MIAMI-DADE EXPRESSWAY AUTHORITY
3790 N.W. 21 St. Miami, FL 33142 T 305.637.3277 F 305.637.3283
www.mdxway.com

FINANCE, POLICY & PLANNING COMMITTEE MEETING
AGENDA

TUESDAY, NOVEMBER 13, 2018
10:00 AM

I. CALL TO ORDER

II. DECLARATIONS OF VOTING CONFLICTS

III. PUBLIC COMMENT

IV. ACTION ITEMS

A) Approval of Summary Minutes:

- **Joint Finance, Policy and Planning & Operations, External Communications and Inter-Governmental Committee Meeting of May 22, 2018**

B) Approval of Treasurer's Report

C) Endorsement of Fiscal Year 2018 Audited Comprehensive Annual Financial Report (CAFR)

D) Endorsement of Revision to MDX Property Acquisition Policy

V. ANNOUNCEMENTS:

- **Board Meeting, 12/5/18, 4:00 PM, William M. Lehman MDX Building – Board Room**

VI. ADJOURNMENT

MIAMI-DADE EXPRESSWAY AUTHORITY
CONFLICT OF INTEREST REPORT
FINANCE, POLICY & PLANNING COMMITTEE MEETING
NOVEMBER 13, 2018

Below is a list of Primes and their Subcontractors/Subconsultants that are either: (i) currently participating under a Contract with MDX, (ii) pending approval to Contract with MDX, or (iii) pending approval to lease property from MDX and are the subject of an Action Item on today's Agenda. Board members shall consider each entity identified, inclusive of their principals, directors, officers, members/managers, partners... (as applicable) for any actual or potential conflicts of interest that require disclosure.

ACTION ITEM	PROCUREMENT/CONTRACT/LEASE	CONTRACTOR/CONSULTANT/LEASEE/OWNER	SUBCONTRACTOR/SUBCONSULTANT

THERE ARE NO ACTION ITEMS REQUIRING CONFLICT OF INTEREST DISCLOSURE FOR THIS MEETING

MIAMI-DADE EXPRESSWAY AUTHORITY (MDX)
FINANCE, POLICY & PLANNING COMMITTEE MEETING
TUESDAY, SEPTEMBER 18, 2018
10:30 AM

SUMMARY MINUTES

Present Committee Members:
Louis V. Martinez, Esq., Chair
Luz Weinberg, Vice Chair
Audrey M. Edmonson
James Wolfe, P.E.

Absent Committee Members:
Leonard Boord, MDX Vice Chair
Carlos A. Gimenez, MDX Chair

Present MDX Board Members:
Shelly Smith Fano

Staff:
Javier Rodriguez, Executive Director
Carlos M. Zaldivar, MDX General Counsel
Marie Schafer, Director of Finance/CFO
Juan Toledo, Director of Engineering
Steve Andriuk, Director of Toll Operations
Helen Cordero, Manager, Contract Administration & Procurement
Francine Steelman, Associate General Counsel
MariaLuisa Navia Lobo, Board Secretary

Consultants:

Kirk De Leon, Legal Counsel
Randy Topel, Hilltop Securities
Albert Sosa, HNTB GEC-A
Rick Crooks, EAC – GEC-B -David Aron - CDM Smith

CALL TO ORDER

Mr. Martinez called the meeting to order. Ms. Navia Lobo called the roll and announced a quorum was present.

DECLARATIONS OF VOTING CONFLICTS

Mr. Zaldivar asked Committee Members if there were any conflicts to declare in regards to the Agenda. No conflicts were declared.

PUBLIC COMMENT

No public comments were received.

ACTION ITEMS

A) Approval of Summary Minutes

- Joint Finance, Policy and Planning & Operations, External Communications and Inter-Governmental Committee Meeting of May 22, 2018

Ms. Weinberg moved to approve the Summary Minutes. Commissioner Edmonson seconded the motion. The motion was unanimously approved.

B) Approval of Treasurer's Report

Ms. Schafer reported for the two-month period of fiscal year 2019. The report reflects the transition at the beginning of the fiscal year to the Customer Service Center. For the two-month period $35.2 million worth of toll revenue compared to the budget of $37.5 million, which is below the forecast by $2.2 million, this is mainly due to the transition delay. The revenue reflects the SunPass® revenue as well as the collection revenue from the previous vendor. Toll by Plate customers have yet to be billed. It is expected they will be billed in October 2018. Overall, total revenue base is $1.8 million below the forecast.

Commissioner Edmonson approved the Treasure's Report as presented. Ms. Weinberg seconded the motion. The motion was unanimously approved.

C) Approval of Staff Recommendation

- 2017/2018 Legislation

Mr. Rodriguez introduced the item which is requesting the Committee's authority of Staff's recommendation to file a lawsuit in State Circuit Court for a Declaratory Judgement concerning the 2017 and 2018 legislative amendments to Chapter 348, Florida Statutes.

On July 27, 2018, the Fitch Rating Agency issued a press release that affirmed the "A" rating for MDX but changed the outlook to Negative. Fitch stated that the change in rating reflected the "*unprecedented intervention taken by the Florida Legislature usurping local autonomy to lower toll rates and divert surplus revenue to other county obligations. The negative outlook also reflects uncertainty surrounding the long-term impact the State's intervention may have on the Authority's ability to allocate funds for the* *capital expenditures in the future years and issue additional debt. In addition, the negative outlook further encompasses uncertainty of future legislative actions that could impact MDX' independent rate making flexibility."*

This issue had been previously discussed by the General Counsel who conferred with outside legal counsel to analyze issues concerning the contractual impairment of the Transfer Agreement; and the effect on the MDX's ability to secure bond financing, on the same terms as it had the past, in the future as a result of the 2017 and 2018 amendments to Chapter 348.

Staff recommended that MDX pursue a Declaratory Judgment and seek legislative assistance to get the legislative amendments changed. If this is not possible the effect will be that MDX will have to seek alternate ways to finance projects, which will be much more costly to the public and most likely reduce the Work Program.

Member Weinberg moved for discussion Staff's recommendation. Commissioner Edmonson seconded the motion.

Secretary Wolfe expressed that he felt uncomfortable with being involved in the discussion since it is about a Transfer Agreement between FDOT and MDX. He asked if it constitutes a justification to declare a conflict. He further stated that in absence of a conflict he would vote against the item. Mr. Zaldivar clarified that the declaratory action will not be against FDOT it will be against the Attorney General who is charge of enforcing the law.

Ms. Weinberg expressed concerns about the impact to MDX's finances and asked questions regarding that matter. Mr. Topel briefed Members on the negative financial impacts of the legislative amendments. He further stated it created doubt in the bond markets and that investors and insurers are already asking questions.

The item was thoroughly discussed.

Mr. Martinez asked for a roll call for this item:

L. Martinez -aye

L. Weinberg -aye

A. Edmonson -aye

J. Wolfe -nay

The item was approved.

DISCUSSION ITEMS

A) Customer Rewards Program

Mr. Rodriguez informed Members that projects have been deferred due to the toll reduction so this year the Customer Reward Program would have to be deferred. He also stated that 89,000 registered users need to be notified.

Mr. Martinez recommended deferring the item and adding it to the Board's agenda as a discussion item.

Ms. Weinberg recommended drafting language to inform customers with the exact reason for the suspension of the program.

INFORMATIONAL ITEMS

A) Fitch Rating's Report

The Fitch report was discussed with Agenda Item IV. C

B) External Auditor's Planning Communication to the Governing Board

Mr. Rodriguez reminded Members to complete the Related Party Questionnaire that is required by the Florida Ethics Commission.

ANNOUNCEMENTS

- Board Meeting, 9/25/18, 4:00 PM, William M. Lehman MDX Building – Board Room

ADJOURNMENT

The meeting was adjourned by Mr. Martinez.

Minutes prepared by Maria Luisa Navia Lobo, Board Secretary.

MIAMI-DADE EXPRESSWAY AUTHORITY
(UNAUDITED)
ACTUAL VS BUDGET REPORT
October 31, 2018

	October 2018 Actual	October 2018 Budget	Variances	%	October YTD Actual	October YTD Budget	Variances	%
Revenues								
Toll Revenues	$ 15,802,275	$ 20,288,000	$ (4,485,725)	(22.11)	$ 62,552,899	$ 76,494,000	$(13,941,101)	(18.23)
Fee Revenues	535,123	997,345	(462,222)	(46.35)	2,953,548	3,989,381	(1,035,832)	(25.96)
Interest/Dividend Income	828,902	510,000	318,902	62.53	3,310,478	2,040,000	1,270,478	62.28
Other Revenues	57,388	54,315	3,073	5.66	229,736	217,258	12,478	5.74
Total Revenues	$ 17,223,687	$ 21,849,660	$ (4,625,972)	(21.17)	$ 69,046,662	$ 82,740,639	$(13,693,977)	(16.55)
Operations, Maintenance & Administration Expenses								
Operations								
Toll Operations								
Toll-by-Plate Billings & Customer Service Support	$ 11,500	$ 11,599	$ 99	0.85	$ 912,761	$ 914,696	$ 1,935	0.21
Toll IT Systems Support & Operations	100,028	100,723	695	0.69	239,960	256,219	16,260	6.35
In-Lane Software/Hardware Maint & Support	217,670	218,197	527	0.24	1,069,437	1,076,786	7,350	0.68
Image Review Software and Support	91,647	131,078	39,431	30.08	445,313	527,313	82,000	15.55
Toll-by-Plate Postage & Printing	-	683	683	100.00	27,529	29,033	1,505	5.18
Utilities	9,669	10,009	340	3.40	74,271	84,765	10,493	12.38
Traffic & Revenue Studies	8,031	15,000	6,969	46.46	53,031	60,000	6,969	11.62
Other Toll Operations Expenses	14,651	16,523	1,872	11.33	62,171	65,790	3,619	5.50
FDOT, Toll Operations (SunPass Processing Charges)	1,060,994	1,464,033	403,038	27.53	4,243,827	5,647,031	1,403,204	24.85
FDOT, Toll Operations (SunPass Transponder Subsidy)	144,526	144,526	-	-	578,106	578,106	-	-
Total Toll Operations	1,658,717	2,112,371	453,654	21.48	7,706,405	9,239,739	1,533,334	16.59
Roadway Operations								
Traffic Management Center Expenses	107,904	108,589	685	0.63	367,781	369,596	1,814	0.49
Service Patrols & RISC	215,983	216,167	184	0.09	850,670	858,667	7,997	0.93
Roadway Lighting	12,723	13,364	641	4.80	101,152	105,454	4,302	4.08
NPDES Permits	-	3,500	3,500	100.00	-	7,000	7,000	100.00
Intelligent Transportation Systems Expenses	1,147	1,636	489	29.87	92,894	101,543	8,649	8.52
Roadway Operations Support Services	25,185	25,467	281	1.11	199,440	202,297	2,857	1.41
FDOT (Insurance)	72,362	72,362	-	-	289,449	300,194	10,745	3.58
Total Roadway Operations	435,304	441,084	5,780	1.31	1,901,386	1,944,750	43,364	2.23

MIAMI-DADE EXPRESSWAY AUTHORITY
(UNAUDITED)
ACTUAL VS BUDGET REPORT
October 31, 2018

	October 2018 Actual	October 2018 Budget	Variances	%	October YTD Actual	October YTD Budget	Variances	%
Operations-Public Outreach								
Print/Collateral/Products	-	1,444	1,444	100.00	698	3,444	2,747	79.75
MDX Website Content	4,054	5,000	946	18.93	4,054	10,000	5,946	59.46
Media Campaign Placement	-	21,400	21,400	100.00	19,535	78,800	59,265	75.21
Media Production	-	2,944	2,944	100.00	-	6,444	6,444	100.00
Public Relations	11,101	11,167	66	0.59	35,706	52,067	16,361	31.42
Customer Rewards Program Support	-	-	-	-	-	-	-	-
Customer Promotional Program	120	1,667	1,547	92.80	2,720	6,667	3,947	59.20
Community Outreach Support	14,231	14,297	66	0.46	62,069	65,627	3,557	5.42
Community Outreach Sponsorships/Memberships	-	2,000	2,000	100.00	10,700	14,000	3,300	23.57
Total Operations-Public Communications	29,506	59,919	30,413	50.76	135,481	237,049	101,568	42.85
Total Operations	$ 2,123,527	$ 2,613,373	$ 489,847	18.74	$ 9,743,272	$ 11,421,538	$ 1,678,266	14.69
Maintenance								
Roadway & Facility Maintenance Services	$ 491,882	$ 496,508	$ 4,625	0.93	$ 1,909,777	$ 1,950,032	$ 40,254	2.06
Periodic Maintenance & Enhanced Safety Improvements	98,562	98,938	375	0.38	299,401	303,000	3,599	1.19
Intelligent Transportation Systems Maintenance	-	3,000	3,000	100.00	-	6,000	6,000	100.00
Structural Inspections	21,149	21,693	544	2.51	47,026	48,386	1,360	2.81
Maintenance Support Services	70,546	70,933	387	0.55	290,670	295,533	4,863	1.65
Total Maintenance	$ 682,140	$ 691,072	$ 8,931	1.29	$ 2,546,874	$ 2,602,951	$ 56,077	2.15
Park & Ride Operations & Maintenance								
Park & Ride								
Private Mobility Service	$ -	$ 116,667	$ 116,667	100.00	$ -	$ 116,667	$ 116,667	100.00
Maintenance, Security, Utilities & Other Expenses	-	104,685	104,685	100.00	-	104,685	104,685	100.00
Information Technology	-	7,800	7,800	100.00	-	7,800	7,800	100.00
Support Services & Public Outreach	7,544	8,250	706	8.55	7,544	10,000	2,456	24.56
Total Park & Ride:	$ 7,544	$ 237,402	$ 229,858	96.82	$ 7,544	$ 239,152	$ 231,608	96.85

MIAMI-DADE EXPRESSWAY AUTHORITY
(UNAUDITED)
ACTUAL VS BUDGET REPORT
October 31, 2018

	October 2018 Actual	October 2018 Budget	Variances	%	October YTD Actual	October YTD Budget	Variances	%
Administration								
Salaries, Taxes & Benefits	$ 462,858	$ 463,492	$ 634	0.14	$ 1,918,195	$ 1,930,105	$ 11,910	0.62
Office Administration								
Headquarters Expenses & Utilities	10,589	11,148	559	5.01	39,205	40,724	1,519	3.73
Headquarters Maintenance	8,886	9,324	438	4.69	35,544	37,294	1,750	4.69
Headquarters Supplies, Postage & Document Storage	2,326	2,385	59	2.47	11,165	11,772	607	5.16
Headquarters Vehicle Operation & Maintenance	4,238	4,572	334	7.30	8,839	10,153	1,314	12.94
Advertisement of Procurement & Public Notices	-	-	-	-	3,850	6,925	3,075	44.40
Insurance Costs	10,293	10,293	-	-	36,830	37,640	809	2.15
Industry Continuing Ed./Travel/Conference Reg Fees	13,293	13,348	55	0.41	28,102	28,259	158	0.56
Memberships & Training	318	400	82	20.50	4,573	4,913	340	6.92
Headquarters Information Technology	16,690	17,212	522	3.03	63,978	69,848	5,870	8.40
Small & Local Business Outreach	-	-	-	-	1,500	5,000	3,500	70.00
Treasury & Bond Administration	3,654	3,788	133	3.52	19,067	27,150	8,083	29.77
Total Office Administration:	70,287	72,469	2,181	3.01	252,653	279,678	27,025	9.66
Professional Services								
Annual Audit & Support Services	20,000	20,000	-	-	61,105	62,000	895	1.44
Financial & Investment Advisor Services	15,711	16,989	1,278	7.52	46,926	49,089	2,163	4.41
Legal Services	65,800	66,250	450	0.68	322,370	333,000	10,630	3.19
State & Local Advocacy Consultants	-	-	-	-	-	-	-	-
Employee Benefits Consulting	4,444	4,444	-	-	4,444	4,444	-	-
Industry & Community Memberships	175	200	25	12.50	925	967	42	4.31
General Engineering Consultant	24,242	24,721	479	1.94	99,704	106,346	6,641	6.24
Total Professional Services:	130,372	132,604	2,232	1.68	535,475	555,846	20,371	3.66
Total Administration	$ 663,517	$ 668,564	$ 5,047	0.75	$ 2,706,323	$ 2,765,629	$ 59,306	2.14
Total Operating Expenses	$ 3,476,729	$ 4,210,412	$ 733,683	17.43	$ 15,004,014	$ 17,029,270	$ 2,025,256	11.89
Interest Expense	$ 5,884,920	$ 5,888,794	$ 3,875	0.07	$ 23,535,238	$ 23,555,178	$ 19,939	0.08
Total Expenses	$ 9,361,648	$ 10,099,206	$ 737,557	7.30	$ 38,539,252	$ 40,584,448	$ 2,045,196	5.04
Net Revenues	$ 7,862,039	$ 11,750,454	$ (3,888,415)	(33.09)	$ 30,507,410	$ 42,156,191	$(11,648,781)	(27.63)

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY

FINANCE, POLICY AND PLANNING (FPP) N
November 13, 2018

AGENDA ITEM REPORT

[ ] Consent [X] Regular [ ] Public Hearing

ENDORSEMENT OF FISCAL YEAR 2018 AUDITED COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

REQUESTED ACTION:
Endorsement of Fiscal Year 2018:
- Audited Comprehensive Annual Financial Report (CAFR)
- Contribution of Assets to Other Entities

SUMMARY EXPLANATION AND BACKGROUND:
The annual external audit of MDX financial statements for fiscal year 2018 was performed by Moore Stephens Lovelace, P.A. in compliance with the Trust Indenture, as well as the applicable Florida Statutes. The audit resulted is an unmodified (clean) opinion of the financial statements.

Fiscal Year 2018 financial statements reflect several contributions of assets to other entities totaling $13.6 million. The Authority contributed to the County the Dolphin Park & Ride Station construction valued at $2.5 million and $11.1 million for participation in the State's Centralized Customer Service System (CCSS) per the interlocal agreement.

MANNER IN WHICH REQUESTED ACTION ADVANCES MDX STRATEGIC GOALS:
The external audit promotes transparency and accountability of the Authority's financial information and internal controls.

FISCAL IMPACT:
Contribution of assets $13.6 million

EXHIBITS ATTACHED:
CAFR
External Auditors (MSL) Presentation

ENDORSEMENT OF FISCAL YEAR 2018 AUDITED COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Authorized by: ______________ Executive Director   11-8-18 Date

Motion to Approve by: ______________________________

Motion to Approve seconded by: ______________________

Details of Amended Motion: ____

____

Committee Action:

Approved: ____ Yes ____No   Consent Agenda _______   Regular Agenda ________

Vote: _______ Unanimous

Roll Call:

Finance, Policy and Planning (FPP) Committee:

Chair, Louis V. Martinez	___ Yes	___ No
Vice Chair, Luz Weinberg	___ Yes	___ No
Member, Audrey M. Edmonson	___ Yes	___ No
Member, James Wolfe	___ Yes	___ No
Board Chair, Carlos A. Gimenez	___ Yes	___ No

Ex-Officio Member:

Board Vice Chair, Leonard Boord	___ Yes	___ No

MSL

Moore Stephens Lovelace
CPAs & ADVISORS

Miami-Dade Expressway Authority
Required Auditor Communications
Fiscal Year Ended June 30, 2018

Presented by:
William Blend, CPA, CFE
Shareholder

Audit Overview

- Financial Statement Focus
- Internal Controls
- Compliance
- Significant Accounting Cycles
- Information Technology
- Financial Reporting

MSL
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Required Communications

- Auditor Responsibilities
- Management Responsibilities
- Internal Controls and Compliance
- Significant Matters
- Management Representations
- Assigned Individual for Oversight
- Audit Schedule

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CPAs & ADVISORS

Services and Deliverables

Auditor's Report on Financial Statements

- Unmodified Opinion

Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters

- No internal control findings related to financial reporting and no compliance findings

Services and Deliverables *(Cont.)*

Auditor's Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Program

- No internal control findings and no compliance findings

Independent Accountant's Report

- No compliance findings

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Financial Highlights

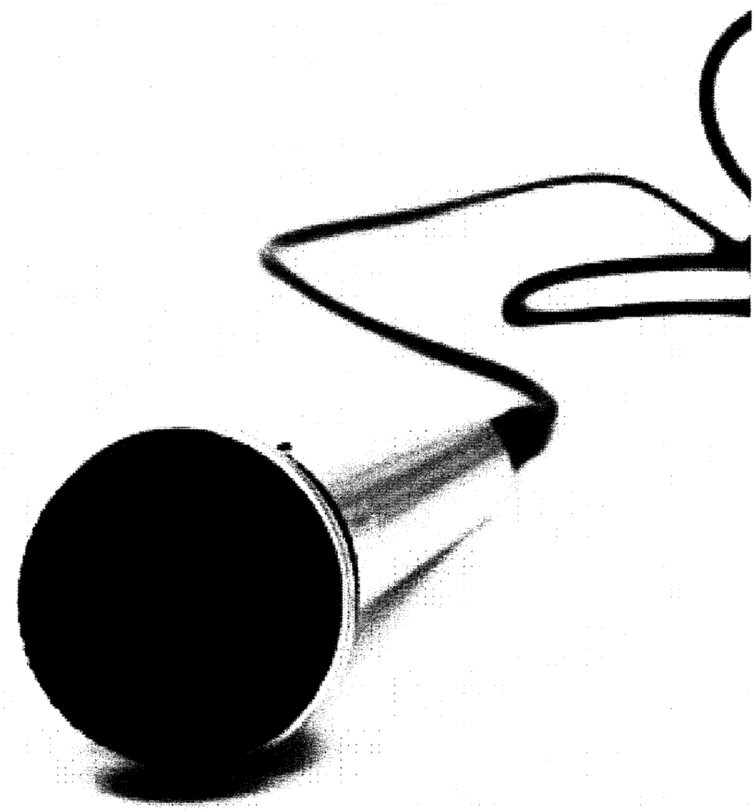
Top-Level Analysis

	2018	2017
Current Ratio	2.34	3.67
Debt Service Coverage Ratio	2.07	1.99
Outstanding Bonds to Operating Revenue Ratio	5.93	6.48
Total Assets	$2.48B	$2.43B
Total Liabilities	$1.68B	$1.67B
Total Net Assets		
Invested in Capital Assets	$360.0M	$334.5M
Restricted	$337.6M	$345.7M
Unrestricted	$151.9M	$134.1M

Top-Level Analysis *(Cont.)*

	2018	2017
Operating Revenues	$253.3M	$237.8M
Operating Expenses	$93.5M	$87.8M
Operating Income	$159.8M	$149.9M
Non-Operating Revenues (Expenses)	($127.1M)	($63.5M)
Change in Net Position	$35.1M	$166.4M

Questions or Comments



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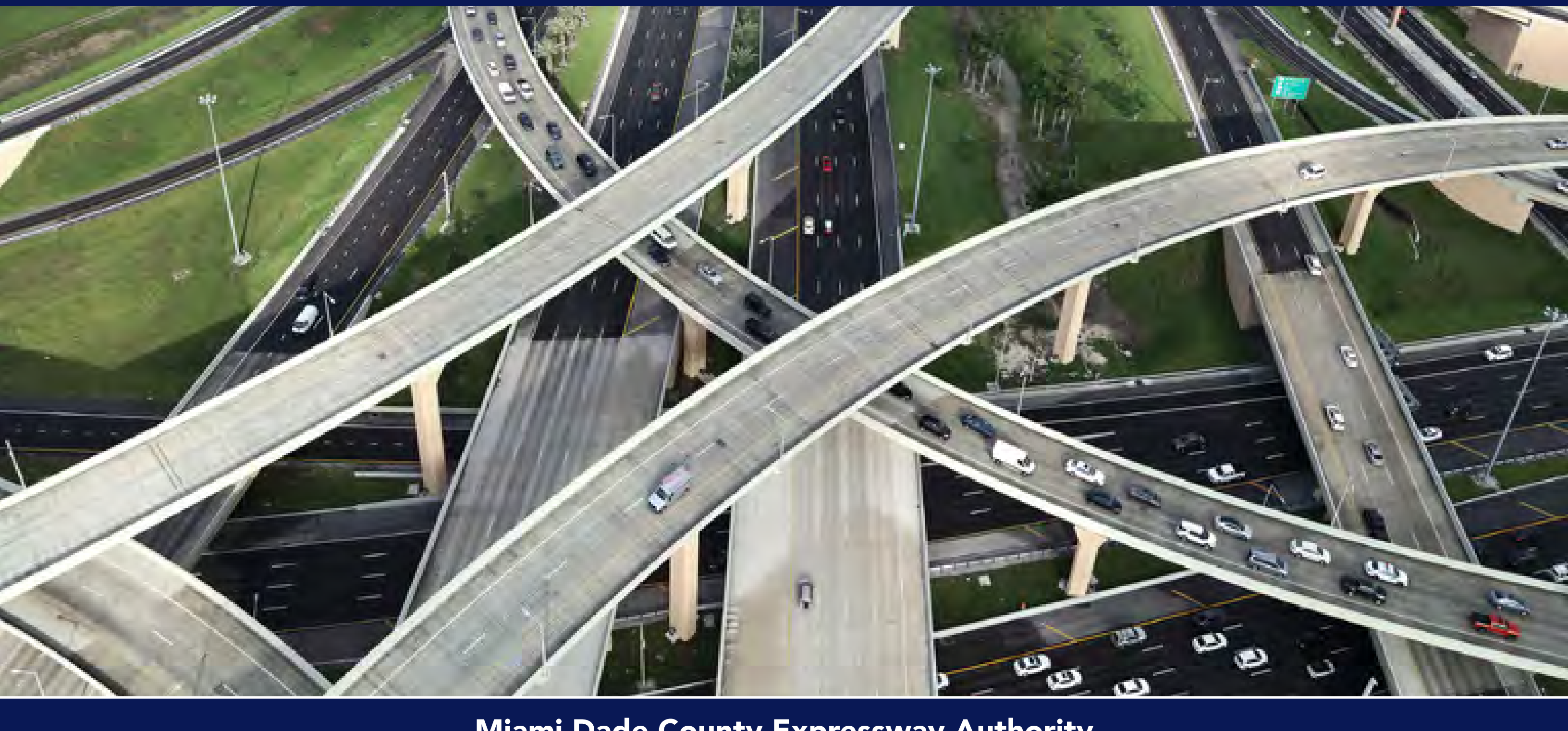
2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

MDX®

FISCAL YEARS ENDED JUNE 30, 2018 AND 2017



Miami-Dade County Expressway Authority
d/b/a Miami-Dade Expressway Authority and MDX
3790 NW 21st Street ▼ Miami, Florida 33142
www.mdxway.com

MIAMI-DADE EXPRESSWAY AUTHORITY

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

Miami, Florida

Comprehensive Annual Financial Report

Fiscal Years Ended June 30, 2018 and 2017

Prepared by: Finance Department

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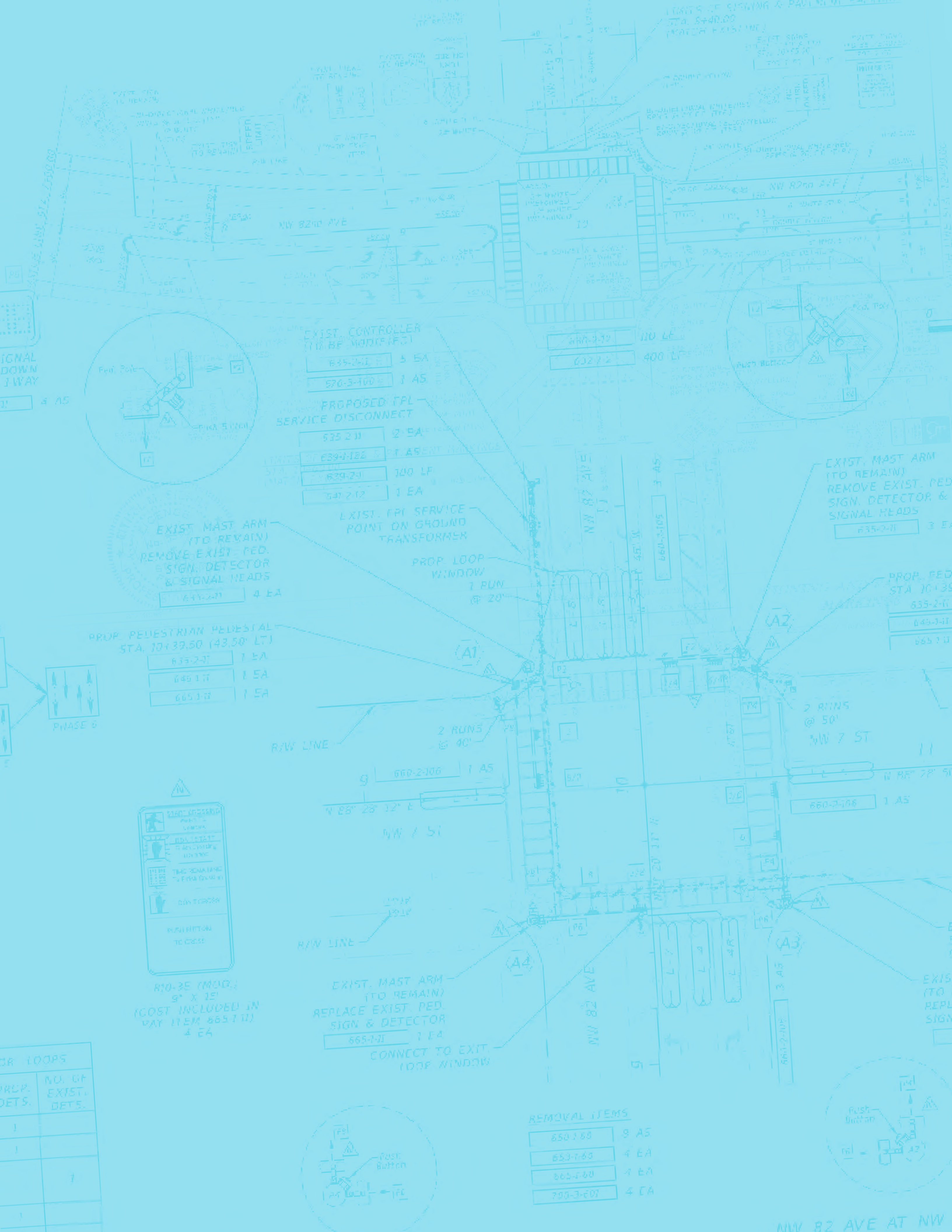
Introductory Section



EXIST. CONTROLLER
(TO BE MODIFIED)
PROPOSED FPL
SERVICE DISCONNECT
EXIST. FPL SERVICE
POINT ON GROUND
TRANSFORMER
PROP. LOOP
WINDOW
EXIST. MAST ARM
(TO REMAIN)
REMOVE EXIST. PED.
SIGN, DETECTOR
& SIGNAL HEADS
PROP. PEDESTRIAN PEDESTAL
PHASE 6
R/W LINE
2 RUNS
@ 40'
2 RUNS
@ 50'
NW 7 ST
NW 82 AVE
REPLACE EXIST PED.
SIGN & DETECTOR
CONNECT TO EXIT
LOOP WINDOW
REMOVAL ITEMS
810-35 (MOD.)
PUSHBUTTON
TO CROSS

MIAMI-DADE EXPRESSWAY AUTHORITY
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November XX, 2018

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, 2018. 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., 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, 2018 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, 2018, 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, 2018 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. 138th Street from the north side of North Perimeter Road to west N.W. 97th 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 1st. 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**.

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**.

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 Transportation Planning Organization's ("TPO") 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 2019-2023 Work Program includes approximately $1.2 billion in projects that will 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 1st and July 1st. Principal payments occur annually on July 1st. During the fiscal year, one-twelfth (1/12) of interest and principal payments are deposited into the sinking fund. As of June 30, 2018 the sinking fund balance was $61.8 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, 2018, the DSR balance is approximately $114.8 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 2018 was 2.07. The Authority's ratio of net revenues to all debt service and fund payments is 1.10. 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 A1, Stable Outlook; Fitch A, Negative Outlook (July 27, 2018) 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, 2017. This was the eleventh (11th) 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**. GFOA granted an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Authority for the fiscal year ended June 30, 2017. This was the sixth (6th) 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

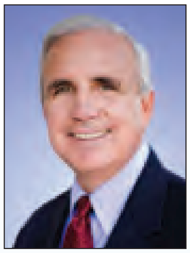
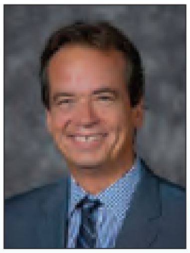
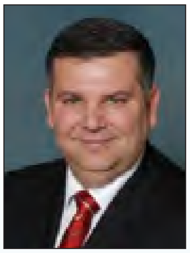
The preparation and publication of this CAFR on a timely basis was made possible by the outstanding efforts, dedication and teamwork throughout the year of the Authority's staff. All of the Authority's staff is dedicated to continuous improvements to our operations while remaining fiscally responsible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

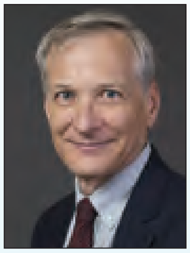
MIAMI-DADE EXPRESSWAY AUTHORITY CURRENT APPOINTED BOARD OF DIRECTORS

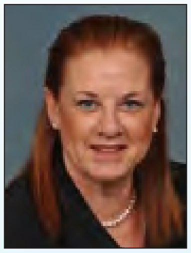




Mayor Carlos A. Gimenez, CHAIR
Term Expires: February 7, 2021

Leonard Boord, VICE-CHAIR
Term Expires: April 6, 2022

Louis V. Martinez, Esq., TREASURER
Term Expires: February 7, 2020

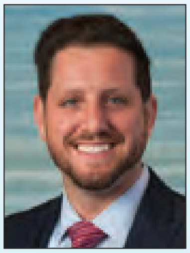




James Wolfe, P.E., FDOT DISTRICT VI SECRETARY
Ex-Officio Member

Audrey M. Edmonson, VICE-CHAIR
Term Expires: February 7, 2021

Shelly Smith Fano
Term Expires: April 6, 2020

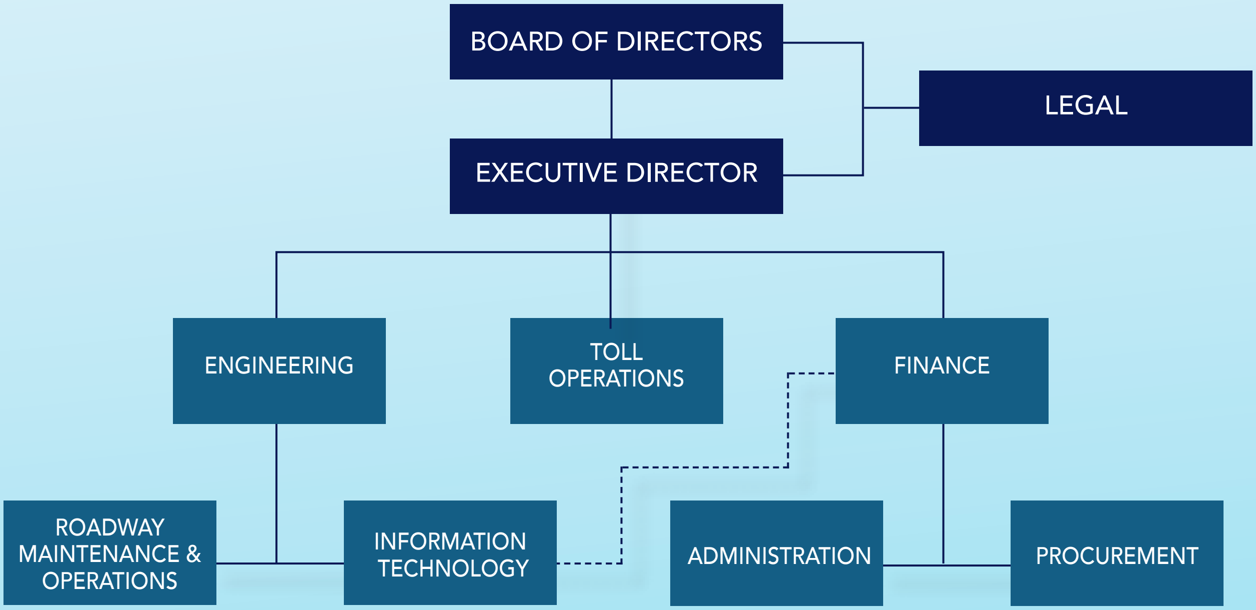




Maritza Gutierrez
Term Expires: February 7, 2021

Arthur J. Meyer
Term Expires: February 7, 2020

Luz Weinberg
Term Expires: April 6, 2022

ORGANIZATION CHART
Fiscal Year Ended June 30, 2018



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, 2017

Christopher P. Morrill

Executive Director/CEO

Financial Section


LEGEND
MATCH LINE STA. 9+30.00
NW 82 AVENUE
NOTE

MSL

Certified Public Accountants

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, 2018 and 2017, 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.

Members of the
Miami-Dade County Expressway Authority

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, 2018 and 2017, 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 audits 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 6, 2018, 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.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
November 6, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended June 30, 2018, 2017 and 2016

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, 2018, 2017 and 2016. 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 Change 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 debt service coverage ratio computation.

Statistical Information

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

Financial Highlights

- The Authority's total assets of $2.5 billion increased $56.5 million or 2.3% in fiscal year 2018, compared to an increase of $154.4 million or 6.8% in fiscal year 2017.
- The Authority's total capital assets, net, of $2.0 billion increased $69.6 million or 3.7% in fiscal year 2018, compared to an increase of $221.7 million or 13.2% in fiscal year 2017.
- The Authority's deferred outflows of resources of $44.3 million decreased $9.9 million or 18.3% in fiscal year 2018, compared to a decrease of $12.7 million or 19.0% in fiscal year 2017.
- The Authority's total liabilities of $1.7 billion increased $11.4 million or 0.7% in fiscal year 2018, compared to a decrease of $25.1 million or 1.5% in fiscal year 2017.
- The Authority's deferred inflows of resources of $2.9 million increased $60,000 or 2.1% in fiscal year 2018, compared to an increase of $270,000 or 10.3% in fiscal year 2017.
- The Authority's operating revenues of $253.3 million, increased $15.5 million or 6.5% in fiscal year 2018, compared to an increase of $2.3 million or 1.0% in fiscal year 2017.
- The Authority's toll and fee revenues, net of $252.4 million, increased $15.5 million or 6.5% in fiscal year 2018, compared to an increase of $2.2 million or 0.9% in fiscal year 2017.
- The Authority's operating expenses of $93.5 million, increased $5.6 million or 6.4% in fiscal year 2018, compared to an increase of $4.9 million or 5.9% in fiscal year 2017.
- The Authority's operations expenses of $39.5 million, increased $1.2 million or 3.2% in fiscal year 2018, compared to a decrease of $550,000 or 1.4% in fiscal year 2017.
- The Authority's operating income of $159.8 million, increased $9.9 million or 6.6% in fiscal year 2018, compared to a decrease $2.6 million or 1.7% in fiscal year 2017.
- The Authority funded $107.7 million and $168.3 million for capital projects in fiscal year 2018 and fiscal year 2017, respectively.
- The Authority's senior bond coverage ratio was 2.07 and 1.99 for fiscal year 2018 and fiscal year 2017, respectively.

SUMMARY OF STATEMENT OF NET POSITION

	2018	2017	2016
Assets and Deferred Outflows of Resources:			
Current assets	$ 375,181,381	$ 389,656,633	$ 453,214,547
Restricted non-current assets	145,408,767	143,901,580	145,374,314
Capital assets, net	1,966,390,622	1,896,759,500	1,675,044,820
Other non-current assets	2,117,595	2,278,940	4,608,784
Total Assets	**2,489,098,365**	**2,432,596,654**	**2,278,242,465**
Deferred outflows of resources	44,285,921	54,188,860	66,920,707
Total Assets and Deferred Outlflows of Resources	**2,533,384,285**	**2,486,785,514**	**2,345,163,172**
Liabilities and Deferred Inflows of Resources:			
Current liabilities	160,001,522	106,175,632	90,511,665
Bonds payable, net of bond discount/premium	1,502,847,096	1,540,614,945	1,574,643,962
Derivate instrument fair market value	12,139,975	17,447,681	26,244,744
Net pension liability	5,879,595	5,217,828	3,177,047
Total Liabilities	**1,680,868,188**	**1,669,456,086**	**1,694,577,417**
Deferred inflows of resources	2,944,526	2,884,042	2,614,344
Total Liabilities and Deferred Inflows of Resources	**1,683,812,713**	**1,672,340,128**	**1,697,191,761**
Net investment in capital assets	360,038,087	334,588,732	231,385,184
Restricted	337,594,764	345,755,538	200,339,267
Unrestricted	151,938,721	134,101,117	216,246,960
Total Net Position	**$ 849,571,572**	**$ 814,445,386**	**$ 647,971,411**

Total Assets and Deferred Outflows of Resources

As of June 30, 2018 and 2017, total assets and deferred outflows of resources were approximately $2.5 billion in both fiscal years; an increase of $46.6 million or 1.9% from fiscal year 2017.

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

As of June 30, 2018 and 2017, current, restricted non-current and other non-current assets (excluding capital assets) were $522.7 million and $535.8 million, respectively, a decrease of $13.1 million or 2.5% from fiscal year 2017. 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, 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, 2018, $60.0 million in cash was restricted for the ETCC judgement which is currently under appeal process. See Note 10, "Litigation and Unasserted Claims" in the Notes to the Financial Statements for a more detailed discussion on Claims and Judgements.

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, 2018 and 2017, capital assets, net, were $2.0 billion and $1.9 billion, an increase of $69.6 million or 3.7% from fiscal year 2017.

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.

For fiscal years 2018 and 2017, the additions to construction in progress included capital expenditures for capital projects of $107.7 million and $168.3 million, respectively; capitalized interest of $7.2 million and $10.8 million, respectively; and indirect cost allocations of $3.4 million and $4.1 million, respectively.

Construction in Progress

Major capital projects completed, contributed, and/or placed into service during Fiscal Year 2018 included the following:

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 2018 were placed in service. The total project cost was $4.2 million, with $144,900 expended in fiscal year 2018.

Major on-going capital projects during Fiscal Year 2018 included the following:

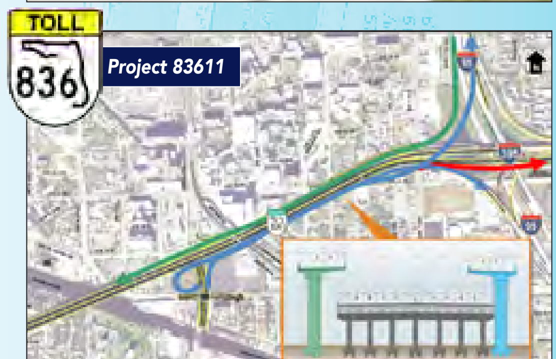
SYSTEM-WIDE:

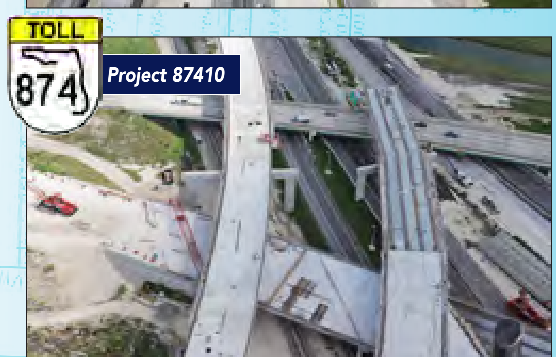
Project 10021 – *System-wide Intelligent Transportation System ("ITS") Improvements* - This project provides funding for implementation of ITS improvements identified in the updated MDX ITS Master Plan intended to maximize the existing roadway system through the use of technology. The project is anticipated to be completed in early fiscal year 2019. The total project cost is anticipated at $522,000, with $88,000 expended in fiscal year 2018.

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 17th 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 12th Avenue without having to enter SR 836 eastbound, as well as the option to exit from I-95 southbound to NW 14th Street and NW 12th Avenue, without having to enter SR 836 westbound. The improvements address the safety, mobility and community needs in the project area. MDX is partnering with the Florida Department of Transportation ("FDOT") for the construction of this project. In July 2018 the contract for the design-build services was awarded for a duration of four years. The total project cost is at $240.9 million, with $1.0 million expended in fiscal year 2018.

Project 83618 – *SR 836 Kendall Parkway* – MDX is evaluating the possibility of a new 14-mile expressway extension of SR 836 from NW 137th 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 Florida's Turnpike ("HEFT"). The Project Development & Environment ("PD&E") study is ongoing to select a preferred alternative. Final design and construction phases for this project are not yet funded. The total cost for the project development and right-of-way acquisition phases is $43.1 million, with $5.4 million expended in fiscal year 2018.





Project 83628 – *SR 836 Operational, Capacity and Interchange Improvements* – This project will alleviate congestion along SR 836 by providing additional travel lanes from NW 57th Avenue to NW 17th Avenue, improve safety by providing right-hand exits and other improvements at interchanges at NW 57th Avenue, NW 42nd Avenue, and NW 27th 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 $35.7 million expended in fiscal year 2018.

Project 83629 – *SR 836 Interchange Modifications at 87th Avenue* – This project provides for the reconstruction of the SR 836 and NW 87th 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 $99.6 million, with $17.7 million expended in fiscal year 2018.

Project 83634 – *SR 836 New HEFT Ramp Connections* - This project consists of new ramps from eastbound SR 836 to northbound HEFT and southbound HEFT to westbound SR 836. It also includes ramps to and from the Dolphin Station Park & Ride to provide direct access for western Miami-Dade County as an alternative to NW 12th Street which is at capacity. It also includes the southbound HEFT to westbound SR 836 express lane ramp bridge, funded by Florida's Turnpike Enterprise ("FTE"), to provide direct access to westbound SR 836 for future FTE southbound Express Lane users. These ramps were originally contemplated to be part of MDX's SR 836 Southwest Extension project (Project 83618) which is currently in the PD&E phase. In light of the FTE advancing the construction of their project to alter the current interchange and HEFT mainline configuration, MDX accelerated the MDX ramps. This allows MDX to work with FTE on a unified interchange project that will yield significant efficiencies and eliminate future throwaway costs. The design-build phase is anticipated to begin in fiscal year 2019. The total project cost is $51.3 million, with $517,000 expended in fiscal year 2018.

DON SHULA EXPRESSWAY (SR 874):

Project 87410 – *SR 874 Ramp Connector to and from SW 128th 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 2020. The total project cost is $104.3 million, with $18.0 million expended in fiscal year 2018.

Project 87413 – *SR 874/SW 72nd Street Interchange* – The project includes a southbound exit ramp to SW 72nd 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 72nd Street. The new partial interchange at SR 874 and SW 72nd 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 72nd Street to SR 874 northbound and from SR 874 southbound to SW 72nd 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 72nd Street. The design-build phase is scheduled to begin in fiscal year 2019 pending review of needed funding. The total project cost is $11.4 million, with $674,400 expended in fiscal year 2018.

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 two segments; Segment 1 - HEFT to NW 97th Avenue and Segment 2 – 97th Avenue to SR 826. The current work program includes funding for Design-Build of Segment 1. Additionally, a 1.6-mile section of NW 138th Street was reconstructed to a predominantly six-lane section and transferred to the Authority by Miami-Dade County in a prior fiscal year. The design-build phase is scheduled to begin in fiscal year 2019 pending review of needed funding. The total project cost is $171.8 million, with $9.3 million expended in fiscal year 2018.

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 scheduled to be completed in fiscal year 2019. The next phase, final design, is funded in the current work program and anticipated to begin in fiscal year 2020 pending review of needed funding. Total cost for project development and final design phases is estimated at $15.2 million, with $260,000 expended in fiscal year 2018. Construction for this project is not yet funded.

Project 92408 – *SR 924 Partial Interchange at NW 67th Avenue* - This project will construct a new westbound on-ramp and off-ramp on SR 924 at NW 67th Avenue and new eastbound on-ramp from NW 67th Avenue. This partial interchange will provide congestion relief to the cities of Miami Lakes and Hialeah by providing additional traffic movements at SR 924 and NW 67th Avenue. The design-build phase is anticipated to begin in fiscal year 2019 pending review of needed funding. The total project cost is $27.2 million, with $900,000 expended in fiscal year 2018.

OTHER:

Project 50001 – *Dolphin Station Park & Ride* - MDX is managing the construction of the Dolphin Station Park & Ride facility/terminal transit facility. FDOT and Miami-Dade County funded $11.1 million of the project cost, with the balance being funded by MDX. The Dolphin Station Park & Ride facility/terminal transit facility will support the SR 836 Express Transit Service, provide a terminus or stop for several local bus routes serving the Dolphin Mall and the cities of Sweetwater and Doral. The design-build phase is underway with anticipated completion in fiscal year 2019. The total project cost is $20.8 million, with $13.3 million expended in fiscal year 2018.

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

Deferred Outflows of Resources

As of June 30, 2018 and 2017, the Authority's deferred outflows of resources totaled $44.3 million and $54.2 million, respectively.

Fiscal year 2018 deferred outflows of resources decreased $9.9 million or 18.3% from fiscal year 2017; primarily due to a decrease in the negative fair value of the derivative of $5.3 million and amortization on previously deferred amounts of $4.9 million, partially offset by the deferred outflows of resources related to pensions of $346,000.

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.

	2018	2017	2016
Interest Rate Swap Derivative instrument	$ 12,139,975	$ 17,447,681	$ 26,244,744
Deferred charges due to refundings	29,177,550	34,118,553	39,322,467
Pension	2,968,396	2,622,626	1,353,496
Total Deferred Outflows	**$ 44,285,921**	**$ 54,188,860**	**$66,920,707**

Total Liabilities and Deferred Inflows of Resources

As of June 30, 2018 and 2017, total liabilities and deferred inflows of resources were approximately $1.7 billion in both fiscal years; an increase of $11.5 million or 0.7%.

Current Liabilities

As of June 30, 2018 and 2017, the Authority's current liabilities totaled $160.0 million and $106.2 million, respectively. Fiscal year 2018 current liabilities increased $53.8 million or 50.7% from fiscal year 2017 primarily due to a judgement related to the ETCC litigation of $61.3 million, an increase in accounts payable of $10.8 million, and the current portion of revenue and refunding bonds payable of $4.9 million, partially offset by a decrease in accrued expenses of $22.7 million and accrued interest payable of $472,000.

See Note 10, "Litigation and Unasserted Claims" in the Notes to the Financial Statements for a more detailed discussion on Claims and Judgements.

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.

Bonds Payable, net of Bond Discounts/Premium

	2018	2017	2016
Bonds outstanding	$ 1,434,595,000	$ 1,457,320,000	$ 1,493,125,000
Net bond discounts/premium	95,837,096	106,019,945	93,483,962
Total Revenue Bonds, net	**1,530,432,096**	**1,563,339,945**	**1,586,608,962**
Current portion of revenue bonds payable	(27,585,000)	(22,725,000)	(11,965,000)
Total Long-Term Revenue Bonds	**$ 1,502,847,096**	**$ 1,540,614,945**	**$ 1,574,643,962**

As of June 30, 2018 and 2017, the Authority's outstanding long-term bonds payable totaled $1.5 billion in both fiscal years (net of current portion, bond discounts/premium). As of June 30, 2018 and 2017, the Authority's long-term bonds consist of 94.5% fixed rate and 5.5% variable rate in both fiscal years.

As of June 30, 2017 and 2016, the Authority's outstanding long-term bonds payable totaled $1.5 billion and $1.6 billion (net of current portion, bond discounts/premium), 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.

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, 2018, 2017 and 2016, net pension liability totaled $5.9 million, $5.2 million and $3.2 million, respectively. This increase was based on information provided by the State of Florida Retirement System ("FRS").

Derivative Instrument Fair Market Value

As of June 30, 2018 and 2017, derivative instrument fair market value ("FMV") totaled $12.1 million and $17.4 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 $78.5 million.

As of June 30, 2017 and 2016, derivative instrument 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.

Deferred Inflows of Resources

As of June 30, 2018 and 2017, deferred inflows of resources totaled $2.9 million for both fiscal years.

	2018	2017	2016
Deferred charges due to refundings	$ 2,634,222	$ 2,799,233	$ 2,102,911
Pension	310,304	84,809	511,433
Total Deferred Inflows of Resources	**$ 2,944,526**	**$ 2,884,042**	**$ 2,614,344**

Fiscal year 2018 deferred inflows of resources increased $60,000 or 2.1% from fiscal year 2017; due to an increase in deferred inflows of resources related to pensions of $225,000, partially offset by amortization on previously deferred amounts of $165,000.

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.

Net Position

As of June 30, 2018 and 2017, the net position totaled $849.6 million and $814.4 million, respectively, an increase of $35.1 million or 4.3%. Net position is comprised of net investment in capital assets of $360.0 million and $334.6 million, respectively; restricted of $337.6 million and $345.8 million, respectively; and unrestricted of $151.9 million and $134.1 million, respectively.

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.

Project 50001

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

	2018	2017	2016
Operating Revenues:			
Toll and fee revenues, net	$ 252,408,004	$ 236,931,810	$ 234,775,680
Other revenues	871,826	889,982	744,962
Total Operating Revenues	**253,279,831**	**237,821,792**	**235,520,642**
Operating Expenses:			
Operations	39,470,061	38,255,772	42,427,171
Maintenance	9,229,110	6,773,420	7,201,274
Administration	6,092,349	7,547,046	3,829,929
Depreciation and amortization	38,706,616	35,322,717	29,542,943
Total Operating Expenses	**93,498,136**	**87,898,954**	**83,001,318**
Total Operating Income	**159,781,695**	**149,922,838**	**152,519,324**
Non-Operating Revenues (Expenses):			
Investment income	7,274,655	4,755,154	3,190,978
Miscellaneous income	121,112	73,636	-
Interest expense	(59,375,695)	(59,483,495)	(55,890,004)
Bond issuance expense	-	(767,428)	-
Disposal of assets	(246,209)	(4,685,759)	(2,739,593)
Claims and judgements	(61,298,717)	-	-
Contributions to other governments	(13,622,873)	(3,474,053)	(11,703,168)
Total Non-Operating Revenues (Expenses)	**(127,147,727)**	**(63,581,945)**	**(67,141,787)**
Income before Contributions	**32,633,968**	**86,340,893**	**85,377,537**
Contributions from Other Governments	2,492,218	80,133,081	2,086,432
Change in Net Position	**35,126,186**	**166,473,975**	**87,463,969**
Net Position, Beginning of Year	**814,445,386**	**647,971,411**	**560,507,442**
Net Position, End of Year	**$ 849,571,572**	**$ 814,445,386**	**$ 647,971,411**

Operating Revenues

Total operating revenues were $253.3 million and $237.8 million for fiscal years 2018 and 2017, respectively. Total operating revenues for fiscal year 2018 increased $15.5 million or 6.5% over fiscal year 2017, compared to an increase of $2.3 million or 1.0% over fiscal year 2016. Fiscal year 2018 and 2017, total operating revenues consist of toll and fee revenues, net, of $252.4 million and $236.9 million, respectively, and other revenues of $872,000 and $890,000, 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 was offered to SunPass® customers who registered with the Authority in order to be eligible to receive a cash back payment. FDR only occurred if the Authority achieved all of its financial and operational performance measures for the fiscal year. As a result of the recent state legislation requiring a minimum reduction of 5% in the SunPass® toll rate, effective July 1, 2018 all users traveling on the Authority's system will be tolled at the reduced rate. The financial impact to the Authority was greater than the FDR, and as a result the FDR was discontinued in fiscal year 2018. The total cost of the FDR to the Authority in fiscal year 2017 was $5.6 million. The FDR was recorded as an offset to SunPass® revenue.

Project 50001

For fiscal year 2018, toll and fee revenues, net, were comprised of SunPass® of $189.5 million or 75.1%, TBP, which is net of allowance, of $50.6 million or 20.0%, and recovery and fee revenues of $12.4 million or 4.9%. TBP gross revenue was $67.6 million, less an allowance for doubtful accounts of $17.0 million, which yielded net TBP revenue of $50.6 million. The total net toll and fee revenues increase of $15.5 million or 6.5% is due in part to an increase in TBP invoices during the first few months of fiscal year 2018 pertaining to transactions from the prior year, as well as continuing transaction growth of the system.

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 $40.4 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, 182,500 customers were registered for the program while approximately 80,000 qualified for a cash back 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.

Other Revenues

Other revenues were $872,000 and $890,000 for fiscal years 2018 and 2017, respectfully. Other revenues consist of leasing excess parcels, permits and other miscellaneous revenue.

Operating Expenses

Total operating expenses (including depreciation and amortization) were $93.5 million and $87.9 million for fiscal years 2018 and 2017, respectively. Operating expenses increased $5.6 million or 6.4% over fiscal year 2017, compared to an increase of $4.9 million or 5.9% over fiscal year 2016. In fiscal year 2018 and 2017, operating expenses (excluding depreciation expenses) were $54.8 million and $52.6 million, an increase of $2.2 million or 4.2% over fiscal year 2017, compared to a decrease of $880,000 or 1.7% over fiscal year 2016.

In fiscal year 2018, in order to be consistent with reporting requirements and comparable with other transportation authorities subject to oversight by the Florida Transportation Commission (the "Commission"), the Authority reclassified certain operating expenses between the Operations, Maintenance, and Administration categories. Prior years have not been reclassified.

Operations

Operations expenses were $39.5 million and $38.3 million for fiscal years 2018 and 2017, respectively. In fiscal year 2018, operations increased $1.2 million or 3.2%, primarily due to operations professional services of $1.0 million, along with operations personnel and general costs of approximately $905,000, that were reclassified from Administration, and general engineering consultant ("GEC") support costs of $655,000, and $270,000 in utilities and other operations costs; partially offset by a decrease of $715,000 due to a transition from the in-lane legacy provider, $475,000 in savings due to the end of year conversion to the Centralized Customer Service System ("CCSS"), and ITS parts of $450,000 including a reversal of a prior year accrual for a Connected Vehicle pilot program that was cancelled.

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

Maintenance

Maintenance expenses were $9.2 million and $6.8 million for fiscal years 2018 and 2017, respectively. In fiscal year 2018 maintenance costs increased $2.5 million or 36.3%, primarily due to costs for periodic maintenance and safety improvements of $1.9 million primarily related to a conversion to LED roadway lighting and Hurricane Irma cleanup, general engineering consultant maintenance support of $215,000, structural inspections expenses of $125,000 based on variations in the bi-annual cycle of inspections, and maintenance personnel and general costs of $185,000 that were reclassified from Administration.

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.

Administration

Administration expenses were $6.1 million and $7.5 million for fiscal years 2018 and 2017, respectively. In fiscal year, 2018 administration expenses decreased $1.5 million or 19.3%, due to administration personnel costs of $445,000, and general expenses of $350,000, as well as professional services of $1.7 million, along with personnel and general administration costs of $1.1 million reclassified to Operations and Maintenance; partially offset by an increase of $1.8 million due to litigation, remaining administration professional services of $300,000, and $90,000 due to lower indirect costs reallocated to capital.

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.

Depreciation and Amortization

Total depreciation and amortization were $38.7 million and $35.3 million for fiscal years 2018 and 2017, respectively. In fiscal year 2018, depreciation and amortization expense increased $3.4 million or 9.6% over fiscal year 2017, compared to an increase of $5.8 million or 19.6% over fiscal year 2016. The increases in fiscal year 2018 and 2017 were due to full year depreciation from assets placed in service during the fiscal year.

Non-Operating Revenue

INVESTMENT INCOME

Investment income was $7.3 million and $4.8 million for fiscal years 2018 and 2017, respectively. Investment income for fiscal year 2018, increased $2.5 million or 53.0% from fiscal year 2016, compared to an increase $1.6 million or 49.0% from fiscal year 2016.

The increase for fiscal year 2018 was primarily due to higher reinvestment yields on investments and the change in fair market value on investment income. In fiscal year 2018 and 2017, the change in fair market value on investment income was $2.3 million and $1.5 million, respectively.

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.

Non-Operating Expenses

INTEREST EXPENSE

Interest expense was $59.4 million and $59.5 million for fiscal years 2018 and 2017, respectively. Interest expense for fiscal year 2018 decreased $110,000 or 0.2% (less than 1%) over fiscal year 2017, compared to an increase $3.6 million or 6.4% over fiscal year 2016. For fiscal year 2018, the decrease was primarily due to a decrease in senior bond interest of $1.1 million partially offset by an offset for capitalized interest of $3.6 million, and amortization expense of $2.5 million.

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.

BOND ISSUANCE COSTS FOR REVENUE BONDS

Bond issuance costs were $0 and $767,000 for fiscal years 2018 and 2017, 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 $246,000 and $4.7 million for fiscal years 2018 and 2017, respectively. In fiscal year 2018 the disposals were primarily was due to the Construction Information Exchange Network development project that was suspended and discontinued. 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.

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 $2.5 million, $80.1 million, and $2.1 million for fiscal years 2018, 2017 and 2016, respectively. Fiscal year 2018 was due funding received from Miami-Dade County for Project 50001, Dolphin Park & Ride. The Authority is developing the Dolphin Park & Ride station on the behalf of the Miami-Dade Transportation and Public Works department. Fiscal year 2017 was mainly due capital assets transferred from FDOT related to joint Project 83608, SR826/836 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 $13.6 million, $3.5 million and $11.7 million for fiscal years 2018, 2017 and 2016, respectively.

	2018	2017	2016
Contribution from Other Governments			
Project 83608 SR 836/SR 826 Interchange	$ -	$ 77,558,054	$ -
Dolphin Station Park & Ride	2,492,218	2,575,028	-
Project 11211 Central Blvd. construction grant	-	-	2,086,432
Subtotal	**2,492,218**	**80,133,081**	**2,086,432**
Contribution to Other Governments			
Project 83631 off-system related sign panels	-	(242,000)	-
Project 10019 off-system related paving/guardrail	-	(112,214)	-
Dolphin Station Park & Ride	(2,492,218)	(3,119,839)	-
MIA-Central Blvd. reconstruction	-	-	(1,789,857)
ORT off-system related sign panels	-	-	(7,694,135)
Killian Parkway improvements	-	-	(2,219,176)
Project 40047 Centralized Customer Service System	(11,130,655)	-	-
Subtotal	**(13,622,873)**	**(3,474,053)**	**(11,703,168)**
Net Contribution	**$ (11,128,655)**	**$ 76,659,029**	**$ (9,616,736)**

Debt Ratios

The Authority's senior lien debt service coverage ratio for all bonds was 2.07 in fiscal year 2018, 1.99 in fiscal year 2017, and 2.18 in fiscal year 2016. The Authority's ratio of net revenues to total debt service and other funding payments was 1.10 in fiscal year 2018, 1.85 in fiscal year 2017, and 1.78 in fiscal year 2016.

For fiscal year 2018, the Authority paid $99.4 million to senior debt bondholders and $87.3 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 increase in senior coverage compared to prior year was due to an increase in net revenues of $15.8; partially offset by an increase in senior debt service of $3.7 million. For fiscal year 2018, principal payments increased by $4.9 million due to an increase in principal payments of $2.8 million for the Series 2013A Bonds, $1.5 million for the Series 2010A Bonds, $410,000 for the Series 2014B Bonds, and $170,000 for the Series 2005 Bonds. Interest payments for fiscal year 2018 decreased by $1.1 million, primarily due to the Series 2006 Bonds of $1.2 million which were refunded via the Series 2016A Bonds issuance, and several series of bonds of $950,000 due to lower outstanding balances, partially offset by $1.0 million related to the issuance of Series 2016A Bonds.

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.

DEBT SERVICE FOR ALL BONDS

	2018			2017		
	Principal	Interest	Total	Principal	Interest	Total
Series 2005 (variable)	$ 1,170,000	$ 4,362,945	$ 5,532,945	$ 1,000,000	$ 4,368,836	$ 5,368,836
Series 2006	-	-	-	-	1,183,169	1,183,169
Series 2010A	8,585,000	18,005,206	26,590,206	7,065,000	18,217,156	25,282,156
Series 2013A	13,190,000	12,652,375	25,842,375	10,430,000	13,173,875	23,603,875
Series 2013B	-	3,737,500	3,737,500	-	3,737,500	3,737,500
Series 2014A	-	15,572,491	15,572,491	-	15,572,491	15,572,491
Series 2014B	4,640,000	12,734,500	17,374,500	4,230,000	12,946,000	17,176,000
Series 2016A	-	4,791,000	4,791,000	-	3,792,875	3,792,875
Senior Debt Service	**$ 27,585,000**	**$ 71,856,016**	**$ 99,441,016**	**$ 22,725,000**	**$ 72,991,902**	**$ 95,716,902**
Other Funding- Annual Renewal & Replacement (Funds transferred from Revenue Fund)			$87,314,221		$ 6,764,520	
All Debt Service And All Other Funding Payments			**$186,755,237**			**$102,481,422**

	FISCAL YEARS		
	2018	2017	2016
Net Revenues	$ 205,762,965	$ 190,000,708	$ 187,339,377
Senior Lien Debt Service	$ 99,441,016	$ 95,716,902	$ 86,125,234
Ratio of Debt Service Coverage	**2.07**	**1.99**	**2.18**
All Funding Requirements	$ 87,314,221	$ 6,764,520	$ 19,293,846
Senior Debt & All Funding Requirements	$ 186,755,237	$ 102,481,421	$ 105,419,080
Ratio of Debt & All Funding Requirements	**1.10**	**1.85**	**1.78**

Economic and Authority Outlook

Legislative Update

House Bill (HB) 1049 was passed in both the Florida Senate and House on May 5, 2017, just prior to the expiration of the 2017 legislative session. The legislation provided significant changes to Chapter 348, Part I (the Florida Expressway Authority Act) regarding certain expressway authorities, which currently includes only the Authority. The legislation amended certain provisions of Chapter 348, Part I, Florida Statutes to (1) place restrictions on the toll-setting process, including requiring an independent traffic and revenue study for toll increases (except for increases tied to inflation/CPI), and a 2/3 majority vote of the Authority board to approve future toll increases, (2) limit the amount of toll revenue that can be used for administrative expenses, (3) require a distance of at least five (5) 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.

Since the legislation included a savings clause regarding contractual rights and debt obligations, the Authority's legal analysis supported not implementing the 5 percent toll reduction based on its reliance of the savings clauses. However, 2018 legislation HB 141 was passed requiring the Authority to submit to the Governor a report regarding compliance of the 2017 minimum 5% SunPass® toll reduction prescribed in the 2017 legislation. If the required toll reduction had not taken place by October 31, 2018, the existing Authority Board would be dissolved except for the FDOT district secretary and a new board would be appointed by the Governor and the Miami-Dade County Commission. On May 29, 2018, the Authority's Board voted to reduce toll rates across the entire System, not only SunPass® customers, by approximately 6 percent effective July 1, 2018. This reduction resulted in an estimated toll revenue reduction of approximately $16.0 million dollars beginning in fiscal year 2019.

The Authority believes that the 2017 legislation conflicts with the Authority/FDOT Transfer agreement which gave the Authority operational and financial autonomy over the Authority's system and also conflicts with sections of the Trust Indenture, specifically, the provisions regarding the flow of funds and the payments to the Renewal and Replacement fund. In 1996, the FDOT under the Transfer Agreement conveyed and transferred to the Authority full jurisdiction and control over the operation, maintenance and finances of the Authority's system in perpetuity, including, without limitation, all right to regulate, establish, collect and receive tolls thereon. In exchange the Authority paid $80.0 million to defease the outstanding bonds of the State of Florida and assumed an additional $11.8 million of liabilities.

In October 2018, the Authority filed a declaratory action regarding the 2017/2018 legislation.

Significant Project(s)

One of the most significant projects for improving mobility within Miami-Dade County is the Kendall Parkway (Project 83618). The preliminary phase of the project PD&E is included in the Authority's capital plan. The Kendall Parkway will be a 14 mile extension of the SR 836 expressway and provide for two bus facilities along the corridor. The total project cost for design, construction, and land (right-of-away) purchases is estimated at $900.0 million.

As a portion of the Kendall Parkway limits are outside the Urban Development Boundary ("UDB"), Miami-Dade County needed to approve the project with certain stipulations outside the UDB. On September 27, 2018, the Miami-Dade County Commission approved an amendment to the Comprehensive Master Plan incorporating a new transportation corridor (Kendall Parkway) within its plan. It is anticipated the construction will begin Summer 2019.

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.


BUSINESS
ENTRANCE
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STATEMENT OF NET POSITION
JUNE 30, 2018 AND 2017

	2018	2017
Assets		
Current Assets:		
Cash and cash equivalents	$ 65,636,979	$ 44,934,063
Restricted cash and cash equivalents	188,499,311	222,729,788
Investments	46,242,150	59,779,533
Restricted investments	49,774,685	50,386,594
Accounts receivable, net	23,647,976	10,417,884
Prepaid operating and maintenance	1,380,280	1,408,772
Total Current Assets	**375,181,381**	**389,656,633**
Restricted Non-Current Assets:		
Restricted cash and cash equivalents	41,300,907	39,205,075
Restricted investments	104,107,860	104,696,505
Total Restricted Non-Current Assets	**145,408,767**	**143,901,580**
Capital Assets:		
Right to operate the system	76,644,762	76,644,762
Other non-depreciable capital assets	1,003,589,649	893,688,247
Depreciable capital assets, net	889,156,211	926,426,491
Total Capital Assets, Net	**1,966,390,622**	**1,896,759,500**
Other Non-Current Assets	2,117,595	2,278,940
Total Non-Current Assets	**2,113,916,984**	**2,042,940,021**
Total Assets	**2,489,098,365**	**2,432,596,654**
Deferred Outflows of Resources	44,285,921	54,188,860
Total Assets and Deferred Outflows of Resources	**$ 2,533,384,285**	**$ 2,486,785,514**

STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2018 AND 2017

	2018	2017
Liabilities		
Current Liabilities:		
Accounts and contracts payable	$ 31,052,773	$ 20,252,242
Accrued expenses and other liabilities	5,953,429	28,614,314
Claims and judgements payable	61,298,717	-
Accrued interest payable	34,111,603	34,584,076
Current portion of bonds payable	27,585,000	22,725,000
Total Current Liabilities	**160,001,522**	**106,175,632**
Long-Term Liabilities:		
Bonds payable, net of bond discounts/premium	1,502,847,096	1,540,614,945
Net pension liability	5,879,595	5,217,828
Derivative instrument fair market value	12,139,975	17,447,681
Total Long-Term Liabilities	**1,520,866,666**	**1,563,280,454**
Total Liabilities	**1,680,868,188**	**1,669,456,086**
Deferred Inflows of Resources	2,944,526	2,884,042
Total Liabilities and Deferred Inflows of Resources	**1,683,812,713**	**1,672,340,128**
Net Position		
Net investment in capital assets	360,038,087	334,588,732
Restricted for:		
Debt service	150,151,422	144,971,534
Operations and maintenance	6,674,172	8,570,215
Renewal and replacement	180,769,171	192,213,789
Unrestricted	151,938,721	134,101,117
Total Net Position	**$ 849,571,572**	**$ 814,445,386**

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

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION JUNE 30, 2018 AND 2017

	2018	2017
Operating Revenues:		
Toll and fee revenues, net	$ 252,408,004	$ 236,931,810
Other revenues	871,826	889,982
Total Operating Revenues	**253,279,831**	**237,821,792**
Operating Expenses:		
Operations	39,470,061	38,255,772
Maintenance	9,229,110	6,773,420
Administration	6,092,349	7,547,046
Depreciation and amortization	38,706,616	35,322,717
Total Operating Expenses	**93,498,136**	**87,898,954**
Operating Income	**159,781,695**	**149,922,838**
Non-Operating Revenues/(Expenses):		
Investment income	7,274,655	4,755,154
Miscellaneous income	121,112	73,636
Interest expense	(59,375,695)	(59,483,495)
Cost of issuance for revenue bonds	—	(767,428)
Disposal of assets	(246,209)	(4,685,759)
Claims and judgements	(61,298,717)	—
Contributions to other governments	(13,622,873)	(3,474,053)
Total Non-Operating Revenues (Expenses), Net	**(127,147,727)**	**(63,581,945)**
Income Before Contributions	**32,633,968**	**86,340,893**
Contributions From Other Governments	2,492,218	80,133,081
Change in Net Position	35,126,186	166,473,974
Net Position, Beginning of Year	814,445,386	647,971,411
Net Position, End of Year	**$ 849,571,572**	**$ 814,445,386**

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

STATEMENT OF CASH FLOWS
JUNE 30, 2018 AND 2017

	2018	2017
Operating Activities:		
Cash received from customers and users	$ 234,547,051	$ 241,549,713
Payments to consultants and vendors	(48,076,580)	(49,716,539)
Payments to employees	(7,274,998)	(7,076,738)
Cash received from other operating revenues	1,057,075	744,127
Net Cash Flows from Operating Activities	**180,252,548**	**185,500,564**
Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(101,705,693)	(157,377,416)
Acquisition of land	(15,491,833)	(6,298,976)
Interlocal agreements	—	(171,203)
Proceeds from capital contributions	(1,453,489)	(1,783,059)
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	(22,725,000)	(11,965,000)
Payments of interest for bonds	(72,328,489)	(73,654,028)
Net Cash Flows from Capital and Related Financing Activities	**(213,704,505)**	**(252,420,775)**
Cash Flows From Investing Activities:		
Purchase of investments	(374,650,105)	(293,978,505)
Proceeds from sales or maturities of investments	391,663,809	342,847,000
Interest and dividends received	5,006,523	3,413,574
Net Cash Flows from Investing Activities	**$ 22,020,228**	**$ 52,282,069**
Net Increase (Decrease) in Cash and Cash Equivalents:	**(11,431,729)**	**(14,638,142)**
Cash and cash equivalents at beginning of year	306,868,926	321,507,068
Cash and cash equivalents at end of year	**$ 295,437,197**	**$ 306,868,926**
Cash and Cash Equivalents		
Unrestricted - current	$ 65,636,979	$ 44,934,063
Restricted - current	188,499,311	222,729,788
Restricted - non-current	41,300,907	39,205,075
	$ 295,437,197	**$ 306,868,926**

STATEMENT OF CASH FLOWS (Continued)
JUNE 30, 2018 AND 2017

	2018	2017
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating income	$ 159,781,695	$ 149,922,838
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization on capital assets	38,706,616	35,322,717
Bad debt expense	16,995,052	20,597,823
Changes in assets and liabilities:		
Accounts receivable, net	(28,658,179)	(16,575,715)
FDR Program	(5,838,718)	338,718
Toll overpayments	(157,722)	73,393
Unearned other revenue	(15,628)	37,562
Prepaid operating and maintenance cost	28,492	155,366
Accounts/contracts payable and accrued expenses	(589,061)	(4,372,138)
Net Cash Provided by Operating Activities	**$ 180,252,548**	**$ 185,500,564**
Supplemental Schedule of Noncash Investing, Capital, and Financing Activities:		
Amortization expense due to bonds	$ 10,021,504	$ 7,721,159
Deferred outflows of resources due to refundings	$ (4,775,992)	$ (5,050,887)
Disposal of assets	$ (246,209)	$ (4,685,759)
Contributions for capital projects	$ 11,130,655	$ 354,214
Fair market value of investments increase (decrease)	$ 2,275,769	$ 1,469,352

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

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

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 and special district 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 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 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 138th Street from the north side of North Perimeter Road to west of NW 97th Avenue.

The Florida Transportation Commission (the "Commission"), pursuant to Section 20.23, Florida Statutes, is required 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 non-roadway capital assets 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 conveyed and transferred to the Authority full jurisdiction and control over the operation, maintenance and finances of the System in perpetuity, including, without limitation, all right to regulate, establish, collect and receive tolls thereon. 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 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. The FDR was discontinued in fiscal year 2018. Toll and fee revenues, net, consist of SunPass®, TBP, 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 expense 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 Change in Net Position, Statement of Cash Flows, Notes to the Financial Statements, 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, 2018 and 2017, unspent bond proceeds restricted for capital projects were $0 and $70,069,976, respectively.

Restricted net position – net position 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 position restricted for debt service, reserve for operations, maintenance, and administration, and renewal and replacement.

Unrestricted net position – all other net position that do not meet the definitions of "net investment in capital assets" and "restricted net position".

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.

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 market value. Market value is either quoted at market price or the best available estimate. The change in the market 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

Non-depreciable capital assets consist of the right to operate the system, land and easements, land improvements, and construction-in-progress.

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.

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

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.

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 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. Long term bonds payable are reported net of current portion and/or discounts and premiums. 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 position by the government that is applicable to a future period; and a deferred inflow of resources as an acquisition of net position 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 instrument 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 *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 market 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 500 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 500 hours. These hours are payable upon separation from the Authority at the employees' current rate. In addition, the policies allow for periodic leave payouts of both vacation and sick hours. In both cases, employees earn the right to be compensated for available vacation and sick leave hours, as applicable, based only on rendering past service.

All available vacation leave hours and up to 80 hours or one quarter of available sick leave hours (whichever is greater) for eligible employees as of June 30, 2018 and 2017, are accrued and accounted for in payables due to employees.

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 a special district and agency of the State of Florida and a, 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, fulltime employees. All regular, fulltime employees are eligible for group health and dental insurance coverage on the first day of the month following commencement of active service. All regular, fulltime 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 Single Audit that is not included in this Comprehensive Annual Financial Report. The 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 results of the 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 became 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 became 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.

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. GASB 83 has no impact on the Authority.

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 market value measurement and application, and postemployment benefits GASB 85 was implemented by the Authority in fiscal year ending June 30, 2018.

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 became effective in fiscal year ending June 30, 2018. GASB 86 has no impact on the Authority.

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.

GASB Statement No. 88, *Certain Disclosures Related to Debt including Direct Borrowing and Direct Placements* ("GASB 88"), requires that additional information related to debt be disclosed in the notes to financial statements, including lines of credit; assets pledged as collateral for the debt; and certain terms specified in debt agreements. GASB 88 will be implemented by the Authority in fiscal year ending June 30, 2019 and the impact has not yet been determined.

GASB Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89"), requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. GASB 89 will be implemented by the Authority in fiscal year ending June 30, 2019.

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, 2018 and 2017, all of the Authority's bank deposits and investments were in qualified public depositories and trust companies.

As of June 30, 2018 and 2017, total unrestricted and restricted cash and cash equivalents were $295,437,197 and $306,868,926, respectively.

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").

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 market value losses arising from increasing interest rates.

For fiscal years 2018 and 2017, investment income was $7,274,655 and $4,755,154, and reflected a positive change in market value of $2,275,769 and $1,469,352, 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 ("FNMAs") 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 market value measurements. The market approach to measuring market 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 market value measurement as these investments when purchased had a maturity date of less than 1 year.

As of June 30, 2018 and 2017, the investment values and maturities were as follow:

	JUNE 30, 2018		JUNE 30, 2017	
	Total Market Value	**Market Value Measurements Using Level 2**	**Total Market Value**	**Market Value Measurements Using Level 2**
Commercial Paper	$ 110,524,150	$ 110,524,150	$ 144,996,721	$ 144,996,721
U.S. Government Agencies	24,818,820	24,818,820	24,937,670	24,937,670
U.S. Treasury Securities	64,781,725	64,781,725	44,928,240	44,928,240
Total securities	**$ 200,124,695**	**$ 200,124,695**	**$ 214,862,631**	**$ 214,862,631**

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.

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, 2018 and 2017, 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.

				% OF TOTAL INVESTMENTS	
Investment Type	**S&P**	**Moody's**	**Fitch**	**2018**	**2017**
Commercial Paper	A1+/A1	P1	F1+/F1	55.2%	67.5%
U.S. Government Agencies	AA+	Aaa	AAA	12.4%	11.6%
U.S. Treasury Securities	AA+	Aaa	AAA	32.4%	20.9%

NOTE 3

Receivables, Prepaids, Payables and Accrued Interest Payable

Receivables

As of June 30, 2018 and 2017, accounts receivable, net totaled $23,647,976 and $10,417,884, respectively, in the following categories:

	2018	2017
SunPass®	$ 14,251,771	$ 1,182,355
TBP, net	3,654,894	4,859,798
Toll receivables, net	17,906,666	6,042,153
Other receivables	4,469	205,855
Accrued interest receivable	236,841	123,366
Due from other agencies	5,500,000	4,046,511
Total receivables	**$ 23,647,976**	**$ 10,417,884**

As of June 30, 2018 and 2017, toll receivables, net were $17,906,666 and $6,042,153, respectively. Toll receivables, net were primarily comprised of (a) electronic toll revenues collected by SunPass® of $14,251,771 and $1,182,355, respectively; and (b) TBP receivable of $3,654,894 and $4,859,798, respectively (equal to subsequent receipts after June 30 through July 31, 2018 and August 9, 2017, respectively), or gross TBP billings of $67,891,802 and $52,101,654, respectively, less an allowance for doubtful accounts of $64,236,908 and $47,241,856, respectively, netting to $3,654,894 and $4,859,798, respectively.

As of June 30, 2018 and 2017, other receivables were $4,469 and $205,855, respectively. Other receivables were primarily comprised of (a) lease revenue receivables of $0 and $3,941, respectively; (b) FDOT operations and maintenance budget overpayment of $0 and $190,527, respectively and (c) miscellaneous and other receivables of $4,469 and $11,388, respectively.

As of June 30, 2018 and 2017, accrued interest receivable related to various investments was $236,841 and $123,366, respectively.

As of June 30, 2018 and 2017, due from other agencies was $5,500,000 and $4,046,511, 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.

Prepaids

As of June 30, 2018 and 2017, prepaid expenses were $1,380,280 and $1,408,772, 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, 2018 and 2017, accounts and contracts payable of $31,052,773 and $20,252,242, respectively, and accrued expenses payable of $5,953,429 and $28,614,314, respectively, totaled $37,006,202 and $48,866,556, respectively, in the following categories:

	2018	2017
Due to vendors	$ 35,576,401	$ 41,361,297
Due to employees	782,991	822,600
FDR Program	-	5,838,718
Other	646,810	843,942
Total payables	**$ 37,006,202**	**$ 48,866,556**

As of June 30, 2018 and 2017, due to vendors was $35,576,401 and $41,361,297, respectively. Due to vendors was comprised of (a) accounts and contracts payable of $31,052,773 and $20,252,242, respectively and (b) accrued expenses of $4,523,628 and $21,109,055, respectively. Amounts due to vendors were for (a) capital construction costs, accrued expenses and retainage of $28,284,270 and $36,381,397, respectively and (b) operating costs, accrued expenses and retainage of $7,292,131 and $4,979,900, respectively.

As of June 30, 2018 and 2017, due to employees was $782,991 and $822,600, respectively. Due to employees was comprised of (a) payroll salaries payable of $148,277 and $166,179, respectively; and (b) accrued leave of $634,714 and $656,421, respectively.

As of June 30, 2018 and 2017, the Authority's governing board declared a FDR payable of $0 and $5,838,718, respectively. For Fiscal year 2018 the FDR was not declared by the Board. 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.

As of June 30, 2018 and 2017, other payables were $646,810 and $843,942, respectively. Other payables were primarily comprised of (a) tenant rent and security deposits of $169,736 and $185,364, respectively; (b) taxes payable of $49,176 and $55,112, respectively; (c) miscellaneous payables of $102,077 and $119,923, respectively; and (d) unearned revenue of $325,821 and $483,543, respectively.

Accrued Interest Payable

As of June 30, 2018 and 2017, accrued interest payable related to outstanding debt was $34,111,603 and $34,584,076, respectively, in the following categories below:

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

	2018	2017
Series 2005A-E	$ 365,067	$ 365,065
Series 2010A	9,002,604	9,108,579
Series 2013A	6,326,188	6,586,938
Series 2013B	1,868,750	1,868,750
Series 2014A	7,786,245	7,786,245
Series 2014B	6,367,250	6,473,000
Series 2016A	2,395,500	2,395,500
Total accrued interest payable	**$34,111,603**	**$34,584,076**

NOTE 4

Capital Assets

As of June 30, 2018 and 2017, capital assets depreciation and amortization expense for the year was $38,706,616 and $35,322,717, respectively.

As of June 30, 2018 and 2017, interest capitalized was $7,234,810 and $10,838,135, respectively.

For the fiscal years ended June 30, 2018 and 2017, the Authority capitalized indirect costs to capital projects $2,676,771 and $3,194,514, respectively, from administration expenses, $577,141 and $648,979 respectively, from operations expenses and $125,481 and $232,068, respectively, from maintenance expenses.

As of June 30, 2018 and 2017, asset disposals were $246,209 and $4,685,759, respectively. In fiscal year 2018, the asset disposal was due to a software development project that was suspended and discontinued. 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.

A summary of capital assets activity and changes in accumulated depreciation for the years ended June 30, 2018 and 2017 follows:

	As of June 30, 2017	Additions	Deletions / Contributions Capital	Transfers	As of June 30, 2018
Capital assets not being depreciated:					
Rights to operate the system	$ 76,644,762	$ -	$ -	$ -	$ 76,644,762
Land and easements	234,578,048	-	-	15,947,971	250,526,019
Land improvements (for infrastructure)	351,304,788	-	-	-	351,304,788
Construction in progress	307,805,410	119,032,769	(11,376,864)	(16,702,473)	398,758,841
Total capital assets, not being depreciated	970,333,009	119,032,769	(11,376,864)	(754,503)	1,077,234,411
Capital assets being depreciated:					
Furniture and equipment	131,982,881	4,532	(36,312)	395,864	132,346,964
Buildings, toll facilities and improvements	55,767,819	677,301	-	358,639	56,803,759
Other assets	4,920,290	-	-	-	4,920,290
Infrastructure	995,096,841	-	-	-	995,096,841
Total capital assets being depreciated	1,187,767,831	681,834	(36,312)	754,503	1,189,167,855
Less accumulated depreciation for:					
Furniture and equipment	(72,007,006)	(6,346,544)	36,312	-	(78,317,239)
Buildings, toll facilities and improvements	(14,717,321)	(2,452,247)	-	-	(17,169,568)
Other assets	(4,174,820)	(383,784)	-	-	(4,558,604)
Infrastructure	(170,442,192)	(29,524,041)	-	-	(199,966,233)
Total accumulated depreciation	(261,341,340)	(38,706,616)	36,312	-	(300,011,644)
Net depreciable capital assets	926,426,491	(38,024,783)	-	754,503	889,156,211
Net capital assets	**$ 1,896,759,500**	**$81,007,986**	**$(11,376,864)**	**$ -**	**$ 1,966,390,622**

(Continued)

	As of June 30, 2016	Additions	Deletions / Contributions Capital	Transfers	As of June 30, 2017
Capital assets not being depreciated:					
Rights to operate the system	$ 76,644,762	$ -	$ -	$ -	$ 76,644,762
Land and easements	228,126,279	-	-	6,451,769	234,578,048
Land improvements (for infrastructure)	267,773,892	-	(1,850,008)	85,380,905	351,304,788
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**

(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:

	2018	2017
Bond insurance cost	$ 4,101,446	$ 4,101,446
Less accumulated amortization	(1,983,852)	(1,822,506)
Unamortized bond insurance	**$ 2,117,595**	**$ 2,278,940**

NOTE 6

Long Term Liabilities

For fiscal years 2018 and 2017, interest expense was $59,375,695 and $59,483,495, respectively. The interest expense for both fiscal years is comprised of actual interest payments on debt of (a) $71,856,016 and $72,991,902, respectively; and (b) amortization for bond insurance, bond surety, deferred amounts from refunding, and bond discount of $4,977,961 and $7,421,830, respectively; less (d) capitalized interest of $7,234,810 and $10,838,135, respectively; and (e) amortization of bond premiums of $10,223,272 and $10,092,102, respectively.

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

	As of June 30, 2017	Additions	Reductions	As of June 30, 2018	Current Portion
Revenue bonds					
Series 2005A-E	$ 79,465,000	$ -	$ (1,000,000)	$ 78,465,000	$ 1,170,000
Series 2010A	369,200,000	-	(7,065,000)	362,135,000	8,585,000
Series 2013A	265,120,000	-	(10,430,000)	254,690,000	13,190,000
Series 2013B	74,750,000	-	-	74,750,000	-
Series 2014A	314,045,000	-	-	314,045,000	-
Series 2014B	258,920,000	-	(4,230,000)	254,690,000	4,640,000
Series 2016A	95,820,000	-	-	95,820,000	-
	$ 1,457,320,000	$ -	$ (22,725,000)	$ 1,434,595,000	$ 27,585,000
Add bond premium, net	106,813,208	-	(10,223,472)	96,589,736	-
Less bond discount, net	(793,263)	-	40,623	(752,640)	-
Total revenue bonds, net	$ 1,563,339,945	$ -	$ (32,907,849)	$ 1,530,432,096	$ 27,585,000
Derivative instruments fair market value	17,447,681	-	(5,307,706)	12,139,975	-
Net pension liability	5,217,828	661,767		5,879,595	-
Total long-term liabilities and current portion of bonds and loans	**$ 1,586,005,454**	**$ 661,767**	**$ (38,215,555)**	**$ 1,548,451,666**	**$ 27,585,000**

(Continued)

	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**

(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 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 1st and July 1st. 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. Interest on the bonds is paid semi-annually each January 1st and July 1st.

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 1st and July 1st. 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 1st and July 1st. 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 fixed term bonds at 5.00%, maturing on July 1, 2044. Interest on the bonds is paid semi-annually each January 1st and July 1st. 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 1st and July 1st. 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 1st and July 1st. 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 an $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:

Year ending June 30,	Principal	Interest
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	51,585,000	62,751,066
2024-2028	305,565,000	270,583,044
2029-2033	282,370,000	195,633,723
2034-2038	361,035,000	117,746,109
2039-2043	227,955,000	30,459,565
2044	21,175,000	1,058,750
Total	**$ 1,407,010,000**	**$ 950,365,584**

In accordance with the Trust Indenture principal payments are due on July 1st of each year; interest payments due semi-annually on January 1st and on July 1st. For purposes of senior debt coverage computation, the July 1st 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. As of June 30, 2018 the Authority has one swap with JP Morgan outstanding.

SERIES 2005 BONDS

On October 28, 2004, the Authority entered into three interest rate swap agreements (the "Swaps") to hedge 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, 2018 and 2017, the swap's notional value was $78,463,333 and $79,463,333, which equals the outstanding principal amount of Series 2005 Bonds.

As of June 30, 2018 and 2017, the outstanding swap agreement met the criteria set forth under GASB 53 as an effective hedging derivative instrument and the negative fair market value is reflected on the Statement of Net Position.

FAIR MARKET VALUE

As of June 30, 2018 and 2017, the swap had a negative fair market value of $12,139,975 and $17,447,681, 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 market 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, 2018, 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, 2018 and 2017 is the aggregate fair market value of $12,139,975 and $17,447,681, 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.

Projected debt service requirements of the variable rate debt and net swap payments, assuming a one-month LIBOR rate of 2.09025% as of June 30, 2018, are as follows:

Fiscal Year Ending June 30,	Variable Rate Bonds Principal	Variable Rate Bonds Interest	Interest Rate Swap, net	Total
2019	$ 1,170,000	$ 2,427,256	$ 1,763,717	$ 5,360,973
2020	1,670,000	2,390,515	1,732,737	5,793,252
2021	3,015,000	2,338,073	1,699,067	7,052,140
2022	3,200,000	2,243,395	1,630,272	7,073,667
2023	1,670,000	2,142,907	1,557,332	5,370,239
2024-2027	11,390,000	8,047,676	5,845,225	25,282,900
2028-2032	37,350,000	6,438,141	4,674,378	48,462,518
2033-2034	17,830,000	847,082	614,531	19,291,613
Total	**$ 77,295,000**	**$ 26,875,045**	**$ 19,517,258**	**$ 123,687,304**

COLLATERAL

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, 2018, 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, 2018, the Authority was rated A1/A+/A by Moody's/S&P/Fitch; collateral posting thresholds are determine by the highest rating. A negative fair market value causes the Authority to be in a collateral posting position; conversely, a positive fair market value causes the Counterparty to be in a collateral posting position.

As of June 30, 2018 and 2017, the swap had a negative fair market value of $12,139,975 and $17,447,681; therefore, the Authority was in a collateral posting position. However, since the swap fair market value was below the threshold of $50,000,000 for the Authority's credit rating of A2/A/A, no collateral posting was required.

Ratings Moody's/S&P/Fitch	Fair Value Threshold Counterparty	Fair Value Threshold Authority
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 Florida Department of Administration, Division of Retirement.

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 fiscal years 2018 and 2017 for employees' contribution is 3%, and ranges 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 2018 and 2017, 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 2018 and, the employer contribution rate (including HIS and investment plan administrative costs) range– as defined by the State of Florida – was between 7.52% and 22.71% of gross salaries. For fiscal years ended June 30, 2018 and 2017, the Authority contributed 100% of the required employer contributions. The employer contribution was $495,155 and $530,254, respectively. For fiscal year 2018 and 2017, the employee contribution was $124,487 and $146,169, respectively. The Authority's net pension liability for fiscal years 2018 and 2017 was $5,879,595 and $5,217,828, respectively.

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, 2017 and 2016.

NET PENSION LIABILITY

The components of the collective net pension liability of the Authority for each defined benefit plan for Fiscal years 2018 and 2017, measurement dates June 30, 2017 and 2016 respectively, are shown below:

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.

	June 30, 2018 Measurement date June 30, 2017		June 30, 2017 Measurement date June 30, 2016	
	FRS	HIS	FRS	HIS
Total pension liability	$ 26,354,594	$ 1,661,683	$ 23,102,341	$ 1,742,304
Plan fiduciary net position	(22,109,426)	(27,256)	(19,609,960)	(16,857)
Net pension liability	**$ 4,245,168**	**$ 1,634,427**	**$ 3,492,381**	**$ 1,725,447**
Plan fiduciary net position as a percentage of the total pension liability	83.89%	1.64%	84.88%	0.97%

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 2017 and 2016. 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, 2017 and June 30, 2016, agree to the employer contribution amounts reported in the FRS CAFR for those years. This report is available online.

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 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 cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases 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 7.10%. 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 2017	2016
Cash	1.0%	1.0%
Fixed Income	18.0%	18.0%
Global Equity	53.0%	53.0%
Strategic Invetsments	12.0%	12.0%
Private Equity	6.0%	6.0%
Real Estate	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, 2017 and 2016 a municipal bond rate of 3.85% and 2.85%, 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, 2017:

FRS – As of June 30, 2017, the long-term expected rate of return decreased from 7.60% to 7.10%, and the active member mortality assumption was updated.

HIS – The municipal rate used to determine total pension liability increased from 2.85% to 3.58%.

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%.

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 2018 and 2017 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, 2017 and 2016 respectively.

As of June 30, 2018 and June 30, 2017, measurement dates June 2017 and 2016, respectively, the Authority's portion of the collective net pension liability for FRS was $4,245,168 and $3,492,381, respectively; the proportion of the collective net pension liability was 0.014351807% and 0.013831170%, respectively; and the change in the Authority's proportion of the FRS since the prior measurement date was $752,787. The Authority's portion of the collective net pension liability for HIS was $1,634,427 and $1,725,447, respectively; the Authority's proportion of the collective net pension liability of the HIS was 0.015285787% and 0.014804874%, respectively; and the change in proportion of the HIS since the prior measurement date was $(91,020).

JUNE 30, 2018
Measurement date June 30, 2017

	FRS		HIS	
1% decrease	$7,683,498	6.10%	$1,910,955	2.58%
Current discount rate	$4,245,168	7.10%	$1,634,427	3.58%
1% increase	$1,390,567	8.10%	$1,442,291	4.58%

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%

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, 2018, and June 30, 2017 the Authority reported a net pension liability of $5,879,595 and $5,217,828, respectively, corresponding to its proportionate share of the collective net pension liability of FRS and HIS. As of June 30, 2018 and June 30, 2017 the Authority's proportions of the net collective pension liability for FRS were 0.014351807% and 0.013831170%, respectively; and for HIS the proportions were 0.015285787% and 0.014804874%, respectively. The net pension liability for 2018 and 2017 was measured as of June 30, 2017 and June 30, 2016, 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, 2017, was 6.4 years for FRS and 7.2 years for HIS.

The components of collective pension expense reported in the pension allocation schedules for the Authority for fiscal year ended June 30, 2018 and 2017 are presented below for each plan:

JUNE 30, 2018
Measurement date June 30, 2017

FRS	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Collective	$ 707,060	$ -	$ -
Change in proportion, NPL	138,784	403,377	-
Assumptions	-	1,426,676	-
Investments	-	-	(105,206)
Experience	-	389,604	(23,516)
Contributions subsequent to measurement date	-	363,833	-
Total	**$ 845,844**	**$ 2,583,490**	**$ (128,722)**

HIS	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Collective	$ 124,317	$ -	$ -
Change in proportion, NPL	4,062	85,358	(36,849)
Assumptions	-	229,744	(141,331)
Investments	-	906	-
Experience	-	-	(3,403)
Contributions subsequent to measurement date	-	68,898	-
Total	**$ 128,379**	**$ 384,906**	**$ (181,583)**

JUNE 30, 2017
Measurement date June 30, 2016

FRS	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Collective	$ 532,514	$ -	$ -
Change in proportion, NPL	126,176	461,474	-
Assumptions	-	211,279	(703,887)
Investments	-	902,738	-
Experience	-	267,404	(32,516)
Contributions subsequent to measurement date	-	373,613	-
Total	**$ 658,690**	**$ 2,920,395**	**$ (736,403)**

HIS	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
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	-
Total	**$ 140,847**	**$ 406,118**	**$ (52,293)**

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end of $432,731 and $454,510 will be recognized as a reduction of the net pension liability in the subsequent reporting periods ending June 30, 2019 and 2018, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Reporting Period Ending June 30,	FRS Expense	HIS Expense
2019	$ 322,106	$ 18,726
2020	322,106	18,726
2021	322,106	18,726
2022	322,106	18,726
2023	322,106	18,726
Thereafter	480,405	40,795
Total	**$ 2,090,935**	**$134,425**

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 Florida Retirement System Pension Plan and Other State-Administered Systems CAFR for the fiscal years ended June 30, 2017 and 2016.

The FRS's CAFR and the actuarial valuation reports as are available online at:

https://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports

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
Research and Education Section
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, 2018 and 2017, deferred outflows of resources totaled $44,285,921, and $54,188,860, respectively, comprised of the following:

	2018	2017
Interest Rate Swap Derivative instrument	$ 12,139,975	$ 17,447,681
Deferred charges due to refundings	29,177,550	34,118,553
Pension	2,968,396	2,622,626
Total deferred outflows of resources	**$ 44,285,921**	**$ 54,188,860**

As of June 30, 2018 and 2017, deferred inflows of resources totaled $2,944,526 and $2,884,042, respectively, comprised of the following:

	2018	2017
Deferred charges due to refundings	$ 2,634,222	$ 2,799,233
Pension	310,304	84,809
Total deferred outflows of resosurces	**$ 2,944,526**	**$ 2,884,042**

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, 2018 and 2017, the Authority had in process various uncompleted construction projects with remaining contract balances totaling $103,603,610 and $159,534,867, respectively.

On August 25, 2015 the Authority entered into a Project Specific Agreement with FDOT for the procurement of Project 83611, the SR 836/I-95 Interchange Improvements project. The design/build contract was executed by the Authority on July 12, 2018 for a not to exceed amount of $185,999,998.

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

On April 14, 2009, the Authority entered into an agreement with Electronic Transaction Consultants Corporation ("ETCC") for the development, operations and maintenance of an Account Management and Toll Enforcement System ("AMTES Contract") back office. Numerous schedule delays and failures to provide deliverables were experienced. MDX and ETCC each contended that the other breached the agreement. ETCC claims that MDX prevented ETCC's performance and that ETCC is entitled to its direct and consequential costs, as well as contract payment milestones it was prevented from achieving.

A full trial of claims concerning the AMTES agreement began on September 8, 2015 and concluded on October 29, 2015. Following the trial, the original trial judge was disqualified. The case was tried a second time before a new judge beginning on October 16, 2017 and concluded on November 3, 2017. Although MDX prevailed against ETCC by partial summary judgement early in the case, that summary judgment was reversed prior to disqualification of the trial judge. The new trial judge did not grant any summary judgement motions prior to the second trial. ETCC prevailed on its claims following the second trial. ETCC damage award was $53,298,717, bearing interest at 5.53% per year. ETCC was also awarded fees and cost in the amount of $8,000,000 bearing interest at 5.72% per year. As of June 30, 2018, the total award amount of $61,298,717 has been recorded as claims and judgements under current liabilities and non-operating expenses.

MDX hired appellate attorney to review the case and the governing Board approved filing an appeal.

NOTE 11

Related Party Transactions

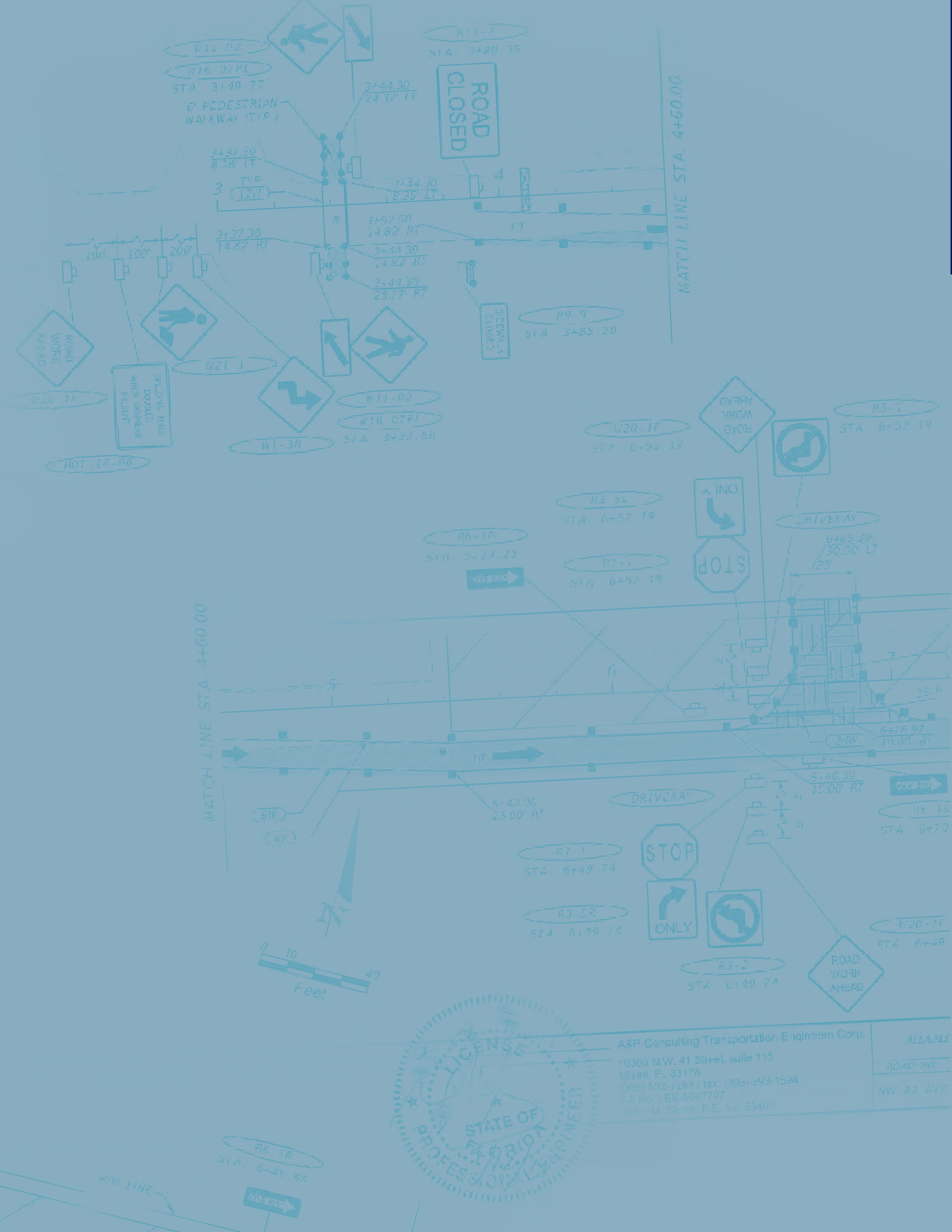
As of June 30, 2018 and 2017 there were no known related party transactions reported.

NOTE 12

Subsequent Events

None.

Required Supplementary Information



ROAD CLOSED
MATCH LINE STA. 4+60.00
ROAD WORK AHEAD
ONLY
STOP
DRIVEWAY
STOP
ONLY
ROAD WORK AHEAD
Feet
LICENSE
STATE OF FLORIDA
PROFESSIONAL ENGINEER
A&P Consulting Transportation Engineers Corp.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Miami-Dade Expressway Authority's Proportional Share of Net Pension Liability

*Florida Retirement System Last Ten Fiscal Years**

	2018 Measurement Date June 30, 2017	2017 Measurement Date June 30, 2016	2016 Measurement Date June 30, 2015	2015 Measurement Date June 30, 2014
Proportion of the net pension liability (asset)	0.014351807%	0.013831170%	0.013318032%	0.012454876%
Proportionate share of the net pension liability (asset)	$4,245,168	$3,492,381	$1,720,202	$ 759,931
Covered-employee payroll	$2,840,066	$2,689,248	$2,555,262	$2,466,388
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	149.47%	129.86%	67.32%	30.81%
Covered-employee payroll	83.89%	84.88%	92.00%	96.09%

Health Insurance Subsidy

	2018 Measurement Date June 30, 2017	2017 Measurement Date June 30, 2016	2016 Measurement Date June 30, 2015	2015 Measurement Date June 30, 2014
Proportion of the net pension liability (asset)	0.015285787%	0.014804874%	0.014284997%	0.014107649%
Proportionate share of the net pension liability (asset)	$1,634,427	$1,725,447	$1,456,845	$1,319,100
Covered-employee payroll	$2,840,066	$2,689,248	$2,555,262	$2,466,388
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	57.55%	64.16%	57.01%	53.48%
Covered-employee payroll	1.64%	0.97%	0.50%	0.99%

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

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Miami-Dade Expressway Authority's Contribution

Florida Retirement System
*Last Ten Fiscal Years**

	2018	2017	2016	2015	2014
Contractually required contribution	$ 363,833	$ 373,613	$ 337,295	$ 324,705	$ 272,815
Contributions in relation to the contractually required contribution	$ (363,833)	$ (373,613)	$ (337,295)	$ (324,705)	$ (272,815)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$2,503,108	$2,840,066	$2,689,248	$2,555,262	$2,466,388
Contributions as a percentage of covered-employee payroll	14.54%	13.16%	12.54%	12.71%	11.06%

Health Insurance Subsidy

	2018	2017	2016	2015	2014
Contractually required contribution	$ 68,898	$ 80,897	$ 75,884	$ 54,606	$ 48,328
Contributions in relation to the contractually required contribution	$ (68,898)	$ (80,897)	$ (75,884)	$ (54,606)	$ (48,328)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$2,503,108	$2,840,066	$2,689,248	$2,555,262	$2,466,388
Contributions as a percentage of covered-employee payroll	2.75%	2.85%	2.82%	2.14%	1.96%

**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, 2018 AND 2017

As Defined and Required by the Trust Indenture

	2018	2017
Revenues:		
Toll and fee revenues, net	$ 252,408,004	$ 236,931,810
Investment income	7,274,655	4,755,154
Contributions from other governments (includes grant revenues only)	—	—
Other revenues	871,826	889,982
Total Revenues	260,554,485	242,576,946
Operating expenses:		
Operations, maintenance, and administration expenses (excludes depreciation and amortization)	54,791,520	52,576,237
Net Revenues	$ 205,762,965	$ 190,000,708
Senior Lien Debt Service for All Bonds	$ 99,441,016	$ 95,716,902
Ratio of Net Revenues to Senior Lien Debt Service for All Bonds	**2.07**	**1.99**
All Debt Service (Senior Lien and Subordinated Debt Service) and All Fund Payments as Specified by Trust Indenture	$ 186,755,237	$ 102,481,421
Ratio of Net Revenues to All Debt Service and All Fund Payments	**1.10**	**1.85**

Schedule of Toll Revenues and Expense Summary

LAST TEN FISCAL YEARS

As Defined and Required by the Trust Indenture
(In Thousands)

JUNE 30,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES:										
Toll & fees, net	$ 252,408	$ 236,932	$ 234,776	$ 182,824	$ 129,217	$ 134,412	$ 122,511	$ 121,863	$ 111,768	$ 113,075
Investment & other	8,146	5,645	6,022	3,225	6,987	11,117	14,525	9,795	6,669	16,013
Total Revenues	260,554	242,577	240,798	186,050	136,204	145,529	137,036	131,658	118,437	129,088
EXPENSES:										
Operations	39,470	38,256	38,806	32,628	23,537	16,719	24,397	20,262	19,424	24,309
Maintenance	9,229	6,773	7,002	6,843	6,397	5,887	6,549	6,577	6,022	4,599
Administration	6,092	7,547	7,651	5,985	6,742	5,142	5,024	5,591	5,991	5,670
Total Expenses	54,792	52,576	53,458	45,457	36,676	27,748	35,970	32,430	31,437	34,578
Net Revenues	**$ 205,763**	**$ 190,001**	**$ 187,340**	**$ 140,593**	**$ 99,529**	**$ 117,781**	**$ 101,066**	**$ 99,228**	**$ 87,000**	**$ 94,510**

Statistical Section

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.

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.

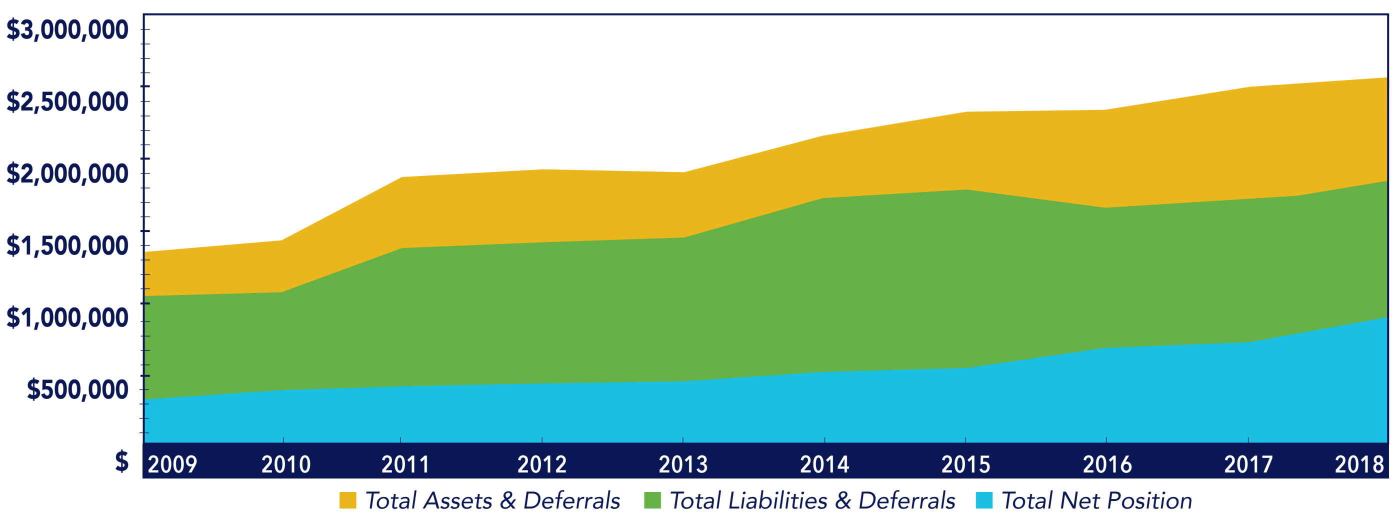
Financial information may be rounded to the nearest whole number.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
ASSETS AND DEFERRALS:										
Current and other assets	$ 377,299	$ 391,936	$ 457,823	$`335,452	$ 218,329	$ 146,584	$ 143,329	$ 127,780	$ 108,374	$ 69,150
Restricted non-current assets	145,409	143,902	145,374	295,365	446,781	246,019	336,333	425,088	204,351	330,742
Capital assets, net	1,966,391	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
Deferred outflows of resources	44,286	54,189	66,921	64,724	69,941	71,701	93,726	53,271	52,513	-
Total assets and deferrals	**2,533,384**	**2,486,786**	**2,345,163**	**2,273,888**	**2,210,992**	**1,859,494**	**1,888,142**	**1,805,974**	**1,444,019**	**1,349,251**
LIABILITIES AND DEFERRALS:										
Current liabilities	160,002	106,176	90,512	93,200	57,061	64,021	93,721	69,102	61,443	53,372
Long-term liabilities	1,520,867	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
Deferred inflows of resources	2,945	2,884	2,614	3,596	2,318	-	-	-	-	-
Total liabilities and deferrals	**1,683,813**	**1,672,340**	**1,697,192**	**1,713,381**	**1,702,883**	**1,377,020**	**1,452,294**	**1,405,573**	**1,071,343**	**1,021,122**
NET POSITION:										
Net investment in capital assets	360,038	334,589	231,385	211,948	200,641	225,634	195,113	162,830	160,346	135,885
Restricted	337,595	345,756	200,339	167,428	165,931	134,851	134,762	128,691	103,971	98,477
Unrestricted	151,939	134,101	216,247	181,131	141,537	121,990	105,974	108,881	108,359	93,768
Total net position*	**$ 849,572**	**$ 814,445**	**$ 647,971**	**$ 560,507**	**$ 508,109**	**$ 482,475**	**$ 435,849**	**$ 400,402**	**$ 372,676**	**$328,129**

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

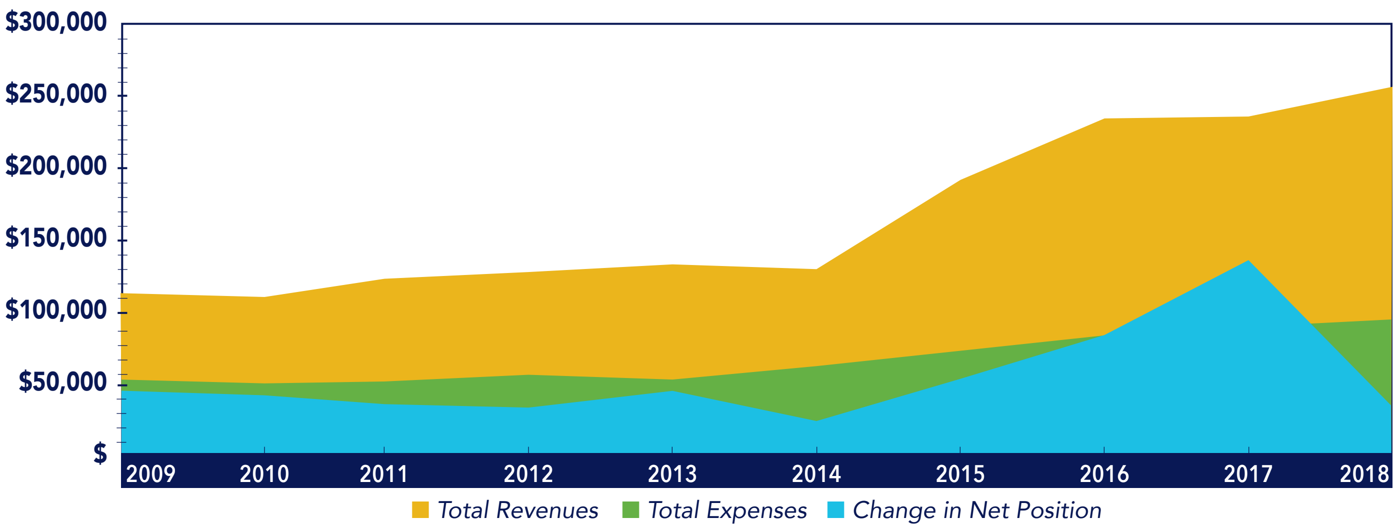
Assets and Deferrals, Liabilities and Deferrals, and Net Position (In Thousands)



Summary of Statement of Revenues, Expenses and Change in Net Position *(In Thousands)*

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
OPERATING REVENUES:										
Toll and fee revenues, net	$ 252,408	$ 236,932	$ 234,776	$ 182,824	$ 129,217	$ 134,412	$ 122,511	$ 121,863	$ 111,768	$ 113,076
Other revenues	872	890	745	717	803	1,005	970	819	897	789
Total operating revenues	**253,280**	**237,822**	**235,521**	**183,542**	**130,020**	**135,417**	**123,481**	**122,682**	**112,665**	**113,865**
OPERATING EXPENSES:										
Operations	39,470	38,256	38,806	32,628	23,537	16,719	24,396	20,262	19,424	24,309
Maintenance	9,229	6,773	7,002	6,843	6,397	5,887	6,549	6,577	6,022	4,599
Administration	6,092	7,547	7,651	5,985	6,742	5,142	5,024	5,590	5,991	5,670
Depreciation and amortization	38,707	35,323	29,543	29,181	29,461	28,643	24,516	22,174	22,199	21,120
Total operating expenses	**93,498**	**87,899**	**83,001**	**74,637**	**66,137**	**56,391**	**60,485**	**54,603**	**53,635**	**55,698**
NON-OPERATING REVENUES/(EXPENSES)										
Non-operating revenues	7,396	4,829	3,191	2,064	6,492	3,845	2,981	2,429	5,105	13,876
Non-operating expenses	(134,543)	(68,411)	(70,333)	(137,846)	(56,215)	(43,161)	(41,584)	(40,901)	(20,255)	(25,945)
Total Non-Operating Revenues/(Expenses)	**(127,148)**	**(63,582)**	**(67,142)**	**(135,781)**	**(49,723)**	**(39,315)**	**(38,603)**	**(38,471)**	**(15,150)**	**(12,069)**
Capital Contributions	2,492	80,133	2,086	81,820	11,474	6,915	10,574	6,547	668	1,636
Change in net position	**$ 35,126**	**$166,474**	**$ 87,464**	**$ 54,942**	**$ 25,634**	**$ 46,626**	**$ 34,967**	**$ 36,154**	**$ 44,548**	**$ 47,734**

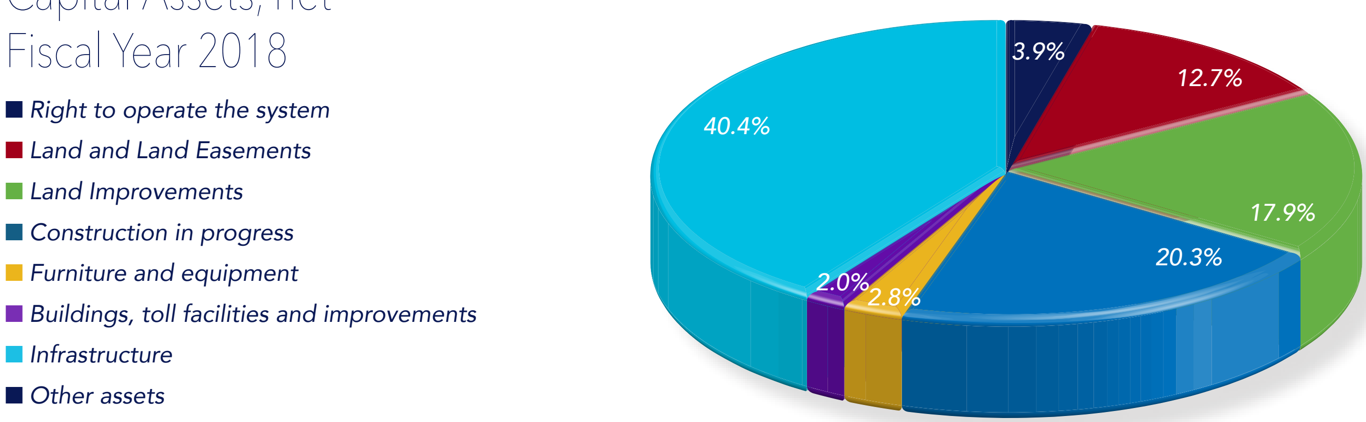
Revenues, Expense and Change in Net Position (In Thousands)



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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
NON-DEPRECIABLE CAPITAL ASSETS:										
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 and Land Easements	250,526	234,578	228,126	221,551	100,637	93,357	93,123	93,120	92,427	90,392
Land Improvements	351,305	351,305	267,774	262,673	223,508	223,508	198,972	175,233	167,660	160,229
Construction in progress	398,759	307,805	468,218	418,373	562,546	454,013	437,470	482,397	391,069	280,062
Total non-depreciable capital assets	**1,077,234**	**970,333**	**1,040,763**	**979,241**	**963,336**	**847,523**	**806,210**	**827,395**	**727,801**	**607,329**
DEPRECIABLE CAPITAL ASSETS, NET										
Furniture and equipment	54,030	59,976	18,784	10,810	16,241	30,923	38,603	31,673	34,326	19,104
Buildings, toll facilities and improvements	39,634	41,050	38,916	23,627	34,024	35,709	37,459	39,197	37,067	38,881
Infrastructure	795,131	824,655	576,500	564,637	462,302	480,981	432,340	301,384	278,858	282,376
Other assets	362	745	82	33	38	54	141	186	729	1,669
Total depreciable capital assets, net	**889,156**	**926,426**	**634,282**	**599,106**	**512,605**	**547,667**	**508,544**	**372,440**	**350,980**	**342,030**
Total capital assets, net	**$1,966,391**	**$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**

Capital Assets, net
Fiscal Year 2018



Changes to Capital Assets *(In Thousands)*

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Beginning Balance	$ 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
Additions	119,715	261,723	219,666	211,941	117,879	109,080	142,956	149,340	152,081	124,290
Disposals	(11,377)	(4,686)	(93,426)	(80,354)	(7,667)	(1)	(3,521)	(6,112)	(460)	(134)
Depreciation	(38,707)	(35,323)	(29,543)	(29,181)	(29,461)	(28,643)	(24,516)	(22,174)	(22,199)	(20,249)
Total capital assets, net	**$1,966,391**	**$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**

Schedule of Historical Cash & TBP Rates by Vehicle Class

	1997- 1999	2000-2001	2002-2003	2004-2005	2006-2013	2014	2015
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 on 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 increased 25 cents per motor vehicle axle.
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-axle vehicle.
7. Due to full ORT conversion the highest TBP rate is presented; Multi-axle vehicles are capped at 3 axles for SunPass® only.

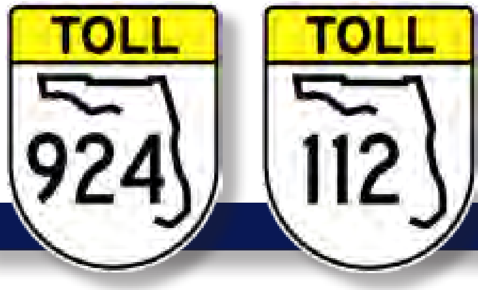
Schedule of Toll Rates by Vehicle Class
Fiscal Years 2016, 2017 & 2018

VEHICLE CLASSIFICATIONS
Tolls are collected based upon the classification of the vehicle.
The classification is determined by the number of axles on the vehicle.

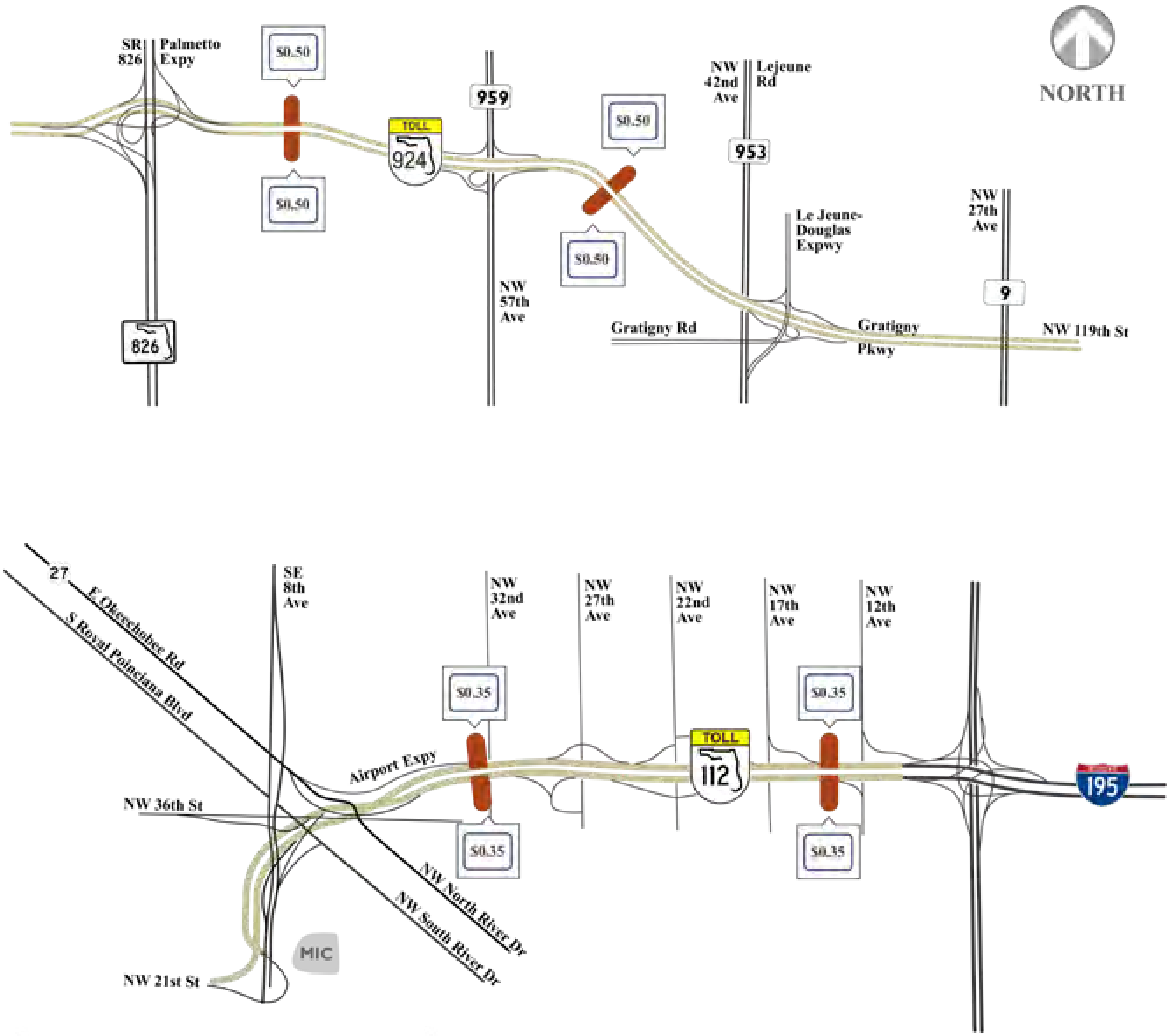
Multi-axle vehicles are capped at 3 axles for SunPass® only. Toll by Plate ("TBP") rates are x2 SunPass® rates.

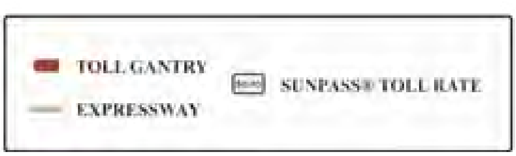
VEHICLE CLASSIFICATION LOCATION & DIRECTION OF TRAVEL	TYPE OF PAYMENT	2-AXLES	3-AXLES	4-AXLES	5-AXLES	ADDITIONAL AXLE (EA.)
GRATIGNY (SR 924)						
East/West at 57th Ave	SunPass® TBP	0.50 1.00	1.00 2.00	1.00 3.00	1.00 4.00	- 1.00
East/West at 42nd Ave	SunPass® TBP	0.50 1.00	1.00 2.00	1.00 3.00	1.00 4.00	- 1.00
AIRPORT (SR 112)						
East/West at 32nd Ave	SunPass® TBP	0.35 0.70	0.70 1.40	0.70 2.10	0.70 2.80	- 0.70
East/West at 17th Ave	SunPass® TBP	0.35 0.70	0.70 1.40	0.70 2.10	0.70 2.80	- 0.70
DOLPHIN (SR 836)						
East/West at 137th Ave	SunPass® TBP	0.30 0.60	0.60 1.20	0.60 1.80	0.60 2.40	- 0.60
East/West at 107th Ave Ramp	SunPass® TBP	0.30 0.60	0.60 1.20	0.60 1.80	0.60 2.40	- 0.60
East/West at 97th Ave	SunPass® TBP	0.70 1.40	1.40 2.80	1.40 4.20	1.40 5.60	- 1.40
East at 87th Ave Ramp	SunPass® TBP	0.30 0.60	0.60 1.20	0.60 1.80	0.60 2.40	- 0.60
EastEast/West at 57th Ave	SunPass® TBP	0.70 1.40	1.40 2.80	1.40 4.20	1.40 5.60	- 1.40
East/West at 57th Ave Ramp	SunPass® TBP	0.30 0.60	0.60 1.20	0.60 1.80	0.60 2.40	- 0.60
East/West at 27th Ave	SunPass® TBP	0.30 0.60	0.60 1.20	0.60 1.80	0.60 2.40	- 0.60
East/West at 17th Ave	SunPass® TBP	0.70 1.40	1.40 2.80	1.40 4.20	1.40 5.60	- 1.40
East/West at 12th Ave	SunPass® TBP	0.30 0.60	0.60 1.20	0.60 1.80	0.60 2.40	- 0.60
East/West at 12th Ave Ramp	SunPass® TBP	0.30 0.60	0.60 1.20	0.60 1.80	0.60 2.40	- 0.60
DON SHULA (SR 874)						
North/South at Turnpike	SunPass® TBP	0.25 0.50	0.50 1.00	0.50 1.50	0.50 2.00	- 0.50
North/South at Killian	SunPass® TBP	0.25 0.50	0.50 1.00	0.50 1.50	0.50 2.00	- 0.50
North/South at SR826	SunPass® TBP	0.50 1.00	1.00 2.00	1.00 3.00	1.00 4.00	- 1.00
SNAPPER CREEK (SR 878)						
East/West at 87th Ave	SunPass® TBP	0.25 0.50	0.50 1.00	0.50 1.50	0.50 2.00	- 0.50
East/West at SR826	SunPass® TBP	0.25 0.50	0.50 1.00	0.50 1.50	0.50 2.00	- 0.50

WEST
EAST



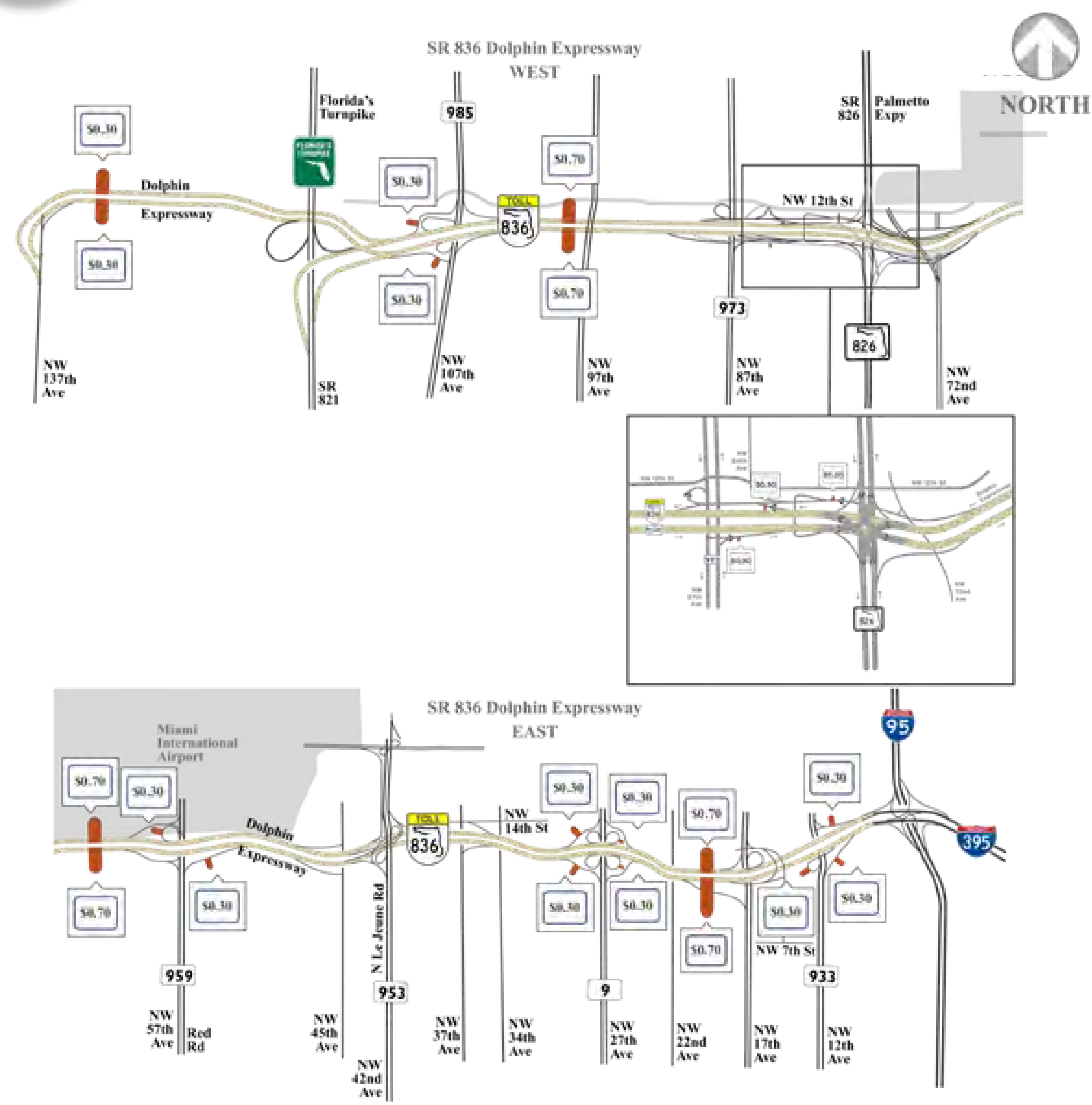
ORT Gantry Locations: SR 924 Gratigny Parkway and SR 112 Airport Expressway

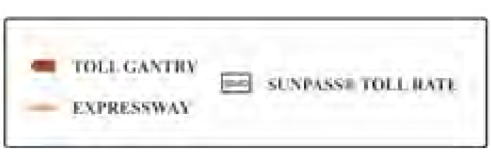




Footnotes:
- Toll-By-Plate rates are x2 SunPass® rates
- Multi-axle vehicles are capped at 3 axles for SunPass®
- Rates based on 2-axle passenger vehicles at the SunPass® rate

ORT Gantry Locations:
SR 836 Dolphin Expressway





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

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

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

Total Toll and Fee Revenues, net by Expressway

EXPRESSWAY	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Airport (SR112)	$27,478,330	$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
Dolphin (SR 836)	144,026,944	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
Don Shula (SR 874)	41,420,167	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
Snapper Creek (SR878)*	7,456,415	7,195,150	7,322,638	7,224,638	6,657,098	6,860,154	6,347,631	5,920,280	-	-
Gratigny (SR924)	19,590,907	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
FDR Program	-	(5,639,720)	(5,283,223)	(2,182,241)	-	-	-	-	-	-
Sub-total	**239,972,762**	**225,920,265**	**223,962,013**	**178,500,237**	**126,441,074**	**127,780,474**	**119,469,873**	**117,000,679**	**103,445,089**	**104,561,488**
I-Tolls/V-Tolls **	-	-	-	-	-	-	-	107,560	5,601,447	4,778,357
Fees & Recovery revenue	12,435,242	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
MDX System	**$252,408,004**	**$236,931,810**	**$234,775,680**	**$182,824,359**	**$129,216,643**	**$134,412,451**	**$122,510,799**	**$121,863,351**	**$111,768,148**	**$113,075,908**

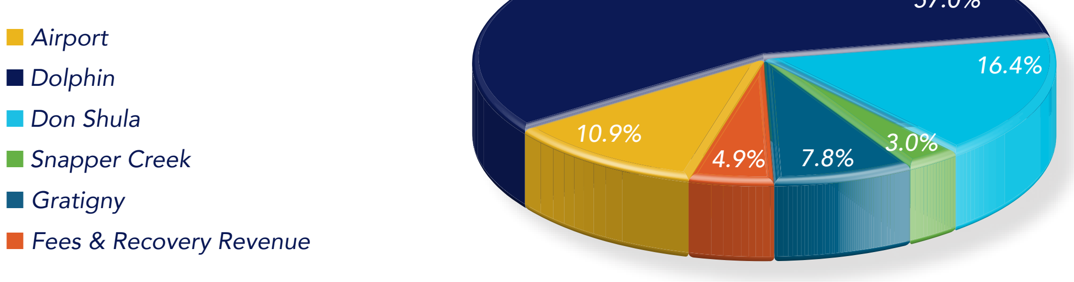
* *Fiscal year 2011 the Authority began collecting tolls on Snapper Creek as part of the ORT implementation As a result, transaction data is only available as of fiscal year 2011.*

** *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 and V-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 %
2018	$189,396,530	$ -	$50,576,233	$239,972,762	78.9%	-	21.1%
2017	185,369,833	-	40,550,433	225,920,265	82.1%	-	17.9%
2016	178,888,501	-	45,073,512	223,962,013	79.9%	-	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%	-

Total Toll and Fee Revenues, net Fiscal Year 2018



Total Traffic/Transactions by Expressway

EXPRESSWAY	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Airport (SR112) *	76,244,944	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
Dolphin (SR 836)*	228,212,022	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
Don Shula (SR 874)	121,182,421	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
Snapper Creek (SR878)**	26,953,117	27,892,584	28,147,979	27,789,132	26,832,452	26,890,719	26,623,114	24,616,913	-	-
Gratigny (SR924)	37,638,929	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
MDX System	**490,231,433**	**495,440,927**	**471,643,768**	**366,827,859**	**244,351,910**	**237,546,143**	**232,655,360**	**220,112,561**	**117,403,213**	**116,120,863**

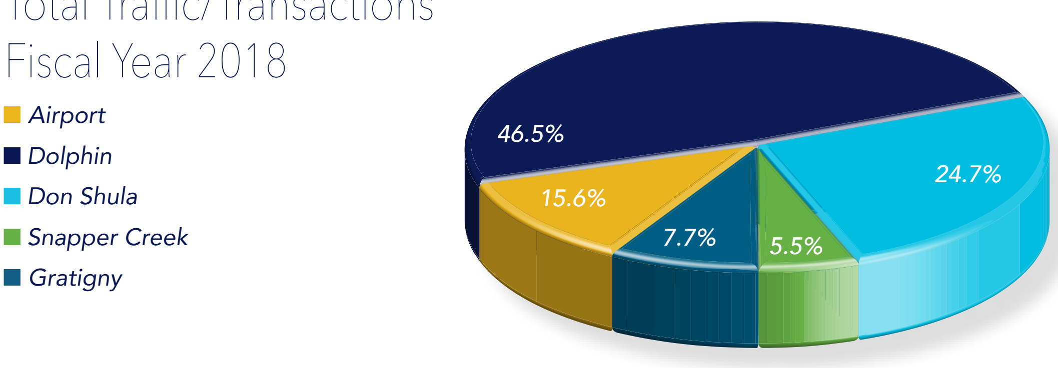
* *Fiscal years 2015 - 2016 the Authority completed the transition to all-electronic tolling and introduced several changes for tolling points on SR836 and SR112 as part of the Open Road Tolling implementation.*

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

Total Toll Transactions by Category

FISCAL YEAR	SUNPASS®	CASH	TBP	TOTAL TRANSACTIONS	SUNPASS® %	CASH %	TBP %
2018	401,194,475	-	89,036,958	490,231,433	81.8%	-	18.2%
2017	405,316,678	-	90,124,249	495,440,927	81.8%	-	18.2%
2016	378,739,649	-	92,904,119	471,643,768	80.3%	-	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%	-

Total Traffic/Transactions Fiscal Year 2018

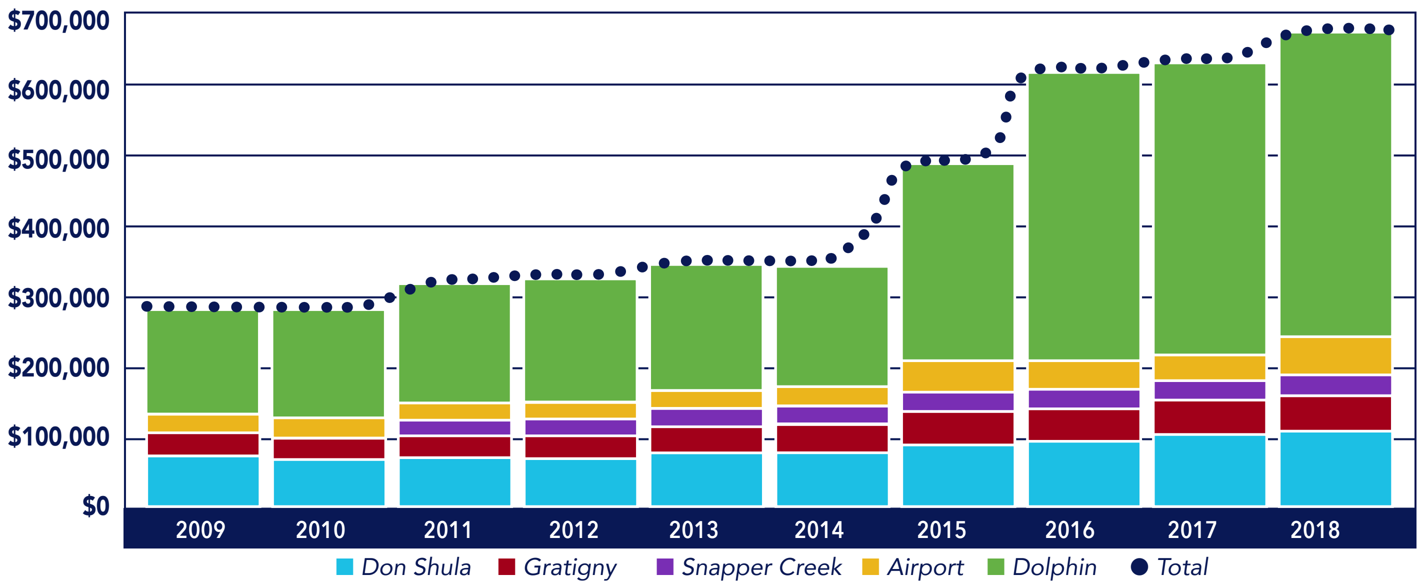


Average Daily Revenue by Expressway

EXPRESSWAY	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Airport (SR112)	$ 78,510	$ 73,578	$ 74,126	$ 58,828	$ 45,006	$ 43,162	$ 41,062	$ 39,000	$ 36,111	$ 35,897
Dolphin (SR836)	411,506	381,342	380,311	267,642	153,701	161,717	155,887	152,390	141,835	138,988
Don Shula (SR874)	118,343	113,113	102,441	96,712	84,474	84,301	75,243	76,760	73,835	79,399
Snapper Creek (SR878)*	21,304	19,931	20,062	19,794	18,239	18,795	17,391	16,220	-	-
Gratigny (SR924)	55,974	53,476	51,130	52,045	44,995	42,108	37,732	36,180	31,630	32,185
MDX System Average	**$685,636**	**$641,440**	**$628,069**	**$495,020**	**$346,414**	**$350,083**	**$327,315**	**$320,550**	**$283,411**	**$286,470**

* *Fiscal year 2011 the Authority began collecting tolls on Snapper Creek as part of the ORT implementation. 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.*
**** *Fiscal Year 2018 average daily toll calculated using 350 days. Tolls lifted 15 days due to Hurricane Irma.*

Average Daily Revenue

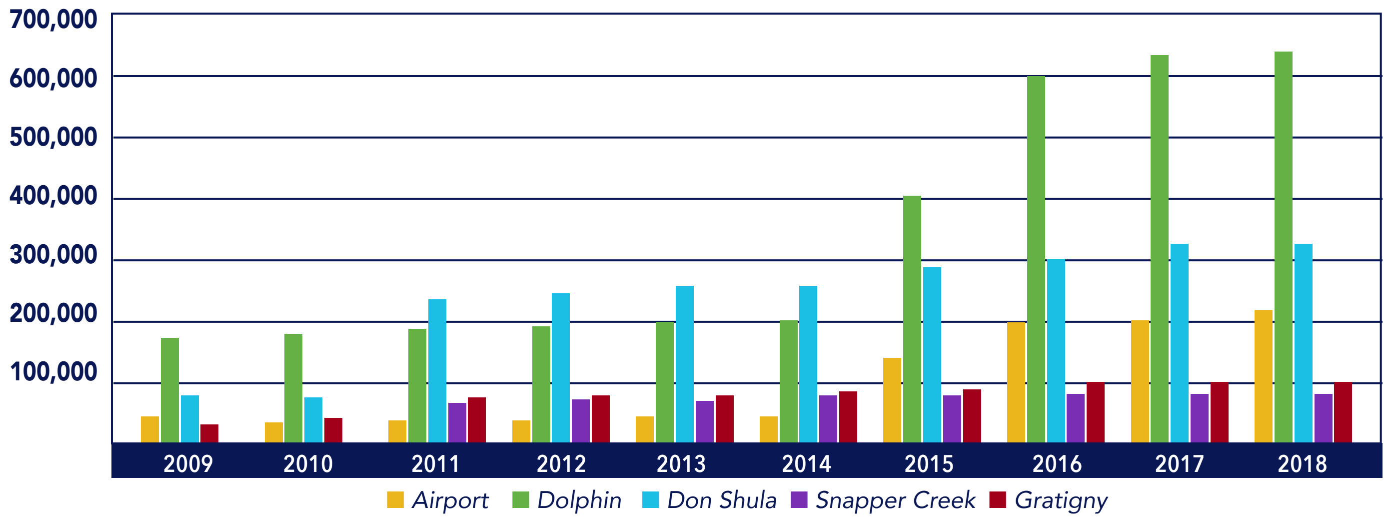


Average Daily Traffic/Transactions by Expressway

EXPRESSWAY	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Airport (SR112)	217,843	210,740	202,928	137,076	42,788	40,060	38,672	36,240	34,775	34,137
Dolphin (SR 836)	652,034	646,891	601,830	411,714	204,090	202,032	199,195	189,140	182,052	177,157
Don Shula (SR874)	346,235	334,474	307,242	285,435	263,062	255,829	248,108	237,405	72,696	77,718
Snapper Creek (SR878)*	77,009	77,265	76,907	76,135	73,514	73,673	72,740	67,444	-	-
Gratigny (SR924)	107,540	103,043	99,737	94,648	86,004	79,216	76,955	72,819	32,227	30,063
MDX System Average	**1,400,661**	**1,372,413**	**1,288,644**	**1,005,008**	**669,458**	**650,810**	**635,670**	**603,048**	**321,750**	**319,075**

* *Fiscal year 2011 the Authority began collecting tolls on Snapper Creek as part of the ORT implementation. 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.*
*** *Fiscal Year 2018 average daily toll calculated using 350 days. Tolls lifted 15 days due to Hurricane Irma.*

Average Daily Traffic/Transactions



Traffic/Transaction Vehicle Class by Expressway

EXPRESSWAY	CLASS	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
AIRPORT SR112	2-axles	74,093,116	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
	3-axles	961,968	1,051,258	1,012,830	689,969	187,975	174,301	159,970	151,748	150,545	163,620
	4-axles	272,415	294,442	295,716	185,604	32,466	28,769	29,188	27,586	25,487	29,847
	5-axles	855,280	827,363	782,332	467,102	102,560	96,244	93,608	98,648	99,566	104,524
	< 6-axles	62,165	57,351	42,042	20,206	2,681	2,709	3,609	4,091	3,438	3,412
DOLPHIN SR836	2-axles	224,348,941	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
	3-axles	1,897,062	1,949,760	1,830,859	1,258,608	546,700	510,585	496,898	531,212	484,304	484,697
	4-axles	794,204	761,391	663,910	503,283	228,069	202,046	178,429	191,857	178,329	171,230
	5-axles	1,118,055	1,089,657	965,747	598,750	238,450	251,279	237,542	211,311	201,951	212,354
	< 6-axles	53,760	43,692	48,311	23,379	10,942	9,758	9,340	8,110	8,396	7,324
DON SHULA SR874	2-axles	118,925,155	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
	3-axles	1,005,258	941,899	828,548	756,134	707,916	671,287	646,202	598,833	128,204	145,984
	4-axles	714,635	636,682	565,471	479,522	442,790	416,651	382,847	349,846	50,649	55,360
	5-axles	509,938	470,194	419,154	360,777	329,192	301,302	289,449	290,044	92,683	105,131
	< 6-axles	27,435	22,106	33,144	15,045	13,459	12,481	14,131	17,362	2,884	3,340
SNAPPER CREEK SR878	2-axles	26,739,800	27,689,979	27,945,327	27,574,885	26,635,099	26,705,029	26,437,767	24,453,316	-	-
	3-axles	99,879	100,116	104,608	111,185	101,032	93,549	91,494	81,519	-	-
	4-axles	83,820	76,801	72,376	72,172	69,344	65,654	64,800	56,103	-	-
	5-axles	27,586	24,051	24,502	29,157	25,653	25,213	27,435	24,316	-	-
	< 6-axles	2,032	1,637	1,166	1,733	1,324	1,274	1,618	1,659	-	-
GRATIGNY SR924	2-axles	35,099,304	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
	3-axles	853,403	776,759	759,661	662,689	572,510	504,519	488,336	461,592	144,958	135,688
	4-axles	616,829	572,075	564,018	457,166	394,493	330,873	298,713	287,397	82,321	72,008
	5-axles	1,034,496	936,806	860,112	768,636	679,294	591,845	541,442	485,946	177,368	162,525
	< 6-axles	34,897	32,247	27,098	23,418	18,665	14,675	15,478	14,732	7,860	5,684
MDX SYSTEM	2-axles	479,206,316	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
	3-axles	4,817,570	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
	4-axles	2,481,903	2,341,391	2,161,491	1,697,747	1,167,162	1,043,993	953,977	912,789	336,786	328,446
	5-axles	3,545,355	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
	< 6-axles	180,289	157,033	151,761	83,781	47,071	40,897	44,176	45,954	22,577	19,760
TOTAL TRAFFIC TRANSACTIONS		**490,231,433**	**495,440,927**	**471,643,768**	**366,827,859**	**244,351,910**	**237,546,143**	**232,655,360**	**220,112,561**	**117,403,213**	**116,120,863**

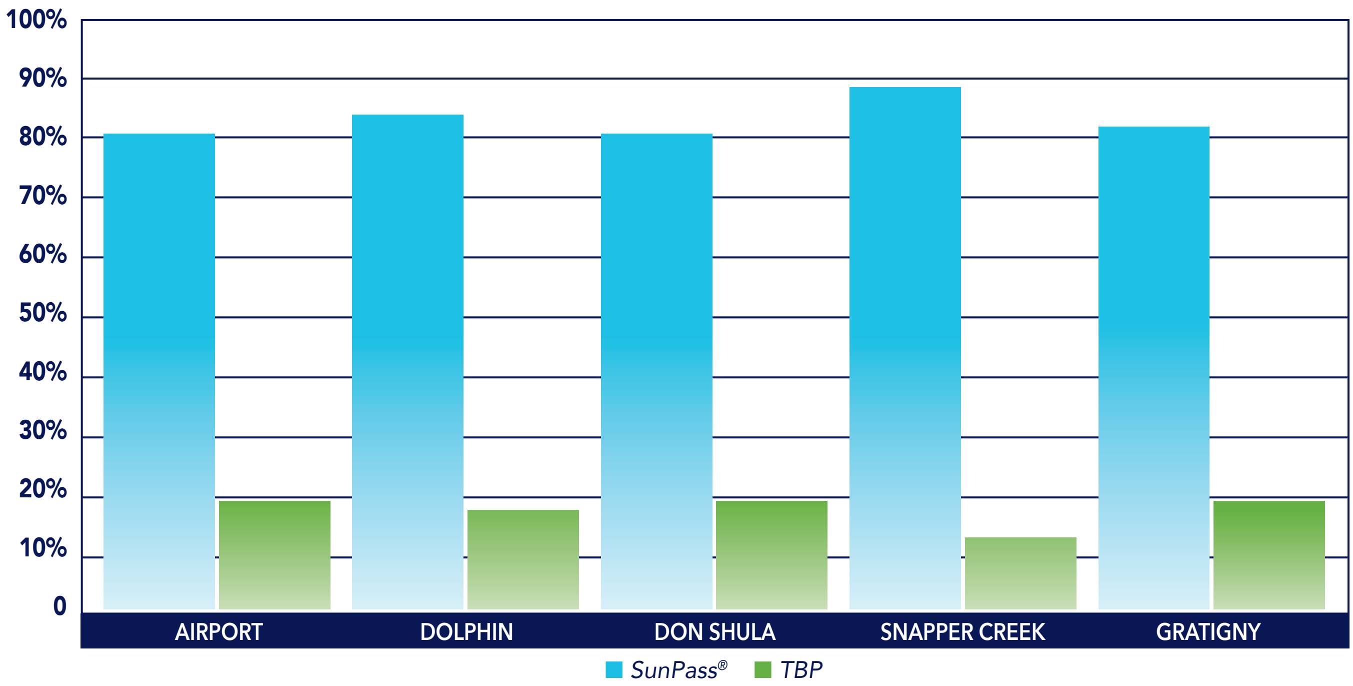
**Fiscal year 2011 the Authority began collecting tolls on Snapper Creek as part of the ORT implementation. As a result, transaction data is only available as of fiscal year 2011.*

Traffic/Transaction Percentage by Expressway

EXPRESSWAY	PAYMENT TYPE	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Airport (SR112)	SunPass®	80.2%	80.1%	78.1%	74.8%	63.6%	75.4%	64.0%	62.3%	67.1%	65.0%
	Cash	-	-	-	1.9%	18.5%	20.9%	22.4%	22.3%	32.3%	35.0%
	TBP	19.8%	19.9%	21.9%	23.3%	18.0%	3.7%	13.6%	15.3%	1.0%	-
Dolphin (SR836)	SunPass®	82.9%	83.3%	81.1%	79.5%	81.6%	83.6%	73.8%	73.0%	70.8%	69.0%
	Cash	-	-	-	0.4%	3.0%	8.1%	5.2%	11.7%	28.4%	31.0%
	TBP	17.1%	16.7%	18.9%	20.0%	15.4%	8.4%	21.0%	15.4%	1.0%	-
Don Shula (SR874)	SunPass®	80.7%	80.1%	79.4%	81.2%	83.4%	85.7%	74.5%	74.5%	70.2%	70.0%
	Cash	-	-	-	-	-	-	-	0.3%	29.1%	30.0%
	TBP	19.3%	19.9%	20.6%	18.8%	16.6%	14.3%	25.5%	25.2%	1.0%	-
Snapper Creek (SR878)*	SunPass®	85.6%	87.9%	84.5%	85.2%	86.9%	89.0%	78.3%	76.7%	-	-
	TBP	14.4%	12.1%	15.5%	14.8%	13.1%	11.0%	21.7%	23.4%	-	-
Gratigny (SR924)	SunPass®	80.1%	77.1%	79.0%	82.7%	83.3%	86.1%	75.3%	74.3%	76.1%	75.0%
	Cash	-	-	-	-	-	-	-	-	19.9%	25.0%
	TBP	19.9%	22.9%	21.0%	17.3%	16.7%	13.9%	24.7%	25.7%	4.0%	-
MDX System	SunPass®	81.8%	81.8%	80.3%	80.1%	81.9%	84.1%	74.2%	73.2%	75.9%	74.8%
	Cash	-	-	-	0.4%	2.1%	3.8%	3.0%	6.1%	23.0%	25.2%
	TBP	18.2%	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 implementation. As a result, transaction data is only available as of fiscal year 2011.*

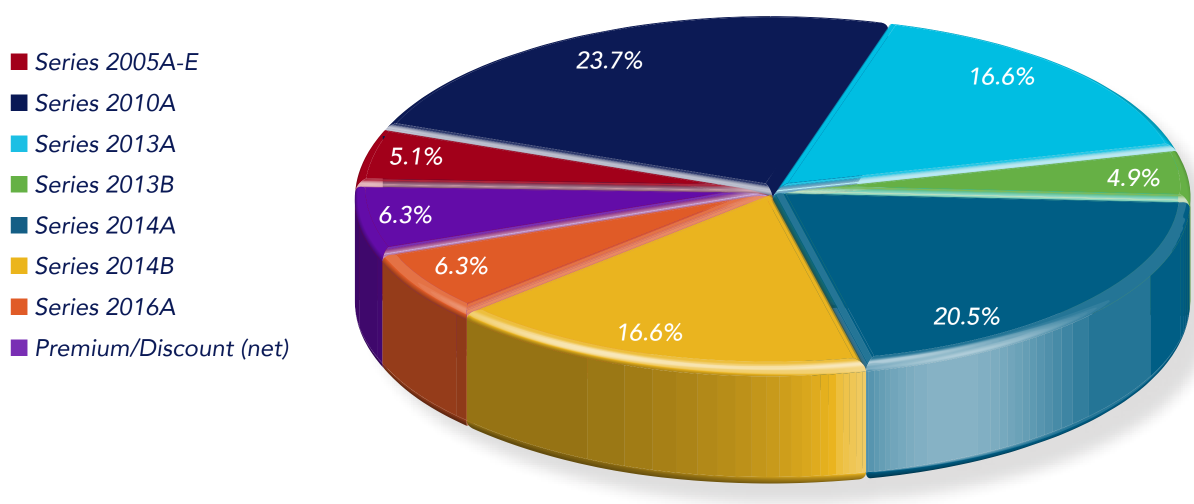
Traffic/Transaction Percentage Fiscal Year 2018



Outstanding Debt - Principal *(In Thousands)*

FISCAL YEAR	REVENUE BONDS	SIB LOANS	TFRTF LOANS	TOTAL DEBT
2018	$1,530,432	$ -	$ -	$1,530,432
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

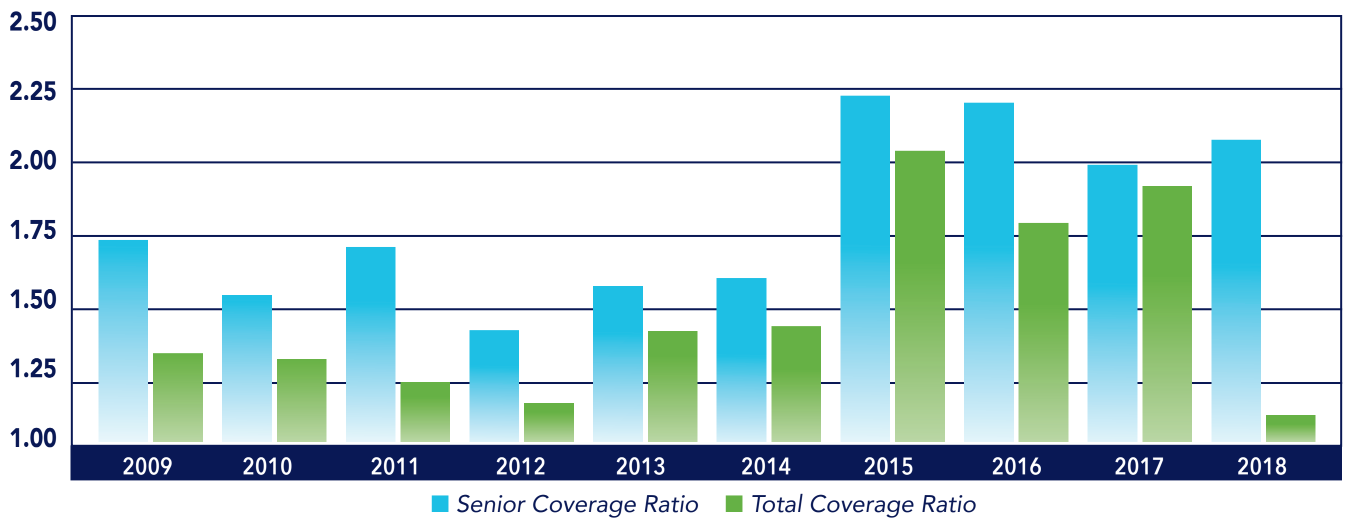
Revenue Bonds Outstanding by Series



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
2018	$ 205,763	$ 99,441	$ 186,755	2.07	1.10
2017	190,001	95,717	102,481	1.99	1.85
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

Debt Service Coverage Ratio

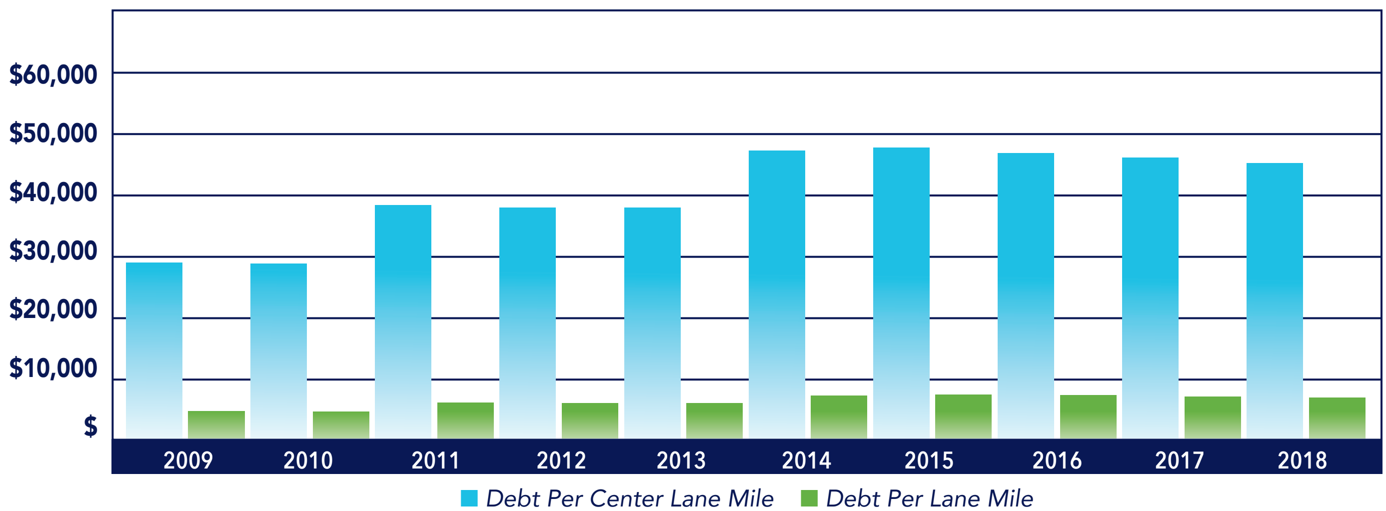


Ratios of Outstanding Debt (In Thousands)

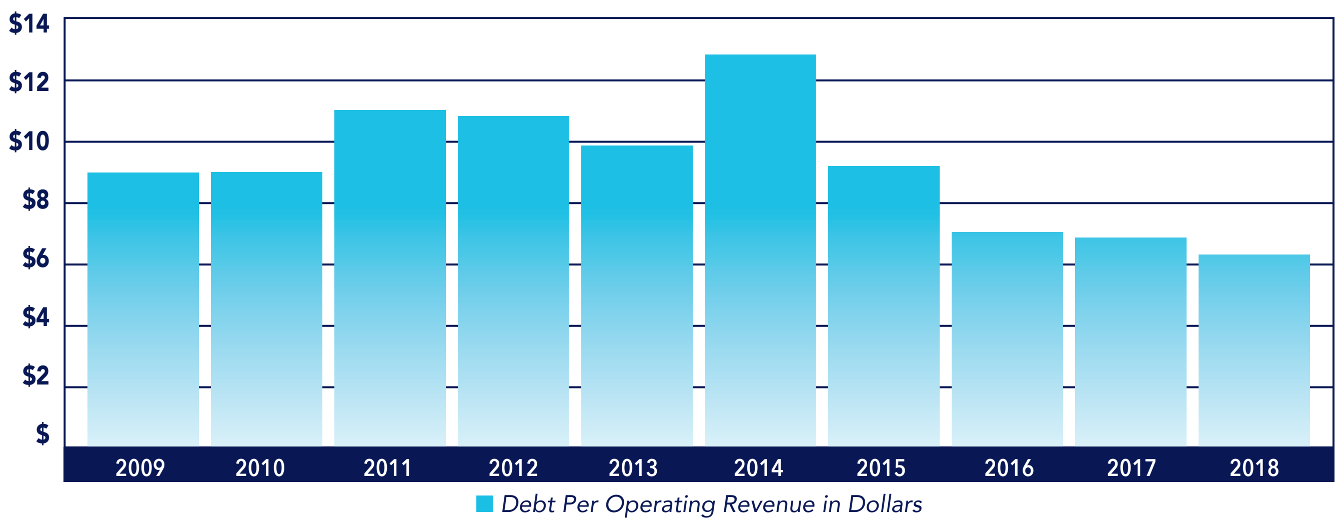
Fiscal Year	Center Lane Miles*	Lane Miles*	Operating Revenue	Total Debt	Debt Per Center Lane Mile	Debt Per Lane Mile	Debt Per Operating Revenue in Dollars
2018	33.6	228.1	$ 253,280	$ 1,530,432	$ 45,562	$ 6,708	$ 6.04
2017	33.6	228.1	237,822	1,563,340	46,528	6,853	6.57
2016	33.6	223.9	235,521	1,586,609	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

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

Debt Per Mile



Debt Per Operating Revenue in Dollars



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 All Formulations, Dollars per Gallon)
2017	2,752	n/a	n/a	256.7	1,384	4.8	$2.85
2016	2,737	$123,276	$45,440	249.8	1,334	5.3	2.47
2015	2,706	119,956	44,550	245.4	1,317	5.9	2.70
2014	2,675	111,318	41,734	243.1	1,320	6.7	3.59
2013	2,644	103,310	39,114	238.2	1,291	7.4	3.74
2012	2,608	102,917	39,462	235.2	1,282	8.3	3.80
2011	2,572	100,313	38,981	230.9	1,255	9.4	3.70
2010	2,496	95,717	38,174	223.1	1,225	11.1	2.93
2009	2,464	87,218	35,398	221.4	1,210	10.4	2.52
2008	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 Thousands)*	Per-Capita Personal Income*	Consumer Price Index	Labor Force (In Thousands)	Unemployment Rate (%)	Retail Gas Prices (All Grades All Formulations, Dollars per Gallon)
2017	20,984	$983,294	$46,858	237.5	10,100	4.2	$2.49
2016	20,657	947,207	45,855	232.7	9,846	4.8	2.22
2015	20,269	919,958	45,388	230.1	9,630	5.5	2.44
2014	19,898	856,492	43,045	230.6	9,581	6.3	3.42
2013	19,585	798,886	40,791	226.7	9,454	7.2	3.57
2012	19,341	793,104	41,006	223.2	9,383	8.5	3.63
2011	19,097	773,316	40,493	218.6	9,301	10.0	3.55
2010	18,801	728,064	38,631	211.3	9,212	11.1	2.83
2009	18,653	691,356	37,065	207.8	9,095	10.4	2.42
2008	18,527	734,691	39,655	208.7	9,216	6.3	3.33

United States

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 All Formulations, Dollars per Gallon)
2017	325,719	$16,413,551	$50,392	245.1	160,320	4.4	$2.53
2016	323,406	15,912,777	49,204	240.0	159,187	4.9	2.25
2015	321,040	15,547,661	48,429	237.0	157,130	5.3	2.52
2014	318,623	14,811,388	46,486	236.7	155,922	6.2	3.44
2013	316,235	14,068,960	44,489	233.0	155,389	7.4	3.58
2012	313,993	13,904,485	44,283	229.6	154,975	8.1	3.68
2011	311,644	13,233,436	42,463	224.9	153,617	8.9	3.58
2010	308,746	12,459,613	40,278	218.1	153,889	9.6	2.84
2009	306,772	12,079,444	39,376	214.5	154,142	9.3	2.41
2008	304,094	12,492,705	41,082	215.3	154,287	5.8	3.30

* *2017 Personal Income and Per-Capita Income are not yet available*
** *Consumer Price Index for Miami-Ft. Lauderdale and South Urban as substitutes for Miami-Dade and Florida, respectively*
*** *Table data adjusted as needed to match latest update by source*

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
Unemployment Rate: Bureau of Labor Statistics

Total Employment by Industry: Miami-Dade County

DESCRIPTION / EMPLOYMENT BY INDUSTRY:	2016	% OF TOTAL	2006	% OF TOTAL
Farming	7,288	0.4%	7,228	0.5%
Forestry, Fishing, and Related Activities	3,125	0.2%	2,672	0.2%
Mining/Extraction	1,551	0.1%	742	0.1%
Utilities	3,478	0.2%	3,360	0.2%
Construction	77,326	4.4%	86,414	6.1%
Manufacturing	47,886	2.7%	52,361	3.7%
Wholesale Trade	93,541	5.3%	80,835	5.7%
Retail Trade	174,377	9.9%	145,235	10.2%
Transportation and Warehousing	113,721	6.5%	80,668	5.7%
Information	25,608	1.5%	26,813	1.9%
Finance and Insurance	96,183	5.5%	69,087	4.9%
Real Estate and Rental and Leasing	136,898	7.8%	82,472	5.8%
Professional, Scientific, and Technical Services	126,493	7.2%	95,203	6.7%
Management of Companies and Enterprises	16,883	1.0%	9,887	0.7%
Administrative and Waste Management Services	135,350	7.7%	116,976	8.2%
Educational Services	43,124	2.5%	32,553	2.3%
Health Care and Social Assistance	184,422	10.5%	137,929	9.7%
Arts, Entertainment, and Recreation	31,050	1.8%	23,613	1.7%
Accommodation and Food Services	138,600	7.9%	95,631	6.7%
Other Services (Except Public Administration)	149,119	8.5%	115,037	8.1%
Government and Government Enterprises	147,484	8.4%	158,154	11.1%
Total Employment by Industry	**1,753,507**	**100.00%**	**1,422,870**	**100.00%**

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

Miami-Dade County: 25 Largest Employers

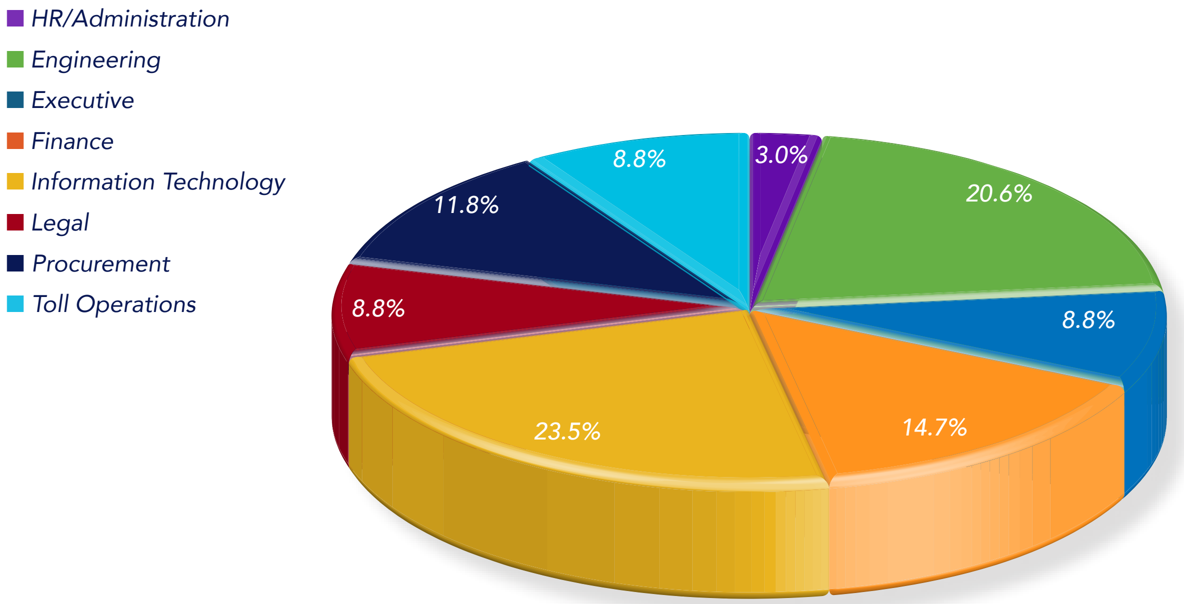
EMPLOYER	NUMBER OF EMPLOYEES
Miami-Dade County Public Schools	33,477
Miami-Dade County	25,502
Federal Government	19,200
Florida State Government	17,100
University of Miami	12,818
Baptist Health South Florida	11,353
American Airlines	11,031
Jackson Health System	9,797
City of Miami	3,997
Florida International 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

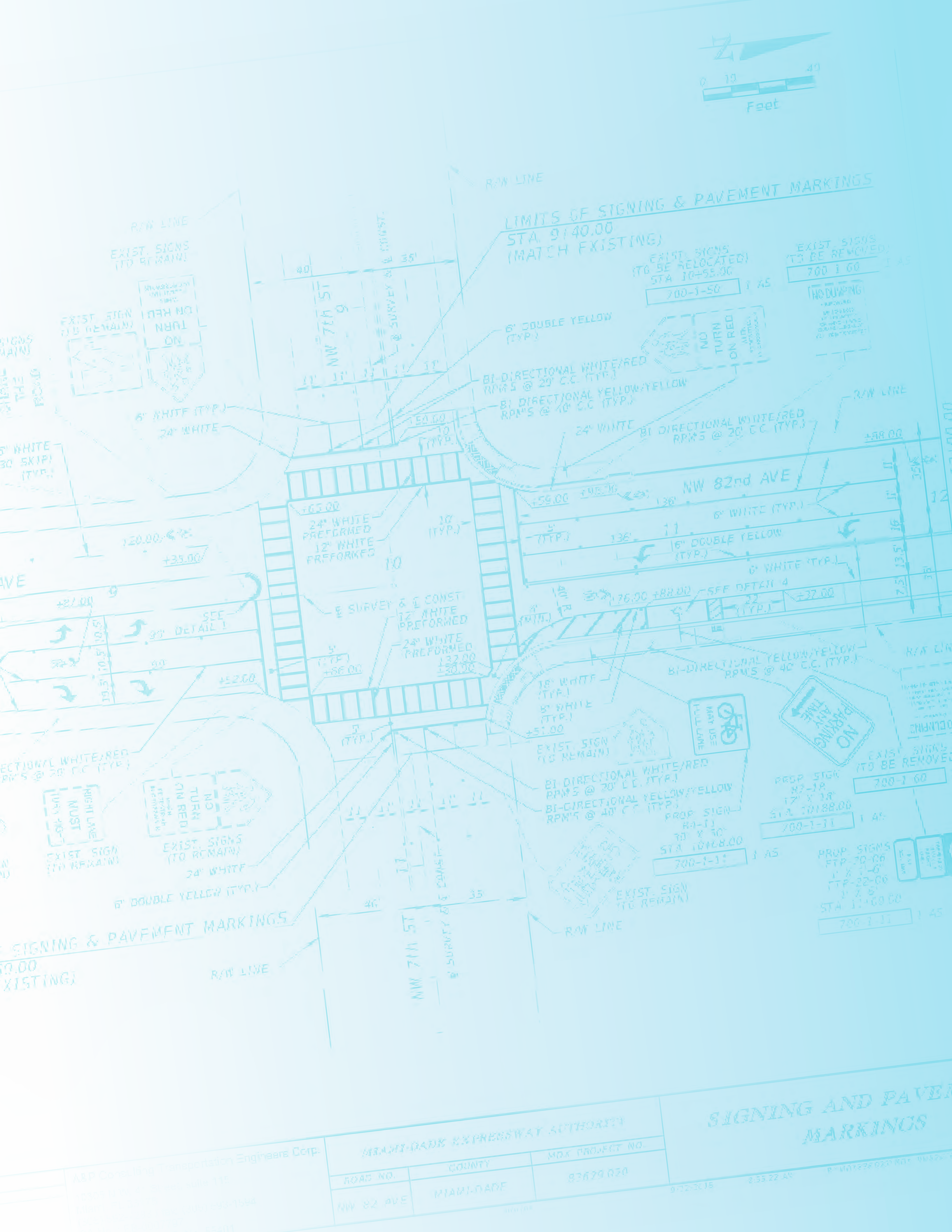
Source: The Beacon Council 2015

Full-Time Employees by Department

DEPARTMENT	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
HR/Administration	1	1	3	4	5	6	5	6	6	4
Engineering	7	7	8	9	8	8	8	8	8	8
Executive	3	3	3	3	3	2	2	2	2	2
Finance	5	6	6	5	6	6	6	6	7	9
Information Technology	8	9	12	13	13	13	13	13	14	15
Legal	3	3	3	3	1	2	2	2	1	1
Procurement	4	4	4	4	3	4	4	4	5	4
Public Communications	0	0	0	0	0	1	1	1	1	1
Toll Operations	3	3	4	4	5	5	5	5	5	4
Total Employees	**34**	**36**	**43**	**45**	**44**	**47**	**46**	**47**	**49**	**48**

Full-Time Employees by Department
Fiscal Year 2018





LIMITS OF SIGNING & PAVEMENT MARKINGS
STA. 9+40.00
(MATCH EXISTING)
NW 82nd AVE
NW 7th ST
R/W LINE
6" DOUBLE YELLOW (TYP.)
BI-DIRECTIONAL WHITE/RED RPM'S @ 20' C.C. (TYP.)
BI-DIRECTIONAL YELLOW/YELLOW RPM'S @ 40' C.C. (TYP.)
24" WHITE
6" WHITE (TYP.)
EXIST. SIGNS (TO REMAIN)
EXIST. SIGNS (TO BE RELOCATED)
EXIST. SIGNS (TO BE REMOVED)
MIAMI-DADE EXPRESSWAY AUTHORITY
MARKINGS

Miami-Dade County Expressway Authority
d/b/a Miami-Dade Expressway Authority and MDX
3790 NW 21st Street ▼ Miami, Florida 33142
www.mdxway.com

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
FINANCE, POLICY &
PLANNING COMMITTEE MEETING
NOVEMBER 13, 2018

AGENDA ITEM REPORT

[ ] Consent [x] Regular [ ] Public Hearing

MDX PROPERTY ACQUISITION POLICY

REQUESTED ACTION:

MOTION TO ENDORSE:

- Endorse proposed Revised MDX Property Acquisition Policy

SUMMARY EXPLANATION AND BACKGROUND:

The MDX Property Acquisition Policy (PAP) authorizes MDX to acquire property interests that are required for projects identified in the Board approved Five-Year Work Program. Since the Kendall Parkway Project is anticipated to create robust ROW activity, the Executive Director (ED) directed staff to evaluate the current PAP for effectiveness and efficiency.

Based on Staff's collective experience gained through the MDX ROW program, staff has identified a number of revisions that will help streamline the process of acquiring the large number of properties (estimated 600 parcels) required for the Kendall Parkway Project without sacrificing Board oversight. The proposed revisions are intended to clarify and streamline the process of the acquisition of parcels and the handling of business damages claims.

CURRENT PROCESS FOR THE ACQUISITION OF PARCELS

The following is a summary of the process of the acquisition of a parcel under the current MDX policy:

Step 1 – A specific project and the Right of Way needed to complete the project alignment is identified.

Step 2 - The MDX Board approves an estimated specific Project ROW Budget as part of the MDX Five Year Work Program to fund acquisition of real property deemed essential for the specific Project(s).

Steps 3 & 4 - The MDX OECI Committee endorses a Project Resolution & individual Parcel Resolution(s). The MDX Board approves the Project & individual Parcel Resolution that declares that i) the Project/Parcel will serve a public purpose and ii) that in order to construct the Project, it is necessary to acquire interests in real property through negotiated conveyance or Eminent Domain procedures and iii) authorizes the ED, and all others designated to act on his

MDX PROPERTY ACQUISITION POLICY

behalf, to implement the provisions of the Project/Parcel Resolution. The Project and Parcel Resolutions are two separate actions.

Step 5 – Currently, the value of the property determines the authority needed to provide an initial offer (See attached Exhibit B – Comparison Table) and, if necessary, the Initial Offer may need OECI and MDX Board approval. It should be noted that Staff prepares an AIR which has an appraiser's certificate of value for each individual parcel for approval of the Initial Offer. Once the Initial Offer is approved by the Committee or MDX Board, Staff then begins with the process of acquiring property. Property is acquired through a negotiated conveyance or eminent domain litigation.

Staff feels that Step 5 is redundant, slows down the acquisition process by numerous weeks depending on the Board's schedule and is not the most efficient and effective use of MDX resources. Therefore, Staff proposes a slight change to the acquisition process which would avoid Step 5.

Property Acquisition

As stated, the value of the property determines the authority needed to provide an initial offer (See attached Exhibit B – Comparison Table). The current ED's authority to extend an initial offer ends without Committee or Board approval is $350,000.

The proposed revisions will allow the ED to extend all initial offers when the initial offer is supported by an appraiser's certificate of value. Any property valued over one million dollars may be subject to a second appraisal with an appraiser review to determine the most accurate appraisal. The appraiser's certificate of value is the same document attached to the AIR for Committee Endorsement and Board approval. The MDX Board has never voted not to extend an initial offer based on an appraiser's certificate of value.

The ED's settlement authority has been slightly modified (See attached Exhibit B – Comparison table). On properties valued under $500,000, the ED would have settlement authority up to $125,000 which is an increase of $25,000. On properties above $500,000, the settlement authority is the same as the current policy.

Any proposed settlements above the ED's authority will be subject to a shade meeting.

Business Damage Claims

It is important to note that any real property taken during the ROW process that contained a business is subject to a business damage claim. The property owner is charged with presenting an initial offer to MDX and MDX has only 120 days to provide a counter-offer. Currently, like the value of the property above, the initial offer determines levels of authority needed to present a counter-offer (See Exhibit B – Comparison Table). The proposed revision is similar to the

MDX PROPERTY ACQUISITION POLICY

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property acquisition revision above and will allow the ED to present the initial counter-offer only when supported by a written independent third party analysis of the claim. Initial claims of less than $50,000 require written memorandum from staff, an MDX consultant or an independent state certified CPA. Any initial counter-offers above $50,000 must be supported by an independent state certified CPA. The referenced documents are the same that is used to obtain Committee Endorsement and Board approval. The MDX Board has never voted not to extend an initial counter-offer based on referenced reports.

The ED's settlement authority has been slightly modified (See Exhibit B). On business claims valued under $500,000, the ED would have settlement authority up to $125,000 which is an increase of $25,000. On business claims above $500,000, the settlement authority is the same as the current policy.

Any proposed settlements above the ED's authority will be subject to a shade meeting.

The current MDX Property Acquisition Policy is attached (Exhibit C). The proposed revisions were not the only changes to the policy as the policy was also reviewed for style, flow and grammar. The changes were so extensive that a "redline" copy would be extremely hard to follow.

MANNER IN WHICH REQUESTED ACTION ADVANCES MDX STRATEGIC GOALS:

Adoption of the revisions to the attached policy will allow MDX to effectively, efficiently and statutorily acquire ROW in a more expeditious manner.

FISCAL IMPACT:

The funds required to implement the MDX ROW Program are budgeted within the Annual Board approved Five-Year Work Program.

EXHIBITS ATTACHED:

Exhibit A: Proposed Property Acquisition Policy
Exhibit B: Comparison Table
Exhibit C – Current MDX Policy

MDX PROPERTY ACQUISITION POLICY

Authorized by: ______________ 11-8-18
Executive Director Date

Motion to Approve by: ______________

Motion to Approve seconded by: ______________

Details of Amended Motion:

____

____

Committee Action:

Approved: ______ Yes ______ No

Vote: ______ Unanimous

Roll Call:

FPP Chair, Louis V. Martinez, Esq.	___ Yes	___ No
FPP Vice Chair, Luz Weinberg	___ Yes	___ No
Member Audrey M. Edmonson	___ Yes	___ No
Member Jim Wolfe, P.E.	___ Yes	___ No
Board Chair, Mayor Carlos A. Gimenez	___ Yes	___ No

Ex-Officio Member:

Board Vice Chair, Leonard Boord	___ Yes	___ No

MDX PROPERTY ACQUISITION POLICY

I. Purpose:

MDX may acquire rights, title, and interest in property as it deems appropriate and as authorized under Chapter 348, Part I ("Florida Expressway Authority Act"), Florida Statutes. All acquisitions of property shall be made with an appropriate degree of transparency to assure the public and MDX bondholders that funds are being put to their intended use, and that MDX serves as an exceptional steward of toll revenue. MDX will only acquire an interest in property that its Board deems to be in furtherance of a capital project within the Board approved Five-Year Work Program.

II. Executive Director's Authority and Discretion to Delegate Property Acquisition and Eminent Domain Litigation Responsibilities:

(a) The Executive Director is authorized to implement right of way acquisition programs and to administer right of way acquisition processes in a manner consistent with this policy. Such authority includes, but is not limited to, all aspects of acquiring, condemning, clearing, and preparing property for any purpose authorized under the Florida Expressway Authority Act.

(b) The Executive Director is authorized to appoint designees and assign responsibilities to implement any or all right of way acquisition programs, and to administer any or all right of way acquisition processes. References herein authorizing the Executive Director to act shall provide equivalent authorization to the Executive Director's designees.

III. Application of Florida Department of Transportation's Right of Way Procedures Manual:

MDX shall be guided by, but shall not be bound or limited by, the Florida Department of Transportation Right of Way Procedures Manual, as amended and updated.

IV. Advance Acquisition of Property:

(a) The Executive Director is authorized to make strategic and prudent use of advance acquisition to acquire property or property rights that are needed, or which likely will be needed, for a capital project within the Board approved Five-Year Work Program as long as such acquisition is done in accordance with either:

(i) Section 7.1 ("Advance Acquisition") of the Florida Department of Transportation Right of Way Procedures Manual, as amended and updated; or

(ii) comparable procedures adopted and utilized by a state, regional, or local governmental entity to acquire property or property rights in furtherance of a program to assemble property for a lawful public purpose.

(b) Advance acquisition should not, as a general matter, be undertaken until a preferred project alignment has been identified in a project development and environment study, or through a similar long-range planning process. Acquisition of property prior to funding being programmed and budgeted for a capital project within the Board approved Five-Year Work Program may be undertaken upon written certification of the Executive Director that "it is likely that at least some portion of the property to be acquired through advance acquisition will be needed for an MDX project within the next five years."

(c) The total amount expended on advance acquisition during any fiscal year may not exceed the Work Program Contingency amount approved by the Board during that fiscal year.

(d) Following advance acquisition of property, the Executive Director shall prepare a report that evaluates each individual property acquired by addressing the following factors:

(i) the fiscal justification to accelerate acquisition in lieu of waiting to negotiate under a customary acquisition timeframe;

(ii) a comparison of the rights, title, and interest of the property acquired versus the rights, title, and interest ultimately determined as being necessary for the project, and the resulting value of those differences;

(iii) the projected costs that would have been incurred if the property had been acquired through eminent domain, inclusive of estimated compensation and damages payable to the property owner, expected fees and costs likely to be incurred by MDX's attorney and experts, and expected fees and costs of the property owner's attorney and experts likely to be taxed against MDX; and

(iv) an opinion regarding whether exercise of advance acquisition for properties acquired during the reported fiscal year resulted in an overall fiscal saving to MDX.

V. Offer by MDX to Purchase Property:

(a) The Executive Director is authorized to initiate acquisition of property by delivering an initial written purchase offer ("Initial Purchase Offer") to the property owner. The Initial Purchase Offer must be in an amount that is: (i) based on a certificate of value from a written appraisal report and supported by a review appraiser's statement, both prepared by independent state certified appraisers retained by MDX; and (ii) within the total budgeted sum for acquisition of property for a capital project within the Board approved Five-Year Work Program, unless the proposed acquisition qualifies for advance acquisition as described in Section IV. The Executive Director may determine that two independent state certified appraisers retained by MDX each prepare an appraisal report when an acquisition presents complex appraisal issues and / or the value estimate of the parcel is, or is anticipated to be, in excess of $1,000,000. Both appraisal reports shall be reviewed by a third independent state certified appraiser who will determine the recommended compensation for inclusion in the Initial Purchase Offer.

(b) Notwithstanding the limitation in Subsection (a)(i) of Section V above, the Executive Director is authorized to initiate acquisition of property by delivering an Initial Purchase Offer in an amount that is greater than its appraised value to incentivize a property owner to voluntarily convey its property to MDX when:

(i) the Executive Director has determined that incentive offers will reduce time, expense, and risk associated with property acquisition for a capital project within the Board approved Five-Year Work Program; and

(ii) use of incentive offers are consistently and uniformly applied through a written formula for the benefit of all private property owners affected by a capital project within the Board approved Five-Year Work Program.

Incentive offers may not be utilized: (i) for parcels held in the public domain, (ii) to resolve a claim against MDX under 73.071(3)(b), Florida Statutes, for damage to a business, or (iii) to determine relocation benefits.

(c) The Executive Director is authorized to negotiate resolution of all claims for attorney's fees and costs under Sections 73.015, 73.091, and 73.092, Florida Statutes, presented by a property owner in conjunction with MDX's proposed acquisition of property under this section.

VI. Counter-Offer in Response to a Business Damage Claim Presented to MDX Under Section 73.071(3)(b), Florida Statutes:

(a) The Executive Director is authorized to respond to a business damage claim submitted to MDX under Section 73.071(3)(b) by delivering a written counter-offer ("Business Damage Counter-Offer") to the claimant.

(b) For any business damage claim that is $50,000 or less, the Business Damage Counter-Offer shall be in an amount that is: (i) supported by a written memorandum drafted by MDX staff or an MDX consultant explaining the claim and the grounds to support the amount of the Business Damage Counter-Offer, or is supported by documentation prepared by an independent state certified public accountant retained by MDX; and (ii) within the total budgeted sum for acquisition of property for a capital project within the Board approved Five-Year Work Program.

(c) For any business damage claim that exceeds $50,000, the Business Damage Counter-Offer shall be in an amount that is: (i) supported by documentation prepared by an independent state certified public accountant retained by MDX; and (ii) within the total budgeted sum for acquisition of property for a capital project within the Board approved Five-Year Work Program.

VII. Negotiation Prior to Eminent Domain Litigation:

Subsequent to MDX delivering an Initial Purchase Offer, the Executive Director is authorized to acquire property through negotiated conveyance. Subsequent to MDX delivering a Business Damage Counter-Offer, the Executive Director is authorized to negotiate resolution of a business damage claim. The Executive Director shall negotiate within the following parameters:

(a) For property valued in an amount of $500,000 or less (based on a certificate of value from a written appraisal report prepared by an independent state certified appraiser retained by MDX), the Executive Director is authorized to acquire the property for an amount up to $125,000 over MDX's appraised value. For property valued in an amount that exceeds $500,000 (based on a certificate of value from a written appraisal report prepared by an independent state certified appraiser retained by MDX), the Executive Director is authorized to acquire the property for an amount that is the lesser of: (i) $2,000,000 more than MDX's appraised value, or (ii) 25% more than MDX's appraised value.

(b) In defense of a business damage claim submitted to MDX under Section 73.071(3)(b) for which MDX estimates the damage to the claimant's business to be $500,000 or less (based upon documentation supplied by MDX staff, an MDX consultant, or a state certified public accountant retained by MDX), the Executive Director is authorized to negotiate resolution of the business damage claim for an amount up to $125,000 more than MDX's estimate of damage to the claimant's business. In defense of a business damage claim submitted under Section 73.071(3)(b) for which MDX estimates the damage to the claimant's business exceeds $500,000 (based upon documentation supplied by a state certified public accountant retained by MDX), the Executive Director is authorized to negotiate resolution of the claimant's business damage claim for an amount that is the lesser of: (i) $2,000,000 more than MDX's estimate of the damage to the claimant's business, or (ii) 25% more than MDX's estimate of the damage to the claimant's business.

(c) Any counter-offers that not are within guidelines set forth in Sections (a) & (b) of this Section will be brought before the designated Committee for endorsement and then the Board for final approval.

(d) The Executive Director is authorized to negotiate resolution of all claims for attorney's fees and costs under Sections 73.015, 73.091, 73.092, Florida Statutes, presented by a claimant in defense of MDX's proposed acquisition.

VIII. Eminent Domain Litigation:

The Executive Director is authorized to act within the following parameters upon MDX initiating an eminent domain lawsuit:

(a) After MDX has delivered an Initial Purchase Offer to a property owner, the Executive Director is authorized to acquire any right, title, or interest in property by petitioning for and funding a court order of taking entered under Chapter 74, Florida Statutes. For property valued in an amount of $500,000 or less (based on a certificate of value from a written appraisal report prepared by an independent state certified appraiser retained by MDX), the Executive Director is authorized to fund an order of taking in an amount up to $125,000 over MDX's appraised value. For property valued in an amount that exceeds $500,000 (based on a certificate of value from a written appraisal report prepared by an independent state certified appraiser retained by MDX), the Executive Director is authorized to fund an order of taking in an amount that is the lesser of: (i) $2,000,000 more than MDX's appraised value, or (ii) 25% more than MDX's appraised value.

(b) In compensation phase litigation concerning property valued in an amount of $500,000 or less (based on a certificate of value from a written appraisal report prepared by an independent state certified appraiser retained by MDX), the Executive Director is authorized to negotiate settlement of compensation payable in an amount up to $125,000 over MDX's appraised value. In compensation phase litigation concerning property valued in an amount that exceeds $500,000 (based on a certificate of value from a written appraisal report prepared by an independent state certified appraiser retained by MDX), the Executive Director is authorized to negotiate settlement of compensation payable for an amount that is the lesser of: (i) $2,000,000 more than MDX's appraised value, or (ii) 25% more than MDX's appraised value.

(c) In defense of a business damage claim submitted to MDX under Section 73.071(3)(b) for which MDX estimates the damage to the claimant's business to be $500,000 or less (based upon documentation supplied by MDX staff, an MDX consultant, or a state certified public accountant retained by MDX), the Executive Director is authorized to negotiate settlement of the business damage claim for an amount up to $125,000 more than MDX's estimate of damage to the claimant's business. In defense of a business damage claim submitted under Section 73.071(3)(b) for which MDX estimates the damage to the claimant's business exceeds $500,000 (based upon documentation supplied by a state certified public accountant retained by MDX), the Executive Director is authorized to negotiate settlement of the claimant's business damage claim for an amount that is the lesser of: (i) $2,000,000 more than MDX's estimate of the damage to the claimant's business, or (ii) 25% more than MDX's estimate of the damage to the claimant's business.

(d) Any settlements that not are within guidelines set forth in Sections (a), (b) & (c) of this Section will be the subject of a "Shade" meeting.

(e) The Executive Director is authorized to negotiate settlement of all claims for attorney's fees and costs under Sections 73.091 and 73.092, Florida Statutes, presented by a claimant in defense of eminent domain litigation initiated by MDX.

IX. Relocation:

The Executive Director is authorized to implement relocation programs, administer relocation efforts, provide relocation advisory services, and process relocation payments and expenses in conjunction with other responsibilities under the terms of this policy.

X. Consistent Interpretation with Other MDX Policies:

This policy shall be construed in a manner that is consistent with other MDX policies that exist upon the adoption date of this policy, and that is consistent with such policies as may be adopted or amended subsequent to adoption of this policy. This policy shall be interpreted and applied in a manner that supplements other MDX policies and avoids, whenever possible, contradiction of another MDX policy.

XI. Effective Date:

This policy shall become effective as of the date on which it is adopted by MDX's Board of Directors, and at such time this policy rescinds all prior policies relating to property acquisition by MDX.

	CURRENT PROPERTY ACQUISITION POLICY	PROPOSED PROPERTY ACQUISITION POLICY
Initial Offer Authority For Property Acquisition	• $350,000 or less: Executive Director • $350,000 to $500,000: Operations Committee • $500,000 and above: Operations Committee and Board	• Executive Director is authorized to issue as long as the offer is supported by an appraiser's certificate of value • Any parcel whose valuation exceeds $1,000,000 may be subject to a second appraisal with a review appraiser determining which of the two valuations is the most appropriate • Must be within the budgeted sum for a capital project in the Five-Year Work Program • May be supplemented through an incentive offer program
Settlement Authority for Property Acquisition	• $350,000 or less: Executive Director may exceed appraised value by the greater of 25% or $100,000 • $350,000 and above: Executive Director may exceed appraised value by the lesser of 25% or $2,000,000 (**No change in Settlement Authority for ED** – only values increased)	• $500,000 or less: Executive Director may exceed appraised value by up to $125,000 as long as such amount is within the Board approved budget • $500,000 and above: Executive Director may exceed appraised value by the lesser of 25% or $2,000,000 as long as such amount is within the Board approved budget • Any proposed resolution / settlement outside of the above parameters shall be brought to the Board via an open session or a "shade" meeting
Counter-Offer Authority For Business Damages	• $350,000 or less: Executive Director • $350,000 to $500,000: Operations Committee • $500,000 and above: Operations Committee and Board	• $50,000 or less: Executive Director is authorized to deliver a counter-offer as long as it is supported by a written memorandum by MDX staff, an MDX consultant, or an independent state certified CPA, and is within the Board approved budget • $50,000 or more: Executive Director is authorized to deliver a counter-offer as long as it is supported by documentation from an independent state certified CPA and is within the Board approved budget
Settlement Authority Business Damages	• $350,000 or less: Executive Director may exceed appraised value by the greater of 25% or $100,000 • $350,000 and above: Executive Director may exceed appraised value by the lesser of 25% or $2,000,000 **(No change in Settlement Authority for ED – only values increased)**	• $500,000 or less: Executive Director may exceed appraised value by up to $125,000 as along as such amount is within the Board approved budget • $500,000 and above: Executive Director may exceed appraised value by the lesser of 25% or $2,000,000 as long as such amount is within the Board approved budget • Any proposed resolution / settlement outside of the above parameters shall be brought to the Board via an open session or a "shade" meeting

MIAMI-DADE EXPRESSWAY AUTHORITY
PROPERTY ACQUISITION POLICY

PURPOSE

It is the policy of the Miami-Dade Expressway Authority to acquire property in an economical and efficient manner pursuant to MDX's statutorily authorized purposes. All acquisitions of real property will be made with the appropriate and lawful degree of transparency to assure the general public and MDX bondholders that MDX funds are being put to their highest and best use and that MDX is an exceptional steward of toll revenues.

MDX will only acquire interests in real property that MDX deems to be in furtherance of the Board approved Work Program. All acquisitions will be made in accordance with this Policy, pursuant to the requirements under Florida Statutes Chapter 348, Part 1, and MDX's Trust Indenture, if applicable.

PROCEDURES

Unless otherwise specified within this Policy, MDX shall be guided, but not bound by or limited by, the Florida Department of Transportation's Right-of-Way Procedures Manual (Topic No. 575-000-000) and Guidance Documents, including all amendments thereto.

The Executive Director may, in writing and on a project specific basis, delineate which guidelines shall govern MDX's acquisition of real property under Section 348.0008 ("Acquisition of Lands and Property"), Florida Statutes.

SPECIFIC REQUIREMENTS

1. Definitions.
   (Reserved)

2. Character of Property Interest Acquired.
   The preferred interest in property acquired by MDX will be fee simple. However, where it is determined that fee simple interest in acquired land is unnecessary, is not economically feasible or is not advantageous to MDX, an alternative property interest, such as, but not limited to an easement, may be acquired.

3. Support for Value of Property Acquired.
   Unless specifically authorized by the MDX Board, any property acquired must first have been the subject of an independent appraisal made in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) standards. MDX shall not be limited by, but rather shall be guided by the appraised value of the property, in its determination of the value to pay for the property to be acquired. MDX is free to exercise its discretion in determining whether to acquire the property for more or less than the appraisal report value of the

property.

4. Support for Business Damages.

   Unless specifically authorized otherwise by the MDX Board, all business damage settlements less than $25,000 must be reviewed by Staff. All claims greater than $25,000 must be reviewed by a Certified Public Accountant in accordance with Generally Accepted Accounting Principles. MDX shall not be limited by, but rather shall be guided by the Staff analysis or Certified Public Accountant review, in its determination of the amount to pay for business damage claims.

5. Support for Relocation Costs.

   Unless specifically authorized otherwise by the MDX Board, all relocation payments shall be in compliance with procedural guidelines as adopted by the MDX Board.

6. Advanced Acquisition.

   In order to optimize costs and time savings in the acquisition of real property, MDX may make strategic and prudent use of Advanced Acquisition of real property needed for an MDX Project(s).

   a. Timing for Advanced Acquisition.

      As a general matter, the advanced acquisition of right of way should not be undertaken until, at a minimum, a preferred alignment has been identified in a PD&E study or other similar planning activity. Acquisition of right of way prior to a programmed and budgeted MDX Work Program Right of Way Phase must be made pursuant to a certification by the MDX Director of Engineering that he or she "has a reasonable belief that at least some portion of the property to be acquired will be needed for an MDX project within not more than the next 5 years and shall not be held for a transportation project longer than 10 years without specific review and concurrence by the Operations Committee."

   b. Prioritization Criteria for Advanced Acquisition.

      The criteria listed below is not absolute or limiting, but is intended to convey the Board's policy as to the type of purchase that should be given the greatest consideration.

      1. High degree of certainty that property will be needed within 3 years.
      2. Property offered for sale on open market where offered sales price does not exceed appraised value by more than 5%.
      3. Residential property, not currently offered for sale on the open market, but is either in or at risk of foreclosure.

4. Residential property, not currently offered for sale on the open market, where property can be leased back to owner to maintain occupancy and former owner/occupant indemnifies and insures MDX as a named "other insured."
5. Commercial property, not currently offered for sale on the open market, but imminent development or improvement plans exist that would significantly increase MDX's future acquisition costs, and where such plans are adequately documented.

c. <u>Limitations</u>

The total amount expended on Advanced Acquisition of Property in any Fiscal Year shall not exceed 25% of the Work Program Contingency approved by the MDX Board for that Fiscal Year.

d. <u>Subsequent Year Program Evaluation and Report to MDX Board.</u>

In any fiscal year, following the acquisition of any property acquired pursuant to this Advanced Acquisition Section, MDX's General Engineering Consultant shall present a report to the MDX Board that reflects the following analyses for individual properties acquired, as well as for the overall program:

1. Property purchase price compared to the estimated value at the time the property would likely have been acquired via a typical right of way phase.
2. A comparison of the physical elements of the property acquired against those which were finally needed for the project and the cost differential related to those physical element differentials.
3. Projected costs that would have been incurred should the property have been acquired through an eminent domain process. This must include but not be limited to: owner and MDX attorney fees, litigation costs, costs to cure, severance damages, business damages, and cost of funds related to good faith court deposits.
4. A conclusion as to whether the Advanced Acquisition of Properties for the reporting year resulted in an overall cost savings to MDX.
5. Organization and Coordination of Property Acquisition during the MDX Right of Way Phase

<u>7.</u> <u>Documentation of Negotiations.</u>

The negotiations relating to all MDX property acquisitions shall be reduced to writing and shall for each parcel negotiated reflect, at a minimum, the following:

a. The date, time and place of the contact.

b. All persons present or involved in the contact.
c. Offers made and discussed.
d. Counter offers made and discussed.
e. Results of the discussions.
f. Any other information pertinent to the negotiation and/or settlement of the property purchase.

DELEGATED AUTHORITIES FOR PROPERTY ACQUISITION

1. Administrative Authority:
   a. The Executive Director, or the Executive Director's designee, has the authority to administer the Right of Way Acquisition program including, but not limited to, preparing and delivering purchase offers, negotiating, executing purchase agreements and concluding property purchase transactions on behalf of MDX in compliance with applicable procedures.

2. Initial Offer Authority:
   a. The Executive Director has the authority to make an Initial Offer up to the appraisal report value for the purchase of parcels pursuant to this Policy only when the appraisal report value of the parcel is $350,000 or less.
   b. The Operations Committee is hereby authorized to approve an Initial Offer and approve the purchase of parcels when the appraisal report value of the parcel is greater than $350,000 but less than $500,000.
   c. All proposed acquisition of property when the appraisal report value of the parcel is greater than $500,000 must be endorsed by the Operations Committee and approved by the MDX Board.

3. Settlement Authority:
   a. For parcels with an appraisal report value that does not exceed $350,000, the Executive Director has the authority to enter into settlement agreements that do not exceed the appraisal report value of the parcel by more than twenty-five per cent (25%) or do not exceed the appraised value of the parcel by $100,000, whichever is greater- (excluding attorney's fees, other professional fees and costs). For all other parcel acquisitions, the Executive Director has the authority to enter into settlement agreements that do not exceed the parcel's appraisal report value by more than twenty-five percent (25%) or up to two million dollars ($2,000,000), whichever is less (excluding attorney's fees, other professional fees and costs).

4. If applicable, pay the property owner's attorney's fees and other costs in accordance with the requirements of Chapter 73, Florida Statutes.

DELEGATED AUTHORITIES FOR BUSINESS DAMAGE CLAIMS

In some instances of property acquisitions, there may be a separate claim(s) for business damages.

1. Administrative Authority:
   a. The Executive Director, or the Executive Director's designee, has the authority to administer the Right of Way Business Damage Claim process including, but not limited to, preparing and delivering Notice to Business Owner Letters, receiving and reviewing claims, negotiating, executing settlement agreements on behalf of MDX in compliance with applicable Florida laws.
2. Counter-Offer Authority:
   a. All Counter-Offers relating to a Business Damage Claim will be subject to the review as required by Section 4 of the Specific Requirements. No counter-offer will be made without the required prior review.
   b. The Executive Director is authorized to make an initial counter-offer to properly submitted Business Damage Claims only when the counter-offer amount is $350,000 or less (excluding attorney's fees, other professional fees and costs) based on the required review.
   c. The Operations Committee is authorized to make an initial counter-offer to properly submitted Business Damage Claims only when the counter-offer amount is between $350,000 but less than $500,000 (excluding attorney's fees, other professional fees and costs) based on the required review.
   d. All counter-offers greater than $500,000 to a properly submitted Business Damage Claim must be endorsed by the Operations Committee and approved by the MDX Board.
3. Settlement Authority:
   a. For a properly submitted Business Damage Claim whose initial counter-offer did not exceed $350,000 supported by the required Section 4 review, the Executive Director has the authority to enter into settlement agreements by more than twenty-five per cent (25%) or $100,000, whichever is greater, of the initial counter-offer (excluding attorney's fees, other professional fees and costs). For all other Business Damage Claims, the Executive Director has the authority to enter into settlement agreements by more than twenty-five percent (25%) or up to two million dollars ($2,000,000), whichever is less, of the initial counter-offer (excluding attorney's fees, other professional fees and costs).
4. If applicable, pay the business owner's attorney's fees and other costs in accordance with the requirements of Chapter 73, Florida Statutes.

RELOCATION COSTS

Authority is hereby delegated to the Executive Director, or the Executive Director's designee, to:

1. Administer the Right of Way Relocation program including, but not limited to: preparing and delivering all required Relocation notices, receiving and reviewing Relocation claims, processing and delivering Relocation benefit checks on behalf of MDX in compliance with applicable procedures.

This Policy shall be effective as of the date on which it is adopted by the Governing Board and at such time this Policy rescinds all prior policies relating to MDX Property Acquisition.