

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

# 2017

FISCAL YEAR ENDED JUNE 30, 2017 AND 2016



Miami-Dade County Expressway Authority  
d/b/a Miami-Dade Expressway Authority and MDX  
3790 NW 21<sup>st</sup> Street / Miami, Florida 33142 /  
[www.mdxway.com](http://www.mdxway.com)

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY  
**D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX**

**Miami, Florida**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Fiscal Years Ended June 30, 2017 and 2016

Prepared by:

Finance Department

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY  
D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX

**Table of Contents**

	<b>Page</b>
<b>Introductory Section</b>	
Letter of Transmittal	1
List of Principal Officials	6
Organization Chart	7
Certificate of Achievement for Excellence in Financial Reporting	8
<b>Financial Section</b>	
Independent Auditors' Report	9
Management's Discussion and Analysis	12
Basic Financial Statements:	
Statement of Net Position	27
Statement of Revenues, Expenses and Changes in Net Position	29
Statement of Cash Flows	30
Notes to Financial Statements	32
Required Supplementary Information:	59
Schedule of Miami-Dade Expressway Authority's Proportionate Share of Net Pension Liability – Florida Retirement System & Health Insurance Subsidy	60
Schedule of Miami-Dade Expressway Authority Contributions – Florida Retirement System & Health Insurance Subsidy	61
Other Information:	62
Schedule of Calculation of Net Revenue and Financial Ratios – As Defined and Required by the Trust Indenture	63
Schedule of Toll Revenues and Expense Summary- As Defined and Required by the Trust Indenture	64

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY  
D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX

**Table of Contents (Continued)**

<b>Statistical Section</b>	65
Summary of Statement of Net Position	66
Summary of Statement of Revenues, Expenses and Changes in Net Position	67
Capital Assets, net of Depreciation & Amortization	68
Schedule of Historical Cash and TBP Rates by Vehicle Class	69
Schedule of Toll Rates by Vehicle Class	70
ORT Gantry Locations – SR 924 Gratigny Parkway and SR 112 Airport Expressway	71
ORT Gantry Locations – SR 836 Dolphin Expressway	72
ORT Gantry Locations – SR 874 Don Shula Expressway and SR 878 Snapper Creek Expressway	73
Total Toll and Fee Revenues, net by Expressway	74
Total Traffic/Transactions by Expressway	75
Average Daily Revenue by Expressway	76
Average Daily Traffic/Transactions by Expressway	77
Average Toll Rate by Expressway	78
Traffic/Transaction Vehicle Class by Expressway	79
Traffic/Transaction Percentage by Expressway	80
Outstanding Debt - Principal	81
Debt Covenants	82
Ratios of Outstanding Debt	83
Demographic and Economic Information	84
Total Employment by Industry: Miami-Dade County	85
Miami-Dade County: 25 Largest Employers	86
Full-Time Employees by Department	87

(Page intentionally left blank)

# Introductory Section





SHELLY SMITH FANO  
*Chair*

COMMISSIONER AUDREY M.  
EDMONSON  
*Vice-Chair*

LEONARD BOORD  
*Treasurer*

JAMES WOLFE, P.E.  
*FDOT District Six Secretary*

MAYOR CARLOS A. GIMENEZ  
MARITZA GUTIERREZ  
LOUIS V. MARTINEZ, ESQ.  
ARTHUR J. MEYER  
CLIFF WALTERS

JAVIER RODRÍGUEZ, P.E.  
*Executive Director*  
MARIALUISA NAVIA LOBO  
*Board Secretary*

**November 9, 2017**

**Board of Directors,  
Bond Holders and  
Customers of the Expressway Authority**

On behalf of the Miami-Dade Expressway Authority (the “Authority”), we are pleased to present the Comprehensive Annual Financial Report (“CAFR”) for the Fiscal Year Ended June 30, 2017. This report was prepared in accordance with generally accepted accounting principles (“GAAP”) as promulgated by the Governmental Accounting Standards Board (“GASB”) and other accounting and rule making bodies.

To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of the Authority. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority’s management.

Management is responsible for the establishment and maintenance of internal controls that have been designed to ensure assets are safeguarded and financial transactions are properly recorded and adequately documented. Such internal controls require estimates and judgments from management so that, in attaining reasonable assurance as to the adequacy of such controls, the cost does not outweigh the achieved benefit; the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatement.

The Authority’s financial statements have been audited by Moore Stephens Lovelace, P.A., and Certified Public Accountants. The goal of an independent audit is to provide reasonable assurance that the financial statements of the Authority for fiscal year end June 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentations. The independent auditors issued an “unmodified opinion” that the Authority’s financial statements for fiscal year June 30, 2017, are fairly presented in accordance with GAAP. The independent auditor’s report is included as part of the financial section of this report.

The Authority also undergoes a Single Audit in accordance with the provisions of the Single Audit Act and U.S. Office of Management and Budget Uniform Guidance, as well as the Florida Single Audit Act, when applicable. The report on the Single Audit for the year ended June 30, 2017 is available upon request.



Management's discussion and analysis ("MD&A") immediately follows the independent auditor's report which provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements the transmittal letter and the two should be read in conjunction with each other.

### **REPORTING ENTITY**

The Authority was created in 1994 by the Miami-Dade County Commission to establish local control over toll revenues and to ease traffic congestion on five major expressways in Miami-Dade County. The Authority's system is comprised of five of the busiest roadways in Miami-Dade County. They are the Airport Expressway ("SR 112"), Dolphin Expressway ("SR 836"), Don Shula Expressway ("SR 874"), Snapper Creek Expressway ("SR 878"), and Gratigny Parkway ("SR 924") and has jurisdiction over N.W. 138<sup>th</sup> Street from the north side of North Perimeter Road to west N.W. 97<sup>th</sup> Avenue.

Effective December 10, 1996, and pursuant to a Transfer Agreement ("Transfer Agreement") entered into between the Authority and the Florida Department of Transportation ("FDOT"), the Authority assumed the rights and responsibilities for operating the expressway system in perpetuity and obtained certain identifiable fixed assets and cash reserves from FDOT. In exchange, the Authority made a payment to FDOT, which was sufficient to defease certain, bonded indebtedness of the State of Florida. In order to defease FDOT's indebtedness, the Authority issued Toll System Revenue Bonds, Series 1996 (Taxable) for \$80,000,000. In addition, the Authority assumed a liability from the State of Florida in the amount of \$11,843,000, which has been paid in full.

### **BOARD OF DIRECTORS**

The governing body of the Authority consists of a total of nine members, eight are appointed members, and as volunteers do not receive any salary or other compensation for their service. The Miami-Dade County Board of County Commissioners appoints five members. The Governor of the State of Florida appoints three members. One member, the District Secretary of the FDOT - District VI, serves *ex officio*. Except for the District Secretary, all members must be residents of Miami-Dade County. Board members serve for a period of four years. Board elections occur every June for the fiscal year starting July 1<sup>st</sup>. The transmittal letter reflects the current board composition as of the issuance of this report.

### **REPORTING REQUIREMENTS**

On an annual basis the Authority undergoes an external financial audit, as well as a Single Audit and Florida Single Audit, when applicable. The purpose is for the external auditors to render an opinion of the Authority's financial statements and compliance with the Single Audit Act, U.S. Office of Management and Budget Uniform Guidance, and Florida Single Audit Act requirements. The opinion also includes the schedule of calculation of net revenue and financial ratio, as defined and required by the trust indenture.

In accordance with Governmental Auditing Standards, the external auditors also consider the Authority's internal controls over financial reporting on a test basis. The report purpose is to determine compliance with provision of laws, regulations, contracts, grant agreements, and to provide the results of the testing. This report can be accessed and viewed at [www.mdxway.com](http://www.mdxway.com).



In addition to the above-referenced reports, the Authority files an annual financial information disclosure pursuant to Rule 15c-2 of the Securities and Exchange Commission. The Authority also provides additional financial information and operating.

Since fiscal year 2008, pursuant to Section 20.23(2) 8, Florida Statutes, all toll authorities are subject to the oversight of the Florida Transportation Commission (“FTC”). The Authority’s performance is monitored and tracked by the FTC for compliance with performance measures believed to be best practices within the toll industry. This report can be accessed and viewed at [www.mdxway.com](http://www.mdxway.com)

### **LEGISLATIVE UPDATE**

CS/HB 1049 was passed in both the Senate and House of the Florida Legislature on May 5, 2017 just prior to the end of the 2017 legislative session and, among other things, provides for significant changes to Chapter 348, Part I (the Florida Expressway Authority Act) regarding certain expressway authorities, which currently includes only the Authority. The legislation amends certain provisions of Chapter 348, Part I, Florida Statutes to (1) place restrictions on the toll-setting process, including, among other things, requiring an independent traffic and revenue study for toll increases (except for increases tied to inflation), and a 2/3 majority vote of the authority board to approve a toll increase, (2) limit the amount of toll revenue that can be used for administrative expenses, (3) require a distance of at least five miles between main through-lane tolling points on transportation facilities constructed after July 1, 2017, (4) require a reduction in SunPass® toll rates of between 5 and 10 percent, (5) dedicate at least 20 percent, but not more than 50 percent, of annual surplus revenues to transportation and transit related expenses for projects in the area served by the authority, and (6) require certain measures relating to accountability, including a financial audit requirement and required website posting of meeting agendas, financial audit, bond covenants, budget, contracts, expenditures and other information. The legislation includes “savings” clauses that make the toll, operation and maintenance related amendments subject to the requirements contained in outstanding debt obligations. The legislation became effective July 1, 2017.

The Authority is reviewing and considering the ramifications of the legislation with respect to any conflicts with its covenants under existing bond documents.

### **TOLL DOLLARS**

The Authority’s primary source of revenue is the tolls collected on its five expressways which are used to operate, maintain and improve the expressway system. The Authority is responsible for the collection and stewardship of toll dollars collected on its five expressways. The Authority does not receive any revenue from the State of Florida, the Miami-Dade County half cent sales tax, or from state or federal gas taxes. Under the Authority’s trust indenture, all net revenues are pledged to repay principal and interest of outstanding bonds issued by the Authority.

### **FIVE-YEAR WORK PROGRAM**

The Authority has a Long-Range Master Transportation Plan (“LRMTP”) that identifies regionally significant transportation projects that MDX is examining for future implementation. Long range projects are conceptual in nature and require significant planning including engineering, finance, political and public acceptance. The Authority’s LRMTP is part of the Miami-Dade County Metropolitan Planning Organization’s (“MPO”) Long-Range Transportation Plan (“LRTP”) which



guides transportation investments in Miami-Dade County through the next twenty five years with the purpose of achieving the best mobility connections.

A thorough feasibility analysis is performed on projects that are prioritized for implementation including the cost of constructing, operating and maintaining all phases of the project and the project's projected revenue. Projects that are deemed financially feasible and adopted by the Authority's Board are included in the Five-Year Work Program. Other projects may remain in the LRTMP until such time as they are deemed financially feasible. The number of projects that are added into the Five-year Work Program is contingent upon the Authority's ability to fund them while maintaining existing programs.

The Authority's Five-Year Work Program identifies those financially feasible projects that will be implemented in the next five (5) year period. The Authority's Five-Year Work Program is updated on an annual basis in accordance with Authority's priorities of safety, system preservation and mobility Improvements.

The current FY 2018-2022 Work Program includes approximately \$1.3 billion in projects that result in enhanced connectivity, greater mobility, improved standard of living and accelerated economic development in Miami-Dade County.

## **COMPLIANCE**

The Authority's Trust Indenture requires the establishment and maintenance of specific funds to be reserved and restricted for the Authority's financial obligations related to construction projects, maintenance, operations, sinking fund and debt service reserve ("DSR"). The Authority's interest payments occur semi-annually on January 1<sup>st</sup> and July 1<sup>st</sup>. Principal payments occur annually on July 1<sup>st</sup>. During the fiscal year, one-twelfth (1/12) of interest and principal payments are deposited into the sinking fund. As of June 30, 2017 the sinking fund balance was \$58.0 million. The DSR is fully funded and based on 125% of the average annual debt service requirements for the bonds. DSR funds would be transferred to the sinking fund for the purpose of paying principal and interest for the bonds should the balance of the sinking fund be insufficient. As of June 30, 2017, the DSR balance is approximately \$113.8 million.

### **A. SENIOR COVERAGE & CREDIT RATING**

The Authority continues to meet its responsibility for sound financial management and compliance with the Indenture. The Authority's Trust Indenture requires a 1.2 times senior debt coverage and the Board policy is a minimum requirement of 1.5 times coverage. Senior debt coverage for fiscal year 2017 was 1.99. The Authority's ratio of net revenues to all debt service and fund payments is 1.85. The importance of maintaining strong coverage is that it lowers the cost of capital and reflects responsible management of the Authority. As of the date of this letter, the latest credit ratings: Moody's A2, Positive Outlook; Fitch A, Stable Outlook, and; Standard & Poor's A, Stable Outlook.

### **B. CONTINUING DISCLOSURE INFORMATION**

The CAFR includes Other Information, Schedule of Calculation of Net Revenues and Financial Ratio and the Schedule of Toll Revenues and Expenses Summary, as required by the Trust Indenture. These schedules reflect the computation of net revenues and senior lien



debt coverage. In addition, the CAFR includes a Statistical Section with information such as toll rates in effect and transactions of the System for all vehicle classes. Information on capital projects can be found under the MD&A section. All of the above schedules and information are required under the Trust Indenture as continuing disclosure information.

### **AWARDS**

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for the fiscal year ended June 30, 2016. This was the tenth (10<sup>th</sup>) consecutive year that the Authority has been granted this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition to the CAFR, the Authority produces the Popular Annual Financial Report (“PAFR”), which extracts information from the CAFR specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

This report can be accessed and viewed at [www.mdxway.com](http://www.mdxway.com). GFOA granted an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Authority for the fiscal year ended June 30, 2016. This was the fifth (5<sup>th</sup>) consecutive year that the Authority has been granted this prestigious award. GFOA’s review was based on an evaluation of creativity, presentation, understandability, and reader appeal of the report.

### **ACKNOWLEDGEMENTS**

The preparation and publication of this CAFR on a timely basis was made possible by the outstanding efforts, dedication and teamwork throughout the year of the Authority’s staff. All of the Authority’s staff is dedicated to continuous improvements to our operations while remaining fiscally responsible and accountable to its stakeholders, bondholders and customers.

We would also like to thank the members of the Board of Directors and Staff for their support and commitment to the fiscal integrity of the Authority.

Respectfully submitted,

Miami-Dade County Expressway Authority

**MIAMI-DADE EXPRESSWAY AUTHORITY  
APPOINTED BOARD OF DIRECTORS  
Fiscal Year Ended June 30, 2017**



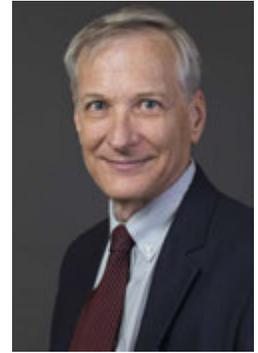
Shelly Smith Fano  
(Chair)  
Term Expires:  
Apr. 6, 2020



Audrey M. Edmonson  
(Vice-Chair)  
Term Expires:  
Feb. 7, 2021



Leonard Boord  
(Treasurer)  
Term Expires:  
Apr. 6, 2018



James Wolfe, P.E.  
(FDOT Distr. VI Secr.)  
Ex-Officio Member



Mayor Carlos A. Gimenez  
Term Expires:  
Feb. 7, 2021



Maritza Gutierrez  
Term Expires:  
Feb. 7, 2021



Louis V. Martinez, Esq.  
Term Expires:  
Feb. 7, 2020

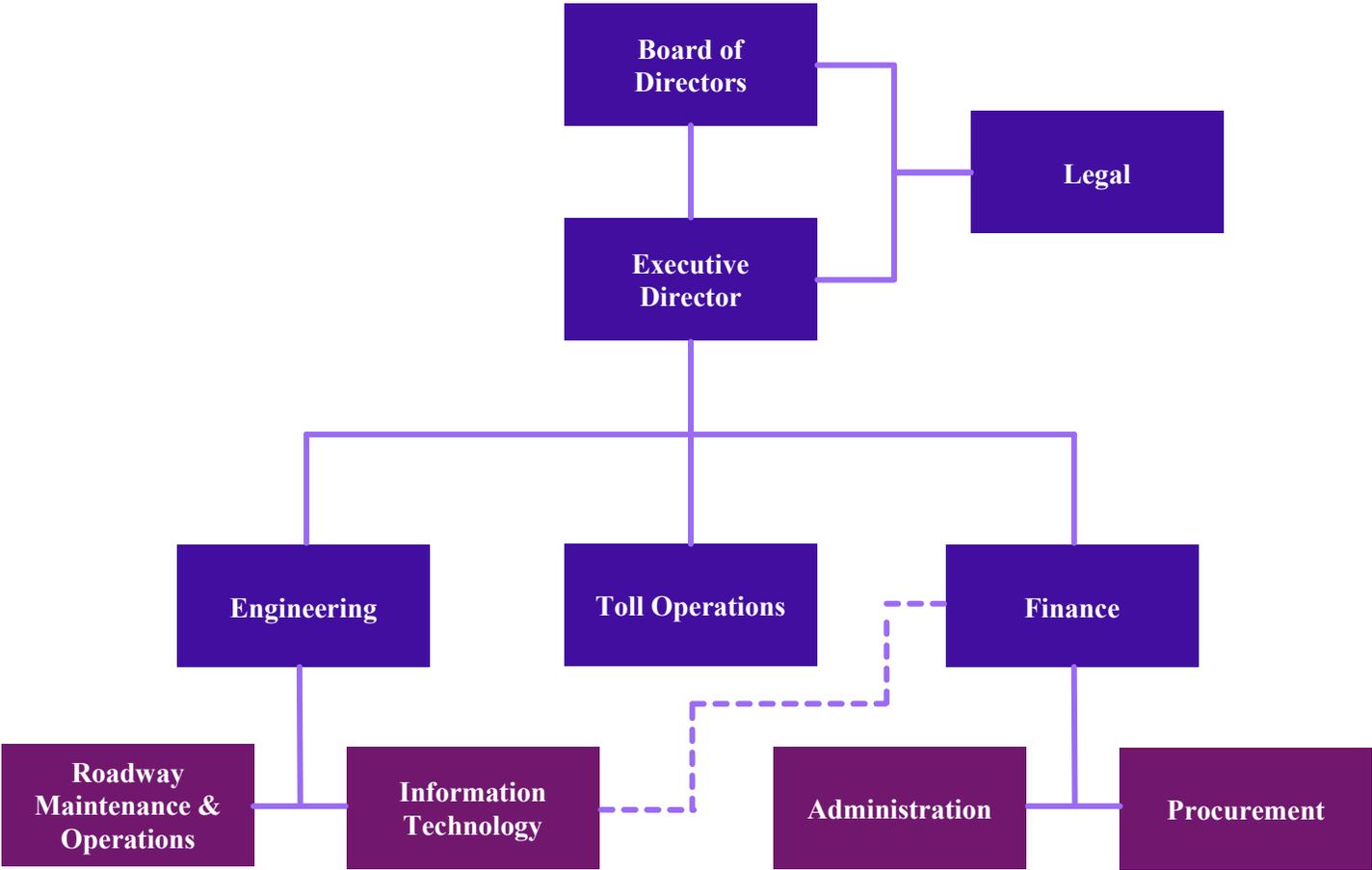


Arthur J. Meyer  
Term Expires:  
Feb. 7, 2020



Cliff Walters  
Term Expires:  
Apr. 6, 2018

**MIAMI-DADE EXPRESSWAY AUTHORITY  
ORGANIZATION CHART  
Fiscal Year Ended June 30, 2017**





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Miami-Dade County  
Expressway Authority, Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

# Financial Section





## INDEPENDENT AUDITOR'S REPORT

Members of the  
Miami-Dade County Expressway Authority  
Miami, Florida

We have audited the accompanying financial statements of Miami-Dade County Expressway Authority (the "Authority") as of and for the years ended June 30, 2017 and 2016, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinion**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2017 and 2016, and the respective changes in financial position, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The Schedule of Calculation of Net Revenue and Financial Ratios, as Defined and Required by the Trust Indenture and Schedule of Toll Revenues and Expense Summary, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are also not a required part of the financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Members of the  
Miami-Dade County Expressway Authority

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2017, on our consideration of the Authority'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* and should be considered in assessing the results of our audit.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
November 9, 2017

## Management's Discussion and Analysis Years Ended June 30, 2017, 2016 and 2015

---

Management's Discussion and Analysis ("MD&A") is presented to provide the readers of these annual financial reports a narrative overview and discussion of the financial activities of the Authority for the fiscal years ended June 30, 2017, 2016 and 2015. The MD&A should be read in conjunction with the financial statements and notes as a whole.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements, notes to the financial statements, other information and statistical information. The financial statements of the Authority report information using accounting methods similar to those used by private sector companies.

**Statement of Net Position** – This statement presents information on all of the Authority's assets, liabilities, and deferrals, with the difference between them reported as net position. Over time, increases or decreases in net position are useful indicators of whether the Authority's financial position is improving or deteriorating.

**Statement of Revenues, Expenses and Changes in Net Position** – This statement presents information showing how the Authority's net position changed during the fiscal year.

**Statement of Cash Flows** – This statement presents information about the Authority's cash receipts and cash payments, or, in other words, the sources and uses of the Authority's cash and the change in balance during the fiscal year.

**Notes to the Financial Statements** – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

**Required Supplementary Information** – Certain required supplementary information is presented to provide additional context to the financial statements and notes to the financial statements.

**Other Information** – Certain supplementary information is presented to report compliance with trust indenture requirements such as senior lien and subordinated debt service, as well as, the ratio computation.

**Statistical Information** – Certain information is presented to report historical and trend analysis of net position, revenues, expenses and changes in net position, toll revenues, traffic, toll rate structure, electronic tolling participation, debt capacity, demographic data and operating information.

(Remainder of page intentionally left blank)

**Management's Discussion and Analysis (continued)**  
**Years Ended June 30, 2017, 2016 and 2015**

---

**Financial Highlights**

The Authority's total assets of \$2.4 billion increased \$154.4 million or 6.8% in fiscal year 2017, compared to an increase of \$69.1 million or 3.1% in fiscal year 2016.

The Authority's deferred outflows of resources of \$54.2 million decreased \$12.7 million or 19.0% in fiscal year 2017, compared to an increase of \$2.2 million or 3.4% in fiscal year 2016.

The Authority's total capital assets, net, of \$1.9 billion increased \$221.7 million or 13.2% in fiscal year 2017, compared to an increase of \$96.7 million or 6.1% in fiscal year 2016.

The Authority's total liabilities of \$1.7 billion decreased \$25.1 million or 1.5% in fiscal year 2017, compared to a decrease of \$15.2 million or 0.9% (less than 1%) in fiscal year 2016.

The Authority's deferred inflows of resources of \$2.9 million increased \$270,000 or 10.3% in fiscal year 2017, compared to a decrease of \$1.0 million or 27.3% in fiscal year 2016.

The Authority's operating revenues of \$237.8 million, increased \$2.3 million or 1.0% in fiscal year 2017, compared to an increase of \$52.0 million or 28.3% in fiscal year 2016.

The Authority's toll and fee revenues, net of \$236.9 million, increased \$2.2 million or 0.9% in fiscal year 2017, compared to an increase of \$52.0 million or 28.4% in fiscal year 2016.

The Authority's operating expenses of \$87.9 million, increased \$4.9 million or 5.9% in fiscal year 2017, compared to an increase of \$8.4 million or 11.2% in fiscal year 2016.

The Authority's operations expenses of \$38.3 million, decreased by \$550,000 or 1.4% in fiscal year 2017, compared to an increase of \$6.2 million or 18.9% in fiscal year 2016.

The Authority's operating income of \$149.9 million, decreased \$2.6 million or 1.7% in fiscal year 2017, compared to an increase of \$43.6 million or 40.0% in fiscal year 2016.

Moody's Investors Service revised its outlook to Positive with an A2 rating, while Fitch Ratings and Standard & Poor's Rating Services reaffirmed the bond rating of A with Stable outlook.

The Authority issued Toll System Refunding Revenue Bonds, Series 2016A ("Series 2016A Bonds") in the amount of \$95.8 million to refund the outstanding portion of Toll System Revenue Bonds, Series 2006 (Non-taxable) (the "Series 2006 Bonds") in the outstanding principal amount of \$119.7 million; yielding present value savings of \$29.9 million.

The Authority funded \$168.3 million and \$120.8 million for capital projects in fiscal year 2017 and fiscal year 2016, respectively.

The Authority's senior bond coverage ratio was 1.99 and 2.18 for fiscal year 2017 and fiscal year 2016, respectively.

(Remainder of page intentionally left blank)

**Management's Discussion and Analysis (continued)**  
**Years Ended June 30, 2017, 2016 and 2015**

**Summary of Statement of Net Position**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Assets and Deferrals:</b>			
Current assets	\$ 389,656,633	\$ 453,214,547	\$ 330,563,829
Restricted non-current assets	143,901,580	145,374,314	295,365,003
Capital assets, net	1,896,759,500	1,675,044,820	1,578,347,314
Other non-current assets	2,278,940	4,608,784	4,888,095
<b>Total Assets</b>	<b>2,432,596,654</b>	<b>2,278,242,465</b>	<b>2,209,164,242</b>
Deferred outflows of resources	54,188,860	66,920,707	64,723,764
<b>Total Assets and Deferrals</b>	<b>2,486,785,514</b>	<b>2,345,163,172</b>	<b>2,273,888,006</b>
<b>Liabilities and Deferrals:</b>			
Current liabilities	106,175,632	90,511,665	93,199,997
Revenue bonds payable, net of current portion, bond discount and deferred cost	1,540,614,945	1,574,643,962	1,595,529,222
Derivate instruments fair market value	17,447,681	26,244,744	18,975,816
Other long-term liabilities	5,217,828	3,177,047	2,079,031
<b>Total Liabilities</b>	<b>1,669,456,086</b>	<b>1,694,577,417</b>	<b>1,709,784,067</b>
Deferred inflows of resources	2,884,042	2,614,344	3,596,497
<b>Total Liabilities and Deferrals</b>	<b>1,672,340,128</b>	<b>1,697,191,761</b>	<b>1,713,380,564</b>
Net investment in capital assets	334,588,732	231,385,184	211,948,218
Restricted	345,755,538	200,339,267	167,428,142
Unrestricted	134,101,117	216,246,960	181,131,083
<b>Total Net Position</b>	<b>\$ 814,445,386</b>	<b>\$ 647,971,411</b>	<b>\$ 560,507,442</b>

**Total Assets and Deferrals**

As of June 30, 2017 and 2016, total assets and deferrals were approximately \$2.5 billion and \$2.3 billion, respectively, an increase of \$141.6 million or 6.0% from fiscal year 2016.

**Current, Restricted Non-Current, & Other Non-Current Assets**

As of June 30, 2017 and 2016, current, restricted non-current and other non-current assets (excluding capital assets) were \$535.8 million and \$603.2 million, respectively, a decrease of \$67.4 million or 11.2% from fiscal year 2016. The decrease was due primarily to the use of both restricted and unrestricted funds for capital expenditures related to the on-going capital projects.

As of June 30, 2016 and 2015, current, restricted non-current and other non-current assets (excluding capital assets) were \$603.2 million and \$630.8 million, respectively, a decrease of \$27.6 million or 4.4% from fiscal year 2015. The decrease was due primarily to the

use of restricted cash, cash equivalents and investments held by the trustee for capital expenditures related to the on-going capital projects. This decrease was partially offset by an increase in unrestricted cash, cash equivalents and investments held by the trustee.

The purposes of unrestricted funds are to maintain adequate reserves and to fund future fiscal years' pay-as-you-go (cash portion) of the on-going capital projects.

**Capital Assets**

As of June 30, 2017 and 2016, capital assets, net, were \$1.9 billion and \$1.7 billion, an increase of \$221.7 million or 13.2% from fiscal year 2016.

As of June 30, 2016 and 2015, capital assets, net, were \$1.7 billion and \$1.6 billion, an increase of \$96.7 million or 6.1% from fiscal year 2015.

For fiscal years 2017 and 2016, the additions to construction in progress included capital expenditures for capital projects of \$168.3 million and \$120.8

## Management's Discussion and Analysis (continued)

### Years Ended June 30, 2017, 2016 and 2015

---

million, respectively; capitalized interest of \$10.8 million and \$15.0 million, respectively; and indirect cost allocations of \$4.1 million and \$4.2 million, respectively.

#### Major capital projects completed, contributed, and/or placed into service during Fiscal Year 2017 included the following:

**Project 83608** – *SR 826/SR 836 Interchange Improvements* – MDX partnered with FDOT for the right-of-way acquisition, design and construction of the mutually needed SR 826/SR 836 Interchange Improvement project. The Authority contributed \$214.6 million, with \$196.5 million paid towards the final design and construction of the project via an inter-local agreement with FDOT. This project is significant because this interchange is the most congested in Miami-Dade County. The total project cost for the joint project was in excess of \$600.0 million. The total project cost for the Authority's portion was \$214.6 million, with \$47.2 million expended in fiscal year 2017. As part of the close out of the project, a \$77.6 million contributory asset to the Authority from the Florida Department of Transportation ("FDOT") was recorded. It was determined that the value of the assets constructed in the Authority's controlled right of way was in excess of the joint project's Authority related expenditures.

**Project 83625** – *SR 836 Extension Westbound Access Ramp* - This project entailed the construction of an access ramp from west of NW 107th Avenue extending 0.3 miles to the SR 836 westbound Extension. The total project cost was \$5.9 million, with \$65,000 expended in fiscal year 2017.

**Project 83631** – *SR 836 Infrastructure Modifications for Open Road Tolling (West Section)* – The project consisted of the infrastructure modifications required to support the ORT conversion of SR 836 between NW 137<sup>th</sup> Avenue and SR 826. The Authority began revenue collection on the mainline in November 2014 and on the ramps in March 2015 with overall completion of the infrastructure aspects of this project in fiscal year 2017. The total project cost was \$13.1 million, of which \$242,000 were a contribution to the Florida's Turnpike Enterprise ("FTE"), with \$879,000 expended in fiscal year 2017.

**Project 10017** – *SR 836 Toll System Conversion* - This project provided for the ORT conversion of the SR 836 corridor with the last tolling points installed by early fiscal year 2018. All assets that were operational in

fiscal year 2017 were placed in service. The total project cost to date is \$21.0 million, with \$3.0 million expended in fiscal year 2017.

**Project 10018** – *System-wide ORT Hardware/Software Development*- This project provided funding for the development of hardware and software enhancements to the account management toll enforcement system to accommodate requirements for ORT. All assets that were operational in fiscal year 2017 were placed in service. The total project cost to date is \$4.2 million, with \$812,000 expended in fiscal year 2017.

**Project 10019** – *System-wide Implementation of Dynamic Message Signs ("DMS")* –The Intelligent Transportation System ("ITS") network, is linked to the SunGuide Transportation Management Center to help manage traffic operations on the System. Through this project, MDX installed DMS system-wide that will display live traffic condition information collected by the ITS surveillance system, thus further improving operations and safety throughout the System. The total project cost was \$11.7 million, of which \$112,000 were a contribution to various agencies with \$85,000 expended in fiscal year 2017.

#### Major on-going capital projects during Fiscal Year 2017 included the following:

##### System-wide:

**Project 10021** – *System-wide ITS Improvements* - This project provides funding for implementation of ITS improvements identified in the updated MDX ITS Master Plan intended to maximize the existing roadway system through the use of technology. The project is anticipated to be completed in early fiscal year 2019. The total project cost is anticipated at \$778,000, with \$50,000 expended in fiscal year 2017.

##### Dolphin Expressway (SR 836):

**Project 83611** – *SR 836/I-95 Interchange Improvements* – This project will provide additional capacity and improvements to SR 836 from the 17<sup>th</sup> Avenue interchange to the SR 836/I-95/I-395 interchange just north of downtown Miami, for a distance of 1.5 miles. This project will provide the option to directly access I-95 from the SR 836 interchange at NW 12<sup>th</sup> Avenue without having to enter SR 836 eastbound, as well as the option to exit from I-95 southbound to NW 14<sup>th</sup> Street, NW 12<sup>th</sup> Avenue and a new exit at North River Drive, without having to enter SR 836 westbound. The improvements address

## Management's Discussion and Analysis (continued)

### Years Ended June 30, 2017, 2016 and 2015

---

the safety, mobility and community needs in the project area. MDX is partnering with FDOT for the construction of this project which is expected to begin construction in fiscal year 2018 with a five-year duration. The total project cost is anticipated at \$243.2 million, with \$21.0 million expended in fiscal year 2017.

**Project 83618 – SR 836 Southwest Extension** – MDX is evaluating the possibility of a new 15 mile expressway extension of SR 836 from NW 137<sup>th</sup> Avenue to the southwest Kendall area. The extension of SR 836 is envisioned as a multimodal facility to also include express transit buses that would address the existing transportation needs of a vast community of residents living in the south western areas of Miami-Dade County west of the Homestead Extension of the HEFT. The Project Development & Environment (“PD&E”) study is ongoing to select a preferred alternative. Final design and construction for this project are not yet funded. The total cost for the Project Development phase is \$12.4 million, with \$1.4 million expended in fiscal year 2017.

**Project 83628 – SR 836 Operational, Capacity and Interchange Improvements** – This project will alleviate congestion along SR 836 by providing additional travel lanes from NW 57<sup>th</sup> Avenue to NW 17<sup>th</sup> Avenue, improve safety by providing right-hand exits and other improvements at interchanges at NW 57<sup>th</sup> Avenue, NW 42nd Avenue, and NW 27<sup>th</sup> Avenue. The design-build phase of this project began in April 2015 and completion is anticipated in fiscal year 2019. The total project cost is \$195.5 million, with \$38.7 million expended in fiscal year 2017.

**Project 83629 – SR 836 Interchange Modifications at 87<sup>th</sup> Avenue** – This project provides for the reconstruction of the SR 836 and NW 87<sup>th</sup> Avenue interchange west of the SR 826/SR 836 interchange improvement's project limits. These improvements tie into the Authority's completed improvements to SR 836 on the west and FDOT's SR 826/SR 836 interchange improvements on the east, and enhance operations on the SR 836 corridor. The construction is underway with anticipated completion in fiscal year 2019. The total project cost is \$90.8 million, with \$32.0 million expended in fiscal year 2017.

#### **Don Shula Expressway (SR 874):**

**Project 87410 – SR 874 Ramp Connector to and from SW 128<sup>th</sup> Street** – This project will provide alternative expressway access in the area, reducing congestion and

providing additional connectivity and mobility to the rapidly growing area of southwest Miami-Dade County. The project will provide greater accessibility to major employment and activity centers located east of this area. A portion of this project is currently being constructed by FTE under an inter-local agreement with MDX as part of a larger project to widen the HEFT and reconstruct the HEFT/SR 874 interchange. The design-build phase for the remaining project is underway with anticipated completion in fiscal year 2019. The total project cost is \$100.1 million, with \$9.0 million expended in fiscal year 2017.

**Project 87413 – SR 874/SW 72<sup>nd</sup> Street Interchange** – The project includes a southbound exit ramp to SW 72<sup>nd</sup> Street and a northbound entrance ramp to SR 874. As part of the project, sidewalks will be constructed in the southeast area of the interchange on SW 72<sup>nd</sup> Street. The new partial interchange at SR 874 and SW 72<sup>nd</sup> Street will provide connectivity to the expressway network while maintaining or improving traffic flow along SR 874 and the local roadway network. The ramps will provide access from SW 72<sup>nd</sup> Street to SR 874 northbound and from SR 874 southbound to SW 72<sup>nd</sup> Street. The project will result in easier access to SR 874 and the highway system connected to SR 874 as well as reduced congestion at key intersections along SW 72<sup>nd</sup> Street. The design-build phase will begin in fiscal year 2018. The total project cost is \$10.9 million, with \$805,000 expended in fiscal year 2017.

#### **Gratigny Parkway (SR 924):**

**Project 92404 – SR 924 Extension West to the Homestead Extension of the Florida's Turnpike** – MDX has substantially completed the PD&E study for a new 2.3-mile expressway extension from SR 924 west to the HEFT. The project is broken out into three segments. Segment 1 - 107th Avenue to HEFT including feasibility analysis for a potential ramp at 87<sup>th</sup> Avenue, Segment 2 – 97<sup>th</sup> Avenue to 107<sup>th</sup> Avenue, and Segment 3 – 97<sup>th</sup> Avenue to SR 826. The current work program includes funding for Design-Build of Segment 1 WB and Segment 2, and Final Design for Segments 1 EB and 3 EB. Additionally, a 1.6-mile section of NW 138<sup>th</sup> Street was reconstructed to a predominantly six lane section and transferred to the Authority by Miami-Dade County in a prior fiscal year. The total funded project cost is \$144.5 million, with \$1.1 million expended in fiscal year 2017.

**Management’s Discussion and Analysis (continued)**  
**Years Ended June 30, 2017, 2016 and 2015**

**Project 92407 – SR 924 Extension East to I-95** - The PD&E study is underway for a new 3.1-mile expressway extension of SR 924 east to I-95 and it’s scheduled to be completed in fiscal year 2018. The next phase, final design, is funded in the current work program and anticipated to begin in fiscal year 2020. Total Project Development and Final Design cost is

estimated at \$14.6 million, with \$107,000 expended in fiscal year 2017. Construction for this project is not yet funded.

(See Note 4, “Capital Assets”, in the Notes to the Financial Statements for more information.)

**Deferred Outflows of Resources**

As of June 30, 2017 and 2016, the Authority’s deferred outflows of resources totaled \$54.2 million and \$66.9 million, respectively.

Fiscal year 2017 deferred outflows of resources decreased \$12.7 million or 19.0% from fiscal year 2016; primarily due to a decrease in the negative fair value of the derivative of \$8.8 million and amortization on previously deferred amounts of \$5.2 million,

partially offset by the deferred outflows of resources related to pensions of \$1.3 million.

Fiscal year 2016 deferred outflows of resources increased \$2.2 million or 3.4% from fiscal year 2015; primarily due to an increase in the negative fair value of the derivative of \$7.3 million and deferred outflows of resources related to pensions of \$300,000, partially offset by the amortization on previously deferred amounts of \$5.4 million.

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Interest Rate Swap Derivative instrument	\$ 17,447,681	\$ 26,244,744	\$ 18,975,816
Deferred charges due to refundings	34,118,553	39,322,467	44,693,861
Pension	2,622,626	1,353,496	1,054,087
<b>Total deferred outflows</b>	<b>\$54,188,860</b>	<b>\$66,920,707</b>	<b>\$64,723,764</b>

**Total Liabilities and Deferrals**

As of June 30, 2017 and 2016, total liabilities and deferrals were approximately \$1.7 billion in both fiscal years; a decrease of \$24.9 million or 1.5%.

**Current Liabilities**

As of June 30, 2017 and 2016, the Authority’s current liabilities totaled \$106.2 million and \$90.5 million, respectively. Fiscal year 2017 current liabilities increased \$15.7 million or 17.3% from fiscal year 2016 primarily due to an increase in accrued expenses of \$15.8 million and the current portion of revenue and refunding bonds payable of \$10.8 million, partially

offset by a decrease in accounts payable of \$10.3 million and accrued interest payable of \$662,000.

Fiscal year 2016 current liabilities decreased \$2.7 million or 2.9% from fiscal year 2015 primarily due to a decrease in the current portion of loans payable to other governments of \$15.7 million and accrued interest payable of \$325,000, partially offset by an increase in accounts payable of \$6.6 million, current portion of revenue and refunding bonds payable of \$3.9 million and accrued expenses of \$2.9 million. As of June 30, 2016, the Authority has defeased all loans payable to other governments (subordinate debt) which included State Infrastructure Bank (“SIB”) and Toll Facility Revolving Trust Fund (“TFRTF”) loan.

(Remainder of page intentionally left blank)

**Management's Discussion and Analysis (continued)**  
**Years Ended June 30, 2017, 2016 and 2015**

**Revenue and Refunding Bonds Payable**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Bonds outstanding	\$ 1,457,320,000	\$ 1,493,125,000	\$ 1,501,165,000
Net bond premiums and discounts	106,019,945	93,483,962	102,404,222
<b>Total revenue bonds, net</b>	<b>1,563,339,945</b>	<b>1,586,608,962</b>	<b>1,603,569,222</b>
Current portion of revenue bonds payable	(22,725,000)	(11,965,000)	(8,040,000)
<b>Total long-term revenue bonds</b>	<b>\$ 1,540,614,945</b>	<b>\$ 1,574,643,962</b>	<b>\$ 1,595,529,222</b>

As of June 30, 2017 and 2016, the Authority's outstanding long-term bonds payable totaled \$1.5 and \$1.6 billion (net of current portion, bond premium/discount), respectively. As of June 30, 2017 and 2016, the Authority's long-term bonds consist of 94.5% fixed rate and 5.5% variable rate and 94.6% fixed rate and 5.4% variable rate, respectively.

In fiscal year 2017, the Authority issued Series 2016A Bonds in the amount of \$95.8 to (a) refund the outstanding portion of Series 2006 Bonds in the outstanding principal amount of \$119.7 million; and (b) pay costs and expenses relating to the issuance of the Series 2016A Bonds.

As of June 30, 2016 and 2015, the Authority's outstanding long-term bonds payable totaled \$1.6 billion for both years (net of current portion, bond premium/discount). As of June 30, 2016 and 2015, the Authority's long-term bonds consist of 94.6% fixed rate and 5.4% variable rate for both years. As of June 30, 2016, the Authority has defeased the Toll System Revenue Bonds Series 1999.

See Note 6, "Long-Term Liabilities", in the Notes to the Financial Statements for a more detailed discussion.)

**Net Pension Liability**

As of June 30, 2017 and 2016, net pension liability totaled \$5.2 million and \$3.2, respectively. This increase was based on information provided by the State of Florida Retirement System ("FRS").

As of June 30, 2016 and 2015, net pension liability totaled \$3.2 million and \$2.1, respectively. This increase was based on information provided by the FRS.

**Derivative Instrument Fair Market Value**

As of June 30, 2017 and 2016, derivative instrument fair market value ("FMV") totaled \$17.4 million and \$26.2 million, respectively. The negative FMV

decrease was due to market fluctuation on the outstanding swap related to derivative instrument of the Toll System Revenue Bonds, Series 2005 of \$79.5 million. The swap with JP Morgan meets the criteria of an effective hedge under GASB 53 which is evaluated by the Authority's financial advisors on an annual basis.

As of June 30, 2016 and 2015, derivative instrument FMV totaled \$26.2 million and \$19.0 million, respectively. The negative FMV decrease was due to market fluctuation on the outstanding swap related to derivative instrument of Series 2005 Bonds of \$80.5 million. The swap with JP Morgan meets the criteria of an effective hedge under GASB 53 which is evaluated by the Authority's financial advisors on an annual basis.

**Deferred Inflows of Resources**

As of June 30, 2017 and 2016, deferred inflows of resources totaled \$2.9 million and \$2.6 million, respectively.

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Deferred charges due to refundings	\$ 2,799,233	\$ 2,102,911	\$ 2,210,386
Pension	84,809	511,433	1,386,111
<b>Total deferred inflows</b>	<b>\$2,884,042</b>	<b>\$2,614,344</b>	<b>\$3,596,497</b>

Fiscal year 2017 deferred inflows of resources increased \$270,000 or 10.3% from fiscal year 2016; primarily due to additional deferred amounts related to the issuance of the Series 2016A Bonds of \$800,000; partially offset a decrease in by pension amounts due to changes in investments and experience of \$425,000 and amortization of a refunding related to the Toll System Refunding Revenue Bonds, Series 2013B of \$110,000.

As of June 30, 2016 and 2015, deferred inflows of resources totaled \$2.6 million and \$3.6 million, respectively. The decrease of \$980,000 is due to pension amounts due to changes in investments and

**Management's Discussion and Analysis (continued)**  
**Years Ended June 30, 2017, 2016 and 2015**

experience of \$875,000 and amortization of a refunding related to the Series 2013B Bonds of \$110,000.

**Net Position**

As of June 30, 2017 and 2016, the net position totaled \$814.4 million and \$648.0 million, respectively, an increase of \$166.5 million or 25.7%. Net position is comprised of net investment in capital assets of \$334.6 million and \$231.4 million, respectively; restricted of \$345.8 million and \$200.3 million, respectively; and

unrestricted of \$134.1 million and \$216.2 million, respectively.

As of June 30, 2016 and 2015, the net position totaled \$648.0 million and \$560.5 million, respectively, an increase of \$87.5 million or 15.6%. Net position is comprised of net investment in capital assets of \$231.4 million and \$211.9 million, respectively; restricted of \$200.3 million and \$167.4 million, respectively; and unrestricted of \$216.2 million and \$181.1 million, respectively.

**Statement of Revenues, Expenses and Changes in Net Position**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Operating revenues:</b>			
Toll and fee revenues, net	\$ 236,931,810	\$ 234,775,680	\$ 182,824,359
Other revenues	889,982	744,962	717,292
<b>Total operating revenues</b>	<b>237,821,792</b>	<b>235,520,642</b>	<b>183,541,651</b>
<b>Operating expenses:</b>			
Operations	38,255,772	38,805,883	32,627,952
Maintenance	6,773,420	7,001,683	6,843,241
Administration	7,547,046	7,650,808	5,985,483
Depreciation and amortization	35,322,717	29,542,943	29,180,708
<b>Total operating expenses</b>	<b>87,898,954</b>	<b>83,001,318</b>	<b>74,637,385</b>
<b>Total operating income</b>	<b>149,922,838</b>	<b>152,519,324</b>	<b>108,904,266</b>
<b>Non-operating revenues (expenses):</b>			
Investment income	4,755,154	3,190,978	2,064,490
Miscellaneous income	73,636	-	-
Interest expense	(59,483,495)	(55,890,004)	(56,100,014)
Bond issuance expense	(767,428)	-	(1,390,687)
Disposal of assets	(4,685,759)	(2,739,593)	(10,984,218)
Contributions to other governments	(3,474,053)	(11,703,168)	(69,369,978)
<b>Total non-operating revenues (expenses)</b>	<b>(63,581,945)</b>	<b>(67,141,787)</b>	<b>(135,780,407)</b>
<b>Income before contributions for capital projects</b>	<b>86,340,893</b>	<b>85,377,537</b>	<b>(26,876,140)</b>
Contributions for capital projects	80,133,081	2,086,432	81,819,539
<b>Change in net position</b>	<b>166,473,974</b>	<b>87,463,969</b>	<b>54,943,398</b>
<b>Net position, beginning of year</b>	<b>647,971,411</b>	<b>560,507,442</b>	<b>508,109,000</b>
GASB 68 restatement for beginning NPL	-	-	(2,544,956)
<b>Net position, end of year</b>	<b>\$814,445,386</b>	<b>\$647,971,411</b>	<b>\$560,507,442</b>

## Management's Discussion and Analysis (continued)

### Years Ended June 30, 2017, 2016 and 2015

---

#### Operating Revenues

Total operating revenues were \$237.8 million and \$235.5 million for fiscal years 2017 and 2016, respectively. Total operating revenues for fiscal year 2017 increased \$2.3 million or 1.0% over fiscal year 2016, compared to an increase of \$52.0 million or 28.3% over fiscal year 2015. Fiscal year 2017 and 2016, total operating revenues consist of toll and fee revenues, net, of \$236.9 million and \$234.8 million, respectively, and other revenues of \$890,000 and \$745,000, respectively.

#### Toll and Fee Revenues, net

Toll revenues are comprised of SunPass® and Toll-By-Plate ("TBP"). Customers with an active SunPass® prepaid account maintain highway speeds while passing through tolling points and the toll amount is deducted from their account balance. Customers who do not have an active SunPass® prepaid account will receive a TBP invoice with an image of their license plate and a listing of all their toll transactions at the TBP rate.

SunPass® revenues are recognized at lane exit, TBP revenue is recognized when a customer is invoiced, and TBP revenues are offset by an allowance for doubtful accounts.

The Frequent Driver Rewards Program ("FDR") was implemented during fiscal year 2015 and is offered to SunPass® customers who register with the Authority in order to be eligible to receive a cash back payment. FDR only occurs if the Authority achieves all of its financial and operational performance measures for the fiscal year. The total cost of the FDR to the Authority in fiscal year 2017 was \$5.6 million, fiscal year 2016 \$5.5 million and fiscal year 2015 \$2.0 million. The FDR is recorded as an offset to SunPass® revenue.

For fiscal year 2017, toll and fee revenues, net, were comprised of SunPass® of \$191.0 million or 80.6%, TBP, which is net of allowance, of \$40.5 million or 17.1%, and recovery and fee revenues of \$11.0 million or 4.6%, partially offset by FDR payable of \$5.6 million or -2.4%. During fiscal year 2017, 182,000 customers were registered for the program while approximately 80,000 qualified for a rewards payment totaling \$5.6 million. TBP gross revenue was \$61.1 million, less an allowance for doubtful accounts of \$20.6 million, which yielded net TBP revenue of \$40.5 million. The total net toll and fee revenues increase of \$2.2 million or less than 1% is due to continuing transaction growth of the system.

For fiscal year 2016, toll and fee revenues, net, were comprised of SunPass® of \$184.2 million or 78.4%, TBP, which is net of allowance of \$45.1 million or 19.2%, and recovery and fee revenues of \$10.8 million or 4.6%, partially offset by FDR payable of \$5.3 million or -2.3%. During fiscal year 2016, 112,500 customers were registered for the program while approximately 54,000 qualified for a cash back payment totaling \$5.3 million. TBP gross revenue was \$57.5 million, less an allowance for doubtful accounts of \$12.4 million, which yielded net TBP revenue of \$45.1 million. The total net toll and fee revenues increase of \$52.0 million was primarily due to the first full fiscal year of revenue related to the conversion to ORT of the last two expressways, Dolphin (SR 836) and Airport (SR 112).

#### Other Revenues

Other revenues were \$890,000 and \$745,000 for fiscal years 2017 and 2016, respectfully. Other revenues consist of leasing excess parcels, permits and other miscellaneous revenue.

#### Operating Expenses

Total operating expenses (including depreciation and amortization) were \$87.9 million and \$83.0 million for fiscal years 2017 and 2016, respectively. Operating expenses increased \$4.9 million or 5.9% over fiscal year 2016, compared to an increase of \$8.4 million or 11.2% over fiscal year 2015. In fiscal year 2017 and 2016, operating expenses (excluding depreciation expenses) were \$52.6 million and \$53.5 million, a decrease of \$880,000 or 1.7% over fiscal year 2016, compared to an increase of \$8.0 million or 17.6% over fiscal year 2015.

#### Operations

Operations expenses were \$38.3 million and \$38.8 million for fiscal years 2017 and 2016, respectively. In fiscal year 2017, operations decreased \$550,000 or 1.4% primarily due to a decrease in image review staffing expenses of \$985,000 as a result of transition in providers, SunPass® transponder subsidy paid to FTE of \$620,000, toll equipment parts of \$250,000, billing service provider expenses of \$120,000, TBP related postage of \$105,000, GEC support services of \$65,000, and ITS locate services of \$45,000; partially offset by an increase in FDOT pass-through charges for SunPass® processing cost of \$635,000, ORT in-lane software/hardware maintenance of \$350,000,

## Management's Discussion and Analysis (continued)

### Years Ended June 30, 2017, 2016 and 2015

---

service patrols expenses of \$285,000, property insurance of \$200,000, and ITS parts of \$170,000.

In fiscal year 2016, operations increased \$6.2 million or 18.9% primarily due to FDOT pass-through charges for SunPass® processing cost of \$2.3 million; billing service provider expenses of \$1.6 million; TBP related postage of \$255,000; and image review staffing expenses of \$215,000 primarily due to additional transactions related to the first full year of operations at new tolling gantries; SunPass® transponder subsidy paid to FTE of \$905,000; ORT in-lane software/hardware maintenance of \$535,000; image review software expense of \$465,000; toll equipment parts of \$240,000; and service patrols expenses of \$135,000; partially offset by a decrease in toll plaza collections staffing of \$510,000.

#### Maintenance

Maintenance expenses were \$6.8 million and \$7.0 million for fiscal years 2017 and 2016, respectively. In fiscal year 2017, maintenance costs decreased \$230,000 or 3.3% primarily due to a decrease in periodic maintenance of \$270,000 due to completion of repairs in the prior year, roadway and other maintenance services of \$50,000, and ITS field repair services of \$30,000; partially offset by an increase in structural inspections expenses of \$85,000 based on variations in the bi-annual cycle of inspections, and general engineering consultant maintenance support of \$35,000.

In fiscal year 2016, maintenance costs increased \$160,000 or 2.3% primarily due to an increase in periodic maintenance of \$320,000 due to completion of a backlog of repairs, general engineering consultant maintenance support of \$120,000, structural inspections of \$25,000 based on variations in the bi-annual cycle of inspections partially offset by a decrease in Intelligent Transportation System ("ITS") maintenance expenses of \$280,000 related to the completion of a backlog of repairs in the prior fiscal year and roadway and other maintenance services of \$20,000.

#### Administration

Administration expenses were \$7.5 million and \$7.7 million for fiscal years 2017 and 2016, respectively. In fiscal year 2017, administration expenses decreased \$105,000 or 1.4% primarily due to a decrease in public communication expenses of \$845,000, legal fees of \$505,000 mostly related to litigation, general

engineering consultant expenses of \$140,000, bond administration expense of \$65,000, and community outreach and support of \$65,000; partially offset by an increase in pension expenses related to FRS contributions and the unfunded liability reporting requirement of \$470,000, a decrease of \$295,000 in professional service and administrative expenses capitalized as part of the indirect cost allocation, other salaries, taxes and benefits of \$320,000, traffic & revenue studies of \$170,000, auto maintenance of \$60,000, information technology hardware and software maintenance and support expenses of \$55,000, temporary staffing services of \$50,000, website maintenance costs of \$45,000, various administrative costs of \$30,000, and small/local business outreach of \$20,000.

In fiscal year 2016, administration expenses increased \$1.7 million or 27.8% primarily due to an increase in public communication expenses of \$1.2 million, legal fees of \$330,000 primarily related to litigation, general engineering consultant expenses of \$305,000, salaries, taxes and benefits of \$150,000, and bond administration fees of \$30,000; partially offset by an increase of \$210,000 in expenses capitalized as part of the indirect cost allocation, and decreases in various professional contracted services of \$45,000, information technology maintenance and support expenses of \$25,000, small/local business program of \$20,000, other various administrative expenses of \$15,000, and training expenses of \$10,000.

#### Depreciation and Amortization

Total depreciation and amortization were \$35.3 million and \$29.5 million for fiscal years 2017 and 2016, respectively. In fiscal year 2017, depreciation and amortization expense increased \$5.8 million or 19.6% over fiscal year 2016, compared to an increase \$360,000 or 1.2% over fiscal year 2015. The increase in fiscal year 2017 and 2016 was due to a full year's depreciation from assets placed in service during the fiscal year.

#### Non-Operating Revenue

##### Investment Income

Investment income was \$4.8 million and \$3.2 million for fiscal years 2017 and 2016, respectively. Investment income for fiscal year 2017, increased \$1.6 million or 49.0% from fiscal year 2016, compared to an increase \$1.1 million or 54.6% from fiscal year 2015.

## Management's Discussion and Analysis (continued)

### Years Ended June 30, 2017, 2016 and 2015

---

The increase for fiscal year 2017 was primarily due to higher reinvestment yields on investments and the change in fair market value on investment income. In fiscal year 2017 and 2016, the change in fair market value on investment income was \$1.5 million and \$1.0 million, respectively.

The increase for fiscal year 2016 was primarily due to the change in fair market value on investment income and higher reinvestment yields on investments. In fiscal year 2016 and 2015, the change in fair market value on investment income was \$1.0 million and \$385,000, respectively.

### Non-Operating Expenses

#### Interest Expense

Interest expense was \$59.5 million and \$55.9 million for fiscal years 2017 and 2016, respectively. Interest expense for fiscal year 2017 increased \$3.6 million or 6.4% over fiscal year 2016, compared to a decrease \$210,000 or 0.4% (less than 1%) over fiscal year 2015. For fiscal year 2017, the increase was primarily due to an offset for capitalized interest of \$4.1 million, amortization expense of \$700,000, partially offset by a decrease in senior bond interest of \$1.2 million.

Interest expense was \$55.9 million and \$56.1 million for fiscal years 2016 and 2015, respectively. Interest expense for fiscal year 2016 decreased \$210,000 or

0.4% over fiscal year 2015, compared to an increase of \$9.8 million or 21.1% over fiscal year 2014.

For fiscal year 2016, the decrease was primarily due to a prior fiscal year swap termination payment of \$8.1 million, amortization expense of \$380,000 and subordinate interest of \$230,000, partially offset by a decrease in capitalized interest of \$7.0 million and an increase in senior bond interest of \$1.5 million.

#### Bond Issuance Costs for Revenue Bonds

Bond issuance costs were \$767,000 and \$0 for fiscal years 2017 and 2016, respectively. Issuance expense in fiscal year 2017 was due to the Series 2016A refunding. Bond issuance expense consists of underwriting fees and other professional services cost associated with the issuance of Series 2016A.

#### Disposal of Assets

Disposal of assets were \$4.7 million and \$2.7 million for fiscal years 2017 and 2016, respectively. In fiscal year 2017 the disposals were primarily due to infrastructure assets, primarily roadway related assets, removed as part of various capital work program projects and due to the retirement of the previous toll collection system's hardware no longer in use after the transition to a new system. In fiscal year 2016 the disposals were primarily due to impacts to roadway and facility infrastructure assets from ongoing or completed work program projects.

(Remainder of page intentionally left blank)

**Management's Discussion and Analysis (continued)**  
**Years Ended June 30, 2017, 2016 and 2015**

**Contributions from/to Other Governments**

Contributions from/to other governments represent amounts received from and donated to other entities for design and/or construction of capital projects and land acquisition.

Contributions from other governments were \$80.1 million and \$2.1 million for fiscal years 2017 and 2016, respectively. Fiscal year 2017 was mainly due to

Project 83608, SR826/836 major interchange. Fiscal year 2016 was due to Project 11211, Central Boulevard, which was a joint project with the Miami-Dade County.

Contributions to other governments were \$3.5 million and \$11.7 million for fiscal years 2017 and 2016, respectively.

	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b><u>Contribution from other governments</u></b>			
Project 83608 SR 836/SR 826 Interchange	\$ 77,558,054	\$ -	\$ -
Dolphin Station Park & Ride	2,575,028	-	-
MIC-SR 836 roadway connections	-	-	38,037,147
Central Blvd. land easement from MIA	-	-	43,339,000
Project 11211 Central Blvd. construction grant	-	2,086,432	443,392
<b>Subtotal</b>	<b>80,133,081</b>	<b>2,086,432</b>	<b>81,819,539</b>
<b><u>Contribution to other governments</u></b>			
Project 83631 off-system related sign panels	(242,000)	-	-
Project 10019 off-system related paving/guardrail	(112,214)	-	-
Dolphin Station Park & Ride	(3,119,839)	-	-
MIA-Central Blvd. reconstruction	-	(1,789,857)	(67,907,014)
ORT off-system related sign panels	-	(7,694,135)	-
Killian Parkway improvements	-	(2,219,176)	-
FDOT-Lejeune Road design improvement	-	-	(1,331,901)
Miami-Dade County-Lighting improvements	-	-	(131,063)
<b>Subtotal</b>	<b>(3,474,053)</b>	<b>(11,703,168)</b>	<b>(69,369,978)</b>
<b>Net Contribution</b>	<b>\$76,659,029</b>	<b>\$(9,616,736)</b>	<b>\$12,449,561</b>

(Remainder of page intentionally left blank)

**Management's Discussion and Analysis (continued)**  
**Years Ended June 30, 2017, 2016 and 2015**

**Debt Ratios**

The Authority's senior lien debt service ratio for all bonds was 1.99 in fiscal year 2017, 2.18 in fiscal year 2016, and 2.22 in fiscal year 2015. The Authority's ratio of net revenues to total debt service and other funding payments was 1.85 in fiscal year 2017, 1.78 in fiscal year 2016, and 2.05 in fiscal year 2015.

For fiscal year 2017, the Authority paid \$95.7 million to senior debt bondholders and \$6.8 million in other funding payments. Funding payments mainly are due to deposits to the renewal and replacement fund for the cash portion of projects. The decrease in senior coverage compared to prior year was due to an increase

in senior debt service of \$9.6 million; partially offset by an increase in net revenues of \$5.2 million. For fiscal year 2017, principal payments increased by \$10.8 million primarily due to an increase in principal payments of \$8.2 million for the Series 2013A Bonds, \$2.4 million for the Series 2010A Bonds and \$85,000 for the Series 2014B Bonds. Interest payments for fiscal year 2017 decreased by \$1.2 million, primarily due to the Series 2006 Bonds of \$4.5 million which were refunded via the Series 2016A Bonds issuance, and several series of bonds of \$465,000 due to lower outstanding balances, partially offset by \$3.8 million related to the issuance of Series 2016A Bonds.

**Fiscal Year 2017 Debt Service For All Bonds**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2005 (variable debt)	\$ 1,000,000	\$ 4,368,836	\$ 5,368,836
Series 2006	-	1,183,169	1,183,169
Series 2010A	7,065,000	18,217,156	25,282,156
Series 2013A	10,430,000	13,173,875	23,603,875
Series 2013B	-	3,737,500	3,737,500
Series 2014A	-	15,572,491	15,572,491
Series 2014B	4,230,000	12,946,000	17,176,000
Series 2016A	-	3,792,875	3,792,875
<b>Senior Debt Service</b>	<b><u>\$ 22,725,000</u></b>	<b><u>\$ 72,991,902</u></b>	<b><u>\$ 95,716,902</u></b>
Other Funding- Annual Renewal & Replacement (Funds transferred from Revenue Fund)			<b><u>\$ 6,764,520</u></b>
<b>All Debt Service And All Other Funding Payments</b>			<b><u>\$ 102,481,421</u></b>

(Remainder of page intentionally left blank)

**Management's Discussion and Analysis (continued)**  
**Years Ended June 30, 2017, 2016 and 2015**

For fiscal year 2016, the Authority paid \$86.1 million to senior debt bondholders and \$19.3 million in subordinate debt and other funding payments. The decrease in senior coverage compared to prior year was due to an increase in senior debt service of \$22.8 million; partially offset by an increase in net revenues of \$46.7 million. For fiscal year 2016, principal payments increased by \$3.3 million primarily due to an increase in principal payments of \$2.2 million for the Series 2013A Bonds, \$1.0 million for the Series 2005

Bonds and \$785,000 for the Series 2014B Bonds, partially offset by a decrease in principal payments of \$667,000 for the Series 1999 Bonds and \$60,000 for Series 2010A Bonds. Interest payments for fiscal year 2016 increased by \$19.5 million, primarily due to Series 2014A Bonds of \$15.6 million and Series 2013A Bonds \$1.9 million due to prior fiscal year's capitalized interest, and Series 2014B Bonds of \$3.7 million partially offset by several series of bonds of \$1.7 million due to lower outstanding balances.

**Fiscal Year 2016 Senior Lien Debt Service For All Bonds**

	Principal	Interest	Total
Series 2005 (variable debt)	\$ 1,000,000	\$ 4,400,150	\$ 5,400,150
Series 2006	-	5,679,213	5,679,213
Series 2010A	4,620,000	18,355,756	22,975,756
Series 2013A	2,200,000	13,261,875	15,461,875
Series 2013B	-	3,737,500	3,737,500
Series 2014A	-	15,572,491	15,572,491
Series 2014B	4,145,000	13,153,250	17,298,250
Senior Debt Service	<b>\$ 11,965,000</b>	<b>\$ 74,160,234</b>	<b>\$ 86,125,234</b>

**Subordinated Debt Service - Other Government Loans**

	Principal	Interest	Total
Toll Facilities Revolving-2004	\$ 500,000	\$ -	\$ 500,000
Toll Facilities Revolving-2006	750,000	-	750,000
Toll Facilities Revolving-2008	1,000,000	-	1,000,000
Toll Facilities Revolving-2010	1,500,000	-	1,500,000
State Infrastructure Bank- #4	7,134,600	44,591	7,179,191
State Infrastructure Bank # 5	4,840,452	24,202	4,864,655
Subordinated Debt Service	<b>\$ 15,725,053</b>	<b>\$ 68,793</b>	<b>\$ 15,793,846</b>

Other Funding- Annual Renewal & Replacement  
(Funds transferred from Revenue Fund) **\$ 3,500,000**

**All Debt Service And All Other Funding Payments** **\$ 105,419,080**

(Remainder of page intentionally left blank)

**Management's Discussion and Analysis (continued)**  
**Years Ended June 30, 2017, 2016 and 2015**

	<b>Fiscal Years</b>		
	<b>2017</b>	<b>2016</b>	<b>2015</b>
Revenues	\$ 242,576,946	\$ 240,798,052	\$ 186,049,533
Operating expenses	52,576,237	53,458,375	45,456,677
Net revenues	<b>\$ 190,000,709</b>	\$ 187,339,678	\$ 140,592,857
Senior lien debt service all bonds	<b>\$ 95,716,902</b>	\$ 86,125,234	\$ 63,374,038
Ratio of net revenues to senior lien debt service all bonds	<b>1.99</b>	<b>2.18</b>	<b>2.22</b>
Subordinated debt service & funding requirements	<b>\$ 6,764,520</b>	\$ 19,293,846	\$ 5,355,108
All debt service and all fund payments	<b>\$ 102,481,421</b>	\$ 105,419,080	\$ 68,729,146
Ratio of net revenues to all debt service	<b>1.85</b>	<b>1.78</b>	<b>2.05</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY 2017 Senior lien all bonds	\$ 22,725,000	\$ 72,991,902	\$ 95,716,902
FY 2016 Senior lien all bonds	11,965,000	74,160,234	86,125,234
Variance from prior year	<b>\$ 10,760,000</b>	<b>\$ (1,168,332)</b>	<b>\$ 9,591,668</b>
FY 2015 Senior lien all bonds	8,706,662	54,667,376	63,374,038
Variance from prior year	<b>\$ 3,258,338</b>	<b>\$ 19,492,858</b>	<b>\$ 22,751,196</b>

**Requests for Information**

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Miami-Dade Expressway Authority, 3790 N.W. 21st Street, Miami, FL 33142. This CAFR and prior fiscal years are available at the Authority's website: [www.mdxway.com](http://www.mdxway.com).

**Statement of Net Position**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,659,301	\$ 3,472,076
Cash and cash equivalents held by trustee	43,274,762	124,885,466
Restricted cash and cash equivalents	663,692	443,807
Restricted cash and cash equivalents held by trustee	222,066,096	127,369,975
Investments held by trustee	59,779,533	57,489,752
Restricted investments held by trustee	50,386,594	124,739,253
Accounts receivable, net	10,417,884	13,250,080
Prepaid operating and maintenance	<u>1,408,772</u>	<u>1,564,138</u>
Total Current Assets	<u>389,656,633</u>	<u>453,214,547</u>
Restricted Non-Current Assets:		
Restricted cash and cash equivalents held by trustee	39,205,075	65,335,744
Restricted investments held by trustee	<u>104,696,505</u>	<u>80,038,570</u>
Total Restricted Non-Current Assets	<u>143,901,580</u>	<u>145,374,314</u>
Capital Assets:		
Non-depreciable capital assets:		
Right to operate the system	76,644,762	76,644,762
Land	585,882,837	495,900,171
Construction in progress	<u>307,805,410</u>	<u>468,217,907</u>
Total Non-Depreciable Capital Assets	970,333,009	1,040,762,840
Depreciable capital assets, net	<u>926,426,491</u>	<u>634,281,980</u>
Total Capital Assets, Net	<u>1,896,759,500</u>	<u>1,675,044,820</u>
Other Non-Current Assets:		
Unamortized bond insurance	<u>2,278,940</u>	<u>4,608,784</u>
Total Non-Current Assets	<u>2,042,940,020</u>	<u>1,825,027,918</u>
Total Assets	<u>2,432,596,654</u>	<u>2,278,242,465</u>
 <b>Deferred Outflows of Resources</b>		
Deferred Outflows of Resources	<u>54,188,860</u>	<u>66,920,707</u>
Total Assets and Deferrals	<u>2,486,785,514</u>	<u>2,345,163,172</u>

(Continued)

The accompanying notes are an integral part of the Authority's financial statements.

**Statement of Net Position**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Liabilities</b>		
Current Liabilities:		
Accounts and contracts payable	20,252,242	30,515,421
Accrued expenses and other liabilities	28,614,314	12,785,041
Accrued interest payable	34,584,076	35,246,202
Current portion of revenue and refunding revenue bonds payable	<u>22,725,000</u>	<u>11,965,000</u>
Total Current Liabilities	<u>106,175,632</u>	<u>90,511,665</u>
Long-Term Liabilities:		
Revenue and refunding revenue bonds payable, net of current portion and bond discount/premium	1,540,614,945	1,574,643,962
Net pension liability	5,217,828	3,177,047
Derivative instruments fair market value	<u>17,447,681</u>	<u>26,244,744</u>
Total Long-Term Liabilities	<u>1,563,280,454</u>	<u>1,604,065,753</u>
Total Liabilities	<u>1,669,456,086</u>	<u>1,694,577,417</u>
<b>Deferred Inflows of Resources</b>		
Deferred Inflows of Resources	<u>2,884,042</u>	<u>2,614,344</u>
Total Liabilities and Deferrals	<u>1,672,340,128</u>	<u>1,697,191,761</u>
<b>Net Position</b>		
Net investment in capital assets	334,588,732	231,385,184
Restricted for:		
Debt service	144,971,534	127,640,478
Operations and maintenance	8,570,215	5,405,818
Renewal and replacement	192,213,789	67,292,971
Unrestricted	<u>134,101,117</u>	<u>216,246,960</u>
Total Net Position	<u>\$ 814,445,386</u>	<u>\$ 647,971,411</u>

(Concluded)

The accompanying notes are an integral part of the Authority's financial statements.

**Statement of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
Toll and fee revenues, net	\$ 236,931,810	\$ 234,775,680
Other revenues	889,982	744,962
Total Operating Revenues	<u>237,821,792</u>	<u>235,520,642</u>
Operating Expenses:		
Operations	38,255,772	38,805,883
Maintenance	6,773,420	7,001,683
Administration	7,547,046	7,650,808
Depreciation and amortization	35,322,717	29,542,943
Total Operating Expenses	<u>87,898,954</u>	<u>83,001,318</u>
Operating Income	<u>149,922,838</u>	<u>152,519,324</u>
Non-Operating Revenues/(Expenses):		
Investment income	4,755,154	3,190,978
Miscellaneous income	73,636	—
Interest expense	(59,483,495)	(55,890,004)
Cost of issuance for revenue bonds	(767,428)	—
Disposal of assets	(4,685,759)	(2,739,593)
Contributions to other governments	(3,474,053)	(11,703,168)
Total Non-Operating Revenues (Expenses), Net	<u>(63,581,945)</u>	<u>(67,141,787)</u>
Income Before Contributions	<u>86,340,893</u>	<u>85,377,537</u>
Contributions From Other Governments	<u>80,133,081</u>	<u>2,086,432</u>
Change in Net Position	166,473,974	87,463,969
Net Position, Beginning of Year	<u>647,971,411</u>	<u>560,507,442</u>
Net Position, End of Year	<u>\$ 814,445,386</u>	<u>\$ 647,971,411</u>

The accompanying notes are an integral part of the Authority's financial statements.

**Statement of Cash Flows**  
**Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Operating Activities:</b>		
Cash received from customers and users	\$ 241,549,713	\$ 239,740,882
Payments to consultants and vendors	(49,716,539)	(50,930,234)
Payments to employees	(7,076,738)	(6,590,164)
Cash received from other operating revenues	<u>744,127</u>	<u>1,250,782</u>
Net Cash Flows from Operating Activities	<u>185,500,564</u>	<u>183,471,266</u>
<b>Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(157,377,416)	(108,580,063)
Acquisition of land	(6,298,976)	(6,348,372)
Interlocal agreements	(171,203)	(904,588)
Proceeds from capital contributions	(1,783,059)	367,510
Proceeds from issuance of Series 2016A Bonds, net	119,051,195	—
Refunding payment on Series 2006 Bonds	(119,660,000)	—
Payment of bond issuance expenses	(562,288)	—
Payments of principal for bonds	(11,965,000)	(8,040,000)
Payments of interest for bonds	(73,654,028)	(74,279,594)
Payments of principal for government loans	—	(15,725,053)
Payments of interest for government loans	—	(275,174)
Net Cash Flows from Capital and Related Financing Activities	<u>(252,420,775)</u>	<u>(213,785,334)</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of investments	(293,978,505)	(321,425,940)
Proceeds from sales or maturities of investments	342,847,000	348,250,000
Interest and dividends received	<u>3,413,574</u>	<u>2,218,719</u>
Net Cash Flows from Investing Activities	<u>52,282,069</u>	<u>29,042,779</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents:</b>	(14,638,142)	(1,271,289)
Cash and cash equivalents at beginning of year	<u>321,507,068</u>	<u>322,778,357</u>
Cash and cash equivalents at end of year	<u>\$ 306,868,926</u>	<u>\$ 321,507,068</u>
<b>Cash and Cash Equivalents</b>		
Unrestricted - current	\$ 44,934,063	\$ 128,357,542
Restricted - current	222,729,788	127,813,782
Restricted - non-current	<u>39,205,075</u>	<u>65,335,744</u>
	<u>\$ 306,868,926</u>	<u>\$ 321,507,068</u>

The accompanying notes are an integral part of the Authority's financial statements.

**Statement of Cash Flows**  
**Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided by Operating Activities:</b>		
Operating income	\$ 149,922,838	\$ 152,519,324
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization on capital assets	35,322,717	29,542,943
Bad debt revenue offset	20,597,823	12,379,524
Changes in assets and liabilities:		
Accounts receivable, net	(16,575,715)	(10,396,521)
FDR Program	338,718	3,317,759
Toll overpayments	73,393	177,286
Unearned other revenue	37,562	(7,098)
Prepaid operating and maintenance cost	155,366	17,396
Accounts/contracts payable and accrued expenses	(4,372,138)	(4,079,347)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 185,500,564</u>	<u>\$ 183,471,266</u>
<b>Supplemental Schedule of Noncash Investing, Capital, and Financing Activities:</b>		
Amortization expense due to bonds	<u>\$ 7,721,159</u>	<u>\$ 8,640,949</u>
Deferred outflows of resources due to refundings	<u>\$ (5,050,887)</u>	<u>\$ (5,263,918)</u>
Disposal of assets	<u>\$ (4,685,759)</u>	<u>\$ (2,739,593)</u>
Contributions for capital projects	<u>\$ 354,214</u>	<u>\$ 11,703,169</u>
Fair market value of investments increase (decrease)	<u>\$ 1,469,352</u>	<u>\$ 1,031,031</u>

The accompanying notes are an integral part of the Authority's financial statements.

**Note 1 - Summary of Organization and Significant Accounting Policies**

**Organization and Purpose**

The Miami-Dade County Expressway Authority d/b/a Miami-Dade Expressway Authority and MDX (the “Authority”) is an agency of the State of Florida, a body politic and corporate and a public instrumentality. It was created on December 13, 1994 by ordinance of the Miami-Dade County Commission, pursuant to Chapter 348, Part I, Florida Statutes, for the purposes and having the powers to, among others, (1) acquire, hold, construct, improve, maintain, operate, own and lease an expressway system located in Miami-Dade County, Florida (the “County”); and (2) fix, alter, charge, establish and collect tolls, rates, fees, rentals, and other charges for the services and facilities of such system. The governing body of the Authority currently consists of nine (9) voting members. All members of the Authority are voting members. Five members are appointed by the governing body of the County. At the County’s discretion, up to two of the members appointed by the governing body of the County may be elected officials residing in the County. Three members are appointed by the Governor of the State of Florida. The District Secretary of the State of Florida Department of Transportation – District VI is an ex officio voting member of the Authority. Except for the District Secretary of the State of Florida Department of Transportation – District VI, all members must be residents of the County. Members of the Authority are entitled to receive from the Authority their travel and other necessary expenses incurred in connection with the business of the Authority as provided by law, but they may not draw salaries or other compensation.

The Authority currently oversees, operates and maintains five tolled expressways constituting approximately 33.6 centerline-miles and 228.1 lane-miles of roadway in Miami-Dade County: Airport Expressway (SR 112); Dolphin Expressway (SR 836); Don Shula Expressway (SR 874); Snapper Creek Expressway (SR 878); and the Gratigny Parkway (SR 924); and has jurisdiction over NW 138<sup>th</sup> Street from the north side of North Perimeter Road to west of NW 97<sup>th</sup> Avenue.

The Florida Transportation Commission (the “Commission”), pursuant to Section 20.23, Florida Statutes, requires the Commission to monitor the transportation authorities established in Chapters 343 and 348, Florida Statutes. The Commission, in concert with the designated authorities, adopted performance measures, objectives, operating indicators and

governance criteria to assess the overall responsiveness of each authority in meeting their responsibilities to their customers.

**Right to Operate**

The five roadways that comprise the Authority’s expressway system (State Roads 112, 836, 874, 878 and 924), located within the boundaries of the County (the “expressway system”), were operated by the State of Florida, Department of Transportation (“FDOT”) through December 9, 1996. Effective December 10, 1996 and pursuant to a Transfer Agreement (the “Transfer Agreement”) entered into between the Authority and FDOT, the Authority assumed the rights and the responsibilities for operating the expressway system and obtained certain identifiable capital assets (excluding the expressway system’s infrastructure) and cash reserves from the FDOT. In exchange, the Authority made a payment to FDOT which was sufficient to defease certain bonded indebtedness of the State of Florida. This transaction was consummated through the Authority’s issuance of \$80,000,000 in aggregate principal amount of its Toll System Revenue Bonds, Series 1996 (Taxable) (the “Series 1996 Bonds”). In addition, the Authority assumed a liability from the State of Florida in the amount of \$11,843,000 which has been paid in full. The difference between the bonds issued, plus liabilities assumed, less assets received, resulted in an intangible asset of \$76,644,762.

The Transfer Agreement conveys to the Authority the right, in perpetuity, to the toll revenue generated by the expressway system and grants the Authority the right to operate and maintain such expressway system. Title to lands underlying the expressway system transferred to the Authority in the 1996 agreement remains with FDOT.

**Reporting Entity**

As a special purpose government engaged solely in business-type activities, the Authority’s financial statements are prepared as an Enterprise Fund, a type of Proprietary Fund. Proprietary Funds are used to account for operations of governmental entities that are financed and operated in a manner similar to private business enterprises; these funds use the accrual basis of accounting and the economic resources measurement focus. Enterprise Funds are used to account for operations where the intent of the

## Notes to Financial Statements (continued)

### Years Ended June 30, 2017 and 2016

governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

#### Basis of Accounting

The Authority prepares its financial statements based on the accrual basis of accounting in accordance with generally accepted accounting principles (“GAAP”) in the United States of America for proprietary funds, which are similar to those used for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

#### Revenue

The Authority defines operating revenue as revenues earned from the expressway system operations and charged to customers. The primary operating revenues of the Authority are toll collections made via the following methods: SunPass® tolls captured from transponders affixed to vehicles and deducted from customer prepaid accounts, and Toll-By-Plate (“TBP”) images subsequently invoiced to registered vehicle owners. Revenues from SunPass® are recognized at lane exit, whereas TBP revenues are recognized when a bill is generated. Fee revenue consists of late fees on unpaid TBP invoices. Fees are recognized when collected or on a cash basis. The Frequent Driver Rewards Program (“FDR”), which returns a portion of SunPass® tolls to eligible registered program participants, is an offset to SunPass® revenue. Cash back to customers will only occur in a fiscal year if certain financial and operational measures are achieved. Toll and fee revenues, net, consist of SunPass®, TBP, cash and late fees. SunPass® is net of FDR amounts, and TBP is net of allowance for doubtful accounts which is determined by analysis of subsequent receipts.

Lease and miscellaneous revenues are also considered operating revenues. Non-operating revenue includes interest and dividend earnings, capital contributions to the Authority, and all other income not meeting the previous definition. Under the Authority’s Trust Indenture all revenues are pledged to repay principal and interest of outstanding bonds.

#### Expense

The Authority defines operating expenses as expenses incurred for operations, maintenance and administration, as well as, depreciation and amortization. Non-operating expenses include interest

expense, capital contributions from the Authority and all other expenses not meeting the previous definition.

#### Basic Financial Statements

The basic financial statements of the Authority consist of Management’s Discussion and Analysis (“MD&A”), Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Notes to the Financial Statement and Other Information.

The net position section of the Statement of Net Position is classified within the following components:

**Net investment in capital assets** – capital assets, including unrestricted and restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any debt that is attributable to the acquisition, construction or improvement of those assets. Unspent bond proceeds less the related debt, of which the effect is zero, is included within this category. As of June 30, 2017 and 2016, unspent bond proceeds restricted for capital projects were \$70,069,976 and \$172,831,105, respectively.

**Restricted net assets** – 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. This includes net assets restricted for debt service, reserve for operations, maintenance, and administration, and renewal and replacement.

**Unrestricted net assets** – all other net assets that do not meet the definitions of “net investment in capital assets” and “restricted net assets”.

#### Use of Estimates

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

#### Reclassifications

Certain prior year amounts may have been reclassified to conform to the current year’s presentation.

## Notes to Financial Statements (continued)

### Years Ended June 30, 2017 and 2016

---

#### Table Rounding

Due to rounding of whole numbers some tables may not add to total.

#### Cash and Cash Equivalents

Cash and cash equivalents, restricted and unrestricted, include amounts in demand deposits, money market accounts, non-negotiable certificates of deposits, as well as short-term investments, with a maturity date of 90 days or less from date of issuance.

#### Investments

The Authority's investments are governed by State Statute, the Authority's investment policy and the Trust Indenture which stipulates permissible investments.

The investments of the Authority consist of restricted and unrestricted investments. Long-term and short-term investments are stated at fair value. Fair value is either quoted at market price or the best available estimate. The change in the fair value of investments is recorded and included as an aggregate amount with all other elements of investment income, including interest and dividends, in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pool* ("GASB 31").

#### Restricted Assets

Restricted assets of the Authority represent bond proceeds and revenue to be set aside per the Trust Indenture and other agreements which require the following funds and accounts: Revenue Fund, Sinking Fund, Rate Stabilization Fund, Debt Service Reserve Fund, Renewal and Replacement Fund, Cost of Issuance Fund, Construction Fund, Rebate Fund and Capitalized Interest.

#### Accounts Receivable

Accounts receivable of the Authority consist primarily of TBP revenues from the expressway system, net of an allowance for doubtful accounts determined by analysis of subsequent receipts and SunPass® revenues in transit. Other receivables of the Authority consist of grants, lease revenues and other miscellaneous receivables associated with third-party agreements with other agencies. For more detailed information on accounts receivable, see Note 3 "Receivables, Prepaids, Payables and Accrued Interest Payable".

#### Capital Assets

Right to Operate – Infrastructure related capital assets acquired through the Transfer Agreement are not reflected in these financial statements. The title to these capital assets continues to be held by the State of Florida. In fiscal years ended prior to June 30, 2009, the right to operate which is an intangible asset was reflected net of accumulated amortization, which was amortized on a straight-line basis with a life of 40 years. In accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* ("GASB 51"), accumulated amortization to date was reversed and amortization expense subsequent to June 30, 2008 was no longer reported. Furthermore, the right to operate is not being amortized because it is in perpetuity.

Capital assets acquired or constructed since the Transfer Agreement are recorded at cost. Expenses incurred to acquire additional capital assets, which replace existing assets or otherwise prolong their useful lives, are capitalized. The Authority's capitalization threshold is \$2,000.

Construction-in-progress represents costs incurred by the Authority for on-going activities related to the expansion of new assets or the replacement or extension of the lives of existing capital assets.

Right-of-way acquisition costs are considered land when incurred. All other costs related to land, such as road sub base, grading, land clearing, embankments, and other related costs, are considered non-depreciable assets and remain in construction-in-progress until the project is completed. Land is composed of acquired or donated titled land, land easements and other related costs.

Interest costs incurred during construction are capitalized on assets acquired with debt in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* ("GASB 62"). Amounts capitalized represent interest expense incurred from the borrowing date to completion of the project, offset by interest earned on invested proceeds over the same period.

In accordance with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* ("GASB 34"), the Authority allocates certain costs incurred in the acquisition, design and construction of capital assets, such as salaries, benefits, general

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

expenses and contracted services, to the related capital asset.

The Authority reviews its capital assets and considers impairment whenever indicators of impairment are present, such as capital asset replacement, or an event or change in circumstance is outside the normal life cycle of the capital asset.

Depreciation and amortization of capital assets is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Furniture and equipment	5-10 years
Buildings, toll facilities and improvements	5-30 years
Other assets (software/vehicles)	3-5 years
Infrastructure	5-50 years

**Other Assets**

Other assets consist of the unamortized portion of bond insurance. Bond insurance costs are amortized by the interest method over the term of the bonds. Amortization of bond insurance costs is included as a component of interest expense.

**Retainage Payable**

Retainage payable represents amounts billed to the Authority by contractors for which payment is not due until substantial completion of performance by the contractor and/or acceptance by the Authority, pursuant to retained percentage provisions in the contract.

**Long-Term Liabilities—Revenue Bonds Payable**

Revenue bonds are issued to fund construction projects or refund outstanding bonds at a lower interest rate and/or for restructuring purposes. Non-current revenue bonds payable are reported net of current portion. Discounts and premiums are presented as an addition to or a reduction of, respectively, revenue bonds payable. Discounts and premiums are deferred and amortized by using the interest method over the term of the bonds. Amortization of discounts and premiums are included as a component of interest expense.

**Bond Issuance Costs**

Except for discounts, premiums and bond insurance costs, all other debt issuance costs are expensed in the period incurred and at the time debt is issued.

**Deferred Outflows/Inflows of Resources**

GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* (“GASB 65”) establishes accounting and financial reporting standards that reclassify certain items previously reported as assets and liabilities to be reported as deferred outflows or deferred inflows of resources. The GASB’s determinations outlined in GASB Concepts Statement No. 4, *Elements of Financial Statements* (“GASBCS 4”) define a deferred outflow of resources as a consumption of net assets by the government that is applicable to a future period; and a deferred inflow of resources as an acquisition of net assets by the government that is applicable to a future reporting period.

The Authority’s deferred outflows/inflows of resources are comprised of the following components:

***Derivative Instruments Fair Market Value (“FMV”)*** – The authority’s interest rate swap is derivative instruments determined to be effective hedges in accordance with GASB Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments* (“GASB 53”). The outflow of the resources of the derivative instrument will be in a future reporting period therefore, in accordance with GASBCS 4, the fair market value is reported as a deferred outflow on the Statement of Net Position.

***Deferred Amounts on Refunding Revenue Bonds*** – The Authority’s calculation of deferred amount on refunding is done in accordance with GASB 65, paragraph 6. The difference between the reacquisition price and the net carrying amount of the refunded debt is amortized using the interest method over the term of the old debt or new debt, whichever is shorter.

The deferred amounts reported in deferred outflows of resources on the Statement of Net Position are the resulting amount from the Authority’s refundings where the reacquisition price exceeded the net carrying value of the refunded bonds. The deferred amounts reported in deferred inflows of resources are the resulting amount from the refundings where the reacquisition price is less than the net carrying value of the refunded bonds.

***Deferred Amounts Related to Pensions*** – The Authority participates in a cost-sharing, multi-employer, defined benefit retirement plan, and deferred amounts for outflows of resources and deferred inflows of resources are reported in accordance with GASB Statement No. 68

## Notes to Financial Statements (continued)

### Years Ended June 30, 2017 and 2016

---

*Accounting and Financial Reporting for Pensions* (“GASB 68”). The changes in deferred outflows of resources and inflows of resources related to changes in the Authority’s proportion of the collective pension liability, changes in actuarial assumptions, investments, experience, and contributions made subsequent to the current measurement date, will occur in future reporting periods; therefore, in accordance with GASB 68 these deferred amounts related to pension are reported as deferred outflows of resources or deferred inflows of resources on the Statement of Net Position.

For more detailed information on deferrals, see Note 6 “Long-Term Liabilities” and Note 7 “Retirement Plans” in the Notes to the Financial Statements.

#### Pensions

The Authority participates in a cost-sharing, multi-employer, defined benefit retirement plan. Information, liability and disclosures here within have been provided by the Florida Retirement System (“FRS”) Pension Plan.

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

For a more detailed description on pension amounts, see Note 7 “Retirement Plans” in the Notes to the Financial Statements.

#### Compensated Absences

The Authority’s vacation and sick leave accrual policies allow for a specific number of days of vacation and sick leave with pay. These policies provide for paying a regular employee their accumulated unused vacation upon separation up to a maximum of 480 hours. These policies also provide for accumulated sick leave hours to be paid upon separation from the Authority after 10 years or more of continuous service. The accumulated sick leave hours are limited to a maximum of one quarter of the amounts accumulated, up to 480 hours. These hours are payable upon separation from the Authority at the employees’

current rate. All available vacation leave hours and one quarter of available sick leave hours for eligible employees as of June 30, 2017 and 2016 are accrued and accounted for in payables due to employees. In both cases employees earn the right to be compensated for the available vacation and, after ten years, one quarter of available sick leave hours at termination based only on rendering past service.

For a more detailed description on accrued amounts, see Note 3 “Receivables, Prepaids, Payables and Accrued Interest Payable” in the Notes to the Financial Statements.

#### Employee Benefits

As an agency of the State of Florida, the Authority’s employees are allowed to participate in the State’s group health, dental and life insurance plans under the same program and group rates available to State employees. MDX has contracted separately to provide supplemental life insurance, short term and long term disability insurance for all regular, full-time employees. All regular, full-time employees are eligible for group health and dental insurance coverage on the first day of the month following commencement of active service. All regular, full-time employees are eligible for group life insurance, short-term and long-term disability insurance coverage on the first day of the month following or coincident to 90 days of continuous active service. Upon separation from the Authority, employees may opt to continue their coverage under the Consolidated Omnibus Reconciliation Act (“COBRA”) at their own cost.

#### Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters, for which the Authority carries commercial insurance. The Authority had no claims in the last two years that exceeded its policy limits.

#### Single Audit

The Authority is subject to a Florida Single Audit that is not included in this Comprehensive Annual Financial Report. The Florida Single Audit requires the independent auditor to report on the fair presentation of the financial statements and also on the internal controls and compliance with legal requirements, with emphasis on the administration of state assistance. The

## Notes to Financial Statements (continued)

### Years Ended June 30, 2017 and 2016

---

results of the Florida Single Audit are available as a separate annual financial report.

#### New Pronouncements

**GASB Statement No. 74**, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (“GASB 74”), is to improve the usefulness of information about postemployment benefits other than pensions (Other Postemployment Benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. GASB 74 replaces GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* (“GASB 57”). It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, GASB Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 50, *Pension Disclosures*. This standard became effective for the fiscal year ending June 30, 2017. GASB 74 has no impact on the Authority.

**GASB Statement No. 75**, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (Other Postemployment Benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and GASB 57. This standard will become effective for the fiscal year ending June 30, 2018. GASB 75 has no impact on the Authority.

**GASB Statement No. 77**, *Tax Abatement Disclosures* (“GASB 77”), provides financial reporting guidance for determining limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. This standard became effective for the fiscal year ending June 30, 2017. GASB 77 has no impact on the Authority.

**GASB Statement No. 78**, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* (“GASB 78”), amends the scope and applicability of GASB 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This standard became effective for the fiscal year ending June 30, 2017. GASB 78 has no impact on the Authority.

**GASB Statement No. 80**, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14* (“GASB 80”), establishes blending requirements for the financial statement presentation of component units of all state and local governments. This standard became effective for the fiscal year ending June 30, 2017. GASB 80 has no impact on the Authority.

**GASB Statement No. 81**, *Irrevocable Split-Interest Agreements* (“GASB 81”), provides financial reporting guidance for the blending requirements for the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This standard will become effective for the fiscal year ending June 30, 2018. GASB 81 has no impact on the Authority.

**GASB Statement No. 82**, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* (“GASB 82”), provides financial reporting guidance for issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. GASB 82 was implemented by the Authority in fiscal year ending June 30, 2017.

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

---

**GASB Statement No. 83, *Certain Asset Retirement Obligations*** (“GASB 83”), establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. GASB 83 requires that recognition occur when the liability is both incurred and reasonably estimable. GASB 83 will be implemented by the Authority in fiscal year ending June 30, 2019 and the impact has not yet been determined.

**GASB Statement No. 84, *Fiduciary Activities*** (“GASB 84”) establishes criteria for identifying fiduciary activities of all state and local governments. This standard will become effective for the fiscal year ending June 30, 2020. GASB 84 has no impact on the Authority.

**GASB Statement No. 85, *Omnibus 2017*** (“GASB 85”), addresses practice issues that have been identified during implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. GASB

85 will be implemented by the Authority in fiscal year ending June 30, 2018 and the impact has not yet been determined.

**GASB Statement No. 86, *Certain Debt Extinguishment Issues*** (“GASB 86”), addresses accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. GASB 86 will be implemented by the Authority in fiscal year ending June 30, 2018 and the impact has not yet been determined.

**GASB Statement No. 87, *Leases*** (“GASB 87”), requires 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. GASB 87 will be implemented by the Authority in fiscal year ending June 30, 2021 and the impact has not yet been determined.

---

**Note 2 – Cash, Cash Equivalents and Investments**

The Authority’s deposits and investments are held by banks that qualify as public depositories under the Florida Security for Public Deposits Act, as required by Chapter 280, Florida Statutes. Exempt from Chapter 280 are public deposits deposited in a bank or savings association by a trust department or trust company which is fully secured through the trust business laws. The Authority is also allowed to participate in the Florida PRIME Local Government Investment Pool (“Florida PRIME LGIP”). As of June 30, 2017 and 2016, all of the Authority’s bank deposits and investments were in qualified public depositories and trust companies.

As of June 30, 2017 and 2016, the book value of the Authority’s cash and cash equivalent balances was \$306,868,926 and \$321,507,068, respectively, and the bank balance for cash deposits was \$304,170,589 and

\$324,954,950, respectively. The difference between these two balances is due to timing differences on disbursements and deposits which have not yet cleared the bank.

The State of Florida allows investments in Florida PRIME, direct investment in U.S. government, federal agency, and instrumentality obligations at a price not to exceed the market price at the time of purchase, Securities and Exchange Commission registered money market funds, repurchase agreements, commercial paper with the highest quality rating from a nationally recognized rating agency, and other investments by law or by resolution of the Authority. The Florida PRIME LGIP is rated AAAM by Standard and Poor’s (“S&P”).

(Remainder of page intentionally left blank)

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

As of June 30, 2017 and 2016, total unrestricted and restricted cash and cash equivalents were comprised of the following:

	<b>2017</b>	<b>2016</b>
Cash on hand - operating	\$ 1,659,301	\$ 3,472,076
Cash on deposits	663,692	443,807
Cash held by trustee, restricted	261,271,171	192,705,719
Cash held by trustee, unrestricted	43,274,762	124,885,466
Total cash and restricted cash	<u>\$ 306,868,926</u>	<u>\$ 321,507,068</u>

**Interest Rate Risk**

In accordance with the Authority's investment policy, its portfolio is structured so that securities mature to meet the Authority's scheduled cash flow requirements, thereby avoiding the need to sell securities prior to their scheduled maturity dates. The cash flow requirement limits investment maturities as a means of managing the Authority's exposure to fair value losses arising from increasing interest rates.

For fiscal years 2017 and 2016, investment income was \$4,755,154 and \$3,190,978, and reflected a positive change in fair market value of \$1,469,352 and \$1,031,031, respectively.

**Credit Risk**

The Authority's investment policy limits investments of U.S. agencies to ratings of "A" or better by Moody's and S&P. Commercial paper investments are limited to no more than 270 days rated at the time of purchase "P-1" by Moody's and "A-1" or better by S&P. Investments, from direct obligation of any state of the United States of America or any subdivision or agency thereof, must be rated at the time of purchase as "A" or better by S&P and Moody's. Investments in repurchase agreements are limited to those collateralized by direct obligations, Government National Mortgage Association ("GNMAs"), Federal Home Loan Bank

("FHLBs"), Federal National Mortgage Association ("FNMA's") or Freddie Mac ("FHLMCs") with any registered broker/dealer subject to Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the Federal Deposit Insurance Corporation ("FDIC"), if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rate "P-1" or "A3" or better by Moody's and "A-1" or "A-" or better by S&P. The Authority's investment policy allows investment in the Florida PRIME. The Authority uses the market approach for fair value measurements. The market approach to measuring fair value uses prices and other relevant information generated by market transaction involving identical or similar assets, liabilities, or groups of assets and liabilities. Using quoted market prices is a technique that is consistent with the market approach. The Authority's investments of U.S. Government Sponsored Agency securities, U.S. Treasury securities and Municipal Bonds were valued using Level 2 inputs. Level 2 inputs are inputs other than quoted prices included within active markets for identical assets or liabilities. The valuation techniques used for these investments were done by a third party pricing service. Investments in commercial paper are not applicable to fair value measurement as these investments when purchased had a maturity date of less than 1 year.

As of June 30, 2017 and 2016, the investment values and maturities were as follow:

	<b>June 30, 2017</b>		<b>June 30, 2016</b>	
	Total Fair Value	Fair Value Measurements Using Level 2	Total Fair Value	Fair Value Measurements Using Level 2
Commercial Paper	\$ 144,996,721	\$ 144,996,721	\$ 177,135,655	\$ 177,135,655
U.S. Government Agencies	24,937,670	24,937,670	40,053,705	40,053,705
U.S. Treasury Securities	44,928,240	44,928,240	45,078,215	45,078,215
Total debt securities	<u>\$ 214,862,631</u>	<u>\$ 214,862,631</u>	<u>\$ 262,267,575</u>	<u>\$ 262,267,575</u>

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

**Concentration of Credit Risk**

The Authority places no limit on the amount the Authority may invest in any one issuer. More than 5% of the Authority's investments are in commercial paper securities, U.S. Government Sponsored Agency securities and U.S. Treasury securities. These investments are 67.5%, 11.6% and 20.9%, respectively, of the Authority's total investments as of June 30, 2017; and 67.5%, 15.3% and 17.2%, respectively, of the total investments as of June 30, 2016.

**Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the counterparty, the Authority will not

be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the Authority's name, and are held by either the counterparty to the investment purchase or are held by the counterparty's trust department or agent but not held in the Authority's name. None of the Authority's investments, as of June 30, 2017 and 2016, were subject to custodial credit risk. All of the funds are held by the Trustee, Bank of New York, which falls under the umbrella of Bank of New York Mellon Corporation, which holds a rating of "A1" from Moody's, "A" from S&P, and "AA-" from Fitch.

<b>Investment Type</b>	<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>
Commercial Paper	A1+/A1	P1	F1+/F1
U.S. Government Agencies	AA+	Aaa	AAA
U.S. Treasury Securities	AA+	Aaa	AAA

**Note 3 – Receivables, Prepaids, Payables and Accrued Interest Payable**

**Receivables**

As of June 30, 2017 and 2016, accounts receivable, net totaled \$10,417,884 and \$13,250,080, respectively, in the following categories:

	<b>2017</b>	<b>2016</b>
SunPass®	\$ 1,182,355	\$ 5,113,511
TBP, net	4,859,798	5,134,434
Toll receivables, net	6,042,153	10,247,945
Other receivables	205,855	22,171
Central Blvd. receivable-FDOT	-	2,741,065
Accrued interest receivable	123,366	171,701
Due from other agencies	4,046,511	67,198
Total receivables	<u>\$ 10,417,884</u>	<u>\$ 13,250,080</u>

As of June 30, 2017 and 2016, toll receivables, net were \$6,042,153 and \$10,247,945, respectively. Toll receivables, net were primarily comprised of (a) electronic toll revenues collected by SunPass® of \$1,182,355 and \$5,113,511, respectively; and (b) TBP receivable of \$4,859,798 and \$5,134,434, respectively (equal to subsequent receipts after June 30 through August 9 and August 31, respectively), or gross TBP billings of \$52,101,654 and \$31,778,467, respectively, less an allowance for doubtful accounts of \$47,241,856

and \$26,644,033, respectively, netting to \$4,859,798 and \$5,134,434, respectively.

As of June 30, 2017 and 2016, other receivables were \$205,855 and \$22,171, respectively. Other receivables were primarily comprised of (a) lease revenue receivables of \$3,941 and \$0, respectively; (b) FDOT operations and maintenance budget overpayment of \$190,527 and \$0, respectively and (c) miscellaneous and other receivables of \$11,388 and \$22,171, respectively.

As of June 30, 2017 and 2016, Central Blvd. receivable-FDOT was \$0 and \$2,741,065, respectively. The FDOT grant receivable represented reimbursable expenses related to an Interlocal Agreement ("ILA") for the joint funding of the reconstruction of the capital project Central Boulevard, executed on December 23, 2009, as amended on June 29, 2010, May 13, 2011, May 3, 2013 and May 7, 2014. The agreement allows for a 50/50 match of most expenditures for the project with the Authority representing the local matching partner. Per the second amendment to the ILA, additional scope was added to the project that will be reimbursed at 100% by FDOT. As part of the Authority's participation, a permanent easement was granted.

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

As of June 30, 2017 and 2016, accrued interest receivable related to various investments was \$123,366 and \$171,701, respectively.

As of June 30, 2017 and 2016, due from other agencies was \$4,046,511 and \$67,198, respectively. Due from other agencies is for costs related to a joint Miami-Dade County/FDOT Dolphin Park & Ride Lot project which the Authority is managing. All costs for this \$20.5 million project are paid by the Authority. \$11.1 million will be reimbursed by Miami-Dade County and FDOT.

**Prepays**

As of June 30, 2017 and 2016, prepaid expenses were \$1,408,772 and \$1,564,138, respectively. The prepaid expenses are primarily related to a prepaid payment to FDOT related to SunPass® transaction processing, SunPass® transponder subsidy and system insurance.

**Payables**

As of June 30, 2017 and 2016, accounts and contracts payable of \$20,252,242 and \$30,515,421, respectively, and accrued expenses payable of \$28,614,314 and \$12,785,041, respectively, totaled \$48,866,556 and \$43,300,463, respectively, in the following categories:

	<b>2017</b>	<b>2016</b>
Due to vendors	\$ 41,361,297	\$ 35,951,694
Due to employees	822,600	926,215
THEA ILA	-	196,159
FDR Program	5,838,718	5,500,000
Other	843,942	726,394
<b>Total payables</b>	<b>\$ 48,866,556</b>	<b>\$ 43,300,463</b>

As of June 30, 2017 and 2016, due to vendors was \$41,361,297 and \$35,951,694, respectively. Due to vendors was comprised of (a) accounts and contracts payable of \$20,252,242 and \$30,515,421, respectively and (b) accrued expenses of \$21,109,055 and \$5,436,272, respectively. Amounts due to vendors were for (a) capital construction costs, accrued expenses and retainage of \$36,381,397 and \$30,452,168, respectively and (b) operating costs, accrued expenses and retainage of \$4,979,900 and \$5,499,525, respectively.

As of June 30, 2017 and 2016, due to employees was \$822,600 and \$926,215, respectively. Due to employees was comprised of (a) payroll salaries

payable of \$166,179 and \$152,264, respectively; and (b) accrued leave of \$656,421 and \$773,951, respectively.

As of June 30, 2017 and 2016, the Authority has received funds from THEA related to their portion of an agreement which is due to a contractor in the amount of \$0 and \$196,159, respectively.

As of June 30, 2017 and 2016, the Authority's governing board declared a FDR payable of \$5,838,718 and \$5,500,000, respectively. For Fiscal year 2017 the FDR was equal to twenty two (22) percent of tolls paid by eligible registered program participants for the twelve (12) month period from July 1, 2016 through June 30, 2017. For Fiscal year 2016 the FDR was equal to thirty (30) percent of tolls paid by eligible registered program participants for the twelve (12) month period from July 1, 2015 through June 30, 2016.

As of June 30, 2017 and 2016, other payables were \$843,942 and \$726,394, respectively. Other payables were primarily comprised of (a) tenant rent and security deposits of \$185,364 and \$147,802, respectively; (b) taxes payable of \$55,112 and \$70,772, respectively; (c) miscellaneous payables of \$119,923 and \$97,670, respectively; and (d) unearned revenue of \$483,543 and \$410,149, respectively.

**Accrued Interest Payable**

As of June 30, 2017 and 2016, accrued interest payable related to outstanding debt was \$34,584,076 and \$35,246,202, respectively, in the following categories below:

See Note 6 "Long-Term Liabilities" in the Notes to the Financial Statements for more information.

	<b>2017</b>	<b>2016</b>
Series 2005A-E	\$ 365,065	\$ 366,160
Series 2006	-	2,839,606
Series 2010A	9,108,579	9,177,878
Series 2013A	6,586,938	6,630,938
Series 2013B	1,868,750	1,868,750
Series 2014A	7,786,245	7,786,245
Series 2014B	6,473,000	6,576,625
Series 2016A	2,395,500	-
<b>Total accrued interest payable</b>	<b>\$ 34,584,076</b>	<b>\$ 35,246,202</b>

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

**Note 4 - Capital Assets**

As of June 30, 2017 and 2016, capital assets depreciation and amortization expense for the year was \$35,322,717 and \$29,542,943, respectively.

As of June 30, 2017 and 2016, interest capitalized was \$10,838,135 and \$14,961,993, respectively.

For the fiscal years ended June 30, 2017 and 2016, the Authority capitalized indirect costs to capital projects \$1,207,887 and \$1,518,764, respectively, from contracted service expenses, and \$2,867,674 and \$2,701,132, respectively, from salaries, benefits and general expenses.

As of June 30, 2017 and 2016, asset disposals were \$4,685,759 and \$2,739,593, respectively. In fiscal year 2017, asset disposals were due to infrastructure assets, primarily roadway related assets, removed as part of various capital work program projects and due to the retirement of the previous toll collection system's hardware no longer in use after the transition to a new system. In fiscal year 2016, asset disposals were due to infrastructure assets, primarily toll plaza related assets, removed as part of various capital work program projects.

A summary of capital assets activity and changes in accumulated depreciation for the years ended June 30, 2017 and 2016 follows:

	<b>As of June 30, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>As of June 30, 2017</b>
Capital assets not being depreciated:					
Rights to operate the system	\$ 76,644,762	\$ -	\$ -	\$ -	\$ 76,644,762
Land	495,900,171	-	(1,850,008)	91,832,674	585,882,837
Construction in progress	468,217,907	261,550,053	(14,472)	(421,948,078)	307,805,410
Total capital assets, not being depreciated	1,040,762,840	261,550,053	(1,864,480)	(330,115,404)	970,333,009
Capital assets being depreciated:					
Furniture and equipment	90,237,426	14,485	(4,416,485)	46,147,454	131,982,881
Buildings, toll facilities and improvements	51,253,945	131,398	(200,228)	4,582,704	55,767,819
Other assets	3,870,989	27,220	-	1,022,081	4,920,290
Infrastructure	720,117,266	-	(3,383,588)	278,363,164	995,096,841
Total capital assets being depreciated	865,479,625	173,103	(8,000,301)	330,115,404	1,187,767,831
Less accumulated depreciation for:					
Furniture and equipment	(71,453,342)	(3,784,380)	3,230,715	-	(72,007,006)
Buildings, toll facilities and improvements	(12,337,942)	(2,439,448)	60,069	-	(14,717,321)
Other assets	(3,789,236)	(385,584)	-	-	(4,174,820)
Infrastructure	(143,617,126)	(28,713,305)	1,888,238	-	(170,442,192)
Total accumulated depreciation	(231,197,645)	(35,322,717)	5,179,022	-	(261,341,340)
Net depreciable capital assets	634,281,980	(35,149,613)	(2,821,279)	330,115,404	926,426,491
Net capital assets	\$ 1,675,044,820	\$ 226,400,439	\$ (4,685,759)	\$ -	\$ 1,896,759,500

(Continued)

(Remainder of page intentionally left blank)

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

	<b>As of</b>				<b>As of</b>
	<b>June 30, 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>June 30, 2016</b>
Capital assets not being depreciated:					
Rights to operate the system	\$ 76,644,762	\$ -	\$ -	\$ -	\$ 76,644,762
Land	484,223,266	-	(8,594)	11,685,499	495,900,171
Construction in progress	418,372,806	140,531,473	(11,703,168)	(78,983,204)	468,217,907
Total capital assets, not being depreciated	979,240,835	140,531,473	(11,711,762)	(67,297,706)	1,040,762,840
Capital assets being depreciated:					
Furniture and equipment	78,427,382	39,736	(100,826)	11,871,135	90,237,426
Buildings, toll facilities and improvements	34,759,710	-	(602,414)	17,096,649	51,253,945
Other assets	3,785,438	85,551	-	-	3,870,989
Infrastructure	686,061,258	26,450	(4,300,365)	38,329,922	720,117,266
Total capital assets being depreciated	803,033,789	151,737	(5,003,606)	67,297,706	865,479,625
Less accumulated depreciation for:					
Furniture and equipment	(67,617,442)	(3,936,727)	100,826	-	(71,453,342)
Buildings, toll facilities and improvements	(11,132,474)	(1,780,769)	575,301	-	(12,337,942)
Other assets	(3,752,785)	(36,451)	-	-	(3,789,236)
Infrastructure	(121,424,609)	(23,788,997)	1,596,480	-	(143,617,126)
Total accumulated depreciation	(203,927,310)	(29,542,943)	2,272,607	-	(231,197,645)
Net depreciable capital assets	599,106,478	(29,391,206)	(2,730,999)	67,297,706	634,281,980
Net capital assets	\$ 1,578,347,313	\$ 111,140,267	\$ (14,442,761)	\$ -	\$ 1,675,044,820

(Concluded)

**Note 5 – Other Assets**

**Unamortized Bond Insurance**

Bond and surety insurance costs are classified as other assets and amortized over the life of the outstanding revenue and refunding bonds by an annual allocation of the unamortized costs at the beginning of the year. The allocation is based on the interest expense for the year to the total interest expense over the term of the bonds (interest allocation method).

Bond and surety insurance less accumulated amortization are as follows:

	<b>2017</b>	<b>2016</b>
Bond insurance cost	\$4,101,446	\$7,568,303
Less accumulated amortization	(1,822,506)	(2,959,519)
Unamortized bond insurance	<u>\$2,278,940</u>	<u>\$4,608,784</u>

(Remainder of page intentionally left blank)

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

**Note 6 – Long-Term Liabilities**

For fiscal years 2017 and 2016, interest expense was \$59,483,495 and \$55,890,004, respectively. The interest expense for both fiscal years is comprised of actual interest payments on debt of (a) \$72,991,902 and \$74,229,027, respectively, which was composed of \$72,991,902 and \$74,160,234 in senior debt interest, respectively, and \$0 and \$68,793 in loans due to other governments interest, respectively; and (b) amortization for bond insurance, bond surety, deferred amounts from refunding, and bond discount of \$7,421,830 and \$5,584,639, respectively; less (d) capitalized interest of \$10,838,135 and \$14,961,993, respectively; and (e) amortization of bond premiums of \$10,092,102 and \$8,961,669, respectively.

A summary of changes in long-term liabilities is as follows:

	As of June 30, 2016	Additions	Reductions	As of June 30, 2017	Current Portion
Revenue bonds					
Series 2005A-E	\$ 80,465,000	\$ -	\$ (1,000,000)	\$ 79,465,000	\$ 1,000,000
Series 2006	119,660,000	-	(119,660,000)	-	-
Series 2010A	373,820,000	-	(4,620,000)	369,200,000	7,065,000
Series 2013A	267,320,000	-	(2,200,000)	265,120,000	10,430,000
Series 2013B	74,750,000	-	-	74,750,000	-
Series 2014A	314,045,000	-	-	314,045,000	-
Series 2014B	263,065,000	-	(4,145,000)	258,920,000	4,230,000
Series 2016A	-	95,820,000	-	95,820,000	-
	\$ 1,493,125,000	\$ 95,820,000	\$ (131,625,000)	\$ 1,457,320,000	\$ 22,725,000
Add bond premium, net	94,318,324	23,436,335	(10,941,451)	106,813,208	-
Less bond discount, net	(834,362)	-	41,099	(793,263)	-
Total revenue bonds, net	\$ 1,586,608,962	\$ 119,256,335	\$ (142,525,352)	\$ 1,563,339,945	\$ 22,725,000
Derivative instruments fair market value	26,244,744	-	(8,797,063)	17,447,681	-
Net pension liability	3,177,047	2,040,781	-	5,217,828	-
Total long-term liabilities and current portion of bonds and loans	\$ 1,616,030,752	\$ 121,297,116	\$ (151,322,415)	\$ 1,586,005,454	\$ 22,725,000

(Continued)

(Remainder of page intentionally left blank)

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

	As of June 30, 2015	Additions	Reductions	As of June 30, 2016	Current Portion
Revenue bonds					
Series 2005A-E	\$ 80,465,000	\$ -	\$ -	\$ 80,465,000	\$ 1,000,000
Series 2006	119,660,000	-	-	119,660,000	-
Series 2010A	378,500,000	-	(4,680,000)	373,820,000	4,620,000
Series 2013A	267,320,000	-	-	267,320,000	2,200,000
Series 2013B	74,750,000	-	-	74,750,000	-
Series 2014A	314,045,000	-	-	314,045,000	-
Series 2014B	266,425,000	-	(3,360,000)	263,065,000	4,145,000
	<u>\$ 1,501,165,000</u>	<u>\$ -</u>	<u>\$ (8,040,000)</u>	<u>\$ 1,493,125,000</u>	<u>\$ 11,965,000</u>
Add bond premium, net	103,279,993	-	(8,961,669)	94,318,324	-
Less bond discount, net	(875,771)	-	41,409	(834,362)	-
	<u>\$ 1,603,569,222</u>	<u>\$ -</u>	<u>\$ (16,960,260)</u>	<u>\$ 1,586,608,962</u>	<u>\$ 11,965,000</u>
Loans due to other governments					
Toll Facilities Revolving Trust Fund (2004)	500,000	-	(500,000)	-	-
Toll Facilities Revolving Trust Fund (2006)	750,000	-	(750,000)	-	-
Toll Facilities Revolving Trust Fund (2008)	1,000,000	-	(1,000,000)	-	-
Toll Facilities Revolving Trust Fund (2010)	1,500,000	-	(1,500,000)	-	-
State Infrastructure Bank Loan #4	7,134,600	-	(7,134,600)	-	-
State Infrastructure Bank Loan #5	4,840,453	-	(4,840,453)	-	-
Total loans due to other governments	<u>\$ 15,725,053</u>	<u>\$ -</u>	<u>\$ (15,725,053)</u>	<u>\$ -</u>	<u>\$ -</u>
Derivative instruments fair market value	18,975,816	7,268,928	-	26,244,744	-
Net pension liability	2,079,031	1,098,016	-	3,177,047	-
Total long-term liabilities and current portion of bonds and loans	<u>\$ 1,640,349,122</u>	<u>\$ 8,366,944</u>	<u>\$ (32,685,313)</u>	<u>\$ 1,616,030,752</u>	<u>\$ 11,965,000</u>

(Concluded)

**Revenue and Refunding Revenue Bonds Payable**

The principal and interest on all outstanding bonds are payable from the revenues which are pledged to the payment thereof and moneys on deposit from time to time in the funds, accounts and sub accounts, in a manner and to the extent specified in the Trust Indenture.

**(1) \$241,400,000 Toll System Revenue Bonds, Series 2005A-E**

On March 1, 2005, the Authority issued Toll System Revenue Bonds, Series 2005 (Non-Taxable) (the "Series 2005 Bonds") in five sub-series for a total of \$241,400,000, including Series 2005A-C in the amount of \$54,800,000 (each series) and Series 2005D-E in the amount of \$38,500,000 (each series). Each series of the Series 2005 Bonds was initially issued in the form of

Dutch Auction Rate Bonds bearing interest at a Dutch Auction Rate. Each series of the Series 2005 Bonds were dated their date of delivery and after the initial Auction Period for such Series, were in an Auction Period of seven days, subject to conversion in whole only to another auction period or to another interest mode, as determined by the Authority. The Series 2005 Bonds were connected to an interest rate swap agreements under which the Authority owed a fixed rate of 4.313% to the counterparties of the swaps, amended on May 9, 2008, changing the fixed rate to 4.372%, (see note 6 to interest rate swap agreements). The final maturity for the Series 2005 A-C bonds is dated between July 1, 2026 and July 1, 2032; the final maturity for Series 2005 D-E bonds is dated between July 1, 2033 and July 1, 2034. The Series 2005 Bonds were issued to (a) pay a portion of the cost of certain improvements to the system included in the five-year work program of the Authority in effect from time to

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

time, including capitalized interest of \$13,304,881 on the Series 2005 Bonds through July 1, 2007; and (b) pay costs and expenses relating to the issuance of the Series 2005 Bonds. The Series 2005 Bonds are secured under the Trust Indenture on parity with all bonds outstanding and any other bonds hereafter issued under the Trust Indenture.

On May 9, 2008, in response to the auction rate market crisis, the Authority exercised its right under the multi modal bond documents to convert its auction rate bonds. The Authority entered into an agreement with Dexia Credit Local (“Dexia”) to purchase, to maturity, its outstanding Series 2005 Bonds in the amount of \$241,400,000. Under the terms of the agreement, the Authority agreed to pay one month LIBOR index plus 45 basis points for the first year, and LIBOR plus 105 basis points thereafter, through maturity. The Authority maintains the right to refund or convert the Series 2005 Bonds, upon notice to Dexia. The amortization of principal payments remains unchanged.

On October 15, 2014, the Authority issued Toll System Revenue and Refunding Bonds Series 2014B to defease \$160,935,000 of the Series 2005 original outstanding aggregate principal amount of \$241,400,000. In conjunction with the refunding the Authority terminated two of the three swaps with UBS A.G. and Citibank, N.A. The termination payments were paid with the use of proceeds and cash reserves. See “Interest Rate Swap Agreements (Derivative Instruments)” section of Note 6 for more information.

**(2) \$304,335,000 Toll System Revenue Bonds, Series 2006**

On September 21, 2006, the Authority issued Toll System Revenue Bonds, Series 2006 (Non-taxable) (the “Series 2006 Bonds”). The Series 2006 Bonds were issued to (a) pay a portion of the cost of certain improvements to the system included in the five-year work program of the Authority in effect from time to time, including capitalized interest of \$11,570,728 on the Series 2006 Bonds; (b) pay the swap termination payments of \$3,105,000 for the cash settlement swap entered into on July 18, 2005 in anticipation of the issuance of the Series 2006 Bonds as a means of preserving the work program capacity; and (c) pay costs and expenses relating to the issuance of the bonds. The Series 2006 Bonds, net of unamortized net premium totaling \$10,626,184, consist of (a) \$91,865,000 serial bonds maturing between July 1, 2020 and July 1, 2029, bearing interest rate between 4.125% and 5.0%; (b) \$174,125,000 fixed term bonds at 5.0% maturing on July 1, 2030, July 1, 2037, and

July 1, 2039; and (c) \$38,345,000 fixed term bonds at 4.50% maturing on July 1, 2033. Interest on the bonds is paid semi-annually each January 1<sup>st</sup> and July 1<sup>st</sup>. The Series 2006 Bonds are secured under the Trust Indenture on parity with all bonds outstanding and any other bonds hereafter issued under the Trust Indenture.

On December 17, 2013, the Authority issued Toll System Refunding Revenue Bonds Series 2013B to defease \$74,750,000 principal amount of its \$304,335,000 original aggregate principal amount.

On October 15, 2014, the Authority issued Toll System Revenue and Refunding Bonds Series 2014B (advance refunding) to defease \$109,925,000 of the Series 2006 Bonds outstanding aggregate principal amount of \$229,585,000. On July 1, 2016, the escrow agent defeased the Series 2006 Bonds.

On September 16, 2016, the Authority issued Toll System Refunding Revenue Bonds Series 2016A (Non-taxable) (the “Series 2016A Bonds”) (current refunding) to defease \$119,660,000, the total remaining outstanding principal amount of Series 2006 Bonds.

**(3) \$395,590,000 Toll System Revenue and Refunding Revenue Bonds, Series 2010A**

On August 18, 2010, the Authority issued \$395,590,000 Toll System Revenue and Refunding Revenue Bonds, Series 2010A (Non-taxable) (the “Series 2010A Bonds”). The Series 2010A Bonds were issued for the purpose of providing funds to (a) refund and defease all of the outstanding \$49,600,000 principal amount of its \$68,200,000 original aggregate principal amount of the Series 2004A Bonds; (b) reimburse the Authority for a termination payment in the amount of \$9,785,000 made in connection with the termination of the swap relating to the Refunded 2004A Bonds; (c) pay a portion of the cost of certain improvements to the system included in the five-year work program of the Authority in effect from time to time, including capitalized interest of \$7,302,515 on the Series 2010 Bonds; (d) fund a deposit to the Debt Service Reserve Fund in an amount equal to the increase in the debt service reserve fund requirement resulting from the issuance; and (e) pay costs and expenses relating to the issuance, including a portion of the premium for the insurance policy.

The Series 2010A Bonds consist of (a) \$57,105,000 serial bonds maturing between July 1, 2012 and July 1, 2019, bearing interest rate between 2.00% and 5.0%; and (b) \$338,485,000 fixed term bonds at 4.9% to 5.0% maturing on July 1, 2035, and July 1, 2040.

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

Interest on the bonds is paid semi-annually each January 1<sup>st</sup> and July 1<sup>st</sup>.

The Series 2010A Bonds are secured under the Trust Indenture on parity with all bonds outstanding and any other bonds hereafter issued under the Trust Indenture.

The transaction resulted in a \$10,727,619 deferred charge to be amortized over the term of the new debt. The deferred amount, net of amortization, is reflected on the Statement of Net Position in Deferred Outflows of Resources. This refunding has resulted in an economic loss of \$696,110.

In April 2013, the Authority cash defeased \$2,320,000 of its Series 2010A Bonds which matured on July 1, 2014, by depositing cash from the Authority's General Fund in an escrow account with The Bank of New York Mellon Trust Company, N.A. The deposited amount was invested in State and Local Government Securities ("SLGS") and provided for the debt service payments on the defeased bonds. Accordingly, the escrow account's assets and the liability for the defeased bonds are not included in the accompanying financial statements. The escrow agent defeased the Series 2010A Bonds as required on July 1, 2014.

**(4) \$270,220,000 Toll System Refunding Revenue Bonds, Series 2013A**

On April 23, 2013, the Authority issued \$270,220,000 Toll System Refunding Revenue Bonds, Series 2013A (Non-taxable) (the "Series 2013A Bonds"). The Series 2013A were issued for the purpose of providing funds sufficient, together with any other available moneys, to (a) refund all of the Authority's outstanding (1) Series 2001A Bonds in the outstanding principal amount of \$88,925,000, (2) Series 2002 Bonds in the outstanding principal amount of \$32,010,000, and (3) Toll System Revenue Bonds, Series 2004B in the outstanding principal amount of \$175,000,000 (collectively, the "Refunded Bonds"); and (b) pay costs and expenses relating to the issuance of the Series 2013A Bonds. The Series 2013A Bonds consist of \$270,220,000 serial bonds maturing between July 1, 2013 and July 1, 2033, bearing interest rate between 2.00% and 5.00% with semi-annual interest payments each January 1<sup>st</sup> and July 1<sup>st</sup>. The Series 2013A Bonds are secured under the Trust Indenture on parity with all bonds outstanding and any other bonds hereafter issued under the Trust Indenture.

The transaction resulted in a \$14,804,185 deferred charge to be amortized over the term of the new debt. The deferred charge is reflected on the Statement of Net Position under Deferred Outflows of Resources.

This refunding resulted in a present value savings of \$28,836,237.

**(5) \$74,750,000 Toll System Refunding Revenue Bonds, Series 2013B**

On December 17, 2013, the Authority issued \$74,750,000 Toll System Refunding Revenue Bonds, Series 2013B (Non-taxable) (the "Series 2013B Bonds"). The Authority executed a call modification with Citibank, N.A. which owned \$74,750,000 par amount of Series 2006 Bonds, maturing between July 1, 2034 and July 1, 2037. In exchange for agreeing to postpone the initial call date from July 1, 2016 to July 1, 2023, Citibank agreed to pay the Authority \$3,737,500 plus all cost of issuance for the modification on the call option which is to be used for the semi-annual interest payments. This transaction was executed as a refunding with Citibank.

The Series 2013B Bonds consist of \$74,750,000 term bonds maturing between July 1, 2034 and July 1, 2037, bearing interest rate of 5.00% with semi-annual interest payments each January 1<sup>st</sup> and July 1<sup>st</sup>. The Series 2013B Bonds are secured under the Trust Indenture on parity with all bonds outstanding and any other bonds hereafter issued under the Trust Indenture.

The transaction resulted in a \$2,425,390 deferred charge to be amortized over the term of the new debt. The deferred amount, net of amortization is reflected on the Statement of Net Position under Deferred Inflows of Resources.

**(6) \$314,045,000 Toll System Revenue Bonds, Series 2014A**

On June 4, 2014, the Authority issued Toll System Revenue Bonds, Series 2014A (Non-taxable) (the "Series 2014A Bonds"). The Series 2014A Bonds were issued to (a) pay a portion of the cost of certain improvements to the system included in the five-year work program of the Authority in effect from time to time, including capitalized interest of \$16,091,574 on the Series 2014A Bonds; (b) fund the increase in the debt service reserve fund requirement resulting from the issuance of the Series 2014A Bonds; and (c) pay costs associated with the issuance of the Series 2014A Bonds.

The Series 2014A Bonds consist of (a) \$142,310,000 serial bonds maturing between July 1, 2020 and July 1, 2034, bearing interest rate between 4.0% and 5.0%; (b) \$3,195,000 fixed term bonds at 4.30% maturing on July 1, 2039; (c) \$72,285,000 fixed term bonds at 5.00% maturing on July 1, 2039; and (d) \$96,255,000

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

fixed term bonds at 5.00%, maturing on July 1, 2044. Interest on the bonds is paid semi-annually each January 1<sup>st</sup> and July 1<sup>st</sup>. The Series 2014A Bonds are secured under the Trust Indenture on parity with all bonds outstanding and any other bonds hereafter issued under the Trust Indenture.

**(7) \$266,425,000 Toll System Refunding Revenue Bonds, Series 2014B**

On October 15, 2014, the Authority issued Toll System Revenue and Refunding Revenue Bonds, Series 2014B (the “Series 2014B Bonds”). The Series 2014B Bonds in the amount of \$266,425,000 were issued to (a) refund a portion of the Authority’s, Series 2005 Bonds in the amount of \$160,935,000; and Toll System Revenue Bonds, Series 2006 Bonds in the amount of \$109,925,000; (b) pay termination costs associated with two interest rate swap agreements, UBS A.G. and Citibank, N.A.; (c) fund an increase in the debt service reserve fund requirement resulting from the issuance of the Series 2014B Bonds; and (d) pay certain costs associated with the issuance of the Series 2014B Bonds.

The Series 2014B Bonds consist of \$266,425,000 serial bonds maturing between July 1, 2015 and July 1, 2031, bearing interest rate between 3.0% and 5.0%. Interest on the bonds is paid semi-annually each January 1<sup>st</sup> and July 1<sup>st</sup>. The Series 2014B Bonds are secured under the Trust Indenture on parity with all bonds outstanding and any other bonds hereafter issued under the Trust Indenture.

The transaction resulted in a \$31,012,358 deferred charge to be amortized over the term of the new debt. The deferred charge is reflected on the Statement of Net Position under Deferred Outflows of Resources. This refunding resulted in a present value savings of \$11,474,832.

**(8) \$95,820,000 Toll System Refunding Revenue Bonds, Series 2016A**

On September 16, 2016, the Authority issued \$95,820,000 Toll System Refunding Revenue Bonds, Series 2016A (Non-taxable) (the “Series 2016A Bonds”). The Series 2016A were issued for the purpose of providing funds sufficient, together with any other available moneys, to (a) refund the outstanding portion of Series 2006 Bonds in the outstanding principal amount of \$119,660,000; and (b) pay costs and expenses relating to the issuance of the Series 2016A Bonds. The Series 2016A Bonds consist of \$95,820,000 serial bonds maturing between July 1, 2028 and July 1, 2034, bearing interest rate of 5.00%

with semi-annual interest payments each January 1<sup>st</sup> and July 1<sup>st</sup>. The Series 2016A Bonds are secured under the Trust Indenture on parity with all bonds outstanding and any other bonds hereafter issued under the Trust Indenture.

The transaction resulted in a \$849,349 deferred charge to be amortized over the term of the new debt. The deferred charge is reflected on the Statement of Net Position under Deferred Inflows of Resources. This refunding resulted in a present value savings of \$29,981,341.

**Annual Revenue and Refunding Revenue Bonds Debt Service Requirements**

The annual revenue and refunding revenue bonds debt service requirements as of:

<b>Year ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2018	\$ 27,585,000	\$ 71,967,146
2019	30,810,000	70,665,532
2020	37,480,000	69,116,819
2021	42,415,000	67,246,445
2022	46,620,000	65,104,530
2023-2027	300,675,000	285,592,850
2028-2032	282,375,000	209,971,220
2033-2037	351,130,000	135,384,247
2038-2042	274,165,000	44,158,190
2043-2044	41,340,000	3,125,750
<b>Total</b>	<b>\$ 1,434,595,000</b>	<b>\$ 1,022,332,729</b>

In accordance with the Trust Indenture principal payments are due on July 1<sup>st</sup> of each year; interest payments due semi-annually on January 1<sup>st</sup> and on July 1<sup>st</sup>. For purposes of senior debt coverage computation, the July 1<sup>st</sup> principal and interest payments are deemed due in the preceding fiscal year.

See Other Information - Schedule of Calculation of Net Revenues and Financial Ratios for ratio computation.

**Interest Rate Swap Agreements (Derivative Instruments)**

The objective of the Authority’s interest rate swap agreement is to hedge changes in cash flows due to changes in interest rates associated with outstanding variable rate debt obligations.

**Series 2005 Bonds**

On October 28, 2004, the Authority entered into three interest rate swap agreements (the “Swaps”) to hedge

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

---

changes in cash flows due to changes in interest rates associated with the Authority's \$241,400,000 variable rate Series 2005 Bonds. The Swaps were executed with initial notional values of \$80,463,333; \$80,463,334; and \$80,473,333 totaling \$241,400,000 with Bear Stearns Capital Markets, Inc, UBS A.G and Citibank N.A. (collectively, the "Counterparties"). Under the Swap Agreements, the Authority owed interest at a fixed rate of 4.313% to the Counterparties. In return, the Counterparties owed the Authority interest based upon the SIFMA Index.

On May 9, 2008, the Swaps were amended by changing the fixed rate payable by the Authority to 4.372%. In exchange, the Counterparties agreed to make payments to the Authority based on the one-month LIBOR index from May 9, 2008 to May 1, 2009, and thereafter the Counterparties will make payments to the Authority based on SIFMA from May 1, 2009 to termination, July 1, 2034.

On March 14, 2008, due to the financial market crisis, Bear Stearns entered into an agreement with JPMorgan Chase Bank, N.A. ("JPMorgan") to purchase all of its assets and liabilities. On May 30, 2008, the acquisition of Bear Stearns was completed. All outstanding swap agreements were transferred to JPMorgan.

In order to mitigate basis risk associated with a portion of its interest rate swaps, on September 23, 2011, the Authority amended the swap agreement with JPMorgan to convert the floating rate index from the SIFMA index to the one-month LIBOR index for the entire \$80,463,333 notional amount. Effective October 1, 2011, under the amended agreement, the Authority continues to pay the 4.372% fixed rate and receives a floating rate that is 92.25% of one-month LIBOR.

On September 17, 2014, the Authority terminated its swaps with UBS and Citibank as part of the Toll System Refunding Revenue Bonds Series 2014B. As of this date the Authority had one outstanding interest rate swap agreement with JPMorgan as the counterparty.

As of June 30, 2017 and 2016, the swap's notional value was \$79,463,333 and \$80,463,333, which equals the outstanding principal amount of Series 2005 Bonds.

As of June 30, 2017 and 2016, the outstanding swap agreement met the criteria set forth under GASB 53 as an effective hedging derivative instrument and the

negative fair value is reflected on the Statement of Net Position

***Fair Value***

As of June 30, 2017 and 2016, the swap had a negative fair market value of \$17,447,681 and \$26,244,744, respectively. The fair market values are reflected on the Statement of Net Position under the Deferred Outflows of Resources and Long-Term Liabilities. Interest rate swaps are not normally valued through exchange-type markets with easily accessible quotation systems and procedures. The fair market value was calculated by the Authority's financials advisor, First Southwest Company, a division of Hilltop Securities Inc. ("FSW"), using information obtained from generally recognized sources with respect to quotations, reporting of specific transaction and market conditions, and based on accepted industry standards and methodologies. The fair market value for the swap is not exchange-traded instrument that have a directly quotable price, and therefore are required to be valued using Level 2 inputs. The valuation technique was based on models that use readily observable market parameters as their inputs. The fair values of the swaps reflect the effect of nonperformance risk which includes, but may not be limited to, the Authority's own credit risk.

***Credit Risk***

As of June 30, 2017, the 2005 Swap had a negative fair market value which means that in the event of a termination the Authority will make a termination payment to the Counterparty.

Swap payments and termination amount are supported through a collateralization agreement.

***Termination Risk***

The maximum exposure resulting from terminating the JPMorgan swap as of June 30, 2017 and 2016 is the aggregate fair market value of \$17,447,681 and \$26,244,744, respectively.

***Basis Risk***

The Authority will receive a variable payment from the swap which will be used to offset the payments of the Series 2005 Bonds. The variable receipts under the Swap is based on 92.25% of current monthly LIBOR for JPMorgan's payments on the Series 2005 Bonds while the Series 2005 Bonds payments are based on 100% of current monthly LIBOR.

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

Projected debt service requirements of the variable rate debt and net swap payments, assuming a one-month LIBOR rate of 01.223895% as of June 30, 2017, are as follows:

<b>Fiscal Year Ending</b>	<b>Variable Rate Bonds</b>		<b>Interest Rate</b>		<b>Total</b>			
	<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Swaps, net</b>				
2018	\$	1,170,000	\$	1,784,208	\$	2,470,112	\$	5,424,320
2019		1,170,000		1,757,603		2,433,384		5,360,987
2020		1,670,000		1,730,999		2,394,103		5,795,102
2021		3,015,000		1,693,025		2,344,188		7,052,212
2022		3,200,000		1,624,467		2,249,272		7,073,739
2023-2027		13,060,000		7,379,114		10,216,270		30,655,384
2028-2032		37,350,000		4,661,929		6,452,894		48,464,823
2033-2034		17,830,000		613,382		848,694		19,292,076
<b>Total</b>	<b>\$</b>	<b>78,465,000</b>	<b>\$</b>	<b>21,244,727</b>	<b>\$</b>	<b>29,408,917</b>	<b>\$</b>	<b>129,118,645</b>

**Collateral (JP Morgan)**

On March 22, 2013, the Authority executed an amendment to the swap agreement with JPMorgan to amend the collateral posting requirements under the Credit Support Annex.

As of June 30, 2017, JPMorgan was rated Aa3/A+/AA- by Moody's/S&P/Fitch; collateral posting thresholds are determined by the lowest rating.

As of June 30, 2017, the Authority was rated A2/A/A by Moody's/S&P/Fitch; collateral posting thresholds are determined by the highest rating. A negative fair value causes the Authority to be in a collateral posting position; conversely, a positive fair value causes the Counterparty to be in a collateral posting position.

As of June 30, 2017 and 2016, the swap had a negative fair value of \$17,447,681 and \$26,244,744; therefore, the Authority was in a collateral posting position. However, since the swap fair value was below the threshold of \$50,000,000 for the Authority's credit rating of A2/A/A, no collateral posting was required.

<b>Ratings</b>	<b>Fair Value Threshold</b>	
	<b>Moody's / S&amp;P / Fitch</b>	<b>Counterparty Authority</b>
Aa3/AA-/AA- and above	\$50,000,000	\$50,000,000
A1/A+/A+	\$50,000,000	\$50,000,000
A2/A/A	\$25,000,000	\$50,000,000
A3/A-/A-	\$10,000,000	\$50,000,000
Baa1/BBB+/BBB+	\$0	\$15,000,000
Below Baa1/BBB+/BBB+ or not rated	\$0	\$0

**Note 7 – Retirement Plans**

**Florida Retirement System (“FRS”) Plans**

*Information, liability and disclosures here within have been provided by the FRS Pension Plan.*

The Authority participates in the FRS, a multiple-employer, cost-sharing, defined benefit retirement plan or defined contribution retirement plan, administered by the Florida Department of Administration, Division of Retirement. The FRS was established in 1970, and, as a general rule, membership in the FRS is compulsory for all employees working in a regular established position for a state agency, county government, district school board, state university, community college or a participating city or special district within the State of Florida.

Benefit provisions as established by Chapter 121, Florida Statutes, and any amendments thereto can be made only by an act of the Florida Legislature.

Employees of the FRS may participate in either the Public Employee Optional Retirement Program (the “Investment Plan”), a defined contribution retirement program, or in the defined benefit retirement plan (the “Pension Plan”).

Benefits in the Investment plan are funded by contributions from employers and employees based on a percentage of the employees' gross monthly compensation based on the employees' membership class in the plan; the percentages for FY 2017 and FY 2016 for employees' contribution is 3%, and ranges

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

---

from 3.30% to 4.67% for employers' contribution. The contributed funds are invested in member-directed investments, in accordance with s. 401(a) of the internal Revenue Code and related regulations; the investments are administered by a third party administrator selected by the state board administration. Members are fully vested in the plan after one year of service with the employers for all employees' and employers' contribution paid to the plan plus interest and earnings and less investment and administrative fees. Employees who terminate after one year of service at any age are permitted to withdraw vested funds after 3 calendar months following the month of termination. Employees hired prior to July 1, 2011 and after July 1, 2011 who terminate employment/retire at the age of 62 and 65 respectively, with one or more years of service, are entitled to distribution of a lump sum of their vested funds, roll over the funds, structure a periodic payment, or request partial rollover/distribution of the funds.

Employees participating in the Pension Plan have their benefits computed on the basis of age, average final compensation and service credit. Benefits under the Plan vest after six years of service for those employees hired prior to July 1, 2011. For employees hired on or after July 1, 2011, benefits under the Plan vest after eight years of service. Employees hired prior to July 1, 2011 who retire at or after age 62, with six years of credited service, are entitled to an annual retirement benefit, payable monthly for life. Employees hired on or after July 1, 2011 who retire at or after age 65, with eight years of credited service, are entitled to an annual retirement benefit, payable monthly for life.

Employees may also participate in the Retiree Health Insurance Subsidy (the "HIS") Program, which is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. For Fiscal years 2017, 2016 and 2015, the employer contribution for HIS was 1.66% of gross salaries. The program's benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Contributions, required by all governmental employers, are based on statewide contribution rates. As of July 1, 2011 the state began to require all regular and senior management class employees to contribute 3% of the employee's salary into the FRS. For fiscal years 2017, 2016, and 2015, the employer contribution rate (including HIS and investment plan administrative costs) range— as defined by the State of Florida — was between 7.37% and 21.77% of gross salaries. For fiscal years ended June 30, 2017, 2016, and 2015, the Authority contributed 100% of the required employer contributions. The employer contribution was \$530,254, \$482,279, and \$445,558, respectively. For fiscal year 2017, 2016, and 2015, the employee contribution was \$146,169, \$137,111, and \$130,015, respectively. The Authority's net pension liability for fiscal year 2017, 2016, and 2015 was \$5,217,828, \$3,177,047 and \$2,079,031, respectively.

**Basis of Accounting**

Employers participating in the FRS Pension Plan and HIS Program are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB 68. The Schedules of Employer Allocations and Schedules of Pension Amounts by Employer (pension allocation schedules) and notes to the schedules, along with the FRS CAFR, provide employers with the required information for reporting. The underlying information used to prepare the pension allocation schedules is based on the system's records, which were audited for the fiscal years ended June 2016, and 2015, as well as the related notes, by the State of Florida Auditor General.

**Employer Contributions**

Contributions are recognized as revenue when due, pursuant to statutory and contractual requirements. Employee contributions required pursuant to section 121.71(3), Florida Statutes, are accounted for by the FRS as employer-paid employee contributions and are treated as employer contributions under 26 U.S.C. s. 414(h)(2) allowing these contributions to be deducted on a pre-tax basis. Pension expense reported in the pension allocation schedules is reduced by these amounts.

Total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes. Employer contributions reflected in the financial statements and in the pension allocation schedules for the defined benefit plans represent contributions specific to each defined benefit

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

plan and do not equal total blended contributions remitted by the employer.

**Use of Estimates**

The preparation of these schedules, and the associated financial statements, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and changes therein, including appropriate disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Net Pension Liability of Employers**

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations for measurement dates June 30, 2016 and 2015.

**Net Pension Liability**

The components of the collective net pension liability of the Authority for each defined benefit plan for Fiscal years 2017 and 2016, measurement dates June 30, 2016 and 2015 respectively, are shown below:

	<b>June 30, 2017</b>		<b>June 30, 2016</b>	
	<b>Measurement date June 30, 2016</b>		<b>Measurement date June 30, 2015</b>	
	<b>FRS</b>	<b>HIS</b>	<b>FRS</b>	<b>HIS</b>
Total pension liability	\$ 23,102,341	\$ 1,742,303	\$ 21,491,406	\$ 1,464,098
Plan fiduciary net position	(19,609,960)	(16,857)	(19,771,204)	(7,253)
Net pension liability	<u>\$ 3,492,381</u>	<u>\$ 1,725,446</u>	<u>\$ 1,720,202</u>	<u>\$ 1,456,845</u>
Plan fiduciary net position as a percentage of the total pension liability	84.88%	0.97%	92.00%	0.50%

The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. Each plan's fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

**Basis for Allocation**

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions for employers that were members of the FRS and HIS during fiscal years 2016, 2015 and 2014. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for the fiscal years ended June 30, 2016, June 30, 2015 and 2014, agree to the employer contribution amounts reported in the State of Florida CAFR's for those years. This report is available online (See Note 5 of the State of Florida CAFR). The fiscal year ended June 30, 2014, was the first year for which a

separately-issued FRS CAFR was published for the system.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

**Actuarial Methods and Assumptions**

Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases in fiscal 2016 for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.60%. The table below shows the assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation.

Asset Class	Target Allocation	
	2016	2015
Cash	1.0%	1.0%
Fixed Income	18.0%	18.0%
Global Equity	53.0%	53.0%
Strategic Investments	12.0%	12.0%
Private Equity	6.0%	6.0%
Real Estate (Property)	10.0%	10.0%
Total	100%	100%

For more information regarding the plan's investments please refer to the FRS's CAFR.

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, for measurement dates ending June 30, 2016 and 2015 a municipal bond rate of 2.85% and 3.80%, respectively, was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – see Additional Financial and Actuarial Information section).

The following changes in actuarial assumptions occurred for measurement date June 30, 2016:

**FRS** – As of June 30, 2016, the long-term expected rate of return decreased from 7.65% to 7.60%, and the active member mortality assumption was updated.

**HIS** – The municipal rate used to determine total pension liability decreased from 3.80% to 2.85%.

The following changes in actuarial assumptions occurred for measurement date June 30, 2015:

**FRS** – As of June 30, 2015, the inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return remained at 7.65%.

**HIS** – The municipal rate used to determine total pension liability decreased from 4.29% to 3.80%.

**Sensitivity Analysis**

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Authority for Fiscal years 2017 and 2016 for collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at measurement dates June 30, 2016 and 2015 respectively.

June 30, 2017				
Measurement date June 30, 2016				
	FRS		HIS	
1% decrease	\$ 6,429,710	6.60%	\$ 1,979,479	1.85%
Current discount rate	\$ 3,492,381	7.60%	\$ 1,725,447	2.85%
1% increase	\$ 1,047,443	8.60%	\$ 1,514,613	3.85%

June 30, 2016				
Measurement date June 30, 2015				
	FRS		HIS	
1% decrease	\$ 4,457,434	6.65%	\$ 1,660,007	2.80%
Current discount rate	\$ 1,720,202	7.65%	\$ 1,456,845	3.80%
1% increase	\$ (557)	8.65%	\$ 1,287,438	4.80%

As of June 30, 2017 and June 30, 2016, measurement dates June 2016 and 2015, respectively, the Authority's portion of the collective net pension liability for FRS was \$3,492,381 and \$1,720,202, respectively; the proportion of the collective net pension liability was 0.013831170% and 0.013318032%, respectively; and the change in the Authority's proportion of the FRS

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

---

since the prior measurement date was \$1,772,179 or 0.0143685483%. The Authority's portion of the collective net pension liability for HIS was \$1,725,447 and \$1,456,845, respectively; the Authority's proportion of the collective net pension liability of the FRS was 0.014804874% and 0.014284997%, respectively; and the change in proportion of the FRS since the prior measurement date was \$268,602 or 0.018445928%.

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

In accordance with GASB 68, paragraph 71, changes in the net pension liability are recognized in pension expenses in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement periods, 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** – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)

**Changes of assumptions or 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

As of June 30, 2017, and June 30, 2016 the Authority reported a net pension liability of \$5,217,828 and \$3,177,047, respectively, corresponding to its proportionate share of the collective net pension liability of FRS and HIS. As of June 30, 2017 and June 30, 2016 the Authority's proportions of the net collective pension liability for FRS were 0.013831170% and 0.013318032%, respectively; and for HIS the proportions were 0.014804874% and 0.014284997%, respectively. The net pension liability for 2017 and 2016 was measured as of June 30, 2016 and June 30, 2015, respectively, based on the total pension liability calculated on the basis of actuarial assumptions.

The contributions to the pension plans from employers are not included in collective pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2016, was 6.4 years for FRS and 7.2 years for HIS.

(Remainder of page intentionally left blank)

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

The components of collective pension expense reported in the pension allocation schedules for the Authority for fiscal year ended June 30, 2017 and 2016 are presented below for each plan:

**June 30, 2017**  
**Measurement date June 30, 2016**

**FRS**

	<b>Pension Expense</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Pension Liability</b>
Collective	\$ 532,514	\$ -	\$ -	\$ -
Change in proportion, NPL	126,176	461,474	-	-
Assumptions	-	211,279	-	-
Investments	-	902,738	-	-
Experience	-	267,404	32,516	-
Contributions subsequent to measurement date	-	373,613	-	-
Net pension liability	-	-	-	3,492,381
Total	<u>\$ 658,690</u>	<u>\$ 2,216,508</u>	<u>\$ 32,516</u>	<u>\$ 3,492,381</u>

**HIS**

	<b>Pension Expense</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Pension Liability</b>
Collective	\$ 143,362	\$ -	\$ -	\$ -
Change in proportion, NPL	(2,515)	53,583	48,363	-
Assumptions	-	270,766	-	-
Investments	-	872	-	-
Experience	-	-	3,930	-
Contributions subsequent to measurement date	-	80,897	-	-
Net pension liability	-	-	-	1,725,447
Total	<u>\$ 140,847</u>	<u>\$ 406,118</u>	<u>\$ 52,293</u>	<u>\$ 1,725,447</u>

(Continued)

(Remainder of page intentionally left blank)

Notes to Financial Statements (continued)  
Years Ended June 30, 2017 and 2016

June 30, 2016  
Measurement date June 30, 2015

**FRS**

	<b>Pension Expense</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Pension Liability</b>
Collective	\$ 122,986	\$ -	\$ -	\$ -
Change in proportion, NPL	114,882	515,371	-	-
Assumptions	-	114,176	-	-
Investments	-	-	410,756	-
Experience	-	181,602	40,798	-
Contributions subsequent to measurement date	-	337,295	-	-
Net pension liability	-	-	-	1,720,202
Total	<u>\$ 237,868</u>	<u>\$ 1,148,444</u>	<u>\$ 451,554</u>	<u>\$ 1,720,202</u>

**HIS**

	<b>Pension Expense</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Pension Liability</b>
Collective	\$ 108,535	\$ -	\$ -	\$ -
Change in proportion, NPL	(9,295)	13,764	-	-
Assumptions	-	114,616	59,879	-
Investments	-	789	-	-
Experience	-	-	-	-
Contributions subsequent to measurement date	-	75,884	-	-
Net pension liability	-	-	-	1,456,845
Total	<u>\$ 99,240</u>	<u>\$ 183,775</u>	<u>\$ 59,879</u>	<u>\$ 1,456,845</u>

(Concluded)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end of \$454,510 and \$413,179 will be recognized as a reduction of the net pension liability in the reporting periods ending June 30, 2017 and 2016, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:	<b>Reporting Period Ending June 30,</b>	<b>FRS Expense</b>	<b>HIS Expense</b>
	2018		\$ 250,261
2019		250,261	37,235
2020		250,261	37,235
2021		250,261	37,235
2022		250,261	37,235
Thereafter		97,599	81,533
Total		<u>\$ 1,348,904</u>	<u>\$ 267,708</u>

(Remainder of page intentionally left blank)

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

**Additional Financial and Actuarial Information**

Additional audited financial information supporting the Schedules of Employer Allocations and the Schedules of Pension Amounts by Employer is located in the State of Florida CAFR for the fiscal year ended June 30, 2016 and 2015 and in the Florida Retirement System Pension Plan and Other State-Administered Systems CAFR for the fiscal year ended June 30, 2016 and 2015. The State of Florida CAFR is available online at:

<http://www.myfloridacfo.com/Division/AA/Reports/default.htm>.

The FRS's CAFR and the actuarial valuation reports as of July 1, 2016 and 2015 are available online at:

[http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

The FRS's CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services  
 Division of Retirement  
 Bureau of Research and Member Communications  
 P.O. Box 9000  
 Tallahassee, FL 32315-9000  
 850-488-5706 or toll free at 877-377-1737

**Note 8 – Deferred Outflows and Inflows of Resources**

As of June 30, 2017 and 2016, deferred outflows of resources totaled \$54,188,860 and \$66,920,707, respectively, comprised of the following:

	<u>2017</u>	<u>2016</u>
Interest Rate Swap Derivative instrument	\$17,447,681	\$26,244,744
Deferred charges due to refundings	34,118,553	39,322,467
Pension	2,622,626	1,353,496
Total deferred outflows	<u>\$54,188,860</u>	<u>\$66,920,707</u>

As of June 30, 2017 and 2016, deferred inflows of resources totaled \$2,884,042 and \$2,614,344, respectively, comprised of the following:

	<u>2017</u>	<u>2016</u>
Deferred charges due to refundings	\$2,799,233	\$2,102,911
Pension	84,809	511,433
Total deferred inflows	<u>\$2,884,042</u>	<u>\$2,614,344</u>

For more detailed information on deferred outflows and inflows of resources, see Note 6 "Long-Term Liabilities" and Note 7 "Retirement Plans" in the Notes to the Financial Statements.

**Note 9 – Commitments and Contingencies**

At June 30, 2017 and 2016, the Authority had in process various uncompleted construction projects with remaining contract balances totaling \$159,534,867 and \$256,700,566, respectively.

In addition, the Authority is obligated under a lease agreement with the State of Florida, expiring in the year 2047, to make annual payments of \$300 for its headquarters office building.

**Note 10 – Litigation and Unasserted Claims**

In April, 2010, the Authority entered into two multi-year, multi-million dollar contracts with Electronic Transaction Consultants Corporation ("ETCC") for the Implementation and Maintenance of an Open Road Tolling all electronic toll collection system (the "In Lane Contract") and for the development, operation, and maintenance of an Account Management and Toll Enforcement System back office operation (the

"AMTES Contract"). Numerous schedule delays and failures to provide deliverables have been experienced in both contracts. The Authority issued Notices to Cure Events of Default as to both contracts, assessed liquidated damages related to both contracts, and issued a letter of default to the contractor and its surety as to the AMTES Contract. The Authority believes that express requirements of its contract that mandate

**Notes to Financial Statements (continued)**  
**Years Ended June 30, 2017 and 2016**

---

ETCC meet certain completion, testing and performance milestones relieve MDX of any current and specific future obligations to make payments to ETCC. The Authority has engaged the services of outside counsel to assist with these matters. Despite the Authority and ETCC having participated in a series of meetings with both ETCC and its surety in an effort to reach an agreed upon resolution to the contract disputes between the parties, no resolution has been within reach resulting in the above-referenced suit and counter-suit. The surety has declined to honor its obligation under the contract bonds.

The Authority and ETCC settled the claims with respect to the In Lane Contract in August 2014 and have entered into a three year supplemental agreement that allows ETCC to maintain the lane portion of the system in exchange for a fixed monthly amount.

ETCC's claim for damages is \$58,000,000. Outside counsel representing the Authority believes that ETCC's claims for damages are overstated and not supported by the terms of the AMTES Contract. The potential outcome of the damages cannot be adequately measured. The Authority believes that any damage award assessed against the Authority would not have an adverse effect on the security and sources of payment for outstanding bonds or result in a material change in ongoing operations.

A full trial of claims concerning the AMTES Agreement began on September 8, 2015 and concluded on October 29, 2015. Since then, the original trial judge has been disqualified from taking any further action concerning the matter, leading to a mistrial. The entire case was tried again starting on October 16, 2017 and concluded on November 3, 2017. Final judgement is expected before calendar 2017 year end.

---

**Note 11 – Related Party Transactions**

As of June 30, 2017 and 2016 there were no known related party transactions reported.

---

**Note 12 – Subsequent Events**

None.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Required Supplementary Information**  
**Last Ten Fiscal Years\***

**Schedule of Miami-Dade Expressway Authority's Proportionate Share of Net Pension Liability**

**Florida Retirement System**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>Measurement</b>	<b>Measurement</b>	<b>Measurement</b>
	<b>Date June 30,</b>	<b>Date June 30,</b>	<b>Date June 30,</b>
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Miami-Dade Expressway Authority's proportion of the net pension liability (asset)	0.013831170%	0.013318032%	0.012454876%
Miami-Dade Expressway Authority's proportionate share of the net pension liability (asset)	\$ 3,492,381	\$ 1,720,202	\$ 759,931
Miami-Dade Expressway Authority's covered-employee payroll	\$ 2,689,248	\$ 2,555,262	\$ 2,466,388
Miami-Dade Expressway Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	129.86%	67.32%	30.81%
Miami-Dade Expressway Authority's covered-employee payroll	84.88%	92.00%	96.09%

**Health Insurance Subsidy**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>Measurement</b>	<b>Measurement</b>	<b>Measurement</b>
	<b>Date June 30,</b>	<b>Date June 30,</b>	<b>Date June 30,</b>
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Miami-Dade Expressway Authority's proportion of the net pension liability (asset)	0.014804874%	0.014284997%	0.014107649%
Miami-Dade Expressway Authority's proportionate share of the net pension liability (asset)	\$ 1,725,447	\$ 1,456,845	\$ 1,319,100
Miami-Dade Expressway Authority's covered-employee payroll	\$ 2,689,248	\$ 2,555,262	\$ 2,466,388
Miami-Dade Expressway Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	64.16%	57.01%	53.48%
Miami-Dade Expressway Authority's covered-employee payroll	0.97%	0.50%	0.99%

\*Additional years will be displayed as they become available.

**Required Supplementary Information**  
**Last Ten Fiscal Years\***

**Schedule of Miami-Dade Expressway Authority Contributions**

**Florida Retirement System**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 373,613	\$ 337,295	\$ 324,705
Contributions in relation to the contractually required contribution	\$ (373,613)	\$ (337,295)	\$ (324,705)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Miami-Dade Expressway Authority's covered-employee payroll	\$ 2,840,066	\$ 2,689,248	\$ 2,555,262
Contributions as a percentage of covered-employee payroll	13.16%	12.54%	12.71%

**Health Insurance Subsidy**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 80,897	\$ 75,884	\$ 54,606
Contributions in relation to the contractually required contribution	\$ (80,897)	\$ (75,884)	\$ (54,606)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Miami-Dade Expressway Authority's covered-employee payroll	\$ 2,840,066	\$ 2,689,248	\$ 2,555,262
Contributions as a percentage of covered-employee payroll	2.85%	2.82%	2.14%

\*Additional years will be displayed as they become available.

## **OTHER INFORMATION**

**Other Information – Schedule of Calculation of Net Revenue and Financial Ratios  
Years Ended June 30, 2017 and 2016**

---

**As Defined and Required by the Trust Indenture**

	<b>2017</b>	<b>2016</b>
Revenues:		
Toll and fee revenues, net	\$ 236,931,810	\$ 234,775,680
Investment income	4,755,154	3,190,978
Contributions from other governments (includes grant revenues only)	—	2,086,432
Other revenues	889,982	744,962
Total Revenues	242,576,946	240,798,052
Operating expenses:		
Operations, maintenance, and administration expenses (excludes depreciation and amortization)	52,576,237	53,458,375
Net Revenues	<u>\$ 190,000,708</u>	<u>\$ 187,339,677</u>
Senior Lien Debt Service for All Bonds	\$ 95,716,902	\$ 86,125,234
Ratio of Net Revenues to Senior Lien Debt Service for All Bonds	<b>1.99</b>	<b>2.18</b>
All Debt Service ( Senior Lien and Subordinated Debt Service ) and All Fund Payments as Specified by Trust Indenture	\$ 102,481,421	\$ 105,419,080
Ratio of Net Revenues to All Debt Service and All Fund Payments	<b>1.85</b>	<b>1.78</b>

**Other Information – Schedule of Toll Revenues and Expense Summary**  
**Last Ten Fiscal Years**

**As Defined and Required by the Trust Indenture**

(In Thousands)

June 30,

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Revenues:										
Toll & Fees, net	\$ 236,932	\$ 234,776	\$ 182,824	\$ 129,217	\$ 134,412	\$ 122,511	\$ 121,863	\$ 111,768	\$ 113,075	\$ 115,799
Investment & Other	8,153	6,022	3,225	6,987	11,117	14,525	9,795	6,669	16,013	20,868
<b>Total Revenues</b>	<b>245,085</b>	<b>240,798</b>	<b>186,050</b>	<b>136,204</b>	<b>145,529</b>	<b>137,036</b>	<b>131,658</b>	<b>118,437</b>	<b>129,088</b>	<b>136,667</b>
Expenses:										
Operations	38,256	38,806	32,628	23,537	16,719	24,397	20,262	19,424	24,309	20,170
Maintenance	6,773	7,002	6,843	6,397	5,887	6,549	6,577	6,022	4,599	3,904
Administration	7,547	7,651	5,985	6,742	5,142	5,024	5,591	5,991	5,670	5,438
<b>Total Expenses</b>	<b>52,576</b>	<b>53,458</b>	<b>45,457</b>	<b>36,676</b>	<b>27,748</b>	<b>35,970</b>	<b>32,430</b>	<b>31,437</b>	<b>34,578</b>	<b>29,512</b>
<b>Net Revenues</b>	<b>\$ 192,508</b>	<b>\$ 187,340</b>	<b>\$ 140,593</b>	<b>\$ 99,529</b>	<b>\$ 117,781</b>	<b>\$ 101,066</b>	<b>\$ 99,228</b>	<b>\$ 87,000</b>	<b>\$ 94,510</b>	<b>\$ 107,155</b>

# Statistical Section



MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY  
STATISTICAL SECTION

**Table of Contents**

This section of the Miami-Dade Expressway Authority's comprehensive annual financial report presents detailed information designed to assist readers in utilizing the financial statements, note disclosures, and required supplementary information to understand and assess the Authority's overall economic condition.

The Authority has included in this statistical section information relating to financial trends, revenue capacity, debt capacity and operating information pertaining to the ten most recent fiscal years.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends:</b>	<b>66</b>
These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	
<b>Revenue Capacity:</b>	<b>69</b>
These schedules contain information to help the reader assess the Authority's ability to generate toll revenue.	
<b>Debt Capacity:</b>	<b>81</b>
These schedules present information to help the reader assess the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.	
<b>Demographic and Economic Information:</b>	<b>84</b>
These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the Authority's financial activities take place.	
<b>Operating Information:</b>	<b>87</b>
These schedules contain data on operating information to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	

The Authority implemented new pronouncements, as required for financial reporting. Likewise, from time to time, management creates new categories in order to provide more accurate and useful information regarding the Authority's operations. For comparative purposes, management has reclassified prior years' financial information.

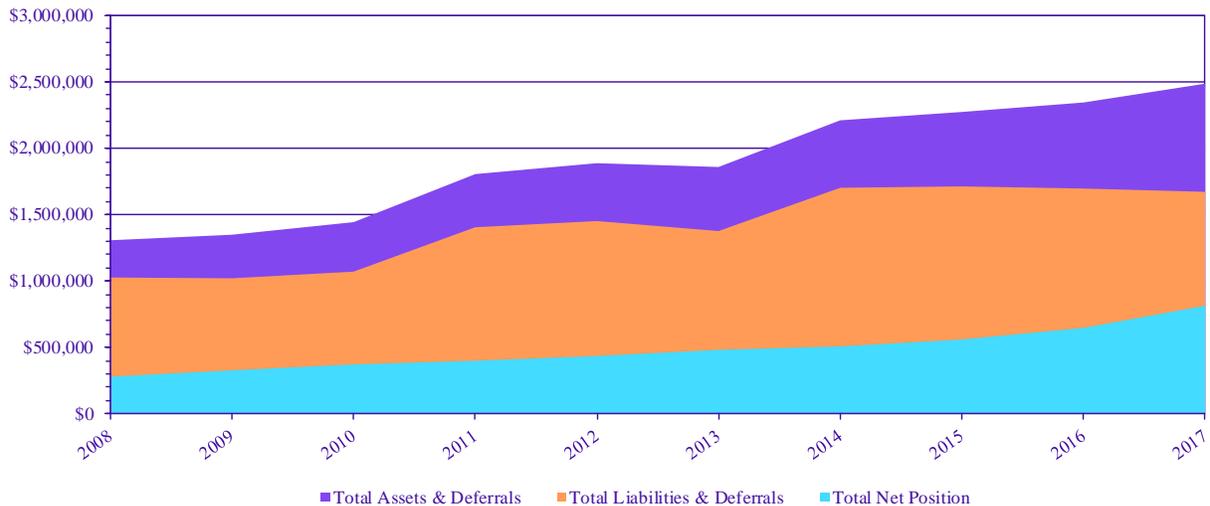
## Financial Trends Last Ten Fiscal Years

### Summary of Statement of Net Position (In Thousands)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Assets and deferrals:</b>										
Current and other assets	\$ 391,936	\$ 457,823	\$ 335,452	\$ 218,329	\$ 146,584	\$ 143,329	\$ 127,780	\$ 108,374	\$ 69,150	\$ 66,179
Restricted non-current assets	143,902	145,374	295,365	446,781	246,019	336,333	425,088	204,351	330,742	395,957
Capital assets, net	1,896,760	1,675,045	1,578,347	1,475,941	1,395,190	1,314,754	1,199,835	1,078,781	949,359	845,452
Deferred outflows of resources	54,189	66,921	64,724	69,941	71,701	93,726	53,271	52,513	-	-
<b>Total assets and deferrals</b>	<b>2,486,786</b>	<b>2,345,163</b>	<b>2,273,888</b>	<b>2,210,992</b>	<b>1,859,494</b>	<b>1,888,142</b>	<b>1,805,974</b>	<b>1,444,019</b>	<b>1,349,251</b>	<b>1,307,588</b>
<b>Liabilities and deferrals:</b>										
Current liabilities	106,176	90,512	93,200	57,061	64,021	93,721	69,102	61,443	53,372	49,813
Long-term liabilities	1,563,280	1,604,066	1,616,584	1,643,504	1,312,999	1,358,573	1,336,471	1,009,900	967,750	977,382
Deferred inflows of resources	2,884	2,614	3,596	2,318	-	-	-	-	-	-
<b>Total liabilities and deferrals</b>	<b>1,672,340</b>	<b>1,697,192</b>	<b>1,713,381</b>	<b>1,702,883</b>	<b>1,377,020</b>	<b>1,452,294</b>	<b>1,405,573</b>	<b>1,071,343</b>	<b>1,021,122</b>	<b>1,027,195</b>
<b>Net position:</b>										
Net investment in capital assets	334,589	231,385	211,948	200,641	225,634	195,113	162,830	160,346	135,885	154,396
Restricted	345,756	200,339	167,428	165,931	134,851	134,762	128,691	103,971	98,477	36,667
Unrestricted	134,101	216,247	181,131	141,537	121,990	105,974	108,881	108,359	93,768	89,331
<b>Total net position*</b>	<b>\$ 814,445</b>	<b>\$ 647,971</b>	<b>\$ 560,507</b>	<b>\$ 508,109</b>	<b>\$ 482,475</b>	<b>\$ 435,849</b>	<b>\$ 400,402</b>	<b>\$ 372,676</b>	<b>\$ 328,129</b>	<b>\$ 280,394</b>

\*Restated Net position for fiscal year 2015, 2012 and 2011 as required by GASB Pronouncements

### Assets and Deferrals, Liabilities and Deferrals, and Net Position (In Thousands)

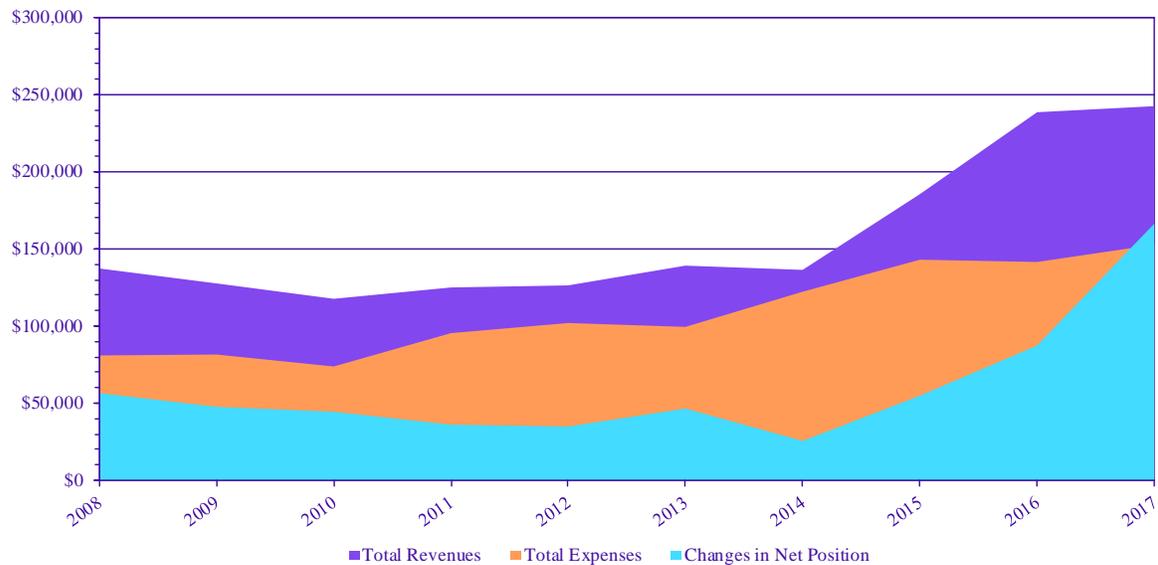


## Financial Trends Last Ten Fiscal Years

### Summary of Statement of Revenues, Expenses and Changes in Net Position (In Thousands)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues:</b>										
Toll and fee revenues, net	\$ 236,932	\$ 234,776	\$ 182,824	\$ 129,217	\$ 134,412	\$ 122,511	\$ 121,863	\$ 111,768	\$ 113,076	\$ 115,799
Non-operating revenues	4,829	3,191	2,064	6,492	3,845	2,981	2,429	5,105	13,876	20,690
Other revenues	890	745	717	803	1,005	970	819	897	789	935
<b>Total revenues</b>	<b>242,651</b>	<b>238,712</b>	<b>185,606</b>	<b>136,512</b>	<b>139,262</b>	<b>126,462</b>	<b>125,111</b>	<b>117,770</b>	<b>127,741</b>	<b>137,424</b>
<b>Expenses:</b>										
Operations	38,256	38,806	32,628	23,537	16,719	24,396	20,262	19,424	24,309	20,170
Maintenance	6,773	7,002	6,843	6,397	5,887	6,549	6,577	6,022	4,599	3,904
Administration	7,547	7,651	5,985	6,742	5,142	5,024	5,589	5,991	5,670	5,438
Depreciation and amortization	35,323	29,543	29,181	29,461	28,643	24,516	22,174	22,199	21,120	29,406
Non-operating expenses	64,937	58,630	68,475	56,215	43,160	41,584	40,901	20,254	25,945	22,119
<b>Total expenses</b>	<b>152,836</b>	<b>141,631</b>	<b>143,112</b>	<b>122,352</b>	<b>99,551</b>	<b>102,069</b>	<b>95,503</b>	<b>73,890</b>	<b>81,643</b>	<b>81,037</b>
<b>Change in net position:</b>										
Income before contributions	89,815	97,081	42,494	14,160	39,711	24,393	29,608	43,880	46,098	56,387
Contributions to other governments	(3,474)	(11,703)	(69,371)	-	-	-	-	-	-	-
Contributions from other governments	80,133	2,086	81,820	11,474	6,915	10,574	6,547	667	1,636	247
<b>Change in net position</b>	<b>166,474</b>	<b>87,464</b>	<b>54,942</b>	<b>25,634</b>	<b>46,626</b>	<b>34,967</b>	<b>36,155</b>	<b>44,547</b>	<b>47,734</b>	<b>56,634</b>
<b>Net position, beginning of year</b>	<b>647,970</b>	<b>560,506</b>	<b>508,109</b>	<b>482,475</b>	<b>435,849</b>	<b>408,830</b>	<b>372,675</b>	<b>328,128</b>	<b>280,394</b>	<b>223,760</b>
<b>GASB Pronouncements</b>	<b>-</b>	<b>-</b>	<b>(2,545)</b>	<b>-</b>	<b>-</b>	<b>(7,948)</b>	<b>(8,429)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position, end of year</b>	<b>\$814,444</b>	<b>\$647,970</b>	<b>\$560,506</b>	<b>\$508,109</b>	<b>\$482,475</b>	<b>\$435,849</b>	<b>\$400,401</b>	<b>\$372,675</b>	<b>\$328,128</b>	<b>\$280,394</b>

### Revenues, Expenses and Changes in Net Position (In Thousands)

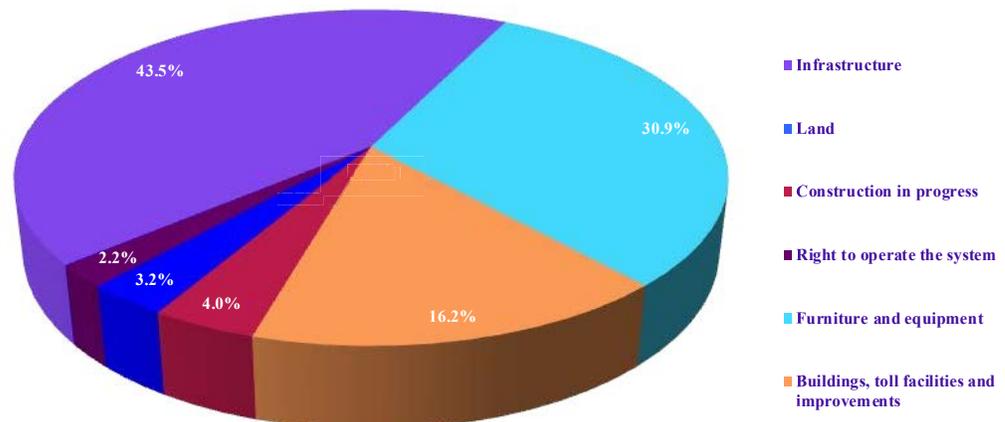


## Financial Trends Last Ten Fiscal Years

### Capital Assets, net of Depreciation & Amortization (In Thousands)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Non-depreciable capital assets:</b>										
Right to operate the system	\$ 76,645	\$ 76,645	\$ 76,645	\$ 76,645	\$ 76,645	\$ 76,645	\$ 76,645	\$ 76,645	\$ 76,645	\$ 76,645
Land	585,883	495,900	484,233	324,145	316,865	292,095	268,353	260,087	250,622	241,304
Construction in progress	307,805	468,218	418,373	562,546	454,013	437,470	482,397	391,069	280,062	214,052
<b>Total non-depreciable capital assets</b>	<b>970,333</b>	<b>1,040,763</b>	<b>979,251</b>	<b>963,336</b>	<b>847,523</b>	<b>806,210</b>	<b>827,395</b>	<b>727,801</b>	<b>607,329</b>	<b>532,001</b>
<b>Depreciable capital assets, net</b>										
Furniture and equipment	59,976	18,784	10,810	16,241	30,923	38,603	31,673	34,326	19,104	25,722
Buildings, toll facilities and improvements	41,050	38,916	23,627	34,024	35,709	37,459	39,197	37,067	38,881	40,681
Infrastructure	824,655	576,500	564,637	462,302	480,981	432,340	301,384	278,858	282,376	244,677
Other assets	745	82	33	38	54	141	186	729	1,669	2,371
<b>Total depreciable capital assets, net</b>	<b>926,426</b>	<b>634,282</b>	<b>599,106</b>	<b>512,605</b>	<b>547,667</b>	<b>508,544</b>	<b>372,440</b>	<b>350,980</b>	<b>342,030</b>	<b>313,451</b>
<b>Total capital assets, net</b>	<b>\$1,896,760</b>	<b>\$1,675,045</b>	<b>\$1,578,357</b>	<b>\$1,475,941</b>	<b>\$1,395,190</b>	<b>\$1,314,754</b>	<b>\$1,199,835</b>	<b>\$1,078,781</b>	<b>\$949,359</b>	<b>\$845,452</b>

### Capital Assets, net Fiscal Year 2017



### Changes to Capital Assets (In Thousands)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Beginning Balance	\$ 1,675,045	\$ 1,578,347	\$ 1,475,941	\$ 1,395,190	\$ 1,314,754	\$ 1,199,835	\$ 1,078,781	\$ 949,359	\$ 845,452	\$ 772,533
Additions	261,723	219,666	211,941	117,879	109,080	142,956	149,340	152,081	124,290	92,284
Disposals	(4,686)	(93,426)	(80,354)	(7,667)	(1)	(3,521)	(6,112)	(460)	(134)	(31)
Depreciation	(35,323)	(29,543)	(29,181)	(29,461)	(28,643)	(24,516)	(22,174)	(22,199)	(20,249)	(19,334)
<b>Total capital assets, net</b>	<b>\$1,896,760</b>	<b>\$1,675,045</b>	<b>\$1,578,347</b>	<b>\$1,475,941</b>	<b>\$1,395,190</b>	<b>\$1,314,754</b>	<b>\$1,199,835</b>	<b>\$1,078,781</b>	<b>\$949,359</b>	<b>\$845,452</b>

**Revenue Capacity  
Last Ten Fiscal Years**

---

**Schedule of Historical Cash & TBP Rates by Vehicle Class**

	<b>1997- 1999</b>	<b>2000-2001</b>	<b>2002-2003</b>	<b>2004-2005</b>	<b>2006-2013</b>	<b>2014</b>	<b>2015</b>
2 axles	\$0.25	\$0.50	\$0.75	\$1.00	\$1.25	\$2.00	\$1.40
3 axles	\$0.50	\$0.75	\$1.00	\$2.00	\$2.50	\$4.00	\$2.80
4 axles	\$0.75	\$1.00	\$1.25	\$3.00	\$3.75	\$6.00	\$4.20
5 axles	\$1.00	\$1.25	\$1.50	\$4.00	\$5.00	\$8.00	\$5.60
Each additional axle	\$0.25	\$0.25	\$0.25	\$1.00	\$1.25	\$2.00	\$1.40

**Comments**

- (1) Effective July 11, 1999 for the System. SunPass® users receive a 10% discount from the toll rates provided.
- (2) Effective July 1, 2001 for the Dolphin, Don Shula and Gratigny Parkway. The toll rates the Airport Expressway were not affected. SunPass® users receive a 10% discount from the toll rates provided.
- (3) Effective March 7, 2004 for the Dolphin, Don Shula and Gratigny Parkway. The toll rates determined by N-1 tolling rates. Airport increase 25 cents per motor vehicle axles.
- (4) Effective July 3, 2005 toll adjustment equalized toll rates on all MDX's expressways. SunPass® users are tolled 25 cents less from the toll rates provided.
- (5) Toll rates at the Dolphin 97th Ave location are 25 cents less for both cash and SunPass®. The Dolphin Expressway Extension toll rate is 25 cents.
- (6) Toll rate change for Gratigny Parkway on July 07, 2010 with implementation of Open Road Tolling ("ORT"), the cash rate was replaced with a new TBP rate at 65 cents per 2-axel vehicle.
- (7) Due to full ORT conversion the highest TBP rate is presented; Multi-axle vehicles are capped at 3+axles for SunPass® only.

**Revenue Capacity  
Last Ten Fiscal Years**

**Schedule of Toll Rates by Vehicle Class  
Fiscal 2016 & 2017**

**Vehicle Classifications**

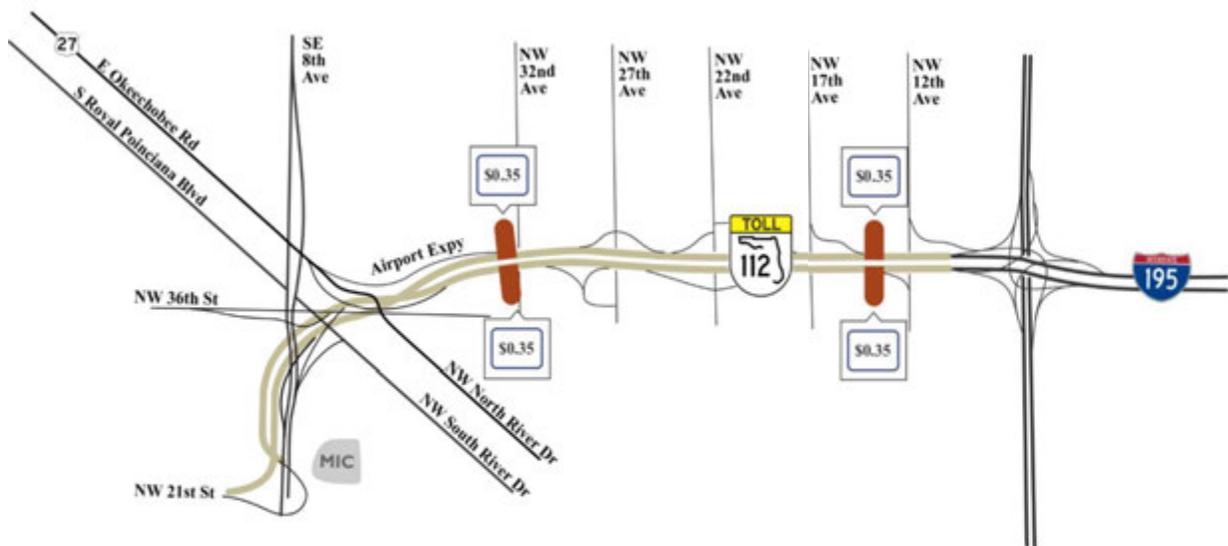
Tolls are collected based upon the classification of the vehicle.

The classification is determined by the number of axles on the vehicle.

Multi-axle vehicles are capped at 3+ axles for SunPass® only. Toll by Plate ("TBP") rates are x2

Location & Direction of Travel		Type of Payment	Vehicle Classification		
			2-axles	3-axles	Additional axle (ea.)
<b>Gratigny (SR 924)</b>					
	East/West at 57th Ave	SunPass®	0.50	1.00	-
		TBP	1.00	2.00	1.00
	East/West at 42nd Ave	SunPass®	0.50	1.00	-
		TBP	1.00	2.00	1.00
<b>Airport (SR 112)</b>					
	East/West at 32nd Ave	SunPass®	0.35	0.70	-
		TBP	0.70	1.40	0.70
	East/West at 17th Ave	SunPass®	0.35	0.70	-
		TBP	0.70	1.40	0.70
<b>Dolphin (SR 836)</b>					
	East/West at 137th Ave	SunPass®	0.30	0.60	-
		TBP	0.60	1.20	0.60
West	East/West at 107th Ave Ramp	SunPass®	0.30	0.60	-
		TBP	0.60	1.20	0.60
	East/West at 97th Ave	SunPass®	0.70	1.40	-
		TBP	1.40	2.80	1.40
	East at 87th Ave Ramp	SunPass®	0.30	0.60	-
		TBP	0.60	1.20	0.60
	East/West at 57th Ave	SunPass®	0.70	1.40	-
		TBP	1.40	2.80	1.40
East	East/West at 57th Ave Ramp	SunPass®	0.30	0.60	-
		TBP	0.60	1.20	0.60
	East/West at 27th Ave	SunPass®	0.30	0.60	-
		TBP	0.60	1.20	0.60
	East/West at 17th Ave	SunPass®	0.70	1.40	-
		TBP	1.40	2.80	1.40
	East/West at 12th Ave	SunPass®	0.30	0.60	-
		TBP	0.60	1.20	0.60
	East/West at 12th Ave Ramp	SunPass®	0.30	0.60	-
		TBP	0.60	1.20	0.60
<b>Don Shula (SR 874)</b>					
	North/South at Turnpike	SunPass®	0.25	0.50	-
		TBP	0.50	1.00	0.50
	North/South at Killian	SunPass®	0.25	0.50	-
		TBP	0.50	1.00	0.50
	North/South at SR826	SunPass®	0.50	1.00	-
		TBP	1.00	2.00	1.00
<b>Snapper Creek (SR 878)</b>					
	East/West at 87th Ave	SunPass®	0.25	0.50	-
		TBP	0.50	1.00	0.50
	East/West at SR826	SunPass®	0.25	0.50	-
		TBP	0.50	1.00	0.50

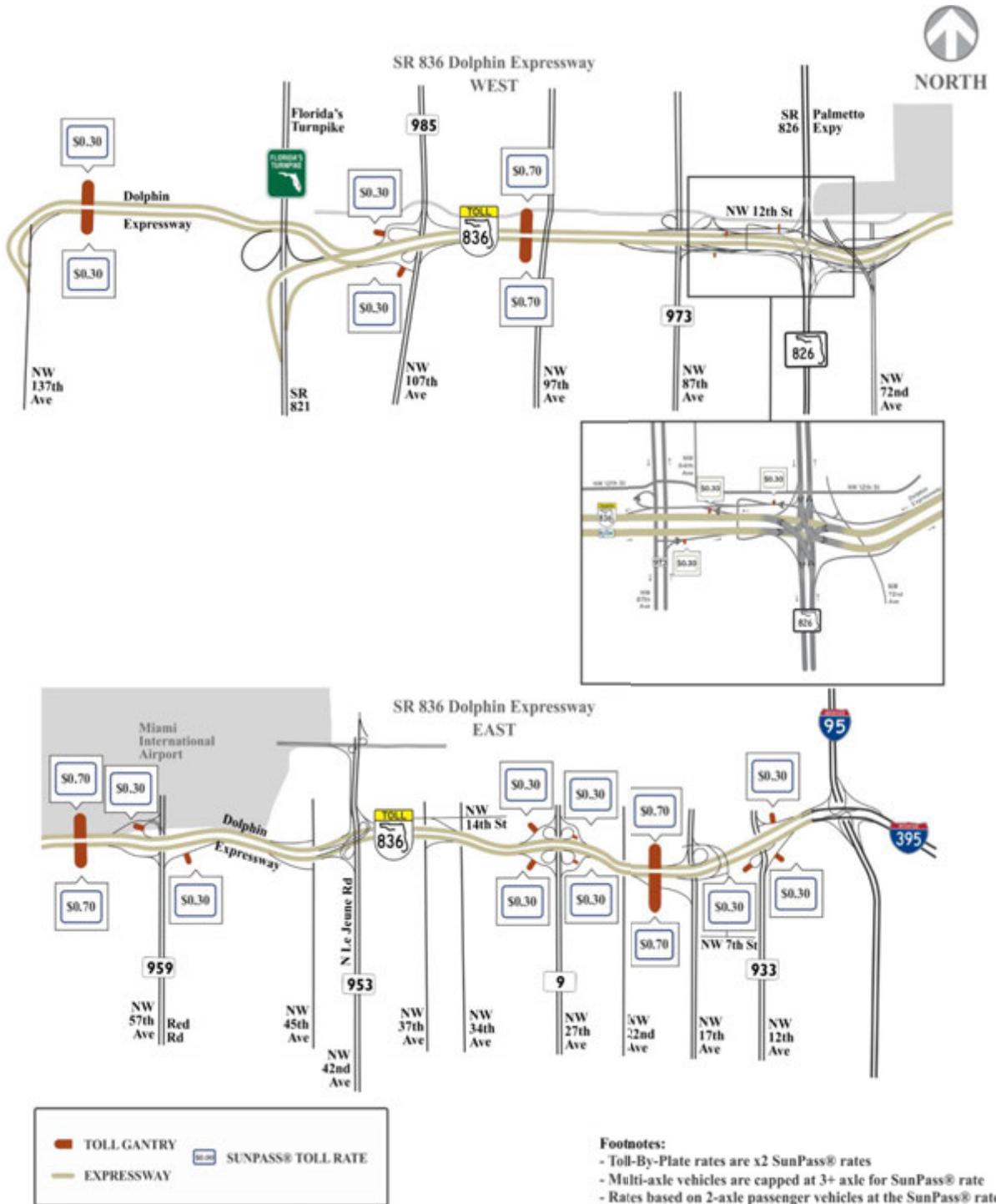
**ORT Gantry Locations:**  
SR 924 Gratigny Parkway and SR 112 Airport Expressway



**Footnotes:**

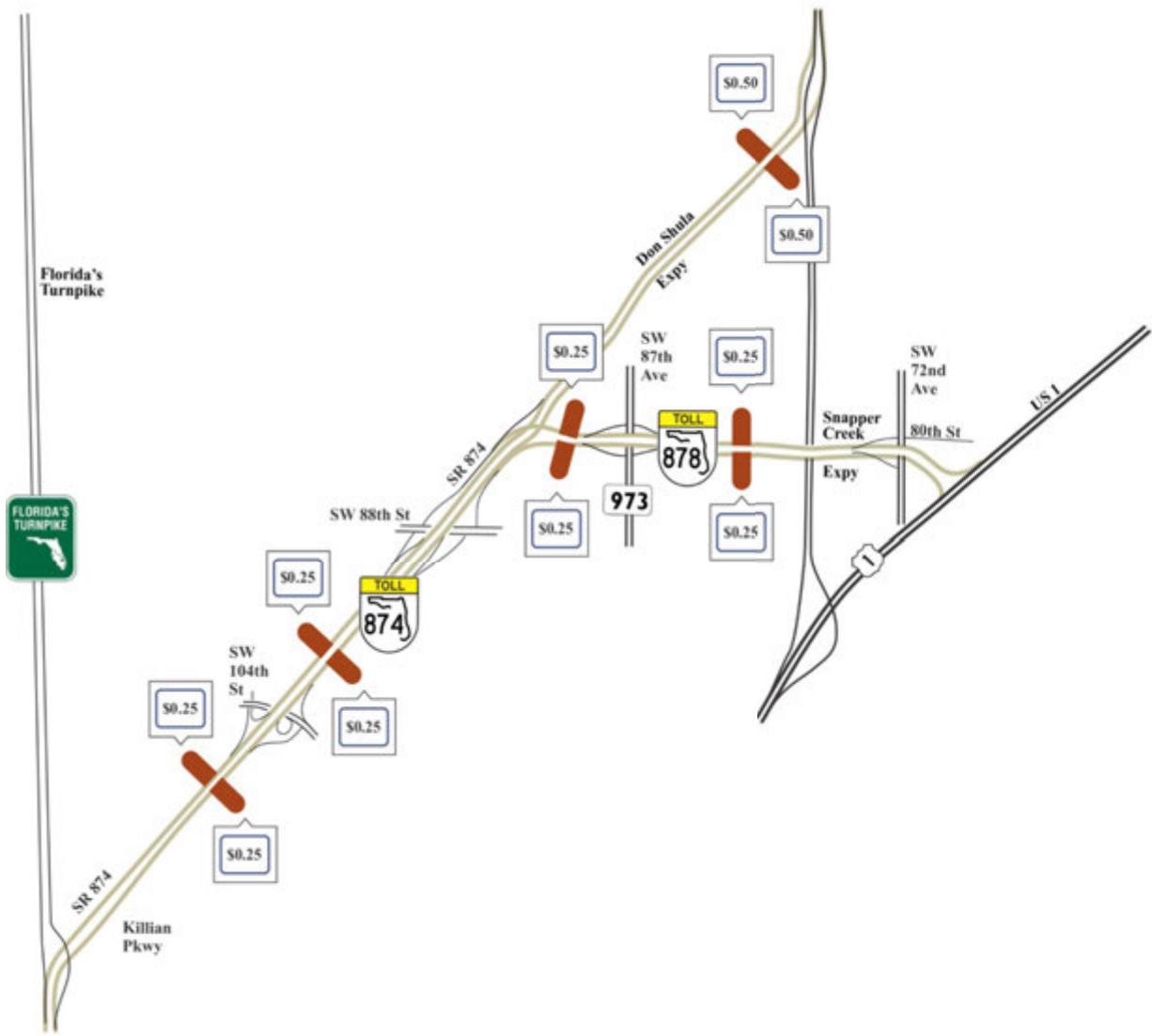
- Toll-By-Plate rates are x2 SunPass® rates
- Multi-axle vehicles are capped at 3+ axle for SunPass® rate
- Rates based on 2-axle passenger vehicles at the SunPass® rate

ORT Gantry Locations:  
SR 836 Dolphin Expressway



Revenue Capacity  
Last Ten Fiscal Years

**ORT Gantry Locations:**  
SR 874 Don Shula Expressway and SR 878 Snapper Creek Expressway



	TOLL GANTRY		SUNPASS® TOLL RATE
	EXPRESSWAY		

**Footnotes:**  
 - Toll-By-Plate rates are x2 SunPass® rates  
 - Multi-axle vehicles are capped at 3+ axle for SunPass® rate  
 - Rates based on 2-axle passenger vehicles at the SunPass® rate

## Revenue Capacity Last Ten Fiscal Years

### Total Toll and Fee Revenues, net by Expressway

Expressway	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Airport (SR112)	\$ 26,561,741	\$ 27,055,994	\$ 21,472,109	\$ 16,427,038	\$ 15,754,261	\$ 14,987,758	\$ 14,234,944	\$ 13,180,625	\$ 13,102,476	\$ 12,894,962
Dolphin (SR 836)	137,664,301	138,813,363	97,689,380	56,100,746	59,026,597	56,898,708	55,622,293	51,769,877	50,730,744	52,382,568
Don Shula (SR 874)	40,833,876	37,390,817	35,299,792	30,832,960	30,769,867	27,463,746	28,017,507	26,949,786	28,980,730	29,992,989
Snapper Creek (SR878)*	7,195,150	7,322,638	7,224,638	6,657,098	6,860,154	6,347,631	5,920,280	-	-	-
Gratigny (SR924)	19,304,918	18,662,423	18,996,559	16,423,232	15,369,594	13,772,031	13,205,654	11,544,801	11,747,538	12,921,762
FDR Program	(5,639,720)	(5,283,223)	(2,182,241)	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>225,920,265</b>	<b>223,962,013</b>	<b>178,500,237</b>	<b>126,441,074</b>	<b>127,780,474</b>	<b>119,469,873</b>	<b>117,000,679</b>	<b>103,445,089</b>	<b>104,561,488</b>	<b>108,192,281</b>
I-Tolls/V-Tolls **	-	-	-	-	-	-	107,560	5,601,447	4,778,357	3,608,985
Fees & Recovery revenue	11,011,544	10,813,667	4,324,122	2,775,569	6,631,977	3,040,926	4,755,112	2,721,612	3,736,063	3,998,077
<b>MDX System</b>	<b>\$236,931,810</b>	<b>\$234,775,680</b>	<b>\$182,824,359</b>	<b>\$129,216,643</b>	<b>\$134,412,451</b>	<b>\$122,510,799</b>	<b>\$121,863,351</b>	<b>\$111,768,148</b>	<b>\$113,075,908</b>	<b>\$115,799,343</b>

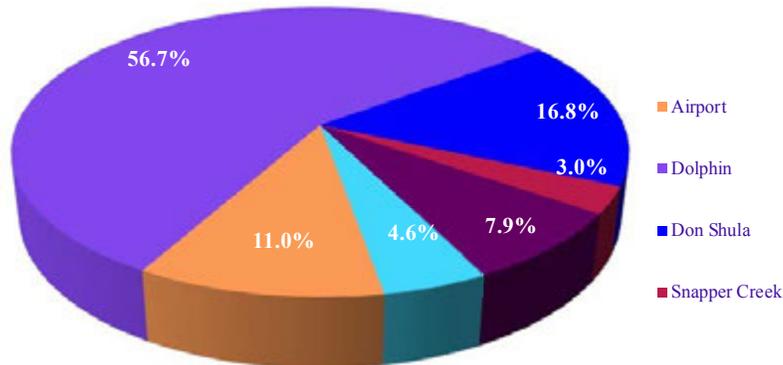
\* Fiscal year 2011 the Authority began collecting tolls on Snapper Creek as part of the ORT initiative. As a result, transaction data is only available as of fiscal year 2011.

\*\* I-Tolls, or image tolls, are transactions initially classified as apparent violations and reclassified as SunPass® transactions after the image review process. V-Tolls, or video tolls, are transactions initially classified as apparent violations and reclassified as toll revenue for video billing customers. For fiscal year 2011 going forward, I-Tolls are allocated by expressway.

### Total Toll Revenues, net and Percentage by Payment Type

Fiscal Year	SunPass®	Cash	TBP	Total Toll Revenue, net	SunPass® %	Cash %	TBP %
2017	\$185,369,833	\$ -	\$ 40,550,433	\$225,920,265	82.1%	0.0%	17.9%
2016	178,888,501	-	45,073,512	223,962,013	79.9%	0.0%	20.1%
2015	145,859,814	1,847,915	30,792,508	178,500,237	81.7%	1.0%	17.3%
2014	107,942,281	5,840,978	12,657,815	126,441,074	85.4%	4.6%	10.0%
2013	105,066,090	10,584,376	12,130,008	127,780,474	82.2%	8.3%	9.5%
2012	103,083,075	11,318,576	5,068,222	119,469,873	86.3%	9.5%	4.2%
2011	95,403,415	15,625,727	5,971,537	117,000,679	81.5%	13.4%	5.1%
2010	70,698,098	32,105,114	641,877	103,445,089	68.3%	31.0%	-
2009	69,646,980	34,914,508	-	104,561,488	66.6%	33.4%	-
2008	69,744,065	38,448,216	-	108,192,281	64.5%	35.5%	-

### Total Toll and Fee Revenues, net Fiscal Year 2017



## Revenue Capacity Last Ten Fiscal Years

### Total Traffic/Transactions by Expressway

Expressway	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Airport (SR112) *	76,077,255	74,271,512	50,032,772	15,617,517	14,621,834	14,154,013	13,227,628	12,689,945	12,423,263	11,949,069
Dolphin (SR 836)*	233,527,476	220,269,836	150,275,681	74,492,744	73,741,784	72,905,323	69,036,257	66,435,710	64,474,646	65,931,891
Don Shula (SR 874)	120,745,208	112,450,547	104,183,684	96,017,658	93,377,928	90,807,370	86,652,716	26,533,302	28,284,273	28,607,400
Snapper Creek (SR878)**	27,892,584	28,147,979	27,789,132	26,832,452	26,890,719	26,623,114	24,616,913	-	-	-
Gratigny (SR924)	37,198,404	36,503,894	34,546,590	31,391,539	28,913,878	28,165,540	26,579,047	11,744,256	10,938,681	11,802,290
<b>MDX System</b>	<b>495,440,927</b>	<b>471,643,768</b>	<b>366,827,859</b>	<b>244,351,910</b>	<b>237,546,143</b>	<b>232,655,360</b>	<b>220,112,561</b>	<b>117,403,213</b>	<b>116,120,863</b>	<b>118,290,650</b>

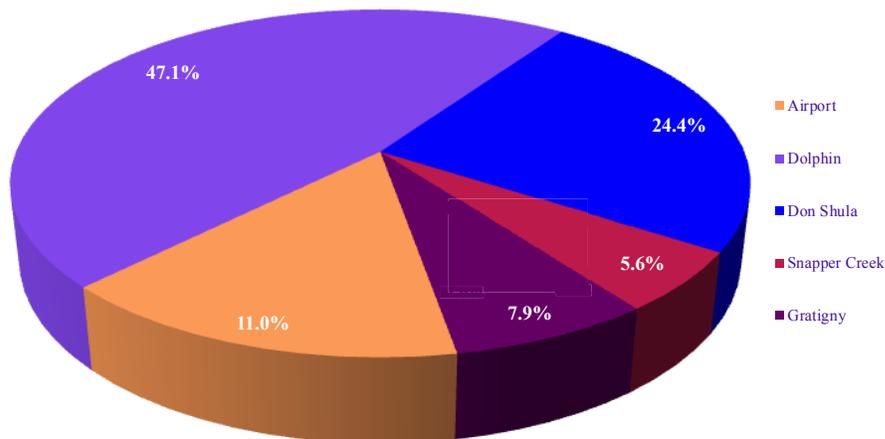
Road Tolling initiative.

\*\*Fiscal year 2011 the Authority began collecting tolls on Snapper Creek as part of the ORT initiative. As a result, transaction data is only available as of fiscal year 2

### Total Toll Transactions by Category

Fiscal Year	SunPass®	Cash	TBP	Total Transactions	SunPass® %	Cash %	TBP %
2017	405,316,678	-	90,124,249	495,440,927	81.8%	0.0%	18.2%
2016	378,739,649	-	92,904,119	471,643,768	80.3%	0.0%	19.7%
2015	293,742,534	1,621,357	71,463,968	366,827,859	80.1%	0.4%	19.5%
2014	200,229,761	5,104,702	39,017,447	244,351,910	81.9%	2.1%	16.0%
2013	199,837,280	8,987,838	28,721,025	237,546,143	84.1%	3.8%	12.1%
2012	172,603,224	6,941,817	53,110,319	232,655,360	74.2%	3.0%	22.8%
2011	161,046,449	13,409,536	45,656,576	220,112,561	73.2%	6.1%	20.7%
2010	89,039,808	27,000,829	1,362,576	117,403,213	75.8%	23.0%	1.2%
2009	86,870,492	29,250,371	-	116,120,863	74.8%	25.2%	-
2008	86,040,191	32,250,459	-	118,290,650	72.7%	27.3%	-

### Total Traffic/Transactions Fiscal Year 2017



## Revenue Capacity Last Ten Fiscal Years

### Average Daily Revenue by Expressway

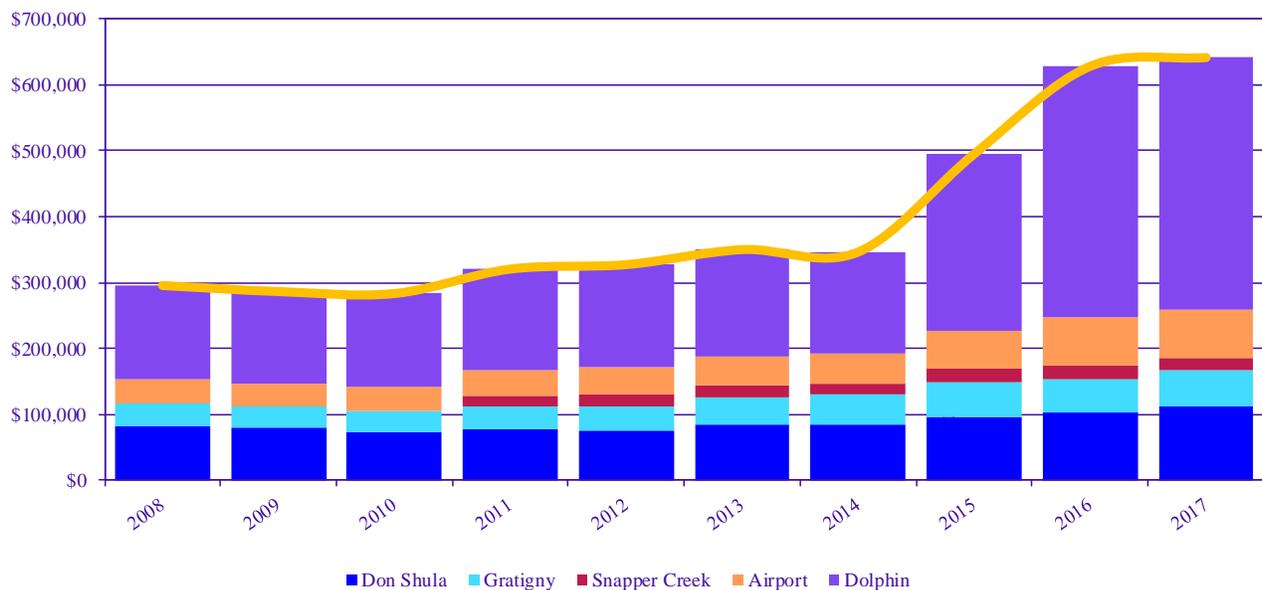
Expressway	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Airport (SR112)	\$ 73,578	\$ 74,126	\$ 58,828	\$ 45,006	\$ 43,162	\$ 41,062	\$ 39,000	\$ 36,111	\$ 35,897	\$ 35,232
Dolphin (SR836)	381,342	380,311	267,642	153,701	161,717	155,887	152,390	141,835	138,988	143,122
Don Shula (SR874)	113,113	102,441	96,712	84,474	84,301	75,243	76,760	73,835	79,399	81,948
Snapper Creek (SR878)*	19,931	20,062	19,794	18,239	18,795	17,391	16,220	-	-	-
Gratigny (SR924)	53,476	51,130	52,045	44,995	42,108	37,732	36,180	31,630	32,185	35,305
<b>MDX System Average</b>	<b>\$641,440</b>	<b>\$628,069</b>	<b>\$495,020</b>	<b>\$346,414</b>	<b>\$350,083</b>	<b>\$327,315</b>	<b>\$320,550</b>	<b>\$283,411</b>	<b>\$286,470</b>	<b>\$295,607</b>

\* Fiscal year 2011 the Authority began collecting tolls on Snapper Creek as part of the ORT initiative. As a result, transaction data is only available as of fiscal year 2011.

\*\*Total average revenue listed above does not include violations.

\*\*Fiscal Year 2017 average daily toll calculated using 361 days. Tolls lifted 4 days due to Hurricane Matthew.

### Average Daily Revenue



## Revenue Capacity Last Ten Fiscal Years

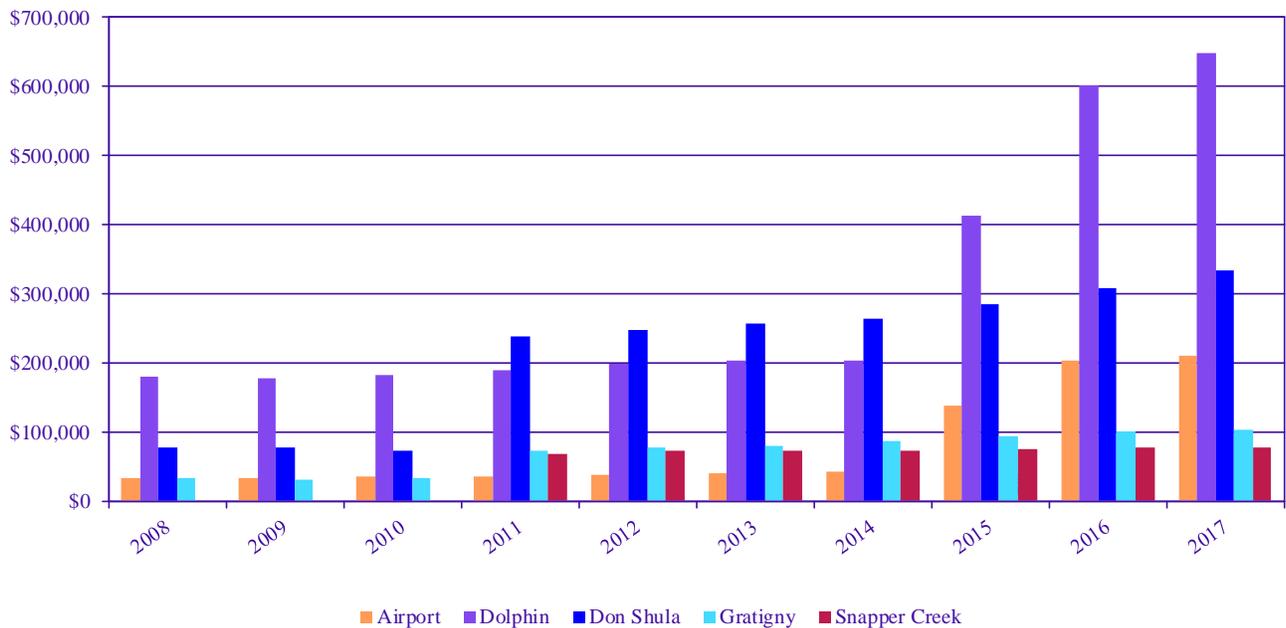
### Average Daily Traffic/Transactions by Expressway

Expressway	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Airport (SR112)	210,740	202,928	137,076	42,788	40,060	38,672	36,240	34,775	34,137	32,652
Dolphin (SR 836)	646,891	601,830	411,714	204,090	202,032	199,195	189,140	182,052	177,157	180,140
Don Shula (SR874)	334,474	307,242	285,435	263,062	255,829	248,108	237,405	72,696	77,718	78,172
Snapper Creek (SR878)*	77,265	76,907	76,135	73,514	73,673	72,740	67,444	-	-	-
Gratigny (SR924)	103,043	99,737	94,648	86,004	79,216	76,955	72,819	32,227	30,063	32,257
<b>MDX System Average</b>	<b>1,372,413</b>	<b>1,288,644</b>	<b>1,005,008</b>	<b>669,458</b>	<b>650,810</b>	<b>635,670</b>	<b>603,048</b>	<b>321,750</b>	<b>319,075</b>	<b>323,221</b>

\* Fiscal year 2011 the Authority began collecting tolls on Snapper Creek as part of the ORT initiative. As a result, transaction data is only available as of fiscal year 2011.

\*\*Fiscal Year 2017 average daily toll calculated using 361 days. Tolls lifted 4 days due to Hurricane Matthew.

### Average Daily Traffic/Transactions



## Revenue Capacity Last Ten Fiscal Years

### Average Daily Revenue by Expressway

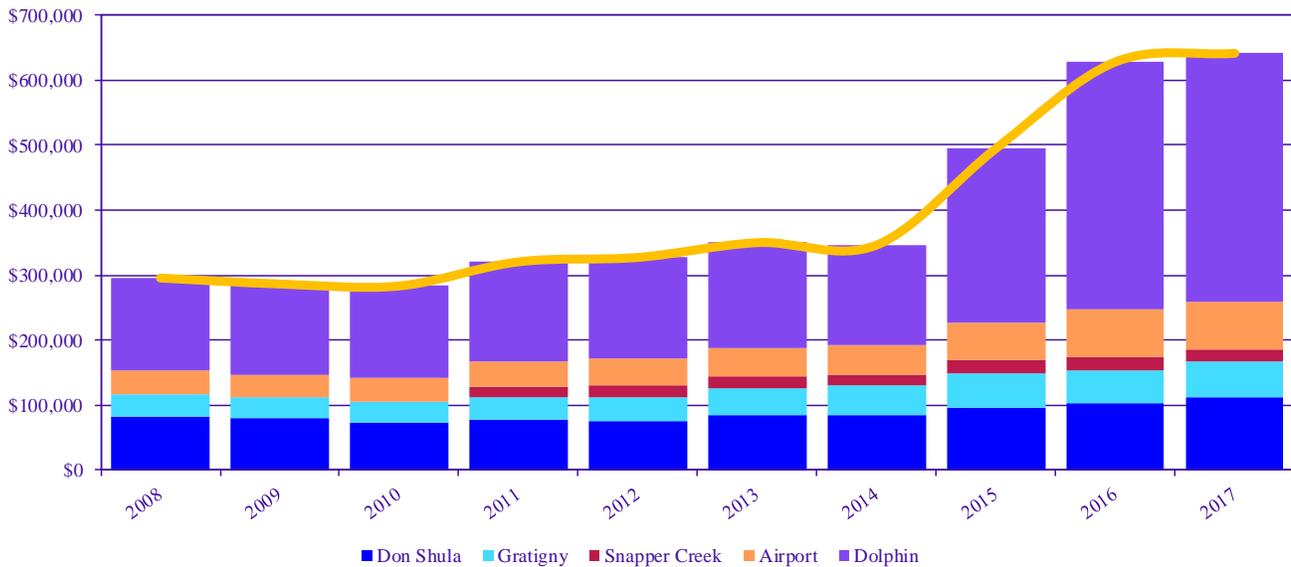
Expressway	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Airport (SR112)	\$ 73,578	\$ 74,126	\$ 58,828	\$ 45,006	\$ 43,162	\$ 41,062	\$ 39,000	\$ 36,111	\$ 35,897	\$ 35,232
Dolphin (SR836)	381,342	380,311	267,642	153,701	161,717	155,887	152,390	141,835	138,988	143,122
Don Shula (SR874)	113,113	102,441	96,712	84,474	84,301	75,243	76,760	73,835	79,399	81,948
Snapper Creek (SR878)*	19,931	20,062	19,794	18,239	18,795	17,391	16,220	-	-	-
Gratigny (SR924)	53,476	51,130	52,045	44,995	42,108	37,732	36,180	31,630	32,185	35,305
<b>MDX System Average</b>	<b>\$ 641,440</b>	<b>\$ 628,069</b>	<b>\$ 495,020</b>	<b>\$ 346,414</b>	<b>\$ 350,083</b>	<b>\$ 327,315</b>	<b>\$ 320,550</b>	<b>\$ 283,411</b>	<b>\$ 286,470</b>	<b>\$ 295,607</b>

\* Fiscal year 2011 the Authority began collecting tolls on Snapper Creek as part of the ORT initiative. As a result, transaction data is only available as of fiscal year 2011.

\*\*Total average revenue listed above does not include violations.

\*\*Fiscal Year 2017 average daily toll calculated using 361 days. Tolls lifted 4 days due to Hurricane Matthew.

### Average Daily Revenue



## Revenue Capacity Last Ten Fiscal Years

### Traffic/Transaction Vehicle Class by Expressway

Expressway	Class	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Airport (SR112)</b>	2-axles	73,846,841	72,138,592	48,669,891	15,291,835	14,319,811	13,867,638	12,945,556	12,410,908	12,121,860	11,616,433
	3-axles	1,051,258	1,012,830	689,969	187,975	174,301	159,970	151,748	150,545	163,620	184,384
	4-axles	294,442	295,716	185,604	32,466	28,769	29,188	27,586	25,487	29,847	37,579
	5-axles	827,363	782,332	467,102	102,560	96,244	93,608	98,648	99,566	104,524	107,576
	< 6-axles	57,351	42,042	20,206	2,681	2,709	3,609	4,091	3,438	3,412	3,097
<b>Dolphin (SR836)</b>	2-axles	229,682,976	216,761,009	147,891,661	73,468,583	72,768,115	71,983,114	68,093,768	65,562,730	63,599,041	64,998,675
	3-axles	1,949,760	1,830,859	1,258,608	546,700	510,585	496,898	531,212	484,304	484,697	512,203
	4-axles	761,391	663,910	503,283	228,069	202,046	178,429	191,857	178,329	171,230	188,522
	5-axles	1,089,657	965,747	598,750	238,450	251,279	237,542	211,311	201,951	212,354	222,612
	< 6-axles	43,692	48,311	23,379	10,942	9,758	9,340	8,110	8,396	7,324	9,878
<b>Don Shula (SR874)</b>	2-axles	118,674,327	110,604,230	102,572,206	94,524,301	91,976,205	89,474,741	85,396,631	26,258,883	27,974,458	28,260,998
	3-axles	941,899	828,548	756,134	707,916	671,287	646,202	598,833	128,204	145,984	166,602
	4-axles	636,682	565,471	479,522	442,790	416,651	382,847	349,846	50,649	55,360	65,574
	5-axles	470,194	419,154	360,777	329,192	301,302	289,449	290,044	92,683	105,131	110,498
	< 6-axles	22,106	33,144	15,045	13,459	12,481	14,131	17,362	2,884	3,340	3,727
<b>Snapper Creek (SR878)*</b>	2-axles	27,689,979	27,945,327	27,574,885	26,635,099	26,705,029	26,437,767	24,453,316	-	-	-
	3-axles	100,116	104,608	111,185	101,032	93,549	91,494	81,519	-	-	-
	4-axles	76,801	72,376	72,172	69,344	65,654	64,800	56,103	-	-	-
	5-axles	24,051	24,502	29,157	25,653	25,213	27,435	24,316	-	-	-
	< 6-axles	1,637	1,166	1,733	1,324	1,274	1,618	1,659	-	-	-
<b>Gratigny (SR924)</b>	2-axles	34,880,517	34,293,005	32,634,681	29,726,577	27,471,969	26,821,571	25,329,380	11,331,749	10,562,776	11,361,524
	3-axles	776,759	759,661	662,689	572,510	504,519	488,336	461,592	144,958	135,688	159,165
	4-axles	572,075	564,018	457,166	394,493	330,873	298,713	287,397	82,321	72,008	88,195
	5-axles	936,806	860,112	768,636	679,294	591,845	541,442	485,946	177,368	162,525	187,166
	< 6-axles	32,247	27,098	23,418	18,665	14,675	15,478	14,732	7,860	5,684	6,239
<b>MDX System</b>	2-axles	484,774,640	461,742,163	359,343,324	239,646,395	233,241,129	228,584,831	216,218,650	115,564,271	114,258,134	116,237,631
	3-axles	4,819,792	4,536,506	3,478,585	2,116,133	1,954,241	1,882,900	1,824,903	908,011	929,989	1,022,353
	4-axles	2,341,391	2,161,491	1,697,747	1,167,162	1,043,993	953,977	912,789	336,786	328,446	379,871
	5-axles	3,348,071	3,051,847	2,224,422	1,375,149	1,265,883	1,189,476	1,110,265	571,568	584,534	627,853
	< 6-axles	157,033	151,761	83,781	47,071	40,897	44,176	45,954	22,577	19,760	22,942
<b>Total Traffic/Transactions</b>		<b>495,440,927</b>	<b>471,643,768</b>	<b>366,827,859</b>	<b>244,351,910</b>	<b>237,546,143</b>	<b>232,655,360</b>	<b>220,112,561</b>	<b>117,403,213</b>	<b>116,120,863</b>	<b>118,290,650</b>

\* Fiscal year 2011 the Authority began collecting tolls on Snapper Creek as part of the ORT initiative. As a result, transaction data is only available as of fiscal year 2011.

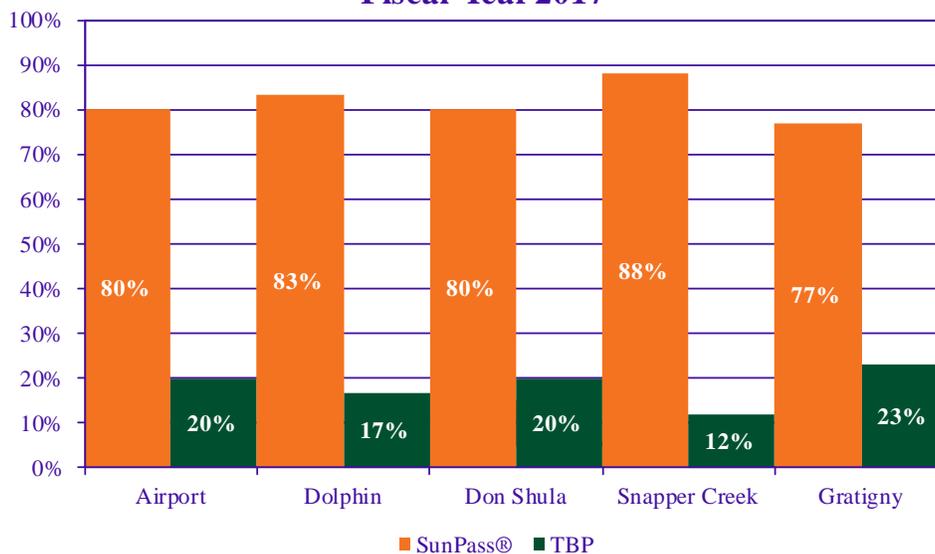
**Revenue Capacity  
Last Ten Fiscal Years**

**Traffic/Transaction Percentage by Expressway**

Expressway	Payment Type	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
		<b>Airport (SR112)</b>	SunPass®	80.1%	78.1%	74.8%	63.6%	75.4%	64.0%	62.3%	67.1%
	Cash	-	-	1.9%	18.5%	20.9%	22.4%	22.3%	32.3%	35.0%	37.0%
	TBP	19.9%	21.9%	23.3%	18.0%	3.7%	13.6%	15.3%	1.0%	-	-
<b>Dolphin (SR836)</b>	SunPass®	83.3%	81.1%	79.5%	81.6%	83.6%	73.8%	73.0%	70.8%	69.0%	66.4%
	Cash	-	-	0.4%	3.0%	8.1%	5.2%	11.7%	28.4%	31.0%	33.7%
	TBP	16.7%	18.9%	20.0%	15.4%	8.4%	21.0%	15.4%	1.0%	-	-
<b>Don Shula (SR874)</b>	SunPass®	80.1%	79.4%	81.2%	83.4%	85.7%	74.5%	74.5%	70.2%	70.0%	68.0%
	Cash	-	-	-	-	-	-	0.3%	29.1%	30.0%	32.0%
	TBP	19.9%	20.6%	18.8%	16.6%	14.3%	25.5%	25.2%	1.0%	-	-
<b>Snapper Creek (SR878)*</b>	SunPass®	87.9%	84.5%	85.2%	86.9%	89.0%	78.3%	76.7%	-	-	-
	TBP	12.1%	15.5%	14.8%	13.1%	11.0%	21.7%	23.4%	-	-	-
<b>Gratigny (SR924)</b>	SunPass®	77.1%	79.0%	82.7%	83.3%	86.1%	75.3%	74.3%	76.1%	75.0%	71.0%
	Cash	-	-	-	-	-	-	-	19.9%	25.0%	29.0%
	TBP	22.9%	21.0%	17.3%	16.7%	13.9%	24.7%	25.7%	4.0%	-	-
<b>MDX System</b>	SunPass®	81.8%	80.3%	80.1%	81.9%	84.1%	74.2%	73.2%	75.9%	74.8%	72.7%
	Cash	-	-	0.4%	2.1%	3.8%	3.0%	6.1%	23.0%	25.2%	27.3%
	TBP	18.2%	19.7%	19.5%	16.0%	12.1%	22.8%	20.7%	1.1%	-	-

\* Fiscal year 2011 the Authority began collecting tolls on Snapper Creek as part of the ORT initiative. As a result, transaction data is only available as of fiscal year 2011.

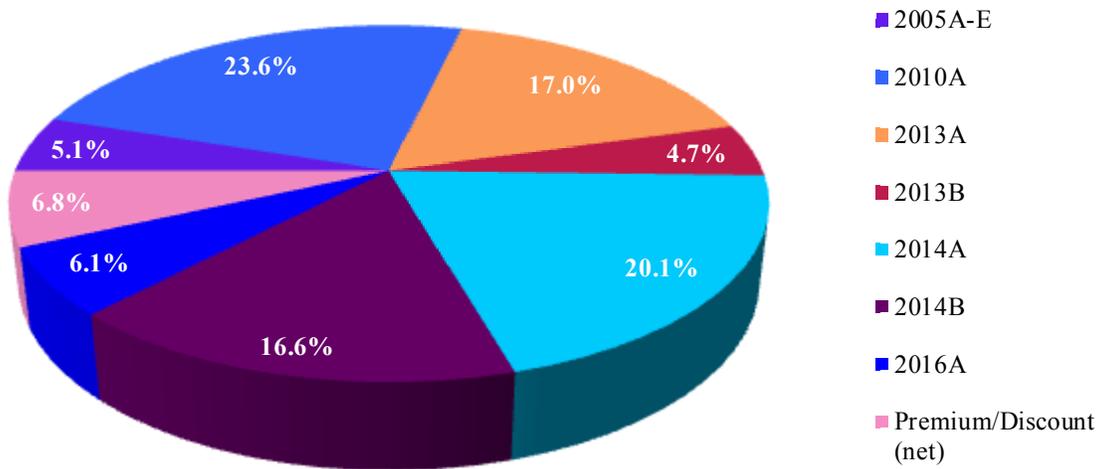
**Traffic/Transaction Percentage  
Fiscal Year 2017**



**Outstanding Debt - Principal  
(In Thousands)**

Fiscal Year	Revenue Bonds	SIB Loans	TFRTF Loans	Total Debt
2017	\$ 1,563,340	\$ -	\$ -	\$ 1,563,340
2016	1,586,609	-	-	1,586,609
2015	1,603,569	11,975	3,750	1,619,294
2014	1,580,831	16,281	4,500	1,601,612
2013	1,254,949	22,459	5,250	1,282,658
2012	1,248,549	30,463	5,750	1,284,762
2011	1,252,654	39,466	6,000	1,298,120
2010	925,184	41,613	6,112	972,909
2009	933,085	42,613	4,780	980,478
2008	940,607	46,113	4,949	991,669

**Revenue Bonds Outstanding  
by Series**

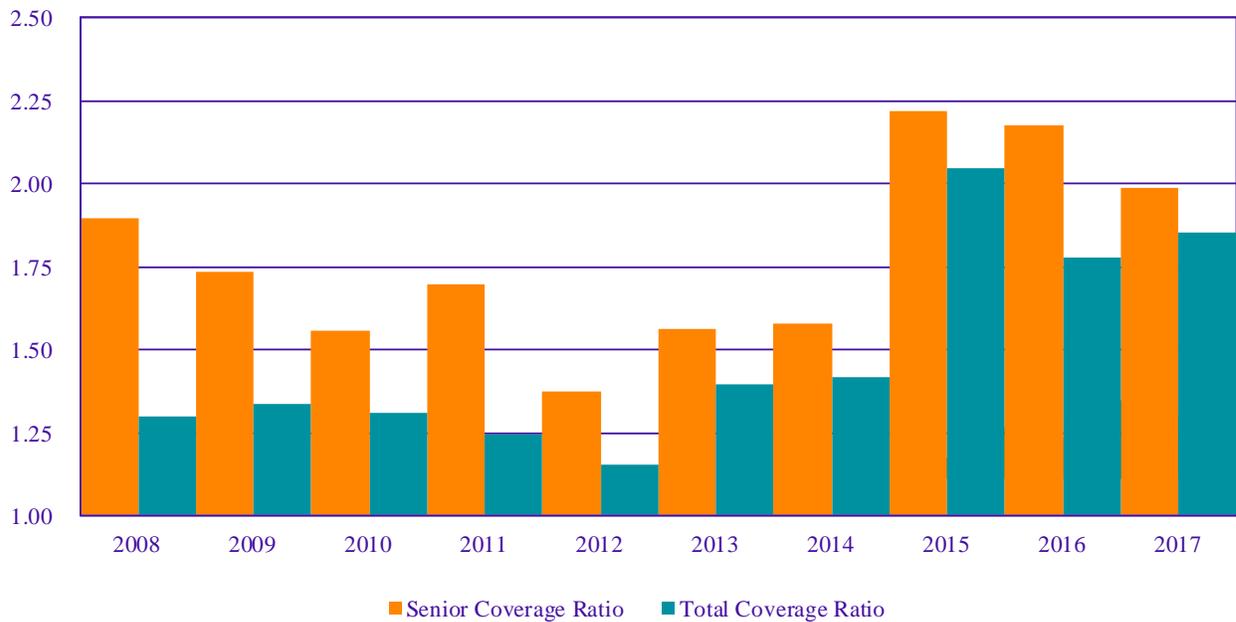


**Debt Capacity**  
**Last Ten Fiscal Years**

**Debt Covenants**  
**(In Thousands)**

Fiscal Year	Net Revenues Available for Debt Service	Senior Debt Service	Total Debt Service and All Fund Payments	Senior Bonds Coverage Ratio	All Debt Coverage Ratio
<b>2017</b>	<b>\$ 190,001</b>	<b>\$ 95,717</b>	<b>\$ 102,481</b>	<b>1.99</b>	<b>1.85</b>
2016	187,340	86,125	105,419	2.18	1.78
2015	140,593	63,374	68,729	2.22	2.05
2014	99,529	62,948	70,283	1.58	1.42
2013	117,782	75,341	84,371	1.56	1.40
2012	101,066	73,629	87,470	1.37	1.16
2011	99,228	58,506	79,608	1.70	1.25
2010	87,000	55,921	66,479	1.56	1.31
2009	94,510	54,505	70,710	1.73	1.34
2008	107,155	56,458	82,425	1.90	1.30

**Debt Service Coverage Ratio**



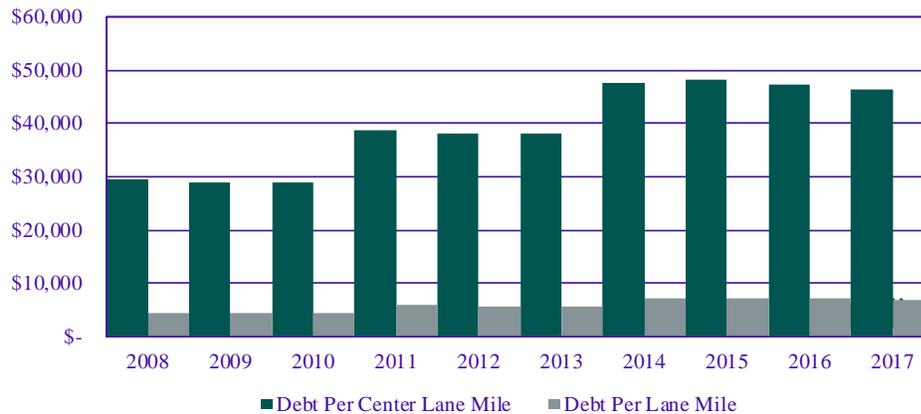
## Debt Capacity Last Ten Fiscal Years

### Ratios of Outstanding Debt (In Thousands)

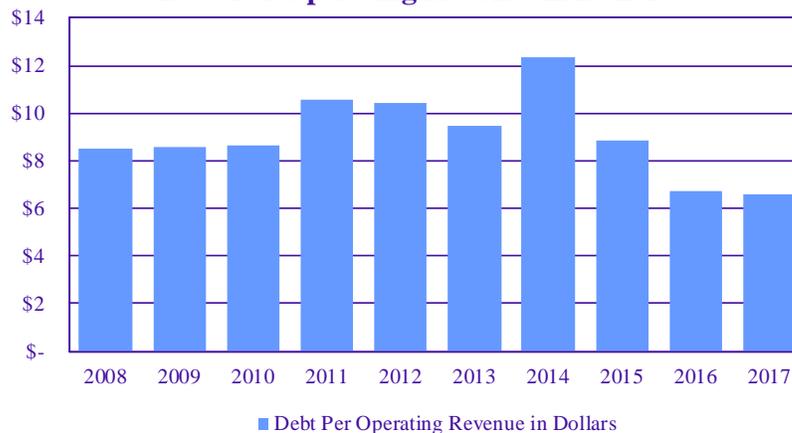
Fiscal Year	Center Lane Miles*	Lane Miles*	Operating Revenue	Total Debt	Debt Per Center Lane Mile	Debt Per Lane Mile	Debt Per Operating Revenue in Dollars
2017	33.6	228.1	\$ 237,822	\$ 1,563,340	\$ 46,528	\$ 6,853	\$ 6.57
2016	33.6	223.9	235,521	1,586,609	47,221	7,086	6.74
2015	33.6	223.9	183,542	1,619,294	48,208	7,231	8.82
2014	33.6	226.4	130,020	1,601,612	47,667	7,074	12.32
2013	33.6	222.3	135,417	1,282,658	38,174	5,770	9.47
2012	33.6	222.3	123,480	1,284,762	38,237	5,779	10.40
2011	33.6	219.7	122,682	1,298,120	38,647	5,908	10.58
2010	33.6	220.4	112,665	972,909	28,956	4,415	8.64
2009	33.7	221.1	113,864	980,478	29,094	4,435	8.61
2008	33.7	221.1	116,734	991,669	29,426	4,485	8.50

\*Center lane and lane miles are calculated on main line roadway.

#### Debt Per Mile



#### Debt Per Operating Revenue in Dollars



**Demographic and Economic Information**  
**Last Ten Fiscal Years**

**Miami-Dade County**

Year	Population (In Thousands)	Total Personal Income (In Thousands)*	Per-Capita Personal Income*	Consumer Price Index	Labor Force (In Thousands)	Unemployment Rate (%)	Retail Gas Prices (All Grades, Dollars per Gallon)
<b>2016</b>	<b>2,713</b>	<b>n/a</b>	<b>n/a</b>	<b>249.8</b>	<b>1,342</b>	<b>5.4</b>	<b>\$2.47</b>
<b>2015</b>	2,693	\$116,553	\$43,278	245.4	1,317	5.9	2.70
<b>2014</b>	2,667	110,992	41,587	243.1	1,315	6.8	3.59
<b>2013</b>	2,641	103,310	39,104	238.2	1,289	7.5	3.74
<b>2012</b>	2,608	102,917	39,414	235.2	1,282	8.3	3.80
<b>2011</b>	2,573	100,313	38,880	230.9	1,255	9.4	3.70
<b>2010</b>	2,496	95,717	38,162	223.1	1,225	11.1	2.93
<b>2009</b>	2,464	87,218	35,398	221.4	1,210	10.4	2.52
<b>2008</b>	2,436	94,227	38,680	222.1	1,229	4.8	3.45

**State of Florida**

Year	Population (In Thousands)	Total Personal Income (In Millions)	Per-Capita Personal Income	Consumer Price Index**	Labor Force (In Thousands)	Unemployment Rate (%)	Retail Gas Prices (All Grades, Dollars per Gallon)
<b>2016</b>	<b>20,612</b>	<b>\$944,443</b>	<b>\$45,819</b>	<b>233</b>	<b>9,839</b>	<b>5</b>	<b>\$2.22</b>
<b>2015</b>	20,245	900,636	44,487	230.1	9,619	5.4	2.44
<b>2014</b>	19,889	853,318	42,905	230.6	9,580	6.3	3.42
<b>2013</b>	19,582	798,886	40,797	226.7	9,447	7.2	3.57
<b>2012</b>	19,344	793,104	41,000	223.2	9,383	8.5	3.63
<b>2011</b>	19,097	773,316	40,494	218.6	9,301	10.0	3.55
<b>2010</b>	18,801	728,064	38,626	211.3	9,212	11.1	2.83
<b>2009</b>	18,653	691,356	37,065	207.8	9,095	10.4	2.42
<b>2008</b>	18,527	734,691	39,655	208.7	9,216	6.3	3.33

**United States**

Year	Population (In Millions)	Total Personal Income (In Millions)	Per-Capita Personal Income	Consumer Price Index	Labor Force (In Thousands)	Unemployment Rate (%)	Retail Gas Prices (All Grades, Dollars per Gallon)
<b>2016</b>	<b>323,128</b>	<b>\$16,017,781</b>	<b>\$49,571</b>	<b>240</b>	<b>159,187</b>	<b>5</b>	<b>\$2.25</b>
<b>2015</b>	320,897	15,463,981	48,190	237.0	157,130	5.3	2.52
<b>2014</b>	318,563	14,801,624	46,464	236.7	155,922	6.2	3.44
<b>2013</b>	316,205	14,068,960	44,493	233.0	155,389	7.4	3.58
<b>2012</b>	313,998	13,904,485	44,282	229.6	154,975	8.1	3.68
<b>2011</b>	311,663	13,233,436	42,461	224.9	153,617	8.9	3.58
<b>2010</b>	308,746	12,459,613	40,277	218.1	153,889	9.6	2.84
<b>2009</b>	306,772	12,079,444	39,376	214.5	154,142	9.3	2.41
<b>2008</b>	304,094	12,492,705	41,082	215.3	154,287	5.8	3.30

\* 2016 Personal Income and Per-Capita Income are not yet available

\*\* Consumer Price Index for U.S. South Urban

Sources:

Population: United States Census Bureau

Personal Income: Bureau of Economic Analysis

Consumer Price Index: Bureau of Labor Statistics (1982-84 = 100)

Labor Force: Bureau of Labor Statistics

**Demographic and Economic Information**  
**Last Ten Fiscal Years**

**Total Employment by Industry: Miami-Dade County**

<b>Description</b>	<b>2015</b>	<b>% of Total</b>	<b>2005</b>	<b>% of Total</b>
<b>Employment by Industry:</b>				
Farming	7,206	0.4%	6,612	0.5%
Forestry, Fishing, and Related Activities	3,523	0.2%	2,897	0.2%
Mining/Extraction	1,521	0.1%	908	0.1%
Utilities	2,990	0.2%	3,266	0.2%
Construction	73,293	4.4%	78,581	5.7%
Manufacturing	46,077	2.7%	53,240	3.8%
Wholesale Trade	90,178	5.4%	80,292	5.8%
Retail Trade	173,888	10.3%	139,722	10.1%
Transportation and Warehousing	98,049	5.8%	81,748	5.9%
Information	25,797	1.5%	28,466	2.0%
Finance and Insurance	92,577	5.5%	65,852	4.7%
Real Estate and Rental and Leasing	126,220	7.5%	75,188	5.4%
Professional, Scientific, and Technical Ser	120,360	7.2%	92,967	6.7%
Management of Companies and Enterpris	15,521	0.9%	9,017	0.6%
Administrative and Waste Management S	134,016	8.0%	121,838	8.8%
Educational Services	42,239	2.5%	31,145	2.2%
Health Care and Social Assistance	176,548	10.5%	131,126	9.4%
Arts, Entertainment, and Recreation	30,912	1.8%	22,790	1.6%
Accommodation and Food Services	132,894	7.9%	92,945	6.7%
Other Services (Except Public Administra	141,647	8.4%	112,588	8.1%
Government and Government Enterprises	145,797	8.7%	158,112	11.4%
<b>Total Employment by Industry</b>	<b>1,681,253</b>	<b>100.00%</b>	<b>1,389,300</b>	<b>100.00%</b>

Source:

U.S. Department of Commerce, Bureau of Economic Analysis

**Miami-Dade County: 25 Largest Employers**

<b>Employer</b>	<b>Number of Employees</b>
Miami-Dade County Public Schools	33,477
Miami-Dade County	25,502
Federal Government	19,200
Florida State Government	17,100
University of Miami	12,818
Baptist Health South Florida	11,353
American Airlines	11,031
Jackson Health System	9,797
City of Miami	3,997
Florida International University	3,534
Carnival Cruise Lines	3,500
Miami Children's Hospital	3,500
Mount Sinai Medical Center	3,321
Homestead Air Force Base	3,250
Florida Power & Light Company	3,011
Royal Caribbean International/Celebrity Cruises	2,989
Miami VA Healthcare System	2,500
Miami-Dade College	2,390
Wells Fargo	2,050
Bank of America Merrill Lynch	2,000
Fontainebleau Miami Beach	1,987
City of Miami Beach	1,971
Burger King Corporation	1,885
U.S. Southern Command	1,600
City of Hialeah	1,578

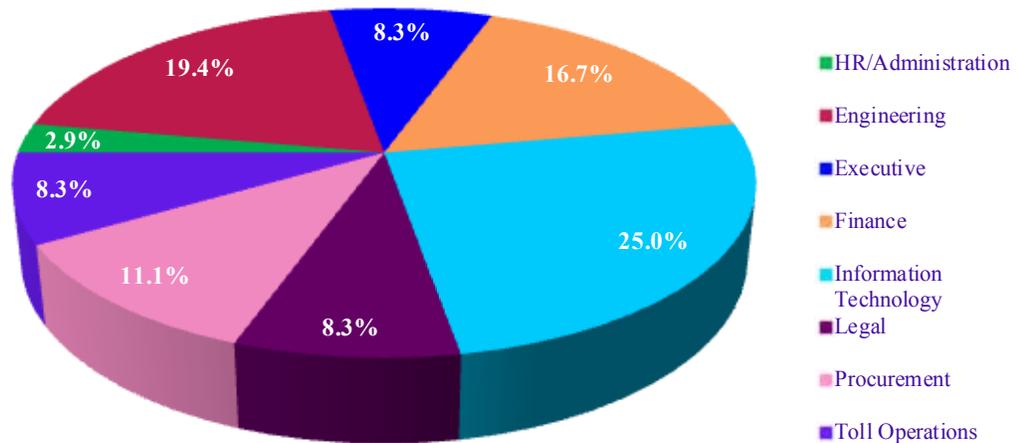
Source:  
The Beacon Council 2015

**Operating Information  
Last Ten Fiscal Years**

**Full-Time Employees by Department**

<b>Department</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
HR/Administration	1	3	4	5	6	5	6	6	4	4
Engineering	7	8	9	8	8	8	8	8	8	7
Executive	3	3	3	3	2	2	2	2	2	2
Finance	6	6	5	6	6	6	6	7	9	8
Information Technology	9	12	13	13	13	13	13	14	15	15
Legal	3	3	3	1	2	2	2	1	1	0
Procurement	4	4	4	3	4	4	4	5	4	4
Public Communications	0	0	0	0	1	1	1	1	1	1
Toll Operations	3	4	4	5	5	5	5	5	4	4
<b>Total Employees</b>	<b>36</b>	<b>43</b>	<b>45</b>	<b>44</b>	<b>47</b>	<b>46</b>	<b>47</b>	<b>49</b>	<b>48</b>	<b>45</b>

**Full-Time Employees by Department  
Fiscal Year 2017**



(Page intentionally left blank)



**Miami-Dade County Expressway Authority**  
**d/b/a Miami-Dade Expressway Authority and MDX**  
3790 NW 21<sup>st</sup> Street / Miami, Florida 33142 /  
[www.mdxway.com](http://www.mdxway.com)

**MIAMI-DADE COUNTY  
EXPRESSWAY AUTHORITY**

**REPORTS REQUIRED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS* AND CHAPTER 10.550, *RULES OF THE  
AUDITOR GENERAL OF THE STATE OF FLORIDA***

**Year Ended June 30, 2017**

# CONTENTS

---

	<u>Page Number</u>
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	1
NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	2
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, <i>RULES OF THE AUDITOR GENERAL</i>	3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	5
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	6
INDEPENDENT AUDITOR'S MANAGEMENT LETTER	8
INDEPENDENT ACCOUNTANT'S REPORT	10

**MIAMI-DADE EXPRESSWAY AUTHORITY**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**Year Ended June 30, 2017**

<u>State Agency/Pass-Through Grantor/ Program Title</u>	<u>State CSFA Number</u>	<u>Contract Number</u>	<u>State Expenditures</u>
<b>Florida Department of Transportation</b>			
<i>Intermodal Development Program</i>			
Dolphin Park & Ride Transit Terminal Facility	55.014	ARU36	\$ 2,575,028
Total Program			<u>2,575,028</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<u><u>\$ 2,575,028</u></u>

See Note to Schedule of Expenditures of State Financial Assistance.

# MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY

## NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

**Year Ended June 30, 2017**

### NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of State Financial Assistance (the “Schedule”) included herein represents the federal and state-initiated grant activity of Miami-Dade County Expressway Authority (the “Authority”), recorded by the Authority during the fiscal year ended June 30, 2017. For purposes of this Schedule, state financial assistance includes state assistance received directly from a state agency, as well as passed through other government agencies, are included on the Schedule. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the Authority.

### NOTE 2 – BASIS OF ACCOUNTING

The information in the Schedule is presented in accordance with the requirements of Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the Authority.

*Basis of Accounting* – The expenditures in the accompanying Schedule are presented using the accrual basis of accounting, except for the pass-through to subrecipients, as applicable, which is presented using the cash basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the Authority becomes obligated for a payment as a result of the receipt of the related goods or services.

### NOTE 3 – CORRECTION OF OTHER PRIOR YEAR GRANT EXPENDITURES REPORTED

The prior year expenditures for the following state projects have been changed due to an adjustment of expenditures, which were originally reported in prior years. These amounts were allowable, however were not submitted for reimbursement in the prior year, nor in the current year, to the State agency.

<u>Agency</u>	<u>CSFA</u>	<u>Contract Number</u>	<u>Expenditures Reported in Prior Years</u>	<u>Adjustment Increase (Decrease)</u>	<u>Prior Years Expenditures As Corrected</u>
<b>State Financial Assistance</b>					
Florida Department of Transportation	55.014	ARU36	\$ 1,053,401	\$ (20,647)	\$ 1,032,754



Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR STATE PROJECT AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Members of the  
Miami-Dade County Expressway Authority  
Miami, Florida

**Report on Compliance for Each Major State Project**

We have audited the compliance of Miami-Dade County Expressway Authority (the "Authority") with the types of compliance requirements described in the Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of its major state projects for the year ended June 30, 2017.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants referred to above.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Authority's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*. Those standards and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major state project identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the Authority's compliance with those requirements.

**Opinion on Each Major State Project**

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state project identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

**Report on Internal Control over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on the major state project to determine auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Members of the  
Miami-Dade County Expressway Authority

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Schedule of Expenditures of State Financial Assistance**

We have audited the financial statements of the business-type activities of the Authority as of and for the year ended June 30, 2017, and have issued our report thereon dated November 9, 2017. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for the purposes of additional analysis, as required by Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements referred to above. Accordingly, this report is not suitable for any other purpose.



**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
November 9, 2017





**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the  
Miami-Dade County Expressway Authority  
Miami, Florida

We have audited, in accordance with the 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, the basic financial statements, as listed in the table of contents, of Miami-Dade County Expressway Authority (the “Authority”) as of and for the year ended June 30, 2017, and have issued our report thereon dated November 9, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Authority’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Members of the  
Miami-Dade County Expressway Authority

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
November 9, 2017



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Members of the  
Miami-Dade County Expressway Authority

### **Report on the Financial Statements**

We have audited the financial statements of Miami-Dade County Expressway Authority (the "Authority") as of and for the year ended June 30, 2017, and have issued our report thereon dated November 9, 2017.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America; and Chapter 10.550, *Rules of the Auditor General*.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control over Compliance in Accordance with Chapter 10.550, *Rules of the Auditor General*, Schedule of Findings and Questioned Costs Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated November 9, 2017, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Members of the  
Miami-Dade County Expressway Authority

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Annual Financial Report**

Sections 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Authority for the fiscal year ended June 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended June 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

### **Special District Component Units**

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contract or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



**MOORE STEPHENS LOVELACE, P.A.**

Certified Public Accountants

Orlando, Florida  
November 9, 2017



Certified Public Accountants

## INDEPENDENT ACCOUNTANT'S REPORT

Members of the  
Miami-Dade County Expressway Authority  
Miami, Florida

We have examined Miami-Dade County Expressway Authority's (the "Authority") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended June 30, 2017. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2017.

*Moore Stephens Lovelace, P.A.*

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
November 9, 2017