



**MIAMI-DADE
AVIATION DEPARTMENT**

Single Audit Reports in Accordance
With OMB Circular A-133, Chapter 10.550,
Rules of the Auditor General of the State of Florida,
and the Passenger Facility Charge Audit Guide for Public Agencies

Year ended September 30, 2015

**MIAMI-DADE
AVIATION DEPARTMENT**

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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 Honorable Mayor and Members of
the Board of the County Commissioners
Miami-Dade County, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Miami-Dade Aviation Department (the Aviation Department), an enterprise fund of Miami-Dade County, Florida, which comprise the statement of net position as of September 30, 2015, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 25, 2016. Our auditors' report included an emphasis of matter paragraph noting that the Aviation Department adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Aviation Department's internal control over financial reporting (internal control) to determine the 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 Aviation Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Aviation Department'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 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 Aviation Department’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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Aviation Department’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 Aviation Department’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Miami, Florida
May 25, 2016
Certified Public Accountants



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Miami, FL 33131

Independent Auditors' Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*; and Chapter 10.550, *Rules of the Auditor General of the State of Florida*

The Honorable Mayor and Members of
the Board of the County Commissioners
Miami-Dade County, Florida:

Report on Compliance for Each Major Federal Program and State Project

We have audited the Miami-Dade Aviation Department's (the Aviation Department), an enterprise fund of Miami-Dade County, Florida, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on the Aviation Department's major federal program and each of its major state projects for the year ended September 30, 2015. The Aviation Department's major federal program and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Aviation Department's major federal program and each of its major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General of the State of Florida* (Chapter 10.550). Those standards, OMB Circular A-133, and Chapter 10.550, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Aviation Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and each major state project. However, our audit does not provide a legal determination of the Aviation Department's compliance.



Opinion on the Major Federal Program and Each Major State Project

In our opinion, the Aviation Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and each of its major state projects for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of the Aviation Department is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Aviation Department's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program or each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and each major state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Aviation Department's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550

We have audited the financial statements of the Miami-Dade Aviation Department, an enterprise fund of Miami-Dade County, Florida, as of and for the year ended September 30, 2015, and have issued our report thereon dated May 25, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the



financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Miami, Florida
June 17, 2016
Certified Public Accountants



KPMG LLP
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Miami, FL 33131

Independent Auditors' Report on Compliance for the Passenger Facility Charge Program; Report on Internal Control over Compliance; and Report on the Schedule of Passenger Facility Charges Required by the Passenger Facility Charge Audit Guide for Public Agencies

The Honorable Mayor and Members of
the Board of the County Commissioners
Miami-Dade County, Florida:

Report on Compliance for the Passenger Facility Charge Program

We have audited the Miami-Dade Aviation Department's (the Aviation Department), an enterprise fund of Miami-Dade County, Florida, compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies (the Guide), issued by the Federal Aviation Administration (the FAA), that could have a direct and material effect on the Aviation Department's passenger facility charge program for the year ended September 30, 2015.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Aviation Department's passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Aviation Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the passenger facility charge program. However, our audit does not provide a legal determination of the Aviation Department's compliance.



Opinion on the Passenger Facility Charge Program

In our opinion, the Aviation Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of the Aviation Department is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Aviation Department’s internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Aviation Department’s internal control over compliance.

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

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

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

Report on Schedule of Passenger Facility Charges Required by the Guide

We have audited the financial statements of the Miami-Dade Aviation Department, an enterprise fund of Miami-Dade County, Florida, as of and for the year ended September 30, 2015, and have issued our report thereon dated May 25, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of passenger facility charges is presented for purposes of additional analysis as required by the Guide, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used



to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of passenger facility charges is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Miami, Florida
June 17, 2016
Certified Public Accountants

**MIAMI-DADE
AVIATION DEPARTMENT**

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year ended September 30, 2015

<u>Grantor agency/program</u>	<u>CFDA/CSFA number</u>	<u>AIP/financial project number</u>	<u>Contract number</u>	<u>Expenditures</u>
Federal awards:				
U.S. Department of Transportation				
Federal Aviation Administration and Transportation				
Security Administration – Airport Improvement Program	20.106	OTA HSTS04-11-H-CT4001	N/A	\$ 1,015,027
		3-12-0049-065-2012	N/A	728,411
		3-12-0049-067-2012	N/A	538,417
		3-12-0049-068-2013	N/A	19,362,311
		3-12-0047-016-2012	N/A	1,022,429
		3-12-0047-017-2013	N/A	31,249
		3-12-0050-010-2013	N/A	31,249
Total expenditures of federal awards				<u>\$ 22,729,093</u>
State awards:				
Florida Department of Transportation:				
Aviation Development Grants Program	55.004	42043519401	AQV94	\$ 434,832
		42231719401	AQU53	774,670
		42231729401	AR921	622,210
		42344319401	AP778	44,512
		42587419401	AQH51	2,890,815
		42775819401	ARN48	1,326,415
		42926419401	AQS65	1,766,861
		42931519401	AQV69	4,768,703
Total program				<u>12,629,018</u>
Economic Development Transportation Projects - Road Fund	55.032	429264-2-54-01	AQX14	<u>675,994</u>
Total expenditures of state financial assistance				<u><u>13,305,012</u></u>

See accompanying notes to schedules of expenditures of federal awards and state financial assistance and passenger facility charges.

**MIAMI-DADE
AVIATION DEPARTMENT**

Schedule of Passenger Facility Charges

Year ended September 30, 2015

Grantor/program	Application approved number	Unliquidated passenger facility charges at September 30, 2014	Passenger facility charge revenue	Expenditures	Unliquidated passenger facility charges at September 30, 2015
Passenger facility charges	02-04-C-00-MIA	\$ 164,293,197	79,799,253	55,000,000	189,092,450

See accompanying notes to schedules of expenditures of federal awards and state financial assistance and passenger facility charges.

**MIAMI-DADE
AVIATION DEPARTMENT**

Notes to Schedules of Expenditures of Federal Awards
and State Financial Assistance and Passenger Facility Charges

Year ended September 30, 2015

(1) Basis of Presentation

The schedules of expenditures of federal awards and state financial assistance and passenger facility charges (the Schedules) include all grants, contracts, and similar agreements entered into directly between the Miami-Dade Aviation Department (the Aviation Department) and agencies and departments of the federal and state governments. It also includes all subawards to the Aviation Department by nonfederal organizations pursuant to federal and state grants, contracts, and similar agreements. The information in these schedules is prepared on the cash basis of accounting and is presented in accordance with the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Chapter 10.550, *Rules of the Auditor General*, and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration in September 2000. The grants reflect transactions for the fiscal year irrespective of the year of grant award, and accordingly, the Schedules do not include a full year's activity for grants awarded or terminated on dates not coinciding with the aforementioned fiscal year.

(2) Passenger Facility Charges

Revenue consists of passenger facility fees and investment earnings on the restricted cash related to passenger facility charges. Expenditures represent airport construction-related costs incurred at the Aviation Department. Unliquidated passenger facility charges represent the net restricted cash and passenger facility fees receivable less related accounts payable as of year-end.

**MIAMI-DADE
AVIATION DEPARTMENT**

Schedule of Findings and Questioned Costs
Year ended September 30, 2015

Section I – Summary of Auditors’ Results

Financial statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal awards

Internal control over major program:	
Material weaknesses identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported

Type of auditors’ report issued on compliance for major program:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Section 0.510(a) of Circular A-133?	No
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Identification of major federal program:

CFDA number	Name of federal program or cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs:	\$681,873
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Auditee qualified as low risk auditee?	Yes
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State Financial Assistance

Internal control over major state projects:	
Material weaknesses identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported

**MIAMI-DADE
AVIATION DEPARTMENT**

Schedule of Findings and Questioned Costs

Year ended September 30, 2015

Type of auditors' report issued on compliance for major state projects:

<u>CSFA number</u>	<u>Name of state project or cluster</u>	<u>Report type</u>
55.004	Aviation Development Grants Program	Unmodified
55.032	Economic Development Transportation Projects - Road Fund	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General of the State of Florida*?

No

Dollar threshold used to distinguish between type A and type B projects:

\$399,150

**MIAMI-DADE
AVIATION DEPARTMENT**

Schedule of Findings and Questioned Costs

Year ended September 30, 2015

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – State Financial Assistance Findings and Questioned Costs

None

Section V – Passenger Facility Charge Program Findings and Questioned Costs

None