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MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Financial Statements and Required Supplementary Information

September 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

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KPMG LLP
Brickell City Center, Suite 1200
78 SW 7 Street
Miami, FL 33130

Independent Auditors' Report

The Chairman and Board of Directors
Miami-Dade County Industrial
Development Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of Miami-Dade County Industrial Development Authority (the Authority) as of and for the years ended September 30, 2020 and 2019, and the related notes to the financial statements, 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miami-Dade County Industrial Development Authority as of September 30, 2020 and 2019, and the changes in its financial position, and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 to 6, and Florida Retirement System (FRS) Pension Information – Schedule of Employer Contributions and Schedule of Employer Proportionate Share of Net Pension Liability and Related Ratios on pages 31 to 32; Supplemental Health Insurance Subsidy Pension Information – Schedule of Employer Contributions and Schedule of Employer Proportionate Share of Net Pension Liability and Related Ratios on pages 33 to 34; and Postemployment Benefits Other than Pensions – Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios on page 35 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2021 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 solely 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 the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KPMG LLP

May 19, 2021

The following narrative provides an overview of Miami-Dade County Industrial Development Authority's (the Authority) financial activities for the fiscal years ended September 30, 2020 and 2019.

Financial Highlights – 2020 and 2019

- The Authority's fee income decreased by $32,651, or 4% in 2020 and decreased by $131,537, or 14% in 2019 in comparison to the prior year.
- The Authority's operating loss decreased by $1,131,205, or 63% in 2020 and decreased by $445,198, or 20% in 2019, in comparison to the prior year.
- The Authority's net position of approximately $12 million, $13 million and $23 million at September 30, 2020, 2019, and 2018, respectively, decreased by approximately $653 thousand, or 5% and approximately $10 million, or 44%, respectively, in fiscal year 2020 and 2019. This decrease is mainly attributed to depreciation expense and capital contribution loss.
- The Authority's total capital assets, net of accumulated depreciation, of approximately $11.2 million, $11.6 million, $21.5 million at September 30, 2020, 2019, 2018, respectively, decreased by approximately $375,000, or 3% and $9.9 million, or 46%, respectively, in fiscal year 2020 and 2019. The decrease in fiscal year 2020 is attributed to current year depreciation expense of approximately $375,000. The decrease in fiscal year 2019 is attributed to depreciation expense of approximately $1.6 million and a capital contribution loss of approximately $8.3 million.

Using This Annual Report

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements and notes to the financial statements.

Statement of Net Position – This statement presents information on all of the Authority's assets, liabilities and deferred outflows of resources and deferred inflows of resources, with the difference between the elements 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 Revenue, Expenses, and Changes in Net Position – This statement presents information showing how the Authority's net position changed during the fiscal year.

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

Financial Analysis

Summary of Net Position

The following table reflects a summary of financial position for fiscal years 2020, 2019 and 2018:

		2020	2019	2018
Current assets	$	2,500,456	2,571,901	2,595,670
Capital assets, net		11,231,056	11,606,170	21,467,628
Deposits		8,045	8,045	8,045
Total assets	$	13,739,557	14,186,116	24,071,343
Deferred outflows of resources – pension	$	312,855	294,720	360,296
Current liabilities	$	438,050	387,382	360,293
Net pension liability		1,106,852	916,072	831,449
Long-term liabilities		186,253	158,689	161,061
Total liabilities	$	1,731,155	1,462,143	1,352,803
Deferred inflows of resources – pension	$	51,515	95,750	107,082
Net position:				
Net investment in capital assets	$	11,231,056	11,606,170	21,467,628
Unrestricted net position		1,038,686	1,316,773	1,504,126
Total net position	$	12,269,742	12,922,943	22,971,754

(Continued)

Summary of Changes in Net Position

The following schedule compares a summary of revenue and expenses for fiscal years 2020, 2019 and 2018:

		2020	2019	2018
Operating revenue:				
Fee income	$	754,729	787,380	918,917
Operating expenses:				
General and administrative		1,416,607	2,580,463	3,157,198
Operating loss		(661,878)	(1,793,083)	(2,238,281)
Nonoperating revenue (expense):				
Interest income		8,677	16,718	1,658
Capital contribution loss		—	(8,272,446)	(1,750,811)
Changes in net position		(653,201)	(10,048,811)	(3,987,434)
Total net position, beginning		12,922,943	22,971,754	26,959,188
Total net position, ending	$	12,269,742	12,922,943	22,971,754

Operating Revenue

Fee income includes application fees, issuance fees, annual maintenance fees, and extension fees relating to bond projects. Fee income decreased by $32,651 (4%) in fiscal year 2020 primarily due to a decrease in annual maintenance fees offset by a slight increase in issuance and application fees. Maintenance fees, which are based on bonds outstanding, decreased approximately $41,000 during fiscal year 2020 as compared to fiscal year 2019, due to a decrease in outstanding bond balances. There were 3 bonds issued during fiscal year 2020 and 2 bonds issued in fiscal year 2019, with a total increase of approximately $4,500 in issuance fees There were 5 applications fees in fiscal year 2020 compared to 2 application fees in fiscal year 2019, with a total increase of $4,000 in related fees. Fee income decreased by $131,537 (14%) in fiscal year 2019 primarily due to a decrease in issuance fees and in annual maintenance fees. There were 2 bonds issued during fiscal year 2019 and 6 bonds issued in fiscal year 2018, with a total decrease of approximately $94,000 in issuance fees. Maintenance fees, which are based on bonds outstanding, decreased approximately $30,000 during fiscal year 2019 as compared to fiscal year 2018, due to a decrease in outstanding bond balances.

Operating Expenses

General and administrative expenses primarily include employee salaries, office lease, insurance, depreciation, and other related expenses incurred in conducting the Authority's business operations. The main component of operating expenses was depreciation expense and employee salaries, which was approximately $833,000, or 59% of operating expenses, in fiscal year 2020. The main component of operating expenses was depreciation expense which was approximately $1.6 million, or 62% of operating expenses, in fiscal year 2019 and approximately $2.2 million, or 69% of operating expenses, in fiscal year 2018.

General and administrative expenses decreased by approximately $1,164,000, or 45%, during fiscal year 2020 as compared to 2019, primarily attributable to the decrease in depreciation expense of approximately $1,215,000. General and administrative expenses decreased by approximately $577,000, or 18%, during fiscal year 2019 as compared to 2018, primarily attributable to the decrease in depreciation expense of approximately $596,000.

Capital Assets

The Authority's investment in capital assets was approximately $11.2 million, $11.6 million, and $21.5 million net of accumulated depreciation, as of September 30, 2020, 2019, and 2018 respectively, a decrease of approximately $375,000 (3%) in 2020 and $9.9 million (46%) in 2019. Capital assets consist of land, building, simulators, office equipment, furniture, and fixtures. The decrease in capital assets in 2020 is due to depreciation on capital assets and the decrease in capital assets in 2019 is due to depreciation on capital assets and a capital contribution loss due to the payoff of simulators.

Factors Affecting Financial Condition

In fiscal year 2020, the nation's gross domestic product (GDP), the broadest measure of U.S. economic health, increased 33.1%. The increase in third quarter GDP reflected continued efforts to reopen businesses and resume activities that were postponed or restricted due to COVID-19. In addition, the increase in GDP reflected increases in personal consumption expenditures, private inventory investment, exports, non-residential fixed investment and residential fixed investment that were partly offset by decreases in federal government spending (reflecting fewer fees paid to administer the Paycheck Protection Program loans), and state and local government spending.

As the need for industrial development bonds is related to the general business environment, the Authority focuses on employment in Miami-Dade County as an economic indicator. During fiscal year 2020, there was a slight increase in the labor force of approximately 12,000 jobs compared to fiscal year 2019. The annual unemployment rate increased to 12.6% compared to 3.1% a year earlier. The unemployment rate increase was greatly impacted by the COVID-19 pandemic.

Looking out into fiscal year 2021, the pace of the Miami-Dade's economic recovery appears to remain steady but slow in the face of the impact of the COVID-19 pandemic. Because there are a large number of factors that could influence the pace of recovery, there is little agreement among experts on what lies ahead. Assuming that the improving trends in most of the economic indicators will continue and that government policies to help the economy will prevail, Miami-Dade's economy will most likely perform at a similar or a bit higher level to the performance experienced in 2020. Therefore, the Authority anticipates that the need for industrial development bonds will also grow at a slow, but upward trending path.

Request for Information

Questions concerning this report or requests for additional information should be directed to the Chief Financial Officer, Miami-Dade County Industrial Development Authority, 80 S.W. 8th Street, Suite 2801, Miami, Florida 33130-3034 or (305) 579-0070.

MIAMI-DADE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

Statements of Net Position

September 30, 2020 and 2019

		2020	2019
Current assets:			
Cash and cash equivalents	$	2,149,374	2,222,199
Accounts receivable		342,323	341,271
Prepaid expenses		8,759	8,431
Total current assets		2,500,456	2,571,901
Capital assets, net		11,231,056	11,606,170
Deposits		8,045	8,045
Total assets	$	13,739,557	14,186,116
Deferred outflows of resources – pension	$	312,855	294,720
Current liabilities:			
Accounts payable	$	7,825	8,781
Accrued payroll and other		430,225	378,601
Total current liabilities		438,050	387,382
Deferred rental liability		5,004	826
Net pension liability		1,106,852	916,072
Other postemployment benefits liability		181,249	157,863
Total liabilities	$	1,731,155	1,462,143
Deferred inflows of resources – pension	$	51,515	95,750
Net position:			
Net investment in capital assets	$	11,231,056	11,606,170
Unrestricted net position		1,038,686	1,316,773
Total net position	$	12,269,742	12,922,943

See accompanying notes to financial statements.

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Statements of Revenue, Expenses, and Changes in Net Position

Years ended September 30, 2020 and 2019

	2020	2019
Operating revenue:		
Fee income	$ 754,729	787,380
Operating expenses:		
General and administrative	1,416,607	2,580,463
Operating loss	(661,878)	(1,793,083)
Nonoperating revenue (expense):		
Interest income	8,677	16,718
Capital contribution loss	—	(8,272,446)
Change in net position	(653,201)	(10,048,811)
Total net position, beginning	12,922,943	22,971,754
Total net position, ending	$ 12,269,742	12,922,943

See accompanying notes to financial statements.

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Statements of Cash Flows

Years ended September 30, 2020 and 2019

		2020	2019
Cash flows from operating activities:			
Cash received from customers	$	753,677	796,034
Payments to suppliers		(147,985)	(173,861)
Payments to employees		(687,194)	(658,671)
Net cash used in operating activities		(81,502)	(36,498)
Cash flow provided by noncapital financing activity:			
Interest received		8,677	16,718
Cash flow used in capital and related financial activity:			
Acquisition of capital assets		—	(1,430)
Net decrease in cash and cash equivalents		(72,825)	(21,210)
Cash and cash equivalents, beginning		2,222,199	2,243,409
Cash and cash equivalents, ending	$	2,149,374	2,222,199
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	$	(661,878)	(1,793,083)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation		375,114	1,590,442
Decrease/(increase) in accounts receivable		(1,052)	8,654
Increase in prepaid expenses		(328)	(6,095)
Increase/(decrease) in accounts payable		(956)	1,845
Increase in accrued payroll and other		51,624	25,244
Increase/(decrease) in deferred rental liability		4,178	(5,574)
Increase in total other postemployment benefits liability		23,386	3,202
Increase in net pension liability and related deferred outflows and inflows		128,410	138,867
Net cash used in operating activities	$	(81,502)	(36,498)
Noncash financing activity:			
Capital contribution loss	$	—	(8,272,446)

See accompanying notes to financial statements.

(1) Organization and Reporting Entity

The Miami-Dade County Industrial Development Authority (the Authority) is a dependent and semiautonomous agency of the State of Florida, a body corporate and politic and a public instrumentality, and was activated on March 21, 1978 pursuant to Part III of Chapter 159, Florida Statutes, through Miami-Dade Ordinance 78-19, as amended for the purpose of financing and refinancing capital projects, including manufacturing plants, 501(c)(3) not-for-profit corporations, pollution control projects, hazardous waste/solid waste disposal projects for the public purposes described in, and in the manner provided by the Internal Revenue Code Sections 141 and 142, the Florida Industrial Development Act, State Statutes 159.44-159.53 and for the purpose of fostering the economic development of Miami-Dade County. The governing body of the Authority consists of not less than five members. All members of the governing body of the Authority are voting members. The members are appointed by the Miami-Dade Board of County Commissioners in accordance with Florida Statute 159.45. For financial reporting purposes, the Authority is a separate legal entity created through State Statute. In accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*, the Authority is not a component unit of Miami-Dade County; however, it is a related organization since the Miami-Dade County Board of Commissioners appoints all members of the board.

(2) Summary of Significant Accounting Policies

The accounting policies of the Authority have been presented in accordance with U.S. generally accepted accounting principles, as applicable to governmental entities. The following is a summary of the more significant accounting policies.

(a) Basis of Presentation

The Authority's financial statements are prepared as an enterprise fund. Enterprise funds are used to account for operations of governmental entities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, excluding depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered solely through user charges.

(b) Basis of Accounting

The Authority prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles for enterprise funds. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

Operating revenue and expenses generally result from providing services in connection with the Authority's principal ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

(Continued)

(c) Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(d) Accounts Receivable

Receivables comprise primarily of annual maintenance fees and are recorded at the invoiced amount, less any amounts deemed to be uncollectible.

Receivables determined to be uncollectible are written off directly to bad debt expense and accounts receivable. Management's judgment in determining bad debt expense is based upon several factors, which include, but are not limited to, the growth and composition of the portfolio, and economic conditions. If the Authority's assumptions regarding collectability prove inaccurate, the Authority could experience write-offs of accounts receivable in excess of that recorded. During the fiscal years ended September 30, 2020 and 2019, there was no bad debt expense.

(e) Capital Assets

Capital assets consist of buildings, simulators, equipment, furniture and fixtures, and land, and are recorded at historical cost. Donated capital assets are reported at their fair market value on the date donated. Expenditures that add value to the life of an asset are capitalized. Other maintenance and repair expenditures that do not extend the life of the asset are expensed as incurred. Depreciation is determined based on estimated useful lives of the assets using the straight-line method. Useful lives are 5 years for office and computer equipment, 7 years for furniture and fixtures, 40 years for buildings, and 25 to 30 years for the flight simulators. Depreciation is not provided on land.

Management evaluates whether there has been a significant unexpected decline in the utility of a capital asset that could indicate an impairment in the capital asset. If there is an indication that the asset may be impaired, the Authority follows GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, to determine if the impairment should be recognized. The amount of impairment, if any, is determined by comparing the historical carrying value of the asset to the fair value, determined using the valuation method which most appropriately reflects the decline in service utility of the capital asset. The Authority concluded that no impairment exists as of September 30, 2020 and 2019.

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

The Authority reports deferred outflows of resources related to pensions in a separate section in the statements of net position. Amounts include changes in assumptions, differences between expected and actual experience, differences between expected and actual earnings on pension plan investments, changes in the Authority's proportionate share of contributions, and the Authority's contributions subsequent to the measurement date. The Authority reports deferred inflows of resources related to pensions in a separate section in the statements of net position. Amounts include changes in assumptions, differences between expected and actual experience, differences between expected and actual earnings on pension plan investments, and changes in the Authority's proportionate share.

(Continued)

(g) New Accounting Pronouncements

Effective in Future Years

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*, which was originally effective for reporting periods beginning after December 15, 2018, but was postponed by one year to reporting periods beginning after December 15, 2019. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This statement is not expected to impact the Authority's financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*, which increases the usefulness of a governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a governments' leasing activities. GASB Statement No. 87 was effective for fiscal years beginning after December 15, 2019, but was postponed by eighteen months to reporting periods beginning after June 15, 2021. The Authority is evaluating the impact of this statement.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statement No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. The Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The Statement also requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100% equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. GASB Statement No. 90 was effective for fiscal years beginning after December 15, 2018, but has been postponed one year to reporting periods beginning after December 15, 2019. This statement is not expected to impact the Authority's financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB Statement No. 91 was effective for fiscal years beginning after December 15, 2020, but has been postponed one year to reporting periods beginning after December 15, 2021. The Authority is evaluating the impact of this statement.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. GASB Statement No. 92 was effective for the fiscal year ending September 30, 2022 but has been postponed one year to the fiscal year ending September 30, 2023. This statement adds clarifying language and implementation guidance for GASB statements Nos. 73, 74, 84 and 87.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Statement 95 is effective immediately to provide temporary relief in light of the COVID-19 pandemic by postponing the effective dates of certain provisions of other GASB statements that are effective or scheduled to become effective for periods beginning after June 15, 2018. The effective date of the statements noted above have been adjusted to reflect the postponed effective date as allowed by Statement 95.

(h) Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused annual leave and sick leave benefits, which will be paid to employees upon separation from the Authority if they meet certain criteria. The accumulated compensated absences are accrued when incurred in the Authority's financial statements. The maximum amount of hours that can be accrued for annual leave is 750 hours and sick leave is 1,000 hours, with the exception of employees with 30 years or more of service who are not subject to the sick leave limitations.

(i) Alternative Measurement Method

As a sole employer in a plan with fewer than 100 total plan members, the Authority has elected to apply the simplified alternative measurement method permitted by GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB Statement No. 75), instead of obtaining an actuarial valuation. The alternative method includes the same broad measurement steps as an actuarial valuation; however, it permits simplification of certain assumptions to make the method usable by nonspecialists.

(j) Operating and Nonoperating Revenue

The Authority recognizes revenue as earned. Operating revenue consists of fee income generated from bond application and extension fees, bond issuance fees, and bond annual maintenance fees. The Authority generated nonoperating revenue from interest income on cash and cash equivalents.

(k) Use of Estimates

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

(l) Reclassification

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

(3) Cash and Cash Equivalents

The carrying amounts of the Authority’s deposits were approximately $2.1 million and $2.2 million as of September 30, 2020 and 2019. All deposits are fully insured by Federal Depository Insurance and are held in qualified public depositories pursuant to State of Florida Statutes Chapter 280, *Florida Security for Public Deposits Act* (the Act). Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository’s collateral pledging level. The pledging level may range from 25% to 150% depending upon the depository’s financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

(4) Capital Assets

Capital assets activity for the years ended September 30, 2020 and 2019 consists of the following:

	Balance at September 30, 2018	Increases	Decreases	Balance at September 30, 2019	Increases	Decreases	Balance at September 30, 2020
Capital assets not being depreciated:							
Land	$ 3,901,642	—	—	3,901,642	—	—	3,901,642
Capital assets being depreciated:							
Simulators	23,761,718	—	(23,761,718)	—	—	—	—
Building	14,967,828	—	—	14,967,828	—	—	14,967,828
Furniture and fixtures	55,185	—	—	55,185	—	—	55,185
Computer equipment	5,821	1,430	—	7,251	—	—	7,251
Office equipment	7,658	—	—	7,658	—	—	7,658
Total capital assets being depreciated	38,798,210	1,430	(23,761,718)	15,037,922	—	—	15,037,922
Less accumulated depreciation for:							
Simulators	(14,273,846)	(1,215,426)	15,489,272	—		—	—
Building	(6,891,441)	(374,195)	—	(7,265,636)	(374,195)	—	(7,639,831)
Furniture and fixtures	(55,185)	—	—	(55,185)	—	—	(55,185)
Computer equipment	(4,619)	(624)	—	(5,243)	(722)	—	(5,965)
Office equipment	(7,133)	(197)	—	(7,330)	(197)	—	(7,527)
Total accumulated depreciation	(21,232,224)	(1,590,442)	15,489,272	(7,333,394)	(375,114)	—	(7,708,508)
Total capital assets being depreciated, net	17,565,986	(1,589,012)	(8,272,446)	7,704,528	(375,114)	—	7,329,414
Total capital assets, net	$ 21,467,628	(1,589,012)	(8,272,446)	11,606,170	(375,114)	—	11,231,056

(5) Building and Leases

The Authority leases its building and flight simulators to third parties through operating leases. The building and simulators were acquired with the proceeds of tax-exempt bond offerings.

In 1999, in accordance with federal law, a series of Industrial Development Bonds (Airport Exempt Facility Bonds) were issued by the Authority for the purpose of acquiring land and constructing and equipping capital facilities for use by private industry. In 2001, a portion of the bond proceeds were used to purchase flight simulators. Federal tax law requires, among other things, that the bond-financed property be owned by a governmental unit as long as the bonds are outstanding, and that any lease to a private entity be for a term of no more than 80% of the reasonably expected economic life of the property and not provide the lessee with an option to purchase the property at other than fair market value. The bond-financed properties are owned by the Authority and leased to a private business under building and master equipment leases in exchange for rental payments in the amount of a one-time payment of $100 each. The lease states that the Authority is the lessor and owner of the building and equipment in compliance with federal tax law. The term of the building lease is 32 years. The term of the equipment lease is 20 years, provided, that no term for any equipment shall extend beyond the residual interest possession date established in the certificate of economic life of the equipment. The certificate establishes the economic life for each piece of equipment and the residual interest possession date is limited to a duration that is equal to or less than 80% of the economic life of the equipment. The leases contain an option for the lessee to purchase the building and equipment at its fair market value at the conclusion of the leases. The Authority acts as a conduit with respect to the payment of the debt service, and has no liability recorded for payment of any debt service.

In 2000, in accordance with federal law, a series of Industrial Development Bonds (Airport Exempt Facility Bonds) were issued by the Authority for the purpose of acquiring an A320 flight simulator for use by private industry. The bond-financed property is owned by the Authority and leased to a private business under a master equipment lease in exchange for rental payments in an amount sufficient to provide for the payment of the principal, redemption premium, if any, and interest on the bonds when due, and certain other fees, costs and expenses associated with the issuance of the bonds. The lease states that the Authority is owner and lessor of the equipment in compliance with federal tax law. The term of the lease is 24 years, provided, that no term for any equipment shall extend beyond the residual interest possession date established in the certificate of economic life of the equipment. The certificate establishes the economic life for the A320 simulator at time of purchase and the residual interest possession date is limited to a duration that is equal to or less than 80% of the economic life of the equipment. The lease contains an option for the lessee to purchase the equipment at its fair market value at the conclusion of the lease. The Authority acts as a conduit with respect to the payment of the debt service, and has no liability recorded for payment of any debt service.

During fiscal year 2019, the remaining three simulators with a net book value of $8,272,446 were paid-off and taken off the Authority’s financials and a contribution loss of approximately $8,272,000 was recognized.

(6) Commitments

The Authority leases its office facilities under a noncancelable lease agreement (the Agreement). The original Agreement was dated September 3, 1999, and was for 60 months. During 2020, the Authority exercised the option to extend the lease term to September 30, 2024. The Agreement requires a monthly payment of base rent plus additional rent for the tenant’s share of estimated operating costs as defined in the Agreement. Tenant’s share of operating costs are based on actual operating costs and restricted to a maximum annual increase of 5% from the prior year total on certain operating costs. The future minimum lease expense under the Agreement excluding operating costs is as follows:

Fiscal year:		
2021	$	68,887
2022		77,554
2023		79,876
2024		82,278
	$	308,595

Rent expense for the years ended September 30, 2020 and 2019 was $71,537 and $76,473, respectively.

(7) Noncommitment Debt

The Authority acts solely as a lawful conduit in the issuance of Industrial Development Revenue Bonds and is not liable for such debt in any manner. From inception through September 30, 2020 and 2019, the Authority has issued a total of $2,710,151,674 and $2,636,526,674, respectively, of Industrial Development Revenue Bonds. The balance outstanding as of September 30, 2020 and 2019 is $995,475,003 and $995,793,337, respectively.

(8) Pension Plan

The Authority participates in the state sponsored retirement program. The activity related to such obligations is as follows:

Net pension liability at September 30, 2018	Increase	Decrease	Net pension liability at September 30, 2019	Increase	Decrease	Net pension liability at September 30, 2020
$ 831,449	406,463	(321,840)	916,072	421,562	(230,782)	1,106,852

(a) General Information about the Pension Plan

Plan description – The Authority participates in the Florida Retirement System (FRS or the System). The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Pension Plan), a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan. Benefit provisions are established under Chapter 121, *Florida Statutes*, which may be amended by the Florida Legislature.

Benefits provided – All eligible employees (as defined by the State of Florida) vest at six years of service if enrolled in the plan prior to July 1, 2011. Enrollment after July 1, 2011 requires eight years of services to vest. Members initially enrolled in FRS before July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. For enrollees prior to July 1, 2011, pension plan benefit payments are based on a member's highest five-year average annual salary (average final compensation) times the number of years of service. Enrollees after July 1, 2011 are eligible for normal retirement benefits at age 65, or after completing the eight years of creditable service at any age, if after 65 and have benefit payments based on the member's highest eight year average annual salary. The annual final compensation is multiplied by a total percentage value ranging from 1.60% at either age 62 or with 30 years of service to 1.68% at age 65 or with 33 years of service. Members are eligible for early retirement after six years of service; however normal benefits are reduced by 5% for each year a member retires before normal retirement age.

Eligible FRS members may elect to participate in the FRS Investment Plan in lieu of the Defined-Benefit Plan. This plan is funded by employer contributions that are based on salary and membership class. Contributions are directed to individual member accounts, and the ultimate benefit depends in part on the performance of investment funds chosen. No Authority employees currently participate in the FRS Investment Plan.

Contributions – The contribution rates for the Plan are established by the Florida Legislature for participating employers and employees. For the fiscal year ended June 30, 2020, and 2019 the contribution rates were as follows:

	Percent of gross salary			
	Employee		Employer(1)	
	2020	2019	2020	2019
Class:				
FRS, Regular	3.00 %	3.00 %	8.47 %	8.26 %
FRS, Senior Management Service	3.00	3.00	25.41	24.06

(1) Employer rates include 1.66% for the postretirement health insurance supplement and 0.06% for administrative/educational fee.

The Authority's contributions to the Plan, net of employee contributions, were $74,795 and $69,933, respectively, for the fiscal years ended September 30, 2020 and 2019, and are equal to the required contributions for the fiscal year.

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

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

At September 30, 2020 and 2019, the Authority reported a liability of $948,394 and $765,379, respectively for its proportionate share of the FRS Pension Plan net pension liability. The Authority's proportionate share of the net pension liability was based on the Authority's actual contributions to the pension plan relative to the total actual contributions during the fiscal year ended June 30, 2020. At June 30, 2020, the measurement date, the Authority's proportionate share was 0.00219%, which was a decrease of 0.00003% from its proportionate share of 0.00222% measured as of June 30, 2019.

(Continued)

For the years ended September 30, 2020 and 2019, the Authority recognized pension expense of $200,746 and $207,074, respectively. At September 30, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

	2020		2019	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 36,297	—	45,397	(475)
Changes in assumptions	171,690	—	196,582	—
Net differences between projected and actual earnings on pension plan investments	56,468	—	—	(42,345)
Changes in proportion	1,072	(30,786)	11,775	(31,186)
Authority contributions subsequent to the measurement date	21,666	—	19,575	—
Total	$ 287,193	(30,786)	273,329	(74,006)

The deferred outflows of resources related to pensions totaling $21,666, resulting from Authority contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. Other amounts reported by the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Amount
Fiscal year ending September 30:	
2021	$ 46,441
2022	76,238
2023	65,343
2024	38,915
2025	7,804
Thereafter	—
Total	$ 234,741

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

Valuation date	July 1, 2020	July 1, 2019
Measurement date	June 30, 2020	June 30, 2019
Discount rate	6.80 %	6.90 %
Long-term expected rate of return, net of investment expense	6.80	6.90
Inflation	2.40	2.60
Salary increase, including inflation	3.25	3.25
Mortality	PUB2010 base table by member category and sex, projected generationally with Scale MP-2018	PUB2010 base table by member category and sex, projected generationally with Scale MP-2018
Actuarial cost method	Individual entry age	Individual entry age

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan as of June 30, 2020, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Long-term expected rate of return. The long-term expected rate of return assumption consists of two building block components: 1) a real (in excess of inflation) return, consistent with the capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption as adopted in October 2020 by the FRS Actuarial Assumption Conference.

(Continued)

The table below contains a summary of assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

2020

Asset class	Target allocation	Annual arithmetic return	Compound annual (geometric) return	Standard deviation
Cash	1.0 %	2.2 %	2.2 %	1.2 %
Fixed income	19.0	3.0	2.9	3.5
Global equity	54.2	8.0	6.7	17.1
Real estate	10.3	6.4	5.8	11.7
Private equity	11.1	10.8	8.1	25.7
Strategic investments	4.4	5.5	5.3	6.9
Total	100.0 %			
Assumed inflation – mean			2.4 %	1.7 %

2019

Asset class	Target allocation	Annual arithmetic return	Compound annual (geometric) return	Standard deviation
Cash	1.0 %	3.3 %	3.3 %	1.2 %
Fixed income	18.0	4.1	4.1	3.5
Global equity	54.0	8.0	6.8	16.5
Real estate	10.0	6.7	6.1	11.7
Private equity	11.0	11.2	8.4	25.8
Strategic investments	6.0	5.9	5.7	6.7
Total	100.0 %			
Assumed inflation – mean			2.6 %	1.7 %

Discount Rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80% and 6.90% at the June 30, 2020 and 2019 measurement dates, respectively. 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.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Authority's proportionate share of the net pension liability of the FRS Pension Plan calculated using the current discount rate. Also presented is what the Authority's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

		2020		
		1% decrease (5.80%)	**Current discount rate (6.80%)**	**1% increase (7.80%)**
Authority's proportionate share of net pension liability	$	1,514,427	948,394	475,642

		2019		
		1% decrease (5.90%)	**Current discount rate (6.90%)**	**1% increase (7.90%)**
Authority's proportionate share of net pension liability	$	1,323,085	765,379	299,600

Pension Plan Fiduciary Net Position. Detailed information about the FRS Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Retirement Systems Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available at the Division's Web site (http://www.dms.myflorida.com).

(Continued)

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

HIS plan description. The HIS Pension Plan is a cost-sharing multiple-employer defined-benefit pension plan established under Section 112.363, *Florida Statutes*, to provide a monthly subsidy payment to retired members of any state administered retirement system, or beneficiary entitled to receive benefits.

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

For the fiscal years ended September 30, 2020 and 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $5. The payments are at a minimum of $30 but not more than $150 monthly per *Florida Statutes* 112.363.

HIS contributions. The HIS Pension Plan is funded by required contributions from FRS participating employers. The funds are deposited in a separate trust fund and consequently paid from the trust fund. Employer contributions are a percentage of gross compensation for all FRS members. For the fiscal years ended September 30, 2020 and 2019, the contribution rate was 1.66% of payroll per *Florida Statutes* 112.363.

The Authority’s contributions to the HIS Pension Plan totaled $7,479 for both the fiscal years ended September 30, 2020 and 2019.

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

At September 30, 2020 and 2019, the Authority reported a liability of $158,458 and $150,693, respectively, for its proportionate share of the HIS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Authority’s proportionate share of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions during the fiscal year ended June 30, 2020. At June 30, 2020, the Authority’s proportionate share was 0.00130%, which was a decrease of 0.00005% from its proportionate share of 0.00135% measured as of June 30, 2019.

For the years ended September 30, 2020 and 2019, the Authority recognized pension expense of $9,960 and $9,204, respectively. At September 30, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

		2020		2019	
		Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$	6,482	(122)	1,831	(186)
Changes in assumptions		17,039	(9,214)	17,449	(12,316)
Net differences between projected and actual earnings on pension plan investments		127	—	97	—
Changes in proportion		—	(11,393)	—	(9,242)
Authority contributions subsequent to the measurement date		2,014	—	2,014	—
Total	$	25,662	(20,729)	21,391	(21,744)

The deferred outflows of resources related to pension totaling $2,014 resulting from Authority contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. Other amounts reported for the HIS Pension Plan as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

		Amount
Fiscal year ending September 30:		
2021	$	1,207
2022		575
2023		(1,439)
2024		81
2025		1,251
Thereafter		1,244
Total	$	2,919

(Continued)

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

Valuation date	July 1, 2020	July 1, 2018
Measurement date	June 30, 2020	June 30, 2019
Discount rate	2.21 %	3.50 %
Municipal bond rate	2.21	3.50
Inflation	2.40	2.60
Salary increase, including inflation	3.25	3.25
Mortality	Generational PUB-2010 with Projection Scale MP-2018	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age	Individual Entry Age

The actuarial assumptions that determined the total pension liability of the HIS Pension Plan as of June 30, 2020, were based on the results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

Long-term expected rate of return. Because the HIS benefit is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.21% was used to determine the total pension liability for the program.

Discount rate. Because the HIS Pension Plan uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Authority's proportionate share of the net pension liability of the HIS Pension Plan calculated using the current discount rate. Also presented is what the Authority's proportionate share of the HIS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

		2020		
		1% decrease (1.21%)	**Current discount rate (2.21%)**	**1% increase (3.21%)**
Authority's proportionate share of HIS Pension Plan net pension liability	$	183,171	158,458	138,231

		2019		
		1% decrease (2.50%)	**Current discount rate (3.50%)**	**1% increase (4.50%)**
Authority's proportionate share of HIS Pension Plan net pension liability	$	172,024	150,693	132,927

Pension Plan Fiduciary Net Position. Detailed information about HIS Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Retirement Systems Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available at the Division's Website (http://www.dms.myflorida.com).

(9) Postemployment Benefits Other than Pensions

(a) Plan Description

Miami-Dade County (the County) administers a single-employer defined-benefit healthcare plan that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. The Authority's benefits are provided through the County's group health insurance plan, which covers both active and retired members. At September 30, 2020 and 2019, the date of the last plan valuation, the Authority's plan covered one active plan member.

(b) Funding Policy

For postemployment healthcare benefits plan, contribution requirements of the Authority are established by the Authority's Board through employment agreements made between the Authority and each individual employee.

(c) OPEB Liability

The Authority's total OPEB liability of $181,249 and $157,863, as of September 30, 2020 and 2019, respectively, were measured as of September 30, 2020, and September 30, 2019 and were determined by management using the valuation date as of September 30, 2020 and September 30, 2019 and using the simplified alternative measurement method permitted by GASB Statement No. 75 for employers in plans with fewer than 100 total plan members.

(d) Methods and Assumptions

The total OPEB liability on September 30, 2020 and 2019 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date	September 30, 2020
Actuarial assumptions:	
Discount rate	2.25 %
Payroll growth assumption	—
Healthcare cost trend rates	5.0% based on historical cost trends
Healthcare insurance premiums for retirees	Calculation of the present value of total benefits to be paid.
Mortality table	Life expectancies were based on United States Life Tables 2017 by the U.S. Center for Disease Control.
Retirement age for active employees	Active plan members were assumed to retire at age 82, based on the historical average retirement age for the covered group.
Marital Status	Assumed to continue throughout retirement.
Turnover	Nongroup-specific age-based turnover data from GASB Statement No. 75 was used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Actuarial valuation date	September 30, 2019
Actuarial assumptions:	
Discount rate	3.0 %
Payroll growth assumption	—
Healthcare cost trend rates	5.0% based on historical cost trends
Healthcare insurance premiums for retirees	Calculation of the present value of total benefits to be paid.
Mortality table	Life expectancies were based on United States Life Tables 2014 by the U.S. Center for Disease Control.
Retirement age for active employees	Active plan members were assumed to retire at age 80, based on the historical average retirement age for the covered group.
Marital Status	Assumed to continue throughout retirement.
Turnover	Nongroup-specific age-based turnover data from GASB Statement No. 75 was used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

The postretirement medical and dental benefits are currently funded on a pay-as-you-go basis (i.e., the Authority funds on a cash basis as benefits are paid). No assets have been segregated and restricted to provide postretirement benefits. The Authority did not make any contributions to the plan in fiscal year 2020 and 2019. Administrative costs of the plan are paid by the Authority.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

(e) Discount Rate

The discount rate is based on the average of three indices: the Bond Buyer general obligation 20-year bond municipal bond index, Fidelity GO AA 20 year Index, and S&P Municipal Bond 20 year high grade rate index.

(f) Changes in the OPEB Liability

The following presents the change in OPEB Liability for the fiscal years ended September 30, 2020 and 2019.

		2020	2019
OPEB Liability – Beginning of Year	$	157,863	154,661
Changes for the year:			
Service cost		22,472	20,275
Interest on net OPEB obligation		3,552	4,640
Experience and Assumptions change		(2,638)	(21,713)
Net change in OPEB Liability		23,386	3,202
OPEB Liability – End of Year	$	181,249	157,863

For the years ended September 30, 2020 and 2019, the Authority recognized OPEB expense of $23,386 and $3,202, respectively.

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

The following presents the OPEB liability of the Authority, as well as what the Authority's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Fiscal year ended	Discount rate		OPEB liability
September 30, 2020	+1% Discount Rate Sensitivity (3.25%)	$	166,959
September 30, 2020	Current Discount Rate (2.25%)		181,249
September 30, 2020	-1% Discount Rate Sensitivity (1.25%)		197,066

Fiscal year ended	Discount rate		OPEB liability
September 30, 2019	+1% Discount Rate Sensitivity (4.0%)	$	145,554
September 30, 2019	Current Discount Rate (3.0%)		157,863
September 30, 2019	-1% Discount Rate Sensitivity (2.0%)		171,485

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

Fiscal year ended	Healthcare cost trend rate		OPEB liability
September 30, 2020	-1% Healthcare Cost Trend Rate Sensitivity (4.0%)	$	170,238
September 30, 2020	Current Healthcare Cost Trend Rate (5.0%)		181,249
September 30, 2020	+1% Healthcare Cost Trend Rate Sensitivity (6.0%)		192,909

Fiscal year ended	Healthcare cost trend rate		OPEB liability
September 30, 2019	-1% Healthcare Cost Trend Rate Sensitivity (4.0%)	$	147,549
September 30, 2019	Current Healthcare Cost Trend Rate (5.0%)		157,863
September 30, 2019	+1% Healthcare Cost Trend Rate Sensitivity (6.0%)		168,851

(Continued)

(10) Related Party

The Authority has an Interlocal Agreement with Miami-Dade County, which originated in 1998, in which the Authority is primarily responsible for making from its own funds the annual contributions for Authority employees required by the Florida Retirement System. Miami-Dade County remains obligated to make the required retirement payments in the event the Authority fails to do so. The Authority has an amount held in pooled cash at Miami-Dade County, which represents the amount equal to the Authority's estimated retirement payments. As of September 30, 2020 and 2019, the amount was approximately $61,000, which is included in cash and cash equivalents in the accompanying statements of net position.

(11) Risks and Uncertainties

On March 11, 2020 the World Health Organization declared a global pandemic due to a novel strain of coronavirus (COVID-19). The global and domestic response to the COVID-19 outbreak continues to evolve and is causing volatility in the global and domestic financial markets. Certain responses to the COVID-19 outbreak have included mandates from federal, state and/or local authorities that required temporary closure of, or imposed limitations on, the operations of many non-essential businesses. While the Authority does not currently anticipate a significant impact to its operations, the Authority cannot predict with certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

REQUIRED SUPPLEMENTAL INFORMATION

MIAMI-DADE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

Florida Retirement System Pension Information

Schedule of Employer Contributions (Unaudited)

Last 10 Fiscal Years*

September 30, 2020

		2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$	72,704	68,912	64,859	61,708	60,342	61,231	51,852
Contributions in relation to the contractually required contribution		(72,704)	(68,912)	(64,859)	(61,708)	(60,342)	(61,231)	(51,852)
Contribution deficiency (excess)	$	—	—	—	—	—	—	—
Authority’s covered-employee payroll	$	458,000	458,000	458,000	458,000	475,000	450,000	450,000
Contributions as a percentage of covered-employee payroll		15.87 %	15.05 %	14.16 %	13.47 %	12.70 %	13.61 %	11.52 %

* The amounts presented for each fiscal year were determined as of June 30.

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

See accompanying notes to required supplementary information.

See accompanying independent auditors’ report.

MIAMI-DADE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

Florida Retirement System Pension Information

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

Last 10 Fiscal Years*

September 30, 2020

		2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability		0.00219 %	0.00222 %	0.00228 %	0.00237 %	0.00247 %	0.00251 %	0.00236 %
Proportion of the pension liability:								
Authority's proportionate share of the net pension liability	$	948,394	765,379	685,487	701,162	624,787	324,387	144,434
Authority's covered payroll		458,000	458,000	458,000	458,000	475,000	450,000	450,000
Authority's proportionate share of the pension liability as a percentage of its covered-employee payroll		207.07 %	167.11 %	149.67 %	153.09 %	131.53 %	72.09 %	32.10 %
Plan fiduciary net position as a percentage of the total pension liability		78.85 %	82.61 %	84.26 %	83.89 %	84.88 %	92.00 %	96.09 %

* The amounts presented for each fiscal year were determined as of June 30.

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

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

MIAMI-DADE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

Supplemental Health Insurance Subsidy Pension Information

Schedule of Employer Contributions (Unaudited)

Last 10 Fiscal Years*

September 30, 2020

		2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$	7,479	7,479	7,479	7,479	7,453	5,574	5,101
Contributions in relation to the contractually required contribution		(7,479)	(7,479)	(7,479)	(7,479)	(7,453)	(5,574)	(5,101)
Contribution deficiency (excess)	$	—	—	—	—	—	—	—
Authority's covered-employee payroll	$	458,000	458,000	458,000	458,000	475,000	450,000	450,000
Contributions as a percentage of covered-employee payroll		1.63 %	1.63 %	1.63 %	1.63 %	1.57 %	1.24 %	1.13 %

* The amounts presented for each fiscal year were determined as of June 30.

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

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Supplemental Health Insurance Subsidy Pension Information

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

Last 10 Fiscal Years*

September 30, 2020

		2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability		0.00130 %	0.00135 %	0.00138 %	0.00141 %	0.00145 %	0.00146 %	0.00149 %
Proportion of the pension liability:								
Authority's proportionate share of the net pension liability	$	158,458	150,693	145,962	151,097	169,468	148,721	139,233
Authority's covered payroll		458,000	458,000	458,000	458,000	475,000	450,000	450,000
Authority's proportionate share of the pension liability as a percentage of its covered-employee payroll		34.60 %	32.90 %	31.87 %	32.99 %	35.68 %	33.05 %	30.94 %
Plan fiduciary net position as a percentage of the total pension liability		3.00 %	2.63 %	2.15 %	1.64 %	0.97 %	0.50 %	0.99 %

* The amounts presented for each fiscal year were determined as of June 30.

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

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Required Supplementary Information

Postemployment Benefits Other Than Pensions –
Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios

(Unaudited)

September 30, 2020

		2020	2019	2018
Total OPEB liability – beginning of year	$	157,863	154,661	137,007
Changes for the year:				
Service cost		22,472	20,275	16,975
Interest on net OPEB obligation		3,552	4,640	679
Experience and Assumptions change		(2,638)	(21,713)	—
Net change in total OPEB liability		23,386	3,202	17,654
Total OPEB liability – end of year	$	181,249	157,863	154,661
Covered employee payroll	$	458,000	458,000	458,000
Total OPEB liability as a percentage of covered employee payroll		39.6 %	34.5 %	33.8 %

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

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Notes to Required Supplementary Information

Florida Retirement System, Health Insurance Subsidy and Postemployment Benefits Other than Pensions

(Unaudited)

September 30, 2020

The following are relevant to the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Program:

(1) Actuarial assumptions for defined-benefit plans are reviewed annually by the Florida Retirement System. The FRS Pension Plan has a valuation performed annually whereas the HIS Program has a valuation performed biennially, which was updated for GASB reporting in the year a valuation was not performed. The most recent experience study was for the period July 1, 2013 through June 30, 2018.

(2) Method and assumptions used in calculation of actuarially determined contribution:

FRS Pension Plan	
Valuation date	July 1, 2020
Actuarial cost method	Individual entry age
Amortization Method	Level percent, closed, 25 years
Assets valuation Method:	
Smoothing period	5 years
Recognition method	Asymptotic
Corridor	80% – 120% of fair market value
Actuarial assumptions:	
Discount rate	6.80 %
Investment rate of return	7.00
Projected salary increases	3.25
Rate of inflation adjustment	2.40
Mortality assumption:	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018

	HIS Program
Valuation date	July 1, 2020
Actuarial cost method	Individual entry age
Actuarial assumptions:	
Discount rate	2.21 %
Municipal bond rate	2.21
Projected salary increases	3.25
Rate of inflation adjustment	2.40
Mortality assumption:	Generational PUB-2010 with projection scale MP-2018

The following is relevant to the Postemployment Benefits other than Pensions:

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

Actuarial valuation date	September 30, 2020
Actuarial cost method	Simplified alternative measurement method
Actuarial assumptions:	
Discount rate	2.25 %
Payroll growth assumption	—
Healthcare cost trend rates	5.0% based on historical cost trends
Healthcare insurance premiums for retirees	Calculation of the present value of total benefits to be paid.
Mortality table	Life expectancies were based on United States Life Tables 2017 by the U.S. Center for Disease Control.
Retirement age for active employees	Active plan members were assumed to retire at age 82, based on the historical average retirement age for the covered group.
Marital Status	Assumed to continue throughout retirement.
Turnover	Nongroup-specific age-based turnover data from GASB Statement No. 75 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

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Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Chairman and Board of Directors
Miami-Dade County Industrial
Development Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Miami-Dade County Industrial Development Authority (Authority), which comprise the statement of net position as of September 30, 2020, and the related statements of revenue, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 19, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

KPMG

Purpose of this Report

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

KPMG LLP

May 19, 2021

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Brickell City Center, Suite 1200
78 SW 7 Street
Miami, FL 33130

To the Chairman and Board of Directors
Miami-Dade County Industrial Development Authority:

Report on the Financial Statements

We have audited the financial statements of the Miami-Dade County Industrial Development Authority (the Authority), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated May 19, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 19, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The official title and legal authority for the primary government of the reporting entity are disclosed in note 1 to the financial statements. There are no component units.

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The Authority is not a component unit of another governmental entity.

Additional Matters

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

Purpose of this Letter

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

KPMG LLP

Miami, Florida
May 19, 2021

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Miami, FL 33130

Independent Accountants' Report

The Chairman and Board of Directors
Miami-Dade County Industrial Development Authority:

We have examined the Miami-Dade County Industrial Development Authority's (the Authority) compliance with Section 218.415, *Florida Statutes* as of September 30, 2020. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Miami-Dade County Industrial Development Authority complied, in all material respects, with Section 218.415, *Florida Statutes* as of September 30, 2020.

KPMG LLP

May 19, 2021