(290,121)	5,452,324	5,162,203
Net assets at beginning of year	1,891,980	19,375,867	21,267,847
Net assets at end of year	$ 1,601,859	24,828,191	26,430,050

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statements of Activities – Foundation (Component Unit)

Year ended September 30, 2018

	2018		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Public support and revenues:			
Donations for International Kids Fund program	$ —	162,441	162,441
General gifts revenues	1,999,935	5,218,264	7,218,199
In-kind gifts (including donated use of facilities)	119,929	—	119,929
Provision for estimated uncollectible pledges and change in present value discount of pledges receivable	206,665	(507,925)	(301,260)
Special events, net of direct costs totaling $1,215,780	—	379,992	379,992
Net public support	2,326,529	5,252,772	7,579,301
Interest income and dividends, net of investment fee	75,588	82,940	158,528
Net realized and unrealized gains on investments	58,595	124,654	183,249
Total public support and revenues before net assets released from restrictions	2,460,712	5,460,366	7,921,078
Net assets released from restrictions:			
Satisfaction of program restrictions	7,046,820	(7,046,820)	—
Total public support and revenues	9,507,532	(1,586,454)	7,921,078
Expenses including direct support payments:			
Program services:			
Jackson Health System	6,063,788	—	6,063,788
International Kids Fund	335,668	—	335,668
Other programs	1,082,538	—	1,082,538
Total program services	7,481,994	—	7,481,994
Management and general	744,742	—	744,742
Fund-raising	1,949,478	—	1,949,478
Total expenses including direct support payments	10,176,214	—	10,176,214
Change in net assets	(668,682)	(1,586,454)	(2,255,136)
Net assets at beginning of year	2,560,662	20,962,321	23,522,983
Net assets at end of year	$ 1,891,980	19,375,867	21,267,847

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statements of Fiduciary Net Position – Pension Trust Fund

September 30, 2019 and 2018

		2019	2018
Assets:			
Cash	$	20,791,093	21,416,346
Investments:			
Domestic:			
Mutual funds		43,145,111	39,099,942
Equities		470,654,277	481,109,379
Corporate debt securities		45,900,304	41,958,392
U.S. government securities		13,819,135	11,780,702
Total domestic investments		573,518,827	573,948,415
International:			
Mutual funds		36,818,496	40,200,450
Equities		3,769,538	4,843,474
Corporate debt securities		6,867,629	7,236,338
Total international investments		47,455,663	52,280,262
Commingled funds – equity		39,919,132	15,532,915
Real Estate		72,519,148	68,670,840
Commingled funds – fixed income		60,756,011	57,662,705
Total assets		814,959,874	789,511,483
Net position held in trust for employees' pension benefits	$	814,959,874	789,511,483

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Statements of Changes in Fiduciary Net Position – Pension Trust Fund

September 30, 2019 and 2018

	2019	2018
Net position held for employees’ pension benefits:		
Additions:		
Employer contributions	$ 23,377,559	23,000,435
Employee contributions	21,195,556	20,701,744
Total contributions	44,573,115	43,702,179
Investment income:		
Interest income	6,719,927	4,928,327
Dividends	3,348,003	3,878,889
Net realized and unrealized gains on pension trust fund investments	7,106,352	49,082,919
Total investment gain	17,174,282	57,890,135
Less investment expense:		
Investment managers and custodial fees	(51,841)	(35,868)
Net investment gain	17,122,441	57,854,267
Total additions	61,695,556	101,556,446
Deductions:		
Participants benefit expense	34,802,347	22,414,722
Administrative expenses	1,444,818	1,989,612
	36,247,165	24,404,334
Net increase in net position held in trust for employees’ pension benefits	25,448,391	77,152,112
Net position held in trust for employee’s pension benefits, at beginning of year	789,511,483	712,359,371
Net position held in trust for employee’s pension benefits, at end of year	$ 814,959,874	789,511,483

See accompanying notes to financial statements.

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

Effective October 1, 1973, the Public Health Trust of Miami-Dade County, Florida (the Trust) was created by county ordinance to provide for an independent governing body (the board of trustees or Board) responsible for the operation, governance, and maintenance of "designated facilities." Currently, the Trust operates six hospitals: Jackson Memorial Hospital, Holtz Children's Hospital, Jackson South Medical Center, Jackson North Medical Center, Jackson Rehabilitation Hospital, and Jackson Behavioral Health Hospital; two skilled nursing facilities, Jackson Memorial Long-Term Care Center and Jackson Memorial Perdue Medical Center; several primary care centers, Jefferson Reaves Senior Health Center, North Dade Health Center, and Rosie Lee Wesley Health Center; Dr. Rafael Penalver Center, five urgent care centers, UCC Country Walk, UCC Cutler Bay, UCC Keystone Point, UCC Doral, and UCC North Dade; as well as multiple specialty care centers, and the corrections health services for Miami-Dade County. At September 30, 2019 and 2018, the Trust operated 2,137 licensed hospital beds, and 343 licensed nursing home beds.

Jackson Memorial Hospital is a teaching hospital operating in association with the University Of Miami School Of Medicine, which provides staff and services under an annual operating agreement.

The Trust is a department of Miami Dade County (the County). It is the intent of the Miami-Dade Board of County Commissioners (the Commission) to promote, protect, maintain, and improve the health and safety of all residents and visitors of Miami-Dade County through a fully functioning and sustainable Public Health Trust. The Commission finds that it is in the best interest of the public it serves to take action to preserve the Trust and to ensure its financial sustainability by requiring the Trust to notify the Commission, the Mayor, and the Commission Auditor when certain financial conditions as outlined in Chapter 25A of Miami-Dade County Code of Ordinances occur.

The accompanying financial statements are not intended to be a complete presentation of the financial position of the County and the results of its operations and cash flows of its proprietary fund types, in conformity with accounting principles generally accepted in the United States (U.S. GAAP). Transactions between entities that make up the Trust are eliminated in the accompanying financial statements. Separate financial statements of the Pension Trust Fund are not prepared.

(b) Basis of Accounting and Presentation

The accounting policies of the Trust conform to U.S. GAAP as applicable to governmental agencies. The Trust's accounts are used to account for the Trust's activities that are financed and operated in a manner similar to a private business enterprise. Accordingly, the Trust maintains its records on the accrual basis of accounting. Revenues from operations, investments, and other sources are recorded when earned. Expenses (including depreciation and amortization) of providing services to the public are accrued when incurred.

Nonexchange transactions, in which the Trust receives value without directly giving equal value in return, include grants from federal, state, and local governments. On an accrual basis, revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, and expenditure requirements, in which the resources are provided to the Trust on a reimbursement basis.

Jackson Memorial Foundation, Inc. (the Foundation) is a legally separate, tax-exempt component unit of the Trust governed by a separate independent board of directors. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the Trust in support of its programs. The board of the Foundation is self-perpetuating and consists of community members. Although the Trust does not control the timing or amount of receipts from the Foundation, the majority of resources or income that the Foundation holds and invests are restricted to the activities of the Trust by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the Trust, the Foundation is considered a component unit of the Trust and is discretely presented in the Trust's financial statements.

During the year ended September 30, 2019 and 2018, the Foundation distributed approximately $1,395,000 and $6,482,000, respectively, to the Trust, which is included in other operating revenue and in other non-operating income on the Statement of Revenues, Expenses and Changes in Net Position – Trust. Complete financial statements of the Foundation can be obtained from the Foundation at 1500 NW 12th Avenue, Suite 1117E, Miami, Florida 33136.

The Pension Trust Fund is a fiduciary fund used to account for assets held by Northern Trust Bank for the benefit of employees of the Trust who participate in the Public Health Trust Defined-Benefit Retirement Plan (the Plan). The financial statements of the pension trust fund use the full-accrual basis of accounting, whereby employer and employee contributions to the Plan are recognized when due, and benefits are recognized when due and payable to the plan participants in accordance with the terms of the Plan. The Plan operates on a calendar year with a year-end of December 31.

Postemployment Benefits Other Than Pensions (OPEB). For purposes of measuring the Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the single-employer defined-benefit healthcare plan (the Benefit Plan) and additions to and deductions from the Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Benefit Plan. For this purpose, the Benefit Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

The Trust considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The Trust invests its surplus operating funds in money market mutual funds and overnight repurchase agreements. These funds generally invest in highly liquid U.S. government and agency obligations.

(e) Investments

Restricted investments are held in a pool with Miami-Dade County, Florida (the County) and include U.S. government securities, U.S. government agency securities, commercial paper, and U.S. Treasury bills.

(f) Assets Limited as to Use – Cash and Investments

Assets limited as to use include self-insurance trust arrangements; designated assets set aside by the Board or the County for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes; and assets set aside in accordance with agreements with third-party payors, the County, and the Florida Department of Financial Services Office of Insurance Regulation. Amounts required to meet current liabilities have been classified as current assets in the accompanying statements of net position.

(g) Supplies

Supplies, consisting primarily of pharmaceutical and medical-surgical supplies, are principally determined using average cost or market.

(h) Capital Assets

The Trust capitalizes all items with an initial cost of $5,000 or greater and an expected useful life of two years or more, or groups of 10 or more like items with a cost of $1,500 or greater. The Trust's capital assets are stated at cost or if donated, at fair value at the date of donation. Assets under capital leases are stated at the present value of future minimum lease payments at the inception of the lease and are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Leasehold improvements are amortized on a straight-line basis over the shorter of the term of the respective lease or the life of the related asset. Such amortization is included in depreciation and amortization in the financial statements. Routine maintenance and repairs that do not extend the life of the assets are charged to expense as incurred and major renovations or improvements are capitalized.

Commencing in fiscal year 2012, depreciation is provided for using the half-year convention for the first and final year with a straight-line method over the estimated useful lives of the related assets based on the American Hospital Association guidelines as summarized below:

	Use life
Land improvements	2–25 years
Buildings	5–40 years
Fixed equipment	5–20 years
Movable equipment	3–20 years

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction* Period, which has been implemented by the Trust in the 2019 fiscal year. In part, this new pronouncement no longer allows government entities to capitalize interest costs before the completion of a construction project. Therefore, interest costs incurred on borrowed funds during the period of construction of capital assets are no longer capitalized as a component of the cost of acquiring those assets. Interest costs associated with that portion of the Trust's revenue bonds used to construct qualifying assets, less interest earned on the temporary investment of the unexpended proceeds of those borrowings, are also no longer capitalized as a component of the cost of acquiring the qualifying assets. The amount of interest cost capitalized during the year ended September 30, 2019 and 2018 was approximately $0 and $162,000, respectively.

Management evaluates whether there has been a significant unexpected decline in the utility of a capital asset that could indicate an impairment in the capital asset. If there is an indication that an asset may be impaired, the Trust follows GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, to determine whether an impairment should be recognized. The Trust concluded that no impairment exists as of September 30, 2019 and 2018.

(i) Bonds Payable

The Trust is not empowered to borrow funds. Long-term financing is generally accomplished by the issuance of bonds or other debt by the County, which is reflected as long-term debt in the accompanying financial statements.

(j) Bond Premiums, Discounts, and Refundings of Debt

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method and are reflected as an element of the carrying cost of the debt. For current and advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such deferred amounts on refundings of debt are classified as deferred outflows and deferred inflows of resources in the accompanying financial statements.

(k) Self-Insurance Programs

The provision for estimated self-insured programs – general professional liability claims and workers' compensation includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. The estimates for self-insured claims are continually reviewed and adjusted as necessary as experience develops or new information becomes known.

(l) Net Position Classification

Net position is classified and displayed in three components:

- Net investment in capital assets – consist of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings and deferred inflows and outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation. The Trust first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.
- Unrestricted net position – consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

(m) Deferred Outflows of Resources and Deferred Inflows of Resources

The Trust records deferred outflows of resources, which represent the consumption of net position by the Trust that is applicable to a future reporting period. At September 30, 2019 and 2018, deferred outflows of resources represent deferred charge on refunding and pension related items.

The Trust records deferred inflows of resources, which represent an acquisition of net position that applies to future periods. At September 30, 2019 and 2018, deferred inflows of resources represent deferred charge on refunding, pension related items, and other postemployment benefits.

(n) Classification of Revenues and Expenses

All transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are considered to be operating activities and are reported as operating revenue and operating expenses. Investment income, interest expense, sales tax revenue, funding from the County, and peripheral or incidental transactions are reported as nonoperating revenues and expenses.

(o) Net Patient Service Revenue

The Trust has agreements with third-party payors that provide for payments to the Trust at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an

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estimated basis in the period the related services are rendered and adjusted in the year of final settlement as an adjustment to net patient service revenue in that year's statement of revenues, expenses, and changes in net position. Final settlements under these programs are subject to administrative review and audit by third-party payors. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Adjustments to revenues, related to prior periods increased net patient service revenue by approximately $12,147,000 and $1,621,000, respectively, for the years ended September 30, 2019 and 2018. In the opinion of management, adequate provision has been made in the accompanying financial statements for adjustments that may result from such reviews and audits.

(p) Charitable Services

In pursuing its mission, the Trust provides services to financially disadvantaged individuals in the community in which it operates, despite the lack, or adequacy of reimbursement for those services.

The Trust maintains records to identify and monitor the level of such services as follows:

> The Trust provides care to patients regardless of their ability to pay. All, or a portion, of the charges incurred at established rates are classified as charity by reference to the Trust's established policies. Essentially, these policies define charitable services as those for which no payment is anticipated. In assessing a patient's ability to pay, the Trust uses generally recognized poverty income levels for the community but also includes certain cases where incurred charges are considered to be beyond the patient's ability to pay. Because the Trust does not pursue the collection of amounts determined to meet the criteria under its charity care policy, such amounts are not reported as revenue.

> The Trust provides services to other indigent patients under various State of Florida programs that pay healthcare providers amounts that are less than the cost of the services provided to the recipients. The difference between the cost of services provided to these indigent persons and the expected reimbursement is also considered to be charitable service.

In addition to the services that are provided to financially disadvantaged individuals, the Trust provides certain community health services at no charge to the public, including various educational programs. Costs related to these services are included in operating expenses.

(q) Other Revenue

Other revenue primarily consists of Disproportionate Share (DSH), Low Income Pool (LIP) revenue, parking, rent, specialty pharmacy, and miscellaneous billing and is recognized when earned.

(r) Unpaid Medical Claims

The unpaid medical claims related to employee health insurance benefits are included in accrued salaries and payroll taxes withheld. The unpaid medical claims include accruals for employee medical claims incurred as well as those incurred but not reported. The accrual is based on an actuarial analysis report of the incurred, but not reported medical claims at fiscal year-end.

(s) Income Taxes

The Trust is an integral part of Miami-Dade County, Florida, and as such, is not subject to income tax. The Foundation is exempt from income taxes under Internal Revenue Code (IRC) Section 501(a) as an entity described in IRC Section 501(c) (3).

(t) Significant Accounting Policies – Foundation

The Foundation is a private, nonprofit organization that reports under the standards of the Financial Accounting Standards Board (FASB), including Accounting Standards Codification 958-605. The update amends the current reporting model for not-for-profit organizations and enhances their required disclosures. As such, certain revenue recognition criteria and presentation features are different from Governmental Accounting Standards Board (GASB) revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s financial information in the Trust’s financial statements for these differences.

The Foundation adopted Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities.* The Foundation has applied the update retrospectively to all periods presented and adjusted the presentation of these financial statements accordingly. As a result, the Foundation has reclassified amounts formerly classified as unrestricted net assets to net assets without donor restrictions. The adoption of this update has no other material effect on the Foundation’s financial position and changes in net assets.

(i) Contributions

In accordance with an accounting standard issued by the FASB, contributions received or made, including promises to give or pledges, are recognized at fair value in the period in which they are received or made.

Contributions received, including unconditional promises to give, are recognized as revenues when the donor’s commitment is received. Conditional promises are recorded when donor stipulations are substantially met. Unconditional promises are recognized at the estimated present value of the future cash flows using a risk-free rate. Promises and contributions of noncash assets are recorded at their fair value.

During the years ended September 30, 2019 and 2018, one and two donors accounted for 65% and 64%, respectively, of total public support and revenues.

(ii) Donated Services

Board members and volunteers have donated significant time to the Foundation’s activities. However, the value of these services is not reflected in the accompanying financial statements of the Foundation, since such services are not the type that would qualify for recognition.

In June 2018, the Foundation entered into a five-year operating lease with the Public Health Trust for its new office space. Per the terms of the agreement, the Foundation pays the Public Health Trust as annual rental fee of $1. The Foundation recognized the estimated market value of the

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accompanying Statement of Activities for the year ended September 30, 2018. The Foundation recognized an amount of $142,000 during the year ended September 30, 2019.

(iii) Cash and Cash Equivalents

Cash and cash equivalents include money market funds at various financial institutions. The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(iv) Investments

The Foundation reports its investments under an accounting standard issued by the FASB on accounting for certain investments held by not-for-profit organizations. Under the standard, a not-for-profit organization is required to report investments in equity securities with readily determinable fair values and all investments in debt securities at fair value.

Purchased securities are stated at fair value based on the most recently traded price of the security at the financial statement date. Donated securities are recorded at fair value and sold immediately. Realized and unrealized gains and losses are recorded in the statement of activities.

(v) Pledges Receivable

Pledges receivable, less an estimate for uncollectible amounts, represent uncollected promises and are stated at the estimated present value of the future cash flows using a rate of return appropriate for the expected term of the promise to give at the time initially recognized. The majority of pledges are designated by the donors for distribution to Jackson Health System (JHS). Such amounts subject to collection and fund-raising costs and administration fees, when applicable, are distributed to JHS as designated by the donor. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

(vi) Property and Equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of donation. Additions and major improvements are capitalized, and repairs and maintenance costs are expensed. Upon retirement or sale, any resulting gain or loss is recognized in the appropriate period. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

(u) New Accounting Pronouncements

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 obligations (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. The Statement also requires 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. This new statement does not impact the Trust's financial statements.

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 pronouncement has no impact on the Trust's financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*, which increases the usefulness of a 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 a governments' leasing activities. GASB Statement No. 87 is effective for fiscal years beginning after December 15, 2019. The Trust is evaluating the impact of this statement.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statement No. 14 and No. 61*. 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. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. The Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The Statement also requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100% equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. GASB Statement No. 90 is effective for fiscal years beginning after December 15, 2018. The Trust is evaluating the impact of this statement.

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(2) Impact of Adoption of New Accounting Pronouncements

(a) GASB Statement No. 88

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. 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 and defines debt for purposes of disclosure in notes to financial statements. The Statement also 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. For notes to financial statements related to debt, the Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. GASB Statement No. 88 is effective for fiscal years beginning after June 15, 2018. The Trust has implemented this statement, which did not have an impact on the Trust's financial statements.

(b) GASB Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of the statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The 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. GASB Statement No. 89 is effective for fiscal years beginning after December 15, 2019. The Trust elected to early adopt GASB Statement No. 89. For the year ended September 30 2019 and 2018, respectively, capitalized interest was approximately $0 and $162,000, respectively. This decrease is solely due to the Trust's implementation of GASB 89.

(3) Financial Condition

The Trust's net position increased approximately $224,947,000 and $142,645,000, respectively, during fiscal year 2019 and 2018, and at September 30, 2019 and 2018, the Trust has a working capital surplus of approximately $207,958,000 and $198,881,000, respectively. Day's cash on hand was approximately 57 days and 61 days at September 30, 2019 and 2018.

Historically, the Trust has relied on funding from the County and sales tax revenue to defray the costs of its general operations. The amount of future funding from the County is dependent, in part, on the availability of ad valorem and non ad valorem taxes to do so, while the level of sales tax revenue is dependent on general economic conditions.

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(4) Cash, Cash Equivalents, and Investments

At September 30, 2019 and 2018, cash, cash equivalents, and investments, including assets limited as to use, at fair value included the following:

		2019	2018
Pooled, cash and investments with Miami-Dade County, Florida	$	32,843,863	33,615,700
Cash and cash equivalents and investments		360,054,834	356,678,406
Total cash, cash equivalents, and investments	$	392,898,697	390,294,106

The Trust's and the County's pooled cash and investment accounts are required to be maintained in accordance with legal restrictions. The Trust's equity share of the County's total pooled cash and investments is included in restricted short-term and long-term investments in the accompanying statements of net position.

(a) Deposits

The Trust's investment authority is derived from *Florida Statutes*, Chapter 218.415, and by county ordinance. Time deposits made in banks and savings and loans associations must be made with qualified public depositories in accordance with Chapter 280, *Florida Statutes*. All qualified public depositories, as defined under *Florida Statutes*, are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. At September 30, 2019 and 2018, the Trust's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*.

(i) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Policy requires that bank deposits be secured per Chapter 280, *Florida Statutes*. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. The Policy requires the execution of a Custodial Safekeeping Agreement (CSA) for all purchased securities and shall be held for the credit of the Trust in an account separate and apart from the assets of the financial institution.

The carrying value of the Trust's bank deposit accounts was approximately $347,225,000 and $341,142,000, respectively, at September 30, 2019 and 2018.

At September 30, 2019 and 2018, the Trust had other investments of approximately $12,830,000 and $15,537,000, respectively, which were valued using quoted market prices (Level 1 inputs as described in note 15(b)).

(ii) Assets Limited as to Use – Cash and Investments

The composition of assets limited as to use at September 30, 2019 and 2018 is set forth in the following table. Investments are stated at fair value based on quoted market prices.

		2019	2018
Assets limited as to use – cash and investments:			
By board for self-insurance program	$	49,254,678	48,208,279
By board for other needs		110,847	122,549
Total assets limited as to use		49,365,525	48,330,828
Less current portion		(7,611,150)	(6,674,484)
	$	41,754,375	41,656,344

(b) Restricted Investments

At September 30, 2019 and 2018, approximately $32,844,000 and $33,616,000, respectively, of the Trust’s deposits and investments were held in a pooled account at the County. Earnings generated by the investment pool are allocated based on each investing organization’s balance as a percentage of total investments held in the pool.

(i) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Trust’s Investment Policy (the Policy) minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund (the Pool) or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act; money market funds registered with the Securities and Exchange Commission (SEC) that have the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to Section 280.02, *Florida Statutes*, which are defined as banks, savings banks, or savings associations organized under the laws of the United States with an office in Florida that is authorized to receive deposits and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the United States Treasury; federal agencies and instrumentalities; securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the U.S. government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such U.S. government obligations and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least one

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nationally recognized rating service; bankers' acceptances that have a stated maturity of 180 days or less from the date of their issuance, have the highest letter and numerical rating as provided for by at least one nationally recognized rating service, and are drawn on and accepted by commercial banks and that are eligible for purchase by the Federal Reserve Bank; and investments in repurchase agreements collateralized by securities authorized by the Policy.

(ii) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of investments in a single issuer. The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 50% of the portfolio may be invested in the Local Government Investment Pool; however, bond proceeds may be temporarily deposited in the Pool until other investments have been purchased. Prior to any investment in the Pool, approval must be received by the Board; a maximum of 30% of the portfolio may be invested in SEC-registered money market funds with no more than 10% to any single money market fund; a maximum of 20% of the portfolio may be invested in nonnegotiable, interest-bearing time certificates of deposit savings accounts with no more than 5% deposited with any one issuer (investment in agencies containing call options shall be limited to a maximum of 25% of the total portfolio). There is no limit on the percentage of the total portfolio that may be invested in direct obligations of the U.S. Treasury or federal agencies, and instrumentalities; a maximum of 5% of the portfolio may be invested in open-end or closed-end funds; a maximum of 50% of the portfolio may be invested in prime commercial paper with a maximum of 5% with any one issuer; a maximum of 25% of the portfolio may be invested in bankers' acceptances with a maximum of 10% with any one issuer; a maximum of 60% of the portfolio may be invested in both commercial paper and bankers' acceptances.

(iii) Interest Rate Risk

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

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(5) Net Patient Service Revenue

The Trust has agreements with third-party payors that provide for payments to the Trust at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Trust's established rates for services and amounts reimbursed by third-party payors. A summary of the payment arrangements with major third-party payors is as follows:

Medicare and Medicare Managed Care – Approximately 40% and 36%, respectively, of the Trust's patient service revenue was derived from services rendered to patients under the Medicare program during fiscal years 2019 and 2018. Medicare inpatient services for acute and rehabilitation services are paid at diagnostic related groups (DRG) bases. These rates vary according to a patient classification system based on clinical, diagnostic, and treatment factors. Psychiatric services are also reimbursed based on DRG. Outpatient services are reimbursed on a prospectively determined fee schedule with final settlement determined after audit of the annual cost report submitted by the Trust.

The Trust's annual Medicare cost reports are subject to audit and approval of the Medicare program authorities. In connection with this audit and approval process, the Trust may be required to revise its previous estimate of amounts due to or from the Medicare program. Differences between the Trust's original estimate and estimates based on subsequent determinations, resulting from the audit and approval process mentioned above, are recorded in operations by the Trust in the period the determination is made. The Trust's Medicare cost reports have been audited and settled by the Medicare fiscal intermediary through September 30, 2015. The Trust has filed Medicare cost reports through September 30, 2018. Estimated provisions, if any, have been made for years through September 30, 2019 and have been reflected in the accompanying financial statements.

Medicaid and Medicaid Managed Care – Approximately 24% and 27%, respectively, of the Trust's patient service revenue was derived from services rendered to patients under the Medicaid program for fiscal years 2019 and 2018. Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed prospectively for covered services on the basis of historical cost as determined under regulations of the Medicaid program. Effective with admissions on or after July 1, 2013, the Medicaid program changed the reimbursement for inpatient stays to a DRG-based methodology. On July 1, 2017, Medicaid Outpatient converted to EAPG (Enhanced Ambulatory Patient Grouping) payment. The Trust is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Trust and audits thereof by the Medicaid fiscal intermediary. The Trust's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through September 30, 2010. The Trust has filed its final Medicaid cost report, through September 30, 2018 as the Trust is no longer required to file the Medicaid Cost Report. Estimated provisions, if any, have been made for years through September 30, 2019 and have been reflected in the accompanying financial statements. Effective July 1, 2014, the majority of Medicaid patients were transitioned into Managed care plans. The 24% and 27% in patient service revenue in fiscal years 2019 and 2018, respectively is a combination of 9% and 9%, respectively, Medicaid and 15% and 17%, respectively, Managed Care Medicaid.

(Continued)

Other – Approximately 34% and 35%, respectively, of the Trust's patient service revenue was derived from services rendered under various other provider agreements during fiscal years 2019 and 2018. The Trust has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payments to the Trust under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. The remaining 2% and 2%, respectively, for fiscal years 2019 and 2018 represents revenue derived from self-pay and patients that may qualify for state assistance on the condition that state funding is available.

Net patient service revenue consisted of the following for the years ended September 30, 2019 and 2018:

	2019	2018
Patient service revenue:		
Inpatient service	$ 4,108,395,626	4,034,814,588
Ambulatory services	1,675,511,739	1,569,526,433
Total gross patient charges	5,783,907,365	5,604,341,021
Charity care	(330,920,758)	(382,601,587)
Provision for doubtful accounts	(622,606,438)	(606,438,305)
Contractual adjustments	(3,532,187,053)	(3,393,393,619)
Total deductions	(4,485,714,249)	(4,382,433,511)
Net patient service revenue	$ 1,298,193,116	1,221,907,510

(6) Concentration of Credit Risk

Patients' accounts receivable consist primarily of receivables from patients and third-party payors. In the course of providing healthcare services, the Trust grants credit to patients, substantially, all of whom are residents of the County. The Trust generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignments of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies (e.g., Medicare, Medicaid, health maintenance organizations, preferred provider organizations, and commercial insurance policies).

The mix of receivables from patients and third-party payors based on gross patient charges at September 30, 2019 and 2018 as follows:

	2019	2018
Medicaid	13 %	12 %
Medicare	8	8
Patients	30	34
Managed care	43	39
Commercial	6	7
	100 %	100 %

The allowance for doubtful accounts represents amounts, which, in the Trust's judgment, will be adequate to absorb write-offs of existing patient receivable balances, which may become uncollectible. Estimation of the allowance for doubtful accounts is based on several factors, which include, but are not limited to, analytical review of loss experience of the various payor classes in relation to outstanding receivables and judgment with respect to the impact of current economic conditions. The Trust believes that the allowance for doubtful accounts is adequate.

(7) Transactions with the County

Under the terms of the operating agreement (the Agreement) between the County and the Trust, the County funded the Trust approximately $203,224,000 and $188,585,000 in 2019 and 2018, respectively, from ad valorem and non ad valorem taxes to defray the costs of its general operations. Such amounts have been included in nonoperating revenues in the accompanying statements of revenues, expenses, and changes in net position. The amounts of future funding from the County are dependent, in part, on the availability of ad valorem and non ad valorem taxes to do so.

The County provided various services to the Trust under the terms of the Agreement, such as legal, direct, and indirect costs, which for 2019 and 2018 amounted to approximately $3,912,000 and $3,676,000, respectively. These services are billed at cost. At September 30, 2019 and 2018, the Trust's accumulated payables to the County for these and other services were approximately $2,000 and $45,000, respectively, which is included in due to Miami-Dade County in the accompanying statements of net position.

In addition to the above matters, at September 30, 2019 and 2018, due to Miami-Dade County in the accompanying statements of net position included $15,099,000 and $15,053,000, respectively, due to the County under the agreement to partially fund the County's obligation to the State of Florida under the Medicaid program.

As of September 30, 2019 and 2018, the Trust recorded a receivable from the County of approximately $47,493,000 and $45,673,000, respectively, as due from Miami-Dade County in the accompanying statements of net position for sales taxes receivable.

In November 2013, voters of Miami Dade County approved in a referendum the issuance of General Obligation Bonds (PHT-GOB) for $830 million. The PHT-GOB is a general obligation of the County and is

(Continued)

payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the County. These funds are utilized for upgrades, new equipment, the expansion of the urgent care centers, and the land for the construction of Jackson West hospital. At September 30, 2019 and 2018, the Trust recorded approximately $195,468,000 and $105,552,000, respectively, in other nonoperating and General GOB revenues in the accompanying statements of revenues, expenses, and changes in net position for PHT-GOB contributions from the County. Such contributions were used for approximately $7,508,000 and $17,285,000 in Cerner and other software installations, $22,217,000 and $4,919,000 in equipment purchases, and $158,243,000 and $83,348,000 in construction during the years ended September 30, 2019 and 2018, respectively. In addition, the Trust received funds from the Miami Dade County General Bond (MDC-GOB). During the year ended September 30, 2019, the Trust used approximately $7,500,000 from the MDC-GOB for the acquisition of new land.

(8) Sales Tax Revenue

On September 3, 1991, the voters of the County approved a half-cent sales tax to support the operations of the Trust, effective January 1, 1992. During the years ended September 30, 2019 and 2018, the Trust recognized approximately $282,832,000 and $275,005,000, respectively, of sales tax revenue, which is included in nonoperating revenues in the accompanying statements of revenues, expenses, and changes in net position.

(9) Capital Assets

A summary of the activity in the capital assets and the related accumulated depreciation account for the years ended September 30, 2019 and 2018 is as follows:

	Balance at September 30, 2018	Additions	Transfers	Sales, retirement, and adjustments	Balance at September 30, 2019
Land improvements	$ 76,346,484	—	1,354,248	136	77,700,868
Buildings	867,761,406	299,276	42,002,458	—	910,063,140
Fixed equipment	109,485,611	1,046,473	614,195	—	111,146,279
Movable equipment	581,254,499	20,605,097	19,819,216	(3,721,975)	617,956,837
Depreciable assets	1,634,848,000	21,950,846	63,790,117	(3,721,839)	1,716,867,124
Accumulated depreciation	(1,099,672,678)	(74,910,179)	—	3,417,189	(1,171,165,668)
Net depreciable assets	535,175,322	(52,959,333)	63,790,117	(304,650)	545,701,456
Land	36,874,927	8,184,728	—	—	45,059,655
Construction in progress	152,575,692	258,577,397	(51,875,355)	(115,527)	359,162,207
Projects in progress	9,912,437	14,562,619	(11,914,762)	—	12,560,294
Capital assets, net	$ 734,538,378	228,365,411	—	(420,177)	962,483,612

	Balance at September 30, 2017	Additions	Transfers	Sales, retirement, and adjustments	Balance at September 30, 2018
Land improvements	$ 75,871,320	—	475,164	—	76,346,484
Buildings	827,155,274	336,142	55,503,044	(15,233,054)	867,761,406
Fixed equipment	110,484,822	710,291	65,590	(1,775,092)	109,485,611
Movable equipment	505,993,465	18,985,412	59,932,495	(3,656,873)	581,254,499
Depreciable assets	1,519,504,881	20,031,845	115,976,293	(20,665,019)	1,634,848,000
Accumulated depreciation	(1,050,457,933)	(67,272,025)	—	18,057,280	(1,099,672,678)
Net depreciable assets	469,046,948	(47,240,180)	115,976,293	(2,607,739)	535,175,322
Land	36,634,927	240,000	—	—	36,874,927
Construction in progress	96,713,071	118,455,407	(62,563,487)	(29,299)	152,575,692
Projects in progress	51,924,402	11,400,841	(53,412,806)	—	9,912,437
Capital assets, net	$ 654,319,348	82,856,068	—	(2,637,038)	734,538,378

(10) Long-Term Obligations

Activity with respect to long-term debt and other liabilities for the year ended September 30, 2019 and 2018 was as follows:

	Balance at September 30, 2018	Additions	Refunding/ reductions	Balance at September 30, 2019	Amount due within one year
Bonds payable	$ 284,055,000	—	(8,985,000)	275,070,000	9,710,000
Add amounts:					
For issuance premium	25,669,010	—	(2,248,523)	23,420,487	—
Bonds Payable, net	309,724,010	—	(11,233,523)	298,490,487	9,710,000
Estimated self-insurance	47,056,384	8,619,769	(7,875,165)	47,800,988	7,253,895
Other liabilities	2,988,852	212,771	(170,677)	3,030,946	—
Net pension liability	151,235,619	213,794,762	(150,778,205)	214,252,176	—
Total other post employment benefits liability	68,192,334	27,475,783	(10,911,002)	84,757,115	5,563,000
	$ 579,197,199	250,103,085	(180,968,572)	648,331,712	22,526,895

The Trust also has an unused line of credit for approximately $199,794,000.

	Balance at September 30, 2017	Additions	Refunding/ reductions	Balance at September 30, 2018	Amount due within one year
Bonds payable	$ 292,610,000	—	(8,555,000)	284,055,000	8,985,000
Add amounts:					
For issuance premium	27,970,413	—	(2,301,403)	25,669,010	—
Bonds Payable, net	320,580,413	—	(10,856,403)	309,724,010	8,985,000
Estimated self-insurance	43,233,155	11,895,687	(8,072,458)	47,056,384	6,304,354
Other liabilities	747,313	2,367,179	(125,640)	2,988,852	—
Net pension liability	149,318,969	181,165,646	(179,248,996)	151,235,619	—
Total other post employment benefits liability	70,013,879	11,970,352	(13,791,897)	68,192,334	5,348,000
	$ 583,893,729	207,398,864	(212,095,394)	579,197,199	20,637,354

(11) Long-Term Debt and Interest Expense

The composition of long-term debt at September 30, 2019 and 2018 is set forth in the following table:

	2019	2018
Public Facilities Revenue Refunding Bonds (Series 2005B), net of unamortized bond premium of approximately $210,000 and $385,000 at September 30, 2019 and 2018. Interest rate of 5%.	$ 16,110,366	16,285,026
Public Facilities Revenue Bonds (Series 2009), net of unamortized bond premium of approximately $2,000 at September 30, 2018 with interest rate of 4.5%. Final maturity occurred on June 1, 2019.	—	1,927,000
Public Facilities Revenue and Revenue Refunding bonds (Series 2015A), net of amortized bond premium of approximately $13,692,000 and $15,027,000 at September 30, 2019 and 2018. Interest rate from 3% to 5%.	191,647,029	200,042,320
Public Facilities Revenue Bonds (Series 2017), net of amortized bond premium of approximately $9,518,000 and $10,255,000 at September 30, 2019 and 2018. Interest rate from 3% to 5%.	90,733,092	91,469,664
	298,490,487	309,724,010
Less: current portion	(9,710,000)	(8,985,000)
	$ 288,780,487	300,739,010

On September 27, 2005, the County issued Public Facilities Revenue Bonds and Public Facilities Revenue Refunding Bonds in the original combined amount of $300,000,000 (Series 2005 Bonds) with maturity through June 2037 to (i) pay or reimburse the Trust for the cost of certain additions to the Trust's healthcare facilities; (ii) fund a Debt Service Reserve Fund; (iii) refund all of the County's outstanding Public Facilities Revenue Bonds (Jackson Memorial Hospital), Series 1993 Public Facilities Revenue Refunding Bonds (Jackson Memorial Hospital), Series 1993A and Series 1998 Public Facilities Revenue Bonds (Jackson Memorial Hospital); and (iv) pay certain costs incurred in connection with the issuance of the Series 2005 Bonds, including the premium for a municipal bond insurance policy.

On September 2, 2009, the County issued Public Facilities Revenue Bonds in the original amount of $83,315,000 (Series 2009 Bonds) with maturity through June 2039 to provide funds to (i) pay or reimburse the Trust for the cost of certain additions to the Trust's healthcare facilities, including infrastructure; (ii) fund a deposit to the Debt Service Reserve Fund established under the Master Ordinance; and (iii) pay certain costs incurred in connection with the issuance of the Series 2009 Bonds, including the premium for a financial guaranty insurance policy.

On July 9, 2015, the County issued Public Facilities Revenue and Revenue Refunding Bonds in the original combined amount of $205,350,000 (Series 2015A) to (1) refund, defease, and redeem a portion of the County's outstanding Series 2005 Bonds and (2) pay or reimburse PHT for the cost of certain additions to PHT's healthcare facilities; and pay certain costs incurred in connection with the issuance of Series 2015 Bonds. The computation performed in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities* for the current refunding of the Series 2005A bonds and the partial refunding of the Series 2005B bonds resulted in a gain on defeasance of approximately $7,166,000, which is recorded as deferred inflows of resources in the accompanying statements of net position. This deferred amount is being amortized through 2036 using the straight-line amortization method. The refunding produced an aggregate present value savings of approximately $21,381,000. The Series 2015A bear interest ranging between 3% and 5% and mature serially through 2036.

On June 1, 2017, the County issued Public Facilities Revenue Bonds in the original combined amount of $81,215,000 (Series 2017) to (1) refund, and redeem all of the County's outstanding Public Facilities Revenue Bonds (Jackson Health System), Series 2005A, (2) advance refund and defease $68,570,000 of the County's outstanding Series 2009 Bonds, pay certain costs incurred in connection with the issuance of the Series 2017 bonds.. The computation performed in accordance with GASB Statement No. 23 for the current refunding of the Series 2005A and 2009 resulted in a loss on defeasance of approximately $6,459,000 which is recorded as deferred outflows of resources in the accompanying statement of net position. This deferred amount is being amortized through 2039 using the straight line amortization method. The refunding produced an aggregate present value savings of approximately $9,398,000. The Series 2017 bear interest ranging between 3% and 5% and mature serially through 2039.

The Series 2005 Bonds, Series 2009 Bonds, Series 2015 Bonds, and Series 2017 (collectively, the Bonds) are secured by the gross revenues of the Trust. The Bonds are subject to certain covenants included in Ordinance No. 05-49 (the Ordinance), together with certain ordinances and board resolutions, which authorize and issue the Bonds by and between the Trust and the County. In addition, the Trust must comply with certain covenants included in the related insurance agreements.

The Ordinance contains restrictive covenants that must be met by the Trust, including, among other items, the requirement to maintain a minimum long-term debt service coverage ratio, the requirement to make scheduled monthly deposits to the debt service fund, maintenance of insurance on the Trust's facilities, and limitations on the incurrence of additional debt.

The approximate maturities of long-term debt for the next five years and thereafter are as follows:

	Principal payments	Interest payments	Total debt service
Year(s) ending September 30:			
2020	$ 9,710,000	13,326,575	23,036,575
2021	10,985,000	12,888,275	23,873,275
2022	10,415,000	12,381,325	22,796,325
2023	10,920,000	11,882,375	22,802,375
2024	11,460,000	11,337,375	22,797,375
2025–2029	66,500,000	47,499,075	113,999,075
2030–2034	84,810,000	29,153,625	113,963,625
2035–2039	70,270,000	7,983,550	78,253,550
	$ 275,070,000	146,452,175	421,522,175

Interest expense for the years ended September 30, 2019 and 2018 is summarized as follows:

	2019	2018
Interest on bonds	$ 11,100,345	11,579,686
Other interest	(11,213)	(3,602)
	$ 11,089,132	11,576,084

Total beginning deposit to escrow was $74,281,000 and the Trust had outstanding amounts defeased in escrow during fiscal year 2019. The Trust had outstanding amounts previously defeased held in escrow during fiscal year 2019.

(12) Risk Management

The Trust is exposed to various risks of loss related to professional liability; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Trust manages its risks for professional and general liability internally and sets aside assets for claims settlement.

(a) Professional and General Liability

The Trust established a self-insurance program for professional and general liability claims beginning in 1975. As an agency of a political subdivision of the State of Florida, the Trust has sovereign immunity from such claims, except for the waiver of such immunity, to the extent of $200,000 per claimant or $300,000 per incident. The maximum limitation has been considered in estimating the reserve for self-insured claims. The Board, at its discretion, has funded approximately $49,255,000 and $48,208,000, respectively, at September 30, 2019 and 2018, of its estimated liability. Such amounts are reflected in the accompanying statements of net position as assets limited as to use.

Incidents that might result in claims are required to be reported to the risk management department of the Trust for investigation. At any one time, claims are in various stages of processing, including being handled by counsel. In addition, claims may not have been presented for all reported incidents. Management of the Trust, based on advice of counsel and its consulting actuaries and determinations made by the risk management department, estimates the reserve necessary to provide for claims based on incidents that have occurred based on the appropriate sovereign immunity limitation. Accrued professional and general liabilities losses have been discounted using a rate of 3% at September 30, 2019 and 2018. The total liability as of September 30, 2019 and 2018 approximated $23,390,000 and $23,099,000, respectively, of which approximately $20,564,000 and $21,200,000, respectively, is included in long-term estimated self-insured liability, and approximately $2,827,000 and $1,899,000, respectively, is included in current estimated self-insured liability in the accompanying statements of net position.

(b) Workers' Compensation

The Trust participated in the County's self-insured workers' compensation program until the first quarter of fiscal year 2008, at which time a third-party administrator began processing claims, and the Trust established its own self-insurance program for workers' compensation. The workers' compensation assessment resulted in a liability at September 30, 2019 and 2018 of approximately $24,411,000 and $23,957,000, respectively, of which approximately $19,983,000 and $19,552,000, respectively, is included in long-term estimated self-insured liability, and approximately $4,427,000 and $4,405,000, respectively, is included in current estimated self-insured liability in the accompanying statements of net position. No stop-loss insurance policy has been purchased for claims exceeding a certain dollar amount.

The changes in the self-insurance programs for the years ended September 30, 2019 and 2018 are as follows:

		Workers' compensation	Professional liability	Total
Balance at September 30, 2018	$	23,956,979	23,099,405	47,056,384
Claims paid		(5,038,714)	(2,836,452)	(7,875,166)
Claims and changes in estimates		5,492,356	3,127,414	8,619,770
Balance at September 30, 2019	$	24,410,621	23,390,367	47,800,988

		Workers' compensation	Professional liability	Total
Balance at September 30, 2017	$	22,182,743	21,050,412	43,233,155
Claims paid		(6,108,597)	(1,963,861)	(8,072,458)
Claims and changes in estimates		7,882,833	4,012,854	11,895,687
Balance at September 30, 2018	$	23,956,979	23,099,405	47,056,384

(13) Leases

The Trust leases various equipment and facilities under operating leases. Rent expense for all operating leases was approximately $8,626,000 and $8,103,000, respectively, in fiscal years 2019 and 2018, and is included in contractual and purchased services in the accompanying financial statements. At September 30, 2019, future minimum lease payments by year under noncancelable operating leases with remaining terms of more than one year are as follows:

Year ending September 30:		
2020	$	7,611,157
2021		6,190,259
2022		3,038,780
2023		2,063,568
2024		1,270,368
	$	20,174,132

(14) Public Medical Assistance Trust Fund Assessment

The State of Florida's Health Care Consumer Protection Awareness Act (the Act) calls for an assessment equal to 1.5% of hospital net patient revenue, as defined, to be provided for care of indigents in the State of Florida. The Florida Legislative session of 2000 passed the Patient Protection Act of 2000, which provided that the assessment be lowered to 1% for certain services. The assessments are paid to the State of Florida in quarterly increments with the first installment due no more than six months after the Trust's fiscal year-end. The assessment was approximately $15,655,000 and $14,983,000, respectively, in fiscal years 2019 and 2018.

(15) Pension Plans

(a) Florida Retirement System

(i) Summary of Significant Accounting Policies

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 the Health Insurance Subsidy (HIS) and additions to/deductions from FRS and HIS's fiduciary net position have been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are report at fair value.

(ii) General Information about the Pension Plan

The Florida Retirement System (FRS) Pension Plan and Other-State Administrative Systems (the Systems) are administered by the Florida Department of Management Services, Division of Retirement, and is a part of the primary government of the State of Florida. The FRS is a section 401(a), Internal Revenue Code, qualified cost-sharing, multiple-employer defined benefit plan for participating public employers and their covered employees.

The State Board of Administration of Florida (SBA) manages the assets of the Florida Retirement System (FRS). The primary investment objectives for the FRS Pension Plan are to provide investment returns sufficient to ensure timely payment of promised benefits and keep plan costs at a reasonable level. The portfolio consists of a highly diversified asset mix of investments, which includes government and corporate bonds, common stock, income-producing real estate, alternative investments, and short-term money market instruments.

The FRS Retirement System Pension Plan (Plan) was created in Chapter 12, *Florida Statutes* in 1970 by consolidating several employee retirement systems. All eligible employees (as defined by the State of Florida) who were hired after 1970 and those employed prior to 1970 who elect to be enrolled are covered by the Plan. Employees in the Pension Plan vest at six years of service if enrolled in the plan prior to July 1, 2011. Enrollment after July 1, 2011 requires eight years of service to vest. Members initially enrolled in FRS before July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, regardless of age. For enrollees prior to July 1, 2011, pension plan benefit payments are based on the member's highest five-year average annual salary (average final compensation) times the number of years of service. Enrollees after July 1, 2011 are eligible for normal retirement benefits at age 65, or after completing the eight years of credible service any age, if after 65 and have benefit payments based on the member's highest eight-year average annual salary. The annual final compensation (regardless of whether it is the highest five or highest eight) is multiplied by a percentage ranging from 1.60% at either 62 or with 30 years of service to 1.68% at age 65 or with 33 years of service. Members are eligible for early retirement after six years of service, however, normal benefits are reduced by 5%

for each year a member retires before normal retirement age. Effective January 1, 1996, the Trust ceased participants in the FRS plan with regard to future employees.

The Plan provides retirement, disability, and death benefits and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (DROP) was established effective July 1, 1998. It permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with a Florida Retirement System employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust fund and accrue interest.

Eligible FRS members may elect to participate in the FRS Investment Plan in lieu of the defined-benefit Plan. Trust employees participating in DROP are not eligible to participate in the FRS Investment Plan. This plan is funded by employer contributions that are based on salary and membership class. Contributions are directed to individual member accounts and the ultimate benefit depends in part on the performance of investment funds chosen. Employees in the FRS investment Plan vest after one year of service.

The benefit provisions and all other requirements of the Plan are established by *Florida Statutes*. The Florida Legislature establishes and amends the contribution requirements and benefits of the Plan.

The contribution rates for the Plan are established by Section 121.71 of the Florida State statutes and may be amended by the State of Florida. The uniform rates for the Plan fiscal year 2018-2019 were as follows:

	2019	
	Percentage of gross salary	
Class or Plan	Employee	Employer (A)
Florida Retirement System, Regular	3.00	8.26

	2018	
	Percentage of gross salary	
Class or Plan	Employee	Employer (A)
Florida Retirement System, Regular	3.00	7.92

Notes: (A) Employer rates include the postretirement health insurance supplement, which was increased on July 1, 2015 to 1.66%, and fee of 0.06% for the administration of the FRS investment plan.

The Trust's contributions to the Plan, net of employee contributions, for the fiscal years ending September 30, 2019 and 2018 was approximately $7,737,000 and $8,194,000, respectively. Effective July 1, 2011, all members of FRS, except for DROP participants and reemployed retirees who are not eligible for renewed membership, are required to contribute 3% of their compensation to FRS. Amounts collected by the Trust and remitted to the Plan, related to employee contributions are not considered employer contributions by the Plan.

Benefits are computed on the basis of age and/or years of service, average final compensation and service credit.

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

Section 121.031(3), *Florida Statutes*, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Florida Legislature as guidance for funding decisions.

At September 30, 2019, the Trust reported a net pension liability of approximately $87,296,000 for its proportionate share of the FRS Pension Plan net pension liability. The net pension liability as of September 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 Trust's proportionate share of the FRS net pension liability was on based the Trust's actual contributions to the pension plan relative to the total actual contributions of all employers during the fiscal year ended June 30, 2019. At June 30, 2019, the Trust's proportionate share was 0.2535%, which was a decrease of 12.40% from its proportionate share of 0.2894% measured as of June 30, 2018.

At September 30, 2018, the Trust reported a net pension liability of approximately $87,157,000 for its proportionate share of the FRS Pension Plan net pension liability. The net pension liability as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Trust's proportionate share of the FRS net pension liability was on based the Trust's actual contributions to the pension plan relative to the total actual contributions of all employers during the fiscal year ended June 30, 2018. At June 30, 2018, the Trust's proportionate share was 0.2894%, which was a decrease of 7.39% from its proportionate share of 0.3125% measured as of June 30, 2017.

(Continued)

For the years ended September 30, 2019 and 2018, the Trust recognized pension expense of approximately $15,601,000 and $10,338,000, respectively, for the FRS Pension Plan. At September 30, 2019 and 2018, the Trust reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

	2019	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 5,177,788	(54,175)
Changes in assumptions	22,421,425	—
Net difference between projected and actual earnings on pension plan investments	—	(4,829,683)
Changes in proportion and differences between Trust contributions and proportionate share of contributions	—	(17,536,686)
Trust contributions subsequent to the measurement date	2,022,531	—
Total	$ 29,621,744	(22,420,544)

	2018	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 7,383,503	(267,986)
Changes in assumptions	28,478,651	—
Net difference between projected and actual earnings on pension plan investments	—	(6,733,936)
Changes in proportion and differences between Trust contributions and proportionate share of contributions	—	(16,079,497)
Trust contributions subsequent to the measurement date	2,145,506	—
Total	$ 38,007,660	(23,081,419)

(Continued)

The deferred outflows of resources related to pensions totaling $2,023,000 as of September 30, 2019, resulting from Trust contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		Amount recognized
Fiscal year ending September 30:		
2020	$	2,684,299
2021		(2,004,232)
2022		2,598,461
2023		2,280,606
2024		(219,131)
Thereafter		(161,334)
Total	$	5,178,669

Actuarial assumptions. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation date calculated on the assumptions listed below:

	2019	2018
Valuation date	July 1, 2019	July 1, 2018
Measurement date	June 30, 2019	June 30, 2018
Discount rate	6.90%	7.00%
Long-term expected rate of return net of investment expense	7.00	7.00
Inflation	2.60	2.60
Salary increase, including inflation	3.25	3.25
Mortality	PUB2010 base table by category and sex, projected generationally with Scale MP-2018	Generational RP-2000 with Projection Scale BB Tables
Actuarial cost method	Individual Entry Age Normal	Individual Entry Age Normal

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan as of June 30, 2019 and 2018 were based on the results of an actuarial experience study for the period ended July 1, 2013 through June 30, 2018.

The following changes in actuarial assumptions occurred during the year ended September 30, 2019:

- The discount rate and the long-term expected rate of return were decreases from 7.00% to 6.90%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

Long-term expected rate of return. The long-term expected rate of return on pension plan investments was determined using a building-block method for which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	2019 Annual arithmetic of return	2018 Annual arithmetic of return
Cash	1.00 %	3.3 %	2.9 %
Fixed income	18.00	4.1	4.4
Global equity	54.00	8.0	7.6
Strategic investment	6.00	5.9	6.6
Private equity	11.00	11.2	10.7
Real estate (property)	10.00	6.7	6.0
Total	100.00 %		

Discount rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.90% and 7.00% for fiscal years ended 2019 and 2018, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Trust's proportionate share of the net pension liability to changes in the discount rate. The following presents the Trust's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 6.90%. Also presented is what the Trust's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate at September 30, 2019:

		2019		
		1% Decrease (5.90)%	Current discount rate (6.90)%	1% Increase (7.90)%
Trust's proportionate share of the FRS Pension Plan net pension liability	$	150,906,094	87,296,220	34,171,215

The following presents the Trust's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.00%. Also presented is what the Trust's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate at September 30, 2018:

		2018		
		1% Decrease (6.00)%	Current discount rate (7.00)%	1% Increase (8.00)%
Trust's proportionate share of the FRS Pension Plan net pension liability	$	159,065,077	87,156,943	27,432,987

Pension Plan fiduciary net position. Detailed information about the FRS Pension Plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available by mail at: State of Florida, Division of Retirement, Department of Management Services, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399, by telephone toll free (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (http://www.dms.myflorida.com).

(iv) General Information about the Health Insurance Subsidy (HIS)

HIS plan description. The HIS Pension is a non-qualified, cost-sharing multiple-employer defined-benefit pension plan established under Section 112.363, *Florida Statutes* to provide a monthly payment to assist retirees and beneficiaries of any state-administered retirement system.

HIS benefits provided. The benefit of the HIS Pension Plan is a monthly payment to assist retirees in paying their health insurance costs. This plan is administered by the Department of Management Services, Division of Retirement. HIS benefits are not guaranteed and are subject to annual legislative appropriation.

Eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $5. The payments are a minimum of $30 but not more than $150 monthly per Section 112.263, *Florida Statutes*.

HIS Contributions. The HIS Pension Plan is funded by required contributions from FRS participating employers. The funds are deposited in a separate trust fund and consequently paid from that trust fund. Employer contributions are a percentage of gross compensation for all FRS members. For the fiscal years ended September 30, 2019 and 2018, the contribution rate was 1.66%, of payroll per Section 112.263, *Florida Statutes*. Employees do not contribute to this plan.

The Trust's contributions to the HIS Pension Plan totaled approximately $1,705,000 and $1,968,000, respectively, for the fiscal years ended September 30, 2019 and 2018.

(v) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIS Pensions

At September 30, 2019, the Trust reported a liability of approximately $35,530,000 for its proportionate share of the HIS Pension net pension liability. The net pension liability 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 the July 1, 2018. The July 1, 2018 HIS valuation is the most recent actuarial valuation, the valuation as of July 1, 2019 was an intervening year roll-forward valuation. The Trust's proportionate share of the net pension liability was based on the Trust's actual contributions to the pension plan relative to the total actual contributions of all employers during the fiscal year ended June 30, 2019. At June 30, 2019, the Trust's proportionate share was 0.3175%, which was a decrease of 14.92% from its proportionate share of 0.3732% measured as of June 30, 2018.

At September 30, 2018, the Trust reported a liability of approximately $39,505,000 for its proportionate share of the HIS Pension net pension liability. The net pension liability 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 the July 1, 2018. The July 1, 2018 HIS valuation is the most recent actuarial valuation which was used to develop the liabilities at June 30, 2018. The Trust's proportionate share of the net pension liability was based on the Trust's actual contributions to the pension plan relative to the total actual contributions of all employers during the fiscal year ended June 30, 2018. At June 30, 2018, the Trust's proportionate share was 0.3732%, which was a decrease of 8.28% from its proportionate share of 0.4069% measured as of June 30, 2017.

For the year ended September 30, 2019, the Trust recognized a reduction in pension expense of approximately $1,382,000 and in 2018, the Trust recognized pension expense of approximately $365,000 for the HIS Pension Plan. At September 30, 2019 and 2018, the Trust reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

	2019	
	Deferred outflows of resources	**Deferred inflows of resources**
Differences between expected and actual experience	$ 431,548	(43,505)
Changes in assumptions	4,114,008	(2,903,911)
Net difference between projected and actual earnings on pension plan investments	22,927	—
Changes in proportion and differences between Trust contributions and proportionate share of contributions	—	(15,144,013)
Trust contributions subsequent to the measurement date	427,930	—
Total	$ 4,996,413	(18,091,429)

	2018	
	Deferred outflows of resources	**Deferred inflows of resources**
Differences between expected and actual experience	$ 604,803	(67,117)
Changes in assumptions	4,393,436	(4,176,791)
Net difference between projected and actual earnings on pension plan investments	23,846	—
Changes in proportion and differences between Trust contributions and proportionate share of contributions	—	(13,471,468)
Trust contributions subsequent to the measurement date	486,413	—
Total	$ 5,508,498	(17,715,376)

The deferred outflows of resources related to pensions totaling $428,000 as of September 30, 2019, resulting from Trust contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported for the HIS Pension Plan as deferred outflows or inflows of resources related to pensions will be recognized in pension expenses as follows:

		Amount recognized
Fiscal year ending September 30:		
2020	$	(3,416,437)
2021		(2,964,819)
2022		(2,495,721)
2023		(2,438,885)
2024		(1,403,511)
Thereafter		(803,573)
Total	$	(13,522,946)

Actuarial assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of the valuation date calculated on the assumptions listed below:

	2019	2018
Valuation date	July 1, 2018	July 1, 2018
Measurement date	June 30, 2019	June 30, 2018
Discount rate	3.50%	3.87%
Long-Term expected rate of return net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.50	3.87
Inflation	2.60	2.60
Salary increase, including inflation	3.25	3.25
Mortality	Generational RP-2000 with Projection Scale BB Tables	Generational RP-2000 with Projection Scale BB Tables
Actuarial cost method	Individual Entry Age Normal	Individual Entry Age Normal

HIS has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed for this plan. The actuarial assumptions that determined the total pension liability for HIS were based on certain results for the most recent experience study of FRS for the period July 1, 2013 through June 30, 2018.

Discount Rate. Because the HIS Pension Plan uses a pay as-you-go funding structure, a municipal bond rate of 3.50% in 2019 and 3.87% in 2018 was used to determine the total pension liability for the program.

Sensitivity of the Trust's proportionate share of the net pension liability to changes in the discount rate. The following presents the Trust's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.50%. Also presented is what the Trust's proportionate share of the HIS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current rate:

		2019		
		1% Decrease (2.50)%	**Current discount rate (3.50)%**	**1% Increase (4.50)%**
Trust's proportionate share of the HIS Pension Plan net pension liability	$	40,559,013	35,529,734	31,340,914

Sensitivity of the Trust's proportionate share of the net pension liability to changes in the discount rate. The following presents the Trust's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.87%. Also presented is what the Trust's proportionate share of the HIS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

		2018		
		1% Decrease (2.87)%	**Current discount rate (3.87)%**	**1% Increase (4.87)%**
Trust's proportionate share of the HIS Pension Plan net pension liability	$	44,993,793	39,504,924	34,929,633

(Continued)

Pension plan fiduciary net position. Detailed information about HIS Pension Plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available by mail at: State of Florida, Division of Retirement, Department of Management Services, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399; by telephone toll free (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (http://www.dms.myflorida.com).

(b) Public Health Trust of Miami-Dade County, Florida, Defined-Benefit Retirement Plan

The Public Health Trust of Miami Dade County, Florida Defined-Benefit Retirement Plan (the Plan) is a Single employer defined benefit pension plan that was created in 1996. The Plan has a calendar year-end of December 31 and does not issue stand-alone financial statements. Section 112 of the Florida State Statues grants the Trust the authority to establish and amend the benefit terms of the Plan. The Plan is administered by a Pension Plan Committee made of seven members which consists of three members of the Trust Board of Trustees, a union representative, a member at large, the Trust President and Chief Executive Officer, and the Trust Executive Vice President and Chief Financial Officer.

Defined-Benefit Retirement Plans

The Trust follows GASB Statement No. 67, *Financial Reporting for Pension Plans*, which specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan. GASB Statement No. 67 requires plans to calculate a net pension asset (liability) to be measured as the total pension liability less the amount of the pension plan's fiduciary net position.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, requires employers and nonemployer contributing entities to report their net pension liability on their financial statements. While GASB Statement No. 68 changed the amount of the net pension liability (asset) that is reported on the financial statements, governments may continue to fund their plans by calculating an actuarially determined contribution and measuring their funded status as it relates to that actuarially determined contribution.

In order to provide the necessary disclosures that are required under the various GASB Statements, the disclosures below are separated into five sections. The first section, General Information about the Defined-Benefit Retirement Plan, offers disclosures about the plan itself – descriptions of the plan and who is covered; an analysis of the membership of the plan as of the end of the fiscal year; and a discussion of benefits provided, and the financial statements. The second section, Deposits and Investments, reports the contents of the investments of the Plan assets, and related economic or market risks. The third section, Fair Value Measurement, required by GASB Statement No. 72, *Fair Value Measurement and Application*, reports investments at fair value and categorizes fair value measurements within the hierarchy established by generally accepted accounting principles. The fourth section, Net Pension Asset (Liability) and Disclosures required by GASB Statement No. 67, provides the information that is required by GASB Statement No. 67 – the calculation of the net pension asset (liability); the actuarial assumptions and census data that were used in calculating that net pension asset (liability); the discount rate that was used in the calculations; and the sensitivity of the net pension asset (liability) to changes in the discount rate. The fifth section, Pension Expenses and Deferred outflows/Inflows of Resources, required by GASB Statement No. 68, provides information about the pension expense calculation, deferred outflows and inflows balances, and current and future years amortization of the inflows and outflows balances.

(i) General Information about the Defined-Benefit Retirement Plan

Eligibility

All employees working in a full time or part time regularly established position who were hired after January 1, 1996 are covered by the Plan.

Contributions

The Trust intends to make contributions to fund the Plan at such times and in such amounts as certified by an independent actuary as being no less than amounts required to be contributed under Section 112, *Florida Statutes*; any actuarial gain arising under the Plan shall be used to reduce future Trust contributions to the Plan and shall not be applied to increase retirement benefits to participants. Effective April 1, 2012, all plan members were required to make a 3% pretax employee contribution.

Benefits

Benefits under the Plan vest after six years of service. The normal retirement age for employees hired before April 1, 2012 is age 62 with six years of credited service or completion of 30 years of continuous service. The normal retirement age for employees hired after March 31, 2012 is age 65 with six year of credited service or completion of 30 years of continuous service. All employees are entitled to either an annual retirement benefit payable monthly for life or one lump-sum payment. The lump-sum payment option became effective for plan members as of October 1, 2013. The Plan also provides for early retirement at reduced benefits and death and disability benefits.

Payment of Expenses

Expenses associated with administering the Plan will be paid out of the Plan's assets unless, at the discretion of the Trust, will be paid by the Trust.

Plan Termination

The Board of Trustees of the Plan has the right to terminate this Plan at any time. In the event of such termination, all affected participants shall be 100% vested.

Membership

Membership of the Plan consisted of the following at January 1, 2019:

Retirees and beneficiaries currently receiving benefits	$	845
Terminated plan members entitled to but not yet receiving benefits		1,016
Active plan members		9,482
Total	$	11,343
Number of participating employers		1

(ii) Deposits and Investments

The Plan's investment authority is derived from the authorization of the Board and is in accordance with Section 215.47, *Florida Statute* (the Statute) and the Employment Retirement Income Security Act of 1974, as amended.

The following is a summary of the fair value of assets held in the pension trust fund at September 30, 2019 and 2018:

		2019	2018
Cash	$	20,791,093	21,416,346
Investments:			
Domestic:			
Mutual funds		43,145,111	39,099,942
Equities		470,654,277	481,109,379
Corporate debt securities		45,900,304	41,958,392
U.S. government securities		13,819,135	11,780,702
Total domestic investments		573,518,827	573,948,415
International:			
Mutual funds		36,818,496	40,200,450
Equities		3,769,538	4,843,474
Corporate debt securities		6,867,629	7,236,338
Total international investments		47,455,663	52,280,262
Commingled Funds – Equity		39,919,132	15,532,915
Real estate		72,519,148	68,670,840
Commingled Funds – Fixed Income		60,756,011	57,662,705
Total assets	$	814,959,874	789,511,483

Credit Risk

The Plan's investment policy (the Investment Policy) is designed to minimize credit risk by restricting authorized investments to only those investments permitted by the Statute, subject to certain additional limitations. These additional limitations consist of prohibitions against investments in derivative securities, options, futures, or short positions; however, the Investment Policy allows for investments in mortgage pass-through securities. Generally, the Statute permits investments in the Florida State Board of Administration Pooled Investment account (the SBA Pool), U.S. government and agency securities, common and preferred stock of domestic and foreign corporations, repurchase agreements, commercial paper and other corporate obligations, bankers' acceptances, state or local government taxable or tax-exempt debt, real estate and real estate securities, venture capital, private equity, hedge equity, multimanager/multistrategy funds, and money market funds. With the exception of obligations directly issued or guaranteed by the U.S. government, investments in the SBA Pool, and certain state or local government debt instruments, the Statute provides limits as to the maximum portion of the Plan's portfolio that can be invested in any one investment category or issuer.

At September 30, 2019, the Plan's investment securities had the following credit ratings:

		2019	
		Fair value	**Credit rating***
Domestic investments:			
Mutual funds	$	43,145,111	NR
U.S. government agency securities, by issuer:			
Federal National Mortgage Association		2,945,431	AA+
U.S. Treasury bills		6,157,648	AA+
U.S. Treasury note		4,521,796	AA+
Municipal Bonds		—	AA+
Federal Home Loan Mortgage Corporation		194,260	AA+
Total U.S. government and agency obligations		13,819,135	
Equities – common stock		470,654,277	NR
Corporate debt securities:			
Corporate bonds		4,777,499	AAA
Corporate bonds		829,693	AA+
Corporate bonds		2,429,753	AA
Corporate bonds		1,017,594	AA-
Corporate bonds		773,169	A+
Corporate bonds		3,827,862	A
Corporate bonds		5,127,623	A-
Corporate bonds		5,141,136	BBB+
Corporate bonds		7,105,206	BBB
Corporate bonds		10,702,192	BBB-

(Continued)

		2019	
		Fair value	**Credit rating***
Corporate bonds	$	274,936	BB+
Corporate bonds		52,345	BB
Corporate bonds		375,734	BB-
Corporate bonds		416,729	B+
Corporate bonds		50,854	B-
Corporate bonds		41,501	CCC+
Corporate bonds		100,262	A2**
Corporate bonds		100,134	A3**
Corporate bonds		167,761	Aa1**
Corporate bonds		332,864	Aa2**
Corporate bonds		168,627	Aa3**
Corporate bonds		122,055	Baa1**
Corporate bonds		271,076	Baa3**
Corporate bonds		1,693,699	NR
Total corporate debt securities		45,900,304	
International investments:			
Mutual funds		36,818,496	NR
Equities – common stock		3,769,538	NR
Corporate debt securities:			
International bonds		329,838	A+
International bonds		573,020	A
International bonds		505,617	A-
International bonds		2,347,356	BBB+
International bonds		1,351,105	BBB
International bonds		1,295,435	BBB-
International bonds		274,068	BB+
International bonds		143,130	BB
International bonds		48,060	BB-
Total corporate debt securities		6,867,629	
Commingled Funds - Equity		39,919,132	NR
Commingled Funds - Fixed Income		60,756,011	NR
Real Estate		72,519,148	NR
Cash		20,791,093	NR
Total	$	814,959,874	

* Standards and Poor’s ratings (unless noted otherwise)
** Moody’s investor services ratings

At September 30, 2018, the Plan's investment securities had the following credit ratings:

		2018	
		Fair value	**Credit rating***
Domestic investments:			
Mutual funds	$	39,099,942	NR
U.S. government agency securities, by issuer:			
Federal National Mortgage Association		3,196,052	AA+
U.S. Treasury bills		3,584,439	AA+
U.S. Treasury note		4,484,968	AA+
Municipal Bonds		299,737	AA+
Federal Home Loan Mortgage Corporation		215,506	AA+
Total U.S. government and agency obligations		11,780,702	
Equities – common stock		481,109,379	NR
Corporate debt securities:			
Corporate bonds		3,880,109	AAA
Corporate bonds		502,994	AA+
Corporate bonds		1,436,831	AA
Corporate bonds		1,093,731	AA-
Corporate bonds		362,651	A+
Corporate bonds		3,010,060	A
Corporate bonds		4,323,142	A-
Corporate bonds		5,466,149	BBB+
Corporate bonds		9,296,143	BBB
Corporate bonds		8,151,841	BBB-
Corporate bonds		1,033,821	BB+
Corporate bonds		55,742	BB
Corporate bonds		572,612	BB-
Corporate bonds		539,216	B+
Corporate bonds		31,032	B
Corporate bonds		308,938	B-
Corporate bonds		81,611	CCC+
Corporate bonds		40,633	CCC
Corporate bonds		—	A1**
Corporate bonds		98,529	A2**
Corporate bonds		85,384	A3**
Corporate bonds		152,513	Aa2**
Corporate bonds		234,007	Aa3**

	2018	
	Fair value	**Credit rating***
Corporate bonds	$ 50,682	Baa1**
Corporate bonds	135,438	Baa3**
Corporate bonds	1,014,583	NR
Total corporate debt securities	41,958,392	
International investments:		
Mutual funds	40,200,450	NR
Equities – common stock	4,843,474	NR
Corporate debt securities:		
International bonds	503,793	AA-
International bonds	188,591	A+
International bonds	500,007	A
International bonds	724,203	A-
International bonds	2,252,086	BBB+
International bonds	598,495	BBB
International bonds	1,667,105	BBB-
International bonds	355,347	BB+
International bonds	169,554	BB
International bonds	46,498	BB-
International bonds	220,313	B
International bonds	10,346	B-
Total corporate debt securities	7,236,338	
Commingled Funds – Equity	15,532,915	NR
Commingled Funds – Fixed Income	57,662,705	NR
Real Estate	68,670,840	NR
Cash	21,416,346	NR
Total	$ 789,511,483	

* Standards and Poor's ratings (unless noted otherwise)
** Moody's investor services ratings

Custodial Credit Risk

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires governments to disclose deposits and investments exposed to custodial credit risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government may not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of September 30, 2019 and 2018, the Plan's investment portfolio was held with a single third-party custodian.

Concentration of Credit Risk

The Investment Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Investment Policy in place at September 30, 2019 and 2018 was as follows:

	2019 Policy target	2018 Policy target	Allowable range
Equity securities	60 %	60 %	+/-12%
Fixed income	30 %	30 %	+/-9%
Real estate	10 %	10 %	+/-6%

At September 30, 2019 and 2018, the composition of the Plan's investments by investment type as a percentage of total investments was as follows:

	Percentage of portfolio	
	2019	2018
Domestic investments:		
Mutual funds	5.3 %	5.0 %
Equities	57.7	60.9
Commingled Funds – Equity	4.9	2.0
Commingled Funds – Fixed Income	7.5	7.3
Corporate debt securities	5.6	5.3
U.S. government and agency obligations	1.7	1.5
Real Estate	8.9	8.7
International investments:		
Mutual funds	4.5	5.1
Equities	0.5	0.6
Corporate debt securities	0.8	0.9
Other:		
Cash and short-term investments	2.6	2.7

There were no individual investments in excess of 5%.

Interest Rate Risk

The Plan manages its exposure to rising interest rate risk in fair value by forecasting cash outflows and inflows. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

As of September 30, 2019 and 2018, the Plan had the following investments with the respective weighted average maturity in years:

		2019	2018
Domestic investments:			
Corporate debt securities:			
Corporate bonds	$	8.02	7.32
U.S. government and agency obligations:			
Federal National Mortgage Association		24.48	25.52
Federal Home Loan Mortgage Corporation		20.58	21.55
U.S. treasury bills		7.05	7.51
U.S. treasury notes		1.37	2.36
Municipal/provincial		—	22.16
International investments:			
Corporate debt securities	$	4.06	4.79

Foreign Currency Risk

GASB Statement No. 40 requires governments to disclose deposits or investments exposed to foreign currency risk, the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

The Plan's exposure to foreign currency risk at September 30, 2019 is as follows (in U.S. dollars):

	Currency		Fair value
International equities:			
Common stock	Canadian dollar	$	222,972
Common stock	Argentine peso		315,218
Common stock	Israeli new shekel		512,769
Common stock	Chinese yuan renminbi		1,697,385
Common stock	Australian dollar		539,392
Common stock	Euro		481,802
		$	3,769,538
International corporate debt securities:			
Corporate bonds	Canadian dollar	$	316,761
Corporate bonds	Israel new shekel		143,130
Corporate bonds	Swiss franc		958,248
Corporate bonds	Australian dollar		357,112
Corporate bonds	Chilean peso		300,173
Corporate bonds	British pound		3,020,480
Corporate bonds	South African Rand		207,017
Corporate bonds	Swedish Krona		329,838
Corporate bonds	Euro		49,265
Corporate bonds	Euro		73,702
Corporate bonds	Euro		430,220
Corporate bonds	Euro		83,047
Corporate bonds	Euro		274,068
Corporate bonds	Euro		324,567
		$	6,867,628

(Continued)

The Plan's exposure to foreign currency risk at September 30, 2018 is as follows (in U.S. dollars):

	Currency		Fair value
International equities:			
Common stock	Canadian dollar	$	239,637
Common stock	Argentine peso		273,773
Common stock	Japanese yen		
Common stock	Israeli new shekel		580,888
Common stock	Hong Kong dollar		
Common stock	Singapore dollar		
Common stock	Chinese yuan renminbi		2,735,016
Common stock	British pounds		
Common stock	Euro		755,989
		$	4,585,303
International corporate debt securities:			
Corporate bonds	Canadian dollar	$	624,306
Corporate bonds	Israel new shekel		169,554
Corporate bonds	Euro		64,343
Corporate bonds	Swiss franc		908,385
Corporate bonds	Chinese yuan renminbi		188,591
Corporate bonds	Euro		425,321
Corporate bonds	Euro		284,918
Corporate bonds	Australian dollar		595,106
Corporate bonds	Euro		247,893
Corporate bonds	Euro		300,224
Corporate bonds	British pound		2,876,719
Corporate bonds	South African Rand		190,815
Corporate bonds	Euro		71,948
Corporate bonds	Chilean peso		288,215
		$	7,236,338

The Plan's financial statements as of and for the year ended September 30, 2019 and 2018 are as follows:

Statements of Fiduciary Net Position – Pension Trust Fund

September 30, 2019 and 2018

		2019	2018
Assets:			
Cash	$	20,791,093	21,416,346
Investments:			
Domestic:			
Mutual funds		43,145,111	39,099,942
Equities		470,654,277	481,109,379
Corporate debt securities		45,900,304	41,958,392
U.S. government securities		13,819,135	11,780,702
Total domestic investments		573,518,827	573,948,415
International:			
Mutual funds		36,818,496	40,200,450
Equities		3,769,538	4,843,474
Corporate debt securities		6,867,629	7,236,338
Total international investments		47,455,663	52,280,262
Commingled Funds – Equity		39,919,132	15,532,915
Real Estate		72,519,148	68,670,840
Commingled Funds – Fixed Income		60,756,011	57,662,705
Total assets		814,959,874	789,511,483
Net position held in trust for employees' pension benefits	$	814,959,874	789,511,483

Statements of Changes in Fiduciary Net Position – Pension Trust Fund

Years ended September 30, 2019 and 2018

		2019	2018
Net position held for employees’ pension benefits:			
Additions:			
Employer contributions	$	23,377,559	23,000,435
Employee contributions		21,195,556	20,701,744
Total contributions		44,573,115	43,702,179
Investment income:			
Interest income		6,719,927	4,928,327
Dividends		3,348,003	3,878,889
Net realized and unrealized gains on pension trust fund investments		7,106,352	49,082,919
Total investment gain		17,174,282	57,890,135
Less investment expense:			
Investment managers and custodial fees		(51,841)	(35,868)
Net investment gain		17,122,441	57,854,267
Total additions		61,695,556	101,556,446
Deductions:			
Participants benefit expense		34,802,347	22,414,722
Administrative expenses		1,444,818	1,989,612
		36,247,165	24,404,334
Net increase in net position held in trust for employees’ pension benefits		25,448,391	77,152,112
Net position held in trust for employee’s pension benefits, at beginning of year		789,511,483	712,359,371
Net position held in trust for employee’s pension benefits, at end of year	$	814,959,874	789,511,483

(Continued)

(iii) *Fair Value Measurement*

The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the inputs used in valuation and gives the highest priority to unadjusted quoted prices in active markets and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into the valuations are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest level, Level 1, is given to unadjusted quoted prices in active markets and the lowest level, Level 3, to unobservable inputs.

Assets are measured based upon the market approach valuation technique, whereby prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities is used:

Level 1 – Valuations based on unadjusted quoted prices for identical instruments in active markets that the Trust has the ability to access.

Level 2 – Valuations based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Trust's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each investment. The tables below show the fair value leveling of the Trust's pension trust fund investments as of September 30, 2019 and 2018. The Trust's pension trust fund investments measured at net asset value (NAV) include commingled funds – fixed income, commingled funds – equity, and real estate.

Commingled funds – fixed income. The Trust makes investments in fixed income securities that include, among other things, U.S. Treasuries, Corporate Bonds, Asset Backed Securities, Mortgage Backed Securities, high yield securities, bank loans, non-U.S. investments, etc. The Trust owns shares in commingles fund vehicles that purchase and sell the fixed income instruments. The commingled funds may be passive (tracking an index) or actively managed by a fixed income manager. The commingled funds often offer daily or monthly liquidity for the Trust.

Commingled funds – equities. The Trust makes investments in public equity securities that include, U.S. stocks and non-U.S. stocks. The Trust owns shares in commingled fund vehicles that purchase and sell the equities. The commingled funds may be passive (tracking an index) or actively managed by an equity manager. The commingled funds often offer daily or monthly liquidity to the Trust.

Real Estate. The Trust's investments in real estate are executed through limited partnerships or commingled funds. The Trust owns shares in the limited partnerships/commingled funds. The Trust's investments are valued at Net Asset Value per share. The limited partnerships/commingled funds purchase and operate hundreds of properties across the United States focused on high quality income generating assets including multifamily, industrial, retail and office. The limited partnerships/commingled funds typically have quarterly liquidity.

The schedule below discloses the following fair value measurements for the Trust's pension trust fund investments as of September 30, 2019:

Investments by fair value level	Total value	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Debt securities:				
U.S. government securities	$ 13,819,135	—	13,819,135	—
Domestic – Corp. debt securities	45,900,304	—	45,900,304	—
International – Corp. debt securities	6,867,629	—	6,867,629	—
Total debt securities	66,587,068	—	66,587,068	—
Equity securities:				
Domestic	470,654,277	470,654,277	—	—
International	3,769,538	3,769,538	—	—
Total equity securities	474,423,815	474,423,815	—	—
Mutual funds	79,963,607	79,963,607	—	—
Total investments by fair value level	620,974,490	$ 554,387,422	66,587,068	—
Investments measured at the net asset value (NAV):				
Commingled Funds – Equity	39,919,132			
Commingled Funds – Fixed Income	60,756,011			
Real Estate	72,519,148			
Total investments measured at the NAV	173,194,291			
Total	$ 794,168,781			

(Continued)

Additional information for investments measured at the net asset value (NAV) per share (or its equivalent) as of September 30, 2019, is presented in the table below:

	Fair value September 30, 2019	Redemption frequency (If currently eligible)	Redemption notice period	Unfunded Commitments
Investments measured at the net asset value (NAV):				
Commingled Funds – Equity	$ 39,919,132	Monthly	30 days	—
Commingled Funds – Fixed Income	60,756,011	Quarterly	30 days	—
Real Estate	72,519,148	Monthly, biannually	30–95 days	—
Total investments measured at the NAV	$ 173,194,291			

The schedule below discloses the following fair value measurements for the Trust's pension trust fund investments as of September 30, 2018:

Investments by fair value level	Total value	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Debt securities:				
U.S. government securities	$ 11,780,702	—	11,780,702	—
Domestic – Corp. debt securities	41,958,392	—	41,958,392	—
International – Corp. debt securities	7,236,338	—	7,236,338	—
Total debt securities	60,975,432	—	60,975,432	—
Equity securities:				
Domestic	481,109,379	481,109,379	—	—
International	4,843,474	4,843,474	—	—
Total equity securities	485,952,853	485,952,853	—	—
Mutual funds	79,300,392	79,300,392	—	—
Total investments by fair value level	626,228,677	$ 565,253,245	60,975,432	—

Investments by fair value level	Total value	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Investments measured at the net asset value (NAV):	$			
Commingled Funds – Equity	15,532,915			
Commingled Funds – Fixed Income	57,662,705			
Real Estate	68,670,840			
Total investments measured at the NAV	141,866,460			
Total	$ 768,095,137			

Additional information for investments measured at the net asset value (NAV) per share (or its equivalent) as of September 30, 2018, is presented in the table below:

	Fair value September 30, 2018	Redemption frequency (If currently eligible)	Redemption notice period	Unfunded Commitments
Investments measured at the net asset value (NAV):				
Commingled Funds – Equity	$ 15,532,915	Monthly	30 days	—
Commingled Funds – Fixed Income	57,662,705	Quarterly	30 days	—
Real Estate	68,670,840	Monthly, biannually	30–95 days	—
Total investments measured at the NAV	$ 141,866,460			

(iv) Net Pension Asset (Liability) and Disclosures

The Trust recorded the net pension liability as a long-term liability on the statements of net position.

The components of the net pension liability at September 30, 2019 and 2018 are as follow:

		2019	2018
Total pension liability	$	906,386,096	814,085,235
Less:			
Plan fiduciary net position		(814,959,874)	(789,511,483)
Net pension liability	$	91,426,222	24,573,752
Plan fiduciary net position a percentage of total pension liability		89.9 %	97.0 %

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019 and 2018, respectively, using the following actuarial assumptions, applied to all periods including in the measurement:

	2019	2018
Valuation date	January 1, 2019	January 1, 2018
Measurement date	September 30, 2019	September 30, 2018
Actuarial cost method	Entry Age Normal, Level Percent of Pay	Entry Age Normal, Level Percent of Pay
Inflation assumptions	2.5 %	2.5 %
Investment rate of return	7.4 %	7.4 %
Projected salary increases	4.0% per year for employees with less than 10 years and 3.0% for employees with more than 10 years	4.0% per year for employees with less than 10 years and 3.0% for employees with more than 10 years
Assumed annual rate of cost-of-living increases	3.0% for benefits earned prior to April 1, 2012	3.0% for benefits earned prior to April 1, 2012

The mortality table was updated from the RP 2000 mortality table, sex-distinct, with a 25-year projection using Scale BB to the RP 2000 Generational tables with 50% white collar and 50% blue collar for annuitants (male) and 100% white collar for annuitants (female), and applying scale BB mortality improvements from 2000 on a generational basis for healthy lives.

The actuarial assumptions used in the January 1, 2019, 2018, and 2017 valuations were based on the results of an actuarial experience study for the period from January 1, 2014 through December 31, 2016. Actuarial valuations attempt to estimate costs associated with the plan based on a number of demographic, economic, and retirement experience assumptions. To the extent assumptions are at variance to experience, this can result in actuarial gains and losses ultimately impacting contribution rates and the development of the actuarially required contribution.

(Continued)

Experience studies are performed every three years to review actual experience in comparison to these assumptions and to provide recommended changes to assumptions.

The long-term expected rate of return on pension plan investments was determined using best-estimate ranges of expected future nominal rates of return (expected returns, net of investment expense, and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variables and the asset classes. These best estimate ranges were combined to produce forecasts of the short-, intermediate-, and longer-term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of September 30, 2019 and 2018 are summarized in the following table:

	2019	
Asset class	**Target asset allocation**	**Long-term expected real rate of return**
Equity	60.00 %	5.9 %
Fixed income	30.00	1.9
Alternatives	10.00	4.4
Inflation rate	—	2.6

	2018	
Asset class	**Target asset allocation**	**Long-term expected real rate of return**
Equity	60.00 %	4.80 %
Fixed income	30.00	1.20
Alternatives	10.00	4.00
Inflation rate	—	2.70

Total Pension Liability

The change in the Trust pension liability at September 30, 2019 and 2018 is as follows:

		2019	2018
Service cost	$	34,801,408	31,523,337
Interest cost		61,367,233	55,517,801
Differences between expected and actual experience		25,174,567	13,878,229
Changes in assumptions		—	9,849,213
Change in benefit terms[1]		5,760,000	—
Benefit payments, including refunds of member contributions		(34,802,347)	(22,414,722)
Total change in pension liability		92,300,861	88,353,858
Total pension liability, beginning of year		814,085,235	725,731,377
Total pension liability, end of year	$	906,386,096	814,085,235

[1] A one-time recognition of early retirement acceptance (ERA) program lump-sum incentive payment

		2019	2018
Plan fiduciary net position:			
Contributions - employer	$	23,377,559	23,000,435
Contributions - member		21,195,556	20,701,744
Net investment income		17,122,441	57,854,267
Benefit payments, including refunds of member contributions		(34,802,347)	(22,414,722)
Administrative expense		(1,444,818)	(1,989,612)
Net change in plan fiduciary net position		25,448,391	77,152,112
Plan fiduciary net position, beginning of year		789,511,483	712,359,371
Plan fiduciary net position, end of year	$	814,959,874	789,511,483
Net pension liability, end of year	$	(91,426,222)	(24,573,752)

Discount Rate

The discount rate used to measure the net pension liability was 7.4% and 7.4% at September 30, 2019 and 2018, respectively. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current Plan members. Therefore, a blended rate incorporating a municipal bond rate is not needed.

The annual money-weighted rate of return on pension plan investments calculated as the internal rate of return on pension plan investments, net of pension plan investment expenses for the year ended September 30, 2019 and 2018 was 1.8% and 8.0%, respectively. A money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

The discount rate was chosen based on market information on the measurement date. The discount rate reflects the estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and the plan sponsor's expectations for future market conditions. Use of this assumption implies that the sponsor continues to make contributions in the future consistent with the actuarial cost method selected as the basis of its funding policy.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rates determined above, as well as what the Plan's net pension 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 rate:

		2019	2018
One-percent decrease:			
Discount rate		6.4 %	6.4 %
Net pension liability	$	(201,573,142)	(122,855,768)
Net pension liability, as reported:			
Discount rate		7.4 %	7.4 %
Net pension liability	$	(91,426,222)	(24,573,752)
One-percent increase:			
Discount rate		8.4 %	8.4 %
Net pension asset	$	639,829	57,543,439

Funding Policy

The Trust's funding policy provides for actuarially determined rates deemed sufficient to pay benefits as due; the rate was 6.89% at January 1, 2019 and 6.31% at January 1, 2018, of covered payroll. Effective April 1, 2012, employees were required to contribute 3% of the required contribution, thus the employer contribution rate was 3.89% and 3.31%, respectively, for the year ended September 30, 2019 and 2018. The assumptions used to compute the contribution requirements are the same as those used to compute pension benefits earned. The Trust has traditionally contributed the annual required contribution.

(Continued)

(v) Pension Expense and Deferred Outflows (Inflows) of Resources

In accordance with GASB Statement No. 68, changes in the net pension liability are recognized in pension expense in the current measurement period, with some exceptions. For each of the following, a portion is recognized in pension expense in the current measurement period, for which the Trust decided to use a measurement date of September 30, 2019 and 2018, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors and changes in assumptions and other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Differences between expected and actual earnings on pension plan investments – amortized over five years.

Pension Expense

		2019	2018
Service cost	$	34,801,408	31,523,337
Interest cost		61,367,233	55,517,801
Administrative expenses		—	1,989,612
Expected return on assets		(58,453,026)	(55,491,259)
Recognition of deferred amounts		18,235,754	7,412,980
Change in benefit terms[1]		5,760,000	—
Pension expense	$	61,711,369	40,952,471

[1] A one-time recognition of early retirement acceptance (ERA) program lump-sum incentive payment.

Contributions to the pension plan from employees are not included in collective pension expense.

Deferred Inflows/Outflows of Resources

A summary of changes in deferred outflows and deferred inflows of resources during fiscal years 2019 and 2018 is as follows:

	Year of deferral	Amortization period	Balance October 1, 2018	Change	Balance September 30, 2019
Deferred outflows (inflows) of resources:					
Assumption changes	2016	9.564 years	(1,693,921)	258,062	(1,435,859)
	2017	10.993 years	(2,514,195)	279,577	(2,234,618)
	2018	11.109 years	8,962,624	(886,589)	8,076,035
Difference in expected and actual return on assets	2015–2019	5.000 years	(16,662,104)	32,842,291	16,180,187
Liability experience	2015	9.215 years	4,292,960	(823,194)	3,469,766
(gain) loss	2016	9.564 years	17,806,124	(2,712,703)	15,093,421
(gain) loss	2017	10.993 years	8,101,230	(900,847)	7,200,383
(gain) loss	2018	11.109 years	12,628,963	(1,249,266)	11,379,697
(gain) loss	2019	11.122 years	—	17,390,572	17,390,572
(gain) loss	2019	11.037 years	—	5,516,302	5,516,302
Total			30,921,681	49,714,205	80,635,886

Amounts of deferred outflows and inflows to be recognized in pension expense:

	Amount recognized
Fiscal year ending September 30:	
2020	$ 6,157,269
2021	9,990,646
2022	16,385,123
2023	16,857,721
2024	7,656,438
Thereafter	23,588,689
Total	$ 80,635,886

	Year of deferral	Amortization period	Balance October 1, 2017	Change	Balance September 30, 2018
Deferred outflows (inflows) of resources:					
Assumption changes	2016	9.564 years	(1,951,982)	258,061	(1,693,921)
	2017	10.993 years	(2,793,771)	279,576	(2,514,195)
	2018	11.109 years	—	8,962,624	8,962,624
Difference in expected and actual return on assets	2015–2018	5.000 years	(12,921,065)	(3,741,039)	(16,662,104)
Liability experience	2015	9.215 years	5,116,154	(823,194)	4,292,960
(gain) loss	2016	9.564 years	20,518,804	(2,712,680)	17,806,124
(gain) loss	2017	10.993 years	9,002,077	(900,847)	8,101,230
(gain) loss	2018	11.109 years	—	12,628,963	12,628,963
Total			16,970,217	13,951,464	30,921,681

Amounts of deferred outflows and inflows to be recognized in pension expense:

	Amount recognized
Fiscal year ending September 30:	
2019	$ 7,412,980
2020	(4,665,505)
2021	(832,128)
2022	5,562,347
2023	6,034,949
Thereafter	17,409,038
Total	$ 30,921,681

(16) Postemployment Benefits Other than Pensions (OPEB)

(a) Plan Description

The Trust administers a single-employer defined-benefit healthcare plan (the OPEB Plan) that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the Trust's group health insurance plan, which covers both active and retired members. The OPEB Plan does not issue a publicly available financial report.

Eligibility – To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under the System or the OPEB Plan and pay required contributions.

Regular class (all employees not identified as members of the special risk class):

- Eligibility for unreduced pension benefits
  - Age 62 with 6 years of service if eligible prior to April 2012
  - Age 65 with 6 years of service if eligible following April 2012
  - 30 years of service (no age requirement)
- Eligibility for reduced pension benefits
  - 6 years of service

Benefits – The medical plans offered are single-employer defined benefit healthcare plans that provide hospital, medical, and pharmacy coverage. The Trust is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed. There are no automatic post-employment benefit changes; including automatic COLAs. Pre-65 retirees are able to select from the medical plans as follows:

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

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

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

Depending on the plan selected the retirees share of benefit related costs range from 67.1% to 89.2% as of September 30, 2019 and 2018.

Participation in the OPEB Plan consisted of the following at September 30, 2019, the date of the latest actuarial valuation:

	2019	2018
Actives	$ 12,083	12,083
Retirees age 65 and over	127	127
Retirees under age 65	477	477
	$ 12,687	12,687

(Continued)

(b) Funding Policy

The Trust contributes to both the pre-65 and post-65 retiree medical coverage. Retirees pay the full cost of dental coverage. Medical contributions vary based on plan and tier. For pre-65 retirees, the Trust explicitly contributed an average of 31% of the cost for the AvMed Jackson First HMO plan, 30% for the AvMed Select HMO plan, 22% for the AvMed High HMO plan, and 10% for the AvMed POS plan. However, it is the Trust's policy that after fiscal year 2008 its per capita contribution for retiree healthcare benefits will remain at the 2008-dollar level.

The pre-65 retirees also receive an implicit subsidy from the Trust since they are underwritten with the active employees. The implicit contribution is approximately 2% of the cost. The pre-65 cost is approximately 66% greater than the combined pre-65 and active cost. The post-65 retiree contributions also vary by plan and tier, with the Trust contributing an average of 28% of the entire plan cost.

For the years ended September 30, 2019 and 2018, the Trust contributed approximately $5,348,000 and $4,434,408, respectively, to the OPEB Plan.

The postretirement medical and dental benefits are currently funded on a pay-as-you-go basis (i.e., the Trust funds on a cash basis as benefits are paid). No assets are accumulated in a Trust that needs the criteria of paragraph 4 of Statement 75.

(c) Total OPEB Liability

The Trust's total OPEB liability of approximately $84,757,000 and $68,192,000 as of September 30, 2019 and 2018, respectively, was measured as of September 30, 2019 and September 30, 2018, respectively, using actuarial valuations as of the same dates.

The current portion of the OPEB liability as of September 30, 2019 and 2018 is approximately $5,563,000 and $5,348,000, respectively.

(d) Actuarial Methods and Assumptions

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

	2019	2018
Actuarial valuation date	September 30, 2019	September 30, 2018
Actuarial assumptions:		
Discount rate	2.7 %	4.2 %
Inflation rate	3.0 %	3.0 %
Payroll growth assumption	3.5 %	3.5 %
Healthcare cost trend rates	6.5% initial to 4.5% ultimate	7.0% initial to 4.5% ultimate
Mortality table	RP-2014 generational with scale MP-2018	RP-2014 generational with scale MP-2018

(Continued)

The participation percentage for September 30, 2019 and 2018 is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. The participation assumption is 20% for pre-55 retires, 60% for pre-65 retires and 20% for post-64 retirees. This is based on the subsidies available to retirees. This assumes that a one-time irrevocable election to participate is made at retirement.

The Trust's actuary followed previous actuarial experience studies from the Florida Retirement System. The Trust agreed it could be applied to OPEB liability.

Furthermore, the valuation assumes that the Trust will continue to fund the liability on a pay-as-you-go basis and that the Trust's policy is that it's per capita contribution for retiree benefits will remain at the 2008 level. As a result, the retiree contributions will be increased to the extent necessary so that they are sufficient to provide for the difference between the gross costs and the fixed Trust contributions.

(e) Discount Rate

The discount rate used to measure the Trust's total OPEB liability is 2.7% as of September 30, 2019, and 4.2% as of September 30, 2018. This translates to a decrease of 1.5% in the discount rate compared to the previous year. The discount rate is based on Bond Buyer 20-Bond GO index.

(f) Changes in the Total OPEB Liability

The following presents the change in OPEB Liability for the fiscal years ended September 30, 2019 and September 30, 2018, respectively. Changes in assumptions or other inputs reflect a change in the discount rate from 4.2% as of September 30, 2018 to 2.7% as of September 30, 2019.

		2019
Total OPEB Liability - Beginning of Year	$	68,192,334
Changes for the year:		
Service cost		3,776,425
Interest cost		2,938,098
Differences between expected and actual experience		4,631,277
Changes in assumptions or other inputs		10,566,984
Benefit payments		(5,348,002)
Net change in total OPEB Liability		16,564,782
Total OPEB Liability - End of Year	$	84,757,116

		2018
Total OPEB Liability - Beginning of Year	$	70,013,879
Changes for the year:		
Service cost		3,622,816
Interest cost		2,592,535
Changes in assumptions or other inputs		(3,602,488)
Benefit payments		(4,434,408)
Net change in total OPEB Liability		(1,821,545)
Total OPEB Liability - End of Year	$	68,192,334

(g) *Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates*

The following presents the total OPEB liability of the Trust, as well as what the Trust'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:

Fiscal year ended	Discount rate		Total OPEB Liability
September 30, 2019	+1 Discount Sensitivity (3.7%)	$	78,166,000
September 30, 2019	Current Discount Rate 2.7%		84,757,000
September 30, 2019	-1% Discount Sensitivity (1.7%)		92,310,000
September 30, 2018	+1 Discount Sensitivity (5.2%)		62,889,000
September 30, 2018	Current Discount Rate 4.2%		68,192,000
September 30, 2018	-1% Discount Sensitivity (3.2%)		74,269,000

The following presents the total OPEB liability of the Trust, as well as what the Trust's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Fiscal year ended	Trend		Total OPEB Liability
September 30, 2019	1% Decrease	$	78,125,000
September 30, 2019	Current Trend		84,757,000
September 30, 2019	1% Increase		92,842,000
September 30, 2018	1% Decrease		62,856,000
September 30, 2018	Current Trend		68,192,000
September 30, 2018	1% Increase		74,696,000

(h) Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the Trust recognized OPEB expense of approximately $7,081,000. At September 30, 2019, the Trust reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		2019	
		Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$	4,356,054	—
Changes of assumptions/inputs		9,939,020	(7,641,450)
	$	14,295,074	(7,641,450)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:		
2020	$	366,037
2021		366,037
2022		366,037
2023		366,037
2024		366,037
Thereafter		4,823,439
	$	6,653,624

For the year ended September 30, 2018 the Trust recognized OPEB expense of approximately $5,678,000. At September 30, 2018 the Trust reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2018	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ —	—
Changes of assumptions/inputs	—	(8,178,599)
	$ —	(8,178,599)

(17) Commitments and Contingencies

(a) Construction and Equipment

The Trust has several construction projects currently in progress at September 30, 2019 and 2018. The estimated total cost to date and cost to complete such projects, exclusive of capitalized interest, is approximately $358,411,000 and $479,536,000 and $151,824,000 and $802,910,000, respectively. Total commitments for the same period is approximately $250,856,000 and $310,887,000, respectively.

(b) Annual Operating Agreement

In accordance with the annual operating agreement between the Trust and the University of Miami (the University), the Trust pays certain amounts for staff and services provided by the University to the Trust. Under the annual operating agreement, costs incurred by the Trust for the years ended September 30, 2019 and 2018 was approximately $123,889,000 and $121,891,000, respectively, and are included in contractual and purchased services in the accompanying statements of revenues, expenses, and changes in net position. At September 30, 2019 and 2018, the Trust had a liability to the University related to the annual operating agreement of approximately $27,739,000 and $35,660,000, respectively. In fiscal year 2012, the Trust and the University entered into an agreement for the payment of an old debt. In the agreement, a lease rental property was renegotiated. At September 30, 2019 and 2018, the Trust had a balance of approximately $11,165,000 and $11,355,000, respectively, in due to University of Miami in other long-term liabilities in the accompanying statements of net position.

(c) Litigation

There is a recoupment claim for Medicaid funds in connection with the Low-Income Pool (LIP). The U.S. Department of Health and Human Services Office of Inspector General (OIG) performed an audit of the Medicaid cost reimbursement to the Trust under the LIP program. The OIG alleges that of the $1.8 billion in LIP payments made to Jackson Hospital by the State of Florida from 2010-2014, the state claimed Medicaid reimbursement of approximately $686 million ($412 million Federal match) in excess of the Jackson’s allowable costs under the LIP program. According to the Miami-Dade County Attorney, recovery of a sum in excess of $412 million is reasonably possible.

Management strongly disagrees with a number of the findings in the OIG audit report. Management believes that the OIG's findings on this issue are largely inaccurate, are based on erroneous assumptions, and misconstrue or mischaracterize documentation provided in the course of the audit. Therefore, due to the several gross miscalculations and misjudgments contained in the report, management disagrees with the OIG's findings.

(d) Healthcare Industry

The healthcare industry is highly regulated, and there can be no assurance that the regulatory environment in which the Trust operates will not change significantly and adversely in the future. In general, regulation of healthcare providers and companies is increasing.

Federal and state laws regulate the healthcare industry, the relationship between hospitals and physicians, and the relationship among physicians and other providers of healthcare services.

Several laws, including fee-splitting, anti-kickbacks laws, and prohibition of the corporate practice of medicine, have civil and criminal penalties and have been subject to limited judicial and regulatory interpretation. They are enforced by regulatory agencies vested with broad discretion in interpreting them. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Although the Trust believes that its operations are conducted so as to comply with all of the applicable laws, there can be no assurance such operations will not be challenged to be in violation of one or more of such laws.

There have been numerous initiatives at the federal and state levels for comprehensive reforms affecting the availability of, and payment for healthcare. The Trust believes that such initiatives will continue during the foreseeable future. Certain proposed reforms could, if adopted, have a material effect on the Trust.

REQUIRED SUPPLEMENTARY INFORMATION

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Florida Retirement System Pension Information

Schedules of Employer Contributions (Unaudited)

Last 10 Fiscal Years*

September 30, 2019 and 2018

		2019	2018	2017	2016	2015	2014
Actuarially required contribution	$	7,859,820	8,246,548	8,135,133	8,816,159	10,046,078	10,252,812
Contributions in relation to the contractually required contribution		(7,859,820)	(8,246,548)	(8,135,133)	(8,816,159)	(10,046,078)	(10,252,812)
Contribution deficiency (excess)	$	—	—	—	—	—	—
Trust's covered-employee payroll	$	90,172,992	100,335,823	105,549,222	120,074,910	134,846,937	115,724,638
Contributions as a percentage of covered-employee payroll		8.72%	8.22%	7.71%	7.34%	7.45%	8.86%

* The amounts presented for each fiscal year were determined as of 6/30

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

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Florida Retirement System Pension Information

Schedules of Employer Proportionate Share of Net Pension Liability and Related Ratios (Unaudited)

Last 10 Fiscal Years*

September 30, 2019 and 2018

		2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability		0.2535%	0.2894%	0.3125%	0.3615%	0.4120%	0.4681%
Proportion of the pension liability:							
Trust's proportionate share of the net pension liability	$	87,296,220	87,156,943	92,435,269	91,283,227	53,221,513	28,559,412
Trust's covered payroll		90,167,155	100,335,823	105,549,222	120,074,910	134,846,937	115,724,638
Trust's proportionate share of the pension liability as a percentage of its covered-employee payroll		96.82%	86.87%	87.58%	76.02%	39.47%	24.68%
Plan fiduciary net position as a percentage of the total pension liability		82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of 6/30

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

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Supplemental Health Insurance Subsidy Pension Information

Schedules of Employer Contributions (Unaudited)

Last 10 Fiscal Years*

September 30, 2019 and 2018

		2019	2018	2017	2016	2015	2014
Actuarially required contribution	$	1,763,278	2,024,130	2,153,634	2,398,127	1,948,323	1,941,649
Contributions in relation to the contractually required contribution		(1,763,278)	(2,024,130)	(2,153,634)	(2,398,127)	(1,948,323)	(1,941,649)
Contribution deficiency (excess)	$	—	—	—	—	—	—
Trust's covered-employee payroll	$	106,212,088	121,943,352	129,754,774	144,455,836	154,640,172	168,203,974
Contributions as a percentage of covered-employee payroll		1.66%	1.66%	1.66%	1.66%	1.26%	1.15%

* The amounts presented for each fiscal year were determined as of 6/30

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

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Supplemental Health Insurance Subsidy Pension Information

Schedules of Employer Proportionate Share of Net Pension Liability and Related Ratios (Unaudited)

Last 10 Fiscal Years*

September 30, 2019 and 2018

		2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability		0.3175%	0.3732%	0.4069%	0.4679%	0.5097%	0.5668%
Proportion of the pension liability:							
Trust's proportionate share of the net pension liability	$	35,529,734	39,504,924	43,511,694	54,528,194	51,979,583	52,996,704
Trust's covered payroll		106,212,088	121,943,352	129,754,774	144,455,836	154,640,172	168,203,974
Trust's proportionate share of the pension liability as a percentage of its covered-employee payroll		33.45%	32.40%	33.53%	37.75%	33.61%	31.51%
Plan fiduciary net position as a percentage of the total pension liability		2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30

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See accompanying independent auditors' report.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Required Supplementary Information

Defined-Benefit Retirement Plan

Schedules of Employer Contributions (Unaudited)

September 30, 2019 and 2018

(Dollars in thousands)

Year ended January 1	Actuarially determined contributions	Contributions in relation to the actuarially determined contribution	Contribution Excess/(deficit)	Covered payroll	Actual contribution as a percentage of covered payroll
2010	42,000	42,000	—	507,365	8.28
2011	43,649	43,649	—	451,944	9.66
2012	40,363	40,363	—	439,993	9.17
2013	30,255	30,255	—	393,422	7.69
2014	24,478	24,478	—	402,411	6.08
2015	24,553	24,553	—	440,453	5.57
2016	26,218	26,218	—	509,069	5.15
2017	33,982	33,982	—	579,848	5.86
2018	22,551	22,551	—	645,238	3.49
2019	24,026	24,026	—	701,764	3.42

The contribution rate for normal cost is determined using the aggregate actuarial funding method. Under this method, the excess of present value of projected benefits over the actuarial value of assets is spread evenly over the expected future compensation of active participants presently under normal retirement age. Gains and losses resulting from fluctuations in Plan experience are similarly amortized as part of the normal cost.

See accompanying notes to required supplemental information.

See accompanying independent auditors’ report.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Required Supplementary Information

Defined-Benefit Retirement Plan

Schedules of Net Pension Liability (Asset) and Related Ratios (Unaudited)

September 30, 2019 and 2018

September 30		Total pension liability	Plan fiduciary net position	Net pension liability	Plan fiduciary net position as a percentage of total liability
2019	$	906,386,096	814,959,874	91,426,222	89.91%
2018		814,085,235	789,511,483	24,573,752	96.98
2017		725,731,377	712,359,371	13,372,006	98.16
2016		663,990,968	620,235,070	43,755,898	93.41
2015		599,734,230	555,346,266	44,387,964	92.60
2014		544,202,762	564,173,098	(19,970,336)	103.67

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

See accompanying notes to required supplemental information.

See accompanying independent auditors' report.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Required Supplementary Information

Defined-Benefit Retirement Plan

Schedules of Changes in Net Pension Asset (Liability) and Related Ratios (Unaudited)

September 30, 2019 and 2018

		2019	2018	2017	2016	2015	2014
Total pension liability:							
Service cost	$	(34,801,408)	(31,523,337)	(27,573,935)	(25,251,874)	(24,182,657)	(24,479,804)
Interest		(61,367,233)	(55,517,801)	(50,455,433)	(46,551,043)	(42,349,046)	(38,954,162)
Differences between expected and actual experience		(25,174,567)	(13,878,229)	(9,902,924)	(25,944,189)	(7,585,736)	(6,387,403)
Changes in assumptions		—	(9,849,213)	3,073,347	2,468,111	—	(16,324,144)
Change in benefit terms[1]		(5,760,000)	—	—	—	—	—
Benefit payments, including refunds of member contributions		34,802,347	22,414,722	23,118,536	31,022,257	18,585,971	39,678,826
Net change in total pension liability		(92,300,861)	(88,353,858)	(61,740,409)	(64,256,738)	(55,531,468)	(46,466,687)
Total pension liability, beginning of year		(814,085,235)	(725,731,377)	(663,990,968)	(599,734,230)	(544,202,762)	(497,736,075)
Total pension liability, end of year		(906,386,096)	(814,085,235)	(725,731,377)	(663,990,968)	(599,734,230)	(544,202,762)
Plan fiduciary net position:							
Contributions – employer		23,377,559	23,000,435	18,889,152	19,534,345	13,366,586	12,012,499
Contributions – member		21,195,556	20,701,744	18,114,361	14,958,135	13,885,025	12,248,903
Net investment income		17,122,441	57,854,267	80,071,723	63,759,377	(15,687,712)	37,290,807
Benefit payments, including refunds of member contributions		(34,802,347)	(22,414,722)	(23,118,536)	(31,022,257)	(18,585,971)	(39,678,826)
Administrative expense		(1,444,818)	(1,989,612)	(1,832,399)	(2,340,796)	(1,804,760)	(451,842)
Net change in plan fiduciary net position		25,448,391	77,152,112	92,124,301	64,888,804	(8,826,832)	21,421,541
Plan fiduciary net position, beginning of year		789,511,483	712,359,371	620,235,070	555,346,266	564,173,098	542,751,557
Plan fiduciary net position, end of year		814,959,874	789,511,483	712,359,371	620,235,070	555,346,266	564,173,098
Net pension liability, end of year	$	(91,426,222)	(24,573,752)	(13,372,006)	(43,755,898)	(44,387,964)	19,970,336
Plan fiduciary net position as a percentage of the total pension liability		89.9%	97.0%	98.2%	93.4%	92.6%	103.7%
Covered-employee payroll	$	701,763,884	645,238,470	579,848,000	509,069,000	440,453,000	402,411,000
Net pension liability as a percentage of covered-employee payroll		13.0%	3.8%	2.3%	8.6%	10.1%	5.0%

Notes to Schedule:

Benefit changes since September 30, 2014: During the year-ended September 30, 2019, an early retirement acceptance (ERA) program commenced. Lump-sum incentive payments and retirement date changes resulted from the program.

Changes of assumptions:

From September 30, 2018 to September 30, 2019: None.

From September 30, 2017 to September 30, 2018: Discount rate and expected long-term rate of return decreased from 7.5% to 7.4%.

From September 30, 2016 to September 30, 2017: For active participants, 40% are assumed to elect an immediate lump sum upon termination, 25% are assumed to elect a deferred lump sum upon retirement, and 35% are assumed to elect an annuity (life annuity if single 100% joint and survivor annuity if married). Also, the termination rates and retirement rates were updated to better reflect plan experience in the period 2014 - 2016.

From September 30, 2015 to September 30, 2016: The mortality table was updated from the RP 2000 Mortality Table, sex-distinct, with a 25 year projection using Scale AA to the RP2000 Generational tables with 50% white collar and 50% blue collar for annuitants (male) and 100% white collar for annuitants (female), and applying scale BB mortality improvements from 2000 on a generational basis for healthy lives. For active participants, 65% are assumed to elect a lump sum and 35% are assumed to elect an annuity (life annuity if single 100% joint and survivor annuity if married). The valuation compensation was also updated from: (1) the greater of Actual Compensation earned during the prior plan year, increased by salary scale or Annual Compensation rate for the current plan year, to (2) For continuing actives who worked 12 months for each of the two prior plan years, valuation compensation during the plan year is assumed to be the actual compensation earned during the prior plan year increased by salary scale; otherwise, the valuation compensation is assumed to be the annual compensation rate for the current plan year.

From September 30, 2014 to September 30, 2015: None

From September 30, 2013 to September 30, 2014: Retirement rates and termination rates were updated to better reflect plan experience as exhibited in the period 2009 - 2013. The Mortality table was changed from RP 2000 Mortality Table, sex-distinct, projected to 2014 with scale AA to RP 2000 Mortality Table, sex-distinct, projected 25 years with scale AA.

[1] A one-time recognition of early retirement acceptance (ERA) program lump-sum incentive payment

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

See accompanying notes to required supplemental information.

See accompanying independent auditors’ report.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Required Supplementary Information

Defined-Benefit Retirement Plan

Schedules of Investment Returns (Unaudited)

September 30, 2019 and 2018

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	2.2%	8.0%	12.8%	11.5%	2.8%	7.0%

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

See accompanying notes to required supplemental information.

See accompanying independent auditors' report.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Required Supplementary Information

Postemployment Benefits Other Than Pensions

Schedule of Changes in the Trust's Total OPEB Liability and Related Ratios (Unaudited)

September 30, 2019 and 2018

		2019	2018	2017
Total OPEB liability:				
Service Cost	$	3,776,425	3,622,816	4,099,967
Interest Cost		2,938,098	2,592,535	2,406,883
Differences between expected and actual experience		4,631,277	—	—
Changes in assumptions		10,566,984	(3,602,488)	(5,436,324)
Benefits Paid		(5,348,002)	(4,434,408)	(7,830,000)
Change in OPEB Liability		16,564,782	(1,821,545)	(6,759,474)
Starting OPEB Liability		68,192,334	70,013,879	76,773,353
Ending OPEB Liability	$	84,757,116	68,192,334	70,013,879
Covered employee payroll		795,722,000	768,814,000	742,815,000
Total OPEB liability as a percentage of covered employee payroll		10.7%	8.9%	9.4%

Notes to Schedule:

Changes of assumptions . From September 30, 2018 to September 30, 2019, the discount rate used to measure the Trust's total OPEB liability decreased from 4.2% to 2.7% and the pre-Medicare trend rate decreased from 7.0% to 6.5%.

Changes of assumptions. From September 30, 2017 to September 30, 2018, the discount rate used to measure the Trust's total OPEB liability increased from 3.6% to 4.2%.

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

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

The following are relevant to the Florida Retirement System (FRS), Health Insurance Subsidy (HIS) Program, PHT Defined Benefit Retirement Plan and Other Postemployment Benefits (OPEB):

(1) Actuarial assumptions for defined-benefit plans are reviewed annually FRS. The FRS pension plan has a valuation performed annually whereas the HIS program is biennially, which is updated for GASB reporting in the year a valuation is not performed.

(2) Methods and assumptions used in calculation of actuarially determined contribution for FRS pension plan:

Valuation date	July 1, 2019
Actuarial cost method	Individual Entry Age Normal
Discount rate	6.9%
Investment rate of return	6.9%
Salary increases projected	3.3%
Inflation	2.6%
Mortality	PUB2010 base table by category and sex, projected generationally with Scale MP-2018

(a) Changes of assumptions and other inputs reflect a change in the discount rate from 7.0% in 2018 to 6.9% in 2019.

(3) Methods and assumptions used in calculation of actuarially determined contribution for HIS program:

Valuation date	July 1, 2018
Actuarial cost method	Individual Entry Age Normal
Discount rate	3.5%
Investment rate of return	N/A
Salary increases projected	3.3%
Inflation	2.6%
Mortality	Generational RP-2000 with Projection Scale BB Tables

(a) Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% in 2018 to 3.5% in 2019.

(4) Methods and assumptions used in calculation of actuarially determined contributions for PHT Defined Benefit Retirement Plan:

Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal, Level Percent of Pay
Discount rate	7.4%
Investment rate of return	7.4%
Salary increases projected	4.0% per year for employees with less than 10 years and 3.0% for employees with more than 10 years
Inflation	2.5%
Mortality	Generational RP2000 with projection using scale BB

(b) Changes of assumptions and other inputs reflect no change in the discount rate, as it remained at 7.4% in 2019.

(5) Methods and assumptions used in calculation of actuarially determined contributions for Other Postemployment Benefits:

Valuation date	September 30, 2019
Actuarial cost method	Entry Age Normal, Level Percent of Pay
Discount rate	2.7%
Investment rate of return	N/A
Salary increases projected	3.5% per year
Inflation	3.0% per year
Mortality	Generational RP-2014, gender specific, projection using scale MP-18

OTHER FINANCIAL INFORMATION

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Schedule by Account
Schedules of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

September 30, 2019

(Dollars in thousands)

Assets		(1) Hospitals	(2) Primary Care Centers	(3) Skilled Nursing Facilities	Jackson Property Management	Eliminations	Total
Current assets:							
Cash and cash equivalents	$	306,232	9	224	43	—	306,508
Restricted cash and cash equivalents		4,181	—	—	—	—	4,181
Restricted short-term investments		7,928	—	—	—	—	7,928
Assets limited as to use		7,611	—	—	—	—	7,611
Patients' accounts receivable, less allowance for doubtful accounts of approximately $883,354		170,206	6,192	1,755	—	—	178,153
Estimated receivables due from other third-party payors		81,008	—	—	—	—	81,008
Due from Miami-Dade County		47,493	—	—	—	—	47,493
Other receivables – unrestricted		12,221	51	—	75	—	12,347
Other receivables – restricted		6,033	—	—	—	—	6,033
Due from restricted funds		856,147	8,135	1,802	1,345	(867,429)	—
Supplies		36,812	166	141	—	—	37,119
Prepaid expenses and other current assets		9,262	—	8	—	—	9,270
Total current assets		1,545,134	14,553	3,930	1,463	(867,429)	697,651
Assets limited as to use		41,754	—	—	—	—	41,754
Restricted long-term investments		24,916	—	—	—	—	24,916
Capital assets, net		942,638	7,276	4,391	8,179	—	962,484
Other assets		4,046	—	—	237	—	4,283
Total noncurrent assets		1,013,354	7,276	4,391	8,416	—	1,033,437
Total assets	$	2,558,488	21,829	8,321	9,879	(867,429)	1,731,088
Deferred outflows of resources:							
Deferred loss on bond refunding	$	6,897	—	—	—	—	6,897
Deferred outflows – pension		118,924	—	—	—	—	118,924
Deferred outflows – other postemployment benefits		14,295	—	—	—	—	14,295
Total deferred outflows of resources	$	140,116	—	—	—	—	140,116

(1) Includes Jackson Memorial Hospital, Jackson South, Jackson North, Urgent Care Centers, and Physician Services

(2) Includes North Dade Primary Health Care Facility, Jefferson Reaves Clinic, Community Health, Homeless Shelter, Home Health Care, P.E.T. Center, Penalver Clinic, Corrections Health Services, Rosie Lee Wesley Health Center, Miami Hope Center, North Miami Center, Southeast Dental Medical Center, Downtown Dental, and Downtown Family Healthcare

(3) Includes Perdue Medical Center and Human Resource Health Center

(Continued)

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Schedule by Account
Schedules of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

September 30, 2019

(Dollars in thousands)

Liabilities and Net Position (Deficit)		(1) Hospitals	(2) Primary Care Centers	(3) Skilled Nursing Facilities	Jackson Property Management	Eliminations	Total
Current liabilities:							
Accounts payable and accrued expenses	$	143,981	—	—	—	—	143,981
Accrued interest payable		4,442	—	—	—	—	4,442
Accrued salaries and payroll taxes withheld		60,529	—	—	—	—	60,529
Accrued vacation and sick pay benefits		85,353	—	—	—	—	85,353
Refunds due for patient services		5,900	150	—	—	—	6,050
Current portion of estimated self-insured liability		7,254	—	—	—	—	7,254
Estimated payables due to other third-party payors		115,002	—	—	—	—	115,002
Due to Miami-Dade County		15,099	—	—	—	—	15,099
Due to University of Miami		27,928	—	—	—	—	27,928
Other – unrestricted		244,976	515,353	118,479	(4,600)	(867,429)	6,779
Other – restricted		2,021	(17)	—	—	—	2,004
Current portion of total other postemployment benefits		5,563	—	—	—	—	5,563
Current portion of long-term debt		9,710	—	—	—	—	9,710
Total current liabilities		727,758	515,486	118,479	(4,600)	(867,429)	489,694
Long-term debt, excluding current portion		288,780	—	—	—	—	288,780
Estimated self-insured liability, excluding current portion		40,548	—	—	—	—	40,548
Net pension liability		214,252	—	—	—	—	214,252
Total other postemployment benefit liability		79,194	—	—	—	—	79,194
Due to University of Miami, excluding current portion		11,165	—	—	—	—	11,165
Other		3,031	—	—	—	—	3,031
Total noncurrent liabilities		636,970	—	—	—	—	636,970
Total liabilities	$	1,364,728	515,486	118,479	(4,600)	(867,429)	1,126,664
Deferred inflows of resources:							
Deferred gain on bond refunding	$	3,481	—	—	—	—	3,481
Deferred inflows – pension		44,183	—	—	—	—	44,183
Deferred inflows – other postemployment benefits		7,641	—	—	—	—	7,641
Total deferred inflows of resources	$	55,305	—	—	—	—	55,305
Net position (deficit)	$	1,278,571	(493,657)	(110,158)	14,479	—	689,235

See accompanying independent auditors’ report.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Schedule by Account
Schedules of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

September 30, 2018

(Dollars in thousands)

Assets		(1) Hospitals	(2) Primary Care Centers	(3) Skilled Nursing Facilities	Jackson Property Management	Eliminations	Total
Current assets:							
Cash and cash equivalents	$	303,717	8	201	64	—	303,990
Restricted cash and cash equivalents		4,358	—	—	—	—	4,358
Restricted short-term investments		7,690	—	—	—	—	7,690
Assets limited as to use		6,674	—	—	—	—	6,674
Patients' accounts receivable, less allowance for doubtful accounts of approximately $883,354		150,830	5,923	1,818	—	—	158,571
Estimated receivables due from other third-party payors		76,469	—	—	—	—	76,469
Due from Miami-Dade County		45,673	—	—	—	—	45,673
Other receivables – unrestricted		17,949	67	—	390	—	18,406
Other receivables – restricted		4,300	—	—	—	—	4,300
Due from restricted funds		783,571	6,263	431	922	(791,187)	—
Supplies		35,221	771	181	—	—	36,173
Prepaid expenses and other current assets		11,019	—	8	—	—	11,027
Total current assets		1,447,471	13,032	2,639	1,376	(791,187)	673,331
Assets limited as to use		41,656	—	—	—	—	41,656
Restricted long-term investments		25,926	—	—	—	—	25,926
Capital assets, net		714,496	7,210	4,706	8,127	—	734,538
Other assets		4,131	—	—	486	—	4,617
Total noncurrent assets		786,209	7,210	4,706	8,613	—	806,738
Total assets	$	2,233,680	20,242	7,345	9,989	(791,187)	1,480,069
Deferred outflows of resources:							
Deferred loss on bond refunding	$	7,470	—	—	—	—	7,470
Deferred outflows – pension		95,308	—	—	—	—	95,308
Total deferred outflows of resources	$	102,778	—	—	—	—	102,778

(1) Includes Jackson Memorial Hospital, Jackson South, Jackson North, Urgent Care Centers, and Physician Services

(2) Includes North Dade Primary Health Care Facility, Infant Shelter, Home Health Care, Liberty City Medical Center, Downtown Family Medical Center, North Miami Center, Southeast Dental Medical Center, Corrections Health Services, and Juanita Mann Center

(3) Includes Perdue Medical Center and Human Resource Health Center

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Schedule by Account
Schedules of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

September 30, 2018

(Dollars in thousands)

Liabilities and Net Position (Deficit)		(1) Hospitals	(2) Primary Care Centers	(3) Skilled Nursing Facilities	Jackson Property Management	Eliminations	Total
Current liabilities:							
Accounts payable and accrued expenses	$	129,299	—	—	—	—	129,299
Accrued interest payable		4,589	—	—	—	—	4,589
Accrued salaries and payroll taxes withheld		54,910	—	—	—	—	54,910
Accrued vacation and sick pay benefits		84,166	—	—	—	—	84,166
Refunds due for patient services		9,503	465	—	—	—	9,968
Current portion of estimated self-insured liability		6,304	—	—	—	—	6,304
Estimated payables due to other third-party payors		115,090	—	—	—	—	115,090
Due to Miami-Dade County		15,053	—	—	—	—	15,053
Due to University of Miami		35,850	—	—	—	—	35,850
Other – unrestricted		238,984	453,572	105,933	(4,234)	(791,187)	3,068
Other – restricted		1,836	(16)	—	—	—	1,819
Current portion of total other postemployment benefits		5,348	—	—	—	—	5,348
Current portion of long-term debt		8,985	—	—	—	—	8,985
Total current liabilities		709,917	454,021	105,933	(4,234)	(791,187)	474,450
Long-term debt, excluding current portion		300,739	—	—	—	—	300,739
Estimated self-insured liability, excluding current portion		40,752	—	—	—	—	40,752
Net pension liability		151,236	—	—	—	—	151,236
Total other postemployment benefit liability		62,844	—	—	—	—	62,844
Due to University of Miami, excluding current portion		11,355	—	—	—	—	11,355
Other		2,989	—	—	—	—	2,989
Total noncurrent liabilities		569,914	—	—	—	—	569,914
Total liabilities	$	1,279,831	454,021	105,933	(4,234)	(791,187)	1,044,365
Deferred inflows of resources:							
Deferred gain on bond refunding	$	4,348	—	—	—	—	4,348
Deferred inflows – pension		61,667	—	—	—	—	61,667
Deferred inflows – OPEB		8,179	—	—	—	—	8,179
Total deferred inflows of resources	$	74,194	—	—	—	—	74,194
Net position (deficit)	$	982,432	(433,779)	(98,588)	14,223	—	464,288

See accompanying independent auditors' report.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Schedule by Account
Schedules of Revenues and Expenses

Year ended September 30, 2019

(Dollars in thousands)

		(1) Hospitals	(2) Primary Care Centers	(3) Skilled Nursing Facilities	Jackson Medical Towers	Eliminations	Total
Operating revenues:							
Net patient service revenue	$	1,274,599	1,403	22,191	—	—	1,298,193
Managed care revenue		—	—	—	—	—	—
Other revenue		236,877	1,583	8,439	3,642	(10,480)	240,061
Grants and other		22,032	727	—	—	—	22,759
Total operating revenues		1,533,508	3,713	30,630	3,642	(10,480)	1,561,013
Operating expenses:							
Salaries and related costs		1,109,975	55,851	31,856	1,302	(760)	1,198,224
Contractual and purchased services		419,103	9,631	5,568	1,197	(9,720)	425,779
Supplies and other operating expenses		330,093	4,212	4,016	198	—	338,519
Public Medical Assistance Trust Fund assessment		15,655	—	—	—	—	15,655
Depreciation and amortization		72,450	827	763	870	—	74,910
Total operating expenses		1,947,276	70,521	42,203	3,567	(10,480)	2,053,087
Operating (loss) income		(413,768)	(66,808)	(11,573)	75	—	(492,074)
Nonoperating revenues (expenses):							
Miami-Dade County funding		203,224	—	—	—	—	203,224
Sales tax revenue		282,832	—	—	—	—	282,832
Investment income		1,395	—	—	182	—	1,577
Interest expense		(11,089)	—	—	—	—	(11,089)
Other income		45,009	—	—	—	—	45,009
Total nonoperating revenues, net (excluding capital contributions)		521,371	—	—	182	—	521,553
Income before capital contributions		107,603	(66,808)	(11,573)	257	—	29,479
Capital contributions		195,468	—	—	—	—	195,468
Increase (decrease) in net position	$	303,071	(66,808)	(11,573)	257	—	224,947

(1) Includes Jackson Memorial Hospital, Jackson South, Jackson North, Urgent Care Centers, and Physician Services

(2) Includes North Dade Primary Health Care Facility, Jefferson Reaves Clinic, Community Health, Homeless Shelter, Home Health Care, P.E.T. Center, Penalver Clinic, Corrections Health Services, Rosie Lee Wesley Health Center, Miami Hope Center, North Miami Center, Southeast Dental Medical Center, Downtown Dental, and Downtown Family Healthcare

(3) Includes Perdue Medical Center and Human Resource Health Center

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PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Schedule by Account
Schedules of Revenues and Expenses

Year ended September 30, 2018

(Dollars in thousands)

	(1) Hospitals	(2) Primary Care Centers	(3) Skilled Nursing Facilities	Jackson Medical Towers	Eliminations	Total
Operating revenues:						
Net patient service revenue	$ 1,199,050	1,341	21,517	—	—	1,221,908
Managed care revenue	—	—	—	—	—	—
Other revenue	237,794	1,330	4,485	4,493	(4,730)	243,372
Grants and other	22,756	566	—	—	—	23,322
Total operating revenues	1,459,600	3,237	26,002	4,493	(4,730)	1,488,602
Operating expenses:						
Salaries and related costs	1,044,235	53,777	30,407	1,819	—	1,130,238
Contractual and purchased services	386,350	10,135	5,816	1,648	(4,730)	399,219
Supplies and other operating expenses	308,214	3,360	3,725	266	—	315,566
Public Medical Assistance Trust Fund assessment	14,983	—	—	—	—	14,983
Depreciation and amortization	65,284	492	687	809	—	67,272
Total operating expenses	1,819,066	67,765	40,635	4,542	(4,730)	1,927,278
Operating (loss) income	(359,466)	(64,527)	(14,633)	(49)	—	(438,676)
Nonoperating revenues (expenses):						
Miami-Dade County funding	188,585	—	—	—	—	188,585
Sales tax revenue	275,005	—	—	—	—	275,005
Investment income	1,093	—	—	—	—	1,093
Interest expense	(11,576)	—	—	—	—	(11,576)
Other income	22,672	(10)	—	—	—	22,662
Total nonoperating revenues, net (excluding capital contributions)	475,780	(10)	—	—	—	475,770
Income before capital contributions	116,314	(64,537)	(14,633)	(49)	—	37,094
Capital contributions	105,552	—	—	—	—	105,552
Increase (decrease) in net position	$ 221,864	(64,537)	(14,633)	(49)	—	142,645

(1) Includes Jackson Memorial Hospital, Jackson South, Jackson North, Urgent Care Centers, and Physician Services

(2) Includes North Dade Primary Health Care Facility, Home Health Care, Liberty City Medical Center, Downtown Family Medical Center, North Miami Center, Southeast Dental Medical Center, Corrections Health Services, and Juanita Mann Center

(3) Includes Perdue Medical Center and Human Resource Health Center

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