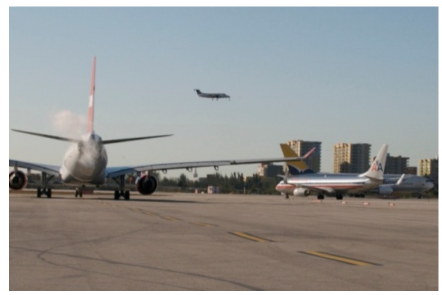
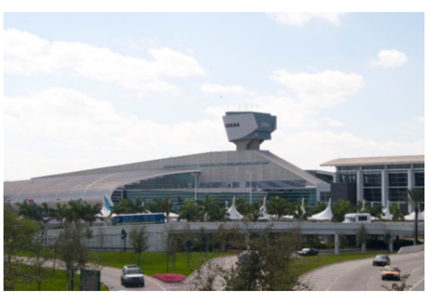
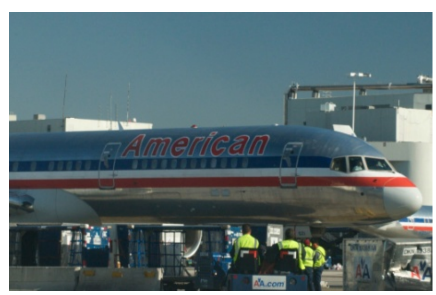
MIA

MIAMI INTERNATIONAL AIRPORT



MIAMI-DADE COUNTY





2008 Comprehensive Annual Financial Report

For fiscal year ended September 30, 2008

Miami-Dade Aviation Department

Miami, Florida

Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2008

Miami-Dade County Aviation Department
A Department of Miami-Dade County, Florida

Prepared by:

Finance & Strategy Division

2008

Comprehensive Annual Financial Report

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Miami-Dade Aviation Department
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2008

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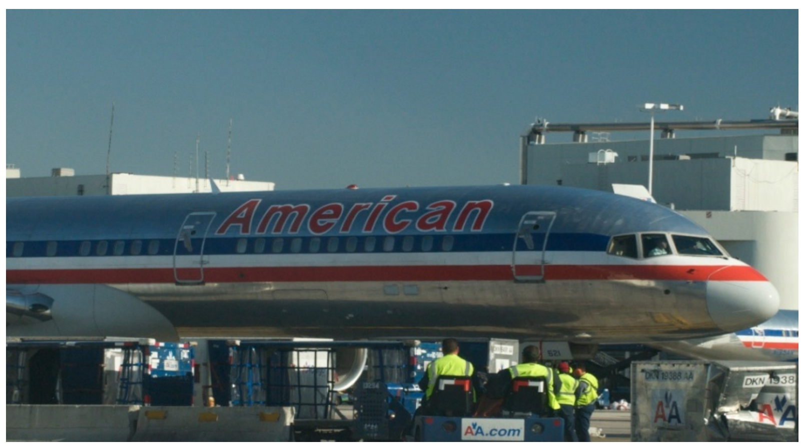

2008

Comprehensive Annual Financial Report

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MIAMI INTERNATIONAL AIRPORT

Miami-Dade Aviation Department
P.O. Box 025504
Miami, Florida 33102
T 305-876-7000 F 305-876-0948
www.miami-airport.com

miamidade.gov

Commercial Airport:
Miami International Airport

General Aviation Airports:
Dade-Collier Training & Transition
Homestead General
Kendall-Tamiami Executive
Opa-locka Executive

March 24, 2009

Honorable Mayor Carlos Alvarez

Honorable Chairman Bruno A. Barriero

Honorable Members of the Board of County Commissioners

George Burgess, County Manager

Harvey Ruvin, Clerk of Courts

Gentlemen:

The Comprehensive Annual Financial Report of the Miami-Dade Aviation Department ("the Aviation Department" or "MDAD") for the Fiscal Year ended September 30, 2008, is hereby submitted. Responsibility for both the accuracy and completeness and fairness of presentation, including all disclosures, rests with the Aviation Department. This report presents fairly, and discloses fully, in all material respects, the financial position and results of operations of the Aviation Department.

The Aviation Department is also required to be audited in accordance with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, and the Florida Single Audit. Information related to the single audit, including the schedule of expenditures of Federal Awards and State Financial Assistance, schedule of findings and questioned costs, and the Certified Public Accountants' reports on the internal contract structure and compliance with applicable laws and regulations, are reported under a separate cover.

GAAP requires that management provide a narrative overview and analysis to accompany the financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors in the Financial Section of this report.

Profile Overview

The Aviation Department operates as an enterprise fund of Miami-Dade County ("the County"). An enterprise fund is used to account for the financing of services to the general public on a continuing basis with costs recovered primarily through use charges. The County owns Miami International Airport ("MIA") three general aviation airports, and one training airport ("the Airport System"), all of which are operated by the Aviation Department.

The County operates the Airport System through the Aviation Department with policy guidance from the mayor, the Board of County Commissioners of Miami-Dade County, Florida (the "Board"), and the County manager. The Aviation Department is an enterprise fund of the County.

Economic Conditions and Outlook

MIA continues to be an economic engine for Miami-Dade County and the State of Florida. An economic impact study released in 2007 reports that MIA has an annual impact on local tourism, cruise, international banking, trade and commerce of $25.6 billion. MIA and related aviation industries contribute 272,376 jobs directly and indirectly to the South Florida economy, and are responsible for one out of every 4 jobs.

The Airport offers an extensive air service network, enhanced by multiple daily scheduled and non-scheduled flight frequencies covering nearly 150 cities on four continents. MIA's stronghold market, the Latin America/Caribbean region, was served by more passenger flights from the airport than from any other U.S. airport. MIA is a major transshipment point by air for the Americas. During Calendar Year 2007, the most recent year for which such information is available, the Airport handled 81% of all air imports and 77% of all air exports between the USA and the Latin American/Caribbean region. The Airport was also the nation's number one airport in international freight[*] (excluding mail) and third in international passenger traffic during the same period.

The Airport stimulates a host of industries such as tourism, the cruise industry and international banking and commerce. The Airport's activities have resounding effects throughout the State as well. In CY2007, the most recent year for which such information is available, the Airport was the port of entry for 69% of all international passenger traffic arriving by air to the State. In terms of trade, Department of Commerce data for 2007 showed that the Airport handled 96% of the dollar value of the State's total air imports and exports, and 32% of the State's total trade volume.

Passenger Activity

During Fiscal Year 2008, 34,065,830 passengers transited through MIA, up 2.4 percent compared to Fiscal Year 2007. Domestic traffic decreased by 0.4 percent to 17,990,261, or 52.8 percent of the total. International traffic accounted for 47.2 percent or 16,075,569 passengers, which was up 5.6 percent. MIA is ranked third in the U.S. for international passengers.

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[*] Airports Council International ("ACI") includes Anchorage International Airport ("ANC") in its rankings. MIA excludes ANC from its rankings because of ANC's particular methodology of accounting for freight. MIA's total freight only reflects enplaned and deplaned freight, while ANC chooses to include a large amount of transit (same aircraft) freight. Source: Miami-Dade County Aviation Department.

The Airport is American Airline's largest international hub operation, both for international passengers and international cargo. American Airlines accounted for approximately 65% of the enplaned passengers at the Airport during Fiscal Year 2008, and together with its affiliate, American Eagle, approximately 69% of all enplaned passengers during such period.

Freight Activity

Freight tonnage totaled 2,080,000 tons in Fiscal Year 2008, resulting in a decrease of 0.9 percent. MIA remains the number one airport in the U.S. for international freight. MIA's cargo facility development program that began in 1992 was completed in 2004, providing the Airport with over 2.7 million square feet of space in 17 new cargo buildings. Apron space has grown to over 3.8 million square feet, capable of handling 17 B747s or 38 DC-10Fs.

Airline Agreements

The County has entered into separate but identical Airline Use Agreements with the Airlines using MIA. The Airline Use Agreement, which is a 15-year agreement expiring in 2017, provides that the County, acting through its Board of County Commissioners, has the right to calculate landing fees using an airport system residual cost methodology so that the revenues from landing fees, together with revenues from other sources, will be sufficient to meet the requirements of the rate covenant and other requirements.

The County has entered into separate, but substantially similar Terminal Building Lease Agreements with the airlines. Under these agreements airlines have no obligations to make real property investments in tenant improvements to their premises and in personal property to support their operations.

Passenger Facility Charges (PFC)

The FAA authorized the Aviation Department to impose a PFC of $3 per passenger commencing November 1, 1994. Subsequently on October 21, 2001, the FAA approved a revised PFC collection level of $4.50 with an effective date of January 1, 2002. In December 2002, the FAA approved a PFC application that enables the Aviation Department to use PFC revenues to pay debt service for the approved projects, all of which are included in Phase 1 of the Capital Improvement Program.

Per FAA regulations, net receipts from PFCs are restricted to use only on these FAA approved capital projects and related financing costs. The Aviation Department has been authorized to collect PFCs in the estimated amount of $2.757 billion including interest. The authorization is expected to expire October 1, 2037. The amount of PFC collections from inception through September 30, 2008 was $620.2 million and with interest was $686.0 million. Of this amount, the Aviation Department has expended $460.5 million. As of September 30, 2008, the Aviation Department had a cash balance of $222.3 million in the PFC account.

Capital Improvement Program (CIP)

In 2002, the Board of County Commissioners approved a CIP, with estimated expenditures of $4.8 billion through 2015, when enplanement levels were projected to reach 39 million annual passengers. The Board approved an increase in the cost of the CIP to $5.237 billion in June 2005 and a further increase to $6.2 billion in March 2007. The increases were primarily due to schedule delays and increased construction estimates. Effective October 2008 the Board increased the CIP Budget to $6.276 Billion, to include FDOT grants for the MIA Mover. The Master Plan calls for the Aviation Department to undertake additional capital improvements when traffic exceeds 39 million air passengers, but funding does not presently exist for those improvements.

The Board has authorized the Department to issue up to $6.2 billion in Aviation Revenue Bonds under the Trust Agreement to finance the costs of certain projects including financing costs. These bonds, however, may not be issued without approval of specific bond series resolutions by the Board. Future authorizations will be required to issue bonds for projects that are not yet covered by existing ordinances.

Tenant Financed Facilities

Because of the significant size of the CIP, the Department has decided, as a matter of policy, to permit tenants of airside facilities to construct desired buildings with their own financing. Accordingly, certain hangars and cargo facilities (including those for Federal Express, UPS, LAN Airlines, and United) have been constructed with private financing. Such improvements do not constitute County-owned properties until the financing of such improvements has been paid. Such payment may be either through buy-out or terms long enough to accommodate amortization.

Major Initiatives & Long-Term Financial Planning

Of the $6.23 billion total CIP, approximately $4.5 billion has been spent as of September 30, 2008. About $3.6 billion worth of projects have been completed and are in use with the remaining $2.6 billion under construction or in design as of September 30, 2008.

The Terminal Building is divided into three areas, North, Central and South. Roughly 64% of the CIP is allocated to reconstructing and expanding the North and South Terminals. The CIP will increase the building's area from 4.8 million to approximately 7.4 million square feet.

The North Terminal Development (NTD) Program continues towards an early 2011 completion. Encompassing more than 3.2 million square feet of new and renovated space, the NTD is a complex, multi-phased airside construction program that has been carefully planned to be built without disruption of the ongoing airport operations. In June 2005, the Miami-Dade Board of County Commissioners approved legislation that allowed the Department to assume jurisdictional oversight of the NTD from American Airlines, and also authorized the Department to negotiate a contract with Parsons Oderbrecht Joint Venture (POJV) to complete the project. Approximately $1,648.5 million worth of work was in construction as of September 30, 2008. The NTD is currently budgeted at $2.89 billion.

The South Terminal Program includes the terminal expansion from Concourse H to Concourse J, construction of a new concourse J, internationalization of four gates at Concourse H, apron construction between Concourses H and J and related utilities infrastructure. It provides approximately 1.5 million square feet of new and 0.2 million square feet of renovated terminal and concourse space. The South Terminal has 28 gates of which 19 are international/domestic and one designated for Airport A-380 operations. In addition the South Terminal includes a new Federal

Inspection Services Facility; a cruise and tour bus station; 50,000 square feet of new concession space; and a gate control tower for aircraft traffic at Concourses H and J. The first domestic flight from the South Terminal occurred on August 29, 2007 and the first international flight occurred on September 14, 2007.

Other projects, which were completed during the last fiscal year include the relocation security check points in Concourse D and E, new baggage handling systems and electronic detection systems for baggage screening.

The CIP is the critical path to success for MIA, as its completion will allow existing and prospective carriers to maintain and expand their domestic and international operations out of this major and preferred hub in South Florida.

Risk Management

The Department participates in both insured and self-insured programs administered by the County. Worker's Compensation is completely self-insured. Property, tort liability, and automobile liability coverage are a combination of self-insured retentions and insurance through independent insurance carriers. Group health and life insurance programs are a combination of insured and self insured programs. The self-insured portion is administered by an independent administrator.

Independent Audit

The financial statements for Fiscal Year 2008 were audited by KPMG LLP, and their opinion resulting from their examination is included in this Comprehensive Annual Financial report. Their audit was made in accordance with auditing standards generally accepted in the United States, and included other procedures as required by the State of Florida. The scope of the audit was sufficient to satisfy the Federal, State and County requirements.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Department for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the Department had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This Comprehensive Annual Financial Report must satisfy both account principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The Department has received a Certificate of Achievement for the last seventeen consecutive years (fiscal 1992-2007). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgements

This report could not have been presented on a timely basis without the dedicated services of the Finance & Strategy Group. We sincerely appreciate their time and thank them for their valuable contributions. The Department also thanks the County Mayor, the Board of County Commissioners and the County Manager for providing their continued support to the Department and enabling us to successfully operate the Airport System.

Respectfully submitted,

José Abreu, P.E.
Aviation Director

Anne Syrcle Lee
Chief Financial Officer

Miami-Dade County Elected Officials & Commissioners

Carlos Alvarez
Mayor

Board of County Commissioners

Dennis C. Moss, *Chairman*
José "Pepe" Diaz, *Vice Chairwoman*

Barbara J. Jordan, District 1

Dorrin D. Rolle, District 2

Audrey M. Edmonson, District 3

Sally A. Heyman, District 4

Bruno A. Barreiro, District 5

Rebeca Sosa, District 6

Carlos A. Gimenez, District 7

Katy Sorenson, District 8

Dennis C. Moss, District 9

Sen. Javier D. Souto, District 10

Joe A. Martinez, District 11

José "Pepe" Diaz, District 12

Natacha Seijas, District 13

Harvey Ruvin
Clerk of the Circuit and County Courts

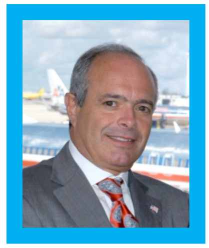
George M. Burgess
County Manager

Robert A. Cuevas Jr.
County Attorney

Jennifer Glazer-Moon
Director Office of Strategic Business Management

www.miamidade.gov

Miami-Dade Aviation Department Senior Staff



José Abreu
Aviation Director

Miguel Southwell
Deputy Aviation Director Business Retention & Development

Anne Syrcle Lee
Chief Financial Officer

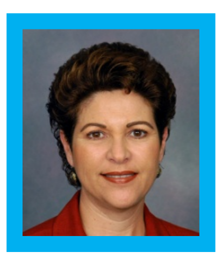
Maximo Fajardo
Deputy Aviation Director

Bobbie Jones-Wilfork
Assistant Director for Administration

Lauren Stover
Assistant Director for Communications & Security Initiatives

Narinder S. Jolly
Assistant Director for Facilities Management Capital Facilities Development

Juan Carlos Arteaga
Design Manager North Terminal Development

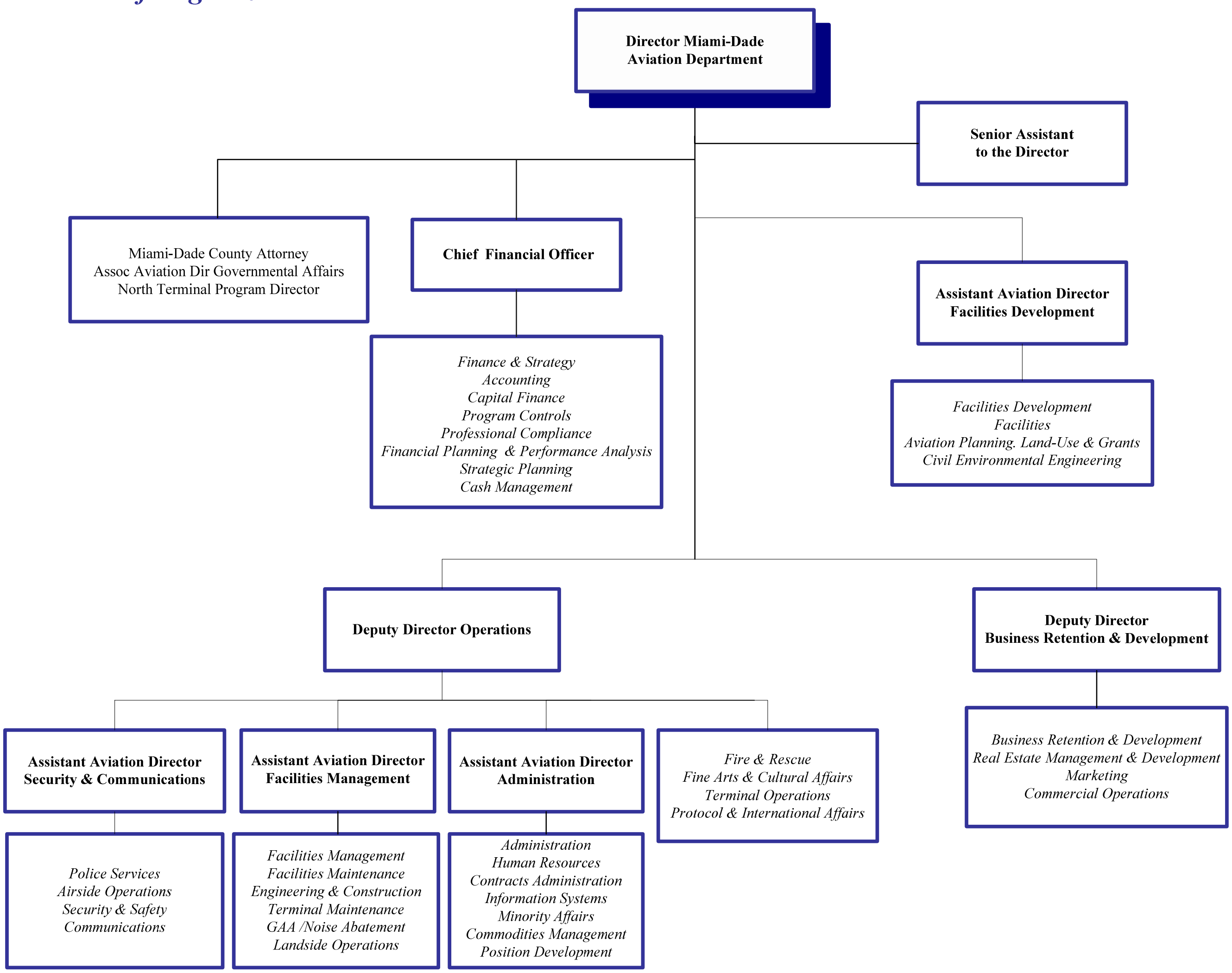


Ana Sotorrio
Associate Director for Governmental Affairs

Carlos José
Assistant Director for Facilities Maintenance

Miami-Dade Aviation Department Organization Chart

Miami-Dade Aviation Department
Table of Organization



GFOA Certificate of Achievement

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Miami-Dade County Aviation Department Florida

For its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Financial Section

Independent Auditor's Report

Management Discussion & Analysis

Financial Statements

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KPMG

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Financial Statements

September 30, 2008 and 2007

(With Independent Auditors' Report Thereon)

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Financial Statements

September 30, 2008 and 2007

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KPMG LLP
Suite 2000
200 South Biscayne Boulevard
Miami, FL 33131

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Miami-Dade County Aviation Department (the Aviation Department), an enterprise fund of Miami-Dade County, as of and for the years ended September 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Aviation Department's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Aviation Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in note 1(a), the financial statements present only the Aviation Department and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida (the County), as of September 30, 2008 and 2007, and the changes in its financial position or, where applicable, its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Aviation Department, an enterprise fund of Miami-Dade County, as of September 30, 2008 and 2007, and the changes in financial position and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2009, on our consideration of the Aviation Department'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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

KPMG

The management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

As discussed in note 13, during the year ended September 30, 2008, the Aviation Department adopted the provisions of the Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting for Postretirement Benefits Other Than Pensions.*

KPMG LLP

March 24, 2009
Certified Public Accountants

Introduction

The following discussion and analysis of the financial performance and activity of the Aviation Department is to provide an introduction and understanding of the financial statements of the Aviation Department for the years ended September 30, 2008 and 2007. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The Aviation Department operates an Airport System consisting of Miami International Airport (MIA), three general aviation airports, Opa locka Airport, Homestead General Airport, Kendall Tamiami Executive Airport and two training airports, one of which has been closed.

The Aviation Department operates as an enterprise fund of Miami-Dade County, Florida (the County). The Department is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenues from concessions to fund operating expenses. The Capital Improvement Program (CIP) is primarily funded by bonds, federal and state grants, and Passenger Facility Charges (PFCs).

Required Financial Statements

The Aviation Department's financial report includes three financial statements: the statements of net assets, statements of revenues, expenses and changes in net assets, and statements of cash flows. The financial statements are prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The Aviation Department is structured as a single enterprise fund with revenues recognized when earned and expenses recognized when incurred. Capital asset costs, with the exception of land and construction in progress, are capitalized and depreciated over their estimated useful lives. Certain net asset balances are restricted for debt service, construction activities, and major maintenance type activities.

The statements of net assets include all of the Aviation Department's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) as well as obligations to creditors and investors (liabilities). They also provide the basis for evaluating the capital structure of the Aviation Department and assessing liquidity and financial flexibility.

The statements of revenues, expenses, and changes in net assets report the operating revenues and expenses and nonoperating revenues and expenses of the Aviation Department for the fiscal year with the difference, net income or loss being combined with any capital contributions to arrive at the change in net assets for the fiscal year. These statements measure the success of the Aviation Department's operations over the past year and can be used to determine whether the Aviation Department has successfully recovered all its costs through its users' fees and other charges.

The statements of cash flows provide information about the Aviation Department's cash receipts and payments during the reporting period. The statements report cash receipts, cash payments and net changes in cash resulting from operating, investing, and capital and noncapital financing activities and provide an insight regarding sources providing cash and activities using cash.

Activity Highlights

Miami International Airport experienced a 2.5% increase in enplaned passenger traffic in fiscal year 2008, which is slightly less than the 3.5% and 4.0% experienced in fiscal years 2007 and 2006, respectively. Although the airline industry reduced its capacity at various airports throughout the United States in 2008 (including MIA) in reaction to the exorbitant increases in jet fuel prices, passenger traffic at MIA did not decline. Landed weight, which represents the total weight of the commercial aircraft that land at MIA, only slightly increased at 0.5% annual growth in fiscal year 2008 after increasing 2.2% in fiscal year 2007. Enplaned cargo increased significantly in fiscal year 2007 over fiscal year 2006 at 8.6%, but as a reflection of the international economic decline in fiscal year 2008, the annual growth was only 1.4%. Below is a comparative of these activities at MIA by fiscal year.

	2008	2007	2006
Enplanements	17,035,400	16,615,415	16,055,040
Landed weight (1,000 pounds)	31,590,470	31,419,877	30,735,112
Enplaned cargo (in tons)	974,653	961,260	885,513

Financial Highlights

- Total assets increased by \$550.1 million in fiscal year 2008 while total liabilities also increased by \$516.5 million resulting in a net increase in assets of \$33.6 million. The primary reason for the increase in assets is due to the addition and construction in progress of new facilities at MIA; the opening of the new South Terminal and the expansion of the North Terminal. Correspondingly, liabilities increased as bond financing was used as the primary funding source for the construction costs of these new facilities.

- Construction in Progress increased by \$579.8 million, or 48.2%, during fiscal year 2008. The increase primarily represents significant additions to the North Terminal construction work.

- Total bonded debt increased by \$527.4 million during fiscal year 2008, due primarily to the issuance of new bonds during the fiscal year to replace the outstanding commercial paper utilized to fund construction at the airport.

- During fiscal year 2008, operating revenues were \$562 million, an increase of \$7 million, or 1.3%, as compared to fiscal year 2007. During fiscal year 2007, operating revenues were \$555 million, an increase of \$29.8 million, or 5.7%, as compared to fiscal year 2006.

- During fiscal year 2008, operating expenses, excluding depreciation and amortization, were \$383 million, an increase of \$25.6 million or 7.0%, as compared to fiscal year 2007. During fiscal year 2007, operating expenses, excluding depreciation and amortization, were \$357.4 million, an increase of \$9.2 million or 2.7%, as compared to fiscal year 2006.

(Continued)

The table below shows the composition of assets, liabilities, and net assets as of September 30, 2008, 2007, and 2006.

		2008	2007 (In thousands)	2006
Current assets	$	651,239	570,335	556,999
Noncurrent assets:				
Restricted assets		345,444	407,889	376,423
Capital assets, net		5,148,169	4,634,971	4,335,934
Other assets		71,678	53,199	45,905
Total assets		6,216,530	5,666,394	5,315,261
Current liabilities		62,548	80,841	142,484
Current liabilities payable from restricted assets		358,002	285,499	285,719
Noncurrent liabilities		4,604,000	4,141,708	3,825,574
Total liabilities		5,024,550	4,508,048	4,253,777
Net assets:				
Invested in capital assets, net of debt		597,870	541,818	553,668
Restricted		410,174	476,644	443,019
Unrestricted		183,936	139,884	64,797
Total net assets	$	1,191,980	1,158,346	1,061,484

Capital assets, net, as of September 30, 2008 were $5.1 billion, $513.2 million higher than at September 30, 2007. As of September 30, 2007, capital assets, net, was $4.6 billion, $299 million higher than at September 30, 2006. These increases were primarily in buildings and improvements due to the ongoing Capital Improvement Program.

Total net assets as of September 30, 2008 were $1.2 billion, an increase of approximately $33.6 million as compared to 2007. The increase in primarily due to an increase in capital contributions and passenger facility charge (PFC) revenues during the period. Total net assets as of September 30, 2007 were also $1.2 billion, an increase of $96.9 million as compared to fiscal year 2006. The increase represents significant contributions from commercial operations. In addition, the lessening of the environmental remediation liability resulted in additional revenue to add to the net assets amount.

Changes in net assets can be determined by reviewing the following summary of revenue, expenses, and changes in net assets for the years ended September 30, 2008, 2007, and 2006.

	2008	2007	2006
		(In thousands)	
Operating revenue:			
Aviation fees	$ 262,888	239,565	249,867
Rentals	103,483	101,331	93,077
Commercial operations	176,239	173,074	148,670
Other operating	6,149	10,717	18,967
Other – environmental remediation	13,181	30,296	14,619
Nonoperating revenues:			
Investment income	18,138	28,903	31,336
Passenger facility charges	71,502	66,341	65,149
Other	13,123	23,027	20,548
Total revenues	664,703	673,254	642,233
Operating expenses:			
Operating expenses	260,093	238,691	221,049
Operating expenses – environmental remediation	2,223	2,107	3,381
Operating expenses – commercial operations	58,858	64,848	58,604
General and administrative expenses	61,750	51,732	65,102
Depreciation and amortization	138,117	122,596	111,811
Nonoperating expenses:			
Interest expense	154,575	123,401	113,274
Total expenses	675,616	603,375	573,221
(Loss) income before capital contributions	(10,913)	69,879	69,012
Capital contributions	44,547	26,983	55,993
Change in net assets	33,634	96,862	125,005
Net assets at beginning of year	1,158,346	1,061,484	936,479
Net assets at end of year	$ 1,191,980	1,158,346	1,061,484

Total revenues for the fiscal year 2008 were $664.7 million, a decrease of $8.6 million, or 1.3%, as compared to fiscal year 2007. Total revenues for the fiscal year 2007 were $673.3 million, an increase of $31 million, or 4.8%, as compared to fiscal year 2006. Operating revenues for fiscal year 2008 were $561.9 million, an increase of $7 million, or 1.3%, as compared to fiscal year 2007. These increases comprise additional activities in the commercial operations at MIA particularly aviation fees through concourse use fees and baggage claim charges. The Aviation Department experienced significant reduction in investment income and other non operating revenues in fiscal year 2008 which offset the increase in operating revenues. Operating revenues for fiscal year 2007 were $555 million, an increase of $29.8 million, or 5.7%, as compared to fiscal year 2006. The increase is

(Continued)

due primarily to a 16.4% increase in the commercial operations at MIA including parking and rental car revenues.

Total expenses, including depreciation and amortization, for the fiscal year 2008 were $675.6 million, an increase of $72.2 million, or 12.0%, as compared to fiscal year 2007. Operating expenses for fiscal year 2008 were $260.1 million, an increase of $21.4 million, or 9.0%, as compared to fiscal year 2007. This was primarily due to increases in salaries and fringes. General and administrative expenses increased from $51.7 million in 2007 to $61.8 million in 2008 due to increases in operating and maintenance cost of airport systems. Total expenses, including depreciation and amortization, for the fiscal year 2007 were $603.4 million, an increase of $30.2 million, or 5.3%, as compared to fiscal year 2006. Operating expenses for fiscal year 2007 were $238.7 million, an increase of $17.6 million, or 8.0%, as compared to fiscal year 2006. This was primarily due to increases in salaries and fringes. General and administrative expenses decreased from $65.1 million in 2006 to $51.7 million in 2007 due to a reduction in outside maintenance and engineering services.

The Aviation Department uses an airport system residual cost recovery methodology to set its landing fee rate. In accordance with the amended and restated trust agreement (the Trust Agreement), the Aviation Department is required to meet its rate covenant, which means the Department is required to maintain, charge, and collect rates and charges for the use of and for the services and facilities provided to all users of these facilities. In addition, these rates and charges are to provide revenues sufficient to pay current expenses: to make the required reserve maintenance fund (the Reserve Maintenance Account) annual deposits as recommended by the Consulting Engineers; and to make deposits to the sinking fund (the Sinking Fund Account), which comprises the Bond Service Account, the Reserve Account, and the Redemption Account, of not less than 120% of the principal and interest requirements of the outstanding bonds, as defined in the Trust Agreement (all capitalized terms referenced in this sentence are defined terms in the Trust Agreement). The manner in which the residual landing fee is calculated enables the Aviation Department to establish rates to meets its rate covenant.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2008, 2007, and 2006, the Aviation Department had $5.1 billion, $4.6 billion, and $4.3 billion, respectively, invested in capital assets, net of accumulated depreciation.

(Continued)

The following table summarizes the composition of capital assets, net of accumulated depreciation as of September 30, 2008, 2007, and 2006.

		2008	2007	2006
			(In thousands)	
Land	$	88,836	88,836	88,836
Buildings, improvements, and systems		2,458,826	2,563,536	1,575,500
Infrastructure		669,888	677,539	678,772
Furniture, machinery, and equipment		147,178	101,471	112,017
		3,364,728	3,431,382	2,455,125
Construction in progress		1,783,441	1,203,589	1,880,809
Total capital assets, net	$	5,148,169	4,634,971	4,335,934

Construction in progress (CIP) increased by a net $579.9 million, or 48.2%, during 2008, due to the ongoing construction of North Terminal.

The CIP consists of 330 projects with a budgeted cost of approximately $6.2 billion for construction through fiscal year 2015. As of September 30, 2008, the status of these projects can be described as follows:

- 265 projects completed $3.6 billion
- The completed projects include most of the South Terminal, the Northside Runway (9/27), Concourse "A" Terminal Expansion, the Central Collection Plaza, the Park 7 Garage, the Central Chiller Plant, Mid-field and Runway 9/27 rehabilitation, security projects and the entire Westside Cargo Development Program.
- 46 projects under construction $2.1 billion
- Primarily consists of the North Terminal, which will add terminal, concourse, administrative, and concessions space to MIA. A few remaining projects related to the South Terminal, which opened for passenger operations in August 2007, are still under construction.
- 19 projects in design and planning $0.5 billion
- These projects include the MIA Mover, the rehabilitation of runway 8R/26L at MIA, life safety, roof repairs, and signage projects in the Terminal building and drainage improvement projects on the north side of MIA.

Additional information on the Aviation's Department's capital assets can be found in note 5 of this report.

Debt Administration

As of September 30, 2008, 2007, and 2006, the Aviation Department had a total of $4.5 billion, $4 billion, and $3.4 billion, respectively, in long-term revenue bonds outstanding. The long-term debt consists of Aviation Revenue Bonds issued under a Trust Agreement. Maturity dates range from 2008 to 2041, and the interest rates range from 2% to 6%. Both principal and interest are payable solely from net revenues generated from the airport facilities constructed under the provisions of the Trust Agreement. The Revenue Bonds do not constitute debt of the County or a pledge of the full faith and credit of the County. In addition to net revenues, the Aviation Department used $81.6 million of PFC revenue to pay principal and interest due in fiscal year 2008.

The Aviation Department initiated a Commercial Paper program in July 2000, with the authorization of the Board of County Commissioners (the Board), of $400,000,000 Aviation Commercial Paper Notes with maturities not to exceed 270 days. As of September 30, 2008, 2007, and 2006, the Aviation Department had $0, $70.3 million, and $365.3 million, respectively, plus accrued interest outstanding of Aviation Commercial Paper Notes. The outstanding commercial paper notes have been excluded from current liabilities because the Aviation Department intends to finance the Commercial paper with long-term revenue bonds.

Some issues of General Aviation Revenue Bonds are insured by various monoline insurance companies and the rating reflects the claims paying ability of these companies. When the insurance was originally purchased by the County, the issue were rated AAA, Aaa, and AAA by Standard and Poor's, Moody's Investor Service, and Fitch Ratings, respectively, and lowered the interest rate that the County paid on the debt at the time of the sale. These policies provided that the insurers would make debt service payments on the respective debt issues in the unlikely event that the County was not able to do so. Since then, the ratings of the various monoline insurers has been lowered or withdrawn by the rating agencies. The Aviation Department is not directly impacted by these rating downgrades. The respective insurance policies remain in effect.

As of September 30, 2008, the public underlying ratings for the Aviation Department's outstanding General Aviation Revenue Bonds were A- with a stable outlook, A2 with a stable outlook and A with a stable outlook per Standard and Poor's, Moody's Investors Service, Inc and Fitch Ratings, respectively.

Additional information of the Aviation Department's debt administration can be found in note 6 of this report.

Economic Factors and Outlook

Most of the airline rates and charges at MIA continue to increase due to the issuance of additional debt required for the Department's on-going Capital Improvement Program. As previously stated, the Aviation Department calculates the landing fee rate on an airport system residual cost recovery basis and, therefore, is able to pass along these increases in costs to the MIA air carriers through either the terminal rental rate or the landing fee. This increase in capital costs is expected to continue until the Aviation Department completes its terminal projects as well as the MIA Mover, a train connecting to a multimodal transportation area just outside the Airport premises.

MIA principally serves the metropolitan area of Miami-Dade County. MIA is supported by this community and is thereby affected by its economic well-being. Like the rest of the nation, Miami-Dade has suffered significant layoffs. Nonagricultural companies in Miami-Dade County lost 27,600 jobs between December 2007 and December 2008. Construction topped the list, with a drop of 15.2%. Other sectors that have been impacted by the recession include, retail, with a loss of 6.9%, or 9,200 jobs lost; financial activities, down 4.6%, or 3,500 jobs lost; professional and business services, which dropped 4.4%, or 6,500 jobs lost; and leisure and hospitality, which fell 0.9%, a loss of 900 jobs. Even wholesale trade, which includes international trade, of Miami-Dade's major industrial sectors, saw a decline of 2.2%, for a loss of 1,700 jobs. The unemployment rate for the

(Continued)

Miami-Fort Lauderdale-Pompano Beach metropolitan statistical area (MSA) rose from 5.9% in July 2008 to a 6.4% rate in August and September 2008. This increase, although high, was not quite as high as the state of Florida's, which went from a rate of 4.2% in September 2007 to a rate of 6.6% in September 2008's preliminary reporting.

A significant increase in the cost of fuel in 2008 and an overabundance of capacity that had been built up over time, led many airlines to reduce their schedules by maximizing their loads in fewer flights by discontinuing marginal operations. Some airlines still could not sustain such conditions and instead sought bankruptcy protection, which resulted in either restructuring or liquidating, while others merged with stronger airlines. In spite of the general malaise in the industry, MIA has not suffered as extensively from service cutbacks as many other airports. During fiscal year 2008, many airports in the nation received news of significant planned service cutbacks by the airlines later to be enacted later in that year. Miami International Airport, however, was largely spared. In May 2008, MIA's principal carrier, American Airlines (American), announced that the airline would be reducing flights in all its principal operations, except Miami. The only flight eliminated in South Florida was to Barranquilla, Columbia, a discontinued destination by American. As of September 30, 2008, American has 211 daily flights, up from 206 in January 2008.

Thus far in this economic cycle, Latin American economies have been more resilient than the U.S. economy, thereby diluting some of the negative impacts that other airports have faced and continue to face during this time of financial strain. This has benefited Miami International Airport because it dominates the Latin American/Caribbean region both in passenger numbers and cargo volume. The financial strength and stability of the airlines serving Miami International Airport will affect future airline traffic. While passenger demand at the Airport remained strong in fiscal year 2008, there can be no assurance given as to the levels of aviation activity that will be achieved at the Airport in the future. Any financial or operational difficulties incurred by American or any other major air carriers at the Airport could have a material adverse effect on the Airport, although the Aviation Department would take measures to mitigate the effect.

The Aviation Department finances its construction programs through the sale of bonds. By converting its series 2003E auction rate securities to fixed rate bonds in March 2008, the Aviation Department effectively insulating itself from market fluctuations because all of its other outstanding bonds are fixed rate, as well.

Request for Information

This financial report is designed to provide customers, creditors and other interested parties with a general overview of the Aviation Department's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed in writing to the Finance Manager, Miami-Dade Aviation Department, 4200 N.W. 36th Street, Suite 300, Miami, Florida 33122.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Net Assets

September 30, 2008 and 2007

(In thousands)

Assets		**2008**	**2007**
Current assets:			
Cash and cash equivalents (including restricted assets of $165,615 in 2008 and $155,547 in 2007)	$	342,500	333,098
Investments, including interest receivable (including restricted assets of $192,387 in 2008 and $129,952 in 2007)		237,567	160,523
Accounts receivable, net of allowance for doubtful accounts of $12,989 in 2008 and $14,033 in 2007		37,133	39,945
Inventories, prepaid expenses, and deferred charges		6,005	6,478
Due from County Agencies		28,034	30,291
Total current assets		651,239	570,335
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents		296,249	350,861
Cash held in escrow by agent		29,817	50,000
Government grants receivable		10,521	2,142
Passenger facility charges receivable		8,857	4,886
Total noncurrent restricted assets		345,444	407,889
Capital assets:			
Land		88,836	88,836
Construction in progress		1,783,441	1,203,589
Buildings, improvement, and systems		3,553,164	3,546,231
Infrastructure		1,097,364	1,097,202
Furniture, equipment, and machinery		341,120	279,821
Less accumulated depreciation		(1,715,756)	(1,580,708)
Capital assets, net		5,148,169	4,634,971
Other noncurrent assets		71,678	53,199
Total noncurrent assets		5,565,291	5,096,059
Total assets	$	6,216,530	5,666,394

(Continued)

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Net Assets

September 30, 2008 and 2007

(In thousands)

Liabilities and Net Assets		**2008**	**2007**
Current liabilities payable from unrestricted assets:			
Accounts payable and accrued expenses	$	24,030	26,211
Security deposits		9,715	10,868
Environmental remediation liability		7,365	16,015
Compensated absences		7,313	6,590
Deferred revenues		4,299	3,056
Due to County Agencies		9,826	18,101
Total current liabilities payable from unrestricted assets		62,548	80,841
Current liabilities payable from restricted assets:			
Accounts and contracts payable and accrued expenses		185,307	123,169
Bonds payable within one year:			
Trust Agreement Aviation Revenue Bonds		64,730	68,755
Interest payable		107,965	93,575
Total current liabilities payable from restricted assets		358,002	285,499
Total current liabilities payable		420,550	366,340
Noncurrent liabilities:			
Trust Agreement Aviation Revenue Bonds payable after one year		4,485,569	3,954,103
Commercial paper notes		—	70,295
Deferred rental credits		8,994	9,711
Compensated absences, net of current portion		19,886	18,213
Environmental remediation liability, net of current portion		84,855	89,386
Other noncurrent liabilities		4,696	—
Total noncurrent liabilities		4,604,000	4,141,708
Total liabilities		5,024,550	4,508,048
Net assets:			
Invested in capital assets, net of related debt		597,870	541,818
Restricted		410,174	476,644
Unrestricted		183,936	139,884
Total net assets	$	1,191,980	1,158,346

See accompanying notes to financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended September 30, 2008 and 2007

(In thousands)

		2008	2007
Operating revenue:			
Aviation fees	$	262,888	239,565
Rentals		103,483	101,331
Commercial operations:			
Management agreements		72,250	78,974
Concessions		103,989	94,100
Other		6,149	10,717
Other – environmental remediation		13,181	30,296
Total operating revenue		561,940	554,983
Operating expenses:			
Operating expenses		260,093	238,691
Operating expenses – environmental remediation		2,223	2,107
Operating expenses under management agreements		24,447	32,197
Operating expenses under operating agreements		34,411	32,651
General and administrative expenses		61,750	51,732
Total operating expenses before depreciation and amortization		382,924	357,378
Operating income before depreciation and amortization		179,016	197,605
Depreciation and amortization		138,117	122,596
Operating income		40,899	75,009
Nonoperating revenue (expenses):			
Environmental cost recovery		1,902	6,586
Passenger facility charges		71,502	66,341
Interest expense		(154,575)	(123,401)
Investment income		18,138	28,903
Other revenue		11,221	16,441
Total nonoperating expenses		(51,812)	(5,130)
(Loss) income before capital contributions		(10,913)	69,879
Capital contributions		44,547	26,983
Change in net assets		33,634	96,862
Net assets, beginning of year		1,158,346	1,061,484
Net assets, end of year	$	1,191,980	1,158,346

See accompanying notes to financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Cash Flows

Years ended September 30, 2008 and 2007

(In thousands)

		2008	2007
Cash flows from operating activities:			
Cash received from customers and tenants	$	557,218	515,276
Cash paid to suppliers for goods and services		(207,279)	(259,488)
Cash paid to employees for services		(169,578)	(164,347)
Net cash provided by operating activities		180,361	91,441
Cash flows from capital and related financing activities:			
Proceeds from sale of revenue bonds and commercial paper		1,346,472	732,400
Principal paid on revenue bonds and commercial paper		(889,326)	(471,513)
Interest paid on revenue bonds		(201,427)	(191,814)
Payment of bond issue costs		(18,479)	(7,294)
Purchase and construction of capital assets, net		(520,727)	(317,323)
Capital contributed by federal and state governments		36,168	32,136
Passenger facility charges		67,531	69,186
Proceeds from environmental reimbursements		1,902	6,586
Proceeds from North Terminal Program Claims		10,000	10,000
Net cash used in capital and related financing activities		(167,886)	(137,636)
Cash flows from noncapital financing activity:			
Operating reimbursements received		1,221	6,441
Net cash provided by noncapital financing activity		1,221	6,441
Cash flows from investing activities:			
Purchase of investments		(980,767)	(513,953)
Proceeds from sales and maturities of investments		901,533	580,678
Interest and dividends on investments		20,328	28,903
Net cash (used in) provided by investing activities		(58,906)	95,628
Net (decrease) increase in cash and cash equivalents		(45,210)	55,874
Cash and cash equivalents, beginning of year		683,959	628,085
Cash and cash equivalents, end of year	$	638,749	683,959
Cash and cash equivalents reconciliation:			
Unrestricted assets	$	176,885	177,551
Restricted assets		461,864	506,408
Cash and cash equivalents	$	638,749	683,959

(Continued)

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Cash Flows

Years ended September 30, 2008 and 2007

(In thousands)

		2008	2007
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$	40,899	75,009
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization		138,117	122,596
Provision for uncollectible accounts		(1,044)	2,710
Loss on building demolition		—	39
Changes in operating assets and liabilities:			
Accounts receivable		3,856	(11,291)
Inventories, prepaid expenses, and deferred charges		473	(3,762)
Due from County Agencies		2,257	(1,308)
Accounts and contracts payable and accrued expenses		10,794	(56,769)
Security deposits		(1,153)	1,094
Due to County Agencies		(8,275)	(6,265)
Deferred revenues and rental credits		526	(655)
Other liabilities		(6,089)	(29,957)
Total adjustments		139,462	16,432
Net cash provided by operating activities	$	180,361	91,441
Noncash investing, capital, and financing activities:			
(Decrease) increase in fair value of investments	$	(2,190)	2,158
Increase in construction in progress accrual		49,163	27,654
(Decrease) increase in cash held in escrow by agent		(20,183)	50,000

See accompanying notes to financial statements.

(1) General

(a) Description

Miami-Dade County, Florida (the County) is a chartered political subdivision of the state of Florida and is granted home rule county powers by the Constitution of the State of Florida and Florida Statutes. The Board of County Commissioners (the Board) is the legislative and governing body of the County. The Miami-Dade County Aviation Department (the Aviation Department), established on February 6, 1973, is included as an enterprise fund in the County's comprehensive annual financial report as part of the County's reporting entity.

These statements present only the Aviation Department, and do not purport to, and do not present fairly the financial position of Miami-Dade County, Florida, as of September 30, 2008 and 2007, and the changes in its financial position and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Pursuant to the general laws of Florida, the County owns Miami International Airport (MIA), three general aviation airports, and two training airports (collectively, the Airports), all of which are operated by the Aviation Department.

(b) Basis of Presentation

The Aviation Department operates as an enterprise fund of the County. An enterprise fund is used to account for the financing of services to the general public, since substantially all of the costs involved are paid in the form of charges by users of such services. Accordingly, the Aviation Department's financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

(c) Authority to Fix Rates

Under the provisions of the Trust Agreement, amended and restated dated December 15, 2002 by the County, The Bank of New York, successor in interest to JP Morgan Chase Bank, New York, New York, as trustee (the Trustee) and U.S. Bank National Association (successor in interest to Wachovia Bank, National Association, Miami, Florida) as co-trustee (the Co-Trustee) (the Trust Agreement), which amended and restated the Trust Agreement dated as of October 1, 1954 with the Chase Manhattan Bank (predecessor-in-interest to the Trustee) and First Union National Bank of Miami (predecessor-in-interest to the Co-Trustee), as amended and supplemented (the Original Trust Agreement), the Aviation Department is required to maintain, charge, and collect rates and charges for the use and services provided, which will provide revenues sufficient to:

- pay current expenses, as defined in the Trust Agreement;
- make the Reserve Maintenance Fund (the Reserve Maintenance Account) deposits recommended by the Consulting Engineers; and
- make deposits to the Interest and Sinking Fund (the Sinking Fund Account) comprised of the Bond Service Account, the Reserve Account and the Redemption Account of not less than 120%

of the Principal and Interest requirements of the Trust Agreement Aviation Revenue Bonds, as defined in the Trust Agreement.

Any remaining balance in the Revenue Fund, after meeting the requirements noted above, is deposited to the Improvement Fund (the Improvement Account), as defined in the Trust Agreement.

(d) Agreements with Airlines

The County has entered into agreements (the Airline Agreements) with various airlines that, among other things, provide for the establishment and adjustment of certain landing fees for aircraft landing at MIA. The original Airline Agreements entered into prior to the date of the Trust Agreement had significantly restricted the County in its imposition of landing charges payable by such airlines. As a result of these restrictions and in order to provide sufficient revenues to the County as required by the Trust Agreement, the original Airline Agreements were amended in 1974 to provide for a Supplemental Landing Charge, which may be adjusted by the County when needed to assure that sufficient revenues are generated to meet the rate covenant requirements of the Trust Agreement and the earnings requirements for the issuance of additional bonds to fund airports' improvements. All provisions of the Airline Agreements that limited the County in its imposition of basic landing charges expired on April 30, 1987. The County now has the right to increase or decrease basic landing charges to meet the Trust Agreement requirements and other funding requirements of the airport system. A new Airline Use Agreement was adopted during fiscal year 2001 – 2002.

Pursuant to the requirements of the Airline Use Agreement, deposits in the Improvement Account in excess of $5 million, in any fiscal year, adjusted annually by the Consumer Price Index (CPI), with a cumulative cap of $15 million, can be used for any airport-related purpose. The deposits are to be transferred to the Revenue Account and to be taken into consideration in determining landing fees for the next fiscal year, unless otherwise agreed to by the airlines. As of September 30, 2008 and 2007, these excess deposits, which are transferred to the Revenue Account annually during the following January, were approximately $64,109,000 and $63,606,000, respectively.

(e) Relationship with County Departments

The Aviation Department reimburses the General Fund of the County for its portion of the direct administrative service cost, such as Audit and Management Services, the Board, Clerk of the Courts, Computer Services and Information Systems, County Manager, Fire, Police, Personnel, and others. In 1996, an internal study was conducted by the County to determine the appropriate method as a basis to establish the indirect administrative services cost reimbursement for the year ended September 30, 1996 and subsequent years. This study was updated in 2003, which has recommended a cost allocation basis in accordance with OMB A-87. For the years ended September 30, 2008 and 2007, the Aviation Department recorded an expense in the amount of $9,075,000 and $8,537,000, respectively, for the indirect administrative services cost reimbursement in accordance with the formula developed as a result of the study.

As of September 30, 2008 and 2007, the Aviation Department owes the County approximately $9,826,000 and $18,101,000, respectively, for various services. For these same periods, the Aviation Department has receivables due from the County in the amount of $28,034,000 and $30,291,000, respectively.

(Continued)

In addition, the Aviation Department pays other County departments directly for most services provided such as Fire, Police, Legal, and General Services Administration. The total cost to the Aviation Department for these services was approximately $73,151,000 and $66,750,000 for the years ended September 30, 2008 and 2007, respectively.

On March 20, 2003, the U.S. Department of Transportation, Office of the Inspector General (OIG) issued Report No. AV-2003-030 entitled Oversight of Airport Revenue in connection with their audit of amounts paid to the County by the Aviation Department. The OIG reported that the County diverted Aviation Department revenues of approximately $38 million from 1995 to 2000. On August 9, 2005, upon receiving additional information from the Aviation Department, the OIG agreed to adjust the finding to $8.1 million, plus interest. The Oversight of Airport Revenue report was updated to include the years 2001 through 2005, and the total diversion of revenues was increased to $12 million, plus interest of $2.3 million for a total of $14.3 million. The County repaid the Aviation Department $1 million annually during fiscal year 2004 to fiscal year 2006. The County repaid the Aviation Department $2,257,005 in fiscal year 2008 and 2007, respectively, leaving an unpaid balance of $6,771,016 as of September 30, 2008, which is included in Due from County Agencies in the accompanying statements of net assets. The $6,771,016 unpaid balance will be repaid by the County in quarterly installments of $564,251 over the next three fiscal years.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are presented on the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded when incurred.

(b) Cash and Cash Equivalents

Cash includes cash on hand, amounts in demand deposits, and positions in investment pools that can be deposited or withdrawn without notice or penalty. Cash equivalents are short-term, highly liquid securities with known market values and maturities, when acquired, of less than three months.

(c) Investments

Investments consist primarily of U.S. government securities and are carried at fair value based on quoted market prices.

(d) Inventories

Inventories consisting of building materials/supplies and spare parts, are valued at cost using the first-in, first-out (FIFO) method.

(e) Capital Assets and Depreciation

Capital assets are recorded at cost, except for contributions by third parties, which are recorded at fair value at the date of contribution. Expenditures for maintenance, repairs, minor renewals, and betterments are expensed as incurred. When property is disposed of, the cost and related accumulated depreciation is eliminated from the accounts and any gain or loss is reflected in the statements of revenue, expenses, and changes in net assets.

The Aviation Department depreciates assets using the straight-line method of depreciation over the assets estimated useful lives as follows:

	Years
Hangars and buildings	40
Runways, aprons and taxiways, and field improvements	30
Paved roads and parking areas	20
Automotive, field and building equipment, and furniture and fixtures	5 – 16
Utility plant and systems	40

(f) Interest on Indebtedness

Interest is charged to expense as incurred, except for interest related to borrowings used for construction projects. The Aviation Department capitalizes interest costs as part of the cost of constructing specified qualifying assets. In situations involving qualifying assets financed with the proceeds of tax-exempt debt, the amount of interest capitalized is reduced by any interest income earned on the temporary investment of such moneys. Interest is capitalized throughout the construction period.

(g) Restricted Assets

Assets required to be reserved for airport maintenance and debt service pursuant to the Trust Agreement are classified as restricted assets and are not available for payment of current expenses. In accordance with the terms of the Trust Agreement, assets of the Reserve Maintenance Account are restricted for unusual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, and premiums on insurance required to be carried under the provisions of the Trust Agreement and are not available for the payment of current expenses.

Unexpended Passenger Facility Charges (PFC) revenue and accumulated interest earnings are restricted to be used on Federal Aviation Administration (FAA) approved capital projects and are classified as restricted assets.

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

(h) Compensated Absences

The Aviation Department accounts for compensated absences by accruing a liability for employees' compensation of future absences in accordance with Governmental Accounting Standards Board (GASB) No. 16, *Accounting for Compensated Absences*. The Aviation Department's policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. The Aviation Department recognizes a liability and expense in the period vacation and sick pay benefits are earned. As of September 30, 2008 and 2007, liabilities related to compensated absences were approximately $27,199,000 and $24,803,000, respectively.

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(i) Environmental Remediation

Environmental remediation expenses that relate to current operations are expensed. Assets acquired for environmental remediation are capitalized as appropriate. Environmental remediation expenses that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments or remedial efforts are probable, and the Aviation Department's share of the amount can be reasonably estimated.

(j) Refundings Resulting in the Defeasance of Debt

For current and advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the weighted average method since the results are not significantly different from the effective interest method over the remaining life of the old debt or the life of the new debt, whichever is shorter. The difference in these amounts, to the extent unamortized, is accounted for as an element of the carrying cost of the related debt.

(k) Bond Discount/Premium and Issuance Costs

Discount/premium on bonds and bond issuance costs are amortized using the straight-line method over the life of the related bond issue since the results are not significantly different from the interest method of amortization.

(l) Pension Plan

The Aviation Department contributes to the Florida Retirement System, a cost-sharing multi-employer plan. Under GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, employers that participate in multi-employer defined benefit plans are required to measure and disclose an amount for annual pension costs on the accrual basis of accounting.

(m) Net Asset Classifications

Net assets are classified and displayed in three components:

Invested in capital assets, net of related debt – Consists of capital assets including capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

(Continued)

(n) Revenue Classifications

The Aviation Department defines operating revenue as those revenues earned from aviation operations and charged to customers and tenants. Nonoperating revenues include interest earnings, certain grants, and passenger facility charges (PFC) collections.

The components of the major revenue captions are:

Aviation Fees – landing fees, concourse use charges, loading bridge use charges, baggage claim use charges, screening fees, airplane parking fees, and other similar facilities and service use fees and charges.

Rentals – rentals of land, buildings, and machinery and equipment.

Management Agreements – revenues from the sale of publications, automotive parking fees, pharmacy facilities, baggage services, special services lounges, the Airport Hotel, Fuel Farm, and the Top of the Port Restaurant.

Concessions – revenues from the sale of duty-free merchandise, rent-a-car companies, and various services provided by terminal complex concessionaires.

(o) Grants from Government Agencies

Grants received for the acquisition or construction of capital assets are recorded as capital contributions, when earned. Grants are earned when costs relating to such capital assets, which are reimbursable under the terms of the grants, have been incurred. During fiscal years 2008 and 2007, the Aviation Department recorded approximately $44,547,000 and $26,983,000, respectively, in contributions consisting of federal and state grants in aid of construction.

(p) Passenger Facility Charges

The FAA authorized the Aviation Department to impose PFC of $3.00 per passenger commencing November 1, 1994. In October 2001, with an effective date of January 1, 2002, the FAA approved an increase in the PFC at MIA to $4.50. The net receipts from PFCs are restricted to be used for funding FAA approved capital projects and debt service attributable to such approved capital projects.

PFC revenue is reported as nonoperating revenue. The Aviation Department has been authorized to collect PFCs on eligible enplaning revenue generating passengers in the aggregate amount not to exceed $2,757,441,000 including interest, of which $692,189,000 has been earned through September 30, 2008.

(q) Application of FASB Pronouncements to Proprietary Funds

GASB No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, gave the option of adopting Financial Accounting Standards Board (FASB) standards issued after November 30, 1989, unless the latter contradict GASB pronouncements, or not following FASB standards issued after such date. The Aviation Department elected not to apply FASB statements and interpretations issued subsequent to November 30, 1989.

(r) ***Use of Estimates***

The preparation of the financial statements requires management of the Aviation Department to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation allowances for receivables, self-insurance, and environmental liabilities. Actual results could differ from those estimates.

(s) ***Implementation of New Accounting Standards***

In April 2004, the GASB issued GASB Statement No. 43 (GASB 43) for financial reporting for postemployment benefit (OPEB) plans other than pension plans. GASB 43 applies to state and local governmental employers that have plans to fund OPEB costs such as health care and life insurance. The County does not have OPEB plans and is not affected by GASB 43.

In June 2004, the GASB issued GASB Statement No. 45 (GASB 45) for other postemployment benefits (OPEB), which is effective for the County beginning with the fiscal year ended September 30, 2008. This statement requires that the County accrue the cost of the County's retiree health subsidy and OPEB during the period of employees' active employment as the benefits are being earned. It requires the unfunded actuarial accrued liability be disclosed in order to accurately account for the total future cost of OPEB and the financial impact on the County.

During fiscal year 2006, the Aviation Department adopted the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* (GASB 42). GASB 42 establishes accounting and financial reporting standards for impairment of capital assets. Additionally, it clarifies and establishes accounting requirements for insurance recoveries. The adoption of this statement did not have an impact on the financial statements, including required disclosures, of the Aviation Department.

During fiscal year 2006, the Aviation Department adopted the provisions of GASB Technical Bulletin No. 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers*, with regards to pension transactions. GASB Technical Bulletin 2004-2 clarifies the requirements of GASB No. 27, *Accounting for Pensions by State and Local Government Employers*. The requirements of GASB Technical Bulletin 2004-2 as they relate to other postemployment benefits were adopted simultaneously with the requirements of GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in fiscal year 2008.

During fiscal year 2006, the Aviation Department adopted the provisions of GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation, an amendment of GASB Statement No. 34* (GASB 46). GASB 46 clarifies a legally enforceable enabling legislation restriction. Additionally, GASB 46 establishes the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. GASB 46 also requires the disclosure of the portion of total net assets that is restricted by enabling legislation. The adoption of this statement did not have an impact on the financial statements, including required disclosures, of the Aviation Department.

During fiscal year 2006, the Aviation Department adopted the provisions of GASB Statement No. 47, *Accounting for Termination Benefits* (GASB 47). GASB 47 establishes accounting standards for termination benefits. The adoption of this statement did not have an impact on the financial statements, including required disclosures, of the Aviation Department.

In September 2006, the GASB issued GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This statement establishes criteria that governments will use to ascertain whether certain transactions should be regarded as sales or collateralized borrowings. The statement also included disclosure requirements for future revenues that are pledged or sold. The requirements of the new statement become effective for fiscal periods beginning after December 15, 2006. The Aviation Department has not sold or pledged its receivables and future revenues and intra-entity transfers of assets and future revenues. As such, the adoption of this statement did not have an impact on the financial statements, including required disclosures, of the Aviation Department.

In December 2006, the GASB issued GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement provides guidance on how to calculate and report the cost and obligations associated with pollution cleanup efforts. The requirements of this statement become effective for fiscal periods beginning after December 15, 2007. The Aviation Department expects to comply with the provisions of this statement at the appropriate time.

In June 2007, the GASB issued GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting requirements for intangible including easements, water rights, timber rights, patents, trademarks, and computer software. An absence of sufficiently specific authoritative guidance has resulted in inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. The objective of this statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009. The Aviation Department expects to comply with the provisions of this statement.

In November 2007, the GASB issued GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as Investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2008. The Aviation Department expects to comply with the previsions of this statement.

In June 2008, the GASB issued GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make Investments. By entering into these arrangements, governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. Derivative instruments associated with changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. Derivative instruments, however, also can expose governments to significant risks and liabilities. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swap options, forward contracts, and futures contracts. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2009. The Aviation Department expects to comply with the provisions of this statement.

(t) ***Reclassification***

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

(3) Cash and Cash Equivalents and Investments

As of September 30, 2008 and 2007 total unrestricted and restricted cash and cash equivalents and investments comprise the following:

		2008	2007
		(In thousands)	
Cash and cash equivalents	$	638,749	683,959
Investments, including interest receivable		237,567	160,523
	$	876,316	844,482

The carrying amounts of the Aviation Department's local deposits were $12.0 million and $72.5 million as of September 30, 2008 and 2007, respectively. All deposits are fully insured by Federal Depository Insurance and are held in qualified public depositories pursuant to Florida Statutes Chapter 280, *Florida Security for Public Deposits 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 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

As a rule, the Aviation Department intends to hold all purchased securities until their final maturity date. There may be occasional exceptions, including, but not limited to the need to sell securities to meet unexpected liquidity needs.

Cash held in escrow by agent of $29.8 million and $50 million as of September 30, 2008 and 2007, respectively, represents the proceeds held by the FDOT State Infrastructure Bank to fund construction projects. See note 6.

Cash, cash equivalents, and investments as of September 30, 2008 and 2007 are summarized as follows:

		2008	2007
		(In thousands)	
Cash deposits	$	12,027	72,494
U.S. government securities		630,762	400,785
Money market		124	—
SBA		—	26,500
Commercial paper		233,403	344,703
Total cash equivalents and investments		864,289	771,988
	$	876,316	844,482

At September 30, 2008 and 2007, the carrying value of cash equivalents and investments included the following (in thousands):

Investment type		2008 fair value	2007 fair value
Federal Home Loan Mortgage Company	$	40,175	157,237
Federal Home Loan Bank		347,161	73,323
Federal Farm Credit Bank		43,723	29,354
Fannie Mae		175,744	128,882
Freddie Mac		8,998	9,989
Treasury notes		14,961	2,000
Money market		124	—
SBA		—	26,500
Commercial paper		233,403	344,703
	$	864,289	771,988

(a) Credit Risk

The Aviation Department's Investment Policy (the Policy), minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund (SBA) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to Florida Statutes §280.02, which are defined as banks, savings bank, or savings association organized under the laws of the United States with an office in this state that is authorized to receive deposits, and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the U.S. Treasury; federal agencies and instrumentalities; securities of, or other interest in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the U.S. government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such U.S. government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; Commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least one nationally recognized rating service; Banker Acceptances which have a stated maturity of 180 days or less from the date of its issuance, and have the highest letter and numerical rating as provided for by at least one nationally recognized rating service, and are drawn on and accepted by commercial banks and which are eligible for purchase by the Federal Reserve Bank; Investments in Repurchase Agreements (Repos) collateralized by securities authorized by this policy.

The Local Government Surplus Funds Trust Fund Investment Pool (the Pool) is a "2a-7 like" pool, and the Pool account balance is stated at fair value. The Pool is governed by Chapter 19-7 of the Florida Administrative Code, which identified the rules of the State Board of Administration (SBA) for the administration of the Pool. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA.

The table below summarizes the investments by type and credit ratings as of September 30, 2008 and 2007.

Investment type	Credit rating
Federal Home Loan Mortgage Corporation	AAA
Federal Home Loan Bank	AAA
Federal Farm Credit Bank	AAA
Fannie Mae	AAA
Freddie Mac	AAA
SBA	N/A
Time Deposits	N/A
Treasury Notes	N/A
Commercial Paper	A1/P1

(b) Custodial Credit Risk

The Policy requires that bank deposits be secured per Chapter 280, Florida Statutes. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. As of September 30, 2008, all of the County's bank deposits were in qualified public depositories.

The Policy requires the execution of a Custodial Safekeeping Agreement (CSA) for all purchased securities and shall be held for the credit of the County in an account separate and apart from the assets of the financial institution.

(c) Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 30% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund; a maximum of 20% of the portfolio may be invested in nonnegotiable interest bearing time certificates and deposit savings accounts with no more than 5% deposited with any one issuer; a maximum 75% of the total portfolio may be invested in federal agencies and instrumentalities; a maximum of 5% of the portfolio may be invested in open-end or closed-end funds; a maximum of 50% of the portfolio may be invested in prime commercial paper with a maximum of 5% with any one issuer; a maximum of 25% of the portfolio may be invested in bankers acceptances with a maximum of 25% with any one issuer; a maximum of 60% of the portfolio may be invested in both commercial paper and bankers acceptances; a maximum of 10% of the portfolio may be invested with any one institution.

As of September 30, 2008 and 2007, the following issuers held 5% or more of the investment portfolio:

Issuer	2008	2007
Federal Farm Credit Bank	5.06%	3.80%
Federal Home Loan Bank	40.17	9.50
Federal Home Loan Mortgage Corporation	4.65	20.37
Fannie Mae	20.33	16.69
Commercial paper	27.01	44.65

(d) Interest Rate Risk

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

As of September 30, 2008 and 2007, the County had the following investments with the respective weighted average maturity in years.

Investment type	2008	2007
Federal Home Loan Mortgage Corporation	0.48	0.23
Federal Home Loan Bank	0.38	0.33
Federal Farm Credit Bank	1.25	0.16
Fannie Mae	0.30	0.30
Freddie Mac	0.06	0.03
SBA	N/A	N/A
Time deposits	N/A	N/A
Treasury notes	0.23	N/A
Commercial paper	0.04	0.03

(e) ***Foreign Currency Risk***

The Policy limits the Aviation Department's foreign currency risk by excluding foreign investments as an investment option.

(4) Disaggregation of Receivables and Payables

(a) ***Receivables***

As of September 30, 2008, accounts receivable, net of the allowance for doubtful accounts, in the amount of $37,133,000 comprise accounts from customers (tenants, carriers, business partners) representing 95% and government agencies representing 5%. As of September 30, 2007, accounts receivable, net of the allowance for doubtful accounts, in the amount of $39,945,000 comprise accounts from customers (tenants, carriers, business partners) representing 97% and government agencies representing 3%.

(b) ***Payables***

As of September 30, 2008, accounts payable and accrued expenses and contracts payables totaled $209,337,000. This amount comprised 97% for amounts payable to vendors, 2% due to employees, and 1% due to government agencies. As of September 30, 2007, accounts payable and accrued expenses and contracts payables totaled $149,380,000. This amount comprises 97% for amounts payable to vendors, 2% due to employees, and 1% due to government agencies.

(5) Capital Assets and Depreciation

A summary of capital asset activity and changes in accumulated depreciation for the years ended September 30, 2008 and 2007 follows:

		Balance at September 30, 2007	Additions	Deletions/ retirements	Balance at September 30, 2008
			(In thousands)		
Capital assets not being depreciated:					
Land	$	88,836	—	—	88,836
Construction in progress		1,203,589	649,135	(69,283)	1,783,441
Total capital assets not being depreciated		1,292,425	649,135	(69,283)	1,872,277
Capital assets being depreciated:					
Buildings, improvements, and systems		3,546,231	21,817	(14,884)	3,553,164
Infrastructure		1,097,202	162	—	1,097,364
Furniture, machinery, and equipment		279,821	62,843	(1,544)	341,120
Total capital assets being depreciated		4,923,254	84,822	(16,428)	4,991,648
Less accumulated depreciation for:					
Buildings, improvements, and systems		(982,695)	(113,182)	1,539	(1,094,338)
Infrastructure		(419,663)	(7,813)	—	(427,476)
Furniture, machinery, and equipment		(178,350)	(17,080)	1,488	(193,942)
Total accumulated depreciation		(1,580,708)	(138,075)	3,027	(1,715,756)
Net capital assets	$	4,634,971	595,882	(82,684)	5,148,169

	Balance at September 30, 2006	Additions	Deletions/ retirements	Balance at September 30, 2007
		(In thousands)		
Capital assets not being depreciated:				
Land	$ 88,836	—	—	88,836
Construction in progress	1,880,809	411,271	(1,088,491)	1,203,589
Total capital assets not being depreciated	1,969,645	411,271	(1,088,491)	1,292,425
Capital assets being depreciated:				
Buildings, improvements, and systems	2,459,798	1,087,569	(1,136)	3,546,231
Infrastructure	1,090,633	6,569	—	1,097,202
Furniture, machinery, and equipment	277,271	5,281	(2,731)	279,821
Total capital assets being depreciated	3,827,702	1,099,419	(3,867)	4,923,254
Less accumulated depreciation for:				
Buildings, improvements, and systems	(884,298)	(99,493)	1,096	(982,695)
Infrastructure	(411,861)	(7,802)	—	(419,663)
Furniture, machinery, and equipment	(165,254)	(15,301)	2,205	(178,350)
Total accumulated depreciation	(1,461,413)	(122,596)	3,301	(1,580,708)
Net capital assets	$ 4,335,934	1,388,094	(1,089,057)	4,634,971

Total interest costs incurred during the years ended September 30, 2008 and 2007, amounted to approximately $215,817,000 and $200,096,000, respectively. Of this amount, approximately $61,242,000 and $76,695,000 were capitalized during 2008 and 2007, respectively.

(6) Debt

(a) Aviation Revenue Bonds

Revenue Bonds are issued to finance the construction of facilities at the Airports pursuant to the Trust Agreement and are payable solely from and are collateralized by a pledge of net revenues, as defined in the Trust Agreement. The Revenue Bonds do not constitute a debt of the County or a pledge of the full faith and credit of the County.

In June 2008, the County issued $433,565,000 of Series 2008A all of which remains outstanding at September 30, 2008 and $166,435,000 of Series 2008B all of which remains outstanding at September 30, 2008. The Series 2008A and 2008B were issued to refund outstanding Commercial Paper Notes and to provide funds for the payment of costs of certain airport improvements. The Series 2008A bonds bear stated interest rates ranging from 5.35% to 5.50%, with $55,740,000 serial bonds due October 1, 2024 to 2038 and $377,825,000 term bonds due October 1, 2040.

The Series 2008B bonds bear stated interest rates ranging from 4.00% to 5.00%, with $166,435,000 serial bonds due October 1, 2016 to 2041.

In March 2008, the County refunded $139,700,000 of Series 2003E all of which remains outstanding at September 30, 2008. The Series 2003E was issued to refund and convert Variable Series 2003E Revenue Refunding to Fixed Rate Bonds. The Series 2003E bonds bear stated interest rates ranging from 5.125% to 5.375%, with $70,125,000 serial bonds due October 1, 2010 to 2018 and $69,575,000 term bonds due October 1, 2024. As a result of this transaction, the Aviation Department increased its aggregate debt service payments over the next 17 fiscal years and incurred an economic loss of approximately $4,443,105. This projected economic loss is computed using prevailing interest rates at the time of the refunding. However, market conditions were deteriorating and the market for auction rate securities was disappearing. Had a failed auction scenario occurred prior to the refunding, the interest rate would have defaulted to 13%. By refunding in March 2008, the Aviation Department avoided paying the default rate.

In December 2007, the County issued $367,700,000 of Series 2007C all of which remains outstanding at September 30, 2008 and $43,650,000 of Series 2007D all of which remains outstanding at September 30, 2008. The Series 2007C and 2007D were issued to refund Series 1996A, 1996B, 1996C, and 1997B. The Series 2007C bonds bear stated interest rates ranging from 5.00% to 5.25%, with $367,700,000 serial bonds due October 1, 2008 to 2026. The Series 2007D bonds bear stated interest rates ranging from 4.00% to 5.25%, with $43,650,000 serial term bonds due October 1, 2008 to 2026. The advance refunding of Series 1996A, 1996B, 1996C, and 1997B resulted in a deferred accounting loss of approximately $19,594,097 for the fiscal year ended September 30, 2008. As a result of this transaction, the Aviation Department decreased its aggregate debt service payments by approximately $36,640,646 over the next 18 years and realized an economic gain of approximately $23,069,106.

In May 2007, the County issued $551,080,000 of Series 2007A all of which remains outstanding at September 30, 2008 and $48,920,000 of Series 2007B all of which remains outstanding at September 30, 2008. The Series 2007A and 2007B were issued to refund outstanding Commercial Paper Notes and to provide funds for the payment of costs of certain airport improvements. The Series 2007A bonds bear stated interest in the amount of 5.00%, with $322,195,000 term bonds due October 1, 2040 and $228,885,000 serial bonds due on October 1, 2040. The Series 2007B bonds bear stated interest rates ranging from 4.50% to 5.00%, with $16,070,000 term bonds due on October 1, 2029 and $32,850,000 serial bonds due October 1, 2025 to 2029.

(Continued)

Miami-Dade County Aviation Department Debt Reconciliation September 30, 2008 and 2007

Revenue bonds	Issue date	Rate	Maturity	2008	2007
2008A	June 2008	5.350% – 5.500%	2024 – 2038	$ 55,740	—
2008B	June 2008	4.000% – 5.000%	2016 – 2041	166,435	—
2007A	May 2007	5.000%	2040	228,885	228,885
2007B	May 2007	4.500% – 5.000%	2025 – 2029	32,850	32,850
2005A	November 2005	4.875% – 5.000%	2036 – 2038	322,500	322,500
2004A	March 2004	4.750% – 5.000%	2029	1,020	1,020
2004B	March 2004	4.625% – 5.000%	2029	2,670	2,670
2004C	March 2004	2.000% – 5.000%	2011	14,650	19,140
2003A	May 2003	4.750% – 5.000%	2027	26,490	26,490
2002A	December 2002	5.000% – 5.125%	2029 – 2036	600,000	600,000
2002	May 17, 2002	4.000% – 5.750%	2011 – 2025	162,340	162,340
2000A	March 1, 2000	5.400% – 5.875%	2011 – 2020	30,690	30,690
2000B	March 1, 2000	5.250% – 5.750%	2011 – 2020	24,610	24,610
1998C	October 1997	4.400% – 5.250%	2009 – 2018	56,655	56,655
1997B	October 1997	5.000% – 5.125%	2006 – 2015	—	53,715
1996A	March 1996	5.750%	2011 – 2012	—	21,880
				1,725,535	1,583,445

Term bonds	Issue date	Rate	Maturity	2008	2007
2008A	June 2008	5.250% – 5.500%	2033 – 2041	377,825	—
2007A	May 2007	5.000%	2040	322,195	322,195
2007B	May 2007	4.500% – 5.000%	2025 – 2029	16,070	16,070
2005A	November 2005	5.000%	2030 – 2035	35,400	35,400
2004A	March 2004	4.750% – 5.000%	2030 – 2036	210,830	210,830
2004B	March 2004	4.625% – 5.000%	2030 – 2037	153,695	153,695
2003A	May 2003	4.750% – 5.000%	2033 – 2035	264,910	264,910
2002	May 2002	5.375%	2027 – 2032	136,660	136,660
2000A	March 2000	6.000%	2024 – 2029	47,420	47,420
2000B	March 2000	5.750%	2024 – 2029	37,280	37,280
1998C	October 1998	5.000%	2023 – 2028	93,345	93,345
1997C	October 1997	5.125%	2027	63,170	63,170
1997B	October 1997	5.125%	2017 – 2022	—	58,345
1996A	March 1996	5.750%	2015 – 2026	—	245,535
1996B	March 1996	5.600%	2026	—	27,585
				1,758,800	1,712,440

(Continued)

Miami-Dade County Aviation Department Debt Reconciliation September 30, 2008 and 2007

Refunding bonds	Issue date	Rate	Maturity	2008	2007
2007C	December, 2007	5.000% – 5.250%	2008 – 2026	$ 367,700	—
2007D	December, 2007	4.000% – 5.250%	2008 – 2026	43,650	—
2005B	November, 2005	3.500% – 5.000%	2006 – 2021	165,890	177,890
2005C	November, 2005	3.500% – 5.000%	2006 – 2011	23,815	33,920
2003B	May, 2003	3.000% – 5.250%	2006 – 2022	33,060	33,060
2003C	May, 2003	2.000% – 5.250%	2006 – 2024	5,920	10,265
2003D	May, 2003	2.000% – 5.250%	2006 – 2024	78,665	80,165
2003E	March, 2008	5.250% – 5.375%	2010 – 2018	70,125	—
1998A	July, 1998	5.000% – 5.250%	2006 – 2024	31,595	58,880
1997A	June, 1997	5.375% – 6.000%	2006 – 2010	29,150	29,150
1996C	July, 1996	5.200% – 5.500%	2006 – 2009	—	10,755
1995E	August, 1995	6.000%	2009	6,370	6,370
				855,940	440,455
Term bonds					
2005C	November 2005	3.500% – 5.000%	2025	26,840	26,840
2003E	May 2008	5.125%	2024	69,575	—
2003E	May 2003	4.880%	2024	—	139,700
1998A	May 2002	5.000% – 5.250%	2018 – 2024	85,675	85,675
1996C	March 2000	5.300% – 5.500%	2011	—	9,005
				182,090	261,220
		Total		$ 4,522,365	3,997,560

(b) Maturities of Bonds Payable

The annual debt service requirements are as follows:

		Aviation revenue bonds principal		Interest
		(In thousands)		
Year ending September 30:				
2009	$	63,250		201,661
2010		55,370		226,955
2011		59,815		224,229
2012		58,520		221,296
2013		60,995		218,453
2014 – 2018		359,980		1,041,889
2019 – 2023		470,720		936,246
2024 – 2028		606,770		801,182
2029 – 2033		781,990		628,004
2034 – 2038		1,002,645		409,922
2039 – 2041		1,002,310		130,807
		4,522,365	$	5,040,644
Add:				
Unamortized premium		10,544		
Less:				
Deferred loss on defeased debt		(35,705)		
	$	4,497,204		

Bond premium is added and deferred loss on defeased debt is deducted from the face amount of bonds payable. They are amortized as additional interest expense on the bonds outstanding method, which approximates the interest method. Amortization of bond discount or premium and deferred loss on defeased debt was approximately $4,371,000 and $4,849,000 as of September 30, 2008 and 2007, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net assets.

Amortization of bond issuance cost was approximately $3,497,000 and $2,614,000 as of September 30, 2008 and 2007, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net assets.

(c) Sunshine State Governmental Financing Commission Commercial Paper Revenue Note

On August 16, 2005, the County closed on the $71,000,000 Sunshine State Governmental Financing Commission Commercial Paper Revenue Note (Miami-Dade County Program), Series I 2005. The Aviation Department's pro rata share (12%) of the principal is $8,074,304, with interest at 5%, payable over five years. The proceeds provided funding for various County projects, including $7.9 million for the Aviation Department's Enterprise Resource Planning (ERP) Implementation. The outstanding balance at September 30, 2008 and 2007 was $3,095,000 and $4,710,000, respectively.

(d) ***State Infrastructure Bank Note***

On February 6, 2007, the Board approved the construction of the N.W. 25th Street Viaduct Project (Viaduct Project) by the Florida Department of Transportation (FDOT) and approved a County loan in the amount of $50 million from the FDOT State Infrastructure Bank to fund the County's share of the total cost of the Viaduct Project. FDOT and the County subsequently entered into a joint participation agreement on March 12, 2007 whereby FDOT will construct the Viaduct Project and closed on the loan on March 21, 2007. The loan is secured by a County covenant to annually budget and appropriate from the County legally available nonad valorem revenue funds sufficient to pay debt service costs. The debt service costs will be reimbursed to the County by the Aviation Department.

The funds are held in escrow by the FDOT State Infrastructure Bank for the construction of the project. As of September 30, 2008 cash held in escrow by agent totaled $29.8 million. During fiscal year 2008 there were drawdowns totaling $20.2 million. As of September 30, 2008, the outstanding loan balance was $50 million. The loan bears interest at 2% per annum. The maturity date of the loan is October 1, 2019 and the first scheduled payment of $5 million is due on October 1, 2009.

The annual debt service requirements are as follows:

		Principal	Interest
		(In thousands)	
Year ending September 30:			
2009	$	—	—
2010		3,776	1,224
2011		4,076	906
2012		4,157	924
2013 – 2017		22,065	2,872
2018 – 2020		15,926	673
	$	50,000	6,599

(e) *Long-Term Liabilities*

Changes in long-term liabilities, other than commercial paper, are as follows:

	Balance at September 30, 2007	Additions	Reductions (In thousands)	Total at September 30, 2008	Due within one year
Revenue bonds	$ 3,997,560	1,011,350	(486,545)	4,522,365	63,250
Less deferred amounts:					
For issuance discount and refunding losses	(29,412)	(120)	4,371	(25,161)	—
State infrastructure bank loan	50,000	—	—	50,000	—
Sunshine state loan	4,710	—	(1,615)	3,095	1,480
Total bonds payable, net	4,022,858	1,011,230	(483,789)	4,550,299	64,730
Other liabilities:					
Compensated absences	24,803	13,394	(10,998)	27,199	7,313
Environmental remediation	105,401	—	(13,181)	92,220	7,365
Deferred revenues and rental credits	12,767	526	—	13,293	4,299
Other noncurrent liabilities	—	4,696	—	4,696	—
Total long-term liabilities	$ 4,165,829	1,029,846	(507,968)	4,687,707	83,707

(Continued)

		Balance at September 30, 2006	Additions	Reductions	Total at September 30, 2007	Due within one year
				(In thousands)		
Revenue bonds	$	3,462,690	600,000	(65,130)	3,997,560	67,275
Less deferred amounts:						
For issuance discount and refunding losses		(52,077)	17,816	4,849	(29,412)	—
State infrastructure bank loan		—	50,000	—	50,000	—
Sunshine state loan		6,311	—	(1,601)	4,710	1,480
Total bonds payable, net		3,416,924	667,816	(61,882)	4,022,858	68,755
Other liabilities:						
Compensated absences		24,464	10,474	(10,135)	24,803	6,590
Environmental remediation		135,697	—	(30,296)	105,401	16,015
Deferred revenues and rental credits		13,422	—	(655)	12,767	3,056
Total long-term liabilities	$	3,590,507	678,290	(102,968)	4,165,829	94,416

(f) *Commercial Paper Notes*

At September 30, 2008, the County had no outstanding Aviation Commercial Paper Notes. At September 30, 2007, the County had outstanding $70,006,000 of Aviation Commercial Paper Notes (Notes) plus accrued interest of $288,477. The effective interest rate paid on the Notes outstanding at September 30, 2007 ranges from 3.6% to 3.78%.

The proceeds of such Notes were used to finance certain airport and airport related improvements. The Notes and accrued interest are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. The Notes are secured by an irrevocable stand-by letter of credit. The letter of credit, in the amount of $400,000,000, was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. As of September 30, 2008, there were no amounts outstanding on the letter of credit. As of September 30, 2007, there was $71,735,000 outstanding on the letter of credit. The letter of credit expires on August 1, 2010.

The outstanding Notes and accrued interest have been excluded from current liabilities because the Aviation Department intends to refinance the commercial paper with long-term revenue bonds.

(Continued)

Following is a schedule of changes in commercial paper notes (in thousands):

Balance as of September 30, 2006	$	365,342
Additions		109,735
Deductions		(404,782)
Balance as of September 30, 2007		70,295
Additions		330,871
Deductions		(401,166)
Balance as of September 30, 2008	$	—

(g) Defeased Debt

The County had not defeased any debt during fiscal year 2008.

(7) Restricted Assets

A summary of restricted assets at September 30, 2008 and 2007 is as follows:

		2008	2007
		(In thousands)	
Construction account	$	397,089	422,689
Bond service and reserve account		273,408	241,348
Reserve maintenance		32,949	29,351
	$	703,446	693,388

(8) Management, Operating, Concession, and Lease Agreements

(a) Management Agreements

Certain properties are provided under management agreements with nationally recognized firms or local firms with expertise in their areas of service. Among these properties are public parking, newsstand facilities, gift shop facilities, pharmacy, sundries, special service lounges, fuel farm, the Airport hotel, and the Top of the Port restaurant. The Aviation Department receives all revenues. These agreements provide for reimbursement of approved budgeted operating expenses and a fixed management fee or fees based on percentages of revenues or operating profits of the facilities. While the Aviation Department generally looks toward the management companies for recommendations relative to operation of the facilities, the Aviation Department does exercise complete budgetary control and establishes standards, guidelines, and goals for growth and performance. Such actions are taken within the rights reserved to the Aviation Department under these agreements to control all aspects of the businesses. These include such matters as pricing, staffing, employee benefits, operating hours, facilities maintenance requirements, service levels, market selections, personnel policies, and marketing strategies. In the event the management firm is not performing in accordance with the standards established by the Aviation Department, the Aviation Department has the authority to cancel such agreements. The management firms do not act as general agents on behalf of the County and, therefore, cannot obligate or commit the Aviation Department, without prior approval, beyond the scope of what is required to run the day-to-day operations of the managed properties as established by the budget approved by the Aviation Department. The revenues and expenses generated from the operations of these facilities are recorded as revenues from management agreements and operating expenses under management agreements, respectively, in the accompanying statements of revenues, expenses, and changes in net assets.

(b) Operating Agreements

Certain other services are provided under operating agreements with nationally recognized firms or local firms with expertise in their areas of service. These agreements provide necessary services of employee shuttle transportation, janitorial services, and porter services to the Aviation Department. These agreements provide for reimbursement of approved budgeted operating expenses and a fixed management fee. While the Aviation Department generally looks toward the operating companies for recommendations relative to these operations, the Aviation Department does exercise complete budgetary control and establishes standards, guidelines, and goals for service and performance. Such actions are taken within the rights reserved to the Aviation Department under these agreements to control all aspects of the businesses. These include such matters as personnel policies, staffing, employee benefits, facilities maintenance requirements, and service levels. In the event the operating firm is not performing in accordance with the standards established by the Aviation Department, the Aviation Department has the authority to cancel such operating agreements. The operating firms do not act as general agents on behalf of the County and, therefore, cannot obligate or commit the Aviation Department beyond the scope of what is required to run the day-to-day operations of managed properties as established by the budget approved by the Aviation Department. The expenses associated with the operation of these facilities and services are recorded as operating expenses under operating agreements, in the accompanying statements of revenue, expenses, and changes in net assets.

(c) *Concession Agreements*

The Aviation Department has entered into concession agreements with retail stores and newsstands, duty-free merchandise shops, food and beverage facilities, various rent-a-car companies, aeronautical service companies, and other passenger services through 2012. The agreements consist of both cancelable and noncancelable agreements and provide for a minimum annual rental and a franchise fee based on a percentage of the gross revenue, whichever is greater. These agreements generated revenues of approximately $103,989,000 and $94,100,000 during fiscal years 2008 and 2007, respectively. Minimum future fees under such noncancelable concession agreements as of September 30, 2008 are as follows (in thousands):

Year ending September 30:		
2009	$	31,327
2010		30,661
2011		24,570
2012		21,562
2013		18,981
	$	127,101

(d) *Lease Agreements*

The leasing operations of the Aviation Department consist principally of the leasing of land, buildings, and office space. The lease agreements consist of both cancelable and noncancelable agreements and permit the Aviation Department to periodically adjust rents and maximize operational flexibility. Minimum future rentals under such noncancelable lease agreements as of September 30, 2008, are as follows (in thousands):

Year ending September 30:		
2009	$	33,620
2010		29,835
2011		25,979
2012		22,087
2013		20,254
2014 – 2018		59,254
2019 – 2023		32,294
2024 – 2028		21,329
2029 – 2033		7,148
2034 – 2038		5,660
2039 – 2043		3,133
2044 – 2048		1,804
2049 – 2051		962
	$	263,359

(Continued)

The Aviation Department recognized approximately $103,483,000 and $101,331,000 of rental income for the years ended September 30, 2008 and 2007, respectively.

(9) Insurance

The Aviation Department, along with most other County departments, participates in the self-insurance program of the County for workers' compensation insurance. The program is administered by the Risk Management Division of the General Services Administration Department of the County (Risk Management). Premiums on the self-insurance programs are based on historical loss experiences. The long-term estimated liability for claims payable, including incurred but not reported (IBNR), is recorded and retained at the County level. Therefore, such liability is not included in the accompanying financial statements. The Aviation Department's liability is estimated to be approximately $4,530,000 and $3,584,000 as of September 30, 2008 and 2007, respectively, based on an independent actuarial valuation. The short-term liability for claims payable in the amount of approximately $1,216,000 and $921,000 is included in due to County Agencies in the accompanying statements of net assets as of September 30, 2008 and 2007, respectively.

The Aviation Department also pays premiums to commercial insurance carriers for airport liability insurance, construction wrap-up insurance, and property insurance. The Airport liability coverage provides comprehensive general liability, contractual liability, and personal injury liability at all Airports. Coverage under the policy is limited to $500 million with a self-insured retention of $50,000 per occurrence for a total annual aggregate retention of $500,000. Coverage under the policy for personal injury is limited to $50 million per occurrence.

The construction wrap-up insurance program provides comprehensive general liability including contractual liability and personal injury liability. The limit of liability is $150 million with a $15,000 property damage deductible per occurrence. Coverage is also provided for on-site automobile liability in excess of $1 million. This program covers the County's contractors and other parties for occurrences arising out of designated construction projects at the airport.

With the exception of the South Terminal, the property of the Aviation Department is insured under a Countywide master program that covers most County properties subject to policy terms and conditions. The Aviation Department has been allocated a portion of the premium by the Risk Management Division based on the value of the property of the Aviation Department as a percentage of the total value of the property insured. The limit is $400 million countywide with a $5 million deductible per occurrence for most perils and a $200 million deductible for named windstorm. The sublimit for flood is $50 million. Terrorism is included in the program with a limit of $200 million. The Business Interruption limit for the Aviation Department is $192 million.

The South Terminal properties, including Concourse J, are covered by a separate property insurance policy with a total insured value of $660 million. The sublimits are $50 million per occurrence for Named Storm related perils, and $10 million per occurrence and aggregate for Flood. The deductible for most perils is $5 million per occurrence (including Non-Named Storms).

The amounts of insurance settlements during the past three fiscal years have not exceeded the Aviation Department's insurance coverage.

(10) Pension Plan

The Aviation Department, as a department of the County, participates in the Florida Retirement System (FRS or the System), a cost sharing, multi-employer retirement plan, which covers substantially all of the Aviation Department's full-time and part-time employees. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees, as defined by the State, who were hired after 1970 and those employed prior to 1970 who elect to be enrolled are covered by the System. The System is administered by the Florida State Board of Administration, under the guidelines and rules of the Florida Legislature.

The Florida Legislature created a new defined contribution program that was added to the menu of choices available to FRS members beginning in June 2002. Formally created as the Public Employee Optional Retirement Program (PEORP), the FRS Investment Plan is available as an option for all current and future FRS members, including renewed members (FRS retirees who have returned to FRS employment). The FRS Investment Plan is a defined contribution plan, in which the monthly contribution rate is fixed, the final benefit will be the total account value (contributions plus investment earnings less expenses and losses) distributed during retirement.

Benefits under the plan vest after six years of service. Employees who retire at or after age 62, with six years of credited service, are entitled to an annual retirement benefit, payable monthly for life. The FRS also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by Florida Statutes.

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. Employer contributions rates are established by state law as a level percentage of payroll (Chapter 121.70, *Florida Statutes*). Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contributions are established by the Florida Legislature.

Pension costs for the Aviation Department as required and defined by the FRS ranged between 9.85% and 20.92% of gross salaries for fiscal years 2008, 2007, and 2006. For the fiscal years ended September 30, 2008, 2007, and 2006, the County contributed 100% of the annual required contributions. These contributions aggregated $281 million, $272 million, and $227 million, respectively, which represents 13.1%, 12.96%, and 11.25% of covered payroll, respectively, and 10.8%, 11.08%, and 10.3% of the total contributions required of all participating agencies for fiscal years 2008, 2007, and 2006.

Pension costs of the Aviation Department for the years ended September 30, 2008, 2007, and 2006, as required and defined by the System were $11,261,000, $10,716,000, and $9,366,000, respectively. These amounts are included in operating expenses in the accompanying statements of revenue and expenses and changes in fund net assets.

The complete financial report of the FRS may be obtained by writing Division of Retirement, P.O. Box 9000, Tallahassee, Florida, 32315-9000; or by contacting Research & Education by e-mail at rep@dms.myflorida.com or by phone toll-free at 877-FRS-1FRS (877-377-1737), at 850-488-5706 in the Tallahassee local calling area, or at SUNCOM 278-5706.

(Continued)

(11) North Terminal Development Program (NTD)

In 1989, the Aviation Department agreed to allow a major carrier (collectively, the parties) to create an international passenger hub at MIA. The North Terminal Development Project (NTD or the Project) evolved out of this plan and commitment to improve the level and quality of services to passengers. The carrier worked with the Aviation Department to develop the concept plan for NTD and in October 1995, the parties entered into a Lease, Construction and Financing Agreement (the LCF Agreement), which authorized the carrier to design and construct the Project.

The LCF Agreement was approved by the Board in 1995 and provided for costs up to \$974,900,000. In July 1999, the parties agreed to the First Amendment, which increased the scope of work and the costs to \$1,304,900,000. In January 2002, the parties agreed to the Second Amendment, which eliminated the 250 flights per day requirement in the LCF Agreement. In April 2002, the parties entered into the Third Amendment, which increased the costs to \$1,515,900,000.

Due to the complexity of the project, coordination and construction problems, along with insufficient project management and controls, the project encountered substantial delays, and significant cost overruns resulting in a series of unprocessed and unpaid claims from subcontractors and suppliers related to change orders and cost overruns. As a result of the aforementioned delays and issues, the Aviation Department assumed responsibility for the management and completion of the Project with the assistance of consultants.

A Fourth Amendment was entered into between the parties, which was approved by the Board on June 21, 2005. The Fourth Amendment primarily terminated the carrier's management of the Project and attempted to resolve the unprocessed and unpaid claims. Under the Fourth Amendment, the carrier agreed to contribute to the Project \$105 million, payable in installments over a period of 10 years beginning in fiscal year 2005. The contribution shall be maintained in a claims reserve fund to pay such claims. Once all claims have been settled, any excess funds available are retained by the Aviation Department to be applied to construction of the Project. Payments in the amount of \$10 million were received in fiscal years 2008 and 2007, respectively. They were recognized as other revenue in the accompanying statement of revenues, expenses, and changes in net assets. The Aviation Department's best estimate is an allowance for uncollectible amounts equal to 100% of the unpaid balance of \$55 million.

Although it is probable that the Aviation Department will have to pay claims associated with the NTD Project; the total amount to be paid or accrued cannot be reasonably estimated. As of September 30, 2008 \$62,495,000 of claims had been paid and none had been accrued and included in accounts payable and accrued expenses in the accompanying statements of net assets. As of September 30, 2007, \$54,830,000 of claims had been paid and none had been accrued and included in accounts payable and accrued expenses in the accompanying statements of net assets.

(12) Commitments and Contingencies

(a) Environmental Matters

In August 1993, the Aviation Department and the Dade County Department of Environmental Resources Management (DERM) entered into a Consent Order. Under the Consent Order, the Aviation Department was required to correct environmental violations resulting from various tenants' failure to comply with their environmental obligations at the Airport including those facilities previously occupied by Eastern Airlines (Eastern) and Pan Am Airlines (Pan Am). In addition, the Aviation Department had a preliminary study performed by an independent engineering firm to estimate the cost to correct the environmental violations noted in the Consent Order. This study was used as a basis to record the environmental remediation liability as of September 30, 1993.

In each subsequent year, the Aviation Department has received an updated study performed by MACTEC Engineering and Consulting (MACTEC), an independent engineering firm to further update the estimated costs to correct the environmental violations noted in the Consent Order based on additional information and further refinement of estimated costs to be incurred.

As a result of the updated study and costs incurred in fiscal year 2008, the total cumulative estimate to correct such violations was $224.6 million. This estimate allows for uncertainties as to the nature and extent of environmental reparations and the methods, which must be employed for the remediation. The cumulative amount of environmental expenditures spent through September 30, 2008 approximated $132.4 million. The Aviation Department has also spent $55.5 million in other environmental related projects not part of any consent order.

During fiscal year 1998, a Consent Order (FDEP Consent Order) was signed with the State of Florida Department of Environmental Protection (FDEP). The FDEP Consent Order encompasses and replaces the DERM agreement and includes additional locations. The FDEP Consent Order includes all locations at MIA that are contaminated as well as additional sites where contamination is suspected. The Aviation Department included other sites where contamination is suspected in the FDEP Consent Order under a Protective Filing. If contamination is documented at these sites, the State would be required to incur the costs of remediation. Because the State will be required to pay for remediation of sites filed in the Protective Filing and because the contamination at the sites is unknown, an accrual amount is not reflected in the Opinion of Cost report or in the accompanying financial statements.

Currently, the County has several pending lawsuits in State Court against the Potentially Responsible Parties (PRPs) and insurers to address recovery of past and future damages associated with the County's liability under the FDEP Consent Order. As of September 30, 2008, the Aviation Department has received approximately $50.5 million from the State, insurance companies, and PRPs.

The outstanding liability amount at September 30, 2008 and 2007 was $92,220,000 and $105,401,000, respectively, representing the unexpended environmental remediation costs based on the Opinion of Cost performed by MACTEC. Management has allocated a portion of bond proceeds to fund this obligation and believes that the remaining amount can be funded from recoveries and the operations of the Aviation Department. The liability recorded by the Aviation Department does not include an estimate of any environmental violations at the three general aviation airports or at the two training airports. Management is not aware of any such liabilities and the occurrence of any would not be material to the financial statements.

In addition to the studies conducted to determine the environmental damage to the sites occupied by Eastern and Pan Am, the Aviation Department caused studies to be performed to determine the amount required to remove or otherwise contain the asbestos in certain buildings occupied by the airlines. The Aviation Department has also estimated the amount required to remove or otherwise contain the asbestos in buildings other than those formerly occupied by Eastern and Pan Am. The studies estimate the cost to correct such damage related to all buildings were assessed at approximately $4.5 million. The Aviation Department has no intention of correcting all assessed damage related to asbestos in the near future as they pose no imminent danger to the public. Specifics issues will be addressed when and if the department decides to renovate or demolish related buildings. At such time, the department will obligate itself to the clean-up or asbestos abatement. As emergencies or containment issues may arise from this condition, they will be isolated and handled on a case-by-case basis as repair and maintenance. Such amounts do not represent a liability of the Aviation Department until such time as a decision is made by the Aviation Department's management to make certain modifications to the buildings, which would require the Aviation Department to correct such matters. As such, no amounts are recorded as of September 30, 2008 and 2007.

(b) Other Commitments and Contingencies

As of September 30, 2008, the Aviation Department had approximately $2.1 billion of construction commitments outstanding.

A number of claims and lawsuits are pending against the County relating to the Aviation Department resulting from the normal course of conducting its operations. However, in the opinion of management and the County Attorney, the ultimate outcome of such actions will not have a material adverse effect on the financial position of the Aviation Department.

The Aviation Department receives grants from federal and state financial assistance programs, which are subject to audit and adjustment by the grantor agencies. It is the opinion of management that no material liabilities will result to the Aviation Department from any such audit.

The Florida Department of Transportation (FDOT), in cooperation with the County, has borrowed $433 million from the United States Department of Transportation (USDOT) under the Transportation Infrastructure Financing Innovation Act (TIFIA) loan program. Approximately $269 million of the loan proceeds will be used to construct the Miami Intermodal Center and approximately $164 million for a consolidated rental car facility (RCF) adjacent to the Airport. The $164 million was to be used by FDOT to purchase the land needed for the RCF and then design and construct the facility. The portion of the loan relating to the RCF will be repaid through the collection of the Customer Facility Charges (CFCs) from car rental company customers at the Airport. The remainder of the loan will be repaid by the State. The repayment of the TIFIA loan is not secured by revenues or any other revenues of the Aviation Department. On December 7, 1999 the County entered into a Memorandum of Understanding (MOU) with FDOT. The MOU provides that FDOT's portion of the TIFIA loan is $269 million and that MDAD's portion of the TIFIA loan is approximately $164 million. This funding of $164 million is expressly for the purpose of paying FDOT for the cost of the land underlying the RCF and the construction of the RCF. MDAD has agreed to purchase from FDOT all land acquired by FDOT for use in connection with the RCF site as part of the capital cost for the RCF. As of September 30, 2008, the purchase by MDAD from FDOT has not taken place, the purchase cannot occur until FDOT completes the construction of the

RCF. The negotiation and purchase of the land and the RCF are estimated to take place shortly after the RCF's current estimated completion date of December 2009. As such, as of September 30, 2008, MDAD has not recorded the loan payable in its accounting records.

On April 1, 2005, a security agreement was entered into among USDOT, FDOT, and the County regarding FDOT's loan agreement, for the TIFIA loan in an amount up to $170 million. Under the security agreement, the USDOT requires as a condition to loaning the TIFIA funds to FDOT that FDOT and the County pledge and assign to a fiscal agent a security interest in the Pledged Revenues, which includes the CFCs' collected by MDAD and any contingent rent that is imposed by the County on participating car rental companies in the event CFCs are not sufficient to meet the debt service requirements. As to the nature of the payment by MDAD to FDOT, MDAD is under no obligation to expend its own funds for the purchase. All payments to FDOT for the purchase of the land and the RCF will come exclusively from a pool of funds made of Customer Facility Charge proceeds (as well as any contingent rents that are imposed on the rental car companies).

On July 19, 2007, the Board of County Commissioners approved the First Amendment to the Rental Car Concession Agreement and Facility Lease Agreement (the RCCA). The RCCA was one of the contractual documents all rental car companies desiring to participate in the RCF were required to sign. Resolution No. R-910-07 approving the First Amendment also accepted FDOT's new estimate of $370 million for the design and construction costs of the RCF, and approved an increase in MDAD portion of the TIFIA loan from $164 million to $270 million, with the balance of the costs to be paid by the CFCs already collected from rental car company customers. The RCCA as amended confirmed that the debt service of the RCF portion of the TIFIA loan and additional RCF financing shall be paid solely from CFCs and contingent rent, if any. In no event shall MDAD be required to use general airport revenues for the payment of debt service on the RCF portion of the TIFIA loan or any additional RCF financing.

(13) Postemployment Benefits Other Than Pensions

Plan Description

Miami-Dade County (the County) administers a single-employer defined benefit healthcare plan (the Plan) that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the County's group health insurance plan, which covers both active and retired members. Benefits are established and may be amended by the Miami-Dade County Board of County Commissioners (the BCC), whose powers derive from F.S. 125.01(3)(a). The Plan does not issue a publicly available financial report.

To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under the Florida Retirement System (FRS) and pay required contributions.

- Regular Class (All employees not identified as members of the Special Risk Class)
  - Eligibility for Unreduced Pension Benefits under FRS
    - Age 62 with 6 years of service
    - 30 years of service (no age requirement)

        - Eligibility for Reduced Pension Benefits under FRS

- Special Risk Class (Police Officers, Firefighters and Corrections Officers)
    - Eligibility for Unreduced Pension Benefits under FRS
        - Age 55 with six years of special risk service
        - 25 years of special risk service (no age requirement)
        - Age 52 and 25 years of creditable service, including special risk service and up to maximum of 4 years of active duty wartime military service credit,
        - Regular Class criteria
    - Eligibility for Reduced Pension Benefits under FRS
        - Six years of service (no age requirement)

Benefits:

The medical plans offered provide hospital, medical, and pharmacy coverage. Pre-65 retirees are able to select from five medical plans as follows.

- AvMed POS
- AvMed HMO High Option
- AvMed HMO Low Option
- JMH HMO High Option
- JMH HMO Low Option

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

- AvMed Medicare Supplement Low Option
- AvMed Medicare Supplement High Option with RX
- AvMed Medicare Supplement High Option without RX
- JMH HMO High Option
- JMH HMO Low Option

Funding Policy

The County contributes to both the pre-65 and post-65 retiree medical coverage. Retirees pay the full cost of dental coverage. Medical contributions vary based on plan and tier. For pre-65 retirees, the County explicitly contributed an average of 21% of the cost for the AvMed POS plan, 41% for the AvMed HMO High and AvMed HMO Low plans in fiscal year 2008. The JMH HMO plans receive no explicit contribution. However, it is the County's policy that after fiscal year 2008 its per capita contribution for retiree healthcare benefits will remain at the 2008 dollar level.

The pre-65 retirees also receive an implicit subsidy from the County since they are underwritten with the active employees. The implicit contribution is approximately 5% of the cost. The pre-65 cost is approximately 57% greater than the combined pre-65 and active cost. The post-65 retiree contributions also vary by plan and tier with the County contributing an average of 28% of the entire plan cost.

The postretirement medical and dental benefits are currently funded on a pay-as-you go basis (i.e., Miami-Dade County funds on a cash basis as benefits are paid). No assets have been segregated and restricted to provide postretirement benefits. For fiscal year 2008, the Miami-Dade Aviation Department contributed $371,000 to the plan.

Annual OPEB Cost and Net OPEB Obligation

The Department's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The Department's annual OPEB cost for the fiscal year 2008, the first year of implementation of GASB Statement No. 45, and the related information for each plan are as follows (dollar amounts in thousands):

Annual required contribution	$	1,050
Interest on net OPEB obligation		—
Adjustment to annual required contribution		—
Annual OPEB cost		1,050
Contribution made		371
Increase in net OPED obligation		679
Net OPEB obligation – beginning of year		—
Net OPEB obligation – end of year	$	679

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2008 were as follows (dollar amounts in thousands):

			Percentage		
Fiscal year ended		**Annual OPEB cost**	**Annual OPEB cost contributed**		**Net OPEB obligation**
09/30/2008	$	1,050	35.3%	$	679

(Continued)

Funded Status and Funding Progress

The schedule below shows the balance of the County's actuarial accrued liability (AAL), all of which was unfunded as of September 30, 2008 (dollar amounts in thousands).

Actuarial valuation date		10/1/2007
Actuarial value of assets	$	—
AAL		242,331
Unfunded AAL (UAAL)		242,331
Funded ratio		—%
Estimated covered payroll	$	1,483,072
UAAL as percentage of covered payroll		16%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions by the County are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial cost method used in the valuation to determine the AAL and the Actuarial Required Contribution (ARC) was the Projected Unit Credit Method with service prorated. Under this method, the total present value of benefits is determined by projecting the benefit to be paid after the expected retirement date (or other event) and discounting those amounts to the valuation date. The normal cost is computed by dividing the total present value of benefits by the participant's total service (actual plus expected service) at retirement. The AAL under this method represents the total present value of benefits multiplied by the ratio of the participant's actual service to date and divided by expected service at retirement. The AAL for participants currently receiving payments and deferred vested participants is calculated as the actuarial present value of future benefits expected to be paid. No normal cost for these participants is payable. The AAL and normal costs were calculated at the measurement date, which is the beginning of the applicable fiscal year using standard actuarial techniques.

The following summarizes other significant methods and assumptions used in valuing the AAL and benefits under the plan.

Actuarial valuation date	1/1/2006
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Actuarial assumptions:	
Discount rate	4.75%
Payroll growth assumption	3.00%
Healthcare cost trend rates	10.00% initial to 5.25% ultimate
Mortality table	RP 2000

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

(14) Subsequent Events

(a) Aviation Revenue Bond Authorization Increase

On October 21, 2008, the Board of County Commissioners (Board) enacted an ordinance, which authorized the issuance of not to exceed $1.9 billion of additional Aviation Revenue Bonds, pursuant to the provisions of the Amended and Restated Trust Agreement for the purpose of financing, together with other funds of the Aviation Department, the balance of the Aviation Department's CIP at the approved expenditure level of $6.2 billion, and to secure and retire commercial paper notes issued for that purpose. Ordinances passed in 1995, 1996, and 1997, authorized the issuance of $4.3 billion in Aviation Revenue Bonds, of which $4.142 billion had been issued for capital project cost and financing costs, leaving $158 million available for funding the remaining cost of the capital improvement program (CIP).

(b) Commercial Paper Issuance

From December 10, 2008 through February 26, 2009, the Aviation Department has issued commercial paper to fund its CIP. As of February 26, 2009, $326.4 million has been issued at rates ranging from 1.0% to 2.5% with terms ranging from 7 to 155 days through May 29, 2009. The commercial paper is secured by an Irrevocable Stand-by Letter of Credit in the amount of $400 million. The commercial paper will continue to be renewed until such time the next bond offering is completed.

Statistical Section

(unaudited)

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Overview

The Statistical Section is divided into five areas: financial trend data; revenue capacity data; debt capacity data; demographic and economic information and operating information. The source of all non-accounting data presented in the statistical section is Miami-Dade Aviation Department unless otherwise stated.

Financial Trend data shows changes in the Department's financial position:

Department operating revenues and expenses
Department change in net assets
Department changes in cash and cash equivalents
Department largest sources of revenue

Revenue Capacity data shows MIA's major revenue sources and changes in key rates and charges:

Key usage fees and charges
Concession revenue
Parking revenue
Rental car revenue
Terminal rent revenue
Food & beverage revenue

Operating Information shows how the airport has performing on an annual basis and within the airport market sector:

Department employee strength
Aircraft operations
Aircraft landed weights
Passenger enplanements
Passenger deplanements
Enplanement market share by airline by fiscal year
Air cargo activity

Economic Information shows the major drivers of usage and how the airport service area is performing compared to the region and the nation:

Miami-Dade County Population
Principal employers in Miami-Dade County
Miami-Dade County unemployment statistics
Miami-Dade County Per Capita Personal Income

Debt information shows how the Airport is performing meeting its debt obligations and the relative level of debt:

Revenue bond debt service coverage
Outstanding debt
Long term debt per enplaned passenger
Capital Assets

Department Operating Revenues and Expenses

Schedule of Revenues and Expenses
Last Ten Fiscal Years

(In Thousands)	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
OPERATING REVENUES:										
Aviation Fees	$171,935	$184,289	$185,718	$171,960	$197,084	$208,026	$213,481	$249,867	$239,565	$262,888
Rentals	101,968	100,100	93,492	100,458	88,609	91,167	89,255	93,077	101,331	103,483
Commercial Operations:										
Management Agreements	112,686	115,637	112,141	95,785	91,188	98,371	62,103	68,499	78,974	72,250
Concessions	63,612	72,140	74,338	75,287	74,057	73,174	77,520	80,171	94,100	103,989
Other	1,682	7,446	3,431	2,944	308	1,279	13,364	18,967	10,717	6,149
Other Environmental Remediation	-	-	-	-	-	-	39,758	14,619	30,296	13,181
Total Operating Revenue	**$451,883**	**$479,612**	**$469,120**	**$446,434**	**$451,246**	**$472,017**	**$495,481**	**$525,200**	**$554,983**	**$561,940**
OPERATING EXPENSES:										
Operating Expenses	$182,330	$189,745	$188,212	$190,754	$212,708	$196,925	$220,412	$221,049	$238,691	$260,093
Operating Expenses for										
Environmental Remediation	9,981	-	68,661	7,118	8,980	24,659	4,893	3,381	2,107	2,223
Operating Expenses Under										
Management Agreements	60,342	64,882	61,826	49,780	49,520	48,824	22,132	27,040	32,197	24,447
Operating Expenses Under										
Operating Agreements	21,278	23,792	30,066	26,658	28,560	30,435	31,221	31,564	32,651	34,411
General and Administrative Expenses	31,929	38,002	37,907	37,802	40,992	47,819	64,895	65,102	51,732	61,750
Depreciation and Amortization	105,165	103,332	102,557	101,586	97,902	103,971	109,169	111,811	122,596	138,117
Total Operating Expenses	**$411,025**	**$419,753**	**$489,229**	**$413,698**	**$438,662**	**$452,633**	**$452,722**	**$459,947**	**$479,974**	**$521,041**
Operating Income (loss)	$40,858	$59,859	($20,109)	$32,736	$12,584	$19,384	$42,759	$65,253	$75,009	$40,899
NONOPERATING REVENUE (EXPENSE):										
Interest Expense (net)	(93,278)	(97,503)	(90,434)	(92,689)	(126,754)	(87,762)	(113,535)	(113,274)	(123,401)	(154,575)
Investment Income:										
Current Investments	6,968	7,862	8,923	4,922	174	1,928	3,957	9,456	10,519	5,832
Restricted Investments	16,299	16,396	15,850	5,692	7,776	4,290	7,659	21,880	18,384	12,306
Loss on Disposition of Assets/Project Costs	(45,383)	-	(3,823)	-	(5,973)	-	-			
Passenger Facility Charges	-	43,309	45,754	46,982	51,657	58,472	59,571	65,149	66,341	71,502
Other Nonoperating Revenue	20,543	5,893	7,702	5,728	10,539	1,284	18,420	20,548	23,027	13,123
Total Nonoperating Expense	**($94,851)**	**($24,043)**	**($16,028)**	**($29,365)**	**($62,581)**	**($21,788)**	**($23,928)**	**$3,759**	**($5,130)**	**($51,812)**
(Loss) Income before Capital Contribution	**(53,993)**	**35,816**	**(36,137)**	**3,371**	**(49,997)**	**(2,404)**	**18,831**	**69,012**	**69,879**	**(10,913)**
Capital Contributions	-	-	24,891	44,968	62,845	31,532	25,483	55,993	26,983	44,547
Change in Net Assets before cummulative effect of change in Accounting Principle	($53,993)	$35,816	($11,246)	$48,339	$12,848	$29,128	$44,314	$125,005	$96,862	$33,634
Depreciation on Fixed Assets funded by Grants from Government Agencies for the year ended 9-30-00, 99 & 98	11,073	10,876	-	-	-	-	-	-	-	
Change in Net Assets	**($42,920)**	**$46,692**	**($11,246)**	**$48,339**	**$12,848**	**$29,128**	**$44,314**	**$125,005**	**$96,862**	**$33,634**

Department Change in Net Assets

Department Change in Net Assets (in 1,000)
Fiscal Years Ended September 30

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Current Assets:	$ 130,661	$ 149,651	$ 164,530	$ 166,707	$ 454,486	$ 495,380	$ 467,748	$ 556,999	$ 570,335	$ 651,239
Noncurrent assets										
Restricted assets	328,649	437,768	376,125	390,006	656,150	436,806	316,142	376,423	407,889	345,444
Capital assets, net	2,217,735	2,279,714	2,434,970	2,776,584	3,186,232	3,609,761	3,978,777	4,335,934	4,634,971	5,148,169
Other essets	15,852	15,938	14,284	16,205	37,234	45,087	41,489	45,905	53,199	71,678
Total assets	2,692,897	2,883,071	2,989,909	3,349,502	4,334,102	4,587,034	4,804,156	5,315,261	5,666,394	6,216,530
Current liabilities	101,064	91,041	102,082	81,944	99,291	88,858	88,412	142,484	80,841	62,548
Current liabilities payable from restricted assets	93,078	87,266	105,431	147,937	253,097	286,558	261,853	285,719	285,499	358,002
Noncurrent liabilities	1,840,178	1,040,132	1,677,093	2,269,432	3,118,677	3,319,453	3,517,412	3,825,574	4,141,708	4,604,000
Total liabilities	2,034,320	1,218,439	1,884,606	2,499,313	3,471,065	3,694,869	3,867,677	4,253,777	4,508,048	5,024,550
Net assets:										
Invested in capital assets, net of debt	N/A	N/A	$ 743,620	$ 793,370	$ 790,564	$416,312	$476,523	$553,668	$541,818	$597,870
Restricted	N/A	N/A	131,854	104,505	82,951	584,512	452,140	443,019	476,644	410,174
Unrestricted net assets (deficit)	N/A	N/A	(73,456)	(47,686)	(10,478)	(108,659)	7,816	64,797	139,884	183,936
Total net assets	**N/A**	**N/A**	**$ 802,018**	**$ 850,189**	**$ 863,037**	**$ 892,165**	**$ 936,479**	**$ 1,061,484**	**$ 1,158,346**	**$1,191,980**

Department Changes in Cash and Cash Equivalents

Changes in Cash and Cash Equivalents ($000)
Fiscal Years Ended September 30

	1999	2000	2001	2002	2003 [1]	2004	2005	2006	2007	2008
Cashflows from operating activities:										
Cash received from customers and tenants	453,988	478,189	471,247	440,122	450,718	470,172	455,396	494,923	515,276	557,218
Cash paid to suppliers for goods and services	(153,362)	(195,848)	(166,106)	(132,204)	(97,084)	(136,003)	(162,405)	(162,898)	(259,488)	(207,279)
Cash paid to employees for services	(136,683)	(143,300)	(149,804)	(147,178)	(185,905)	(161,121)	(202,308)	(159,394)	(164,347)	(169,578)
Net cash provided by opeating activities	163,943	139,041	155,337	160,740	167,729	173,048	90,683	172,631	91,441	180,361
Cash flows from capital and related financing activities:										
Proceeds from sale of revenue bonds and commercial paper	148,804	211,984	93,339	592,500	1,421,504	577,539	560,361	963,715	732,400	1,346,472
Principal paid on revenue bonds and commpercial paper	(46,797)	(48,328)	(52,741)	(313,789)	(599,184)	(411,419)	(330,927)	(604,949)	(471,513)	(889,326)
Interest paid on revenue bonds	(93,278)	(101,390)	(90,491)	(92,708)	(77,384)	(143,694)	(175,505)	(181,807)	(191,814)	(201,427)
Payment of bond issue costs	-	-	-	-	(21,029)	(7,853)	3,598	(4,416)	(7,294)	(18,479)
Purchase and construction of capital assets, net	(185,610)	(161,506)	(261,651)	(443,213)	(466,099)	(461,135)	(418,559)	(381,287)	(317,323)	(520,727)
Proceeds from land sale	-	-	-	-	-	-	-	1,000	-	-
Capital contributed by federal and state governments	6,349	16,439	13,681	44,530	42,296	46,690	38,546	56,979	32,136	36,168
Passenger facility charges	43,356	43,090	45,190	42,869	53,912	57,607	59,135	62,656	69,186	67,531
Proceeds from environmental reimbursements	20,343	4,128	5,210	206	6,588	134	1,793	4,448	6,586	1,902
Proceeds from North Terminal Program Claims							15,000	15,000	10,000	10,000
Proceeds from insurance claim	-	1,765	2,492	-	-	-	-	-	-	-
Net cash used in cpaital and related financing activities	(106,833)	(33,818)	(244,971)	(169,605)	360,604	(342,131)	(246,558)	(68,661)	(137,636)	(167,886)
Cash flow s from non capital financing activities:										
Operating reimbursements received	-	-	-	5,354	3,309	1,150	1,627	1,100	6,441	1,221
Net cash provided by non capital financing activities	-	-	-	5,354	3,309	1,150	1,627	1,100	6,441	1,221
Cash flows from investing activities:										
Purchase of investments	(494,865)	(557,208)	(429,847)	(457,574)	(761,250)	(607,250)	(292,518)	(493,839)	(513,953)	(980,767)
Proceeds from sales and maturities of investments	464,052	460,186	482,744	426,410	644,666	708,928	347,495	595,940	580,678	901,533
Interest and dividends on investments	23,381	25,228	23,139	11,877	7,837	6,218	11,616	31,336	28,903	20,328
Proceeds from insurance claim	200	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	(7,232)	(71,794)	76,036	(19,287)	(108,747)	107,896	66,593	133,437	95,628	(58,906)
Net decrease in cash and cash equivalents	49,878	33,429	(13,598)	(22,798)	422,895	(60,037)	(87,655)	238,507	55,874	(45,210)
Cash and cash equivalents, beginning of year	215,401	265,279	298,708	285,110	114,375	537,270	477,233	389,578	628,085	683,959
Cash and cash equivalents, end of year	265,279	298,708	285,110	262,312	537,270	477,233	389,578	628,085	683,959	638,749

[1] Restated

Department Largest Sources of Revenue

Ten Largest Sources of Revenue (FY ended September 30th)
Fiscal Years Ended September 30
Ranked by the Last Fiscal Year

Revenue Ranking 2008	Firm	2008	2007
1	American Airlines Inc.	$226,059,371	$199,554,638
2	Airport Parking Associates	42,435,887	39,199,549
3	Duty Free Americas Miami, LLC	18,283,877	14,467,149
4	Allied Aviation Services	16,113,669	16,445,584
5	Delta Air Lines Inc.	11,804,961	11,339,539
6	Executive Airlines dba American Eagle Airlines, Inc.	10,680,809	9,392,626
7	H.I. Development Corporation	9,852,660	8,570,466
8	LAN Airlines	9,499,177	7,185,466
9	Continental Airlines	9,083,969	8,398,282
10	The Hertz Corporation	8,478,292	6,873,492

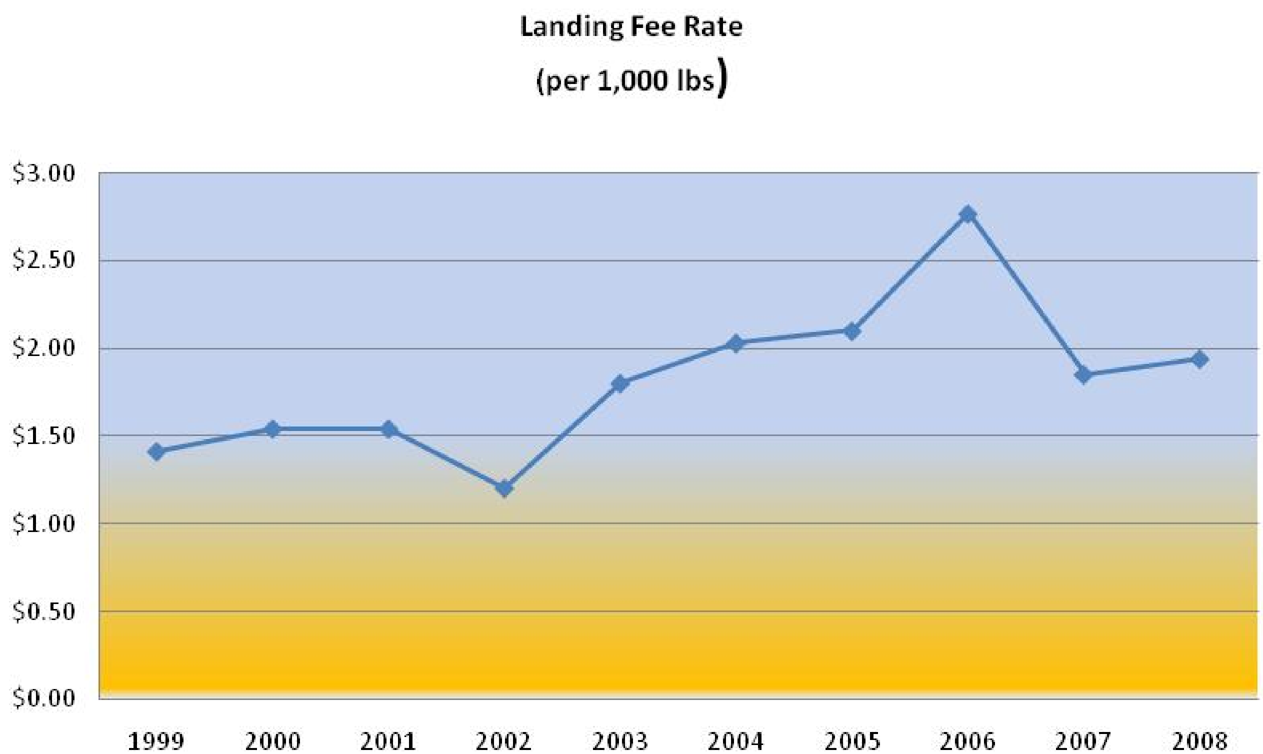
Note:
The yellowed areas denote that Lan Airlines t/k/a/ Lan Chile and the Hertz corporation did not make it to the top ten producing co

Key Usage Fees and Charges

Key Usage Fees and Charges

Fiscal Years Ended September 30, 1999 to 2008

F Y	Landing Fees/ 1,000 lbs.	% Change	Terminal Rental Rates (average cost per sq. foot (Class III)	% Change	Concourse Use Fee	% Change	Intn'l Facilities Fee	% Change	Domestic Baggage Claim Charge	% Change	Outbound Baggage Makeup Charge	% Change	Security Screening Fee	% Change
1999	$1.41	0.0%	$48.13	4.6%	$1.35	5.5%	$1.87	12.0%	$0.36	2.9%	$0.46	9.5%	$0.20	17.6%
2000	$1.54	9.2%	$47.23	-1.9%	$1.52	12.6%	$2.01	7.5%	$0.38	5.6%	$0.45	-2.2%	$0.20	0.0%
2001	$1.54	0.0%	$50.55	7.0%	$1.64	7.9%	$1.86	-7.5%	$0.40	5.3%	$0.29	-35.6%	$0.22	10.0%
2002	$1.20	-22.1%	$50.31	-0.5%	$1.79	9.1%	$2.10	12.9%	$0.40	0.0%	$0.37	27.6%	$0.22	0.0%
2003	$1.80	50.0%	$47.18	-6.2%	$1.91	6.7%	$2.05	-2.4%	$0.45	12.5%	$0.65	75.7%	$0.24	9.1%
2004	$2.03	12.8%	$51.39	8.9%	$1.80	-5.8%	$2.17	5.9%	$0.62	37.8%	$0.59	-9.2%	$0.29	20.8%
2005	$2.10	3.4%	$56.49	9.9%	$2.12	17.8%	$2.24	3.2%	$0.69	11.3%	$0.60	1.7%	$0.32	10.3%
2006	$2.77	31.9%	$59.77	5.8%	$2.42	14.2%	$2.43	8.5%	$0.83	20.3%	$0.76	26.7%	$0.33	3.1%
2007	$1.85	-33.2%	$61.90	3.6%	$2.74	13.2%	$2.49	2.5%	$1.08	30.1%	$0.78	2.6%	$0.33	0.0%
2008	$1.94	4.9%	$66.14	6.9%	$2.81	2.6%	$2.78	11.7%	$1.67	54.7%	$1.04	33.4%	$0.36	9.1%



Concession Revenue Per Enplaned Passenger

Concession Revenue

Fiscal Years Ended September 30, 1999 to 2008

Fiscal	Concession Revenue		Enplaned Passengers		Revenue Per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
1999	$63,612,000	13.1%	16,922,877	-0.6%	$3.76	13.8%
2000	$72,140,000	13.4%	16,832,142	-0.5%	$4.29	14.0%
2001	$74,338,000	3.0%	16,523,588	-1.8%	$4.50	5.0%
2002	$75,287,000	1.3%	14,674,174	-11.2%	$5.13	14.0%
2003	$74,057,000	-1.6%	14,739,909	0.4%	$5.02	-2.1%
2004	$73,174,000	-1.2%	15,117,556	2.6%	$4.84	-3.7%
2005	$77,520,000	5.9%	15,443,258	2.2%	$5.02	3.7%
2006	$80,171,000	3.4%	16,055,040	4.0%	$4.99	-0.5%
2007	$94,099,786	17.4%	16,615,415	3.5%	$5.66	13.4%
2008	$104,051,614	10.6%	17,035,400	2.5%	$6.11	7.8%

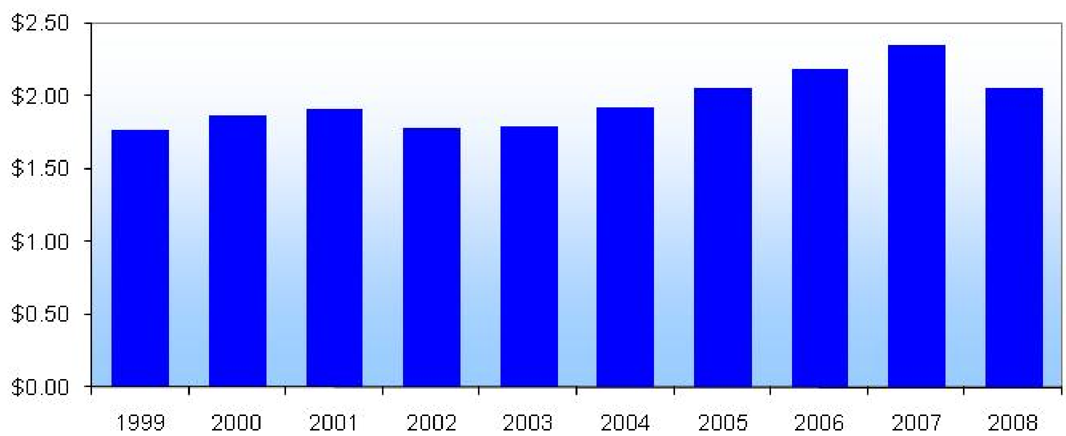
Parking Revenue Per Enplaned Passenger

Parking Revenue

Fiscal Years Ended September 30, 1999 to 2008

Fiscal	Parking Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	%Change
1999	$29,947,674	5.5%	16,922,877	-0.6%	$1.77	6.1%
2000	$31,450,549	5.0%	16,832,142	-0.5%	$1.87	5.6%
2001	$31,589,597	0.4%	16,523,588	-1.8%	$1.91	2.1%
2002	$26,215,802	-17.0%	14,674,174	-11.2%	$1.79	-6.3%
2003	$26,388,268	0.7%	14,739,909	0.4%	$1.79	0.0%
2004	$29,189,658	10.6%	15,117,556	2.6%	$1.93	7.9%
2005	$31,804,432	9.0%	15,443,258	2.2%	$2.06	6.7%
2006	$35,261,450	10.9%	16,055,040	4.0%	$2.20	6.6%
2007	$39,199,550	11.2%	16,615,415	3.5%	$2.36	7.4%
2008	$37,418,651	-4.5%	17,035,400	2.5%	$2.20	-6.9%

Parking Revenue per Enplaned Passenger

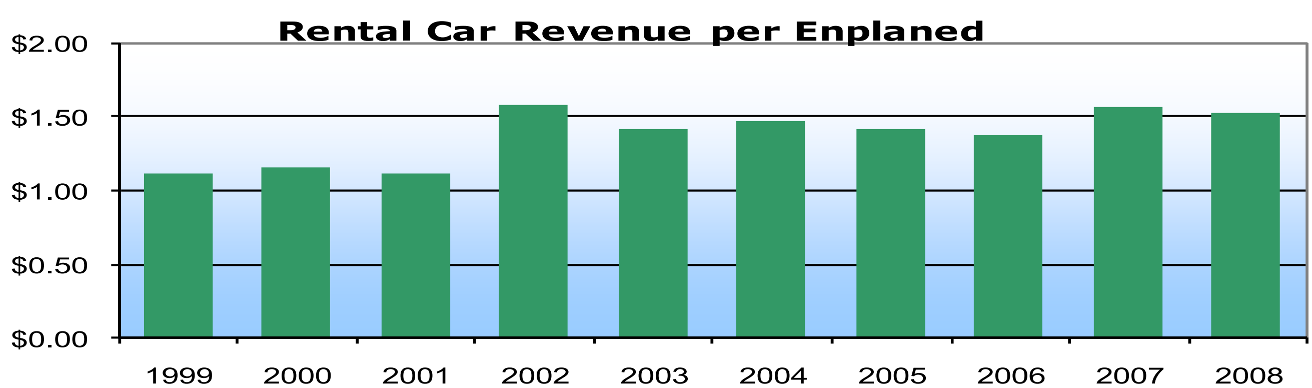


Rental Car Revenue Per Enplaned Passenger

Rental Car Revenue

Fiscal Years Ended September 30, 1999 to 2008

Fiscal	Rental Car Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
1999	$19,083,019	3.6%	16,922,877	-0.6%	$1.13	4.2%
2000	$19,518,891	2.3%	16,832,142	-0.5%	$1.16	2.8%
2001	$18,584,881	-4.8%	16,523,588	-1.8%	$1.12	-3.0%
2002	$23,404,000	25.9%	14,674,174	-11.2%	$1.59	41.8%
2003	$21,093,813	-9.9%	14,739,909	0.4%	$1.43	-10.3%
2004	$22,465,183	6.5%	15,117,556	2.6%	$1.49	3.8%
2005	$22,047,393	-1.9%	15,443,258	2.2%	$1.43	-3.9%
2006	$22,239,100	0.9%	16,055,040	4.0%	$1.39	-3.0%
2007	$26,227,564	17.9%	16,615,415	3.5%	$1.58	14.0%
2008	$26,236,321	0.0%	17,035,400	2.5%	$1.54	-2.4%

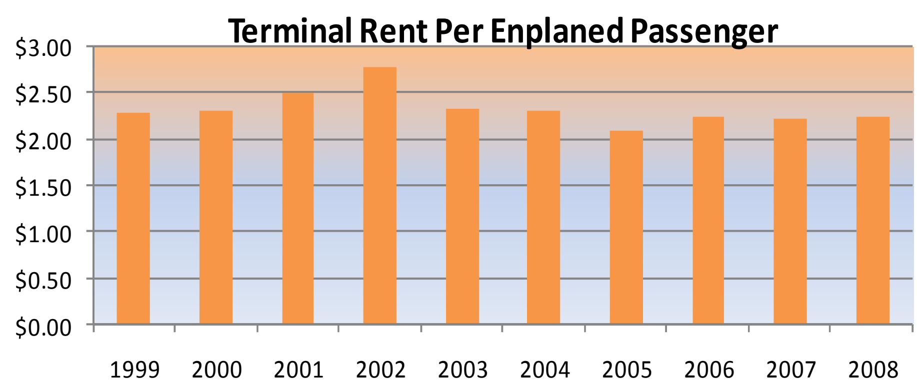


Terminal Rent Per Enplaned Passenger

Terminal Rent Revenue

Fiscal Years Ended September 30, 1999 to 2008

Fiscal	Terminal Rent Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
1999	$38,901,222	3.2%	16,922,877	-0.6%	$2.30	3.8%
2000	$38,910,426	0.0%	16,832,142	-0.5%	$2.31	0.6%
2001	$41,503,279	6.7%	16,523,588	-1.8%	$2.51	8.7%
2002	$40,820,093	-1.6%	14,674,174	-11.2%	$2.78	10.7%
2003	$34,561,447	-15.3%	14,739,909	0.4%	$2.34	-15.7%
2004	$35,103,016	1.6%	15,117,556	2.6%	$2.32	-1.0%
2005	$32,349,432	-7.8%	15,443,258	2.2%	$2.09	-9.8%
2006	$36,017,147	11.3%	16,055,040	4.0%	$2.24	7.1%
2007	$36,810,779	2.2%	16,615,415	3.5%	$2.22	-1.2%
2008	$38,163,073	3.7%	17,035,400	2.5%	$2.24	1.1%



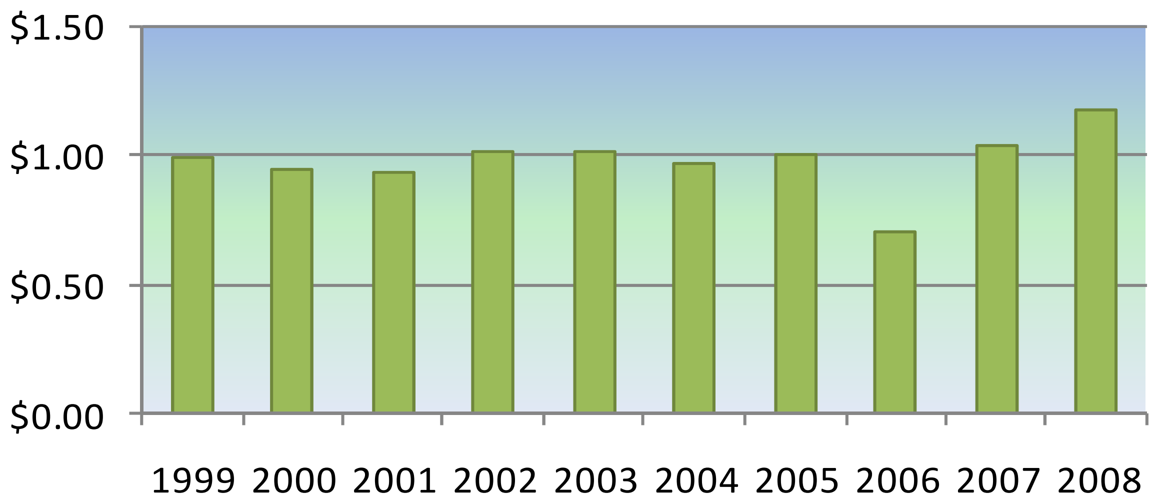
Food and Beverage Revenues Per Enplaned Passenger

Food & Beverage Revenue

Fiscal Years Ended September 30, 1999 to 2008

Fiscal	Food & Beverage Revenues		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
1999	$16,883,343	-46.2%	16,922,877	-0.6%	$1.00	-45.9%
2000	$15,880,167	-5.9%	16,832,142	-0.5%	$0.94	-5.4%
2001	$15,407,164	-3.0%	16,523,588	-1.8%	$0.93	-1.2%
2002	$14,840,977	-3.7%	14,674,174	-11.2%	$1.01	8.5%
2003	$15,026,517	1.3%	14,739,909	0.4%	$1.02	0.8%
2004	$14,652,311	-2.5%	15,117,556	2.6%	$0.97	-4.9%
2005	$15,423,261	5.3%	15,443,258	2.2%	$1.00	3.0%
2006	$11,228,494	-27.2%	16,055,040	4.0%	$0.70	-30.0%
2007	$17,226,724	53.4%	16,615,415	3.5%	$1.04	48.2%
2008	$20,091,095	16.6%	17,035,400	2.5%	$1.18	13.8%

Food and Beverage Per Enplaned Passenger



Department Employee Strength

Miami-Dade Aviation Department
Full-Time Equivalent Employees (FTE)
Fiscal Years 1999 to 2008

Year	FTEs as of September 30	% Change	Enplaned Passengers	Enplaned Passengers per FTEs
1999	1,718	3.1%	16,922,877	9,850
2000	1,775	3.3%	16,832,142	9,483
2001	1,811	2.0%	16,523,588	9,124
2002	1,704	-5.9%	14,674,174	8,612
2003	1,674	-1.8%	14,739,909	8,805
2004	1,692	1.1%	15,117,556	8,935
2005	1,686	-0.4%	15,443,258	9,160
2006	1,504	-10.8%	16,055,040	10,675
2007	1,404	-6.6%	16,615,415	11,834
2008	1,428	1.7%	17,035,400	11,930

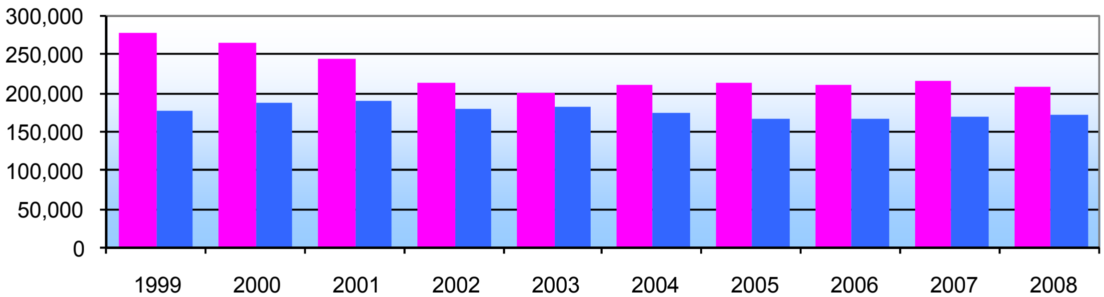
Aircraft Operations

Flight Operations

Fiscal Years Ended September 30, 1999 to 2008

Fiscal	Domestic		International		Total	
Year	Operations	% Change	Operations	% Change	Operations	% Change
1999	277,233	8.2%	175,742	2.5%	452,975	-6.0%
2000	263,850	-4.8%	185,034	5.3%	448,884	-0.9%
2001	242,701	-8.0%	189,218	2.3%	431,919	-3.8%
2002	211,502	-12.9%	177,236	-6.3%	388,738	-10.0%
2003	199,725	-5.6%	181,523	2.4%	381,248	-1.9%
2004	209,331	4.8%	172,339	-5.1%	381,670	0.1%
2005	210,960	0.8%	166,670	-3.3%	377,630	-1.1%
2006	209,357	-0.8%	166,650	0.0%	376,007	-0.4%
2007	214,668	2.5%	168,046	0.8%	382,714	1.8%
2008	207,839	-3.2%	169,729	1.0%	377,568	-1.3%
2008	207,839	-3.2%	169,729	1.0%	377,568	

Flight Operations

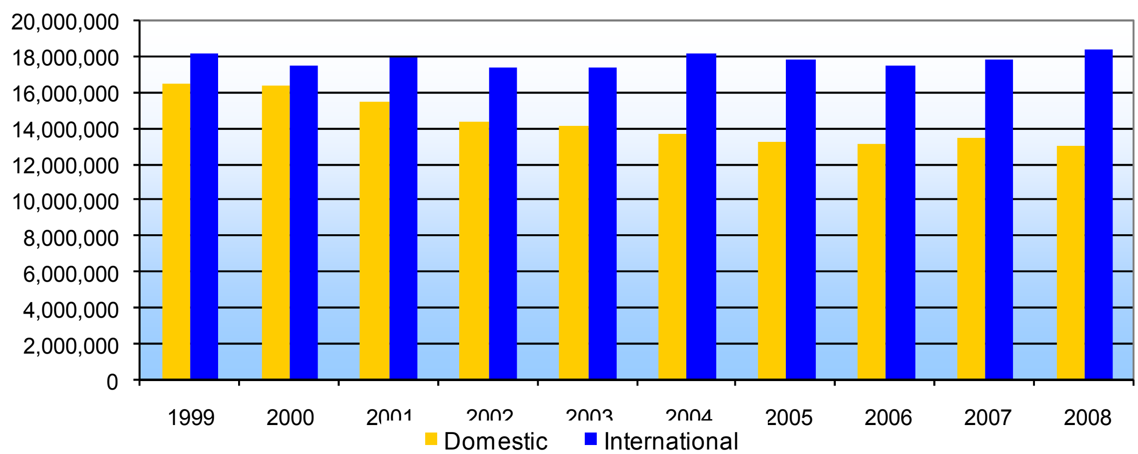


Aircraft Landed Weights

Landed Weights
Fiscal Years Ended September 30, 1999 to 2008

Fiscal	Domestic		International		Total	
Year	1,000 lbs	% Change	1,000 lbs	% Change	1,000 lbs	% Chang
1999	16,554,067	-7.4%	18,195,858	-2.4%	34,749,925	-4.8%
2000	16,463,643	-0.5%	17,521,641	-3.7%	33,985,284	-2.2%
2001	15,482,267	-6.0%	17,994,033	2.7%	33,476,300	-1.5%
2002	14,369,643	-7.2%	17,481,027	-2.9%	31,850,670	-4.9%
2003	14,204,601	-1.1%	17,405,321	-0.4%	31,609,922	-0.8%
2004	13,716,597	-3.4%	18,182,948	4.5%	31,899,545	0.9%
2005	13,288,101	-3.1%	17,860,411	-1.8%	31,148,512	-2.4%
2006	13,197,980	-0.7%	17,537,132	-1.8%	30,735,112	-1.3%
2007	13,498,940	2.3%	17,920,937	2.2%	31,419,877	2.2%
2008	13,121,892	-2.8%	18,468,578	3.1%	31,590,470	0.5%

Landed Weights

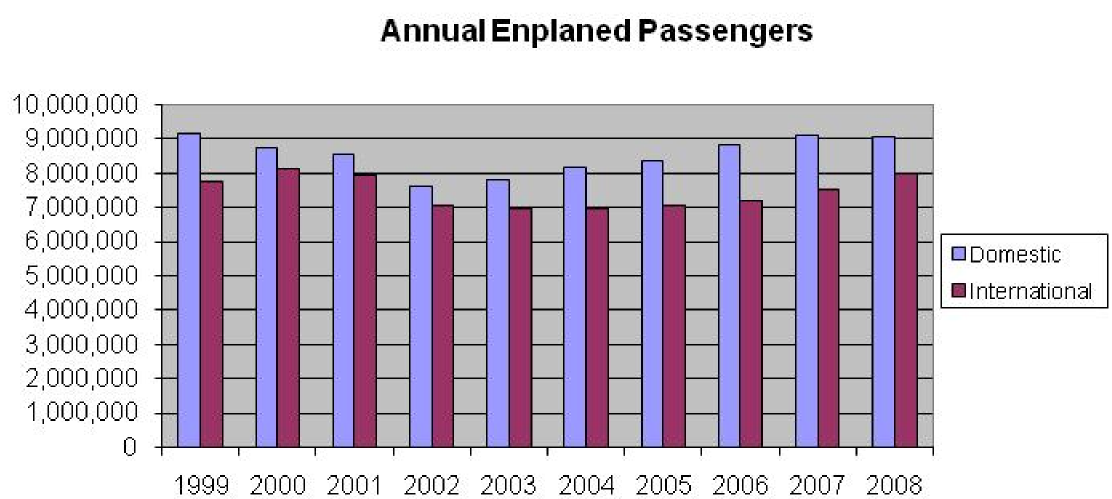


Passenger Enplanements

Annual Enplaned Passengers

Fiscal Years Ended September 30, 1999 to 2008

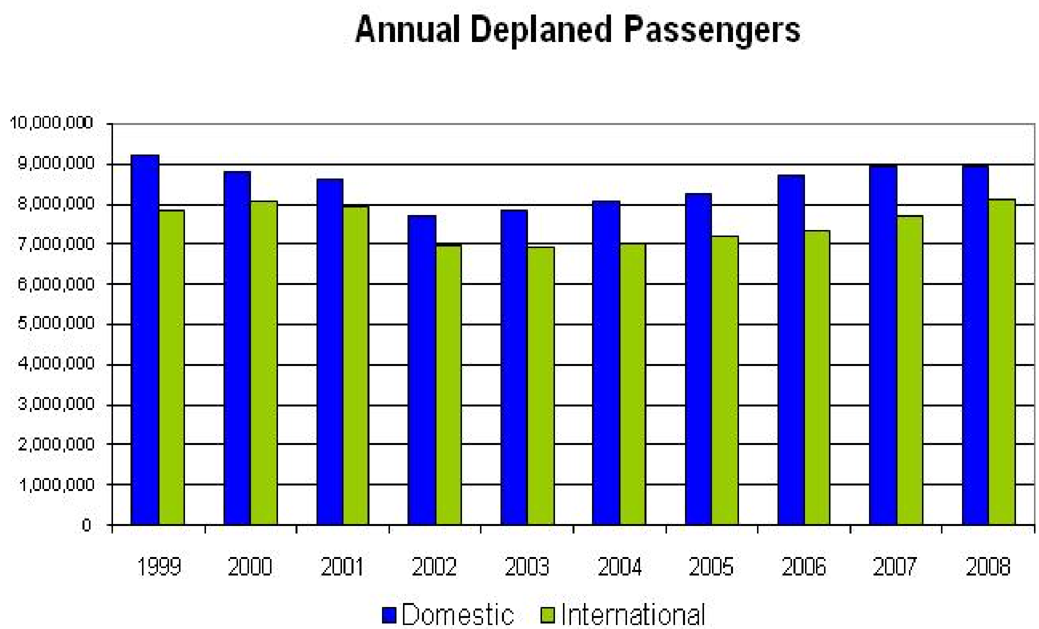
	Domestic		International		Total	
Year	Passengers	% Change	Passengers	% Change	Passengers	% Change
1999	9,144,269	-0.9%	7,778,608	-0.1%	16,922,877	-0.6%
2000	8,724,546	-4.6%	8,107,596	4.2%	16,832,142	-0.5%
2001	8,568,487	-1.8%	7,955,101	-1.9%	16,523,588	-1.8%
2002	7,615,860	-11.1%	7,058,314	-11.3%	14,674,174	-11.2%
2003	7,792,381	2.3%	6,947,528	-1.6%	14,739,909	0.4%
2004	8,162,901	4.8%	6,954,655	0.1%	15,117,556	2.6%
2005	8,373,079	2.6%	7,070,179	1.7%	15,443,258	2.2%
2006	8,854,085	5.7%	7,200,955	1.8%	16,055,040	4.0%
2007	9,102,351	2.8%	7,513,064	4.3%	16,615,415	3.5%
2008	9,067,718	-0.4%	7,967,682	6.1%	17,035,400	2.5%



Passenger Deplanements

Annual Deplaned Passengers
Fiscal Years Ended September 30, 1999 to 2008

	Domestic		International		Total	
	Passengers	% Change	Passengers	% Change	Passengers	% Change
1999	9,227,295	-0.4%	7,853,320	1.4%	17,080,615	0.4%
2000	8,823,031	-4.4%	8,088,111	3.0%	16,911,142	-1.0%
2001	8,611,134	-2.4%	7,914,019	-2.2%	16,525,153	-2.3%
2002	7,704,786	-10.5%	6,970,953	-11.9%	14,675,739	-11.2%
2003	7,847,037	1.8%	6,945,601	-0.4%	14,792,638	0.8%
2004	8,093,276	3.1%	7,033,287	1.3%	15,126,563	2.3%
2005	8,263,987	2.1%	7,204,846	2.4%	15,468,833	2.3%
2006	8,696,147	5.2%	7,343,525	1.9%	16,039,672	3.7%
2007	8,952,776	3.0%	7,709,587	5.0%	16,662,363	3.9%
2008	8,922,543	-0.3%	8,107,887	5.2%	17,030,430	2.2%



Enplanement Market Share by Airline by Fiscal Year

Enplaned Passengers by Airline
Fiscal Year Ended September 30th (000)

Airline	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
American	7,956.7	8,024.5	8,085.3	7,489.8	7,977.2	8,739.1	9,558.5	10,170.8	10,655.0	11,099.7
American Eagle	909.5	880.9	776.0	580.4	516.5	534.3	586.3	693.5	749.3	711.8
Delta	783.4	785.8	745.0	615.4	634.8	651.5	595.3	530.2	527.6	549.4
Continental	457.1	458.9	484.9	495.0	492.3	456.1	385.6	390.8	402.9	402.0
US Airways	668.3	715.6	684.8	591.9	410.1	355.3	345.0	385.3	441.6	396.4
Avianca	121.3	126.3	145.7	127.8	100.6	192.4	213.8	247.3	278.9	292.2
TACA Group	240.9	220.2	240.2	232.3	179.1	188.5	283.9	186.7	198.6	232.2
British Airways	254.4	241.9	243.8	217.8	231.5	231.0	239.4	239.1	219.7	214.1
Northwest	384.2	386.0	380.7	325.1	254.4	248.2	250.8	212.2	193.9	194.1
Air France	207.1	206.3	219.1	317.6	169.8	148.5	151.7	167.4	158.2	173.7
All Others	5,061.5	4,912.0	4,663.8	3,808.9	3,773.6	3,372.6	2,832.9	2,831.7	2,789.7	2,769.8
	17,044.2	16,958.4	16,669.3	14,802.0	14,739.9	15,117.5	15,443.2	16,055.0	16,615.4	17,035.4

Air Cargo Activity

Air Cargo Activity

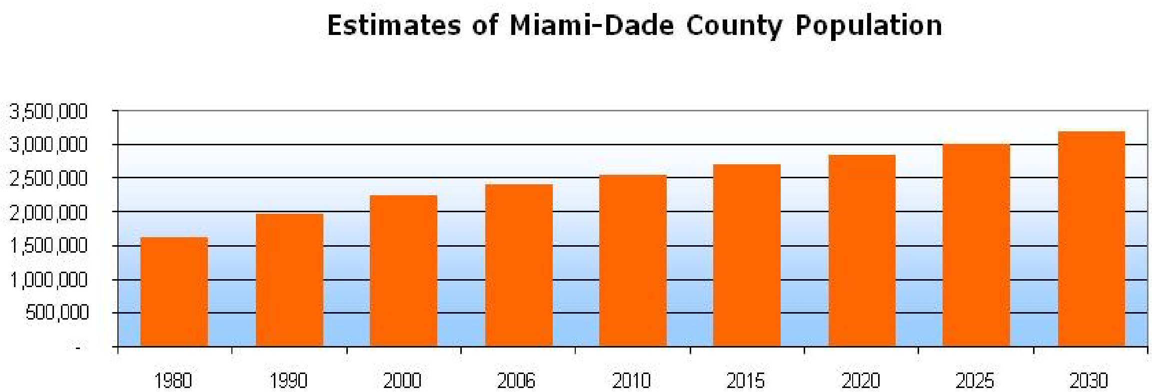
Fiscal Years Ended September 30, 1999 to 2008

Fiscal Year	Mail	Freight	Total	% Change
1999	91,413	1,768,030	1,859,443	-6.6%
2000	94,619	1,704,607	1,799,226	-3.2%
2001	90,409	1,750,526	1,840,935	2.3%
2002	46,847	1,716,445	1,763,292	-4.2%
2003	45,456	1,729,631	1,775,087	0.7%
2004	49,496	1,892,623	1,942,119	9.4%
2005	43,524	1,921,977	1,965,501	1.2%
2006	41,088	1,929,840	1,970,928	0.3%
2007	42,961	2,056,402	2,099,363	6.5%
2008	46,874	2,033,126	2,080,000	-0.9%

Miami-Dade County Population Estimates

Estimates of Miami-Dade County Population
1980 to 2030

Year	Total Population
1980	1,625,781
1990	1,967,000
2000	2,253,362
2006	2,402,208
2010	2,551,289
2015	2,703,122
2020	2,858,189
2025	3,019,800
2030	3,187,792



Note: Projections are figures developed by Miami-Dade County Department of Planning and Zoning, Research Section.

The 1990 census figures were adjusted for census undercount.

Source: U.S. Bureau of the Census. Decennial Census Reports for 1980, 1990 and 2000.

Miami-Dade County Department of Planning and Zoning, Research Section, 2006.

Principal Employers in Miami-Dade County

Principal Employers
Latest Available Year and Nine Years Previous

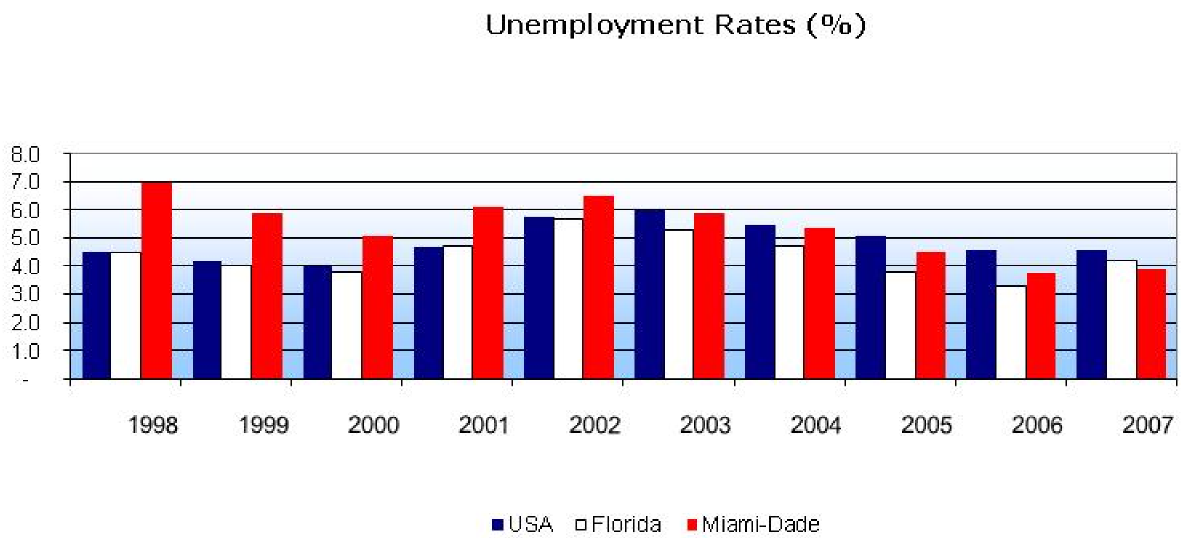
	1998			2007		
Employer	**Employees**	**Rank**	**% of Total County Employment**	**Employees**	**Rank**	**% of Total County Employment**
Miami-Dade County Public School	32,789	1	3.1%	50,000	1	5.2%
Miami-Dade County	20,000	2	1.9%	32,000	2	3.3%
Federal Government	17,600	4	1.7%	20,400	3	0.0%
State of Florida	17,700	3	1.7%	17,000	4	1.8%
Publix Super Markets, Inc.	3,653	12	0.3%	11,000	5	1.1%
Baptist Health Systemf of South F	5,285	9	0.5%	10,826	6	1.1%
Jackson Health System	7,216	7	0.7%	10,500	7	1.8%
University of Miami	7,574	6	0.7%	9,874	8	1.0%
American Airlines	9,304	5	0.9%	9,000	9	0.9%
Miami-Dade College	5,700	8	0.5%	6,500	10	0.7%
Precision Response Corporation	3,000	16	0.3%	6,000	11	0.6%
Bellsouth Corporation - Florida	5,200	9	0.5%	5,500	12	0.6%
Winn-Dixie Stores	-	-	-	4,833	13	0.5%
City of Miami	3,189	13	13.0%	4,034	14	0.4%
Florida Power & Light Company	3,745	11	0.4%	3,900	15	0.4%
Carnival Cruise Lines	-	-	-	3,500	16	0.4%
	141,955		**13.4%**	**204,867**		**21.1%**

Miami-Dade County Unemployment Statistics

Unemployment Rates

Percent

Year	USA	Florida	Miami-Dade County
1998	4.5	4.5	7.0
1999	4.2	4.0	5.9
2000	4.0	3.8	5.1
2001	4.7	4.7	6.1
2002	5.8	5.7	6.5
2003	6.0	5.3	5.9
2004	5.5	4.7	5.4
2005	5.1	3.8	4.5
2006	4.6	3.3	3.8
2007	4.6	4.2	3.9



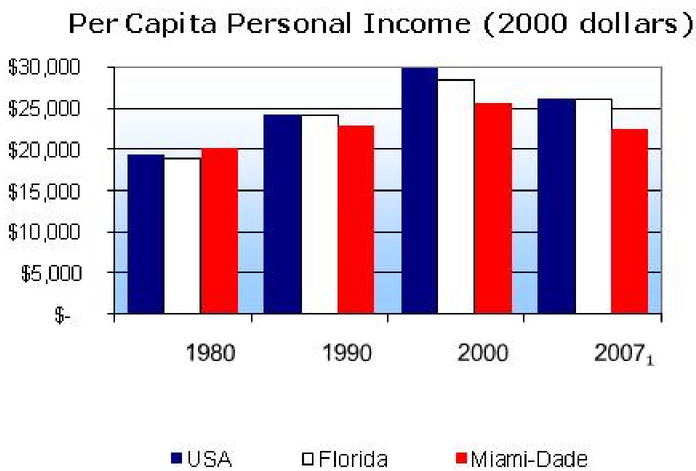
Source: US Bureau of Labor Statistics, Local Area Unemployment Statistics

Miami-Dade County Per Capita Personal Income

Per Capita Personal Income

Percent

Year	USA	Florida	Miami-Dade County
1980	$ 19,399	$ 18,985	$ 20,043
1990	24,156	24,223	22,825
2000	29,832	28,505	25,627
2007[1]	26,178	26,125	22,479

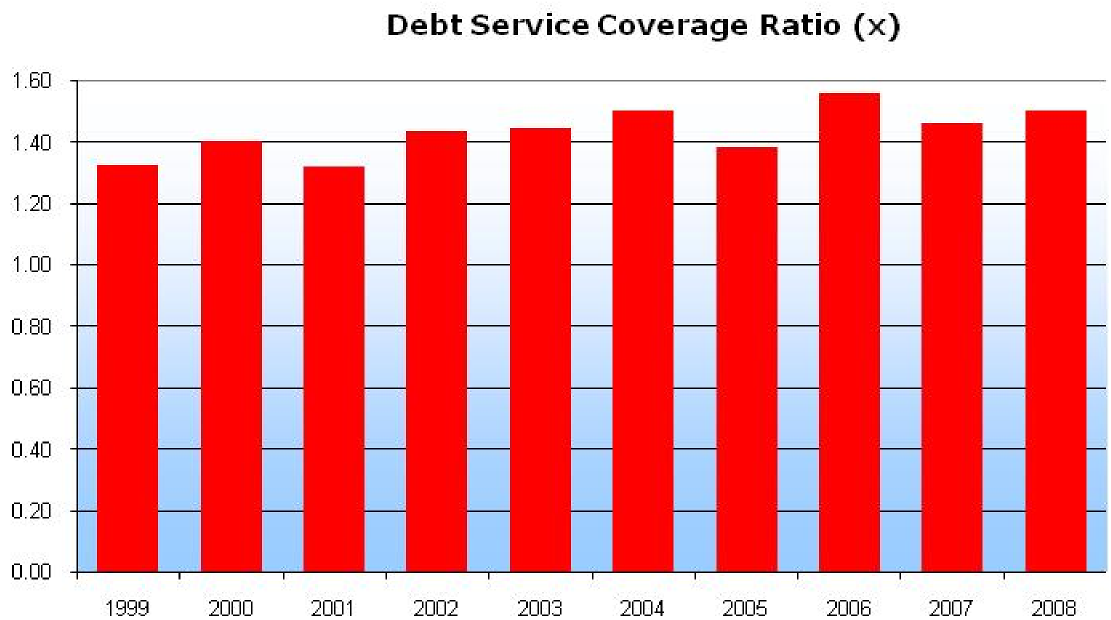


[1]Source for 1980 and 1990: US Bureau of Labor Statistics
Source for 2007: US Census Bureau, 2005-2007 American Community Service - This data is an estimate collected over a three-year period.

Revenue Bond Debt Service Coverage

Debt Service Coverage - Port Authority Properties
Fiscal Year Ended September 30th, 1999 to 2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Pledged Revenues	$ 426,856	$ 460,632	$ 465,256	$ 466,146	$ 491,745	$ 550,255	$ 539,397	$ 549,887	$ 591,769	$623,648
Expenses	257,546	271,791	286,501	270,198	289,956	314,958	329,030	299,675	345,833	378,583
Net Revenues	169,310	188,841	178,755	195,948	201,789	235,297	210,367	250,212	245,936	245,065
Reserve Maintenance Fund Depos	7,992	7,000	8,000	4,000	7,000	24,500	15,000	7,500	17,000	23,000
Net Revenues after Deposits	161,318	181,841	170,755	191,948	194,789	210,797	195,367	242,712	228,936	222,065
Principal & Interest Requirement	121,999	129,596	129,599	133,774	134,898	140,471	141,610	155,578	156,853	148,376
Debt Service Coverage Ratio (x)	1.32	1.40	1.32	1.43	1.44	1.50	1.38	1.56	1.46	1.50



Outstanding Debt

Miami-Dade Aviation Department
Outstanding Debt
Last Ten Fiscal Years

Fiscal Year Ended September 30	Trust Agreement Revenue Bonds (a)	Aviation Facilities Revenue Bonds (b)	Commercial Paper Notes (c)	Total
1999	$1,489,125	$266,090	$ -	$1,755,215
2000	1,581,060	259,985	75,000	1,841,045
2001	1,530,445	253,425	168,339	1,783,870
2002	1,776,110	246,305	206,056	2,022,415
2003	2,915,315	-	178,694	2,915,315
2004	3,224,355	-	30,111	3,224,355
2005	3,157,740	-	313,626	3,157,740
2006	3,462,690	-	365,342	3,462,690
2007	3,997,560	-	70,295	3,997,560
2008	4,522,365	-	-	4,522,365

a) Revenue Bonds issued under the Trust Agreement are payable solely by a pledge of net revenues, as defined in the Trust Agreement. The Revenue Bonds are being paid by the Aviation Department's net Revenues.

b) In Fiscal Year 2003, the County issued Series 2003. A portion of Series 2003 was used to refund the Aviation Facilities Bonds. Revenue Bonds were issued under the Aviation Facilities Master Bond Resolution and Series Resolution. The Aviation Facilities Bonds are collateralized by the Net Revenues of Specific Aviation Facilities, as defined in the Master Resolution, not financed under the provision of Trust Agreement. Aviation Facilities bonds are paid solely from the net Revenues of the Aviation Facilities.

c) The Commercial Paper Notes are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. An irrevocable letter of credit in the amount of $400 million dollars, was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes.

Long Term Debt Per Enplaned Passenger

Miami-Dade Aviation Department
Outstanding Debt
Last Ten Fiscal Years

Fiscal Year Ended September 30	Trust Agreement Revenue Bonds (a)	Aviation Facilities Revenue Bonds (b)	Total	Enplaneds	Long Term Debt Enplaned Passenger
1999	$ 1,489,125	$ 266,090	$ 1,755,215	$ 16,922,877	$ 103.72
2000	1,581,060	259,985	1,841,045	16,832,142	109.38
2001	1,530,445	253,425	1,783,870	16,523,588	107.96
2002	1,776,110	246,305	2,022,415	14,674,174	137.82
2003	2,915,315	0	2,915,315	14,739,909	197.78
2004	3,224,355	0	3,224,355	15,117,556	213.29
2005	3,157,740	0	3,157,740	15,443,258	204.47
2006	3,462,690	0	3,462,690	16,055,040	215.68
2007	3,997,560	0	3,997,560	16,615,415	240.59
2008	4,522,365	0	4,522,365	17,035,400	265.47

a) Revenue Bonds issued under the Trust Agreement are payable solely by a pledge of net revenues, as defined in the Trust Agreement. The Revenue Bonds are being paid by the Aviation Department's net Revenues.

b) In Fiscal Year 2003, the County issued Series 2003. A portion of Series 2003 was used to refund the Aviation Facilities Bonds. Revenue Bonds were issued under the Aviation Facilities Master Bond Resolution and Series Resolution. The Aviation Facilities Bonds are collateralized by the Net Revenues of Specific Aviation Facilities, as defined in the Master Resolution, not financed under the provision of Trust Agreement. Aviation Facilities bonds are paid solely from the net Revenues of the Aviation Facilities.

Capital Assets

MIAMI-DADE COUNTY, FLORIDA
CAPITAL ASSET INDICATORS
Fiscal Years 1999 to 2008

Miami-Dade Aviation Departmen	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of airports	6	6	6	6	6	6	6	5	5	5
Number of runways										
Miami International	4	4	4	4	4	4	4	4	4	4
Opa-Locka	3	3	3	3	3	3	3	3	3	3
Tamiami	3	3	3	3	3	3	3	3	3	3
Homestead	2	2	2	2	2	2	2	2	2	2
Training & Transition Airport	1	1	1	1	1	1	1	1	1	1
Opa-Locka West	2	2	2	2	2	2	2	closed	closed	closed

2008

Comprehensive Annual Financial Report

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Miami-Dade Aviation Department

Finance & Strategy Division

P.O. Box 025504

Miami, FL 33152

www.miami-airport.com