

In the opinion of Squire, Sanders & Dempsey L.L.P. and KnoxSeaton, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2008 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) the Series 2008 Bonds and income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Interest on the Series 2008 Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "TAX MATTERS" in this Official Statement.

\$274,565,000
MIAMI-DADE COUNTY, FLORIDA
Transit System Sales Surtax Revenue Bonds
Series 2008

Dated: Date of Delivery

Due: July 1, as shown below

The Miami-Dade County, Florida, Transit System Sales Surtax Revenue Bonds, Series 2008 (the "Series 2008 Bonds"), will be issued by Miami-Dade County, Florida (the "County") as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2008 Bonds. Since purchases of beneficial interests in the Series 2008 Bonds will be made in book-entry only form in denominations of \$5,000 or any integral multiple of \$5,000, beneficial owners will not receive physical delivery of bond certificates. Interest on the Series 2008 Bonds will be payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2009. Principal of the Series 2008 Bonds will be payable at the designated office of Regions Bank, Jacksonville, Florida, as Paying Agent and Registrar for the Series 2008 Bonds. As long as DTC or its nominee is the registered owner of the Series 2008 Bonds, payments of the principal of and interest on the Series 2008 Bonds will be made directly to DTC or its nominee. See "DESCRIPTION OF THE SERIES 2008 BONDS - Book-Entry Only System" in this Official Statement.

The Series 2008 Bonds are subject to redemption prior to maturity under the terms and conditions as more fully described in this Official Statement.

The Series 2008 Bonds are being issued to (i) pay all or a portion of the cost of certain transportation and transit projects as described in this Official Statement, (ii) currently refund the outstanding Sunshine State Loan (as described herein); and (iii) pay the cost of issuance of the Series 2008 Bonds, including the premiums for a bond insurance policy and a municipal bond debt service reserve insurance policy.

THE SERIES 2008 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A PRIOR LIEN UPON AND A PLEDGE OF THE PLEDGED REVENUES AS PROVIDED IN THE MASTER ORDINANCE (AS DESCRIBED HEREIN). THE SERIES 2008 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE STATE OF FLORIDA (THE "STATE"), THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES. THE ISSUANCE OF THE SERIES 2008 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATSOEVER, NOR SHALL THE SERIES 2008 BONDS CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE. NO HOLDER OF THE SERIES 2008 BONDS WILL HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE FOR PAYMENT OF THE SERIES 2008 BONDS, OR BE ENTITLED TO PAYMENT OF SUCH AMOUNT FROM ANY OTHER FUNDS OF THE COUNTY, EXCEPT FROM THE PLEDGED REVENUES IN THE MANNER PROVIDED IN THE MASTER ORDINANCE.

The scheduled payment of principal of and interest on the Series 2008 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2008 Bonds by FINANCIAL SECURITY ASSURANCE INC. See "MUNICIPAL BOND INSURANCE."



**MATURITY DATES, PRINCIPAL AMOUNTS,
 INITIAL CUSIP NUMBERS, INTEREST RATES, PRICES AND YIELDS**

\$106,040,000 Serial Series 2008 Bonds

Maturity Date (July 1)	Principal Amount	Initial CUSIP No. ⁽¹⁾	Interest Rate	Price	Maturity Date (July 1)	Principal Amount	Initial CUSIP No. ⁽¹⁾	Interest Rate	Price
2009	\$3,525,000	59334PBE6	5.000%	103.166	2018	\$5,860,000	59334PBP1	5.000%	107.333
2010	3,970,000	59334PBF3	5.000	104.610	2019	6,155,000	59334PBQ9	5.000	106.487*
2011	4,165,000	59334PBG1	5.000	105.583	2020	6,465,000	59334PBR7	5.000	105.648*
2012	4,375,000	59334PBH9	5.000	106.465	2021	6,785,000	59334PBS5	5.000	104.983*
2013	4,590,000	59334PBJ5	5.000	107.182	2022	7,125,000	59334PBT3	5.000	104.488*
2014	4,820,000	59334PBK2	5.000	107.627	2023	7,480,000	59334PBU0	5.000	104.077*
2015	5,065,000	59334PBL0	5.000	107.843	2024	7,855,000	59334PBV8	5.000	103.669*
2016	5,315,000	59334PBM8	5.000	107.869	2025	8,245,000	59334PBW6	5.000	103.262*
2017	5,585,000	59334PBN6	5.000	107.665	2026	8,660,000	59334PBX4	5.000	102.857*

\$168,525,000 Term Series 2008 Bonds

\$28,600,000 4.750% Term Bond Initial CUSIP No. 59334PBY2 due July 1, 2029, Yield 4.900%
 \$32,940,000 5.000% Term Bond Initial CUSIP No. 59334PBZ9 due July 1, 2032, Price 100.390*
 \$38,140,000 5.000% Term Bond Initial CUSIP No. 59334PCA3 due July 1, 2035, Price 100.000
 \$68,845,000 5.000% Term Bond Initial CUSIP No. 59334PCB1 due July 1, 2038, Yield 5.050%

⁽¹⁾ The County takes no responsibility for the CUSIP numbers, which are included solely for the convenience of the owners of the Series 2008 Bonds.

* Priced to July 1, 2018 par call date

This cover page contains information for quick reference only. It is not a complete summary of the information in this Official Statement. Investors must read this entire Official Statement, including the Appendices, to obtain information essential in making an informed investment decision with respect to the purchase of the Series 2008 Bonds.

The Series 2008 Bonds are offered when, as and if issued by the County and accepted by the Underwriters, subject to the delivery of legal opinions by Squire, Sanders & Dempsey L.L.P., Miami, Florida, and KnoxSeaton, Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain legal matters relating to disclosure will be passed upon for the County by Edwards Angell Palmer & Dodge LLP, West Palm Beach, Florida, and Rasco, Reininger, Perez, Esquenazi & Vigil, P.L., Coral Gables, Florida, Disclosure Counsel. Public Resources Advisory Group, St. Petersburg, Florida, has served as Financial Advisor to the County in connection with the issuance of the Series 2008 Bonds. It is expected that the Series 2008 Bonds will be available for delivery through DTC in New York, New York, on or about June 24, 2008.

MIAMI-DADE COUNTY, FLORIDA

Carlos Alvarez, Mayor

MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS

Bruno A. Barreiro, Chairman

Barbara J. Jordan, 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

Senator Javier D. Souto, District 10

Joe A. Martinez, District 11

José “Pepe” Diaz, District 12

Natacha Seijas, District 13

COUNTY CLERK

Harvey Ruvin

COUNTY MANAGER

George M. Burgess

COUNTY ATTORNEY

R.A. Cuevas, Jr., Esq.

FINANCE DIRECTOR

Rachel E. Baum, C.P.A.

MIAMI-DADE TRANSIT

Harpal S. Kapoor, Director

BOND COUNSEL

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Miami, Florida

KnoxSeaton

Miami, Florida

DISCLOSURE COUNSEL

Edwards Angell Palmer & Dodge LLP

West Palm Beach, Florida

Rasco, Reininger, Perez, Esquenazi & Vigil, P.L.

Coral Gables, Florida

FINANCIAL ADVISOR

Public Resources Advisory Group

St. Petersburg, Florida

INDEPENDENT PUBLIC ACCOUNTANTS

KPMG LLP

Miami, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COUNTY OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS SET FORTH IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COUNTY OR THE UNDERWRITERS. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SERIES 2008 BONDS BY A PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER, SOLICITATION OR SALE. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE SERIES 2008 BONDS.

THE SERIES 2008 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE BOND ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2008 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2008 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER OR YIELDS HIGHER THAN THE PUBLIC OFFERING PRICES OR YIELDS SET FORTH ON THE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITERS.

OTHER THAN WITH RESPECT TO INFORMATION CONCERNING FINANCIAL SECURITY ASSURANCE INC. ("FINANCIAL SECURITY") CONTAINED UNDER THE CAPTION "MUNICIPAL BOND INSURANCE" AND EXHIBIT F SPECIMEN "MUNICIPAL BOND INSURANCE POLICY" HEREIN, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY FINANCIAL SECURITY AND FINANCIAL SECURITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO (I) THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION; (II) THE VALIDITY OF THE BONDS; OR (III) THE TAX EXEMPT STATUS OF THE INTEREST ON THE SERIES 2008 BONDS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: **www.MuniOS.com**. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO CERTAIN

STATEMENTS CONTAINED IN THE INFORMATION UNDER THE CAPTIONS “ESTIMATED SOURCES AND USES OF FUNDS” AND “CERTAIN INVESTMENT CONSIDERATIONS.” THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

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OFFICIAL STATEMENT

relating to

\$274,565,000

MIAMI-DADE COUNTY, FLORIDA
Transit System Sales Surtax Revenue Bonds
Series 2008

INTRODUCTION

The purpose of this Official Statement of Miami-Dade County, Florida (the "County"), which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by the County of \$274,565,000 aggregate principal amount of Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds, Series 2008 (the "Series 2008 Bonds"). The Series 2008 Bonds are being issued pursuant to the authority of, and in compliance with, the Constitution and Laws of the State of Florida (the "State"), including, without limitation, (i) Chapter 125 and Chapter 166, Florida Statutes, each as amended, (ii) Section 212.054 and Section 212.055(1), Florida Statutes, each as amended (the "Transit System Sales Surtax Act"), (iii) the Metropolitan Dade County Home Rule Amendment and Charter of the County, as amended, (iv) the Code of Miami-Dade County, as amended (the "County Code"), including Ordinance No. 02-116 enacted by the Board of County Commissioners of the County (the "Board") on July 9, 2002 (the "Transit System Sales Surtax Ordinance"), and (v) Ordinance No. 05-48 enacted by the Board on March 1, 2005 (the "Master Ordinance"), and Resolution No. R-319-08, adopted by the Board on April 8, 2008, as amended by Resolution No. R-581-08, adopted by the Board on May 20, 2008 (collectively, the "Series 2008 Resolution," and together with the Master Ordinance, the "Bond Ordinance"). The full text of the Bond Ordinance is appended to this Official Statement as "APPENDIX B – MASTER ORDINANCE AND SERIES 2008 RESOLUTION."

Pursuant to the Transit System Sales Surtax Act, the Transit System Sales Surtax Ordinance and the approval of the voters at a special election held on November 5, 2002, the County levies and imposes a one half of one percent discretionary sales surtax on all transactions occurring in the County that are subject to the State of Florida tax imposed on sales, use, services, rentals, admissions and other transactions under Chapter 212, Florida Statutes. Subject to certain limitations, proceeds of the discretionary sales surtax are to be used to fund the cost of certain transportation and transit projects in the County. Under the Master Ordinance, the Board has authorized the issuance from time to time of County special and limited obligation bonds for the purpose of paying all or a portion of costs for certain transportation and transit projects to be funded pursuant to the Transit System Sales Surtax Ordinance. The Master Ordinance further authorizes the issuance from time to time of an initial aggregate principal amount of such bonds not to exceed \$500,000,000. The Series 2008 Bonds are the second Series of such Bonds to be issued and are being issued as senior debt to the obligations of the County under that Loan Agreement, dated as of September 1, 2004, between the County and the Sunshine State Governmental Financing Commission, pursuant to which the County has borrowed \$100,000,000 to fund certain Transit System Sales Surtax Projects, \$82,915,000 of which is outstanding (the "Sunshine State Loan"). The Series 2008 Bonds are secured and payable on a parity with the County's \$186,435,000 Transit System Sales Surtax Revenue Bonds, Series 2006, \$183,600,000 of which is outstanding (the "Series 2006 Bonds").

The proceeds of the Series 2008 Bonds will be used to (i) pay all or a portion of the cost of certain transportation and transit projects as more particularly described under the caption "THE TRANSIT SYSTEM SALES SURTAX PROGRAM – Series 2008 Transit System Sales Surtax Projects," (ii) currently refund the outstanding Sunshine State Loan; and (iii) pay the cost of issuance of the Series 2008 Bonds, including the premiums for a bond insurance policy and a municipal bond debt service reserve insurance policy.

The Series 2008 Bonds are special and limited obligations of the County and are payable solely from and secured equally and ratably by a prior lien upon and pledge of the Pledged Revenues pursuant to the Bond

Ordinance. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2008 BONDS” in this Official Statement.

This Official Statement contains descriptions of, among other things, the Series 2008 Bonds, the Bond Ordinance and the County. Such descriptions and information do not purport to be comprehensive or definitive. Certain information in this Official Statement has been provided by The Depository Trust Company, New York, New York (“DTC”). The County has not provided information in this Official Statement with respect to DTC and does not certify as to the accuracy or sufficiency of the disclosure policies of or content provided by DTC and is not responsible for the information provided by DTC. All references in this Official Statement to the Bond Ordinance and related documents are qualified by reference to such documents, and references to the Series 2008 Bonds are qualified in their entirety by reference to the form of such bonds included in the Bond Ordinance. *All capitalized terms in this Official Statement shall have the meanings assigned to such terms in the Bond Ordinance unless another meaning is ascribed to any of such terms in this Official Statement.*

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DESCRIPTION OF THE SERIES 2008 BONDS

General

The Series 2008 Bonds shall bear interest at such rates and will mature on the dates and in the principal amounts set forth on the cover of this Official Statement. Regions Bank, Jacksonville, Florida, will act as Registrar and Paying Agent for the Series 2008 Bonds (the “Registrar” or “Paying Agent”).

The Series 2008 Bonds will be issued initially as fully registered bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2008 Bonds. Purchases of the Series 2008 Bonds will be made through a book-entry only system maintained by DTC, in denominations of \$5,000 or any integral multiple of \$5,000, and purchasers of the Series 2008 Bonds (the “Beneficial Owners”) will not receive physical delivery of bond certificates. As long as DTC or its nominee is the registered owner of the Series 2008 Bonds, the principal and interest payments will be made to DTC or its nominee, which will in turn remit such principal and interest payments to DTC’s Participants (as defined below under “Book-Entry Only System”) for subsequent disbursement to the Beneficial Owners. See “Book-Entry Only System” below.

Redemption of Series 2008 Bonds

Optional Redemption. The Series 2008 Bonds maturing on or before July 1, 2018 shall not be subject to optional redemption prior to maturity. The Series 2008 Bonds maturing on or after July 1, 2019 shall be subject to optional redemption prior to maturity by the County, in whole or in part at any time on or after July 1, 2018, and if in part, in maturities determined by the County and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Series 2008 Bonds or portion of such Series 2008 Bonds to be redeemed, plus accrued interest to the date of redemption and without premium.

Mandatory Redemption. The Series 2008 Bonds maturing on July 1, 2029 are subject to mandatory sinking fund redemption in part prior to maturity, by lot, at a redemption price equal to 100% of the principal amount of the Series 2008 Bonds to be redeemed, commencing July 1, 2027 and on each July 1 thereafter, in the years and principal amounts set forth below.

<u>Year</u>	<u>Principal Amount</u>
2027	\$ 9,095,000
2028	9,525,000
2029*	9,980,000

* Final Maturity

The Series 2008 Bonds maturing on July 1, 2032 are subject to mandatory sinking fund redemption in part prior to maturity, by lot, at a redemption price equal to 100% of the principal amount of the Series 2008 Bonds to be redeemed, commencing July 1, 2030 and on each July 1 thereafter, in the years and principal amounts set forth below.

<u>Year</u>	<u>Principal Amount</u>
2030	\$ 10,450,000
2031	10,970,000
2032*	11,520,000

* Final Maturity

The Series 2008 Bonds maturing on July 1, 2035 are subject to mandatory sinking fund redemption in part prior to maturity, by lot, at a redemption price equal to 100% of the principal amount of the Series 2008 Bonds to be redeemed, commencing July 1, 2033 and on each July 1 thereafter, in the years and principal amounts set forth below.

<u>Year</u>	<u>Principal Amount</u>
2033	\$ 12,100,000
2034	12,700,000
2035*	13,340,000

* Final Maturity

The Series 2008 Bonds maturing on July 1, 2038 are subject to mandatory sinking fund redemption in part prior to maturity, by lot, at a redemption price equal to 100% of the principal amount of the Series 2008 Bonds to be redeemed, commencing July 1, 2036 and on each July 1 thereafter, in the years and principal amounts set forth below.

<u>Year</u>	<u>Principal Amount</u>
2036	\$ 14,010,000
2037	26,750,000
2038*	28,085,000

* Final Maturity

Notice of Redemption. In the event that any Series 2008 Bonds are called for redemption, the Paying Agent shall give notice in the name of the County, of the redemption of such Series 2008 Bonds, which notice shall (i) specify the Series 2008 Bonds to be redeemed, the CUSIP numbers, certificate numbers, the date of issue, interest rate, maturity date of the Series 2008 Bonds to be redeemed, the redemption date, the date of notice, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the designated principal corporate trust office of the Paying Agent or of its agent) and, if less than all of the Series 2008 Bonds are to be redeemed, the numbers of the Series 2008 Bonds so to be redeemed and (ii) state that on the redemption date, the Series 2008 Bonds to be redeemed will cease to bear interest.

Notice of redemption will be given by the Paying Agent in the name of the County by mailing a copy of the redemption notice to Cede & Co., as nominee of DTC, as registered owner of the Series 2008 Bonds, or, if DTC is no longer the registered owner of the Series 2008 Bonds, then to the then registered owners of the Series 2008 Bonds not less than thirty (30) days prior to the date fixed for redemption, by first class mail at their addresses appearing on the bond registration books of the County maintained by the Registrar, and if applicable, to the securities depository.

Failure to mail any such notice (or any defect in the notice) to one or more registered owners of the Series 2008 Bonds will not affect the validity of any proceedings for such redemption with respect to the registered owners of the Series 2008 Bonds to which notice was duly given.

Effect of Calling for Redemption. On the date designated for redemption of any Series 2008 Bonds, notice having been mailed as provided in the Master Ordinance and moneys for payment of the redemption price being held by the Paying Agent in trust for the registered owners of the Series 2008 Bonds to be redeemed, the Series 2008 Bonds so called for redemption will become and be due and payable at the redemption price provided for redemption of such Series 2008 Bonds on such date, interest on the Series 2008 Bonds so called for redemption will cease to accrue, such Series 2008 Bonds will not be deemed Outstanding for purposes of the

Bond Ordinance and will cease to be entitled to any lien, benefit or security under the Bond Ordinance, and the registered owners of such Series 2008 Bonds will have no rights in respect of the Series 2008 Bonds except to receive payment of the redemption price of the Series 2008 Bonds.

Conditional Notice of Redemption. In the case of an optional redemption of any Series 2008 Bonds, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys with the Paying Agent or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, no later than the redemption date or (2) the County retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a “Conditional Redemption”), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded. Any such notice of Conditional Redemption shall be captioned “Conditional Notice of Redemption.” Any Conditional Redemption may be rescinded at any time prior to the redemption date if the County delivers a written direction to the Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Series 2008 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the County to make such funds available shall constitute an Event of Default under the Bond Ordinance. The County shall give immediate notice to DTC and the affected Bondholders that the redemption did not occur and that the Series 2008 Bonds called for redemption and not so paid remain Outstanding under the Bond Ordinance.

Book-Entry Only System

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2008 Bonds, payment of interest and principal on the Series 2008 Bonds to Participants or Beneficial Owners of the Series 2008 Bonds, confirmation and transfer of beneficial ownership interest in the Series 2008 Bonds and other related transactions by and between DTC, the Participants and the Beneficial Owners of the Series 2008 Bonds is based solely on information furnished by DTC on its website for inclusion in this Official Statement. Accordingly, the County cannot make any representations concerning these matters.

DTC will act as securities depository for the Series 2008 Bonds. The Series 2008 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2008 Bond certificate will be issued for each maturity of the Series 2008 Bonds, each in the aggregate principal amount of such maturity, as set forth on the cover of this Official Statement, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfer and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating:

AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2008 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2008 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2008 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2008 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the Series 2008 Bonds, except in the event that use of the book-entry system for the Series 2008 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2008 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2008 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2008 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2008 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2008 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2008 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Ordinance. For example, Beneficial Owners of Series 2008 Bonds may wish to ascertain that the nominee holding the Series 2008 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent by the Registrar to DTC. If less than all of the Series 2008 Bonds within a particular maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2008 Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument (MMI) Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2008 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption proceeds, if any, and interest payments on the Series 2008 Bonds will be made to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the County or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not DTC nor its nominee, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption proceeds and interest, as applicable, to Cede & Co.

(or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2008 Bonds at any time by giving reasonable notice to the County or the Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates representing the Series 2008 Bonds are required to be printed and delivered to DTC.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates representing the Series 2008 Bonds will be printed and delivered.

NEITHER THE COUNTY, THE REGISTRAR NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2008 BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT, THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR INTEREST ON THE SERIES 2008 BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE BOND ORDINANCE OR ANY CONSENT GIVEN OR ACTION TAKEN BY DTC AS BONDHOLDER. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF SUCH BONDS, AS NOMINEE OF DTC, THE BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL CERTIFICATES REPRESENTING THEIR INTERESTS IN THE BONDS, AND REFERENCES HEREIN TO BONDHOLDERS OR REGISTERED HOLDERS OF SUCH BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF SUCH BONDS.

Discontinuance of Book-Entry Only System

In the event the County decides to obtain Series 2008 Bond certificates, the County may notify DTC and the Registrar, whereupon DTC will notify the DTC Participants, of the availability through DTC of Series 2008 Bond certificates. In such event, the County shall prepare and execute, and the Registrar shall authenticate, transfer and exchange, Series 2008 Bond certificates as requested by DTC in appropriate amounts and within the guidelines set forth in the Series 2008 Resolution. DTC may also determine to discontinue providing its services with respect to the Series 2008 Bonds at any time by giving written notice to the County and the Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the County and the Registrar shall be obligated to deliver Series 2008 Bond certificates as described herein. In the event Series 2008 Bond certificates are issued, the provisions of the Bond Ordinance shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the Registrar to do so, the County will direct the Registrar to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2008 Bonds to any DTC Participant having Series 2008 Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2008 Bonds.

Registration, Transfer and Exchange

If the book-entry only system is discontinued, the Beneficial Owners shall receive certificated Bonds which will be subject to registration of transfer or exchange as set forth below. Transfer of any Series 2008 Bond may be registered upon the registration books maintained by the Registrar upon surrender of such Series 2008 Bond to the Registrar together with a proper written instrument of transfer in form and with guarantee of signature satisfactory to the Registrar. Upon surrender to the Registrar, a new fully registered Series 2008 Bond of the same maturity, in the same aggregate principal amount and bearing the same rate of interest will be issued

to and in the name of the transferee. The County and the Registrar may charge the registered owners of the Series 2008 Bonds an amount sufficient to pay any tax, fee or other governmental charge required with respect to the registration of such transfer before any such certificated Series 2008 Bonds are delivered. The Registrar shall not be required (i) to transfer or exchange any Series 2008 Bond for a period from a Regular Record Date to the next succeeding interest payment date or, in the case of a redemption of Series 2008 Bonds, 15 days next preceding any selection of Series 2008 Bonds to be redeemed or until after the mailing of a notice of redemption for the Series 2008 Bonds or (ii) to transfer or exchange any Series 2008 Bonds called for redemption.

The County, the Registrar and the Paying Agent shall deem and treat the registered owner of any Series 2008 Bond as the absolute owner of such Series 2008 Bond for all purposes, including for the purpose of receiving payment of the principal, redemption price, and interest on the Series 2008 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2008 BONDS

Pledged Revenues

The Series 2008 Bonds are special and limited obligations of the County, payable solely from and secured by a prior lien upon and a pledge of (i) the funds collected and received from the transit system sales surtax, less certain administrative expenses and distributions required to be made to certain cities located within the County (the "Pledged Transit System Sales Surtax Revenues"), (ii) Hedge Receipts, and (iii) all moneys and investments (and interest earnings) on deposit to funds and accounts established under, or pursuant to, the Master Ordinance, except for moneys and investments on deposit to the credit of any rebate fund or rebate account (collectively, the "Pledged Revenues"). See "THE TRANSIT SYSTEM SALES SURTAX."

The Pledged Revenues, pursuant to an irrevocable lien pledged and granted under the Master Ordinance, equally and ratably secure the Series 2006 Bonds, the Series 2008 Bonds, and any (i) future Additional Bonds, (ii) Refunding Bonds, (iii) net payments required to be made by the County as a result of fluctuation in hedged interest rates or fluctuation in the value of any index of payment pursuant to any interest rate exchange agreement, interest rate swap agreement, forward purchase contract, put option contract, call option contract or other financial product used by the County as a hedging device for purposes of the Master Ordinance (the "Hedge Obligations"), and (iv) other obligations specified by the Board as first lien obligations in accordance with the Master Ordinance (the "First Lien Obligations").

Special and Limited Obligations of the County

THE SERIES 2008 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A PRIOR LIEN UPON AND A PLEDGE OF THE PLEDGED REVENUES AS PROVIDED IN THE MASTER ORDINANCE. THE SERIES 2008 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES. THE ISSUANCE OF THE SERIES 2008 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATSOEVER, NOR SHALL THE SERIES 2008 BONDS CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE. NO HOLDER OF THE SERIES 2008 BONDS WILL HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE FOR PAYMENT OF THE SERIES 2008 BONDS, OR BE ENTITLED TO PAYMENT OF SUCH AMOUNT FROM ANY OTHER FUNDS OF THE COUNTY, EXCEPT FROM THE PLEDGED REVENUES IN THE MANNER PROVIDED IN THE MASTER ORDINANCE.

Creation of Funds and Accounts

The Master Ordinance creates and establishes the “Miami-Dade County Transit System Sales Surtax Revenue Fund” (the “Revenue Fund”) and the “Miami-Dade County Transit System Sales Surtax Revenue Bonds Debt Service Fund” (the “Debt Service Fund”) together with three separate accounts in the Debt Service Fund, designated “Bond Service Account,” “Redemption Account” and “Reserve Account,” respectively.

The Master Ordinance also authorizes the County to create, by Series Resolution, subaccounts within the Bond Service Account and the Redemption Account with respect to one or more Series of Bonds. Amounts held in any such subaccount may be required to be held solely for the applicable Series of Bonds and applied to their payment. No separate subaccounts were created with respect to the Series 2006 Bonds and no subaccounts are being created with respect to the Series 2008 Bonds.

Flow of Funds

Pursuant to the Master Ordinance, upon the deposit by the County of the Net Transit System Sales Surtax Proceeds (as defined below) into the Transit System Sales Surtax Trust Fund (as defined below) the County shall immediately transfer the Pledged Transit System Sales Surtax Revenues to the Revenue Fund.

Moneys in the Revenue Fund shall be applied, on or before the 25th day of each month, commencing the month immediately following the first delivery of any Bonds, to the credit of the following funds and accounts or for the payment of the following obligations, in the following order:

- (i) to the credit of the Bond Service Account an amount equal to one-sixth of the amount of interest payable on all Bonds on the Interest Payment Date next succeeding (less any amount received as capitalized or accrued interest from the proceeds of any Bonds which is available for such interest payment) and an amount equal to one-twelfth of the next maturing installment of principal (or Accreted Value, as applicable) on all Serial Bonds then Outstanding; provided, however, that:
 - (a) in each month intervening between the date of delivery of a Series of Bonds, and the next succeeding Interest Payment Date and the next succeeding principal payment date, respectively, the amount specified in this subparagraph (i) shall be that amount which when multiplied by the number of deposits to the credit of the Bond Service Account required to be made during such respective periods will equal the amounts required (taking into account any amounts received as accrued interest or capitalized interest from the proceeds of such Bonds) for such next succeeding interest payment and next maturing installment of principal, respectively;
 - (b) the amount specified in this subparagraph (i) shall be reduced to take into account Hedge Receipts to be received on or before the succeeding Interest Payment Date and shall be increased to provide for the payment of any Hedge Obligations to be paid on or before the succeeding Interest Payment Date; and
 - (c) with respect to any Variable Rate Bonds (or any Hedge Agreement bearing interest at a variable rate of interest) and/or payable other than semiannually, the amount specified in this subparagraph (i) for the payment of interest (or Hedge Obligations) shall be that amount necessary to provide substantially equal monthly payments for the payment of such interest (or Hedge Obligations) on the payment dates;
- (ii) to the credit of the Redemption Account an amount equal to one-twelfth of the principal amount (or Accreted Value, as applicable) of all Term Bonds then Outstanding required to be retired in satisfaction of the Amortization Requirements for such Fiscal Year plus the redemption

premiums, if any, that would be payable in such Fiscal Year for such Term Bonds if such Term Bonds were to be redeemed prior to their respective maturities from moneys held for the credit of the Debt Service Fund;

- (iii) to the credit of the Reserve Account, the amount required under the Master Ordinance for such month; provided, however, no deposit shall be required in any month in which the amount on deposit in the Reserve Account is at least equal to the Reserve Account Requirement. If a Reserve Account Credit Facility is utilized and its Provider is required to advance any sums to pay principal and/or interest on the Bonds or other sums required to be funded from the Reserve Account, the County will pay the related Payment Obligations and other amounts due to the Provider in connection with such advance in accordance with the requirements of the Credit Agreement entered into between the County and such Provider with respect to such Reserve Account Credit Facility;
- (iv) to the payment of Administrative Expenses due and payable;
- (v) to the payment of principal (including amortization installments, if any) of, and premiums and interest on, and other required payments with respect to any Subordinate Obligations; and
- (vi) to the payment of Hedge Charges due and payable.

If the amount deposited in any month to the credit of any of the Funds and Accounts shall be less than the amount required to be deposited under the provisions of the Master Ordinance, the requirement shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited in each subsequent month until such time as all such deficiencies have been made up.

Notwithstanding the foregoing application of the Pledged Transit System Sales Surtax Revenues, the County may by ordinance or resolution provide for the payment from Pledged Transit System Sales Surtax Revenues of First Lien Obligations not constituting Bonds and for the funding of any reserve accounts established with respect to such First Lien Obligations on a parity with the payment of Bonds issued under the Master Ordinance and the funding of the Reserve Account, respectively, as set forth above.

Moneys from time to time on deposit in the Revenue Fund after the above applications may, at the election of the County, be applied to one or more of the following purposes:

- (i) to make up deficiencies in any of the Funds and Accounts created by or pursuant to the Master Ordinance including, but not limited to, any deficiencies in the Revenue Fund required for the payment of Administrative Expenses and Subordinate Obligations;
- (ii) to purchase or redeem Bonds, including the Series 2008 Bonds; and
- (iii) to any other purpose for which such moneys may lawfully be used under the laws of the State;

provided, however, that in the event of any deficiencies in any Funds or Accounts created by the Master Ordinance, the moneys in the Revenue Fund will be applied to make up all such deficiencies prior to applying any moneys in the Reserve Account for such purpose.

Reserve Account

All Bonds issued under the Master Ordinance shall be secured by the Reserve Account. Pursuant to the Master Ordinance, the County shall fund the Reserve Account with cash, investments or a Reserve Account Credit Facility, or any combination thereof, in an amount equal to the Reserve Account Requirement. The "Reserve Account Requirement" is defined as the Maximum Principal and Interest Requirements in the then

current or any subsequent Fiscal Year on all Outstanding Bonds or such lesser amount which is the greatest amount allowable under the Internal Revenue Code of 1986, as amended (the "Code"). In connection with the issuance of the Series 2006 Bonds, the County funded the Reserve Account in an amount equal to the then Reserve Account Requirement with proceeds of the Series 2006 Bonds. The County will fund the Reserve Account with the deposit of a municipal bond debt service reserve insurance policy to be issued by Financial Security Assurance Inc. in an amount equal to the increase in the Reserve Account Requirement resulting from the issuance of the Series 2008 Bonds.

If, in connection with the issuance of any Series of Bonds, the Finance Director delivers a certificate stating that the Pledged Transit System Sales Surtax Revenues for the Computation Period (as such term is defined below) equaled at least 200% of the Maximum Principal and Interest Requirements on all Bonds Outstanding, including the Series of Bonds being issued, the County may fund not less than 50% of the increase in the Reserve Account Requirement attributable to such Series of Bonds on the date of issuance of such Series of Bonds and the remaining increase in the Reserve Account Requirement may be funded in substantially equal monthly deposits into the Reserve Account over a period not to exceed sixty months. See "Additional Bonds and First Lien Obligations" and "Refunding Bonds" under this caption.

Moneys held for the credit of the Reserve Account shall first be used for the purpose of paying the interest on and the principal of the Bonds whenever and to the extent that the available moneys held for such purpose for the Bond Service Account and the Revenue Fund shall be insufficient for such purpose, and thereafter for the purpose of making deposits to the credit of the Redemption Account pursuant to the requirements of the Master Ordinance whenever and to the extent that withdrawals from the Revenue Fund are insufficient for such purposes. Amounts withdrawn from the Reserve Account for the purpose of payment of debt service on any Bonds shall be replenished and any other shortfalls in the amounts required to be on deposit in the Reserve Account shall be funded in substantially equal monthly deposits into the Reserve Account over a period not to exceed 60 months. If at any time the moneys held for the credit of the Reserve Account shall exceed the required amount, such excess shall be withdrawn by the Finance Director and deposited to the credit of the Revenue Fund.

Additional Bonds and First Lien Obligations

Additional Bonds or any other obligations that are First Lien Obligations, which for purposes of this paragraph are deemed Additional Bonds (other than Refunding Bonds), may be issued by the County and secured by the Master Ordinance for the purpose of (i) paying all or any part of the cost of any transportation and transit projects, including operation and maintenance thereof, authorized to be funded under Section 212.055(1), Florida Statutes, and the Transit System Sales Surtax Ordinance or (ii) paying or refunding any obligations of the County incurred with respect to any such transportation and transit projects.

Before any Series of Additional Bonds can be issued, the Board must adopt a Series Resolution authorizing the issuance of such Additional Bonds, providing for the amount and the details of such Additional Bonds, and describing the purpose of such Additional Bonds. Prior to the delivery of each Series of Additional Bonds, there shall be filed with the Finance Director the following:

- (a) a copy, certified by the Clerk, of the Series Resolution;
- (b) a certificate, signed by the Finance Director:
 - (i) setting forth the amount of the Pledged Transit System Sales Surtax Revenues for any twelve consecutive months (the "Computation Period") in the preceding eighteen consecutive months. For purposes of this clause (i), in the event a change in law increases the permissible rate or scope of the Transit System Sales Surtax (as defined below) and if pursuant to such change of law, the County increases the rate or scope of the Transit System Sales Surtax and the County elects by supplemental ordinance to subject such increase to the pledge and lien granted under the Master Ordinance, and such

increase has gone into effect prior to the delivery of the Additional Bonds and is scheduled to be in effect through the final maturity of the Additional Bonds, then the Pledged Transit System Sales Surtax Revenues shall be adjusted to include the additional amounts which would have been received during the Computation Period had such increase been in effect during the Computation Period;

(ii) setting the Maximum Principal and Interest Requirements in any Fiscal Year thereafter on account of all Bonds to be Outstanding as of the date of such delivery (which for purposes of this clause (ii) and clause (iii) below shall include other outstanding obligations that are First Lien Obligations), including the Additional Bonds then requested to be delivered; provided, however, that in computing Maximum Principal and Interest Requirements, there shall be deducted therefrom Qualified Earnings received by the County during the Computation Period; and

(iii) stating that the Pledged Transit System Sales Surtax Revenues for the Computation Period (adjusted, if applicable, as provided in clause (i) above) shall have equaled at least 150% of the Maximum Principal and Interest Requirements (computed as provided in clause (ii) above) on all Bonds to be Outstanding as of the date of delivery, including the Additional Bonds then requested to be delivered; and

(c) an opinion of the County Attorney stating that the issuance of such Additional Bonds has been duly authorized.

The Series 2008 Bonds are being issued as Additional Bonds.

Refunding Bonds

Refunding Bonds and any other obligations that are First Lien Obligations, which for purposes of this paragraph are deemed Refunding Bonds, may be issued by the County and secured by the Master Ordinance for the purpose of providing funds for paying at maturity and redeeming all or any part of the outstanding Bonds of any one or more Series or other First Lien Obligations, including the payment of any redemption premium and any interest that will accrue on such Bonds or other First Lien Obligations and any expenses in connection with such paying at maturity and redemption.

Before any Series of Refunding Bonds can be issued, the Board must adopt a Series Resolution authorizing the issuance of such Refunding Bonds, fixing or providing for the fixing of the amount and details, and describing the Bonds or other First Lien Obligations to be paid and redeemed. Prior to or simultaneously with the delivery of such Refunding Bonds by the Finance Director, there shall be filed with the Finance Director the following:

(a) a copy, certified by the Clerk, of the Series Resolution;

(b) a certificate, signed by the Finance Director, either:

(i) stating that (A) the Maximum Principal and Interest Requirements in any Fiscal Year thereafter on account of all Bonds to be Outstanding after the issuance of such Refunding Bonds will not exceed the Maximum Principal and Interest Requirements in any Fiscal Year on account of all Bonds Outstanding immediately prior to the issuance of such Refunding Bonds, or (B) the aggregate Principal and Interest Requirements in all Fiscal Years thereafter on account of all Bonds to be Outstanding after the issuance of such Refunding Bonds will not exceed the aggregate Principal and Interest Requirements in all Fiscal Years on account of all Bonds Outstanding immediately prior to the issuance of such Refunding Bonds; provided that for purposes of this clause (i) Bonds shall include other outstanding obligations that are First Lien Obligations; or

(ii) a certificate that complies with the requirements of the certificate to be delivered by the Finance Director in connection with the issuance of Additional Bonds, with the Refunding Bonds being

deemed Additional Bonds for purposes of said certificate (*see* “ – Additional Bonds and First Lien Obligations” under this caption);

(c) an opinion of the County Attorney stating that the issuance of such Refunding Bonds has been duly authorized; and

(d) such documents as shall be required by the Finance Director to show that provision has been duly made in accordance with the provisions of the Master Ordinance or other documents, as applicable, for the payment or redemption of all Bonds or other First Lien Obligations to be paid or redeemed.

Subordinate Obligations; Other Indebtedness

Except as set forth below, nothing contained in the Master Ordinance limits the right of the County to incur Subordinate Obligations or indebtedness or obligations that are not secured by the Pledged Revenues.

Prior to the delivery of any Subordinate Obligations, there will be filed with the Finance Director a certificate, signed by the Finance Director:

(i) setting forth the amount of the Pledged Transit System Sales Surtax Revenues for the Computation Period in the preceding eighteen consecutive months. For purposes of this clause (i), if a change in law increases the permissible rate or scope of the Transit System Sales Surtax and if, pursuant to such change in law, the County increases the rate or scope of the Transit System Sales Surtax and the County elects by supplemental ordinance to subject such increase to the pledge and lien granted under the Master Ordinance, and such increase has gone into effect prior to the delivery of the Subordinate Obligations and is scheduled to be in effect through the final maturity of such Subordinate Obligations, then the Pledged Transit System Sales Surtax Revenues will be adjusted to include the additional amounts that would have been received during the Computation Period had such increase been in effect during the Computation Period;

(ii) setting forth the Maximum Principal and Interest Requirements in any Fiscal Year thereafter on account of all Bonds (which for purposes of this clause (ii) and clause (iii) below will include other obligations that are First Lien Obligations) and Subordinate Obligations to be Outstanding as of the date of such delivery, including the Subordinate Obligations then being delivered; provided, however, that in computing Maximum Principal and Interest Requirements, there shall be deducted therefrom (A) Combined Qualified Earnings (as defined below) received by the County during the Computation Period and (B) Other Revenues (as defined below); and

(iii) stating that the Pledged Transit System Sales Surtax Revenues for the Computation Period (adjusted, if applicable, as provided in clause (i) above) has equaled at least 125% of the Maximum Principal and Interest Requirements (computed as provided in clause (ii) above) on all Bonds and Subordinate Obligations to be Outstanding as of the date of such delivery, including the Subordinate Obligations then being delivered.

For purposes of clauses (ii) and (iii) above:

(a) Subordinate Obligations will be deemed “Outstanding” in accordance with the terms of the documents pursuant to which such Subordinate Obligations were incurred;

(b) Subordinate Obligations will be included in “Principal and Interest Requirements” and “Maximum Principal and Interest Requirements” based on the same rules as are applicable to Bonds under the Master Ordinance;

(c) “Combined Qualified Earnings” means the investment earnings on moneys on deposit in the Revenue Fund and the Debt Service Fund and the Accounts therein and in any similar funds and accounts established with respect to First Lien Obligations, not constituting Bonds, and Subordinate Obligations; provided, however, that investment earnings on moneys on deposit in the Reserve Account or in any similar

account established with respect to First Lien Obligations, not constituting Bonds, or Subordinate Obligations will only be deemed “Combined Qualified Earnings” if such investment earnings are not required to be retained therein.

(d) “Other Revenues” means, to the extent the payment of Subordinate Obligations is also secured by a pledge of revenues other than the Pledged Revenues (or portions thereof), the lesser of (i) the amount of such revenues received by the County during the Computation Period or (ii) the portion of the Maximum Principal and Interest Requirements allocable to the Subordinate Obligations for the payment of which such revenues are pledged.

The County has previously entered into the Sunshine State Loan for the purpose of financing certain Transit System Sales Surtax Projects. The Sunshine State Loan constitutes a Subordinate Obligation under the Master Ordinance and will be currently refunded with a portion of the proceeds of the Series 2008 Bonds. With respect to the current refunding of the Sunshine State Loan, the County has created a “Sunshine State Governmental Financing Commission Loan Refunding Account,” into which a portion of the proceeds of Series 2008 Bonds will be deposited and applied to the prepayment of the Sunshine State Loan.

Defeasance of the Series 2008 Bonds

The Master Ordinance provides that if the Series 2008 Bonds are defeased in the manner described in the Master Ordinance, such Series 2008 Bonds will no longer be deemed to be Outstanding and the right, title and interest of the registered owners of such Series 2008 Bonds in the Bond Ordinance will cease and become void. *See* APPENDIX B – “MASTER ORDINANCE AND SERIES 2008 RESOLUTION.”

Modifications or Supplements to Master Ordinance

The Master Ordinance can be supplemented as set forth in Section 801 of the Master Ordinance, which relates to supplemental ordinances without consent of the bondholders, and Section 802 of the Master Ordinance, which relates to supplemental ordinances with the consent of the bondholders. Subject to certain conditions, the issuer of the municipal bond insurance policy for the Series 2008 Bonds shall have the power and authority to give any consents and exercise any and all other rights which bondholders would otherwise have the power and authority to make, give or exercise. *See* APPENDIX B – “MASTER ORDINANCE AND SERIES 2008 RESOLUTION.”

MUNICIPAL BOND INSURANCE

Concurrently with the issuance of the Series 2008 Bonds, Financial Security Assurance Inc. (“Financial Security”) will issue its Municipal Bond Insurance Policy for the Series 2008 Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Series 2008 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Financial Security Assurance Inc.

Financial Security is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. (“Holdings”). Holdings is an indirect subsidiary of Dexia, S.A., a publicly held Belgian corporation, and of Dexia Credit Local, a direct wholly-owned subsidiary of Dexia, S.A. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance, banking and asset management in France, Belgium and other European countries. No shareholder of Holdings or Financial Security is liable for the obligations of Financial Security.

At March 31, 2008, Financial Security’s consolidated policyholders’ surplus and contingency reserves were approximately \$3,012,872,486 and its total net unearned premium reserve was approximately

\$2,419,501,630 in accordance with statutory accounting principles. At March 31, 2008, Financial Security's consolidated shareholder's equity was approximately \$3,053,752,711 and its total net unearned premium reserve was approximately \$1,882,057,335 in accordance with generally accepted accounting principles.

The consolidated financial statements of Financial Security included in, or as exhibits to, the annual and quarterly reports filed after December 31, 2007 by Holdings with the Securities and Exchange Commission are hereby incorporated by reference into this Official Statement. All financial statements of Financial Security included in, or as exhibits to, documents filed by Holdings pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Official Statement and before the termination of the offering of the Series 2008 Bonds shall be deemed incorporated by reference into this Official Statement. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

The Policy does not protect investors against changes in market value of the Series 2008 Bonds, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. Financial Security makes no representation regarding the Series 2008 Bonds or the advisability of investing in the Series 2008 Bonds. Financial Security makes no representation regarding the Official Statement, nor has it participated in the preparation thereof, except that Financial Security has provided to the Issuer the information presented under this caption for inclusion in the Official Statement.

THE TRANSIT SYSTEM SALES SURTAX

General

Subject to the limitations and exemptions set forth in Chapter 212 of the Florida Statutes, the State imposes a tax on certain sales, use, services, rentals, admissions and other transactions occurring in the State, including, but not limited to, the rental of living quarters or sleeping or housekeeping accommodations for a period of six months or less, items or articles of tangible personal property sold at retail, the rental or lease of real property for purposes other than, among other things, agricultural uses or dwelling units, and the lease or rental of tangible personal property. Pursuant to Section 212.055(1) of the Florida Statutes, the County is authorized to impose the Transit System Sales Surtax on all transactions occurring in the County that are subject to the State tax imposed on the above-referenced sales, use, services, rentals, admissions and other transactions.

Levy of Transit System Sales Surtax

Pursuant to Section 212.055(1), Florida Statutes, the State authorized the County to levy a discretionary sales surtax of up to 1% to be used for the purposes of, among other things, planning, developing, constructing, operating and maintaining roads, bridges, bus systems and fixed guideway systems. The County elected to levy a one half of one percent discretionary sales tax (the "Transit System Sales Surtax"), subject to the approval of the County's electorate at the time that the Transit System Sales Surtax Ordinance was enacted. The Transit System Sales Surtax was approved by a majority of the County's electorate at a special election held on November 5, 2002. The County has imposed the Transit System Sales Surtax on all transactions occurring in the County that are subject to the State tax imposed on sales, use, services, rentals, admissions, and other transactions pursuant to Chapter 212, Florida Statutes.

Collection and Funds

The Florida Department of Revenue (the "Department") administers, collects and enforces the Transit System Sales Surtax. The proceeds of the Transit System Sales Surtax are transferred by the Department into a separate account established for the County in the Discretionary Sales Surtax Clearing Trust Fund. The Department distributes the proceeds of the Transit System Sales Surtax less the cost of administration (the "Net Transit System Sales Surtax Proceeds") to the County each month.

Pursuant to the Transit System Sales Surtax Ordinance, the Net Transit System Sales Surtax Proceeds are deposited into a special fund set aside from other County funds in the custody of the Finance Director (the “Transit System Sales Surtax Trust Fund”). Twenty percent of the Net Transit System Sales Surtax Proceeds (the “Cities’ Distribution”) are distributed annually by the County to each city existing within the County as of November 5, 2002, so long as each such city (i) continues to provide the same level of general fund support for transportation in subsequent fiscal years that is in each such city’s fiscal year 2001-2002 budget; (ii) uses the Net Transit System Sales Surtax Proceeds to supplement rather than replace each such city’s general fund support for transportation; and (iii) applies 20% of any Net Transit System Sales Surtax Proceeds received from the County to transit uses in the nature of circulator buses, bus shelters, bus pullout bays or other transit-related infrastructure (or, alternatively, contracts with the County for the County to apply such Net Transit System Sales Surtax Proceeds to a County project that enhances traffic mobility within the city and immediately adjacent areas).

The Net Transit System Sales Surtax Proceeds less the Cities’ Distribution or the “Pledged Transit System Sales Surtax Revenues”, along with Hedge Receipts and all other moneys and investments (and interest earnings) on deposit to the funds and accounts established under, or pursuant to, the Master Ordinance, are used, among other things, to pay debt service on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2008 BONDS – Flow of Funds.”

Historical Collections

The following table sets forth historical collections of Pledged Transit System Sales Surtax Revenues from Fiscal Years 2003 through 2007 and for the first half of Fiscal Year 2008:

HISTORICAL COLLECTION OF GROSS AND PLEGGED TRANSIT SYSTEM SALES SURTAX REVENUES^(1,2)

	<u>Gross Collections</u>	<u>Pledged Transit System Sales Surtax Revenues⁽³⁾</u>
January through September Fiscal Year 2003	\$105,273,940	\$84,219,152
Fiscal Year 2004	161,307,471	129,045,977
Fiscal Year 2005	169,932,719	135,946,176
Fiscal Year 2006	189,517,618	151,614,094
Fiscal Year 2007	191,330,659	153,064,527
October through March Fiscal Year 2008	97,544,641	78,035,712

Source: Citizens’ Independent Transportation Trust

⁽¹⁾ Collections are net of the Department’s 3% administrative fee

⁽²⁾ Reflects accrual method of accounting.

⁽³⁾ Represents revenues net of Cities’ 20% Distribution.

THE TRANSIT SYSTEM SALES SURTAX PROGRAM

The Transportation Plan

Pursuant to the Transit System Sales Surtax Ordinance, and subject to the limitations contained therein, including the Cities’ Distribution, the County is authorized to use Net Transit System Sales Surtax Proceeds for: (i) bus service improvements (including, an increase in the bus fleet, an increase in the service miles, an increase in the operating hours, the utilization of minibuses on all new bus routes and in neighborhood/municipal circulator shuttle service, construction of bus pull-out bays on major street to expedite traffic flow and expansion of the bus shelter program throughout the County), (ii) rapid transit improvements through the construction of up to 88.9-miles of Countywide rapid transit lines, (iii) major highway and road improvements including, upgrade of the County’s traffic signalization system, and (iv) neighborhood improvements (including

modification of intersections, resurfacing of local and arterial roads, installation or repair of guardrails, installation of school flashing signals and enhancement of greenways and bikeways).

Miami-Dade Transit (the “Transit Department”), a department of the County, has developed a transportation plan based on the projects generally described in clauses (i) through (iv) of the preceding paragraph, which will take approximately thirty years to complete at a cost of over \$5 billion (the “People’s Transportation Plan”). The individual projects may be financed from the Pledged Transit System Sales Surtax Revenues not needed to pay debt service on any Bonds, Hedge Obligations, First Lien Obligations and subordinate obligations (“Available Transit System Sales Surtax Revenues”) and/or from proceeds of Bonds such as the Series 2008 Bonds secured by the Pledged Transit System Sales Surtax Revenues. In addition to other revenues of the Transit Department, the cost of operating and maintaining each project may be funded from Available Transit System Sale Surtax Revenues.

Series 2008 Transit System Sales Surtax Projects

The County expects to use proceeds of the Series 2008 Bonds to fund the following projects that are included in the People’s Transportation Plan (the “Series 2008 Transit System Sales Surtax Projects”):

<u>Series 2008 Transit System Sales Surtax Projects</u>	<u>Estimated Allocation</u> ⁽¹⁾
TRANSIT PROJECTS:	
- Bus And Rail Facility Improvements	\$ 26,440,000
- Fare Collection System Replacement	35,056,000
- Mover Vehicle Replacement And Rail Vehicle Replacement	36,612,000
- Rapid Transit Corridor Improvements	<u>41,892,000</u>
SUB-TOTAL TRANSIT PROJECTS	\$140,000,000
PUBLIC WORKS PROJECTS	
- Major Highway And Road Improvements	\$ 36,699,000
- Neighborhood Improvements	<u>13,301,000</u>
SUB-TOTAL PUBLIC WORKS PROJECTS	<u>\$50,000,000</u>
TOTAL	<u>\$ 190,000,000</u>

⁽¹⁾ Represents deposit to the Series 2008 Construction Account.

The allocation of the Series 2008 Bonds to the foregoing Series 2008 Transit System Sales Surtax Projects may be changed subject to approval of the County Manager, provided that any new or substitute projects are Transit System Sales Surtax Projects the costs of which are eligible to be paid from proceeds of the Series 2008 Bonds.

Citizens’ Independent Transportation Trust

Pursuant to Ordinance No. 02-117, enacted by the Board on July 9, 2002, the Board created the Citizens’ Independent Transportation Trust (the “Transportation Trust”), which has 15 members consisting of 13 members appointed from the 13 respective County Commission Districts, 1 member appointed by the Mayor and 1 member appointed by the Miami-Dade League of Cities. The Transportation Trust has, among other things, two principal functions. First, the Transportation Trust is responsible for approving individual projects that are part of the People’s Transportation Plan (“Qualified Projects”) for funding either from Available Transit System Sales Surtax Revenues or from the proceeds of Bonds such as the Series 2008 Bonds. Second, under the Transit System Sales Surtax Ordinance, the Transportation Trust is required to review (i) any proposed deletions or material changes to any of the transportation and transit projects included in the People’s Transportation Plan

and (ii) any proposed additions to the People’s Transportation Plan. The Transportation Trust must submit a recommendation to the Board with respect to such deletions, material changes or additions. If the Board rejects the initial recommendation of the Transportation Trust, the matter must be referred back to the Transportation Trust for reconsideration and the issuance of a reconsidered recommendation. A two-thirds vote of the Board is required to change or reject the Transportation Trust’s reconsidered recommendation. Notwithstanding the foregoing, the transportation and transit projects included in the People’s Transportation Plan may be changed as a result of the Metropolitan Planning Organization process as mandated by federal and state law.

SERIES 2008 BONDS ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds:

Sources of Funds

Principal Amount of the Series 2008 Bonds	\$ 274,565,000.00
Plus: Net Original Issue Premium	<u>4,751,314.50</u>
Total Sources.....	<u>\$ 279,316,314.50</u>

Uses of Funds

Deposits to Construction Fund	
Series 2008 Transit Subaccount	\$ 140,000,000.00
Series 2008 Public Works Subaccount	50,000,000.00
Series 2008 Cost of Issuance Account ⁽¹⁾	4,321,940.95
Repayment of the Sunshine State Loan	82,915,000.00
Underwriters’ Discount.....	<u>2,079,373.55</u>
Total Uses	<u>\$ 279,316,314.50</u>

⁽¹⁾ Includes fees of Bond Counsel, Disclosure Counsel, Financial Advisor, premiums for bond insurance policy and municipal bond debt service reserve insurance policy, and other costs of issuing the Series 2008 Bonds.

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DEBT SERVICE REQUIREMENTS

The following table indicates the annual debt service requirements on the Series 2006 Bonds and Series 2008 Bonds.

Fiscal Year Ending <u>September 30,</u>	Series 2006 Bonds	Series 2008 Bonds		Total
	<u>Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2008	\$12,042,887	\$	\$	\$12,042,887
2009	12,044,137	3,525,000	13,922,298	29,491,435
2010	12,042,887	3,970,000	13,480,500	29,493,388
2011	12,043,887	4,165,000	13,282,000	29,490,888
2012	12,041,637	4,375,000	13,073,750	29,490,388
2013	12,045,887	4,590,000	12,855,000	29,490,888
2014	12,045,887	4,820,000	12,625,500	29,491,388
2015	12,041,387	5,065,000	12,384,500	29,490,888
2016	12,042,137	5,315,000	12,131,250	29,488,388
2017	12,042,387	5,585,000	11,865,500	29,492,888
2018	12,042,788	5,860,000	11,586,250	29,489,038
2019	12,042,788	6,155,000	11,293,250	29,491,038
2020	12,040,788	6,465,000	10,985,500	29,491,288
2021	12,041,288	6,785,000	10,662,250	29,488,538
2022	12,043,537	7,125,000	10,323,000	29,491,538
2023	12,041,788	7,480,000	9,966,750	29,488,538
2024	12,045,537	7,855,000	9,592,750	29,493,288
2025	12,043,788	8,245,000	9,200,000	29,488,788
2026	12,041,037	8,660,000	8,787,750	29,488,788
2027	12,041,537	9,095,000	8,354,750	29,491,288
2028	12,041,513	9,525,000	7,922,738	29,489,250
2029	12,042,513	9,980,000	7,470,300	29,492,813
2030	12,044,013	10,450,000	6,996,250	29,490,263
2031	12,045,013	10,970,000	6,473,750	29,488,763
2032	12,044,513	11,520,000	5,925,250	29,489,763
2033	12,041,513	12,100,000	5,349,250	29,490,763
2034	12,045,013	12,700,000	4,744,250	29,489,263
2035	12,043,513	13,340,000	4,109,250	29,492,763
2036	12,041,013	14,010,000	3,442,250	29,493,263
2037		26,750,000	2,741,750	29,491,750
2038		<u>28,085,000</u>	<u>1,404,250</u>	<u>29,489,250</u>
Total	<u>\$349,246,613</u>	<u>\$274,565,000</u>	<u>\$272,951,836</u>	<u>\$896,763,449*</u>

* Totals may not add due to rounding.

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**Pledged Revenues Collections, Historical and Projected Coverage
of Future Debt Service**

('000s omitted)

For Fiscal Year Ended September 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u> ⁽⁴⁾
Pledged Revenues ⁽¹⁾	\$ 151,614	\$ 153,065	\$ 153,065
Maximum Bond Debt Service Requirement ⁽²⁾	\$ 12,046	\$ 12,046	\$ 29,493
Coverage of Maximum Bond Debt Service Requirement ⁽³⁾	12.59x	12.71x	5.19x

- (1) Represents Revenues net of the Department's 3% administrative fee and net of Cities' 20% Distribution.
- (2) Shows Maximum Principal and Interest Requirements on the Series 2006 Bonds for Fiscal Years 2006 and 2007 and in Fiscal Year 2008, on the Series 2006 and the Series 2008 Bonds, occurring in Fiscal Year 2010.
- (3) Shows coverage of Maximum Principal and Interest Requirements on the Series 2006 Bonds and the Series 2008 Bonds.
- (4) Fiscal Year 2008 Budget.

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INVESTMENT POLICY

Pursuant to Florida Statutes, Section 218.45, which requires a written investment policy by the Board, the County adopted an investment policy (the “Investment Policy”) which applies to all funds held by or for the benefit of the Board in excess of those required to meet short-term expenses, except for proceeds of bond issues (including the Series 2008 Bonds) which are specifically exempted by Board ordinance or resolution.

The primary objectives of the Investment Policy, listed in order of importance are:

1. the safety of principal;
2. the liquidity of funds; and
3. the maximization of investment income.

The Investment Policy limits the securities eligible for inclusion in the County’s portfolio to a maximum maturity of five (5) years. The Investment Policy allows investments in repurchase agreements with a maximum length to maturity of fourteen (14) days from the date of purchase; the collateral shall be “marked to market” as needed.

To enhance safety, the Investment Policy requires the diversification of the portfolio to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which the instruments are bought and sold. The Investment Policy also requires the monthly performance reports to be presented to the County Clerk and to the County’s Finance Director, quarterly performance reports to be submitted to the Investment Advisory Committee and an annual report to be presented to the Board within 120 days of the end of the Fiscal Year.

The Investment Policy may be modified by the Board as it deems appropriate to meet the needs of the County.

LITIGATION

There is no litigation pending or, to the knowledge of the County, threatened, seeking to restrain or enjoin the issuance or delivery of the Series 2008 Bonds or questioning or affecting the validity of the Series 2008 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence of the Board, nor the title of the present members or other officers of the Board to their respective offices is being contested.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2008 Bonds upon an Event of Default under the Bond Ordinance are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for under the Bond Ordinance may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2008 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2008 Bonds is subject to various limitations including those imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors’ rights generally and by equitable remedies and proceedings generally.

TAX MATTERS

General

In the opinion of Squire, Sanders & Dempsey L.L.P. and KnoxSeaton, Bond Counsel, under existing law: (i) interest on the Series 2008 Bonds is excluded from gross income for federal income tax purposes under

Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the Series 2008 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2008 Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the County contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2008 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the County's certifications and representations or the continuing compliance with the County's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2008 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the County may cause loss of such status and result in the interest on the Series 2008 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2008 Bonds. The County has covenanted to take the actions required of it for the interest on the Series 2008 Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2008 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2008 Bonds or the market prices of the Series 2008 Bonds.

A portion of the interest on the Series 2008 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2008 Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2008 Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2008 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2008 Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed the outcome of which could modify the tax treatment of obligations such as the Series 2008 Bonds. There can be no assurance that legislation enacted or proposed, or action by a court, after the date of issuance of the Series 2008 Bonds, will not have an adverse effect on the tax status of interest on the Series 2008 Bonds or the market prices of the Series 2008 Bonds.

Prospective purchasers of the Series 2008 Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Series 2008 Bonds at other than their original issuance at the respective prices or yields indicated on the cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Series 2008 Bonds ends with the issuance of the Series 2008 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the beneficial owners regarding the tax status of interest on the Series 2008 Bonds in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2008 Bonds, under current IRS procedures, the IRS will treat the County as the taxpayer and the beneficial owners of the Series 2008 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2008 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for the Series 2008 Bonds.

Original Issue Discount and Original Issue Premium

Certain of the Series 2008 Bonds ("Discount Bonds") as indicated on the cover of this Official Statement were offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2008 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the yield for that Discount Bond stated on the cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Series 2008 Bonds ("Premium Bonds") as indicated on the cover of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal

to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

FINANCIAL ADVISOR

Public Resources Advisory Group, St. Petersburg, Florida, is serving as financial advisor to the County (the "Financial Advisor"). The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, and issuance of the Series 2008 Bonds and provided other advice to the County. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2008 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and is not obligated to review or ensure compliance with the undertaking by the County to provide secondary market disclosure.

UNDERWRITING

The Series 2008 Bonds have been sold by public sale in a competitive bid and are being purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated, as successful bidder and the representative of the syndicate listed in the successful bid for the Series 2008 Bonds pursuant to the Official Notice of Sale (collectively, the "Underwriters"). The Underwriters have submitted a winning bid to purchase the Series 2008 Bonds at an aggregate purchase price of \$277,236,940.95 (representing the principal amount of the Series 2008 Bonds plus net original issue premium of \$4,751,314.50, and less an Underwriters' discount of \$2,079,373.55).

The Underwriters will purchase all of the Series 2008 Bonds, if any are purchased. The prices or yields set forth on the cover of this Official Statement, which reflect the initial public offering prices of the Series 2008 Bonds, may be changed by the Underwriters and the Underwriters may offer and sell the Series 2008 Bonds to certain dealers (including dealers depositing the Series 2008 Bonds into investments trusts) and others at prices to produce yields higher than the yields set forth on the cover of this Official Statement.

FINANCIAL INFORMATION

The County's Audited Annual Financial Report for the Fiscal Year ended September 30, 2006 included in this Official Statement as APPENDIX C, has been audited by KPMG LLP, independent auditors, as stated in their report dated May 18, 2007. Such audited financial statements, including the notes thereto, should be read in their entirety. The Pledged Transit System Sales Surtax Revenues are identified in the County's Audited Annual Financial Report under Special Revenue Funds as "People's Transportation Fund." KPMG has not been engaged to perform and has not performed, since the date of their report, any procedures on the audited financial statements in that report. KPMG LLP also has not performed any procedures relating to this Official Statement. Copies of the Comprehensive Annual Financial Report may be obtained from the following website: www.miamidade.gov/finance.

The County's Unaudited General Fund Financial Statements (a major governmental fund of Miami-Dade County) for the Fiscal Year ended September 30, 2007 is also included in this Official Statement as APPENDIX C.

RATINGS

Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings ("Fitch") have assigned ratings of "AAA," "Aaa" and "AAA," respectively, to the Series 2008 Bonds with the understanding that upon delivery of the Series 2008 Bonds, Financial Security will issue its Policy. S&P, Moody's and Fitch have also assigned underlying ratings to the Series 2008 Bonds of "AA," "A1" and "A+," respectively, without taking into account the issuance of the Policy. The ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of their own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2008 Bonds.

CONTINUING DISCLOSURE

The County has agreed, in accordance with the provisions of, and to the degree necessary to comply with, the secondary disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission, to provide or cause to be provided for the benefit of the Beneficial Owners of the Series 2008 Bonds to each nationally recognized municipal securities information repository, and to the appropriate State Information Depository, if any, designated by the State of Florida, the information set forth in the Series 2008 Resolution, commencing with the Fiscal Year ending September 30, 2008.

The County has reserved the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County has agreed that any modification will be done in a manner consistent with the Rule. *See* APPENDIX B – "MASTER ORDINANCE AND SERIES 2008 RESOLUTION." The County has not failed to comply with any prior agreements to provide continuing disclosure information pursuant to Rule 15c2-12.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series 2008 Bonds, including their legality and enforceability and the exclusion of interest on the Series 2008 Bonds from gross income for federal income tax purposes, are subject to the approval of Squire, Sanders & Dempsey L.L.P., Miami, Florida, and KnoxSeaton, Miami, Florida, Bond Counsel, copies of whose legal opinions will be delivered with the Series 2008 Bonds. Certain other legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain legal matters relating to disclosure will be passed upon for the County by Edwards Angell Palmer & Dodge LLP, West Palm Beach, Florida and Rasco, Reininger, Perez, Esquenazi & Vigil, P.L., Coral Gables, Florida, Disclosure Counsel.

The proposed text of the legal opinion of Bond Counsel is set forth as APPENDIX D to this Official Statement. The proposed text of the legal opinion to be delivered to the Underwriters by Disclosure Counsel is set forth as APPENDIX E to this Official Statement. The actual legal opinions to be delivered may vary from the text of APPENDIX D or APPENDIX E, as the case may be, if necessary, to reflect facts and law on the date of delivery of the Series 2008 Bonds.

The legal opinions of Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made to Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney as of the date thereof. Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney

assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2008 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires the County to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). Florida law further provides, however, that if the County in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The County is not and has not been in default as to principal and interest on bonds or other debt obligations which it has issued as the principal obligor or guarantor.

There are several special purpose governmental authorities of the County that serve as conduit issuers of private activity bonds for purposes such as housing, industrial development and health care. Defaults have occurred in connection with some of those private activity bonds; however, such defaults affect only the defaulted issues and have no effect on the payment of the Series 2008 Bonds. The County has no obligation to pay such bonds and the conduit issuers had only a limited obligation to pay such bonds from the payments made by the underlying obligors with respect to such issues. Therefore, the County in good faith believes that defaults relating to conduit issuers are not material with regard to the Series 2008 Bonds and any disclosure concerning any defaults of conduit financings is not necessary.

CERTIFICATE CONCERNING THE OFFICIAL STATEMENT

Concurrently with the delivery of the Series 2008 Bonds, the County will furnish its certificate, executed by the County's Finance Director to the effect that, to the best of her knowledge, this Official Statement, as of its date and as of the date of delivery of the Series 2008 Bonds, does not contain any untrue statement of material fact and does not omit any material fact that should be included herein for the purpose for which the Official Statement is to be used, or which is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

MISCELLANEOUS

References to the Bond Ordinance and certain other contracts, agreements and other materials not purporting to be quoted in full are brief outlines of certain provisions and do not purport to summarize or describe all the provisions of such documents. Reference is hereby made to such documents and other materials for the complete provisions, copies of which will be furnished by the County upon written request.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. Statements in this Official Statement, while not guaranteed, are based upon information which the County believes to be reliable.

The delivery of this Official Statement by the County has been duly authorized by the Board.

APPENDIX A

**General Information relative to
Miami-Dade County, Florida**

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GENERAL INFORMATION RELATIVE TO MIAMI-DADE COUNTY, FLORIDA

Set forth below is certain general information concerning County government and certain governmental services provided by the County.

History

Miami-Dade County, Florida (the “County”) is the largest county in the southeastern United States in terms of population. The County currently covers 2,209 square miles, located in the southeastern corner of the State of Florida (the “State”), and includes, among other municipalities, the cities of Miami, Miami Beach, Coral Gables and Hialeah. In 2007, the population of the County was estimated to have been 2,468,000.

The County was created on January 18, 1836 under the Territorial Act of the United States. It included the land area now forming Palm Beach and Broward Counties, together with the land area of the present County. In 1909, Palm Beach County was established from the northern portion of what was then created Dade County. In 1915, Palm Beach County and the County contributed nearly equal portions of land to create what is now Broward County. There have been no significant boundary changes to the County since 1915.

County Government

The State Legislature in 1955 approved and submitted to a general election a constitutional amendment designed to give a new form of government to the County. The amendment was approved in a statewide general election in November 1956. A Dade County Charter Board was constituted and, in April 1957, completed a draft charter for the County. The proposed charter (the “Charter”) was adopted in a countywide election in May 1957 and became effective on July 20, 1957. The electors of the County were granted power to revise and amend the Charter from time to time by countywide vote. The most recent amendments was in January 2007 and 2008. The County has home rule powers, subject only to the limitations of the Constitution and general laws of the State. The County, in effect, is both (1) a county government with certain powers effective throughout the entire County, including 35 municipalities, and (2) a municipal government for the unincorporated area of the County. The County has not displaced or replaced the cities, but supplements them. The County can take over particular activities of a city's operations if the services fall below minimum standards set by the Board of County Commissioners of Miami-Dade County (the “Board”), or with the consent of the governing body of a particular city.

On January 23, 2007, the electors of Miami-Dade approved an amendment to the Home Rule Charter which established a “strong mayor” form of government. This amendment expands the Mayor’s power over administrative matters. The County Manager, who previously was chief administrator, now reports directly to the Mayor, who has the authority to hire, fire and set the salary of the County Manager. Under this new system, the Mayor also appoints all department heads.

On January 29, 2008 the electors of the County amended its Charter to provide that (i) the two week qualifying period for candidates shall commence three weeks earlier in order to be in line with the State; and (ii) the Property Appraiser shall be elected rather than appointed.

The County has assumed responsibility on a countywide basis for an increasing number of functions and services, including the following:

(a) Countywide police services, complementing the municipal police services within the cities and providing full-service police protection for the unincorporated areas of the County, with direct access to the National Crime Information Center in Washington, D.C. and the Florida Crime Information Center.

(b) Uniform system of fire protection, complementing the municipal fire protection services within five municipalities and providing full-service fire protection for the Miami-Dade Fire and Rescue Service District, which includes the unincorporated area of the County and the 29 municipalities which have consolidated their fire departments within the Miami-Dade Fire and Rescue Department. The Miami-Dade Fire and Rescue Department also provides emergency medical services by responding to and providing on-site treatment to the seriously sick and injured.

(c) Certain expenses of the State's consolidated two-tier court system (pursuant to Florida Statutes Section 29.008), are the responsibility of the County. The two-tier court system consists of the higher Circuit Court and the lower County Court. The Circuit Court handles domestic relations, felonies, probate, civil cases where the amount in dispute is \$15,000 or more, juvenile cases, and appeals from the County Court. The County Court handles violations of municipal ordinances, misdemeanors and civil cases where the amount in dispute is less than \$15,000.

(d) Countywide water and sewer system operated by the Water and Sewer Department.

(e) Jackson Memorial Hospital ("JMH") which is operated, maintained and governed by an independent governing body called the Public Health Trust (the "Trust"). Based on the number of admissions to a single facility, JMH is one of the nation's busiest medical centers. The Board appoints members of the Board of Trustees for the Trust and also approves the budget of the Trust. The County continues to subsidize treatment of indigent patients on a contractual basis with the Trust.

(f) Unified transit system, consisting of various surface public transportation systems. In May, 1985, the 20.5 miles Phase I of the County's rapid rail transit system was completed and placed into operation. An extension opened in May 2003 expanding the rail service along the north section from the Okeechobee station to the Palmetto station, making the system 22.4 miles long. In April 1986, the Metromover component of the rapid rail transit system commenced operation, with 1.9 miles of an elevated double-loop system. Two extensions were subsequently constructed extending the service 1.4 miles south to the Brickell Avenue area and 1.1 miles north to the area known as Omni, for a total of 4.4 miles of service. These extensions were placed in service in May 1994.

(g) Combined public library system consisting of the Main Library, 41 branches and 4 mobile libraries offering educational, informational and recreational programs and materials. Four newly constructed libraries will open in 2008. On an annual basis, more than 6 million people visit the libraries, and check out more than 7.5 million items such as books, DVDs, books on tape, CDs and other library materials, while reference librarians answer over 6.4 million questions. The Library system is the largest free Internet provider in South Florida, registering more than 2 million Internet sessions. Its web page offers an extensive digital library of more than 1500 downloadable e-books, videos and music that is available 24/7.

(h) Property appraisal services are performed by the County's Property Appraiser's office. Tax collection services are performed by the Miami-Dade Tax Collector. All collected taxes are distributed directly to each governmental entity, according to its respective tax levy. The municipalities, the Board of Public Instruction and several State agencies use data furnished to them by the Miami-Dade Tax Collector for the purpose of budget preparations and for their governmental operations.

(i) Minimum standards, enforceable throughout the County, in areas such as environmental resources management, building and zoning, consumer protection, health, housing and welfare.

(j) Garbage and trash collection, and disposal services, consisting of garbage and trash collection services to an average of 319,000 households during Fiscal Year 2007 within the unincorporated area and certain municipalities of the County, and disposal services to public and private haulers countywide.

(k) The Dante B. Fascell Port of Miami (the "Port") is owned and operated by the County through the Seaport Department. The Port is the world's largest multi-day cruise port in terms of cruise passengers, handling over 3,787,410 passengers in Fiscal Year 2007. As of September 2007, the Port had the largest container cargo port in the State, and is within the top ten in the United States in total number of containers held.

(l) The following airport facilities: (i) the Miami International Airport the principal commercial airport serving South Florida; (ii) the Opa-locka Executive Airport, a 1,810 acre facility; (iii) the Opa-locka West Airport, a 420 acre facility that has been decommissioned, (iv) the Kendall-Tamiami Executive Airport, a 1,380-acre facility, (v) the Homestead General Aviation Airport, a 960-acre facility; and (vi) the Training and Transition Airport, a facility of approximately 24,300 acres located in Collier and Miami-Dade Counties. All of these facilities are County-owned and operated by the Miami-Dade Aviation Department.

(m) Several miscellaneous services, including mosquito and animal control.

Economy

The County's economy has transitioned from mixed service and industrial in the 1970s to a service economy. The shift to services is led by expansion of international trade, the tourism industry, and health services. Wholesale and retail trade have become stronger economic forces in the local economy, and are projected to continue. This reflects the County's position as a wholesale center in Southeast Florida, serving a large international market. The tourism industry remains one of the largest sectors of the local economy.

In an effort to further strengthen and diversify the County's economic base, the County commissioned a private consulting firm in 1984 to identify goals and objectives for various public and private entities. The Beacon Council was established as a public private partnership to promote these goals and objectives.

International Commerce

The Greater Miami Area is the center for international commerce for the southeastern United States. Its proximity to the Caribbean, Mexico, Central and South America makes it a natural center for trade to and from North America. Approximately, 1,200 multinational corporations are established in South Florida. In addition, the international background of many of its residents is an important labor force characteristic for multinational companies which operate across language and cultural differences.

Trade with Latin America, Europe and Caribbean countries has generated substantial growth in the number of financial institutions conducting business in the County. The large Spanish-speaking labor force and the County's proximity to Latin America have also contributed to the growth of the banking industry in the County. According to the Federal Reserve Bank of Atlanta, as of September 30, 2007, there were 12 Edge Act Banks throughout the United States; five of those institutions were located in the County with over \$10.8 billion on deposit. Edge Act Banks are federally chartered organizations offering a wide range of banking services, but limited to international transactions only. These banking institutions are: American Express Bank International; Bancafe International; Banco Itau Europa International, Banco Santander International; and HSBC Private Bank International.

The County had the highest concentration of international bank agencies on the east coast south of New York City, with a total of 31 foreign chartered banks and over \$14.9 billion on deposit as of September 30, 2007, according to the Florida Department of Financial Services, Office of Financial Regulations.

Corporate Expansion

The favorable geographic location of the County, a well-trained labor force and the favorable transportation infrastructure have allowed the economic base of the County to expand by attracting many national and international firms doing business with Latin America, the Caribbean, the United States and the rest of the world. Among these corporations are: Carnival Cruise Lines, Elizabeth Arden, Federal Express Corporation, Kraft Foods International, Parfums Christian Dior, Porsche Latin America, Telefonica, AIG, and Caterpillar.

Significant strides have been made in attracting knowledge-based companies to the County. Some of the national firms with established international operations located in the County are: ASTAR Air Cargo, Burger King, Ryder System, Lennar, Oracle Corporation, The Gap, Starboard Cruise Services and the William Morris Agency.

Industrial Development

The role of the Miami-Dade County Industrial Development Authority (the "IDA") is the development and management of the tax-exempt industrial development revenue bond program which serves as a financial incentive to support private sector business and industry expansion and location. Programs developed are consistent with the IDA's legal status and compatible with the economic development goals established by the Board and other economic development organizations operating in the County.

Between 1979 and the creation of the Beacon Council in 1986, the IDA provided expansion and location assistance to 195 private sector businesses, accounting for a capital investment of \$695 million and the creation of over 11,286 new jobs.

The IDA's principal program, the Tax-Exempt Industrial Development Revenue Bond Program, has generated 424 applications through December 2007. From 1986 to January 2008, bonds for 211 company projects have been issued in an aggregate principal amount in excess of \$1.4 billion. Approximately 9,357 new jobs have been generated by these projects. The IDA continues to manage approximately 54 outstanding Industrial Development Revenue Bond Issues, approximating \$775 million in capital investment.

Other Developmental Activities

In October 1979, the Miami-Dade County Health Facilities Authority (the "Health Authority") was formed to assist local not-for-profit health care corporations to acquire, construct, improve or refinance health care projects located in the County through the issuance of tax-exempt bonds or notes. Since its inception, the Health Authority has issued 24 series of revenue bonds for 17 projects and 17 refundings. As of September 2007, the total amount of revenue bonds issued by the Health Authority is over \$1.9 billion.

In October 1969, the Board created the Miami-Dade County Educational Facilities Authority (the "EFA") to assist institutions of higher learning within the County to have an additional means to finance facilities and structures needed to maintain and expand learning opportunities and intellectual development. As of September 2007, the EFA had issued 39 series of revenue bonds for 27 projects and 24 refundings, totaling over \$1.4 billion.

In December 1978, the Housing Finance Authority of Miami-Dade County (Florida) (the "HFA") was formed to issue bonds to provide the HFA with moneys to purchase mortgage loans secured by mortgages on single family residential real property owned by low and moderate income persons residing in the County.

As of September 2007, under the HFA's Multi-Family Mortgage Revenue Bond Program, revenue bonds aggregating approximately \$917 million had been issued for new construction or rehabilitation of 16,752 units.

The bonds issued by the foregoing authorities and the IDA are not debts or obligations of the County or the State or any political subdivision thereof, but are payable solely from the revenues provided by the respective private activity borrower as security therefor.

Film Industry

Miami-Dade County's film and entertainment industry experienced a strong surge in 2007, with location filming revenues up 20% over the previous year to more than \$153 million. Television remains the strongest production sector, with USA Networks' "Burn Notice" filming its 13 episodes season entirely in South Florida, added to recurring production from "CSI:Miami," numerous reality series like "Hogan Knows Best" and "Miami Ink" and the very active Spanish language television business. Spanish language telenovelas (soap operas) and other formats contributed more than \$50 million to the total industry economic impact in 2007. In addition, Spanish language commercial productions were heavily represented among the more than 180 commercials shot in Miami-Dade County last year, contributing another \$23 million to the bottom line. In all, nearly 2,000 productions shot on location in Miami-Dade County in 2007.

Surface Transportation

The County owns and operates through its Transit Agency (a County department), a unified multi-modal public transportation system. Operating in a fully integrated configuration, the County's Transit Agency provides public transportation services through: (i) Metrorail - a 22.4-mile, 22-station elevated electric rail line connecting South Miami-Dade and the City of Hialeah with the Downtown and Civic Center areas, providing 17.5 million passenger trips annually; (ii) Metromover - a fully automated, driverless, 4.4-mile elevated electric double-loop people-mover system interfaced with Metrorail and completing approximately 8.6 million passenger trips annually throughout 20 stations in the central business district and south to the Brickell international banking area and north to the Omni area; and (iii) Metrobus, including both directly operated and contracted conventional urban bus service, operating over 35.6 million miles per year, interconnecting with all Metrorail stations and key Metromover stations, and providing over 111 million passenger trips annually.

The County also provides Para-transit service to qualified elderly and handicapped riders through its Special Transportation Service, which supplies over 1.6 million passenger trips per year in a demand-response environment.

Additionally, the County's Transit Agency is operating the Bus Rapid Transit (BRT) on the South Miami-Dade Busway, a dedicated-use BRT corridor that runs parallel to US1/South Dixie Highway. Service commenced in 1997 and was extended from North Kendall Drive/SW 88th Street to SW 264th Street. A final segment is currently under construction. Upon completion, the South Miami-Dade Busway will traverse over twenty miles, connecting Florida City (SW 344th Street) with the Metrorail system, with connection to downtown Miami.

Airport

The County owns and operates the Miami International Airport (the "Airport"), the principal commercial airport serving Southeast Florida. The Airport has also the third highest international passenger traffic in the U.S. It is currently handling approximately 33,278,000 passengers and 2,099,000 tons of air freight annually and is classified by the Federal Aviation Administration as a large hub airport, the highest classification given by that organization. The Airport is also one of the principal maintenance and overhaul bases, as well as a principal training center, for the airline industry in the United States, Central and South America, and the Caribbean.

**Passengers and Cargo Handled by Airport
2003-2007**

<u>Fiscal Year</u>	<u>Passengers (in thousands)</u>	<u>Cargo Tonnage (in millions)</u>	<u>Total Landed Weight (millions lbs.)</u>
2003	29,532	1.77	31,610
2004	30,244	1.94	31,900
2005	30,912	1.96	31,148
2006	32,094	1.97	30,735
2007	33,278	2.10	31,420

Source: Miami-Dade County Aviation Department

Seaport

The Port is an island port, which covers 640 acres of land, operated by the Seaport Department. It is the world's largest multi-day cruise port. Embarkations and debarkations on cruise ships totaled over 3.7 million passengers for Fiscal Year 2007. With the increase in activity from the Far-East markets and South and Central America, cargo tonnage transiting the Port amounted to approximately 7.8 million tons for Fiscal Year 2007.

The following table sets forth a five-year summary of both cruise passengers served and cargo handled:

**Passengers and Cargo Handled by Port
2003-2007**

<u>Fiscal Year</u>	<u>Cruise Passengers (in thousands)</u>	<u>Cargo Tonnage (in millions)</u>
2003	3,961	9.00
2004	3,500	9.23
2005	3,605	9.47
2006	3,731	8.65
2007	3,787	7.83

Source: Miami-Dade County Seaport Department

Tourism

The Greater Miami Area is a leading center for tourism in the State. Miami was the primary destination for domestic air travelers after Orlando according to the Florida Division of Tourism of the Department of Commerce. It is also the principal port of entry in the State for international air travelers. During 2007, approximately 80% of international air travelers (excluding travelers from Canada) entering the State arrived through the Airport. The Airport has the third highest international passenger traffic behind New York's John F. Kennedy International and Los Angeles International Airports.

The visitors market in the County is shifting away from the traditional tourist market to a "convention group market." This is reflected in the expansion and renovation of lodging facilities as well as in the marketing efforts of South Florida hoteliers. The City of Miami Beach, with the assistance of the County, is expanding and remodeling the Miami Beach Convention Center, the largest existing convention center in the County, from 250,000 to 500,000 square feet of exhibition space. The convention group market is generally less sensitive to fluctuations in disposable personal income.

The following is a five-year schedule of domestic and international visitors, including a further breakdown of international visitors by region of origin, and the estimated economic impact produced by those visitors:

**Tourism Statistics
2003 - 2007**

	Visitors (in thousands)			Estimated Economic Impact (in millions)		
	<u>Domestic</u>	<u>Int'l</u>	<u>Total</u>	<u>Domestic</u>	<u>Int'l</u>	<u>Total</u>
2003	5,536	4,909	10,445	\$5,633	\$4,207	\$9,840
2004	5,700	5,262	10,962	6,423	6,034	12,457
2005	6,053	5,249	11,302	7,252	6,683	13,935
2006	6,263	5,322	11,585	7,688	9,108	16,796
2007	6,473	5,493	11,966	7,027	10,166	17,193

**International Visitors by Region
2003 – 2007
(in thousands)**

<u>Year</u>	<u>European</u>	<u>Caribbean</u>	<u>Latin American</u>	<u>Canada Japan/Other</u>	<u>Total</u>
2003	1,119	653	2,455	682	4,909
2004	1,253	679	2,641	689	5,262
2005	1,181	709	2,661	698	5,249
2006	1,224	665	2,778	655	5,322
2007	1,294	683	2,835	680	5,492

Source: Greater Miami Convention and Visitors Bureau

Employment

The following table illustrates the economic diversity of the County's employment base. No single industry dominates the County's employment market, and there have not been any significant decreases within the industry classifications displayed for the latest years for which information is available:

ESTIMATED EMPLOYMENT IN NON-AGRICULTURAL ESTABLISHMENTS 2005 – 2007

	<u>Sept. 2005</u>	<u>Percent</u>	<u>Sept. 2006</u>	<u>Percent</u>	<u>Sept. 2007</u>	<u>Percent</u>
Goods Producing Sector						
Construction	43,400	4.1	48,300	4.6	54,400	5.1
Manufacturing	49,600	4.7	46,900	4.4	46,900	4.4
Mining & Natural Resources	400	0	600	0.1	400	0
Total Goods-Producing Sector	93,400	8.8	95,800	9.1	101,700	9.5
Service Providing Sector						
Transportation, Warehousing, and Utilities	61,300	5.9	61,500	5.8	60,900	5.7
Wholesale Trade	75,100	7.2	74,200	7.0	76,400	7.2
Retail Trade	115,800	11.1	120,200	11.4	126,000	11.9
Information	28,400	2.7	23,500	2.2	21,600	2.0
Finance Activities	69,900	6.7	74,900	7.1	76,400	7.2
Professional and Business Services	163,400	15.6	170,900	16.2	154,800	14.6
Education and Health Services	137,700	13.2	138,000	13.0	145,200	13.7
Leisure and Hospitality	101,700	9.7	101,100	9.6	100,200	9.4
Other Services	45,400	4.3	42,900	4.1	42,300	4.0
Government	154,400	14.8	154,700	14.6	155,800	14.7
Total Service Providing Sector	953,100	91.2	961,900	90.9	959,600	90.4
Total Non-Agricultural Employment	1,046,500	100%	1,057,700	100%	1,061,300	100%

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, Current Employment Statistics Program (in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics). Miami-Dade County, Department of Planning and Zoning, Research Section, 2007.

County Demographics

Miami-Dade County Estimates of Population by Age 2000 to 2030

Age Group	2000	2005	2010	2015	2020	2025	2030
Under 16	495,375	522,487	534,919	568,328	587,943	624,806	651,014
16-64	1,457,435	1,558,005	1,675,514	1,762,649	1,859,961	1,930,253	2,011,989
65 & Over	300,552	321,613	340,851	372,137	410,285	464,741	524,789
Total	2,253,362	2,402,105	2,551,284	2,703,114	2,858,189	3,019,800	3,187,792

Source: U.S. Census Bureau, Decennial Census Report for 2000. Projections provided by Miami-Dade County, Department of Planning and Zoning, Research Section, 2007.

Trend and Forecasts, Population in Incorporated and Unincorporated Area 1960-2015

Year	Population in Incorporated Areas	Population in Unincorporated Areas	Total	Percentage Growth in Population
<u>Trends:</u>				
1960	582,713	352,334	935,047	N/A
1970	730,425	537,367	1,267,792	36.5 %
1980	829,881	795,900	1,625,781	28.2
1990	909,371	1,027,723	1,937,094	19.1
1995	973,912	1,110,293	2,084,205	7.6
2000	1,049,074	1,204,288	2,253,362	8.1
2001	1,078,455	1,204,864	2,283,319	1.3
2002	1,080,909	1,222,138	2,303,047	1.3
2003	1,100,442	1,242,297	2,342,739	1.3
2004	1,265,077	1,107,341	2,372,418	1.3
2005	1,331,520	1,070,585	2,402,105	1.3
2006	1,347,228	1,084,591	2,431,819	1.2
<u>Forecasts:</u>				
2010	1,410,641	1,140,643	2,551,284	6.1
2015	1,494,626	1,208,488	2,703,114	6.0

Source: U.S. Census Bureau, Decennial Census Reports for 1960-2000. Projections provided by Miami-Dade County, Department of Planning and Zoning, Research Section 2007.

Miami-Dade County
Population by Race and Ethnic Group⁽¹⁾
1970-2020
(in thousands)

<u>Year</u>	<u>Total⁽²⁾</u>	<u>Hispanic⁽¹⁾</u>	<u>Black⁽¹⁾</u>	<u>Non-Hispanic Whites and Others</u>
1970	1,268	299	190	782
1975	1,462	467	237	765
1980	1,626	581	284	773
1985	1,771	768	367	656
1990	1,967	968	409	618
1995	2,084	1,155	446	519
2000	2,253	1,292	457	534
2005	2,402	1,455	461	497
2010 ⁽³⁾	2,551	1,621	526	442
2015 ⁽³⁾	2,703	1,794	554	395
2020 ⁽³⁾	2,858	1,972	583	347

(In Percentages)

1970 ⁽²⁾	100 %	24 %	15 %	62 %
1975 ⁽²⁾	100	32	16	52
1980 ⁽²⁾	100	36	17	48
1985 ⁽²⁾	100	43	21	37
1990 ⁽²⁾	100	49	21	31
1995 ⁽²⁾	100	55	21	25
2000 ⁽²⁾	100	57	20	24
2005 ⁽²⁾	100	61	21	20
2010 ⁽³⁾	100	64	21	17
2015 ⁽³⁾	100	66	21	15
2020 ⁽³⁾	100	69	20	12

Notes:

- (1) Persons of Hispanic origin may be of any race. Hispanic Blacks are counted as both Hispanic and Black. Other Non-Hispanics are grouped with Non-Hispanic White category. Sum of components exceeds total.
- (2) Numbers may not add due to rounding
- (3) Projections

Source: U.S. Census Bureau, Census of Population Reports for 1970-2000. Projections provided by Miami-Dade, Department of Planning and Zoning, Research Section 2007.

The following tables set forth the leading public and private County employers:

Fifteen Largest Public Employers

<u>Employers' Name</u>	<u>Number of Employees</u>
Miami-Dade County Public Schools	50,000
Miami-Dade County	32,000
U.S. Federal Government	19,800
Florida State Government	16,200
Jackson Health System	10,000
Miami-Dade Community College.....	6,004
City of Miami.....	4,297
Florida International University.....	3,100
VA Medical Center.....	2,300
City of Miami Beach.....	1,980
City of Hialeah.....	1,800
U.S. Coast Guard	1,220
U.S. Southern Command	1,200
City of Coral Gables	895
City of North Miami Beach	738

Fifteen Largest Private Employers

<u>Employers' Name</u>	<u>Number of Employees</u>
Baptist Health Systems of South Florida	11,257
Publix Super Markets.....	11,000
University of Miami.....	10,170
American Airlines.....	9,000
United Parcel Service.....	6,123
Precision Response Corporation	6,000
BellSouth/AT&T	5,500
Winn Dixie Stores.....	4,833
Florida Power & Light Company	3,900
Carnival Cruise Lines	3,400
Macy's Department Store	3,368
Mount Sinai Medical Center.....	3,280
Mercy Hospital	2,412
Miami Children's Hospital	2,400
Cordis	2,100

Source: The Beacon Council/Miami-Dade County, Florida,
Miami Business Profile & Relocation Guide 2007

The following table sets forth the unemployment rates for the last five years and comparative rates for the United States, the State of Florida and the County:

**UNEMPLOYMENT RATES
2003 – 2007**

Area	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
USA	6.0	5.5	5.5	4.6	4.6 %
Florida	5.3	4.7	3.8	3.3	3.8
Miami-Dade County	5.9	5.4	4.5	3.8	3.6

Sources: Florida Agency for Workplace Innovation, Office of Workforce Information Services, Labor Market Statistics; Miami-Dade County Department of Planning and Zoning, Research Section 2007.

The following table sets forth the Per Capita Personal Income for the years 2001 through 2006 for the United States, the Southeastern region and the State of Florida as well as for the County.

**PER CAPITA PERSONAL INCOME
2001- 2006**

<u>Year</u>	<u>USA</u>	<u>Southeastern</u>	<u>Florida</u>	<u>Miami-Dade</u>
2001	\$30,574	\$27,347	\$29,277	\$26,445
2002	30,821	27,740	29,727	27,147
2003	31,504	28,355	30,330	27,891
2004	33,123	29,935	32,618	29,817
2005	34,757	31,355	34,798	32,025
2006	36,714	33,212	36,720	33,712

Source: U.S. Department of Commerce Economic and Statistic Administration Bureau of Economic Analysis/Regional Economic Information System.

APPENDIX B

Master Ordinance and Series 2008 Resolution

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ORDINANCE NO. 05-48

ORDINANCE PROVIDING FOR ISSUANCE OF MIAMI-DADE COUNTY, FLORIDA TRANSIT SYSTEM SALES SURTAX REVENUE BONDS; PROVIDING THAT SUCH BONDS SHALL BE PAYABLE SOLELY FROM PLEDGED REVENUES; PROVIDING COVENANTS WITH RESPECT TO SUCH BONDS; INITIALLY AUTHORIZING ISSUANCE OF TRANSIT SYSTEM SALES SURTAX REVENUE BONDS, FROM TIME TO TIME, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$500,000,000 TO FINANCE TRANSPORTATION AND TRANSIT PROJECTS; PROVIDING FOR ESTABLISHMENT OF TERMS, MATURITIES, INTEREST RATES AND OTHER DETAILS OF INITIAL SERIES OF BONDS BY SUBSEQUENT RESOLUTION; PROVIDING FOR ISSUANCE OF ADDITIONAL BONDS AND REFUNDING BONDS; PROVIDING FOR CREDIT FACILITIES, RESERVE ACCOUNT CREDIT FACILITIES AND HEDGE AGREEMENTS WITH RESPECT TO BONDS AS DETERMINED BY COUNTY; PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE

WHEREAS, pursuant to Sections 212.054 and 212.055(1), Florida Statutes, as amended (collectively, the "Transit System Sales Surtax Act"), Ordinance No. 02-116 enacted on July 9, 2002 (the "Transit System Sales Surtax Ordinance") by the Board of County Commissioners (the "Board") of Miami-Dade County, Florida (the "County") and the approval by a majority vote of the electorate of Miami-Dade County at a duly called election held on November 5, 2002, the County levies and imposes a one half of one percent (0.5%) discretionary sales surtax on all transactions occurring in Miami-Dade County which are subject to the State of Florida tax imposed on sales, use, rentals, admissions and other transactions by Chapter 212, Florida Statutes, as amended (the "Transit System Sales Surtax"); and

WHEREAS, pursuant to the Transit System Sales Surtax Act and the Transit System Sales Surtax Ordinance, the State of Florida Department of Revenue (the "Department") administers, collects and enforces the Transit System Sales Surtax and distributes the funds collected and received by the Department from the imposition of the Transit System Sales Surtax

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less the Department's cost of administration (the "Net Transit System Sales Surtax Proceeds") to the County for deposit in a separate special fund (the "Transit System Sales Surtax Trust Fund") held by the Finance Director of the County to be applied to transportation and transit projects, including operation and maintenance thereof, as more particularly described in the Transit System Sales Surtax Ordinance (the "Transit System Sales Surtax Projects"), and may be pledged and applied to the payment of principal of and interest on bonds issued to finance or refinance Transit System Sales Surtax Projects; and

WHEREAS, pursuant to the Transit System Sales Surtax Ordinance, twenty percent (20%) of the Net Transit System Sales Surtax Proceeds received by the County are required to be distributed annually to certain cities located in Miami-Dade County; and

WHEREAS, the Board desires to make provision for the issuance of bonds, from time to time, to finance or refinance Transit System Sales Surtax Projects and to initially authorize the issuance of bonds under the provisions of this Ordinance, from time to time, in an aggregate principal amount not to exceed \$500,000,000 to finance Transit System Sales Surtax Projects, all as more specifically set forth in this Ordinance; and

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum (the "County Manager's Memorandum"), a copy of which is incorporated in this Ordinance by reference,

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

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ARTICLE I

INCORPORATION OF RECITALS AND DEFINITIONS

SECTION 101. Incorporation of Recitals. The Board finds and determines and incorporates as part of this Ordinance the matters set forth in the recitals.

SECTION 102. Meaning of Words and Terms. In addition to words and terms elsewhere defined in this Ordinance, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

"Accounts" means the accounts established under, or pursuant to, the provisions of this Ordinance.

"Accreted Value" means, with respect to any Compounding Interest Bond, (a) the amount representing the Accreted Value of such Bond as of any Compounding Date, as established by the schedule of Accreted Values relating to such Bond, which amount represents the initial principal amount of such Bond plus the amount of interest that has accrued to such Compounding Date calculated on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months, and (b) as of any date other than a Compounding Date, the sum of (i) the Accreted Value on the preceding Compounding Date plus (ii) the product of (x) a fraction, the numerator of which is the number of days having elapsed from the preceding Compounding Date and the denominator of which is the number of days from such preceding Compounding Date to the next succeeding Compounding Date, multiplied by (y) the difference between the Accreted Values on such Compounding Dates, which amount represents the principal plus the amount of interest that has accrued to such date of determination. The Board may provide by Series Resolution that, with respect to any Series of Bonds, the Accreted Value as of any date other

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than a Compounding Date shall be determined using a constant interest rate method rather than as provided in (b).

"Additional Bonds" means any Bonds issued at any time under the provisions of Section 208 of this Ordinance.

"Administrative Expenses" shall mean any administrative expenses required to be paid under the provisions of this Ordinance, including, without limitation, fees and expenses due the Registrar, the Paying Agent and any other fiduciaries, Credit Facility Charges and Rebate Amounts.

"Amortization Requirements" means such moneys required to be deposited in the Redemption Account for the purpose of paying when due or redeeming prior to maturity any Term Bonds issued pursuant to this Ordinance, the specific amounts and times of such deposits to be determined in accordance with or under the authority of a Series Resolution authorizing the issuance of such Term Bonds.

"Annual Budget" means the annual budget adopted by the Board for each Fiscal Year.

"Board" means the Board of County Commissioners of Miami-Dade County, Florida, or any successor of the board or body in which the general legislative powers of the County shall be vested.

"Bonds" means, collectively, any bonds issued under the provisions of this Ordinance.

"Bondholders" or "Holders" means the registered owners of Bonds.

"Bond Service Account" means the Bond Service Account in the Debt Service Fund created and designated by Section 502 of this Ordinance, together with any Bond Service Account subaccount designated by any applicable Series Resolution.

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"Book Entry Bonds" and "Bonds in Book Entry Form" means Bonds which are subject to a Book Entry System.

"Book Entry System" or "Book Entry Only System" means a system under which either (a) bond certificates are not issued and the ownership of bonds is reflected solely by the register, or (b) physical certificates in fully registered form are issued to a securities depository or to its nominee as registered owner, with the certificated bonds held by and "immobilized" in the custody of such securities depository, and under which records maintained by persons, other than the Registrar, constitute the written record that identifies the ownership and transfer of the beneficial interests in those bonds.

"Capital Appreciation Bonds" means Bonds which are Compounding Interest Bonds throughout their entire term.

"Cities" means those cities located in Miami-Dade County and existing as of November 5, 2002.

"Cities' Distribution" means twenty percent (20%) of the Net Transit System Sales Surtax Proceeds received by the County which pursuant to the Transit System Sales Surtax Ordinance is required to be distributed to the Cities.

"Clerk" means the ex-officio Clerk or any Deputy Clerk of the Board or the officer or officers succeeding to the principal functions of the Clerk.

"Code" means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code shall be deemed to include the related United States Treasury Regulations proposed or in effect and applied to the Bonds or the use of their proceeds, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

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"Compounding Date" means, with respect to any Compounding Interest Bond, the date on which interest is compounded for purposes of determining its Accreted Value.

"Compounding Interest Bonds" means Bonds, the interest on which (a) shall be compounded periodically, (b) shall be payable at maturity or redemption prior to maturity, and (c) shall be determined by reference to the Accreted Value and include, but not limited to, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds.

"Construction Fund" means the Miami-Dade County Transit System Sales Surtax Construction Fund, a special fund created and designated by Section 401 of this Ordinance.

"Convertible Capital Appreciation Bonds" means Bonds, the interest on which from their issuance date or dated date until a specified conversion date is compounded periodically, and from and after such conversion date is payable not less often than annually, calculated on the basis of the Accreted Value on such conversion date, and the Accreted Value of which as of said conversion date is treated as the principal amount for purposes of payment or redemption after such conversion date.

"Cost" or "Costs" as applied to any Projects, means and shall embrace the cost of acquisition and construction and all obligations for expenses and all items of cost which are set forth in Section 403 of this Ordinance.

"Counterparty" means a party, other than the County, to a Hedge Agreement.

"County" means Miami-Dade County, Florida, a political subdivision of the State of Florida.

"County Attorney" means the County Attorney of the County, any Assistant County Attorney, a designee of the County Attorney or any successor to the County Attorney.

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"County Manager" means the County Manager of the County, any Assistant County Manager, a designee of the County Manager or any successor to the County Manager.

"Credit Agreement" means any contract, agreement, or other instrument executed by the County in connection with obtaining or administering any Credit Facility or Reserve Account Credit Facility for any Bonds, including, but not limited to, any reimbursement agreement, financial guaranty agreement, or standby bond purchase agreement.

"Credit Facility" means a policy of insurance, surety bond, letter of credit or other financial product which guarantees the prompt payment of all or any portion of the principal of, premium, if any, or interest on any of the Bonds, and/or provides funds for the payment or purchase of any Bonds.

"Credit Facility Charges" means (a) Initial Credit Facility Charges, and (b) Recurring Credit Facility Charges.

"Credit Facility Provider" means an insurance company, bank or other organization which has provided a Credit Facility in connection with any Series of Bonds.

"Current Interest Bonds" means Bonds, the interest on which are payable periodically from their date of issuance.

"Debt Service Fund" means the Miami-Dade County Transit System Sales Surtax Revenue Bonds Debt Service Fund, a fund created and designated by Section 502 of this Ordinance.

"Department" means the State of Florida Department of Revenue.

"Depository" means any bank or trust company duly authorized by law to engage in the banking business and designated by the County as a depository of moneys under the provisions of this Ordinance.

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"Finance Director" means the Finance Director of the County, her designee or the officer or officers succeeding to her principal functions.

"First Lien Obligations" means Bonds issued pursuant to this Ordinance, and shall also include, where applicable, other obligations, in each case satisfying the provisions of Section 208(b) or Section 209(c), as applicable, and specified by separate ordinance or resolution, as applicable, of the Board to be First Lien Obligations, which ordinance or resolution may contain covenants, among others, similar to the covenants contained in this Ordinance.

"Fiscal Year" means the fiscal year of the County.

"Fitch" means Fitch Ratings, Inc., its successors and assigns, and if such entity no longer performs the functions of a securities rating agency, "Fitch" shall refer to any other nationally recognized securities rating agency designated by the County.

"Fixed Rate Bonds" means Bonds, the interest rate on which (a) is not, under any circumstances, subject to change during their remaining term, or (b) is subject to change at specified times and in specified amounts so that the yield and annual debt service for each period during their remaining term is fixed (such as a stepped coupon bond); any bonds which were not Fixed Rate Bonds as of their date of issuance shall become Fixed Rate Bonds as of any date after their issuance on which the requirements of (a) or (b) above are met.

"Funds" means the funds established under, or pursuant to, the provisions of this Ordinance.

"Government Obligations" means: (a) direct obligations of, or obligations the full and timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America; (b) other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may be created pursuant to an Act of Congress as an

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agency or instrumentality of the United States of America to the extent unconditionally guaranteed as to full and timely payment by the United States of America; (e) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state: (i) which are not callable for redemption prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee or escrow agent in respect of such bonds or other obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash and/or obligations of the character described in clauses (a) or (b) above which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on their maturity date or dates or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (e), as appropriate, and (iii) as to which the principal of and interest on the obligations of the character described in clauses (a) or (b) above on deposit in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (c) on their maturity date or dates or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (e), as appropriate; and (d) certificates that evidence ownership of the right to payments of principal and/or interest on obligations described in any of clauses (a), (b) or (c) of this definition, provided that such obligations shall be held in trust by a bank or trust company or a national banking association authorized to exercise corporate trust powers and subject to supervision or examination by federal, state, territorial or District of Columbia authority and

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Facility or Reserve Account Credit Facility relating to any Bonds, at the time of the initial issuance of such Bonds, together with any related fees and expenses, including, but not limited to, the legal fees and expenses of legal counsel to the Provider of any Credit Facility or Reserve Account Credit Facility, which the County is required to pay or for which it is required to make reimbursement, but shall not include any Payment Obligations or Recurring Credit Facility Charges.

"Interest" or "interest" means the interest on the specified obligations; in the case of Compounding Interest Bonds, the interest component included in the Maturity Amount (and in the Accreted Value thereof payable at redemption) shall be deemed to constitute principal; provided, however, that for purposes of any limitation contained in this Ordinance or in any Series Resolution on the issuance of an aggregate principal amount of Bonds of any Series, the principal amount of Compounding Interest Bonds shall be the initial principal amount of such Compounding Interest Bonds on the issuance date.

"Interest Payment Date" means, when used with reference to any Bonds, the dates on which interest is stated to be due, and any date on which interest becomes due on account of the early redemption or on account of the happening of an event which, under the terms of such Bonds, requires a payment of interest to be made.

"Investment Obligations" means (a) Government Obligations, (b) bonds, debentures or notes issued by any of the following Federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association, Federal Land Banks, or the Federal National Mortgage Association (including participation certificates issued by such Association), (c) all other obligations issued or unconditionally guaranteed as to principal and interest by an agency

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having a combined capital, surplus and undivided profits of not less than \$100,000,000. The definition of Government Obligations does not include, nor does it permit, investment in mutual funds or unit investment trusts.

"Hedge Agreement" means and includes an interest rate exchange agreement, an interest swap agreement, forward purchase contract, put option contract, call option contract or other financial product which is used by the County as a hedging device with respect to its obligation to pay debt service on any of the Bonds, entered into between the County and a Counterparty; provided that such arrangement shall be specifically designated in a certificate of the Finance Director as a "Hedge Agreement" for purposes of this Ordinance; and provided further that at the time of entering into such Hedge Agreement the County shall have obtained written evidence that entering into such Hedge Agreement will not, in and of itself, result in a withdrawal or reduction of any rating assigned to the Bonds by a Rating Agency.

"Hedge Charges" means charges payable by the County to a Counterparty upon the execution, renewal or termination of any Hedge Agreement and any periodic fee payable by the County to keep such Hedge Agreement in effect and any other required payments, exclusive of Hedge Obligations.

"Hedge Obligations" means net payments required to be made by the County under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates, or fluctuation in the value of any index of payment.

"Hedge Receipts" means net payments received by the County from a Counterparty under a Hedge Agreement.

"Initial Credit Facility Charges" means and includes any premium, commitment fee or other issuance charges payable by the County to any Provider for the issuance of any Credit

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or person controlled or supervised by and acting as an instrumentality of the United States Government pursuant to authority granted by the Congress, (d) general obligations of any state of the United States (other than obligations rated lower than the three highest grades by the Rating Agencies, to the extent a Rating Agency rates such general obligations), (e) repurchase agreements with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is fully secured in an amount at least equal to one hundred three percent (103%) of its fair market value by Government Obligations delivered to another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian, (f) certificates of deposit or similar arrangements which are rated in one of the two highest rating categories by each Rating Agency (to the extent a Rating Agency rates such instruments) with any Federal or State of Florida bank, trust company or savings and loan association which is a member of the Federal Deposit Insurance Corporation, (g) investment agreements or contracts which are rated, or are issued or guaranteed by an entity whose long-term unsecured obligations are rated, in one of the two highest rating categories by the Rating Agencies (to the extent a Rating Agency rates such instruments), and which are not required to be registered under the Securities Act of 1933 but may be so registered, whereby under each such investment agreement or contract the party is absolutely and unconditionally obligated to repay the moneys invested by the County and interest at a guaranteed rate, without any right of recoupment, counterclaim or set off; provided, however, that such party may have the right to assign its obligations under any such agreements or contracts to any other entity if the investment agreements or contracts shall continue to be rated in one of the two highest rating categories by

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the Rating Agencies (to the extent a Rating Agency rates such agreements or contracts) and if such agreements or contracts shall not be registered, the agreements or contracts shall not be required to be registered under the Securities Act of 1933 by reason of such assignment; and (h) any other investment which is a permitted investment for public funds under County ordinance or rule.

"Maturity Amount" means, with respect to any Compounding Interest Bond, the value of such Compounding Interest Bond which is due at its stated maturity.

"Maximum Principal and Interest Requirements" means, as of any particular date of calculation, the greatest amount of Principal and Interest Requirements for the then current or any future Fiscal Year.

"Mayor" means the Mayor of the County or in the absence of the Mayor, his designee or the officer or officers succeeding to that function.

"Moody's" means Moody's Investors Service Inc., its successors and assigns, and if such entity no longer performs the functions of a securities rating agency, "Moody's" shall refer to any other nationally recognized securities rating agency designated by the County.

"Multimodal Bonds" means Bonds which contain provisions allowing for the payment of interest at different rates during different interest periods and for the establishment of different interest periods and interest rates; the interest rate during any particular interest period may be a variable rate or a fixed rate.

"Net Transit System Sales Surtax Proceeds" means the funds collected and received by the Department from the imposition of the Transit System Sales Surtax less the Department's cost of administration.

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(b) to pay interest on any such advances, or (c) to pay any other amounts payable on a parity with (a) and/or (b) above under the provisions of the Credit Agreement.

"Pledged Revenues" means (a) the Pledged Transit System Sales Surtax Revenues, (b) Hedge Receipts and (c) all moneys and investments (and interest earnings) on deposit to the credit of the Funds and Accounts, except for moneys and investments on deposit to the credit of any rebate fund or rebate account established pursuant to this Ordinance.

"Pledged Transit System Sales Surtax Revenues" means the Net Transit System Sales Surtax Proceeds received by the County less the Cities' Distribution.

"Principal" or "principal" means the principal of the specified obligations; in the case of Compounding Interest Bonds, the interest component of the Maturity Value (or Accreted Value payable upon redemption) shall be deemed to constitute principal; provided, however, that for purposes of any limitation contained in this Ordinance or in any Series Resolution on the issuance of an aggregate principal amount of Bonds of any Series, the principal amount of Compounding Interest Bonds shall be the initial principal amount of such Compounding Interest Bonds on the issuance date.

"Principal and Interest Requirements" means the respective amounts which are required in each Fiscal Year to pay (a) principal and interest on all Bonds then Outstanding for such Fiscal Year; and (b) the Amortization Requirements, if any, for all Term Bonds then Outstanding for such Fiscal Year. In computing "Principal and Interest Requirements" for any Fiscal Year, the following rules shall apply:

(i) in the case of Variable Rate Bonds, interest shall be computed at the fixed rate of interest(s) through maturity which such Variable Rate Bonds would have borne had such Variable Rate Bonds been issued as Fixed Rate Bonds on their date of issuance, as set forth in a

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"Optional Tender Bonds" means Bonds, a feature of which is an option on the part of the Holders of such Bonds to tender such Bonds to the County or a fiduciary for such Holders for payment or purchase prior to stated maturity.

"Ordinance" means this Ordinance as the same may be amended or supplemented from time to time in accordance with Article VIII.

"Outstanding" means, when used with respect to the Bonds, all Bonds previously delivered except:

(a) Bonds paid or redeemed or delivered to or acquired by the County for cancellation;

(b) Bonds which under Section 901 of this Ordinance or under the terms of the Series Resolution relating to such Bonds are no longer deemed to be Outstanding (such as Bonds that have been defeased); and

(c) for purposes of voting, giving directions and granting consents, Bonds held by the County or by an agent of the County, except that when Bonds are held by any tender agent or remarketing agent, such tender agent or remarketing agent rather than the County shall be deemed the Holder for purposes of voting the same for purposes of amending this Ordinance or the Series Resolution under which the same were issued or for the purpose of giving directions or granting consents under this Ordinance or such Series Resolution.

"Payment Obligation" means an obligation of the County arising under a Credit Agreement: (a) to reimburse any Provider for amounts advanced by such Provider under a Credit Facility or Reserve Account Credit Facility which are used (i) to pay any principal, Maturity Amount or Accreted Value of, premium on, or interest on any Bond or Bonds, or (ii) to purchase any Bond or Bonds for cancellation, or (iii) to purchase any Bond or Bonds for remarketing, or

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certificate of the County's financial advisor or senior managing underwriter with respect to such Variable Rate Bonds delivered to the Finance Director on their date of issuance;

(ii) in the case of Optional Tender Bonds, the date or dates on which the Holders of such Optional Tender Bonds may elect or be required to tender such Optional Tender Bonds for payment or purchase shall be ignored and the stated dates for Amortization Requirements and principal payments thereof shall be used for purposes of this calculation so long as the source for said payment or purchase is a Credit Facility which provides funds for the payment or purchase of such Optional Tender Bonds upon tender; provided, however, that notwithstanding the foregoing or the provisions of clause (i) above, during any period of time after the Provider of a Credit Facility has advanced funds under a Credit Facility and before such amount is repaid, Principal and Interest Requirements shall include the principal amount so advanced and interest thereon, in accordance with the principal repayment schedule and interest rate or rates specified in the Credit Agreement relating to such Credit Facility;

(iii) in the case of Capital Appreciation Bonds, the Accreted Value or Maturity Amount shall be included when due and payable;

(iv) in the case of Convertible Capital Appreciation Bonds, the Accreted Value or Maturity Amount shall be included when due and payable;

(v) if all or a portion of the principal or Amortization Requirements of or interest on Bonds is payable from funds set aside or deposited for such purpose (other than funds on deposit in the Reserve Account), including funds deposited to the credit of the Construction Fund, together with projected earnings thereon, such principal, Amortization Requirements or interest shall not be included in computing Principal and Interest Requirements if such funds, together

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with the investment earnings thereon, will provide sufficient moneys to pay when due such principal, Amortization Requirements or interest, as applicable; and

(vi) to the extent that the County has entered into a Hedge Agreement with respect to any Bonds and notwithstanding the provisions of clauses (i) through (v) above, while the Hedge Agreement is in effect and so long as the Counterparty has not defaulted thereunder, for the purpose of determining the Principal and Interest Requirements the interest rate with respect to the principal amount of such Bonds equal to the "notional" amount specified in the Hedge Agreement shall be assumed to be (A) if the Hedge Obligations under the Hedge Agreement are computed based upon a fixed rate of interest, the actual rate of interest upon which the Hedge Obligations under such Hedge Agreement are computed, and (B) if the Hedge Obligations under the Hedge Agreement are computed based upon a variable rate of interest, the fixed rate of interest upon which the Hedge Obligations under the Hedge Agreement would have been computed had the interest rate upon which the Hedge Obligations under the Hedge Agreement are computed been a fixed rate of interest on the date the Hedge Agreement was entered into, as set forth in a certificate of the County's financial advisor with respect to such Hedge Agreement delivered to the Finance Director on the date the Hedge Agreement was entered into;

(vii) principal and interest on Bonds due on the first day of a Fiscal Year shall be deemed to be due in the prior Fiscal Year; and

(viii) except as provided in Section 608 of this Ordinance, Principal and Interest Requirements shall not include the principal of, redemption premium, if any, and interest on Subordinate Obligations.

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(b) all charges of the type described in the definition of "Initial Credit Facility Charges" relating to the replacement of any Credit Facility or Reserve Account Credit Facility for any Outstanding Bonds with a new Credit Facility or Reserve Account Credit Facility, and (c) any other fees, charges or amounts the County is required to pay to any Provider of a Credit Facility or Reserve Account Credit Facility (other than Initial Credit Facility Charges and Payment Obligations) under any Credit Agreement, including, but not limited to, draw fees, transaction fees, "gross up charges" termination fees, annual fees, expenses of such Provider which the County is required to pay or for which it is required to reimburse such Provider, and any payments the County is required to make to indemnify any such Provider for any costs or expenses incurred by it or any loss suffered by it in connection with a Credit Facility or Reserve Account Credit Facility, but shall not include any Payment Obligations.

"Redemption Account" means the Redemption Account in the Debt Service Fund created and designated by Section 502 of this Ordinance, together with any Redemption Account subaccount designated by any applicable Series Resolution.

"Refunding Bonds" means the Bonds issued at any time under the provisions of Section 209 of this Ordinance.

"Registrar or Paying Agent" means as to any Series of Bonds, a bank or trust company within or without the State, which has been designated by the County as the Registrar or Paying Agent, or any one or combination of these functions, for such Series; provided, however, that any bank or trust company designated as Registrar or Paying Agent for any Series of Bonds must have an aggregate unimpaired reported capital, surplus and retained earnings of not less than \$100,000,000.

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"Project" means Transit System Sales Surtax Projects which shall be financed with proceeds of Bonds issued under this Ordinance, identified as a Project by a Series Resolution providing for the issuance of any obligation to finance or refinance its cost, in whole or in part.

"Provider" means a Credit Facility Provider or Reserve Account Credit Facility Provider, as indicated by the context in which such term is used.

"Qualified Earnings" means the investment earnings on moneys on deposit in the Revenue Fund and the Debt Service Fund and the Accounts therein and in any similar funds and accounts established with respect to First Lien Obligations not constituting Bonds; provided, however, that investment earnings on moneys on deposit in the Reserve Account or in any similar account established with respect to First Lien Obligations not constituting Bonds shall only be deemed "Qualified Earnings" if such investment earnings are not required to be retained therein.

"Rating Agency" or "Rating Agencies" means Fitch, Moody's and Standard & Poor's, but only to the extent that each such entity has assigned a rating which is then in effect as to any Series of Bonds Outstanding; provided, however, that as used in the definitions of "Investment Obligations" in this Ordinance, "Rating Agency" or "Rating Agencies" means Fitch, Moody's and/or Standard & Poor's, as applicable, without regard to whether such entity has assigned a rating to any Series of Bonds.

"Rebate Amount" means the amount of any rebate or penalty in lieu of rebate which is payable under Section 148(f) of the Code in connection with Bonds.

"Recurring Credit Facility Charges" means and includes (a) all charges payable by the County to any Provider of a Credit Facility or Reserve Account Credit Facility under any Credit Agreement to renew or extend the term of any Credit Facility or Reserve Account Credit Facility,

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"Regular Record Date" means that day preceding any scheduled Interest Payment Date as is established as the Regular Record Date by the Series Resolution applicable to such Series of Bonds.

"Reserve Account" means the Reserve Account in the Debt Service Fund created and designated by Section 502 of this Ordinance.

"Reserve Account Credit Facility" means a surety bond, a policy of insurance, a letter of credit or other financial product obtained by the County with respect to any Bonds, from an entity that is rated, on the date of the delivery of such facility, in one of the two highest rating categories by at least one of the Rating Agencies and which financial product provides for payment of principal and interest on such Bonds in amounts not greater than the Reserve Account Requirement for such Bonds in the event of an insufficiency of available moneys herein to pay when due principal of, premium, if any, and interest on such Bonds.

"Reserve Account Credit Facility Provider" means an insurance company, bank, or other organization which has provided a Reserve Account Credit Facility.

"Reserve Account Requirement" means the Maximum Principal and Interest Requirements in the then current or any subsequent Fiscal Year on all Outstanding Bonds or such lesser amount which is the greatest allowable under the Code.

"Revenue Fund" means the Miami-Dade County Transit System Sales Surtax Revenue Fund created and designated by Section 502 of this Ordinance.

"Serial Bonds" means the Bonds of a Series which shall be stated to mature in annual installments.

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"Series" means the Bonds delivered at any one or more times under the provisions of this Ordinance which are designated by or pursuant to this Ordinance or any supplemental ordinance of the Board or applicable Series Resolution as constituting a single Series.

"Series Resolution" or "Resolution" means, as to any one or more Series of Bonds, the ordinance and/or resolution, as applicable, of the Board providing for the authorization, sale and issuance of a Series of Bonds and includes any certificate of award, any trust indenture, the bond purchase agreement or other document or instrument that is approved by or required to be executed by any such Resolution.

"Standard & Poor's" means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., its successors and assigns, and if such entity no longer performs the functions of a securities rating agency, "Standard & Poor's" shall refer to any other nationally recognized securities rating agency designated by the County.

"State" means the State of Florida.

"Subordinate Obligations" means indebtedness the payment of which is secured by a pledge of all or portions of the Pledged Revenues on a basis subordinate to the pledge of the Pledged Revenues to the payment of Bonds pursuant to this Ordinance; provided, however, that Subordinate Obligations shall not include Payment Obligations or Hedge Charges.

"Term Bonds" means that portion of the Bonds of any Series which are stated to mature on one date and which shall be subject to mandatory redemption by operation of Amortization Requirements.

"Transit System Sales Surtax" means the one half of one percent (0.5%) discretionary sales surtax on all transactions occurring in Miami-Dade County which are subject to the State tax imposed on sales, use, rentals, admissions and other transactions by Chapter 212, Florida

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Statutes, as amended, levied and imposed by the County pursuant to the Transit System Sales Surtax Act, the Transit System Sales Surtax Ordinance and the approval by a majority vote of the electorate of Miami-Dade County at a duly called election held on November 5, 2002.

"Transit System Sales Surtax Act" means, collectively, Sections 212.054 and 212.055(1), Florida Statutes, as amended.

"Transit System Sales Surtax Ordinance" means Ordinance No. 02-116 enacted by the Board on July 9, 2002.

"Transit System Sales Surtax Projects" means the transportation and transit projects, including operation and maintenance thereof, authorized to be funded under the provisions of the Transit System Sales Surtax Act and the Transit System Sales Surtax Ordinance.

"Transit System Sales Surtax Trust Fund" means the separate special fund held by the Finance Director into which the Net Transit System Sales Surtax Proceeds received by the County are deposited.

"Variable Rate Bonds" means Bonds which bear interest at an interest rate which is subject to future change so that at the date any calculation of interest is required to be made under this Ordinance or any Series Resolution, the interest payable thereon at any future time or for any future interest period (which is relevant to such calculation) is not known.

SECTION 103. Interpretations. Unless the context shall otherwise indicate, the words "Bond", "Bondholder", "Holder", "owner" and "person" shall include the plural as well as the singular number; words of the masculine gender shall include correlative words of the feminine and neuter genders; and the word "person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision.

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ARTICLE II

ISSUANCE OF BONDS; FORM, EXECUTION,
DELIVERY AND REGISTRATION OF BONDS

SECTION 201. Authority for Issuance of Bonds. The Bonds authorized to be issued under this Ordinance are issued, and the Hedge Agreements authorized to be secured under the provisions of this Ordinance are entered into pursuant to the authority of the Constitution and laws of the State of Florida, including, but not limited to the Miami-Dade County Home Rule Amendment and Charter, as amended, Chapters 125 and 166, Florida Statutes, as amended, the Transit System Sales Surtax Act, the Code of Miami-Dade County, Florida, as amended, including the Transit System Sales Surtax Ordinance, and all other applicable laws.

(a) Initial Authorization. There is initially authorized to be issued, from time to time, pursuant to the provisions of this Ordinance, Bonds in an aggregate principal amount not exceeding \$500,000,000, for the purpose of paying all or any part of the cost of Projects, all as may be specified or provided for in the Series Resolution relating to the issuance of each such Series of Bonds; provided, however, that each Series of Bonds issued after the issuance of the initial Series of Bonds shall be issued as Additional Bonds, subject to the terms and provisions of Section 208.

(b) Additional Bonds and Refunding Bonds. In addition to the Bonds authorized under (a) above, there may be issued, from time to time, pursuant to the provisions of this Ordinance, Additional Bonds and Refunding Bonds, subject to the terms and provisions of Sections 208 and 209.

SECTION 202. Details of Bonds. The Series Resolution relating to any Series of Bonds shall provide for establishing the terms and provisions of the Bonds of each such Series,

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including, but not limited to the denomination of each Bond, the numbering sequence of the Bonds, interest rates, maturities, payment dates and redemption and/or tender for purchase provisions. The Bonds of each Series shall bear an appropriate title, which shall include an identifying Series designation.

The County may issue all manner and forms of Bonds, including, but not limited to Fixed Rate Bonds, Variable Rate Bonds (including index, auction, inverse floater or other types of Variable Rate Bonds), Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, Compounding Interest Bonds, Multimodal Bonds, Optional Tender Bonds, Serial Bonds, Term Bonds, taxable or tax-exempt Bonds, and any one or combination of these.

The County may enter into Hedge Agreements, Credit Facilities, Reserve Account Credit Facilities, Credit Agreements and all other forms of contracts relating to the issuance of Bonds, whether or not related to a specific Series of Bonds.

Principal, interest or the Accreted Value on the Bonds and premium, if any, shall be paid in any coin or currency of the United States of America which, at the respective dates of payment, is legal tender for the payment of public and private debts. The Bonds shall be payable at such places and in such other manner as shall be provided for in the Series Resolution under which such Bonds are issued.

SECTION 203. Execution and Form of Bonds.

(a) Bonds shall be signed by, or bear the manual or facsimile signature of the Mayor and shall be signed by or bear the manual or facsimile signature of the Clerk, and the official seal of the County or a facsimile of such seal shall be imprinted on the Bonds. When applicable, the Bonds shall be authenticated by manual signature of an authorized signer on behalf of the

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Registrar for such Bonds. The County may provide by Series Resolution any other uniform method for execution and authentication of Bonds.

(b) The form of any Bonds shall be specified in or provided for in the Series Resolution under which such Bonds are issued.

(c) Bonds issued pursuant to any Series Resolution may be issued as Book Entry Bonds or may be issued in fully certificated form.

SECTION 204. No Necessity for Validation. The Bonds issued under and pursuant to this Ordinance are not required to be validated; however, Bonds of any Series may be validated at the option of the County.

SECTION 205. Negotiability, Registration and Transfer of Bonds. At the option of the Holder and upon its surrender at the designated corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder or his duly authorized attorney, and upon payment by such Holder of any charge which the Registrar may make as provided in this Section, a Bond may be exchanged for another Bond of the same Series, interest rate, maturity date and tenor of any other authorized denominations.

The Registrar shall keep books for the registration of Bonds and for the registration of transfers of Bonds. A Bond shall be transferable by its Holder in person or by his attorney duly authorized in writing only upon the registration books of the County kept by the Registrar and only upon its surrender together with a written instrument of transfer satisfactory to the Registrar duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond, the County shall cause to be issued in the name of the transferee a new Bond or Bonds.

The County, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the registration books kept by the Registrar as the

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absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond as the same become due and for all other purposes. All such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the County shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance or any applicable Series Resolution. All Bonds surrendered in any such exchanges or transfers shall be delivered to the Registrar and canceled by the Registrar in the manner provided in Section 211 of this Ordinance. There shall be no charge for any such exchange or transfer of Bonds, but the County or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar shall be required (a) to transfer or exchange Bonds for a period from a Regular Record Date to the next succeeding Interest Payment Date on such Bonds or fifteen (15) days next preceding any selection of Bonds to be redeemed or until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a Term Bond is redeemed or defeased, the County shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Term Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such Term Bond so surrendered, a registered Term Bond in the appropriate denomination and interest rate.

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The County, by Series Resolution, may provide for the registration of the Bonds of any Series by adopting the Book Entry System for such Series. Beneficial ownership of such Bonds shall be transferred in accordance with the procedures of the securities depository and its participants.

SECTION 206. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the County may in its discretion cause to be executed, and the Registrar shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the County and the Registrar proof of his ownership and satisfactory indemnity and complying with such other reasonable regulations and conditions as the County and the Registrar may prescribe and paying such expenses as the County and the Registrar may incur. All Bonds so surrendered shall be canceled by the Registrar on behalf of the County. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the County may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender.

Any such duplicate Bonds issued pursuant to this Section 206 shall constitute original, additional contractual obligations on the part of the County whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the Pledged Revenues, to the same extent as all other Bonds.

SECTION 207. Preparation of Definitive Bonds: Temporary Bonds. Until definitive Bonds are prepared, the Mayor and the Clerk may execute and the Registrar may authenticate, in

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the same manner as is provided in Section 203 of this Article II, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more printed, lithographed or typewritten temporary fully registered Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations or any whole multiples, and with such omissions, insertions and variations as may be appropriate to such temporary Bonds. Upon the surrender at the corporate trust office of the Registrar of such temporary Bonds for which no payment or only partial payment has been provided, the Registrar shall authenticate and, without charge to the Holder, deliver in exchange, definitive Bonds of the same aggregate principal amount and maturity as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Ordinance.

SECTION 208. Additional Bonds. Additional Bonds of the County and any other obligations that are First Lien Obligations, which for the purposes of this Section are deemed Additional Bonds (other than Refunding Bonds), may be issued and secured by this Ordinance, subject to the conditions provided in this Section, from time to time, for the purpose of (i) paying all or any part of the cost of a Project or (ii) paying or refunding any obligations of the County incurred with respect to any Project.

Before any Series of Additional Bonds shall be issued under the provisions of this Section 208, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, providing for the amount and the details of such Additional Bonds, and describing the purpose of such Additional Bonds. The Additional Bonds of each Series issued under the provisions of this Section shall be dated, shall mature (subject to the right of prior redemption) on such dates in such year or years not more than the number of years allowed by

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law after the date of such Additional Bonds, any Term Bonds of such Series shall have such Amortization Requirements, may be made redeemable at such times and prices (subject to the provisions of Article III of this Ordinance), and shall have such Paying Agent and Registrar, all as may be specified in or provided for by or pursuant to the Series Resolution authorizing the issuance of such Additional Bonds. Such Additional Bonds, if issued in certificated form, shall be executed substantially in the manner set forth in this Ordinance, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution authorizing the issuance of such Additional Bonds. Prior to the delivery of each Series of Additional Bonds, there shall be filed with the Finance Director the following:

- (a) a copy, certified by the Clerk, of the Series Resolution mentioned above;
- (b) a certificate, signed by the Finance Director:
 - (i) setting forth the amount of the Pledged Transit System Sales Surtax Revenues for any twelve (12) consecutive months (the "Computation Period") in the preceding eighteen (18) consecutive months. For purposes of this clause (i), in the event a change in law increases the permissible rate or scope of the Transit System Sales Surtax and if pursuant to such change in law, the County increases the rate or scope of the Transit System Sales Surtax and the County elects by supplemental ordinance to subject such increase to the pledge and lien granted under this Ordinance, and such increase has gone into effect prior to the delivery of the Additional Bonds and is scheduled to be in effect through the final maturity of the Additional Bonds, then the Pledged Transit System Sales Surtax Revenues shall be adjusted to include the additional amounts which would have been received during the Computation Period had such increase been in effect during the Computation Period;

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(ii) setting forth the Maximum Principal and Interest Requirements in any Fiscal Year thereafter on account of all Bonds to be Outstanding as of the date of such delivery (which for purposes of this clause (ii) and clause (iii) below shall include other outstanding obligations that are First Lien Obligations), including the Additional Bonds then requested to be delivered; provided, however, that in computing Maximum Principal and Interest Requirements, there shall be deducted therefrom Qualified Earnings received by the County during the Computation Period; and

(iii) stating that the Pledged Transit System Sales Surtax Revenues for the Computation Period (adjusted, if applicable, as provided in (i) above) shall have equaled at least one hundred fifty percent (150%) of the Maximum Principal and Interest Requirements (computed as provided in (ii) above) on all Bonds to be Outstanding as of the date of such delivery, including the Additional Bonds then requested to be delivered; and

(c) an opinion of the County Attorney stating that the issuance of such Additional Bonds has been duly authorized.

When the documents mentioned above in this Section shall have been filed with the Finance Director and when the Additional Bonds described in the Series Resolution mentioned in clause (a) of this Section shall have been executed as required by this Ordinance, the County shall deliver such Additional Bonds at one time to or upon the order of the purchasers, but only upon payment to the County of the purchase price of such Additional Bonds.

The proceeds of such Additional Bonds, excluding accrued interest, any premium on such Series of Additional Bonds and any proceeds to be deposited in the Reserve Account, shall be deposited by the Finance Director with one or more Depositories to the credit of a separate

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account or accounts, including, if applicable, an account in the Construction Fund, which shall be created and appropriately designated in the Series Resolution, and shall be applied to the purpose for which such Additional Bonds were issued and to pay the cost of issuance of the Additional Bonds. The amount received as accrued interest and any premium on such Additional Bonds shall be deposited to the credit of the Bond Service Account for application to the interest due on such Additional Bonds. Any proceeds of such Additional Bonds which are required by the applicable Series Resolution to fund the Reserve Account or to purchase a Reserve Account Credit Facility shall be used for said purpose.

SECTION 209. Refunding Bonds. Refunding Bonds and any other obligations that are First Lien Obligations, which for purposes of this Section are deemed Refunding Bonds, may be issued and secured by this Ordinance, subject to the conditions provided in this Section, from time to time for the purpose of providing funds for paying at maturity and redeeming all or any part of the outstanding Bonds of any one or more Series or other First Lien Obligations, including the payment of any redemption premium and any interest which will accrue on such Bonds or other First Lien Obligations and any expenses in connection with such paying at maturity and redemption.

Before any Series of Refunding Bonds shall be issued under the provisions of this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Refunding Bonds, fixing or providing for the fixing of the amount and details, and describing the Bonds or other First Lien Obligations to be paid and redeemed. Such Refunding Bonds shall be dated, shall be stated to mature (subject to the right of prior redemption) on such dates in such year or years not more than the number of years allowed by law after the date of such Refunding Bonds, any Term Bonds of such Series shall have such Amortization Requirements, may be made redeemable at

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such times and prices (subject to the provisions of Article III of this Ordinance), and shall have such Paying Agent and Registrar, all as may be specified in or provided for by the Series Resolution authorizing the issuance of such Refunding Bonds. Such Refunding Bonds, if issued in certificated form, shall be executed substantially in the manner set forth in this Ordinance, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution authorizing the issuance of such Refunding Bonds. Prior to or simultaneously with the delivery of such Refunding Bonds by the Finance Director, there shall be filed with the Finance Director the following:

- (a) a copy, certified by the Clerk, of the Series Resolution mentioned above;
- (b) a certificate, signed by the Finance Director, either:

(i) stating that (A) the Maximum Principal and Interest Requirements in any Fiscal Year thereafter on account of all Bonds to be Outstanding after the issuance of such Refunding Bonds shall not exceed the Maximum Principal and Interest Requirements in any Fiscal Year on account of all Bonds Outstanding immediately prior to the issuance of such Refunding Bonds, or (B) the aggregate Principal and Interest Requirements in all Fiscal Years thereafter on account of all Bonds to be Outstanding after the issuance of such Refunding Bonds shall not exceed the aggregate Principal and Interest Requirements in all Fiscal Years on account of all Bonds Outstanding immediately prior to the issuance of such Refunding Bonds; provided that for purposes of this clause (i) Bonds shall include other outstanding obligations that are First Lien Obligations; or

(ii) complying with clause (b) of Section 208 (the Refunding Bonds being deemed Additional Bonds for purposes of said clause (b) of Section 208);

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(c) an opinion of the County Attorney stating that the issuance of such Refunding Bonds has been duly authorized; and

(d) such documents as shall be required by the Finance Director to show that provision has been duly made in accordance with the provisions of this Ordinance or other documents, as applicable, for the payment or redemption of all of the Bonds or other First Lien Obligations to be paid or redeemed.

When the documents mentioned above in this Section shall have been filed with the Finance Director and when the Refunding Bonds described in the Series Resolution mentioned in clause (a) of this Section shall have been executed as required by this Ordinance, the County shall deliver such Refunding Bonds at one time to or upon the order of the purchasers, but only upon payment to the County of the purchase price of such Refunding Bonds.

The proceeds of such Refunding Bonds, excluding accrued interest, any premium on such Series of Refunding Bonds and any proceeds to be deposited in the Reserve Account, shall be applied for the purpose of paying at maturity or redeeming all of the Bonds or other First Lien Obligations to be paid or redeemed as provided in the Series Resolution and to pay the cost of issuance of the Refunding Bonds. The amount received as accrued interest and any premium on such Refunding Bonds shall be deposited to the credit of the Bond Service Account for application to the interest due on such Refunding Bonds. Any proceeds of such Refunding Bonds which are required by the applicable Series Resolution to fund the Reserve Account or to purchase a Reserve Account Credit Facility shall be used for said purpose.

SECTION 210. Moneys Held in Trust. All moneys which the County shall have withdrawn from the Debt Service Fund or shall have received from any other source and deposited with the Paying Agents, for the purpose of paying any of the Bonds, either at the

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maturity or upon call for redemption, or for the purpose of paying any interest on, the Bonds, shall be held in trust for the respective Holders of such Bonds. But any moneys which shall be so set aside or deposited and which shall remain unclaimed by the Holders of such Bonds for the period of six (6) years after the date on which amount shall have become due and payable, upon the County's request in writing, shall be paid to the County or to such officer, board or body as may then be entitled by law to receive the same, and subsequently the Holders of such Bonds shall look only to the County or to such officer, board or body, as the case may be, for the payment and then only to the extent of the amounts so received without any interest, and the Paying Agents shall have no responsibility with respect to such moneys.

SECTION 211. Cancellation of Bonds. All Bonds paid, redeemed or purchased, either at or before maturity, shall be canceled by the Registrar upon the payment, redemption or purchase of such Bonds. All Bonds canceled under any of the provisions of this Ordinance shall be destroyed by the Registrar and the person so destroying such Bonds shall execute a certificate in triplicate describing the Bonds, and one executed certificate shall be filed with the Clerk, one executed certificate shall be filed with the Finance Director and the other executed certificate shall be retained by the Registrar.

ARTICLE III
REDEMPTION

SECTION 301. Provisions for Redemption. Bonds may be subject to redemption prior to their maturity upon the terms and conditions and at such times, in such manner and at such redemption price or premium as shall be provided for by the Series Resolution adopted with respect to such Series of Bonds.

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SECTION 302. Notice of Redemption. In the event any Bonds are called for redemption, the Paying Agent shall give notice in the name of the County, of the redemption of such Bonds, which notice shall (i) specify the Bonds, including Series designations, to be redeemed, the CUSIP numbers, certificate numbers, the date of issue, interest rate, maturity date of the Bonds to be redeemed, the redemption date, the date of notice, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the designated principal corporate trust office of the Paying Agent or of its agent) and, if less than all of the Bonds of any Series are to be redeemed, the numbers of the Bonds and the portion of Bonds so to be redeemed and (ii) state that on the redemption date, the Bonds to be redeemed shall cease to bear interest.

Notice of redemption shall be given by the Paying Agent in the name of the County by mailing a copy of the redemption notice to the registered owners of the Bonds not less than thirty (30) days (or, with respect to any Series of Bonds, such shorter period as may be provided in the applicable Series Resolution) prior to the date fixed for redemption, by first class mail at their addresses appearing on the bond registration books of the County maintained by the Registrar, and, if applicable, to the securities depository. Provision may be made in any applicable Series Resolution for notice by certified mail, or other type of special mailing, to the Holders of Bonds having an aggregate principal amount, or Accreted Value in the case of Capital Appreciation Bonds, of \$1,000,000 or more.

Anything contained in this Ordinance to the contrary notwithstanding, failure to mail any such notice (or any defect in the notice) to one or more Holders of Bonds shall not affect the validity of any proceedings for such redemption with respect to the Holders of Bonds to which notice was duly given.

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The redemption of any Bonds, other than mandatory sinking fund redemptions, may be conditioned upon the receipt by the County of the moneys necessary to pay the redemption price of the Bonds to be redeemed. Any notice of redemption which is conditioned on the receipt of such necessary moneys shall state that the redemption is so conditioned.

Any Bonds which have been duly selected for redemption in accordance with this Article III shall cease to bear interest on the specified redemption date.

ARTICLE IV
CONSTRUCTION FUND

SECTION 401. Construction Fund. There is created and established a special fund to be called the "Miami-Dade County Transit System Sales Surtax Construction Fund" (the "Construction Fund"), which shall be held by the County. A separate account shall be established in the Construction Fund for each Series of Bonds from time to time relating to a Project, which shall be provided for in the applicable Series Resolution.

The moneys in the Construction Fund shall be held in trust and applied to the payment of the Cost of Projects and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds issued and Outstanding under this Ordinance and for the further security of such Holders until paid out, as provided in this Ordinance.

SECTION 402. Payments from Construction Fund. Payment of the Cost of any Project shall be made from the applicable account of the Construction Fund as provided for in the Series Resolution relating to such Project. Moneys in the respective accounts shall be disbursed subject to such customary controls and procedures as the County may from time to time institute in connection with the disbursement of funds, and in accordance with, or as provided for by the applicable Series Resolution.

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SECTION 403. Cost of Projects. The Cost of any Project to be constructed or acquired shall include, without limitation, the following:

- (a) obligations incurred (i) for labor and materials and to contractors, builders and materialmen in connection with the construction of facilities, enlargements, improvements and extensions, including the restoration of property damaged or destroyed in connection with construction and the relocation, demolition and disposal of structures necessary or desirable in connection with such construction or the operation of the Project, and (ii) for machinery and equipment;
- (b) interest accruing upon any Bonds prior to the commencement of and during construction or for any additional period as may be determined by the County, subject to any limitation in the applicable Series Resolution;
- (c) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, such land, structures, facilities and improvements as necessary or convenient in connection with such construction or with the operation of the Project, and the amount of any related damages;
- (d) expenses of administration properly chargeable to such construction or acquisition, legal, architectural and engineering expenses and fees, cost of audits and of preparing and issuing the Bonds, fees and expenses of consultants, financing charges, taxes or other governmental charges lawfully assessed during construction, premiums on insurance in connection with construction, the cost of funding the Reserve Account, costs of Credit Facilities, Hedge Charges, costs of issuance and all other items of expense not elsewhere specified herein, incident to the financing, construction or acquisition of the Project and the placing of the same in operation; and

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(c) any obligation or expense advanced by the County for any of the foregoing purposes, which is legally reimbursable.

SECTION 404. Disposition of Construction Fund Balance. When the construction of any Project shall have been completed, which fact shall be determined by the County Manager or Finance Director in a manner approved by him, the balance in the Construction Fund not reserved by the County for the payment of any remaining part of the Cost of such Project shall, at the option of the County, (i) be deposited to the credit of the Debt Service Fund, (ii) be applied to purchase or redeem Outstanding Bonds, or (iii) to the extent legally permissible, be applied to the cost of other Transit System Sales Surtax Projects.

ARTICLE V

REVENUES AND FUNDS

SECTION 501. Security for Bonds, Hedge Obligations and other First Lien Obligations. The Bonds shall be a special and limited obligation of the County, payable solely from and secured by a prior lien upon and a pledge of the Pledged Revenues as provided in this Ordinance. Until payment has been provided for as permitted in this Ordinance, the payment of the principal of and interest on the Bonds, all Hedge Obligations and other First Lien Obligations shall be secured equally and ratably by an irrevocable lien on the Pledged Revenues. The County irrevocably pledges and grants a lien upon such Pledged Revenues to the payment of the principal of and interest on the Bonds, the reserves for the Bonds, Hedge Obligations, other First Lien Obligations and for all other required payments under this Ordinance, including Hedge Charges, to the extent, in the manner and with the priority of application as provided in this Ordinance. No Holder nor any Counterparty shall have the right to require or compel the exercise of the ad valorem taxing power of the County for payment of the Bonds, Hedge

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Obligations, other First Lien Obligations or Hedge Charges, or be entitled to payment of such amount from any other funds of the County, except from the Pledged Revenues in the manner provided in this Ordinance.

SECTION 502. Creation of Funds and Accounts. The following special Funds and Accounts are created and established: the "Miami-Dade County Transit System Sales Surtax Revenue Fund" (the "Revenue Fund"); and the "Miami-Dade County Transit System Sales Surtax Revenue Bonds Debt Service Fund" (the "Debt Service Fund") together with three separate accounts in said Debt Service Fund, designated "Bond Service Account", "Redemption Account", and "Reserve Account", respectively.

- (a) Trust Funds. The moneys in each of said Funds and Accounts shall be held in trust by the County and applied as provided in this Article V with regard to each such Fund and Account and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds and Counterparties until paid out or transferred as provided in this Ordinance.
- (b) Government Accounting Effect. The cash required to be accounted for in each of the Funds and Accounts may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the allocation of the cash on deposit for the various purposes of such Funds and Accounts. The designation and establishment of the various Funds and Accounts in and by this Ordinance shall not be construed to require the establishment of any completely independent, self balancing funds, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of the Pledged Revenues for certain purposes and to establish certain priorities for application of the Pledged Revenues as provided in this Ordinance.

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(c) Subaccounts. In each Series Resolution, the County may create subaccounts within the Bond Service Account and the Redemption Account with respect to one or more Series of Bonds and may provide that deposits to such Funds and Accounts shall be appropriately credited to such subaccounts, together with amounts received pursuant to any Credit Facility or Hedge Agreement. Amounts held in any such subaccount may be required to be held solely for the applicable Series of Bonds and applied to their payment or to the payment of Payment Obligations and Hedge Obligations relating to such Series.

SECTION 503. Flow of Funds. For as long as any of the principal of and interest on any of the Bonds or any First Lien Obligations, Hedge Obligations or Hedge Charges shall be outstanding and unpaid, or until payment has been provided for as permitted by this Ordinance, or until there shall have been set apart in the Debt Service Fund, including the Reserve Account, and/or in an irrevocable escrow account with a Depository, a sum sufficient to pay when due the entire principal of the Bonds remaining unpaid, together with interest accrued or to accrue, and all First Lien Obligations, Hedge Obligations and Hedge Charges, the County covenants with the Holders of any and all Bonds as follows:

The County shall deposit the Net Transit System Sales Surtax Proceeds received from the Department in the Transit System Sales Surtax Trust Fund and shall immediately transfer the Pledged Transit System Sales Surtax Revenues from the Transit System Sales Surtax Trust Fund to the Revenue Fund. Moneys in the Revenue Fund shall be applied, on or before the 25th day of each month, commencing in the month immediately following the first delivery of any Bonds, to the credit of the following Funds and Accounts or for the payment of the following obligations, in the following order:

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(i) to the credit of the Bond Service Account in the Debt Service Fund, an amount equal to one sixth (1/6th) of the amount of interest payable on the Bonds of each Series on the Interest Payment Date next succeeding (less any amount received as capitalized or accrued interest from the proceeds of any Bonds which is available for such interest payment) and an amount equal to one twelfth (1/12th) of the next maturing installment of principal (or Accreted Value, as applicable) on all Serial Bonds then outstanding; provided, however, that:

(1) in each month intervening between the date of delivery of a Series of Bonds, and the next succeeding Interest Payment Date and the next succeeding principal payment date, respectively, the amount specified in this subparagraph (i) shall be that amount which when multiplied by the number of deposits to the credit of the Bond Service Account required to be made during such respective periods will equal the amounts required (taking into account any amounts received as accrued interest or capitalized interest from the proceeds of such Bonds) for such next succeeding interest payment and next maturing installment of principal, respectively;

(2) the amount specified in this subparagraph (i) shall be reduced to take into account Hedge Receipts to be received on or before the succeeding Interest Payment Date and shall be increased to provide for the payment of any Hedge Obligations to be paid on or before the succeeding Interest Payment Date; and

(3) with respect to any Variable Rate Bonds (or any Hedge Agreement bearing interest at a variable rate of interest) and/or payable other than semiannually, the amount specified in this subparagraph (i) for the payment of interest (or Hedge Obligations) shall be that amount necessary to provide substantially equal monthly

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If the amount deposited in any month to the credit of any of the Funds or Accounts shall be less than the amount required to be deposited under the provisions of this Section, the requirement shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited in each subsequent month until such time as all such deficiencies have been made up.

Notwithstanding the foregoing application of Pledged Transit System Sales Surtax Revenues, the County may by ordinance or resolution provide for the payment from Pledged Transit System Sales Surtax Revenues of First Lien Obligations not constituting Bonds and for the funding of any reserve accounts established with respect to such First Lien Obligations on a parity with the payment of Bonds issued under this Ordinance and the funding of the Reserve Account, respectively, as set forth above, and shall take such actions (including amending or supplementing the Ordinance) and execute and deliver such documents as may be necessary to secure such First Lien Obligations on a parity with the Bonds.

SECTION 504. Application of Monies in Bond Service Account. (a) The Finance Director, on or before each interest or principal payment date, shall withdraw from the Bond Service Account, and deposit in trust with the Paying Agents the amounts required for paying the interest on the Bonds as such interest becomes due and payable and the principal of all Serial Bonds as such principal becomes due and payable. Except as provided in subsection (b), all Hedge Receipts shall be deposited by the County directly into the Bond Service Account and applied as provided in this Section. In addition, on or before each payment date for any Hedge Obligation, the Finance Director shall withdraw from the Bond Service Account the amount payable with respect to such Hedge Obligation and pay such amount to the applicable

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payments for the payment of such interest (or Hedge Obligations) on the payment dates; and

(ii) to the credit of the Redemption Account in the Debt Service Fund, an amount equal to one twelfth (1/12th) of the principal amount (or Accreted Value, as applicable) of Term Bonds of each Series then Outstanding required to be retired in satisfaction of the Amortization Requirements for such Fiscal Year plus the redemption premiums, if any, which would be payable in such Fiscal Year for such Term Bonds if such Term Bonds were to be redeemed prior to their respective maturities from moneys held for the credit of the Debt Service Fund; and

(iii) to the credit of the Reserve Account in the Debt Service Fund, the amount required under Section 506 for such month; provided, however, no deposit shall be required in any month in which the amount on deposit in the Reserve Account is at least equal to the Reserve Account Requirement. If a Reserve Account Credit Facility is utilized and its Provider is required to advance any sums to pay principal and/or interest on the Bonds or other sums required to be funded from the Reserve Account, the County shall pay the related Payment Obligations and other amounts due the Provider in connection with such advance in accordance with the requirements of the Credit Agreement entered into between the County and such Provider with respect to such Reserve Account Credit Facility; and

(iv) to the payment of Administrative Expenses due and payable;

(v) to the payment of principal (including amortization installments, if any) of, and premiums and interest on, and other required payments with respect to Subordinate Obligations; and

(vi) to the payment of Hedge Charges due and payable.

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Counterparty. Such payments may be made by wire transfer or other electronic means or as may be provided with respect to any Book Entry System.

(b) Hedge Receipts constituting termination payments may, at the option of the County, be applied to acquire a replacement Hedge Agreement on terms similar to the expired or terminated Hedge Agreement and, in such event, only the Hedge Receipts in excess of the cost of entering into such replacement Hedge Agreement shall be deposited into the Bond Service Account as required by subsection (a).

SECTION 505. Application of Moneys in Redemption Account. Moneys held for the credit of the Redemption Account shall be applied to the retirement of the Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Finance Director may purchase any Term Bonds then outstanding, whether or not such Term Bonds shall then be subject to redemption, on the most advantageous terms obtainable with reasonable diligence, such price not to exceed the principal of such Term Bonds plus the amount of the redemption premium, if any, which might on the next redemption date be paid to the Holders of such Term Bonds if such Term Bonds should be called for redemption on such date from moneys in the Debt Service Fund. The Finance Director shall pay the interest accrued on such Term Bonds to date of settlement from the Bond Service Account and the purchase price from the Redemption Account, but no such purchase shall be made by the Finance Director within the period of forty-five (45) days next preceding any Interest Payment Date on which such Term Bonds are subject to call for redemption under the provisions of this Ordinance, except from moneys other than moneys set aside or deposited for the redemption of Term Bonds.

(b) Subject to the provisions of Article III of this Ordinance and paragraph (c) of this Section, the Finance Director may call for redemption on each Interest Payment Date on which

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Term Bonds are subject to redemption that amount of such Term Bonds as, with the redemption premium, if any, will exhaust the moneys which will be held for the credit of the Redemption Account on said Interest Payment Date as nearly as may be practicable; provided, however, that not less than Fifty Thousand Dollars (\$50,000) principal amount of Term Bonds shall be called for redemption at any one time unless a lesser amount shall be required to satisfy the Amortization Requirement for any Fiscal Year. Such redemption shall be made pursuant to the provisions of Article III of this Ordinance and the applicable Series Resolution. The Finance Director, on or before the redemption date, shall withdraw from the Bond Service Account and the Redemption Account and set aside in separate accounts or deposit with the Paying Agent the respective amounts required for paying the interest on, and the principal and redemption premium of, the Term Bonds so called for redemption.

(c) Moneys held by the Finance Director in the Redemption Account shall be applied by the Finance Director each Fiscal Year to the retirement of Bonds then outstanding in the following order:

First: to the retirement of Term Bonds to the extent of the Amortization Requirement, if any, for such Fiscal Year for such Term Bonds, plus the applicable premium, if any, and any deficiency in any preceding Fiscal Years in the purchase or redemption of such Term Bonds under the provisions of this subdivision and, if the amount available in such Fiscal Year shall not be sufficient, then in proportion to the Amortization Requirement, if any, for such Fiscal Year for the Term Bonds of each such Series then Outstanding, plus the applicable premium, if any, and any such deficiency.

Second: Term and Serial Bonds may be retired by optional redemption or by purchase as provided in or by this Ordinance and the Series Resolution under which such Bonds are issued.

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Upon the retirement of any Bonds by purchase or redemption the Finance Director shall file with the Clerk a statement briefly describing such Bonds and setting forth the date of their purchase or redemption, the amount of the purchase price or the redemption price of such Bonds and the amount paid as interest on the Bonds. The expenses in connection with the purchase or redemption of any Bonds shall be paid by the County from the Revenue Fund.

SECTION 506. Application of Moneys in Reserve Account. Each Series of Bonds shall be secured by the Reserve Account. The Reserve Account shall be funded with cash, investments or a Reserve Account Credit Facility or any combination of them. Upon the initial issuance of each Series of Bonds, the County shall deposit into the Reserve Account the amount necessary, if any, to make the balance in the Reserve Account equal to the Reserve Account Requirement; provided, however, that if the certificate filed pursuant to Section 208(b) of this Ordinance in connection with the issuance of any such Series of Bonds states that the Pledged Transit System Sales Surtax Revenues for the Computation Period (adjusted, if applicable, as provided in clause (i) of said Section 208(b)) shall have equaled at least two hundred percent (200%) of the Maximum Principal and Interest Requirements (computed as provided in clause (ii) of said Section 208(b)) on all Bonds to be Outstanding as of the date of such issuance, including the Series of Bonds then being issued, the County may fund not less than fifty percent (50%) of the increase in the Reserve Account Requirement attributable to such Series of Bonds on the date of issuance of such Series of Bonds, and the remaining increase in the Reserve Account Requirement may be funded in substantially equal monthly deposits into the Reserve Account over a period not to exceed sixty (60) months, all as may be provided for in the applicable Series Resolution.

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Moneys held for the credit of the Reserve Account shall first be used for the purpose of paying the interest on and the principal of the Bonds whenever and to the extent that the available moneys held for such purpose for the credit of the Bond Service Account and the Revenue Fund shall be insufficient for such purpose, and thereafter for the purpose of making deposits to the credit of the Redemption Account pursuant to the requirements of Section 503 of this Ordinance whenever and to the extent that withdrawals from the Revenue Fund are insufficient for such purposes. Amounts withdrawn from the Reserve Account for the purpose of payment of debt service on any Bonds shall be replenished and, except as provided in the first paragraph of this Section 506, any other shortfalls in the amounts required to be on deposit in the Reserve Account shall be funded in substantially equal monthly deposits into the Reserve Account over a period not to exceed sixty (60) months. If at any time the moneys held for the credit of the Reserve Account shall exceed the Reserve Account Requirement, such excess shall be withdrawn by the Finance Director and deposited to the credit of the Revenue Fund.

SECTION 507. Payment of Administrative Expenses. The Administrative Expenses shall be paid from moneys in the Revenue Fund available for such purpose in accordance with Section 503 of this Ordinance as the same become due and payable.

SECTION 508. Payment of Subordinate Obligations. Principal (including amortization installments, if any) of, premium and interest on, and other required payments with respect to Subordinate Obligations shall be paid from moneys in the Revenue Fund available for such purpose in accordance with Section 503 of this Ordinance as the same become due and payable.

SECTION 509. Application of Moneys Remaining in the Revenue Fund. Moneys from time to time on deposit in the Revenue Fund after the applications under Section 503 of this

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Ordinance may, at the election of the County, be applied to one or more of the following purposes:

- (a) to make up deficiencies in any of the Funds and Accounts created by or pursuant to this Ordinance including, but not limited to, any deficiencies in the Revenue Fund required for the payment of Administrative Expenses and Subordinate Obligations;
- (b) to purchase or redeem Bonds; and
- (c) to any other purpose for which such moneys may lawfully be used under the laws of the State.

Provided, however, that in the event of any deficiencies in any Funds or Account created by this Ordinance, the moneys in the Revenue Fund shall be applied to make up all such deficiencies prior to applying any moneys in the Reserve Account for such purpose.

SECTION 510. Investment of Moneys in Funds and Accounts. All moneys in the Funds and Accounts shall be invested and reinvested in Investment Obligations. Investment Obligations allocated to any Fund or Account shall mature not later than the respective dates, as estimated by the Finance Director, that moneys held for the credit of such Fund or Account will be needed. In the case of the Reserve Account, Investment Obligations shall mature (or be subject to mandatory purchase at the option of the Holder) not later than seven (7) years, unless the Investment Obligation is of such a nature that it can be drawn upon or redeemed at par, in which event such Investment Obligation may mature not later than the final maturity on Bonds secured by the Reserve Account.

Except as otherwise provided in this Ordinance or in any Series Resolution with respect to any particular moneys, all income received on Investment Obligations shall upon receipt be deposited into the Revenue Fund; provided, however, that (i) income received on Investment

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Obligations allocated to the Reserve Account shall be retained in the Reserve Account to the extent necessary to maintain the Reserve Account Requirement; and (ii) all income received on Investment Obligations allocated to the Construction Fund shall be retained in the applicable Accounts in such Fund and used for the Cost of the applicable Projects; and provided further, however, that investment income in any of the Funds and Accounts necessary to pay Rebate Amounts shall be applied for such purpose.

SECTION 511. Security for Deposits. Any and all moneys deposited in any Fund or Account under the provisions of this Ordinance shall, to the extent provided in this Ordinance, be trust funds under the terms of this Ordinance and shall not be subject to any lien or attachment by any creditor of the County other than as provided in this Ordinance. Such moneys shall be held in trust and applied in accordance with the provisions of this Ordinance.

All money deposited in the Funds and Accounts in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured in such manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust or public funds; provided, however, that it shall not be necessary to give security for any money that shall be represented by obligations purchased under the provisions of this Ordinance as an investment of such money unless otherwise required by applicable law.

ARTICLE VI
COVENANTS

SECTION 601. Power to Issue Bonds and Pledge Revenues. The County is duly authorized under all applicable laws to create and issue the Bonds and to pledge the Pledged Revenues in the manner and to the extent provided in this Ordinance. Except to the extent

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otherwise provided in this Ordinance, the Pledged Revenues are and will be free and clear of any pledge, lien, charge or encumbrance prior to, or of equal rank with, the security interest, pledge and assignment created by this Ordinance, and all action on the part of the County to that end has been and will be duly and validly taken. The County covenants that it will not issue, undertake or incur any indebtedness of any nature secured by a lien on the Pledged Revenues prior or superior to the lien on the Pledged Revenues created under this Ordinance. The Bonds and the provisions of this Ordinance are and will be the valid and legally enforceable obligations of the County in accordance with their terms and the terms of this Ordinance.

SECTION 602. Payment of Principal, Interest and Premiums. The County covenants that it will promptly pay the principal of and the interest on each and every Bond issued under the provisions of this Ordinance at the places, on the dates and in the manner specified in this Ordinance and in said Bonds and any premium required for the retirement of said Bonds by purchase or redemption according to their true intent and meaning. Bonds issued under the provisions of this Ordinance and Hedge Agreements shall not be deemed to constitute a debt of the County or a pledge of the faith and credit of the County but such Bonds shall be payable solely from the Pledged Revenues. The issuance of the Bonds shall not directly or indirectly or contingently obligate the County to levy or to pledge any form of ad valorem taxation whatsoever, nor shall any such Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County.

SECTION 603. Levy of Transit System Sales Surtax. The County represents and warrants that it is presently levying and imposing the Transit System Sales Surtax. The County covenants and agrees that as long as any of the Bonds are Outstanding, the County (i) shall not amend or modify the Transit System Sales Surtax Ordinance in any manner so as to adversely

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affect the County's obligations with respect to the Bonds, (ii) shall levy and impose the Transit System Sales Surtax in accordance with the provisions of the Transit System Sales Surtax Act and the Transit System Sales Surtax Ordinance, (iii) shall take all actions necessary to collect the Net Transit System Sales Surtax Proceeds from the Department and (iv) shall, upon receipt, deposit the Net Transit System Sales Surtax Proceeds in the Transit System Sales Surtax Trust Fund.

SECTION 604. Annual Budget. The County shall in its Annual Budget prepared and adopted each Fiscal Year include the Net Transit System Sales Surtax Proceeds expected to be received from the Department during such Fiscal Year and shall appropriate the Pledged Transit System Sales Surtax Revenues to be used as provided in this Ordinance.

SECTION 605. Books and Records. The County will keep proper books and records with respect to the Pledged Transit System Sales Surtax Revenues and the County shall keep or cause to be kept records of the receipts and expenditures of the funds provided for under this Ordinance. Such books and records shall be kept in accordance with standard principles of governmental accounting consistently applied.

SECTION 606. Annual Audit. The County shall cause the annual audit of the County to be completed within the time required by law after the end of each Fiscal Year by an independent certified public accountant. The annual audit shall be conducted in accordance with generally accepted auditing standards as applied to counties and the annual audit and accompanying financial statements prepared by such certified public accountant shall be filed with the County.

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SECTION 607. Copies. A copy of the Annual Budget (required by Section 604) and of the annual audit (required by Section 606), shall be available for inspection (and copying at the cost of the person requesting copies) at the office of the Finance Director.

SECTION 608. Subordinate Obligations; Other Indebtedness. Except as provided below with respect to Subordinate Obligations, nothing contained in this Ordinance shall limit the right of the County to incur (i) Subordinate Obligations or (ii) indebtedness or obligations which are not secured by the Pledged Revenues.

Prior to the delivery of any Subordinate Obligations, there shall be filed with the Finance Director a certificate, signed by the Finance Director:

(i) setting forth the amount of the Pledged Transit System Sales Surtax Revenues for any twelve (12) consecutive months (the "Computation Period") in the preceding eighteen (18) consecutive months. For purposes of this clause (i), in the event a change in law increases the permissible rate or scope of the Transit System Sales Surtax and if pursuant to such change in law, the County increases the rate or scope of the Transit System Sales Surtax and the County elects by supplemental ordinance to subject such increase to the pledge and lien granted under this Ordinance, and such increase has gone into effect prior to the delivery of the Subordinate Obligations and is scheduled to be in effect through the final maturity of such Subordinate Obligations, then the Pledged Transit System Sales Surtax Revenues shall be adjusted to include the additional amounts which would have been received during the Computation Period had such increase been in effect during the Computation Period;

(ii) setting forth the Maximum Principal and Interest Requirements in any Fiscal Year thereafter on account of all Bonds (which for purposes of this clause (ii) and clause (iii) below shall include other obligations that are First Lien Obligations) and Subordinate Obligations to be

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Outstanding as of the date of such delivery, including the Subordinate Obligations then being delivered; provided, however, that in computing Maximum Principal and Interest Requirements, there shall be deducted therefrom (A) Combined Qualified Earnings (as defined below) received by the County during the Computation Period and (B) Other Revenues (as defined below); and

(iii) stating that the Pledged Transit System Sales Surtax Revenues for the Computation Period (adjusted, if applicable, as provided in (i) above) shall have equalled at least one hundred twenty-five percent (125%) of the Maximum Principal and Interest Requirements (computed as provided in (ii) above) on all Bonds and Subordinate Obligations to be Outstanding as of the date of such delivery, including the Subordinate Obligations then being delivered.

For purposes of clauses (ii) and (iii) above:

(a) Subordinate Obligations shall be deemed "Outstanding" in accordance with the terms of the documents pursuant to which such Subordinate Obligations were incurred;

(b) Subordinate Obligations shall be included in "Principal and Interest Requirements" and "Maximum Principal and Interest Requirements" based on the same rules as are applicable to Bonds under this Ordinance;

(c) "Combined Qualified Earnings" means the investment earnings on moneys on deposit in the Revenue Fund and the Debt Service Fund and the Accounts therein and in any similar funds and accounts established with respect to First Lien Obligations, not constituting Bonds, and Subordinate Obligations; provided, however, that investment earnings on moneys on deposit in the Reserve Account or in any similar account established with respect to First Lien Obligations, not constituting Bonds, or Subordinate Obligations shall only be deemed "Combined Qualified Earnings" if such investment earnings are not required to be retained therein.

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(d) "Other Revenues" means, to the extent the payment of Subordinate Obligations is also secured by a pledge of revenues other than the Pledged Revenues (or portions thereof), the lesser of (I) the amount of such revenues received by the County during the Computation Period or (II) the portion of the Maximum Principal and Interest Requirements allocable to the Subordinate Obligations for the payment of which such revenues are pledged.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

SECTION 701. Events of Default. Each of the following events is declared an "Event of Default":

(a) Payment of the principal of or any premium on any Bond shall not be made when the same shall become due and payable, either at maturity or on required payment dates by proceedings for redemption, purchase or otherwise; or

(b) Payment of any installment of interest on any Bond shall not be made when the same shall become due and payable; or

(c) The County shall fail to cause any Bond to be purchased at the time required by the Series Resolution under which such Bond was issued; or

(d) The County shall admit that it has been rendered incapable of fulfilling its obligations under this Ordinance or under any Series Resolution to such an extent that the payment of or security for any of the Bonds will be materially adversely affected, and that such condition has continued unremedied for a period of thirty (30) days after the County first became aware of such condition; or

(e) An order or decree shall be entered, with the consent or acquiescence of the County, appointing a receiver or receivers of the County or of any of the Pledged Revenues, or

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any part thereof or the filing of a petition by the County for relief under federal bankruptcy laws or any other applicable law or statute of the United States of America or the State, which shall not be dismissed, vacated or discharged within thirty (30) days after its filing, or

(f) Any proceedings shall be instituted, with the consent or acquiescence of the County, for the purpose of effecting a composition between the County and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or in the future enacted, if the claims of such creditors are under any circumstances payable from any of the Pledged Revenues; or

(g) The entry of a final judgment or judgments for the payment of money against the County which subjects any of the Pledged Revenues to a lien for the payment of such judgment in contravention of the provisions of this Ordinance or of any Series Resolution for which there does not exist adequate insurance, reserves or appropriate surety or indemnity bonds for the timely payment of such judgment, and any such judgment shall not be discharged within ninety (90) days from its entry or an appeal shall not be taken which shall stay the execution of or levy under such judgment; or

(h) Any Event of Default under any Series Resolution which, by the terms of such Series Resolution, shall be deemed an Event of Default under this Ordinance; or

(i) The County shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in any of the Bonds, in this Ordinance or in any Series Resolution on the part of the County to be performed (other than any covenants with respect to continuing disclosure required pursuant to Rule 15c2-12 (or any successor provisions) promulgated by the Securities and Exchange Commission, non-compliance with respect to which shall not be an Event of Default under this Ordinance), and such default

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shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given by the registered owners of not less than twenty percent (20%) in aggregate principal amount (and Accreted Value, if applicable) of the one or more series of Bonds then Outstanding, with respect to which such default has occurred; or

(j) The County shall be in default on any payments which are due under any Credit Agreement relating to a Credit Facility or Reserve Account Credit Facility securing any Bonds and the Provider which issued such Credit Facility or Reserve Account Credit Facility notifies the Finance Director in writing by registered mail that it elects to treat such default as an Event of Default; or

Notwithstanding the foregoing, but subject to limitations in any Series Resolution or Credit Agreement, with respect to the events described in clauses (d), (h) and (i), above, the County shall not be deemed in default if such default can be cured within a reasonable period of time and if the County in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

SECTION 702. Notice of Default. If any Event of Default shall occur, the Finance Director shall give, or cause to be given, within thirty (30) days after the Finance Director has knowledge of the Event of Default, unless such Event of Default shall have been cured, written notice of the Event of Default, by first class mail to the Holders of all Bonds and by registered or certified mail, to each Provider and Counterparty.

SECTION 703. Remedies. Subject to Section 707, the Holders of not less than twenty percent (20%) of the aggregate principal amount of the Bonds Outstanding may by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the

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State, or granted and contained in this Ordinance, and may enforce and compel the performance of all duties required by this Ordinance or by any applicable statutes to be performed by the County or by any of its officers. Nothing in this Ordinance, however, shall be construed to grant to any Holder of such Bonds any lien on any property of or within the corporate boundaries of the County. No Holder of Bonds, however, shall have any right in any manner whatever to affect, disturb or prejudice the security of this Ordinance or to enforce any right except in the manner provided in this Ordinance, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of Bonds.

Nothing in this Ordinance shall be construed to preclude any Counterparty from exercising any and all rights and remedies, including the right to the appointment of a receiver, available to it under the laws of the State as a pledgee to enforce the obligations of the County under the applicable Hedge Agreement.

If any payments of principal and/or interest on the Bonds are made by a Credit Facility Provider with respect to Bonds which have not been defeased in accordance with the provisions of Section 901, the lien upon and pledge of the money on deposit from time to time in the Funds and Accounts and all covenants and other obligations of the County to the Holders of such Bonds shall continue to exist and the Credit Facility Provider shall be subrogated to the rights of the Holders of such Bonds with respect to the principal and/or interest paid by such Credit Facility Provider.

SECTION 704. Pro Rata Application of Funds. If at any time the available moneys in the Debt Service Fund shall not be sufficient to pay the principal of or the interest on the Bonds and Hedge Obligations as the same become due and payable, such moneys together with any

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Whenever moneys are to be applied by the County pursuant to the provisions of this Section, such moneys shall be applied by the County at such times, and from time to time, as the Finance Director in its sole direction shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys, in trust for the proper purpose, shall constitute proper application by the County; and the County shall incur no liability whatsoever to any Bondholder or to any other person for any delay in applying any such funds, so long as the County acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Ordinance as may be applicable at the time of application. Whenever the Finance Director shall exercise such discretion in applying such funds, the Finance Director shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Finance Director shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be surrendered to him for appropriate endorsement.

The pro rata application of moneys pursuant to this Section 704 shall be adjusted with respect to Variable Rate Bonds and any Bonds bearing interest payable other than semiannually so as to ensure that each Holder entitled to receive payment shall receive as nearly as practicable the same proportion of the total amount due to such Holder.

SECTION 705. Effect of Discontinuance of Proceedings. In case any proceeding taken by any Bondholder or Credit Facility Provider on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the County and the

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moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

First: to the payment of all installments of interest on the Bonds and all Hedge Obligations, in each case then due and payable, in the order in which such amounts become due and payable, and, if the amount available shall not be sufficient to make payment in full, then to the payment ratably, according to the amounts due, to the persons entitled to such payment, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds or applicable Hedge Agreement;

Second: to the payment of the unpaid principal of any of the Bonds (other than Bonds called for redemption for the payment of which sufficient moneys are held pursuant to the provisions of this Ordinance) that have become due, in the order of their due dates, and, if the amount available shall not be sufficient to make payment in full due on any particular date, then to the payment ratably, according to the amount due on such date, to the persons entitled to such payment without any discrimination or preference; and

Third: to the payment of the interest on and the principal of the Bonds and Hedge Obligations, and to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of Article V of this Ordinance.

For purposes of the above provisions of this Section, if any principal or interest on any particular Bonds is paid with funds advanced under any Credit Facility, the Credit Facility Provider shall become subrogated to the Holder's right to payment from the County of such principal or interest and shall be entitled to receive payment from the County under the above provisions.

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Bondholder or Credit Facility Provider shall be restored to their former positions and rights, respectively, and all rights and remedies of the Bondholders and Credit Facility Providers shall continue as though no such proceeding had been taken.

SECTION 706. Restriction on Individual Bondholder Actions. No Holder of any of the Bonds nor any Counterparty shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance or to enforce any right under this Ordinance except in the manner provided in this Ordinance, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of all Holders of such Bonds, and all Credit Facility Providers, as their respective interests may appear.

Nothing in this Ordinance shall be construed to preclude any Counterparty from exercising any and all rights and remedies, including the right to the appointment of a receiver, available to it under the laws of the State as a pledgee to enforce the obligations of the County under the applicable Hedge Agreement.

SECTION 707. Right to Enforce Payment of Bonds. Nothing in this Article shall affect or impair the right of any Holder of a Bond to enforce the payment of the principal of and interest on its Bond, or the obligation of the County to pay the principal of and interest on each Bond to the Holder at the time and place stated in said Bond or the right of any Counterparty to enforce payment of amounts due under a Hedge Agreement or the obligation of the County to make such payments in accordance with such Hedge Agreement.

ARTICLE VIII

SUPPLEMENTAL ORDINANCES

SECTION 801. Supplemental Ordinance Without Bondholders' Consent. The Board, from time to time and at any time may enact such supplemental ordinances as shall not be

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incompatible with the terms and provisions of this Ordinance (which supplemental ordinances shall thereafter form a part of this Ordinance), in order to:

- (a) cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Ordinance or in any supplemental ordinance or Series Resolution, or
- (b) grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders, or
- (c) add to the conditions, limitations and restrictions on the issuance of Bonds or the entering into of Hedge Agreements under the provisions of this Ordinance other conditions, limitations and restrictions to be observed, or
- (d) add to the covenants and agreements of the County in this Ordinance other covenants and agreements to be observed by the County or to surrender any right or power in this Ordinance reserved to or conferred upon the County, or
- (e) provide for the issuance and security of First Lien Obligations, or
- (f) make other changes or modifications to the provisions of this Ordinance which are not adverse to the interests of the Bondholders, any Credit provider or any Counterparty.

SECTION 802. Supplemental Ordinance With Bondholders' Consent. Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the enactment of such supplemental ordinance or supplemental ordinances as shall be deemed necessary or desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Ordinance or in any supplemental ordinance; provided, however, that nothing

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contained in this Ordinance shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bonds, or (b) a reduction in the principal amount of any Bonds or the redemption premium or the rate of interest, or (c) the creation of a lien upon or a pledge of Pledged Revenues other than a lien or pledge created or permitted by this Ordinance, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance. Nothing in this Ordinance contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any supplemental ordinance as authorized in Section 801 of this Article.

If the Holders (or Credit Facility Providers who are entitled to act in lieu of Holders) of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time of the enactment of such supplemental ordinance shall have consented to and approved the enactment as provided in this Ordinance, no Holder of any Bond or Credit Facility Provider shall have any right to object to the enactment of such supplemental ordinance, or to object to any of its terms and provisions or its operation, or in any manner to question the propriety of its adoption, or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to its provisions.

Upon the enactment of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the County and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Ordinance as so modified and amended.

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SECTION 803. Supplemental Ordinances Part of Ordinance. Any supplemental ordinance enacted in accordance with the provisions of this Article and approved as to legality by the County Attorney shall form a part of this Ordinance, and all of the terms and conditions contained in any such supplemental ordinance as to any provision authorized to be contained in such supplemental ordinance shall be and shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes. In case of the enactment and approval of any supplemental ordinance, express reference may be made in the text of any Bonds, if deemed necessary or desirable by the County.

SECTION 804. Notice of Supplemental Ordinances. The County shall give to the Rating Agencies advance notice of the proposed enactment of any supplemental ordinance, which notice shall include the substantial form of such supplemental ordinance.

ARTICLE IX
DEFEASANCE

SECTION 901. Cessation of Interest of Bondholders. If, when any Bonds shall have become due and payable in accordance with their terms or shall have been called for redemption or instructions shall have been given either to call the Bonds for redemption or to pay the Bonds at their respective maturities and mandatory redemption dates or any combination of such payment and redemption, and, if applicable, provisions for redemption shall have been made by the County with an appropriate escrow agent, the whole amount of the principal and the interest and premium, if any, so payable upon such Bonds then Outstanding shall be paid or sufficient moneys or Government Obligations shall be held by such escrow agent for such purpose, and provision shall also be made for paying all other sums payable by the County on said Bonds, then and in that case said Bonds shall no longer be deemed to be Outstanding and the right, title

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and interest of the Holders of said Bonds in this Ordinance and any applicable Series Resolution shall cease and become void; otherwise this Ordinance shall be, continue and remain in full force and effect; provided, however, that in the event Government Obligations shall be deposited with and held by an escrow agent as above provided, in addition to the requirements set forth in Article III of the Ordinance with respect to any Bonds to be redeemed, the Finance Director, within thirty (30) days after such Government Obligations shall have been deposited with such escrow agent, shall cause a notice to be mailed to all registered owners of such Bonds or published once in a daily newspaper of general circulation, or a financial journal, published in the Borough of Manhattan, City and State of New York, setting forth that such deposit of Government Obligations has been made for the benefit of said Bonds and, to the extent said Bonds are to be redeemed prior to maturity, the date designated for the redemption of the Bonds. Further, when all amounts due under any Hedge Agreement and any Credit Facility shall have been paid or provided for (in the manner permitted under such Hedge Agreement or Credit Facility), then and only in that case the right, title and interest of the Counterparty or the Credit Facility Provider in this Ordinance shall cease and become void.

ARTICLE X
MISCELLANEOUS PROVISIONS

SECTION 1001. Inconsistent Ordinances. All ordinances, which are inconsistent with any of the provisions of this Ordinance are declared to be inapplicable to the provisions of this Ordinance.

SECTION 1002. Further Acts. The officers and agents of the County are authorized and directed to do all acts and things required of them by the Bonds and this Ordinance, for the

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full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Ordinance.

SECTION 1003. Rights of Credit Facility Provider. In the event that a Credit Facility is in full force and effect as to a Series of Bonds and the Credit Facility Provider is not insolvent and no default of the Credit Facility exists on the part of the Credit Facility Provider, then said Credit Facility Provider, in place of the Holders of that Series of Bonds, shall have the power and authority to give any consents and exercise any and all other rights which the Holders of that Series would otherwise have the power and authority to make, give or exercise, including, but not limited to, the exercise of remedies provided in Article VII and the giving of consents to supplemental ordinances when required by Article VIII and such consent shall be deemed to constitute the consent of the Holders of all of those Bonds which are secured by such Credit Facility.

SECTION 1004. Headings Not Part of Ordinance. Any headings preceding the texts of the several Articles and Sections of this Ordinance and any table of contents, marginal notes or footnotes appended to copies of this Ordinance shall be solely for convenience of reference, and shall not constitute a part of this Ordinance, nor shall they affect its meaning, construction or effect.

SECTION 1005. No Third Party Beneficiaries. Except as otherwise expressly provided in this Ordinance, nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the County, any applicable Provider, any Counterparty and the Holders of the Bonds, any right, remedy or claim, legal or equitable, under or by reason of this Ordinance or any of its provisions, this Ordinance and all its

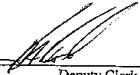
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STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

I, HARVEY RUVIN, Clerk of the Circuit Court in and for Miami-Dade County, Florida and Ex-Officio Clerk of the Board of County Commissioners of Said County, Do Hereby Certify that the above and foregoing is a true and correct copy of Ordinance No. 05-48 adopted by said board of County Commissioners at its meeting held on March 1, 2005, as appears of record.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on this 28th day of May, A.D. 2008.

HARVEY RUVIN, Clerk
Board of County Commissioners
Dade County, Florida

By  Deputy Clerk



Board of County Commissioners
Miami-Dade County, Florida

provisions being intended to be and being for the sole and exclusive benefit of the County, each Provider, each Counterparty and the Holders from time to time of the Bonds.

SECTION 1006. Severability. In case any one or more of the provisions of this Ordinance or of any Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Ordinance or of the Bonds, but this Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained in this Ordinance.

SECTION 1007. Application of Florida Law. The Bonds are issued and this Ordinance is enacted with the intent that the laws of the State shall govern their construction.

SECTION 1008. Effective Date. This Ordinance shall become effective ten (10) days after the date of its enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override of the veto by this Board.

PASSED AND ADOPTED: MAR 0 1 2005

Approved by County Attorney as to form and legal sufficiency:

Prepared by:



Gerald T. Heffernan

Prepared by:

Bond Counsel: Squire, Sanders & Dempsey L.L.P.

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RESOLUTION NO. R-319-08

RESOLUTION AUTHORIZING ISSUANCE OF NOT TO EXCEED \$300,000,000 MIAMI-DADE COUNTY, FLORIDA TRANSIT SYSTEM SALES SURTAX REVENUE BONDS, SERIES 2008, PURSUANT TO SECTIONS 201 AND 208 OF ORDINANCE NO. 05-48, FOR PAYING COSTS OF CERTAIN TRANSPORTATION AND TRANSIT PROJECTS AND, TO THE EXTENT NECESSARY, REFUNDING OUTSTANDING LOAN, AUTHORIZING PUBLIC SALE OF BONDS BY COMPETITIVE BID; PROVIDING CERTAIN DETAILS OF BONDS; AUTHORIZING MAYOR OR HIS DESIGNEE, WITHIN CERTAIN LIMITATIONS AND RESTRICTIONS, TO FINALIZE TERMS AND OTHER PROVISIONS OF BONDS, INCLUDING ACCEPTANCE OF BID WITH LOWEST TRUE INTEREST COST, AND REFUNDING OF LOAN; APPROVING FORMS OF AND AUTHORIZING CERTAIN DOCUMENTS; PROVIDING CERTAIN COVENANTS; AUTHORIZING COUNTY OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH ISSUANCE, SALE, EXECUTION AND DELIVERY OF BONDS; AND PROVIDING SEVERABILITY

WHEREAS, Miami-Dade County, Florida (the "County"), pursuant to Ordinance No. 05-48 enacted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on March 1, 2005 (the "Master Ordinance") is authorized to issue Bonds, from time to time, to finance or refinance Transit System Sales Surtax Projects (as such terms are defined in the Master Ordinance); and

WHEREAS, capitalized terms used in this resolution (the "Series 2008 Resolution" and together with the Master Ordinance, the "Bond Ordinance") which are not defined shall have the meanings assigned to such terms in the Master Ordinance unless otherwise expressly provided or the context otherwise clearly requires; and

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WHEREAS, under the provisions of the Master Resolution, the Series 2008 Bonds are to be issued as Additional Bonds subject to the terms and provisions of Section 208 of the Master Ordinance; and

WHEREAS, this Series 2008 Resolution constitutes a Series Resolution for all purposes of the Master Ordinance; and

WHEREAS, the Board deems it advantageous for the County to offer the Series 2008 Bonds for public sale by competitive bid upon certain terms and conditions which it wishes to establish pursuant to this Series 2008 Resolution; and

WHEREAS, the Board deems it appropriate, subject to the limitations contained in this Series 2008 Resolution, to authorize the Finance Director, as the designee of the Mayor, to (i) refund the Loan if necessary and determine the details of such refunding; (ii) finalize the terms of the Series 2008 Bonds not provided in the Bond Ordinance; (iii) finalize the dates, terms and other provisions for the competitive sale of the Series 2008 Bonds; (iv) secure, or permit the bidders to secure, one or more Credit Facilities and secure one or more Reserve Account Credit Facilities; and (v) select and appoint a Paying Agent (the "Paying Agent") and Registrar (the "Registrar") for the Series 2008 Bonds; and

WHEREAS, the Board desires to provide for a Book Entry Only System with respect to the Series 2008 Bonds, and to approve, ratify and confirm the Blanket Issuer Letter of Representations previously executed and delivered by the County to The Depository Trust Company, New York, New York ("DTC") relating to such Book Entry Only System; and

WHEREAS, the Board desires to authorize the distribution, use and delivery of a Preliminary Official Statement and a final Official Statement relating to the Series 2008 Bonds; and

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WHEREAS, Section 201 of the Master Ordinance initially authorizes the County to issue, from time to time, Bonds in an aggregate principal amount not to exceed \$500,000,000 for the purpose of paying all or any part of the Costs of Projects, all as may be specified or provided for in the Series Resolution relating to the issuance of each such Series of Bonds; and

WHEREAS, on April 27, 2006, the County issued the first Series of Bonds under the authorization of Section 201 of the Master Ordinance and a Series Resolution in the aggregate principal amount of \$186,435,000, of which \$183,600,000 is currently Outstanding; and

WHEREAS, pursuant to a Loan Agreement dated as of September 1, 2004, by and between the Sunshine State Governmental Financing Commission and the County (the "Loan Agreement"), the County has previously borrowed \$100,000,000 for the purpose of financing certain Transit System Sales Surtax Projects, of which \$82,915,000 is currently outstanding (the "Loan"); and

WHEREAS, the Loan constitutes Subordinate Obligations under the Master Ordinance; and

WHEREAS, the Board has determined at this time that it is in the best interests of the County and its citizens to provide for the issuance of not to exceed \$300,000,000 aggregate principal amount of Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds, Series 2008 (the "Series 2008 Bonds"), as the second Series of Bonds under the provisions of the Master Ordinance, for the purpose of paying all or a part of the Cost of a Project more particularly described in Exhibit A to this Series 2008 Resolution (the "Series 2008 Project") and, to the extent necessary as provided below, refunding the Loan; and

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WHEREAS, in accordance with the provisions of the Loan Agreement, the Series 2008 Bonds are designated and constitute "Senior Lien Debt" (as such term is defined in the Loan Agreement); and

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum (the "County Manager's Memorandum"), a copy of which is incorporated in this Series 2008 Resolution by reference.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA that:

SECTION 1. Recitals, Definitions, Authority and Construction.

(a) Recitals. The recitals contained in the foregoing "WHEREAS" clauses are incorporated as part of this Series 2008 Resolution.

(b) Definitions. Capitalized terms used in this Series 2008 Resolution which are not defined shall have the meanings assigned to such terms in the Master Ordinance unless otherwise expressly provided or the context otherwise clearly requires. In addition, unless the context otherwise clearly requires, the following capitalized terms shall have the following meanings:

"Omnibus Certificate" means a certificate of the Finance Director identifying the successful bid for; and confirming the terms of, the Series 2008 Bonds and addressing all other matters authorized to be determined by the Finance Director under the terms of this Series 2008 Resolution and acknowledged by the Public Works Director and the Transit Director.

"Public Works Director" means the Director of Miami-Dade Public Works Department.

"Registered Owners" means the registered owners of the Series 2008 Bonds.

"Regular Record Date" means the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each Interest Payment Date.

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"Transit Director" means the Director of Miami-Dade Transit.

"Underwriter(s)" mean the successful bidder or bidders and members of the syndicate with respect to the Series 2008 Bonds.

(c) Authority. This Series 2008 Resolution is adopted pursuant to the Constitution and laws of the State, including, but not limited to, the Miami-Dade County Home Rule Amendment and Charter, as amended, Chapters 125 and 166, Florida Statutes, as amended, the Transit System Sales Surtax Act, the Code of Miami-Dade County, Florida, as amended, including the Transit System Sales Surtax Ordinance, the Master Ordinance and all other applicable laws.

(d) Rules of Construction. Any reference to any Article, Section or provision of the Constitution or laws of the State, or of federal laws, or rules or regulations, shall include such provisions as amended, modified, revised, supplemented or superseded from time to time; provided that no such change shall be deemed applicable to any particular Series 2008 Bonds in any way that would constitute an unlawful impairment of the rights of the County or any Bondholder.

SECTION 2. FINDINGS. The Board finds, determines and declares that the sale and issuance of the Series 2008 Bonds and the use of their proceeds, as provided in this Series 2008 Resolution, serve a proper public purpose.

SECTION 3. Authorization and Form of Series 2008 Bonds; Approval of Series 2008 Project; Competitive Sale; Terms and Provisions of Series 2008 Bonds; Refunding of Loan

(a) Authorization and Form. The Series 2008 Bonds, to be designated as "Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds, Series 2008," are authorized to be issued pursuant to, and subject to the conditions of, Sections 201 and 208 of the Master Ordinance and this Series 2008 Resolution. The aggregate principal amount of the Series

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2008 Bonds shall not exceed \$300,000,000. The Series 2008 Bonds shall be issued for the purpose of paying all or a part of the Cost of the Series 2008 Project and, to the extent necessary as determined by the Finance Director, after consultation with the Transit Director and Public Resources Advisory Group, Inc. (the "Financial Advisor"), refunding the Loan, including funding the Reserve Account (whether with proceeds of the Series 2008 Bonds or by the deposit of one or more Reserve Account Credit Facilities), funding capitalized interest, if necessary, and paying the costs of issuance of the Series 2008 Bonds, including the costs of any Credit Facilities and Reserve Account Credit Facilities, if secured in accordance with the provisions of this Series 2008 Resolution.

Each of the Series 2008 Bonds shall be in substantially the form attached as Exhibit B to this Series 2008 Resolution, which form of Series 2008 Bond is approved, with such variations, omissions and insertions and such filling in of blanks as may be necessary and approved by the Finance Director, after consultation with the County Attorney and Squire, Sanders & Dempsey L.L.P. and KnoxSeaton (collectively, "Bond Counsel"), and which are not inconsistent with the provisions of the Bond Ordinance.

(b) Series 2008 Project. The Series 2008 Project is approved by the Board and constitutes a Project under the Master Ordinance.

(c) Competitive Sale.

(1) The Series 2008 Bonds shall be publicly sold by competitive bids in the manner provided in, and in accordance with the requirements of Section 218.385, Florida Statutes. The Finance Director is authorized and directed to provide for such public sale of the Series 2008 Bonds at the time deemed most advantageous at an aggregate purchase price of not less than 98% of the aggregate principal amount of the Series 2008 Bonds to be

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issued and to award the Series 2008 Bonds to the responsive bidder or bidders offering to purchase the Series 2008 Bonds at the lowest annual interest cost computed on a true interest cost basis ("TIC"), all as provided in the Official Notice of Sale (the "Official Notice of Sale") with respect to the Series 2008 Bonds; provided, however, that in the event that all bids received result in a TIC in excess of 5.75% (the "Maximum TIC"), the Finance Director shall reject all bids. If all bids are rejected, the Series 2008 Bonds may subsequently again be offered for public sale by competitive bids in accordance with the provisions of this Series 2008 Resolution.

(2) The public sale by competitive bids of the Series 2008 Bonds shall be conducted through an internet bidding process (the "Internet Bidding Process") and the Finance Director is authorized to arrange for the Internet Bidding Process; provided, however, that the Finance Director may determine, after consultation with the Financial Advisor, the County Attorney and Bond Counsel, not to utilize the Internet Bidding Process, in which case such public sale of the Series 2008 Bonds shall be conducted through the physical delivery (which may be by facsimile) of bids utilizing an official bid form customarily used by the County, as shall be approved by the County Attorney and Bond Counsel.

(3) The Official Notice of Sale is approved in substantially the form attached as Exhibit C to this Series 2008 Resolution, with such variations, omissions and insertions and such filling in of blanks as may be necessary and approved by the Finance Director, after consultation with the Financial Advisor, the County Attorney and Bond Counsel, and which are not inconsistent with the provisions of the Bond Ordinance.

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(4) The Finance Director is further authorized to cause publication, in The Miami Herald and The Bond Buyer, not less than ten (10) days prior to the date of sale, of the Summary Notice of Sale with respect to the Series 2008 Bonds in substantially the form attached as Exhibit D to this Series 2008 Resolution, with such variations, omissions and insertions and such filling in of blanks as may be necessary and approved by the Finance Director, after consultation with the Financial Advisor, the County Attorney and Bond Counsel, and which are not inconsistent with the provisions of the Bond Ordinance.

(5) Concurrently with their submission of bids, each bidder shall be required to provide to the County a "truth-in-bonding" statement in accordance with Section 218.385, Florida Statutes, as set forth in the Official Notice of Sale. Prior to the issuance of the Series 2008 Bonds, the Underwriter(s) shall be required to provide to the County a disclosure statement containing the information required by Section 218.38(1)(b)2, Florida Statutes. The execution and delivery of the Omnibus Certificate shall be conclusive evidence of the award of the Series 2008 Bonds to the Underwriter(s).

(d) Terms and Provisions. The Series 2008 Bonds shall be issued in fully registered form in denominations of \$5,000 or any integral multiple of \$5,000 and shall be numbered consecutively from R-1 upwards. Interest on the Series 2008 Bonds shall be payable semiannually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing on January 1, 2009 (or such later date as shall be determined by the Finance Director, after consultation with the Transit Director and the Financial Advisor), as more particularly described in the form of Series 2008 Bond attached as Exhibit B. The Series 2008 Bonds shall be issued in such aggregate principal amount, not to exceed \$300,000,000, shall be dated as of such date and issued at such time, shall be issued as Fixed Rate Bonds, shall consist of Serial Bonds and/or Term Bonds, shall

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mature on such date, in such year or years, but not later than forty (40) years from their dated date, shall bear interest at such fixed rates, provided that the TIC shall not exceed the Maximum TIC, as to any Term Bonds, shall have such Amortization Requirements, and shall be subject to redemption prior to maturity, all as shall be determined by the Finance Director, after consultation with the Transit Director and the Financial Advisor, and set forth in the Omnibus Certificate. The execution and delivery of the Omnibus Certificate shall be conclusive evidence of the Board's approval of the final terms and provisions of the Series 2008 Bonds.

(c) Refunding of Loan. Pursuant to the conditions set forth in the County Manager's Memorandum, the Finance Director is authorized to provide for the prepayment of the Loan in accordance with the provisions of the Loan Agreement and this Series 2008 Resolution, including determining the date of such prepayment which shall be no later than ninety (90) days from the date of issuance of the Series 2008 Bonds.

SECTION 4. Senior Lien Debt. In accordance with the provisions of the Loan Agreement, the Series 2008 Bonds are designated and constitute Senior Lien Debt. Simultaneously with the delivery of the Series 2008 Bonds, there shall be filed with the Finance Director evidence of compliance with the requirements of Exhibit E to the Loan Agreement for the incurrence of Senior Lien Debt.

SECTION 5. Execution and Authentication of Series 2008 Bonds. The Series 2008 Bonds shall be executed as provided in the Master Ordinance. A Certificate of Authentication of the Registrar shall appear on the Series 2008 Bonds, and no Series 2008 Bonds shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance, unless such certificate shall have been duly manually executed by the Registrar on such Series 2008 Bonds.

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In case any one or more of the officers who shall have signed any of the Series 2008 Bonds shall cease to be such officer of the County before the Series 2008 Bonds so signed shall have been actually delivered, such Series 2008 Bonds may nevertheless be delivered as provided in this Series 2008 Resolution and may be issued as if the person who signed such Series 2008 Bonds had not ceased to hold such offices. Any Series 2008 Bonds may be signed on behalf of the County by such person as at the actual time of the execution of such Series 2008 Bonds shall hold the proper office, although at the date of such Series 2008 Bonds such person may not have held such office or may not have been so authorized.

SECTION 6. Special Obligations of County. The Series 2008 Bonds shall be special and limited obligations of the County, payable solely from and secured by a prior lien upon and a pledge of the Pledged Revenues as more specifically provided in the Master Ordinance. The Series 2008 Bonds shall not be deemed to constitute a debt of the County, the State or any other political subdivision of the State or a pledge of the faith and credit of the County, the State or any other political subdivision of the State but the Series 2008 Bonds shall be payable solely from the Pledged Revenues. The enactment of the Master Ordinance, the adoption of this Series 2008 Resolution and the issuance of the Series 2008 Bonds shall not directly or indirectly or contingently obligate the County, the State or any other political subdivision of the State to levy or to pledge any form of ad valorem taxation whatsoever, nor shall the Series 2008 Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County, the State or any other political subdivision of the State. No Holder shall have the right to require or compel the exercise of the ad valorem taxing power of the County, the State or any other political subdivision of the State for payment of the Series 2008 Bonds or be entitled to payment of such amount from

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any other funds of the County, except from the Pledged Revenues in the manner provided in the Master Ordinance.

SECTION 7. Payment and Ownership of Series 2008 Bonds. The principal of and any premium on any Series 2008 Bonds shall be payable when due to a Bondholder upon presentation and surrender of such Series 2008 Bond at the designated corporate trust office of the Paying Agent and interest on each Series 2008 Bond shall be paid on each Interest Payment Date by check or draft, mailed by the Paying Agent on that Interest Payment Date to the Holder of the Series 2008 Bond as of the close of business on the Regular Record Date applicable to that Interest Payment Date and at the Bondholder's address as it appears on the registration books kept by the Registrar (the "Register") on that Regular Record Date, provided, however, that (i) so long as the ownership of such Series 2008 Bonds are maintained in a Book Entry Only System by a securities depository, such payment shall be made by automatic funds transfer ("wire") to such securities depository or its nominee and (ii) if such Series 2008 Bonds are not maintained in a Book Entry Only System by a securities depository, upon written request of the Holder of \$1,000,000 or more in principal amount of Series 2008 Bonds delivered to the Paying Agent at least 15 days prior to an Interest Payment Date, interest may be paid when due by wire if such Bondholder advances to the Paying Agent the amount necessary to pay the wire charges or authorizes the Paying Agent to deduct the amount of such payment. If and to the extent, however, that the County fails to make payment or provision for payment on any Interest Payment Date of interest on any Series 2008 Bond, that interest shall cease to be payable to the person who was the Holder of that Series 2008 Bond as of the applicable Regular Record Date. In that event, when moneys become available for payment of the delinquent interest, the Paying Agent shall establish a special interest payment date (the "Special Interest Payment Date") for the payment of that interest, and a special record date (the

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"Special Record Date"), which Special Record Date shall be not more than 15 nor fewer than 10 days prior to the Special Interest Payment Date; and the Paying Agent shall cause notice of the Special Interest Payment Date and of the Special Record Date to be mailed not fewer than 10 days preceding the Special Record Date to each person who was a Holder of such Series 2008 Bond at the close of business on the 15th day preceding said mailing to such person's address as it appears on the Register on that 15th day preceding the mailing of such notice and, thereafter, the interest shall be payable to the person who was the Holder of such Series 2008 Bond as of the close of business on the Special Record Date.

The Holder of any Series 2008 Bond shall be deemed and regarded as the absolute owner for all purposes of this Series 2008 Resolution. Payment of or on account of the debt service on any Series 2008 Bond shall be made only to or upon the order of that Holder or such Holder's attorney-in-fact duly authorized in writing in the manner permitted under this Series 2008 Resolution. Neither the County, the Registrar or the Paying Agent shall be affected by notice to the contrary. All payments made as described in this Series 2008 Resolution shall be valid and effective to satisfy and discharge the liability upon that Series 2008 Bond, including, without limitation, interest, to the extent of the amount or amounts so paid.

SECTION 8. Redemption Provisions.

(a) Partial Redemption. Any Series 2008 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the County, the Registrar and the Paying Agent duly executed by the Holder of such Series 2008 Bond or his attorney-in-fact duly authorized in writing) and the County shall execute and cause to be authenticated and delivered to the Holder of such Series 2008 Bond without charge, a new Series 2008 Bond or

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Series 2008 Bonds, of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2008 Bonds so surrendered.

(b) Effect of Calling for Redemption. On the date designated for redemption of any Series 2008 Bonds, notice having been mailed as provided in the Master Ordinance and moneys for payment of the redemption price being held by the Paying Agent in trust for the Holders of the Series 2008 Bonds to be redeemed, the Series 2008 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2008 Bonds on such date, interest on the Series 2008 Bonds so called for redemption shall cease to accrue, such Series 2008 Bonds shall not be deemed to be Outstanding for purposes of this Series 2008 Resolution and the Master Ordinance and shall cease to be entitled to any lien, benefit or security under this Series 2008 Resolution or the Master Ordinance, and the Holders of such Series 2008 Bonds shall have no rights in respect of the Series 2008 Bonds except to receive payment of the redemption price of the Series 2008 Bonds.

(c) Conditional Notice of Redemption. If the Series 2008 Bonds or any portion thereof are to be redeemed pursuant to the terms authorized in this Series 2008 Resolution, the County may provide a conditional notice of redemption of such Series 2008 Bonds in accordance with the terms set forth below, and the Finance Director is authorized, in her discretion, to add to the form of Series 2008 Bonds a provision reflecting this right:

Conditional Notice of Redemption. In the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys with the Paying Agent or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, no later than the redemption date or (2) the County

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Neither the County, the Registrar nor the Paying Agent shall be liable for the failure of the securities depository of the Series 2008 Bonds to perform its obligations as described in the Official Statement, nor for the failure of any participant in the Book Entry Only System maintained by the securities depository to perform any obligation such participant may have to a beneficial owner of any Series 2008 Bonds.

The Board approves, ratifies and confirms the Blanket Issuer Letter of Representations previously executed and delivered by the County to DTC. The Finance Director is authorized to execute any additional documentation required by DTC, as securities depository of the Series 2008 Bonds, in connection with the issuance of the Series 2008 Bonds through DTC's Book Entry Only System.

SECTION 10. Appointment of Paying Agent and Registrar. The Finance Director is authorized to appoint the Paying Agent and Registrar after a competitive process and, after consultation with the County Attorney and Bond Counsel, to execute any necessary agreements with the Paying Agent and Registrar.

SECTION 11. Approval of the Preliminary Official Statement and Final Official Statement. The use and distribution of the Preliminary Official Statement (the "Preliminary Official Statement") in connection with the offering and sale of the Series 2008 Bonds in substantially the form attached as Exhibit E to this Series 2008 Resolution is approved, with such variations, omissions and insertions and such filling in of blanks as may be necessary and approved by the Finance Director, after consultation with the Transit Director, the Financial Advisor, the County Attorney, Bond Counsel and Edwards Angell Palmer & Dodge LLP and Rasco, Reininger, Perez, Esquenazi & Vigil, PL (collectively, "Disclosure Counsel"). The Finance Director is authorized to deem the Preliminary Official Statement "final" for the purposes

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retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the County delivers a written direction to the Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Series 2008 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the County to make such moneys available shall constitute an Event of Default. The County shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the Series 2008 Bonds called for redemption and not so paid remain Outstanding.

SECTION 9. System of Certificated and Uncertificated Registration. There is established a system of registration with respect to the Series 2008 Bonds as permitted by Chapter 279, Florida Statutes, as amended, pursuant to which both certificated and uncertificated registered Series 2008 Bonds may be issued. The system shall be as described in the Official Statement. The Series 2008 Bonds shall be initially issued as book-entry-only bonds through the Book Entry Only System maintained by DTC which will act as securities depository for the Series 2008 Bonds. The Board reserves the right to amend, discontinue or reinstitute the Book Entry Only System from time to time, subject to the rights of Bondholders contained in the Bond Ordinance.

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of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The Finance Director is authorized and directed to deliver to the Underwriter(s) the final Official Statement (the "Official Statement") for use by the Underwriter(s) in connection with the offering and sale of the Series 2008 Bonds. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such variations, omissions and insertions and such filling in of blanks as may be necessary and approved by the Finance Director, after consultation with the Transit Director, the Financial Advisor, the County Attorney, Bond Counsel and Disclosure Counsel, with the delivery of the Official Statement by the Finance Director being conclusive evidence of the Board's approval of any such variations, omissions and insertions and such filling in of blanks.

SECTION 12. Credit Facilities and Reserve Account Credit Facilities. If deemed cost-effective, after consultation with the Financial Advisor, the Finance Director is authorized to secure one or more Credit Facilities and/or Reserve Account Credit Facilities with respect to the Series 2008 Bonds. The Finance Director is authorized to provide for the payment of any premiums on or fees for such Credit Facilities and/or Reserve Account Credit Facilities from the proceeds of the issuance of the Series 2008 Bonds and, after consultation with the County Attorney and Bond Counsel, to enter into, execute and deliver such Credit Agreements as may be necessary to secure such Credit Facilities and/or Reserve Account Credit Facilities, with the Finance Director's execution of any such Credit Agreements to be conclusive evidence of the Board's approval of such agreements.

Any Credit Agreements with any Providers of Credit Facilities and/or a Reserve Account Credit Facilities shall supplement and be in addition to the provisions of the Bond Ordinance.

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In lieu of securing one or more Credit Facilities as described above, the Finance Director may determine, after consultation with the Financial Advisor, to permit the bidders to secure one or more Credit Facilities at their own expense.

SECTION 13. Application of Series 2008 Bond Proceeds. The proceeds received from the sale of the Series 2008 Bonds shall be deposited and applied as follows:

- (a) Accrued interest, if any, on the Series 2008 Bonds shall be deposited in the Bond Service Account of the Debt Service Fund.
- (b) To the extent not satisfied by the deposit of one or more Reserve Account Credit Facilities, proceeds of the Series 2008 Bonds, in an amount equal to the increase in the Reserve Account Requirement resulting from the issuance of the Series 2008 Bonds shall be deposited in the Reserve Account.
- (c) Proceeds of the Series 2008 Bonds in an amount necessary to pay the costs of issuance of the Series 2008 Bonds shall be deposited in a special account created in the Construction Fund and designated the "Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds, Series 2008 Bonds Cost of Issuance Account" (the "Series 2008 Cost of Issuance Account") to be held by the County and applied to such costs of issuance of the Series 2008 Bonds; provided, however, that any premiums on or fees for Credit Facilities and/or Reserve Account Credit Facilities payable by the County may be paid directly by the Underwriter(s) from the proceeds of the Series 2008 Bonds.

(d) Proceeds of the Series 2008 Bonds, if any, in an amount sufficient to prepay the Loan shall be deposited in a special account hereby created and designated the "Sunshine State Governmental Financing Commission Loan Refunding Account" (the "Loan Refunding Account") to be held by the County and applied to such prepayment of the Loan in accordance

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Notwithstanding anything in this Series 2008 Resolution to the contrary, the requirement of the County to rebate any amounts due to the United States pursuant to Section 148 of the Code shall survive the payment or provision for payment of the principal, interest and redemption premium, if any, with respect to the Series 2008 Bonds or any portion of the Series 2008 Bonds.

SECTION 15. Continuing Disclosure.

(a) The County agrees, in accordance with the provisions of, and to the degree necessary to comply with, the secondary disclosure requirements of the Rule to provide or cause to be provided for the benefit of the beneficial owners of the Series 2008 Bonds (the "Beneficial Owners") to each nationally recognized municipal securities information repository ("NRMSIR") and to the appropriate state information depository ("SID"), if any, designated by the State of Florida, the following annual financial information (the "Annual Information"), commencing with the Fiscal Year ended September 30, 2008:

- (1) Pledged Transit System Sales Surtax Revenues and amount of indebtedness secured by Pledged Transit System Sales Surtax Revenues, all of the type and in a form which is generally consistent with the presentation of such information in the Official Statement.
- (2) The County's Comprehensive Annual Financial Report utilizing generally accepted accounting principles applicable to local governments.

The information in paragraphs (1) and (2) above will be available on or before June 1 of each Fiscal Year, commencing June 1, 2009, and will be made available, in addition to each NRMSIR and SID, to each Beneficial Owner of the Series 2008 Bonds who requests such information in writing. The County's Comprehensive Annual Financial Report referred to in paragraph (2) above is expected to be available separately from the information in paragraph (1) above and will be provided by the County as soon as practical after acceptance of the County's

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with the terms of the Loan Agreement and this Series 2008 Resolution. Pending their application to the prepayment of the Loan, the proceeds on deposit in the Loan Refunding Account may be invested by the Finance Director in accordance with the County's investment policy. Any amount remaining in the Loan Refunding Account after the prepayment of the Loan shall be deposited in the Bond Service Account and applied to the payment of interest on the Series 2008 Bonds.

(e) The balance of the proceeds of the Series 2008 Bonds and any amount remaining in the Series 2008 Cost of Issuance Account six (6) months (or such shorter period as the Finance Director shall determine) following the issuance of the Series 2008 Bonds shall be deposited in the "Series 2008 Public Works Subaccount" and the "Series 2008 Transit Subaccount," each established under a special account created in the Construction Fund and designated the "Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds, Series 2008 Construction Account" (the "Series 2008 Construction Account") to be held by the County and applied to the payment of Cost of the Series 2008 Project (other than as described under (b) and (c) above).

SECTION 14. Tax Covenants. The County covenants to take the actions required of it for interest on the Series 2008 Bonds to be and to remain excluded from gross income of the Holders for federal income tax purposes, and not to take any actions that would affect that exclusion. In furtherance of the foregoing covenant, the County agrees that it will comply with the provisions of a tax compliance certificate to be prepared by Bond Counsel and executed and delivered on the date of issuance of the Series 2008 Bonds. The Finance Director is authorized to execute and deliver, and the Public Works Director and the Transit Director are authorized to acknowledge, such tax compliance certificate.

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audited financial statements from the auditors by the County. The audited financial statements are generally available within eight (8) months from the end of the Fiscal Year.

(b) The County agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB"), and (ii) the SID, notice of occurrence of any of the following events with respect to the Series 2008 Bonds, if such event is material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit facility providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Series 2008 Bonds;
- (7) modifications to rights of holders of the Series 2008 Bonds;
- (8) bond calls;
- (9) defeasance;
- (10) release, substitution or sale of any property securing repayment of the Series 2008 Bonds (the Series 2008 Bonds are secured solely by the Pledged Revenues); and
- (11) rating changes.

(c) The County agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the MSRB, and (ii) SID, notice of its failure to provide the Annual Information with respect to itself on or prior to June 1 following the end of the preceding Fiscal Year.

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(d) The obligations of the County under this Section shall remain in effect only so long as the Series 2008 Bonds are Outstanding. The County reserves the right to terminate its obligations to provide the Annual Information and notices of material events, as set forth above, if and when the County no longer remains an "obligated person" with respect to the Series 2008 Bonds within the meaning of the Rule.

(e) The County agrees that its undertaking pursuant to the Rule set forth in this Section is intended to be for the benefit of the Beneficial Owners of the Series 2008 Bonds and shall be enforceable by such Beneficial Owners if the County fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided that any such Beneficial Owner's right to enforce the provisions of this undertaking shall be on behalf of all Beneficial Owners and shall be limited to a right to obtain specific performance of the County's obligations under this Section in a federal or state court located within the County and any failure by the County to comply with the provisions of this undertaking shall not be a default with respect to the Series 2008 Bonds.

(f) Notwithstanding the foregoing, each NRMSIR to which information shall be provided shall include each NRMSIR approved by the Securities and Exchange Commission prior to the issuance of the Series 2008 Bonds. In the event that the Securities and Exchange Commission approves any additional NRMSIRs after the date of issuance of the Series 2008 Bonds, the County shall, if the County is notified of such additional NRMSIRs, provide such information to the additional NRMSIRs. Failure to provide information to any new NRMSIR whose status as a NRMSIR is unknown to the County shall not constitute breach of this covenant.

(g) The requirements of subsection (a) above do not necessitate the preparation of any separate annual report addressing only the Series 2008 Bonds. The requirements of subsection (a)

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in effect for any reason, and the County elects that the Covenants shall be deemed amended accordingly.

Any assertion of beneficial ownership must be filed, with full documentary support, as part of the written request described above.

The Board further authorizes and directs the Finance Director to cause all other agreements to be made or action to be taken as required in connection with meeting the County's obligations as to the Covenants. The Finance Director shall further be authorized to make such additions, deletions and modifications to the Covenants as she shall deem necessary or desirable in consultation with the County Attorney, Bond Counsel and Disclosure Counsel. The delivery of the Official Statement containing any such additions, deletions and modifications for and on behalf of the County shall be conclusive evidence of the Board's approval of any such additions, deletions and modifications.

(j) Any filing to be made with each NRMSIR or SID under this Section 15 may be made by transmitting such filing to the Texas Municipal Advisory Council ("MAC") as provided at <http://www.disclosureusa.org>, unless the Securities and Exchange Commission has withdrawn its interpretative advice in its letter to MAC dated September 7, 2004.

SECTION 16. Modification or Amendment. This Series 2008 Resolution shall constitute a contract between the County and the Holders of the Series 2008 Bonds. Except as provided in this Series 2008 Resolution, no material amendment or modification of this Series 2008 Resolution or of any amendatory or supplemental resolution may be made without the consent of the Holders of fifty-one percent (51%) or more in principal amount of the Series 2008 Bonds then outstanding; provided, however, that no amendment or modification shall permit an extension of the maturity of such Series 2008 Bonds, a reduction in the redemption premium or

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may be met by the filing of an annual information statement or the County's Comprehensive Annual Financial Report, provided such report includes all of the required Annual Information and is available by June 1 of each year for the preceding Fiscal Year. Additionally, the County may incorporate any information in any prior filing with each NRMSIR and the SID or included in any official statement of the County, provided such official statement is filed with the MSRB.

(b) The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

(i) Except to cure any ambiguity, inconsistency or formal defect or omission in the provisions of this Section, the County covenants as to secondary disclosure (the "Covenants") may only be amended if:

(1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the County or type of business conducted; the Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Series 2008 Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interests of the Beneficial Owners, as determined by Disclosure Counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations; or

(2) all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of the adoption of this Series 2008 Resolution, ceases to be

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rate of interest or in the amount of the principal obligation, the creation of a lien upon or pledge of Pledged Revenues other than a lien or pledge created or permitted by the Master Ordinance, a preference or priority of any Series 2008 Bond over any other Series 2008 Bond, or a reduction in the aggregate principal amount of Series 2008 Bonds required for consent to amendment or modification.

Notwithstanding anything in this Series 2008 Resolution to the contrary, this Series 2008 Resolution may be amended without the consent of the Holders of the Series 2008 Bonds to provide clarification, correct omissions, make technical changes, comply with State laws, make such additions, deletions or modifications as may be necessary to assure compliance with Section 148 of the Code or otherwise as may be necessary to assure exclusion of interest on the Series 2008 Bonds from gross income for federal income tax purposes, and make such other amendments that do not materially adversely affect the interest of Holders of Series 2008 Bonds then Outstanding.

SECTION 17. Authorization of Further Actions. The Mayor, the County Manager, the Finance Director, the Public Works Director, the Transit Director, the County Attorney, the Clerk and other officers, employees and agents of the County are hereby authorized and directed to do all acts and things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the issuance of the Series 2008 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Series 2008 Resolution, the Series 2008 Bonds and the related documents. In the event that the Mayor, the County Manager, the Finance Director, the Transit Director, the Clerk or the County Attorney is unable to execute and deliver the contemplated documents, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the County.

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SECTION 18. Severability, Resolution Controlling. In case any one or more of the provisions of this Series 2008 Resolution or any approved document shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Series 2008 Resolution or such document, as the case may be, and such other provisions shall be construed and enforced as if such illegal or invalid provisions had not been contained. All or any part of resolutions or proceedings in conflict with the provisions of this Series 2008 Resolution are to the extent of such conflict repealed or amended to the extent of such inconsistency.

SECTION 19. Governing Law. The Series 2008 Bonds are to be issued and this Series 2008 Resolution is adopted and such other documents necessary for the issuance of the Series 2008 Bonds shall be executed and delivered with the intent that, except to the extent otherwise specifically provided in such documents, the laws of the State shall govern their construction.

SECTION 20. Waivers. The provisions of Resolution No. R-130-06, as amended, requiring that any contracts of the County with third parties be executed and finalized prior to the placement on the committee agenda are waived at the request of the County Manager for the reasons set forth in the County Manager's Memorandum.

The foregoing resolution was offered by Commissioner **Dennis C. Moss**, who moved its adoption. The motion was seconded by Commissioner **Jose "Pepe" Diaz** and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	aye		
Barbara J. Jordan, Vice-Chairwoman	aye		
Jose "Pepe" Diaz	aye	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	aye
Joe A. Martinez	absent	Dennis C. Moss	aye
Dorrian D. Rolle	absent	Nalacha Seijas	aye
Katy Sorenson	aye	Rebeca Sosa	absent
Sen. Javier D. Souto	aye		

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The Chairman thereupon declared the resolution duly passed and adopted this 8th day of April, 2008. This resolution shall become effective as follows: (1) ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board, and (2) either (i) the Citizens' Independent Transportation Trust ("CITT") has approved same, or (ii) in response to the CITT's disapproval, the County Commission re-affirms its award by two-thirds (2/3) vote of the Commission's membership and such reaffirmation becomes final.



MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS
HARVEY RUVIN, CLERK

By: **Kay Sullivan**
Deputy Clerk

Approved by County Attorney as to form and legal sufficiency:

Gerald T. Heffernan

Prepared by Bond Counsel: Squire, Sanders & Dempsey L.L.P.
Knox/Seaton

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Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(E)(1)(A)
5-20-08

Resolution No. R-581-08
Agenda Item No. 8(E)(1)(A)
Page No. 2

RESOLUTION NO. R-581-08

RESOLUTION AMENDING RESOLUTION NO. R-319-08 TO INCLUDE CERTAIN TRANSIT PROJECTS AMONG CAPITAL PROJECTS AUTHORIZED TO BE FUNDED FROM NOT TO EXCEED \$300,000,000 MIAMI-DADE COUNTY, FLORIDA TRANSIT SYSTEM SALES SURTAX REVENUE BONDS, SERIES 2008

WHEREAS, this Board adopted Resolution No. R-319-08, as amended, on April 8, 2008 ("Resolution No. R-319-08") authorizing the issuance of not to exceed \$300,000,000 in Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds, Series 2008 ("Series 2008 Bonds") for the purpose of paying capital costs in the amount of \$162,322,000 for certain transit and public works projects identified in Exhibit "A" ("Exhibit A") to that Resolution and to retire a certain Sunshine Loan in the amount of \$100,000,000; and

WHEREAS, this Board desires to amend Exhibit A to include certain capital projects in the amount of \$27,678,000 for the Transit Department as described in the accompanying County Manager's Memorandum ("County Manager's Memorandum");

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that Exhibit "A" to Resolution No. R-319-08 is amended to include those certain Transit projects in the amount of \$27,678,000 described in the County Manager's Memorandum among the capital projects approved for funding from the proceeds of the Series 2008 Bonds.

The foregoing resolution was offered by Commissioner Audrey M. Edmonson who moved its adoption. The motion was seconded by Commissioner Carlos A. Gimenez and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	aye
Barbara J. Jordan, Vice-Chairwoman	aye
Jose "Pepe" Diaz	aye
Carlos A. Gimenez	aye
Joe A. Martinez	aye
Dorin D. Rolle	aye
Katy Sorenson	aye
Sen. Javier D. Souto	absent
Audrey M. Edmonson	aye
Sally A. Heyman	aye
Dennis C. Moss	aye
Natacha Seijas	aye
Rebeca Sosa	aye

The Chairperson thereupon declared the resolution duly passed and adopted this 20th day of May, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS



HARVEY RUVIN, CLERK

By: Kay Sullivan
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



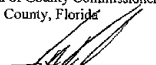
Gerald T. Heffeman

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

I, HARVEY RUVIN, Clerk of the Circuit Court in and for Miami-Dade County, Florida and Ex-Officio Clerk of the Board of County Commissioners of Said County, Do Hereby Certify that the above and foregoing is a true and correct copy of Resolution No. R-581-08 adopted by said board of County Commissioners at its meeting held on May 20, 2008, as appears of record

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on this 3rd day of June, A.D. 2008.

HARVEY RUVIN, Clerk
Board of County Commissioners
Dade County, Florida

By: 
Deputy Clerk



Board of County Commissioners
Miami-Dade County, Florida

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APPENDIX C

**Audited Annual Financial Report
of Miami-Dade County
for the Fiscal Year Ended
September 30, 2006**

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FINANCIAL SECTION

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KPMG LLP
 Suite 2800
 One Biscayne Tower
 Two South Biscayne Boulevard
 Miami, FL 33131

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Miami-Dade County, Florida (the County), as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of (1) Miami-Dade Housing Finance Authority; (2) Jackson Memorial Foundation, Inc.; (3) Miami-Dade Housing Agency Public Housing Division; (4) Public Health Trust of Miami-Dade County; (5) Miami-Dade Water and Sewer Department; (6) Miami-Dade County Clerk of the Circuit and County Courts Special Revenue and Agency Funds; and (7) Pension Trust Fund which represent the percentage of assets and revenues of the opinion units listed below:

	Percentage of opinion unit	
	Total assets	Total revenues
Governmental activities:		
Miami-Dade Housing Agency Public Housing Division – Special Revenue Fund	5.50%	7.13%
Miami-Dade County Clerk of the Circuit and County Courts – Special Revenue Fund	0.04%	1.50%
	<u>5.54%</u>	<u>8.63%</u>
Business-type activities:		
Miami-Dade Water and Sewer Department	28.89%	15.99%
Public Health Trust of Miami-Dade County	9.25%	38.46%
Miami-Dade Housing Agency Public Housing Division – Enterprise Fund	0.24%	0.27%
	<u>38.38%</u>	<u>54.72%</u>
Major funds:		
Miami-Dade Water and Sewer Department	100.00%	100.00%
Public Health Trust of Miami-Dade County	100.00%	100.00%
Discretely presented component units:		
Miami-Dade Housing Finance Authority	55.76%	28.09%
Jackson Memorial Foundation, Inc.	44.24%	71.91%
	<u>100.00%</u>	<u>100.00%</u>
Aggregate remaining fund information:		
Miami-Dade Housing Agency Public Housing Division – Special Revenue Fund	13.47%	10.38%
Miami-Dade Housing Agency Public Housing Division – Enterprise Fund	1.15%	0.18%
Miami-Dade County Clerk of the Circuit and County Courts – Special Revenue Fund	0.09%	2.18%
Miami-Dade County Clerk of the Circuit and County Courts – Agency Fund	4.71%	N/A
Pension Trust Fund	5.69%	N/A
	<u>25.11%</u>	<u>12.74%</u>

These financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the activities, component units, and funds indicated above, are based on the reports of the other auditors.

We conducted our audit 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. The financial statements of the Jackson Memorial Foundation, Inc. were not audited in accordance with *Government Auditing Standards*. 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 County'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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Miami-Dade County, Florida, as of September 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2007 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

The management's discussion and analysis, budgetary comparison information, and schedule of employer contributions on pages 5 through 23 and pages 117 through 119 and page 120, respectively, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We and the other auditors 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 opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are



fairly stated in all material respects in relation to the basic financial statements taken as whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

May 18, 2007
Certified Public Accountants

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MIAMI-DADE COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative provides an overview of Miami-Dade County's (the "County") financial activities for the fiscal year ended September 30, 2006. Comparative information is provided in this year's report. This narrative should be read in conjunction with the letter of transmittal at the front of this report and the financial statements and accompanying notes, which follow this section. Additional information is provided in this narrative and the accompanying notes to the financial statements.

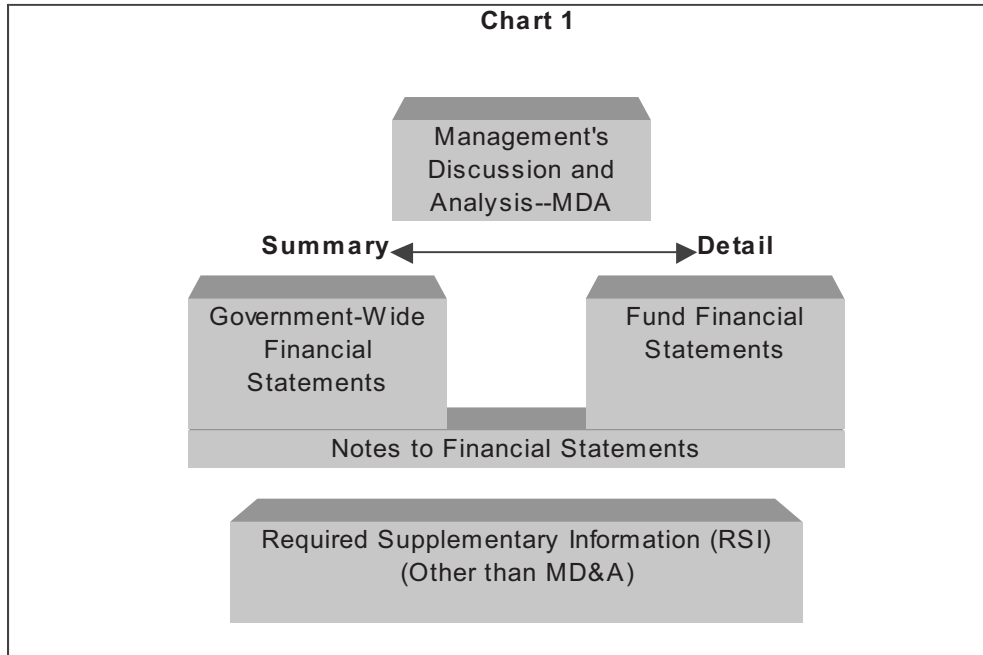
Financial Highlights for Fiscal Year 2006

- At September 30, 2006, the County's assets exceeded its liabilities by \$7.6 billion (net assets). Of this amount, \$5.7 billion was invested in capital assets, net of related debt. Additionally, \$2.05 billion was restricted by law, agreements, debt covenants or for capital projects. The County had an unrestricted net deficit of \$107 million at September 30, 2006.
- During the fiscal year 2006, net assets increased by \$507 million. Of this increase, \$135 million was in business-type activities and the remaining increase of \$372 million was in governmental activities.
- Total long-term liabilities, excluding commercial paper, had a net increase of \$545.3 million during the fiscal year. This was due to the issuance of \$734.2 million of Revenue Bonds; \$80.2 million of Special Obligation Bonds; \$109.1 million of loans; interest accretions and premiums on bonds of \$34.3 million; offset by a net reduction of principal and other liabilities of \$412.5 million.
- At September 30, 2006, the County's governmental funds had fund balances totaling \$2.030 billion. The net change in fund balances during the year was an increase of \$342 million. Of the total fund balance, approximately \$1.378 billion or 68% was unreserved.
- At September 30, 2006, the General Fund had a fund balance of \$369.4 million, representing an increase of approximately 34% from the previous year. Of the total fund balance, approximately \$158.5 million was unreserved.

MIAMI-DADE COUNTY, FLORIDA

Overview of the Financial Statements

This is the fifth year that the report has been prepared in accordance with Governmental Accounting Standard Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. The Statement requires that the basic financial statements include: 1) *government-wide* statements, 2) *fund* financial statements, and 3) notes to the financial statements. Other supplementary information and statistical data is also included in the report. A graphical illustration is presented below—Chart 1.



The GASB Statement No. 34 reporting model focuses attention on the County as a whole (government-wide) and on the major individual funds. Both perspectives allow the user to address relevant questions, broaden the basis for comparison and enhance the County's accountability.

Government-wide statements. Two government-wide statements are presented: the *statement of net assets* and the *statement of activities*. These statements provide information on the County as a whole using the accrual basis of accounting similar to those of private-sector companies. The accrual basis of accounting recognizes increases or decreases in economic resources as soon as the underlying transaction takes place. Therefore, all of the current year's revenues and expenses are reported regardless of when cash is received or paid. The economic resources measurement focus is applied to all long-term and short-term *financial* assets and liabilities, as well as all *capital* assets. These statements include the County and its component units, except for funds that are fiduciary in nature.

MIAMI-DADE COUNTY, FLORIDA

The *Statement of Net Assets* presents information for all of the County's governmental and business-type activities. Increases or decreases in net assets may be useful in assessing the County's financial position.

The *Statement of Activities* presents the change in net assets over the fiscal year being reported. The format for this statement reports the *net (expense) revenue* of each of the County's functions (groups of related activities which provide a major service). It identifies the extent to which each function is either self-supporting or relies on general revenues of the County. The County's *general revenues*, such as taxes, shared revenues from the State of Florida, investment earnings, and transfers, are reported after the total net expense of the County functions.

In the government-wide statements, financial information is provided separately for:

- *Governmental activities*. Policy Formulation and General Government, Protection of People and Property, Culture and Recreation, and Physical Environment are examples of governmental activities. These activities are principally supported by general revenues, grants or contributions.
- *Business-type activities*. The operations of the Airport, the Seaport, the Water and Sewer Department, the Solid Waste Department, the Transit Department and the Public Health Trust are the County's major business-type activities. These activities are financed in whole or in part by fees charged to external users for goods and services.
- *Component units*. Component units are legally separate entities for which the County is financially accountable. The Miami-Dade Housing Finance Authority and the Jackson Memorial Foundation are the County's component units.

Fund financial statements. Fund financial statements have traditionally been presented in the Comprehensive Annual Financial Report (the "CAFR"). A *fund* is a set of self-balancing accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives, as required by special regulations, restrictions or limitations. The Miami-Dade County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental funds*. Governmental funds account for most of the County's basic services, which are reported as governmental activities in the government-wide statements. Fund statements, however, use the modified accrual basis of accounting and current financial resources measurement focus. The aim of the statements is to report the near-term (current) inflows and outflows, and the balances of spendable financial resources at the end of the fiscal year. The statements provide a short-term view of the County's ability to finance its programs in the near future, in contrast to the long-term view provided by the government-wide statements. To facilitate comparison, reconciliations are presented for the governmental funds' balance sheets and statements of revenues, expenditures and changes in fund balance to the government-wide statements.

MIAMI-DADE COUNTY, FLORIDA

The governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance include separate columns for the County's major fund, the General Fund, and Other Governmental Funds in the aggregate. Individual fund statements for the Other Governmental Funds are included in the combining statements in the supplementary information section of the CAFR.

- **Proprietary funds.** Proprietary funds are those funds where the County charges a user fee in order to recover costs. The County's proprietary funds are enterprise funds and internal service funds.
 1. *Enterprise funds* are used to finance and account for the acquisition, operation and maintenance of facilities and services that are intended to be entirely or predominantly self-supporting through the collection of charges from external customers. Enterprise funds are used to report the same activities as the business-type activities in the government-wide financial statements. The County has six major enterprise funds.
 2. *Internal service funds* are used to report any activity that provides goods and services to other funds, departments, or agencies of the County, on a reimbursement basis. The County's Self-Insurance Fund is an internal service fund. In the statement of activities, any profit or loss in the Self-Insurance Fund is allocated back to the different functions that participated in the fund. Because the Self-Insurance Fund predominantly serves the government, assets and liabilities of the Self-Insurance Fund are included within the governmental activities in the statement of net assets.
- **Fiduciary funds.** Fiduciary funds are used to report assets held in a trustee or agency capacity for others. The County currently has funds held in an agency capacity for the Clerk of the Circuit and County Court and the Tax Collector, as well as other funds placed in escrow pending distributions. The County also has a Pension Trust Fund that accounts for the Public Health Trust Defined Benefit Retirement Plan. These funds cannot be used to support the County's own programs, and therefore, are *not* reflected in the government-wide financial statements.

Notes to the financial statements. The notes include various disclosures to ensure a complete picture is presented in the financial statements. They provide information useful in understanding the data presented in the government-wide and fund financial statements.

Other information. This report also includes as required supplementary information a schedule of revenues, expenditures and changes in fund balances – budget and actual, for the General Fund and additional disclosures for the Public Health Trust Pension Fund. Combining and individual fund statements and budget comparisons for nonmajor funds are located in the pages following the notes to the financial statements.

MIAMI-DADE COUNTY, FLORIDA

Financial Analysis of the County as a Whole

The difference between a government's assets and its liabilities is its *net assets*. The County's net assets are summarized below:

Table 1
Miami-Dade County
Summary of Net Assets
(in millions)

	Governmental activities		Business-type activities		Total primary government		Total percentage change
	2005		2005		2005		2005-2006
	(Restated)	2006	2005	2006	(Restated)	2006	
Current and other assets	\$ 2,849	\$ 3,590	\$ 3,240	\$ 3,458	\$ 6,089	\$ 7,048	15.7%
Capital assets	3,136	3,311	9,660	10,042	\$ 12,796	13,353	4.4%
Total assets	5,985	6,901	12,900	13,500	18,885	20,401	8.0%
Long-term debt obligations	2,704	2,884	7,283	7,701	9,987	10,585	6.0%
Other liabilities	1,017	1,381	728	775	1,745	2,156	23.6%
Total liabilities	3,721	4,265	8,011	8,476	11,732	12,741	8.6%
Net assets:							
Invested in capital assets, net of related debt	1,826	1,752	4,158	3,960	5,984	5,712	-4.5%
Restricted	744	1,158	576	897	1,320	2,055	55.7%
Unrestricted	(306)	(274)	155	167	(151)	(107)	29.1%
Total net assets	\$ 2,264	\$ 2,636	\$ 4,889	\$ 5,024	\$ 7,153	\$ 7,660	7.1%

Net assets may be used to assess the financial position of the County. The County's combined net assets as of September 30, 2006 were \$7.660 billion. Approximately 75%, or \$5.712 billion, of the County's net assets represent its investment in capital assets, net of outstanding related debt. These assets include land, buildings, machinery and equipment, and infrastructure, and are not available for future spending. Additionally, \$2.055 billion are restricted net assets and are subject to external restrictions on how they may be spent.

At September 30, 2006, the County had an unrestricted net deficit of \$107 million. The governmental activities unrestricted deficit of \$274 million is primarily due to the liability for County employees' compensated absences of \$341 million and the Self-Insurance Fund's deficit of \$44 million.

The increase in net assets of business-type activities of \$135 million is attributed to increases in net assets of Solid Waste, Seaport, Aviation, Water and Sewer and the Public Health Trust, offset by a decrease in net assets of the Transit fund. More detailed information on these changes may be found in the Financial Analysis of the County's Funds section of the MD & A.

MIAMI-DADE COUNTY, FLORIDA

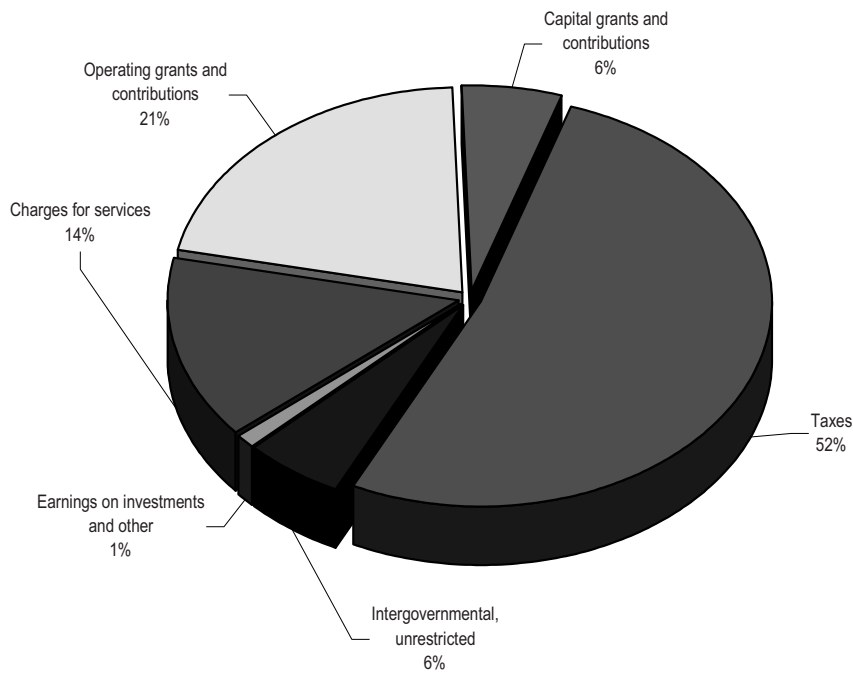
**Table 2
Miami-Dade County, Florida
Changes in Net Assets
(in millions)**

	Governmental activities		Business-type activities		Total primary government		Total %
	2005	2006	2005	2006	2005	2006	change
Revenues:							
Program revenues:							
Charges for services	\$ 539	\$ 609	\$ 2,414	\$ 2,585	\$ 2,953	\$ 3,194	8.2%
Operating grants and contributions	709	889	198	182	907	1,071	18.1%
Capital grants and contributions	75	237	155	216	230	453	97.0%
General revenues:							
Property taxes	1,283	1,505			1,283	1,505	17.3%
County hospital 1/2% sales surtax	171	190			171	190	11.1%
Transportation 1/2% sales surtax	170	190			170	190	11.8%
Utility taxes	67	68			67	68	1.5%
Local option gas taxes	62	62			62	62	
Franchise taxes	39	39			39	39	
Communication tax	49	50			49	50	2.0%
Other taxes	92	101			92	101	9.8%
Intergovernmental revenues, unrestricted	221	235			221	235	6.3%
Earnings on investments	32	35	46	114	78	149	91.0%
Miscellaneous	10	7		8	10	15	50.0%
Total revenues	3,519	4,217	2,813	3,105	6,332	7,322	15.6%
Expenses:							
Policy formulation and general government	467	457			467	457	-2.1%
Protection of people and property	1,113	1,287			1,113	1,287	15.6%
Physical environment	161	199			161	199	23.6%
Transportation	206	203			206	203	-1.5%
Health	56	60			56	60	7.1%
Human services	283	290			283	290	2.5%
Socio-economic environment	381	393			381	393	3.1%
Culture and recreation	239	299			239	299	25.1%
Interest on long-term debt	84	99			84	99	17.9%
Mass transit			495	576	495	576	16.4%
Solid waste collection			87	99	87	99	13.8%
Solid waste disposal			168	177	168	177	5.4%
Seaport			93	86	93	86	-7.5%
Aviation			565	574	565	574	1.6%
Water			172	226	172	226	31.4%
Sewer			274	323	274	323	17.9%
Public health			1,424	1,448	1,424	1,448	1.7%
Other			18	19	18	19	5.6%
Total expenses	2,990	3,287	3,296	3,528	6,286	6,815	8.4%
Increase in net assets before transfers	529	930	(483)	(423)	46	507	-1002.2%
Transfers	(512)	(558)	512	558			
Increase (decrease) in net assets	17	372	29	135	46	507	-1002.2%
Beginning net assets, 10/1/2005 (Restated - Note 11)	2,247	2,264	4,860	4,889	7,107	7,153	0.6%
Ending net assets - 9/30/2006	\$ 2,264	\$ 2,636	\$ 4,889	\$ 5,024	\$ 7,153	\$ 7,660	7.1%

MIAMI-DADE COUNTY, FLORIDA

Governmental activities. Net assets of governmental activities increased by \$372 million in fiscal year 2006. Total revenues for the governmental activities were \$4.217 billion. The largest source of revenue is taxes (52%), followed by operating grants and contributions (21%) and charges for services (14%). The County experienced an increase in property tax revenues of \$222 million or 17% in fiscal year 2006, due to an increase in net assessed property values for the year of 20%.

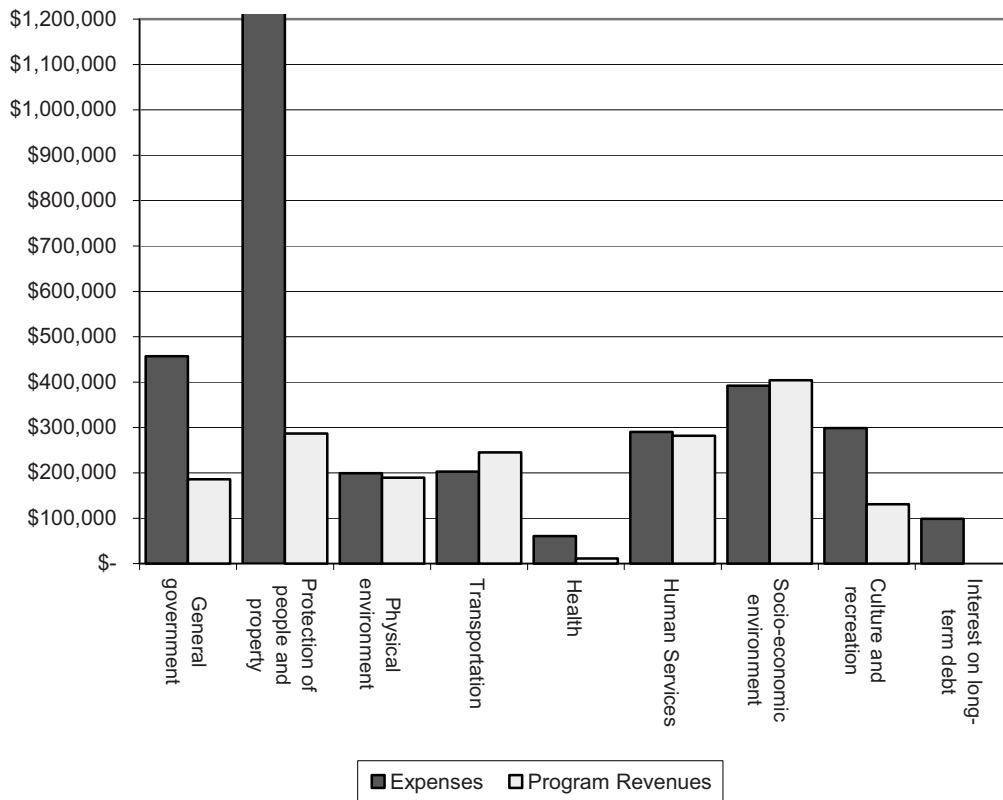
Revenues by Source--Governmental Activities



MIAMI-DADE COUNTY, FLORIDA

Total expenses for governmental activities were \$3.287 billion. As can be seen in the chart below, the majority of these expenses were for Protection of People and Property. Net transfers to business-type activities were \$558 million, including: \$250.5 million to the Transit Agency, of which approximately \$118.1 million was from the half-penny sales tax for transit related costs; \$189.7 million of the half-penny Indigent Care sales tax to the Public Health Trust; \$140.4 million from the General Fund to the Public Health Trust, partially offset by \$22.9 million transferred from the Miami-Dade Water and Sewer Department to the General Fund.

Expenses and Program Revenues - Governmental Activities
(in thousands)

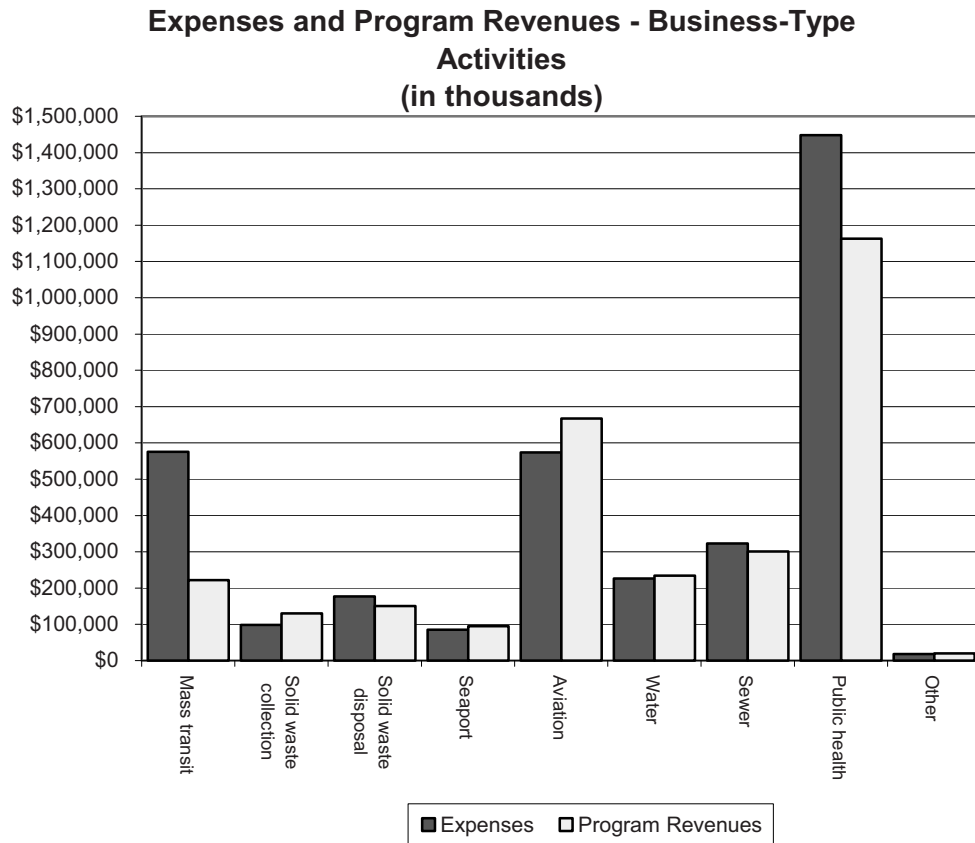


MIAMI-DADE COUNTY, FLORIDA

Business-type activities. The County’s major business-type activities include the following enterprise funds:

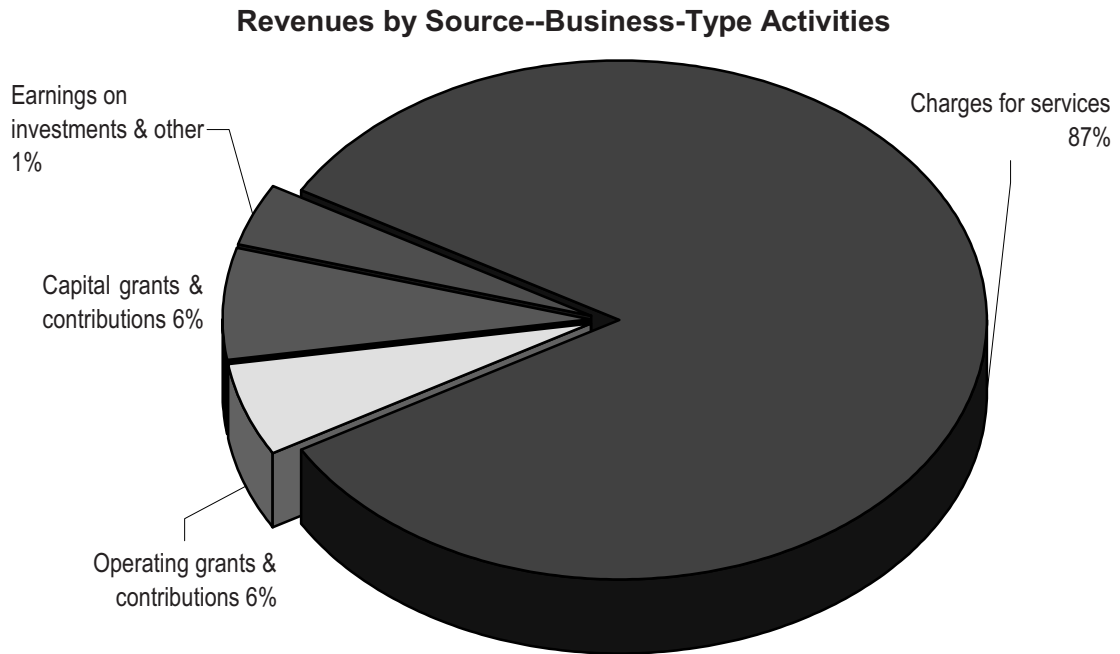
- Miami-Dade Transit Agency
- Solid Waste Collection and Disposal Department
- Seaport Department
- Miami-Dade Aviation Department
- Miami-Dade Water and Sewer Department, and
- Public Health Trust.

Net assets of business-type activities increased by \$135 million. The bar graph below summarizes the expenses and program revenues of the business-type activities.



MIAMI-DADE COUNTY, FLORIDA

The pie chart below summarizes the revenues by source of the business-type activities.



MIAMI-DADE COUNTY, FLORIDA

Financial Analysis of the County's Funds

Governmental Funds. The General Fund is the County's chief operating fund and is used to account for most of its governmental activities. The General Fund's fund balance at September 30, 2006, was \$369.4 million. Of this amount \$158.5 million, or approximately 42.9%, is unreserved. The unreserved fund balance represents approximately 10.8% of the total General Fund's expenditures. The General Fund's fund balance increased by \$92.8 million from the previous year. This increase is attributed to higher than anticipated revenues, particularly property tax revenues.

Enterprise Funds. The proprietary funds provide the same type of information found in the government-wide statements, but in more detail.

Miami-Dade Transit ("MDT") The MDT generated \$100.9 million in operating revenues in fiscal year 2006, and reported a decrease in net assets of \$95.6 million. Net assets for MDT totaled \$939.4 million at September 30, 2006, including \$1.102 billion invested in capital assets, \$80.7 million in restricted net assets, and a \$243.1 million deficit in unrestricted net assets.

As of September 30, 2006, the Transit Agency had a cash deficit balance of approximately \$149.3 million. It is the County's practice to report cash deficits with a corresponding interfund receivable/payable in the appropriate fund. These cash deficits are funded with cash advances from the County's General Fund.

On June 8, 2005, the Regional Transportation Committee (RTC) approved and later the Board of County Commissioners (the Board) approved Resolution R-120-05 amending the People's Transportation Plan (PTP) to restore the General Fund support (also known as the maintenance of effort (MOE)) to MDT to the pre-surtax level of \$123.7 million and annually increased the MOE by 3.5%. Included in the amendment is compliance with the terms of a Line of Credit Obligation Letter, which outlines a loan approved by the Citizen's Independent Transportation Trust (CITT) for up to \$150 million in surtax funds to support MDT services in existence as of November 5, 2002. The payment schedule was revised to reflect the exclusion of \$23.9 million (\$6.8 operating, \$17.1 project funds) fiscal year 2001-02 shortfall existing prior to the passage of the surtax which will be covered by the Miami-Dade County General Fund.

On January 17, 2006, the Board accepted the PTP 2005 Pro Forma updated. An updated revised payment schedule was presented with a new borrowing requirement of \$133.4 million.

On February 7, 2006, the project for building an extension of the existing Metrorail system to the north (North Corridor) received a "medium" rating from the Federal Transit Administration; the project received a \$228 million commitment from the state to fund this amount over a 5-year period. This represents the 25% from the state commitment needed to move ahead with the project. MDT received a Record of Decision (ROD) for the North Corridor in fiscal year 2006.

Solid Waste Department ("SWD") The SWD had an increase in net assets of \$11.7 million, reflecting revenues earned in excess of expenses for the fiscal year ended September 30, 2006. Operating revenues increased 13.5% from \$247.7 million in fiscal year 2005 to \$281.1 million in fiscal year 2006. This increase is primarily due to higher

MIAMI-DADE COUNTY, FLORIDA

Solid Waste Disposal Services Revenues resulting from higher equivalent revenue tons coupled with higher disposal tipping fees.

Seaport Department The Seaport Department's operating revenues for the 2006 fiscal year were \$87.9 million, an increase of approximately 3.4% from the prior year. The increase is attributed to an increase in cruise wharfage and dockage of approximately \$1.2 million or 5.7% and \$0.7 million or 7.1%, respectively. Higher operating revenues were partially offset by increase in operating expenses in the areas of security, general and administrative, gantry cranes and utilities. The Seaport's net assets increased by \$13.1 million from the prior year.

Aviation Department The Aviation Department had operating revenues of \$525.2 million in fiscal year 2006, an increase of approximately 6% from the prior year. This increase is due primarily to a 31.9% increase in the landing fee charged to MIA air carriers in fiscal year 2006. Net assets of the Airport increased \$125 million or 13%. This was primarily due to increases in capital contributions of 120%, revenues from investment income, aviation fees, commercial operations and passenger facility charges. The net asset increase also included a significant reduction of liabilities, specifically in environmental remediation liability.

Water and Sewer Department ("WASD") Total net assets as of September 30, 2006 were \$2.1 billion. The Department's net assets increased by \$8.6 million, or 0.4%. The increase was primarily due to the impacts of unbudgeted financial transactions which provided additional cash.

Public Health Trust ("PHT") During fiscal year 2006 PHT's net assets increased by \$57.3 million. Operating revenues were \$1.132 billion, an increase of \$48 million from the prior year. This increase is primarily due to the effect of an increase in Net Patient Service Revenue as a result of an average strategic price increase which went into effect on October 1, 2005; an increase in the Disproportionate Share Program of \$3.4 million; and the resolution of a matter related to prior period Medicaid overpayments which generated a gain of approximately \$56.6 million. Operating expenses, including depreciation, increased by \$33.8 million from last year. The increase in expenses is mainly attributed to an increase in personnel and related costs and contractual and purchased services expenses. The personnel cost increase resulted from a 4% cost of living adjustment and 2.5% merit increase, offset by a 3.7% reduction in personnel levels. Non-operating revenues increased by \$25.4 million, mainly due to increases in sales tax revenue of \$19.2 million, Miami-Dade County funding of \$17.4 million and investment income of \$13.4 million. These increases were partially offset by a decrease of \$25.0 million in Miami-Dade County special assistance and a \$7.2 million increase in interest expense.

MIAMI-DADE COUNTY, FLORIDA

General Fund Budgetary Highlights

During fiscal year 2006, the General Fund's budget was amended two times. These budget amendments or supplemental appropriations reflect the change in projected expenditures that occurred since the budget hearings were held in September 2005 and distribute allocated funds among various County agencies from appropriate reserves and from appropriate sources. The major amendments and supplemental appropriations are discussed in greater detail below.

- ❑ The Corrections Department required an amendment of \$10.7 million to cover overtime costs and new security initiatives in jail operations, increased expenditures associated with hospital assignments for inmate medical care and due to a higher than expected inmate population and board approved wage adjustments.
- ❑ General Services Administration required an amendment of \$8.8 million to cover the higher than budgeted fuel prices. When the fiscal year 2006 budget was developed the average price paid for fuel was under 1.60 per gallon, the actual average price paid for fuel was \$2.13.
- ❑ The Miami Dade Police Department required a supplemental budget of \$3.4 million due to higher than budgeted police service provided to municipalities under contract. These expenses were funded by additional payments from the municipalities as required in the police service contracts.

Actual General Fund revenues were \$73 million higher than the budgeted amount. The increase is primarily due to 1) an increase in Taxes of \$19.5 million resulting from an increase in property taxes due to higher assessed values, and increases in utility, communication, local option gas tax and franchise taxes as a result of increased activity in each of these categories; 2) an increase in Building Permits revenues of \$10.2 million resulting from an increase in construction and related activities; 3) an increase in Intergovernmental revenue of \$21.9 million resulting from increased Sales tax collections and State revenue sharing; 4) an increase of \$16.9 million in Other, under Charges for Services, as a result of increased rates and revenues of the Stormwater Utility Fund, as well as an increase in the 911 fees revenue. These increases were slightly offset by decreases in the remaining revenue categories.

The General Fund's expenditures were \$1.466 billion or \$182.2 million less than budgeted. This positive variance is primarily attributed to lower than anticipated expenditures in Policy Formulation, Protection of People and Property, and Physical Environment of \$91.8 million, \$30.6 million, and \$43.1 million, respectively. The decrease in Policy Formulation is attributed to vehicle purchases anticipated in 2006 being delayed and lower than anticipated acquisition of services and other commodities. The decrease in Protection of People and Property is attributed to a decrease in Police as a result of higher than budgeted reimbursements from municipal contracts, Law Enforcement Trust Fund and grants approved during fiscal year. The decrease in Physical Environment is attributed to budgeted expenditures related to the Storm water utility capital projects that did not materialized

MIAMI-DADE COUNTY, FLORIDA

Capital Asset and Debt Administration

Capital Assets. At September 30, 2006, the County's total investment in capital assets, net of accumulated depreciation, was \$13.4 billion. This represents an increase of approximately 4.3% over the previous year. The following table summarizes the components of the County's investments in capital assets.

Miami-Dade County Capital Assets as of September 30, 2006 and 2005 (net of depreciation, in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2005 (Restated)	2006	2005	2006	2005 (Restated)	2006
Land	\$ 524,675	\$ 561,720	\$ 565,853	\$ 567,714	\$ 1,090,528	\$ 1,129,434
Construction in progress	607,659	265,138	2,080,008	2,603,943	2,687,667	2,869,081
Building and building improvements	970,711	1,414,289	3,088,987	2,949,142	4,059,698	4,363,431
Infrastructure	901,818	909,135	3,142,028	3,101,857	4,043,846	4,010,992
Machinery and equipment	131,591	160,568	783,472	819,710	915,063	980,278
Totals	<u>\$ 3,136,454</u>	<u>\$ 3,310,850</u>	<u>\$ 9,660,348</u>	<u>\$ 10,042,366</u>	<u>\$ 12,796,802</u>	<u>\$ 13,353,216</u>

Governmental activities' major capital assets additions during the year included:

- ❑ \$92 million expended for construction projects related to the Performing Arts Center and the South Miami-Dade Cultural Center,
- ❑ \$23.2 million to purchase the Lightspeed Property at Beacon Tradeport,
- ❑ \$16.2 million for the acquisition of US Coast Guard Parcel & Housing Units,
- ❑ \$9.3 million acquisition of Chiller Plant Property,
- ❑ \$11.4 million for the acquisition of a new Bell Helicopter Air Rescue #5 and the upgrade to Air Rescue #4 helicopter for the Fire Department,
- ❑ \$7.6 million expended for the construction of the 97th Ave flyover, and
- ❑ \$6.3 million for the acquisition of library resources.

Business-type activities' major capital assets additions during the year included:

Aviation Department:

- ❑ \$406.7 million expended for various projects, due to the Aviation Department's ongoing Capital Improvement Program (CIP). The CIP consists of 316 projects with a budgeted cost of approximately \$5.2 billion for construction through fiscal year 2015.

MIAMI-DADE COUNTY, FLORIDA

Water and Sewer Department:

- \$23.3 million expended for various water projects, including treatment facilities, and
- \$38.1 million expended for various wastewater projects

Solid Waste Department

- \$2.5 million expended for facility improvements,
- \$1.1 million expended for the completion of Northeast Station, central Transfer Compactor-Phase I, NE Compactor Phase I, NE Transfer Station Expansion, and Resources Recovery Plant Improvements.

Transit Agency

- During fiscal year 2006 MDT placed 131 new full size buses into service, for a total fleet of 1,008 vehicles.

Public Health Trust

- The Trust continues to expand and improve its facilities. Approximately \$48.3 million was spent in fiscal year 2006 to expand and improve the Health facilities and internal software.

Seaport

- During fiscal year 2006 investment in capital assets increased \$29.6 million and is attributed to projects in the Seaport Master Plan and acquisitions of other capital assets necessary for the ongoing operations.

Additional information on the County's capital assets can be found in Note 4.

MIAMI-DADE COUNTY, FLORIDA

Long-Term Liabilities. At September 30, 2006, the County had \$10.584 billion in long-term liabilities, which are summarized in the schedule below. Additional information regarding long-term debt can be obtained in Note 8.

Miami-Dade County Outstanding Long-term Liabilities as of September 30, 2006 and 2005 (in thousands)

	Governmental activities		Business-type activities		Total Primary Government	
	2005		2005		2005	
	(Restated)	2006	2005	2006	(Restated)	2006
General obligation bonds	\$ 519,126	\$ 507,316	\$ 145,710	\$ 142,215	\$ 664,836	\$ 649,531
Special obligation bonds	1,406,064	1,444,085	52,940	47,310	1,459,004	1,491,395
Revenue bonds			5,279,006	5,672,389	5,279,006	5,672,389
Loans and notes payable	178,660	272,097	650,174	622,353	828,834	894,450
Other (i.e. unamortized premiums, discounts and accretions of interest)	75,712	101,448	(96,787)	(81,398)	(21,075)	20,050
Commercial paper notes			313,626	365,342	313,626	365,342
Sub-total Bonds, Notes and Loans	2,179,562	2,324,946	6,344,669	6,768,211	8,524,231	9,093,157
Compensated absences	310,853	341,590	177,625	183,076	488,478	524,666
Estimated insurance claims payable	166,396	174,805	40,967	38,720	207,363	213,525
Environmental remediation			152,793	138,162	152,793	138,162
Landfill closure/postclosure care costs			93,222	103,718	93,222	103,718
Lease agreements	11,669	11,420	418,860	407,836	430,529	419,256
Other	35,607	31,574	55,070	60,873	90,677	92,447
Totals	\$ 2,704,087	\$ 2,884,335	\$ 7,283,206	\$ 7,700,596	\$ 9,987,293	\$ 10,584,931

Bond Ratings

Miami-Dade County continues to meet its financial needs through prudent use of its revenues and effective debt financing programs. The County's financial strength and sound financial management practices are reflected in its general obligation bond investment ratings, which are among the highest levels attained by Florida counties. Following are the credit ratings assigned by the three primary credit rating agencies in the financial market:

Aa3	Moody's Investor Services
AA-	Standard & Poor's Corporation
AA-	Fitch IBCA, Inc.

MIAMI-DADE COUNTY, FLORIDA

At September 30, 2006, the County had \$8.727 billion in bonds and loan agreements outstanding, other than commercial paper notes. This is a net increase (new debt issued less principal reductions) of \$449 million or 5.4% from the previous year. During the year, the County issued approximately \$919 million of new debt, which is detailed in the chart below. Additional information on the County's debt can be obtained in Note 8.

BONDS AND LOANS ISSUED DURING THE YEAR

(in thousands)

Date Issued	Description	Purpose	Interest Rate Range	Final Maturity Date	Original Amount Issued
BONDS:					
11/2/05	Aviation Revenue Bonds, Series 2005A (AMT)	To finance certain airport improvements associated with the Airport's Capital Improvement Plan previously approved by the Board	4.87% - 5.00%	10/1/38	\$ 357,900,000
11/2/05	Aviation Revenue Refunding Bonds, Series 2005B (AMT)	To refund the Aviation Revenue Bonds, Series 1995B & the Aviation Revenue Refunding Bonds Series 1995D, originally issued to finance certain airport improvements associated with the Airport's Capital Improvement Plan.	3.50% - 5.00%	10/1/21	180,345,000
11/2/05	Aviation Revenue Refunding Bonds, Series 2005C (Non-AMT)	To refund the Aviation Revenue & Aviation Revenue Refunding Bonds, Series 1995A, C & E, which originally were issued to finance certain airport improvements associated with the Airport's Capital Improvement Plan.	3.50% - 5.00%	10/1/25	61,755,000
2/8/06	Public Service Tax Revenue Bonds (UMSA Public Improvements), Series 2006.	To pay a portion of the cost of a capital improvement program for improvements to, and acquisition of, stormwater drainage systems, existing sidewalks, park development and the beautification of neighborhoods located within the UMSA areas of the County.	4.12% - 6.25%	4/1/30	28,000,000
4/27/06	Transit System Sales Surtax Revenue Bonds, Series 2006	To pay all or a portion of the cost of certain transportation and transit projects included in the People's Transportation Plan.	4.00% - 5.00%	7/1/35	186,435,000

MIAMI-DADE COUNTY, FLORIDA

BONDS AND LOANS ISSUED DURING THE YEAR

(in thousands)

Date Issued	Description	Purpose	Interest Rate Range	Final Maturity Date	Original Amount Issued
LOANS:					
5/23/06	Sunshine State Governmental Financing Commission, Series 1986 Program	To pay the cost of, or reimbursing the County for the cost of constructing certain capital infrastructure improvements for the Naranja Lakes Community Redevelopment Agency (Naranja Lakes CRA).	Variable	7/01/16	5,000,000
9/7/06	Sunshine State Governmental Financing Commission, Series 2006, Various Taxable AMT and Non-AMT.	To pay or reimburse the County for the cost of acquiring certain capital equipment and/or constructing certain capital improvements for various County departments and to fund the required reserve funds.	Variable	9/1/26	100,000,000
9/30/06	State Revolving Fund (Miami-Dade Water and Sewer Dept.)	To finance construction of water and wastewater treatment facilities	2.56%-4.17%	10/1/24	4,100

Total long-term debt issued during the year

\$ 919,439,100

Other Obligations. The County administers a self-insurance program for workers' compensation, tort liability, property, and group health and life insurance programs, subject to certain stop-loss provisions. Detailed information about the County's liability related to the self-insurance program is included in Note 7. Other obligations include compensated absences, post-retirement health insurance benefits, arbitrage liability and other contingencies.

Economic Factors and Other Significant Matters

The County's revenues and expenses and expenditures are affected by changes in international, national and local economic factors. Economic growth can be measured by various factors. Highlights of the economic factors that affected Miami-Dade County during the last fiscal year are depicted below.

- The unemployment rate for Miami-Dade County declined to approximately 3.9% from 4.7%, a decrease of approximately 0.8% from prior year. (Source: Florida Agency for Workplace Innovation, Office of Workforce Information Services, Labor Market Statistics, Miami-Dade County Department of Planning and Zoning, Research Section)

MIAMI-DADE COUNTY, FLORIDA

- The occupancy rate for commercial real estate was 89.7%, an increase of approximately 2.2% from the previous year. (Source: Greater Miami Convention and Visitors Bureau)
- The number of visitors to Miami-Dade County was approximately 11.6 million. This represents an increase of approximately 2.5%. The total visitors in FY 2006 exceeded the 11.2 million overnight visitors recorded in FY 2000 (Source: Greater Miami Convention and Visitors Bureau)
- The average sales price for existing single family homes increased to \$376,550. This represents more than 2.5 times higher than the CPI for the period. However, condominium prices experienced an almost flat appreciation rate in fiscal year 2006. (Source: The Beacon Council / Miami-Dade County Florida)

Requests for information

This financial report is designed to provide a general overview of Miami-Dade County's finances to our citizens, taxpayers, customers, investors, creditors, and others with an interest in the County's finances. Questions concerning this report or requests for additional financial information should be addressed to:

Miami-Dade County, Florida
Finance Department
Office of the Controller
111 NW 1st Street, Suite 2620
Miami, Florida 33128-1980

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BASIC FINANCIAL STATEMENTS

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MIAMI-DADE COUNTY, FLORIDA
STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Housing Finance Authority	Jackson Memorial Foundation
ASSETS					
Cash and cash equivalents	\$ 709,053	\$ 614,513	\$ 1,323,566	\$ 8,584	\$ 4,046
Investments	1,046,360	632,415	1,678,775	15,026	10,090
Cash collateral securities lending	975,675		975,675		
Receivables, net	73,733	341,269	415,002	388	9,619
Internal balances	242,683	(242,683)			
Due from primary government				1,000	
Due from other governments	254,583	197,638	452,221		
Mortgages receivable, net	244,560		244,560	1,534	
Inventories	23,303	93,535	116,838		
Other assets	7,189	43,583	50,772	3,852	93
Capital assets, net of depreciation (Note 4):					
Land	561,720	567,714	1,129,434		
Buildings and building improvements, net	1,414,289	2,949,142	4,363,431		
Machinery and equipment, net	160,568	819,710	980,278	21	278
Infrastructure, net	909,135	3,101,857	4,010,992		
Construction in progress	265,138	2,603,943	2,869,081		
Total capital assets	3,310,850	10,042,366	13,353,216	21	278
Restricted cash and cash equivalents		442,878	442,878		
Restricted long-term investments		1,242,633	1,242,633		
Deferred charges	13,452	91,853	105,305		
Total assets	6,901,441	13,500,000	20,401,441	30,405	24,126
LIABILITIES					
Accounts payable and accrued liabilities	211,581	486,088	697,669	86	1,791
Accrued interest payable	30,447	140,900	171,347		
Due to other governments	30,708	105,930	136,638		
Due to component unit	1,000		1,000		
Unearned revenue	53,958	42,630	96,588	272	120
Other liabilities	77,295		77,295		
Liability for cash collateral securities lending	975,675		975,675		
Long-term liabilities (Note 8):					
Due within one year	236,412	358,039	594,451	50	
Due in more than one year	2,647,923	7,342,557	9,990,480	266	
Total liabilities	4,264,999	8,476,144	12,741,143	674	1,911
NET ASSETS					
Invested in capital assets, net of related debt	1,752,219	3,960,095	5,712,314	21	
Restricted for:					
Capital projects	200,057	33,609	233,666		
Debt service	78,381	694,414	772,795		
Housing programs	308,312		308,312		
Fire and Rescue	24,276		24,276		
Transportation	152,605		152,605		
Public Library	28,341		28,341		
Community and Social Development	95,413		95,413		
Environmentally Endangered Lands	65,446		65,446		
Stormwater Utility	56,545		56,545		
Other purposes (expendable)	145,385	168,783	314,168	1,636	19,896
Other purposes (nonexpendable)	3,260		3,260		
Unrestricted	(273,798)	166,955	(106,843)	28,074	2,319
Total net assets	\$ 2,636,442	\$ 5,023,856	\$ 7,660,298	\$ 29,731	\$ 22,215

The notes to the financial statement are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
(in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
Policy formulation and general government	\$ 456,874	\$ 168,166	\$ 15,452	\$ 2,524	\$ (270,732)
Protection of people and property	1,286,718	222,338	44,102	19,869	(1,000,409)
Physical environment	198,986	77,730	111,030	918	(9,308)
Transportation (streets and roads)	202,887	17,497	81,053	146,813	42,476
Health	60,494	7,881	3,436		(49,177)
Human services	290,468	6,788	274,936		(8,744)
Socio-economic environment	392,234	67,898	317,957	18,107	11,728
Culture and recreation	298,376	40,976	41,526	48,710	(167,164)
Interest on long-term debt	98,827				(98,827)
Total governmental activities	<u>3,285,864</u>	<u>609,274</u>	<u>889,492</u>	<u>236,941</u>	<u>(1,550,157)</u>
Business-type activities:					
Mass transit	575,741	100,939	120,867		(353,935)
Solid waste collection	98,997	130,544			31,547
Solid waste disposal	176,995	150,596			(26,399)
Seaport	85,638	87,981		7,343	9,686
Aviation	573,954	525,200	20,548	121,142	92,936
Water	226,373	198,162	4,007	31,788	7,584
Sewer	323,363	242,153	3,223	55,919	(22,068)
Public health	1,447,819	1,132,479	30,173		(285,167)
Other	18,837	16,877	3,024		1,064
Total business-type activities	<u>3,527,717</u>	<u>2,584,931</u>	<u>181,842</u>	<u>216,192</u>	<u>(544,752)</u>
Total primary government	<u>\$ 6,813,581</u>	<u>\$ 3,194,205</u>	<u>\$ 1,071,334</u>	<u>\$ 453,133</u>	<u>\$ (2,094,909)</u>
Component units:					
Housing Finance Authority	\$ 1,979	\$ 1,726	\$ 1,112		\$ 859
Jackson Memorial Foundation	\$ 10,243		\$ 9,139		\$ (1,104)

The notes to the financial statements are an integral part of this statement

MIAMI-DADE COUNTY, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Housing Finance Authority	Jackson Memorial Foundation
Change in net assets:					
Net (expense) revenue (from previous page)	\$ (1,550,157)	\$ (544,752)	\$ (2,094,909)	\$ 859	\$ (1,104)
General revenues:					
Taxes:					
Property taxes, general	1,111,973		1,111,973		
Property taxes, for debt service	54,322		54,322		
Property taxes, for fire protection	265,907		265,907		
Property taxes, for libraries	72,997		72,997		
County hospital 1/2% sales surtax	189,700		189,700		
Transportation 1/2% sales surtax	189,518		189,518		
Utility taxes	68,279		68,279		
Local option gas taxes	61,825		61,825		
Franchise taxes	38,724		38,724		
Communication tax	50,037		50,037		
Other taxes	100,844		100,844		
Intergovernmental revenues, unrestricted	233,982		233,982		
Earnings on investments	34,716	114,338	149,054	1,023	784
Miscellaneous	6,713	7,751	14,464	15	
Transfers--internal activities	(557,916)	557,916			
Total general revenues and transfers	1,921,621	680,005	2,601,626	1,038	784
Change in net assets	371,464	135,253	506,717	1,897	(320)
Net assets-beginning	2,248,511	4,888,702	7,137,213	27,834	22,535
Prior period adjustment	16,467	(99)	16,368		
Net assets - beginning - restated (Note 11)	2,264,978	4,888,603	7,153,581	27,834	22,535
Net assets-ending	\$ 2,636,442	\$ 5,023,856	\$ 7,660,298	\$ 29,731	\$ 22,215

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2006
(in thousands)

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and cash equivalents	\$ 48,392	\$ 621,019	\$ 669,411
Investments	111,299	877,329	988,628
Receivables, net	3,744	69,692	73,436
Delinquent taxes receivable	24,509	9,331	33,840
Allowance for uncollected delinquent taxes	(24,509)	(9,331)	(33,840)
Due from other funds	222,661	14,780	237,441
Due from other governments	51,775	201,941	253,716
Mortgages and loans receivable, net		244,560	244,560
Inventories	19,113	4,190	23,303
Other assets		7,189	7,189
Long-term advances receivable	40,000	45,511	85,511
Total assets	<u>\$ 496,984</u>	<u>\$ 2,086,211</u>	<u>\$ 2,583,195</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 85,544	\$ 100,790	\$ 186,334
Retainage payable		13,251	13,251
Due to other funds	30,794	98,843	129,637
Due to other governments	8,416	22,292	30,708
Unearned revenue	2,815	113,141	115,956
Other liabilities		77,295	77,295
Total liabilities	<u>127,569</u>	<u>425,612</u>	<u>553,181</u>
Fund balances:			
Reserved for encumbrances	29,063	223,497	252,560
Reserved for inventories	19,113	4,190	23,303
Reserved for due from other governments/receivables	40,723		40,723
Reserved for mortgages receivable		55,025	55,025
Reserved for long-term advances receivable		45,511	45,511
Reserved for debt service		108,828	108,828
Reserved for permanent endowments		3,260	3,260
Reserved for environmentally endangered lands	65,446		65,446
Reserved for stormwater utility	56,545		56,545
Unreserved, reported in major funds	158,525		158,525
Unreserved, reported in nonmajor:			
Special revenue funds		559,778	559,778
Capital project funds		660,218	660,218
Permanent funds		292	292
Total fund balances	<u>369,415</u>	<u>1,660,599</u>	<u>2,030,014</u>
Total liabilities and fund balances	<u>\$ 496,984</u>	<u>\$ 2,086,211</u>	<u>\$ 2,583,195</u>

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

SEPTEMBER 30, 2006

(in thousands)

Total fund balances--governmental funds \$ 2,030,014

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$	561,720	
Buildings and building improvements		2,226,300	
Machinery and equipment		373,097	
Infrastructure		2,182,855	
Construction in progress		265,138	
Accumulated depreciation		<u>(2,298,260)</u>	
Total capital assets			3,310,850

The Internal Service Fund is used to charge the cost of self-insurance to individual funds. The assets and liabilities (including \$174,805 of estimated claims payable) of the Internal Service Fund are included in the governmental activities section of the Statement of Net Assets. (44,048)

The Statement of Net Assets includes an adjustment to reflect an allocation of the internal service fund loss to business-type activities. This adjustment increases the Internal Balances account of governmental activities. 5,153

Some liabilities are not due and payable in the current period and therefore are not reported in the fund statements. Those liabilities consist of:

Bonds, loans, and notes payable	\$	(2,324,946)	
Lease agreements		(11,420)	
Accrued interest payable		(30,447)	
Compensated absences		(341,590)	
Accrued post-retirement health insurance benefits		(3,658)	
Arbitrage rebate liability		(52)	
Due to Housing Finance Authority		(1,000)	
Other liabilities		<u>(27,864)</u>	
Total long-term liabilities			(2,740,977)

Bond issuance costs are treated as expenditures in the governmental funds, but are deferred to future periods in the Statement of Net Assets (amortized over the life of the bonds). 13,452

Some unearned revenues have met the earned criteria for recognition in the Statement of Activities. 61,998

Net assets of governmental activities \$ 2,636,442

The notes to the financial statements are an integral part of this statement.

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MIAMI-DADE COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

(in thousands)

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 1,331,654	\$ 864,790	\$ 2,196,444
Special tax assessments -- recurring		62,022	62,022
Special tax assessments -- nonrecurring		147,530	147,530
Licenses and permits	94,609	5,048	99,657
Intergovernmental revenues	227,416	807,916	1,035,332
Charges for services	265,114	126,001	391,115
Fines and forfeitures	13,078	30,343	43,421
Investment income	25,873	73,815	99,688
Other	59,974	130,026	190,000
Total revenues	2,017,718	2,247,491	4,265,209
Expenditures:			
Current:			
Policy formulation and general government	338,856	159,472	498,328
Protection of people and property	850,199	388,743	1,238,942
Physical environment	73,600	124,411	198,011
Transportation	36,799	119,457	156,256
Health	28,835	29,790	58,625
Human services		292,274	292,274
Socio-economic environment	11,139	364,512	375,651
Culture and recreation	101,787	179,083	280,870
Debt service:			
Principal retirement		63,500	63,500
Interest		73,186	73,186
Other		474	474
Capital outlay	24,772	289,176	313,948
Total expenditures	1,465,987	2,084,078	3,550,065
Excess (deficiency) of revenues over expenditures	551,731	163,413	715,144
Other financing sources (uses):			
Long-term debt issued		183,148	183,148
Premium on long-term debt		2,116	2,116
Transfers in	42,181	313,787	355,968
Transfers out	(501,067)	(412,817)	(913,884)
Total other financing sources (uses)	(458,886)	86,234	(372,652)
Net change in fund balances	92,845	249,647	342,492
Increase (decrease) in reserve for inventory	1,826	3,268	5,094
Fund balances--beginning	274,744	1,415,394	1,690,138
Prior period adjustment		(7,710)	(7,710)
Fund balances -beginning - restated	274,744	1,407,684	1,682,428
Fund balances--ending	\$ 369,415	\$ 1,660,599	\$ 2,030,014

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA
RECONCILIATION OF THE CHANGE IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(in thousands)

Net change in fund balances - total governmental funds \$ 342,492

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 313,948	
Depreciation expense	(131,232)	
Excess of capital outlay over depreciation expense		182,716

The issuance of long-term debt provides a source of current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, but these amounts are deferred and amortized in the Statement of Activities. In the current year, these amounts consist of:

Bonds and notes issued, including premium of \$2,116	\$ (185,264)	
Bond issuance costs paid during the current year	655	
Amortization/reduction of bond premium	1,970	
Amortization/reduction of bond issuance costs	(607)	
Total bond proceeds and related transactions		(183,246)

The repayment of long-term debt is reported as a use of financial resources in governmental funds, but reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:

Bond, loans and notes principal retirement		63,500
--	--	--------

The repayment of an amount due to the Housing Finance Authority is reported as an expense in the fund statements, but reduces the Due to Component Units in the Statement of Net Assets. 1,000

Some unearned revenues in the fund statements meet the recognition criteria in the statement of activities. 1,346

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Interest accreted on capital appreciation debt	\$ (25,590)	
Increase in compensated absences	(30,737)	
Net increase in inventories	5,094	
Net decrease in other long-term liabilities	4,282	
Total additional expenditures		(46,951)

(continued)

MIAMI-DADE COUNTY, FLORIDA
RECONCILIATION OF THE CHANGE IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(in thousands)

Interest expense in the Statement of Activities includes additional accrued interest calculated for bonds and notes payable. The fund statements report payments of interest expense related to prior periods, which has been eliminated in the Statement of Activities.	\$ (2,019)
The Internal Service Fund is used by management to charge the costs of self-insurance to individual funds. The change in net assets of the fund was reported with the governmental activities in the Statement of Activities.	34,475
The amount of the Internal Service Fund's loss on transactions with business-type activities was eliminated from the governmental activities in the Statement of Activities.	(13,529)
Loss on the sale or disposal of capital assets is reported in the Statement of Activities, but is not reported in the fund financial statements.	(6,242)
Proceeds on the sale of capital assets are reported in the fund statements, but not reported in the Statement of Activities.	(2,078)
 Change in net assets of governmental activities	 <u><u>\$ 371,464</u></u>

The notes to the financial statements are an integral part of these statements.

MIAMI-DADE COUNTY, FLORIDA

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2006
(in thousands)

	Business-type Activities - Enterprise Funds			
	Transit Agency	Solid Waste Management	Seaport	Aviation Department
Assets:				
Current assets:				
Cash and cash equivalents	\$ 318	\$ 37,578	\$ 4,911	\$ 266,688
Investments		49,588	6,484	227,248
Accounts receivable, net	2,208	17,214	7,415	31,364
Due from other funds	3,014	4,171		28,982
Due from other governments		181		
Inventories	32,634		4,074	1,746
Other current assets	2,544	478	742	971
Total unrestricted assets	40,718	109,210	23,626	556,999
Restricted assets:				
Cash and cash equivalents	68,410	12,150	29,554	
Investments	26,421		1,327	
Due from other governments	64,466		1,428	
Other restricted assets		7,672	4,260	15,026
Total restricted assets	159,297	19,822	36,569	15,026
Total current assets	200,015	129,032	60,195	572,025
Non current assets:				
Capital assets:				
Land	198,167	57,544	152,506	88,836
Buildings and building improvements, net	854,736	72,435	220,578	1,575,500
Machinery and equipment, net	260,982	54,184	4,856	112,017
Infrastructure, net		26,327	159,684	678,772
Construction in progress	84,712	19,248	162,827	1,880,809
Total capital assets, net	1,398,597	229,738	700,451	4,335,934
Other non current assets:				
Restricted cash and cash equivalents		44,089	5,285	361,397
Restricted long-term investments	360,924	94,526	37,294	
Deferred charges	2,734	9,050	5,123	45,905
Total non current assets	1,762,255	377,403	748,153	4,743,236
Total assets	1,962,270	506,435	808,348	5,315,261

(Continued)

MIAMI-DADE COUNTY, FLORIDA

Business-type Activities - Enterprise Funds				Governmental
Water and Sewer	Public Health Trust	Other (Nonmajor) Enterprise Funds	Total Enterprise Funds	Activities- Self-Insurance Internal Service Fund
\$ 27,309	\$ 53,791	\$ 4,110	\$ 394,705	\$ 39,642
120,366	188,093	6,781	598,560	57,732
85,636	196,707	725	341,269	297
9,805	30,807		76,779	44,215
	131,563		131,744	867
25,535	29,523	23	93,535	
771	5,203	14	10,723	
269,422	635,687	11,653	1,647,315	142,753
95,116	11,298	3,280	219,808	
	6,107		33,855	
			65,894	
216	5,686		32,860	
95,332	23,091	3,280	352,417	
364,754	658,778	14,933	1,999,732	142,753
35,420	30,748	4,493	567,714	
	200,989	24,904	2,949,142	
274,760	106,811	6,100	819,710	
2,210,262	11,883	14,929	3,101,857	
390,497	53,700	12,150	2,603,943	
2,910,939	404,131	62,576	10,042,366	
32,107			442,878	
571,497	178,392		1,242,633	
21,277	7,525	239	91,853	
3,535,820	590,048	62,815	11,819,730	
3,900,574	1,248,826	77,748	13,819,462	142,753

(Continued)

MIAMI-DADE COUNTY, FLORIDA

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2006
(in thousands)

	Business-type Activities - Enterprise Funds			
	Transit Agency	Solid Waste Management	Seaport	Aviation Department
Liabilities:				
Current liabilities payable from current assets:				
Accounts payable and accrued liabilities	43,619	12,769	3,865	44,665
Current portion of bonds, loans and notes payable	16,660		3,405	
Current portion of lease agreements			1,275	3,017
Accrued interest payable			470	
Compensated absences	11,614	3,521	1,280	6,381
Estimated claims payable				
Environmental remediation liability				54,281
Due to other funds	150,570	3,450	2,354	24,366
Due to other governments				
Unearned revenue and other current liabilities	2,077	489	181	9,774
Total current liabilities payable from current assets	224,540	20,229	12,830	142,484
Current liabilities payable from restricted assets:				
Accounts payable, accrued expenses and deferred credits	2,716	281	20,214	133,830
Current portion of bonds, loans, notes and leases payable	26,421	14,658	6,685	66,596
Accrued interest payable		4,883	5,757	85,293
Estimated claims payable				
Due to other funds				
Unearned revenue	243		277	
Total current liabilities payable from restricted assets	29,380	19,822	32,933	285,719
Total current liabilities	253,920	40,051	45,763	428,203
Long-term liabilities:				
Bonds, loans and notes payable, net	284,654	226,418	538,163	3,350,328
Commercial paper				365,342
Estimated claims payable				
Compensated absences	20,257	10,374	2,959	18,083
Environmental remediation liability			2,465	81,416
Liability for closure and postclosure care costs		103,718		
Lease agreements	360,924		5,794	10,405
Long-term advances from other funds	85,511			
Other long-term liabilities	17,631	1,552	2,662	
Total long-term liabilities	768,977	342,062	552,043	3,825,574
Total liabilities	1,022,897	382,113	597,806	4,253,777
Net Assets:				
Invested in capital assets, net of related debt	1,101,808	40,991	183,185	468,375
Restricted for:				
Bond covenants				
Debt service	4,319	16,364	23,901	528,312
Capital projects				
Grants and other purposes	76,356	87,059		
Unrestricted (deficit)	(243,110)	(20,092)	3,456	64,797
Total net assets	\$ 939,373	\$ 124,322	\$ 210,542	\$ 1,061,484

The notes to the financial statements are an integral part of this statement.

(Continued)

MIAMI-DADE COUNTY, FLORIDA

Business-type Activities - Enterprise Funds				Governmental
Water and Sewer	Public Health Trust	Other (Nonmajor) Enterprise Funds	Total Enterprise Funds	Activities-Self-Insurance Internal Service Fund
32,943	172,124	478	310,463	11,996
5,669			25,734	
			4,292	
	4,785	140	5,395	
9,463	76,319	293	108,871	
	5,270		5,270	56,953
			54,281	
12,163	35,895		228,798	
	105,715	215	105,930	
26,686	4,715	1,507	45,429	
86,924	404,823	2,633	894,463	68,949
14,638	3,513	433	175,625	
37,621		685	152,666	
39,572			135,505	
1,866			1,866	
			520	
93,697	3,513	1,118	466,182	
180,621	408,336	3,751	1,360,645	68,949
1,545,952	301,575	3,800	6,250,890	
			365,342	
1,671	29,913		31,584	117,852
21,386		1,146	74,205	
			83,881	
			103,718	
			377,123	
			85,511	
33,709	1,847	153	57,554	
1,602,718	333,335	5,099	7,429,808	117,852
1,783,339	741,671	8,850	8,790,453	186,801
1,823,250	284,395	58,091	3,960,095	
118,238		3,280	694,414	
33,609			33,609	
	5,368		168,783	
142,138	217,392	7,527	172,108	(44,048)
\$ 2,117,235	\$ 507,155	\$ 68,898	5,029,009	\$ (44,048)

Adjustment to reflect the allocation of internal service fund net revenue (expense) to business-type activities (5,153)
 Net assets of business-type activities \$ 5,023,856

(Concluded)

MIAMI-DADE COUNTY, FLORIDA

PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
 (in thousands)

	Business-type Activities - Enterprise Funds			
	Transit Agency	Solid Waste Management	Seaport	Aviation Department
Operating revenues:				
Charges for services	\$ 100,939	\$ 281,140	\$ 87,981	\$ 525,200
Operating expenses:				
Personnel costs	292,861	70,977	23,678	155,231
Contractual services	55,128	99,317	16,619	130,903
Material and supplies	75,379	2,338	4,066	18,991
Claims and policy payments				
Other	80,225	50,402	22,714	43,011
Operating expenses before depreciation and assumption of closure and postclosure care costs for inactive landfills	503,593	223,034	67,077	348,136
Depreciation and amortization	(64,720)	(29,708)	(16,132)	(111,811)
Assumption of closure and postclosure care costs for inactive landfills		(1,649)		
Operating income (loss)	(467,374)	26,749	4,772	65,253
Non-operating revenues (expenses):				
Investment income	2,729	7,291	3,815	31,336
Interest expense	(10,040)	(12,207)	(23,938)	(113,274)
Intergovernmental subsidies	120,867			
Other, net	7,751	(10,119)	21,349	85,697
Total non-operating revenues (expenses)	121,307	(15,035)	1,226	3,759
Income (loss) before transfers and contributions	(346,067)	11,714	5,998	69,012
Transfers in	250,505			
Transfers out			(289)	
Capital contributions			7,343	55,993
Change in net assets	(95,562)	11,714	13,052	125,005
Total net assets (deficit) -- beginning	1,034,935	112,608	197,490	936,479
Prior period adjustment				
Total net assets (deficit) -- beginning restated	1,034,935	112,608	197,490	936,479
Total net assets (deficit) -- ending	\$ 939,373	\$ 124,322	\$ 210,542	\$ 1,061,484

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

Business-type Activities - Enterprise Funds				Governmental
Water and Sewer	Public Health Trust	Other (Nonmajor) Enterprise Funds	Total Enterprise Funds	Activities-Self-Insurance Internal Service Fund
\$ 440,315	\$ 1,132,479	\$ 16,877	\$ 2,584,931	\$ 439,546
158,173	815,713	7,606	1,524,239	
40,835	345,928	3,050	691,780	
49,692	194,266	2,656	347,388	408,181
44,186	56,287	3,030	299,855	
292,886	1,412,194	16,342	2,863,262	408,181
(184,820)	(39,352)	(1,900)	(448,443)	
			(1,649)	
(37,391)	(319,067)	(1,365)	(728,423)	31,365
48,892	20,009	266	114,338	3,110
(68,905)	(15,452)	(667)	(244,483)	
7,230	30,173	3,024	161,294	
(6,114)	11,477	(2)	110,039	
(18,897)	46,207	2,621	141,188	3,110
(56,288)	(272,860)	1,256	(587,235)	34,475
	330,124	485	581,114	
(22,868)		(41)	(23,198)	
87,707			151,043	
8,551	57,264	1,700	121,724	34,475
2,108,684	449,891	67,297		(78,523)
		(99)		
2,108,684	449,891	67,198		
\$ 2,117,235	\$ 507,155	\$ 68,898		\$ (44,048)

Adjustment to reflect the allocation of internal service fund net revenue (expense) to business-type activities

Change in net assets of business-type activities

13,529

\$ 135,253

MIAMI-DADE COUNTY, FLORIDA

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(in thousands)

	Business-type Activities - Enterprise Funds			
	Transit Agency	Solid Waste Management	Seaport	Aviation Department
Cash flows from operating activities:				
Cash received from customers and tenants	\$ 106,736	\$ 278,453	\$ 87,072	\$ 494,923
Cash received for premiums				
Cash paid to suppliers	(189,391)	(92,285)	(21,332)	(96,228)
Cash paid to other County departments	(9,100)	(38,432)	(20,094)	(66,670)
Cash paid to employees for services	(289,759)	(70,738)	(22,825)	(159,394)
Cash paid for claims				
Cash paid for policies				
Net cash provided (used) by operating activities	(381,514)	76,998	22,821	172,631
Cash flows from non-capital financing activities:				
Operating grants received	90,596	(10,020)		16,100
Transfers in from other funds	348,763			
Transfers out to other funds			(472)	
Receipts from loans to other County funds				
Grants to others			(819)	
Net cash provided (used) by non-capital financing activities	439,359	(10,020)	(1,291)	16,100
Cash flows from capital and related financing activities:				
Issuance of long-term debt (face amount) and commercial paper notes	134,233	2,053		963,715
Principal payments - bonds, loans, notes payable	(13,910)	(14,228)	(9,900)	(604,949)
Bond premium/(discount)	4,064			(4,416)
Proceeds from swap agreements				
Interest paid	(7,324)	(10,270)	(25,326)	(181,807)
Proceeds from sale of assets		380		1,000
Proceeds received from lease in/lease out				
Proceeds from environmental reimbursements			21,250	4,448
Purchase of capital and intangible assets	(107,638)		(36,586)	(381,287)
Payments related to lease agreements	(11,576)			
Acquisition and construction		(11,887)		
Capital contributed by federal, state and local governments			6,251	56,979
Passenger facility charges				62,656
Net cash provided (used) by capital and related financing activities	(2,151)	(33,952)	(44,311)	(83,661)
Cash flows from investing activities:				
Purchase of investments securities		142,853	(44,832)	(493,839)
Proceeds from sale and maturities of investment securities	8,638	(144,114)	67,977	595,940
Interest and dividends on investments	2,729	7,557	3,542	31,336
Net cash provided (used) by investing activities	11,367	6,296	26,687	133,437
Net increase (decrease) in cash and cash equivalents	67,061	39,322	3,906	238,507
Cash and cash equivalents at beginning of year	1,667	54,495	35,844	389,578
Cash and cash equivalents at end of year	\$ 68,728	\$ 93,817	\$ 39,750	\$ 628,085

(Continued)

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

Business-type Activities - Enterprise Funds				Governmental
Water and Sewer	Public Health Trust	Other (Nonmajor) Enterprise Funds	Total Enterprise Funds	Activities-Self-Insurance Internal Service Fund
\$ 428,686	\$ 1,113,954	\$ 17,325	\$ 2,527,149	\$ 436,048
(97,263)	(598,983)	(8,386)	(1,103,868)	
(48,983)	(1,703)		(184,982)	
(158,537)	(816,283)	(7,874)	(1,525,410)	(204,391)
123,903	(303,015)	1,065	(287,111)	(187,810)
				43,847
783	385,141	3,024	485,624	
		(1)	348,762	
(22,868)		(117)	(23,457)	
		485	(334)	
(22,085)	385,141	3,391	810,595	
4,099			1,104,100	
(48,728)		(805)	(692,520)	
(873)			(1,225)	
20,087			20,087	
(73,120)	(10,003)	(667)	(308,517)	
271			1,651	
			25,698	
	(57,362)	(12)	(582,885)	
			(11,576)	
(81,317)		(854)	(94,058)	
45,451			108,681	
			62,656	
(134,130)	(67,365)	(2,338)	(367,908)	
(760,527)	(61,573)	(4,336)	(1,222,254)	(57,732)
761,711	12,199	3,617	1,305,968	36,539
30,826	20,009	265	96,264	3,110
32,010	(29,365)	(454)	179,978	(18,083)
(302)	(14,604)	1,664	335,554	25,764
154,834	79,693	5,726	721,837	13,878
\$ 154,532	\$ 65,089	\$ 7,390	\$ 1,057,391	\$ 39,642

(Continued)

MIAMI-DADE COUNTY, FLORIDA

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(in thousands)

	Business-type Activities - Enterprise Funds			
	Transit Agency	Solid Waste Management	Seaport	Aviation Department
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (467,374)	\$ 26,749	\$ 4,772	\$ 65,253
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization expense	64,720	29,708	16,132	111,811
Provision for uncollectible accounts			763	854
Other - net		10,855		(336)
(Increase) decrease in assets:				
Accounts receivable, net	5,797	(2,687)	62	(414)
Inventories	(7,705)		(1,733)	3,159
Other current assets	(1,225)	13		
Deferred charges and other assets		881		
Due from other funds		45,115		(15,218)
Due from other governments				
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses	20,877	(33,594)	3,214	13,259
Due to other funds		(406)		13,167
Due to other governments				
Unearned revenue and other current liabilities		(88)	762	(543)
Compensated absences	3,102	52		
Estimated claims payable				
Liability for closure and postclosure care costs		(359)		
Other long-term liabilities	294	759	(1,151)	(18,361)
Net cash provided (used) by operating activities	<u>\$ (381,514)</u>	<u>\$ 76,998</u>	<u>\$ 22,821</u>	<u>\$ 172,631</u>
Noncash Investing, Capital and Financing Activities:				
Property, plant and equipment contributions				
Increase(decrease) in the fair value of investments		\$ (447)	\$ (351)	\$ (8,506)
Decrease in construction in progress accrua				(13,272)
Deferred refunding loss				(11,159)

(Continued)

The notes to the financial statements are an integral part of this statement

MIAMI-DADE COUNTY, FLORIDA

Business-type Activities - Enterprise Funds				Governmental
Water and Sewer	Public Health Trust	Other (Nonmajor) Enterprise Funds	Total Enterprise Funds	Activities- Self-Insurance Internal Service Fund
\$ (37,391)	\$ (319,067)	\$ (1,365)	\$ (728,423)	\$ 31,365
183,193	39,352	1,900	446,816	
130	112,000		113,747	
2,903			13,422	
(21,487)	(126,012)	(197)	(144,938)	80
(534)	(9,774)		(16,587)	
(771)	(425)		(2,408)	
(4,015)		(23)	(3,157)	
	2,450		32,347	(3,250)
				(327)
(3,012)	33,283	9	34,036	7,570
	(11,950)		811	
	(13,611)	95	(13,516)	
1,792	(5,059)	455	(2,681)	
2,655			5,809	
440	(3,190)		(2,750)	8,409
			(359)	
	(1,012)	191	(19,280)	
<u>\$ 123,903</u>	<u>\$ (303,015)</u>	<u>\$ 1,065</u>	<u>\$ (287,111)</u>	<u>\$ 43,847</u>

\$ 42,300
3,500

(Concluded)

MIAMI-DADE COUNTY, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2006
 (in thousands)

	Pension Trust Fund	Agency Funds
Assets:		
Cash and cash equivalents	\$ 16,157	\$ 197,062
Investments, at fair value		92,018
Domestic investments:		
Equities	49,665	
Mutual funds	27,887	
Corporate debt securities	13,651	
Government and agency obligations	20,961	
Total domestic investments	<u>112,164</u>	
International investments:		
Mutual funds	28,594	
Equities	2,767	
Corporate debt securities	546	
Total international investments	<u>31,907</u>	
Due from other governments		
Delinquent taxes receivable		55,277
Allowance for uncollected delinquent taxes		(55,277)
Performance bonds		59,034
Other current assets	8	386
Total assets	<u>160,236</u>	<u>\$ 348,500</u>
Liabilities:		
Due to other governments	872	348,500
Total liabilities	<u>872</u>	<u>\$ 348,500</u>
Net Assets:		
Restricted net assets reserved for Public Health Trust employees' pension benefits	<u>\$ 159,364</u>	

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

PUBLIC HEALTH TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
(in thousands)

Net assets reserved for employees' pension benefits:	
Balance at beginning of year	\$ 124,254
Additions:	
Pension contributions	26,169
Net realized and unrealized gains on pension trust fund investments	9,304
Total additions	<u>35,473</u>
Deductions:	
Participants benefits expense	<u>363</u>
Net increase in net assets reserved for employees' pension benefits	<u>35,110</u>
Balance at end of year	<u>\$ 159,364</u>

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

Note 1 – Summary of Significant Accounting Policies

1-A. Reporting Entity

Miami-Dade County, Florida (the “County”) is an instrumentality of the State of Florida established by an amendment to the Florida State Constitution adopted May 21, 1957 as the Dade County Home Rule Charter, to carry on a centralized government.

On January 23, 2007, the electors of Miami-Dade approved an amendment to the Home Rule Charter which established a Strong Mayor form of government. This amendment expands the Mayor’s powers over administrative matters. The County Manager who previously was chief administrator now reports directly to the Mayor who has the authority to hire, fire and set the salary of the County Manager. Under this new system, the Mayor also appoints all department heads.

The Board of County Commissioners is the legislative body, consisting of 13 members elected from single-member districts. Members are elected to serve four-year terms, and elections of members are staggered. The Board chooses a Chairperson, who presides over the Commission, as well as appoints the members of its legislative committees. The Board has a wide array of powers to enact legislation, create departments, and regulate business operating within the County. It also has the power to override the Mayor’s veto with a two-thirds vote.

The financial reporting entity for which the accompanying financial statements are prepared includes the County (primary government) and its component units. Component units are legally separate organizations for which the County is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit’s board and either 1) the County’s ability to impose its will on the component unit’s board, or 2) the possibility that the component unit will provide a financial benefit to or impose a financial burden to the County.

The financial position and result of operations of the following entities are reported as part of the primary government in the accompanying financial statements. They are not component units because they do not hold sufficient corporate powers of their own to be considered legally separate from the County for financial reporting purposes:

- The Public Health Trust (the “PHT”) provides countywide healthcare services and is responsible for the operation, governance and maintenance of County health facilities. The PHT has its own governing board, which is appointed by the Commission. However, it is not considered to be legally separate from the County and is reported as an enterprise fund of the County.
- The Clerk of the Circuit and County Courts (the “Clerk”) is an elected official whose principal function is to provide support to the Courts (Civil, Criminal and Traffic) and perform the ex-officio duties of the County Auditor, Custodian of Public Funds and County Recorder. As a result of the budgetary control by the County and its financial dependency on the County, the Clerk’s activities are included as part of the primary government in the accompanying financial statements.
- The Naranja Lakes Community Redevelopment Agency (the “NLCRA”) was created by the Miami-Dade County Board of County Commissioners (the “BCC”) on October 24, 2002. The BCC appointed the NLCRA Board of Commissioners and delegated certain community redevelopment powers to it. All other powers not specifically delegated to the NLCRA are reserved exclusively by the BCC. The NLCRA balance sheet as of September 30, 2006 is included in the County’s Other Governmental Funds balance sheet presented in this CAFR. For the fiscal year ended September 30, 2006 NLCRA revenues of \$5,876,459 and expenditures of \$2,085,174 are included in Capital Project Funds and Other Special Revenue Funds in this CAFR.
- The 7th Avenue Community Redevelopment Agency (the “Agency”) was created by the Miami-Dade County Board of County Commissioners (the “BCC”) on June 22, 2004, at which time the

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BCC appointed itself as the Board of the Agency. The BCC created a redevelopment trust fund to be funded with ad valorem tax increment revenues in order to finance or refinance proposed community redevelopment and to facilitate the implementation of creative tax financing strategies. The Agency's trust fund balance sheet as of September 30, 2006 is included in the County's Other Governmental Funds balance sheet presented in this CAFR. For the fiscal year ended September 30, 2006 the Agency's trust fund revenues of \$225,224 are included in the Other Special Revenue funds in this CAFR.

Component Units:

Housing Finance Authority (HFA)

The HFA provides financing for residential housing to persons or families of moderate, middle or lesser income. The HFA is a component unit of the County since the Commission appoints the thirteen members of its governing board and has the ability to impose their will on the board. It qualifies for discrete presentation in the County's financial statements, and is therefore reported in a separate column in the County's government-wide financial statements.

Complete financial statements of the HFA may be obtained directly from their administrative offices at: Housing Finance Authority of Miami-Dade County, 25 West Flagler Street, Suite 950, Miami, Florida 33130. Telephone (305) 372-7990

Jackson Memorial Foundation, Inc.

Jackson Memorial Foundation, Inc. (the Foundation) is a legally separate, tax-exempt component unit of the County. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the County in support of its programs. The board of the Foundation is self-perpetuating and consists of community members. Although the County does not control the timing or amount of the receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the County by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the County the Foundation is considered a component unit of the County and is discretely presented in the County's financial statements.

Complete financial statements for the Foundation can be obtained at: Jackson Memorial Foundation, Inc., 901 NW 17th Street, Plaza Park East, Suite G, Miami, Florida 33136.

Related Organizations:

- The Miami-Dade Expressway Authority (the "MDXA") is an agency of the State of Florida. It constructs, maintains and operates the expressway system located in Miami-Dade County. The Commission appoints a voting majority of the MDXA governing board. However, the County is not financially accountable for the MDXA, and the MDXA is therefore not included in the accompanying financial statements.
- The MDHA Development Corp. develops and manages low-income housing facilities for qualifying individuals. The directors are elected and dismissed only by existing board of director members. The MDHA Development Corp. is financially independent. The County is not financially accountable for the MDHA Development Corp. because it cannot impose its will on the organization.
- The Miami-Dade Industrial Development Authority (the "IDA") develops and manages the Tax-Exempt Industrial Development Revenue Bond Program that serves as a financial incentive to support private sector business and industry expansion and location in Miami-Dade County. The Commission appoints the members of IDA's governing board. However, the County is not financially accountable for IDA because it cannot impose its will on the organization. IDA bonds

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are not obligations of the County, and IDA's operations neither provide a financial benefit to nor impose a financial burden on the County. Therefore, the IDA is not included in the accompanying financial statements.

- The Performing Arts Center Trust (PACT), a non-profit corporation, was created by the Board of County Commissioners in 1991 to oversee the planning, design, construction and operation of the Performing Arts Center (PAC). The Mayor of Miami-Dade County appoints the 32 trustees of the PAC, a majority of which are predetermined by ordinance or are selected by others outside the County government, hence the Mayor's appointment authority is not substantive. The PAC is financially independent from the County, and Miami-Dade County is not entitled to, or has the ability to otherwise access, the economic resources of the PAC. Therefore, the PAC is not included in the accompanying financial statements.

1-B. Measurement Focus, Basis of Accounting, Basis of Presentation

In addition to the government-wide statements, separate financial statements are presented for governmental funds, proprietary funds, and fiduciary funds. The financial statements may differ in terms of the measurement focus and basis of accounting used to prepare them, as discussed below.

The government-wide statements, proprietary fund and fiduciary fund financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. (Agency funds, however, report only assets and liabilities. Since an operating statement is not presented, agency funds have no measurement focus). Revenues are generally recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flow occurs. Property taxes are recorded as revenues in the year for which they are levied, and grants and other similar non-exchange transactions are recorded as revenue as soon as all eligibility requirements have been met.

The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. For the purpose of revenue recognition, "available" means that the revenues are collectible within the current period or soon thereafter to pay liabilities of the current period. Major revenue sources that are susceptible to accrual under the above criteria include intergovernmental revenues and certain taxes. The County considers the availability for revenues susceptible to accruals to be ninety days, with the exception of expenditure driven (reimbursement) grants, for which the availability period is one year. When the primary eligibility requirement under a grant is incurring an eligible expenditure, the County recognizes revenue at the time the expenditure is incurred. Current and prior year property taxes billed but uncollected as of the end of the fiscal year are reflected as delinquent taxes receivable with an offsetting allowance account. Other revenues that are not considered measurable or available are recognized when received by the County. Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and expenses related to compensated absences and claims and judgments, which are recorded only when payment is due.

The above differences in measurement focus and basis of accounting result in differences in the amounts reported as net assets and changes in net assets in the government-wide statements from the amounts shown in the governmental and proprietary fund statements. Those differences are briefly explained in the reconciliation statements included in the governmental and proprietary fund statements.

Government-wide financial statements:

The accompanying financial statements include a government-wide statement of activities and a government-wide statement of net assets. These statements report information on the County as a whole and its component units. They do not include the fiduciary activities of the County. For the most part, interfund activity has been eliminated from these statements with the result that the statements mainly present transactions with parties outside the reporting entity.

In the government-wide statements, the primary government (the County) is reported separately from its component units (the Housing Finance Authority and the Jackson Memorial Foundation). Governmental activities and business-type activities of the County are presented separately. Governmental activities

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are normally supported by taxes and intergovernmental revenues. Business-type activities rely mostly on charges for services for support.

The statement of activities shows the extent to which the direct expenses of a given function or segment are offset by its program revenues. The direct expenses of a function are clearly identifiable with that function. The program revenues of a function include: (1) amounts charged to those who purchase, use, or directly benefit from goods or services provided by the function, (2) grants and contributions that are restricted to operational uses by the function, and (3) grants and contributions that are restricted to capital uses by the function. All revenues other than program revenues are considered to be general revenues and are shown in the bottom section of the statement of activities. They include all taxes (even those levied for a particular function), unrestricted intergovernmental revenues, unrestricted investment earnings and other miscellaneous non-program revenues.

The government-wide statement of net assets reports all financial and capital resources of the County, as well as its liabilities. The difference between assets and liabilities are reported as net assets. Net assets are displayed in three components:

Invested in capital assets, net of related debt: Capital assets, net of depreciation and reduced by the outstanding balance of debt that is attributable to the acquisition or construction of those assets.

Restricted net assets: Assets when constraints on their use are: (1) externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets (deficit): All other assets and liabilities not part of the above categories. This amount represents the accumulated results of all past years' operations. In addition, GASB No. 34 required the County to record long-term liabilities, including compensated absences, which resulted in the deficit.

Fund financial statements:

The accompanying financial report includes separate financial statements for governmental funds, proprietary funds and fiduciary funds (though fiduciary funds are excluded from the government-wide statements). The fund financial statements present major individual funds in separate columns. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Major Governmental Funds

The following major governmental funds are included in the County's financial statements:

General Fund: The County's primary operating fund; also accounts for the financial resources of the general government, except those required to be accounted for in another fund.

Major Proprietary Funds

The following major enterprise funds are included in the County's financial statements:

Miami-Dade Transit Agency: Operates the County's mass transit rail system, bus system, downtown metro-mover loop, and special transportation services.

Miami-Dade Solid Waste Department: Provides solid waste collection and recycling services to the unincorporated area of Miami-Dade County and to some municipalities and also provides solid waste disposal services to 17 municipalities and operates a variety of facilities, including landfills, transfer stations and neighborhood trash and recycling centers.

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Miami-Dade Seaport Department: Operates the Dante B. Fascell Port of Miami-Dade, which is home to nearly 20 cruise ships and serves numerous other cruise vessels. The Port also has a large container facility from which over 35 cargo shipping lines operate.

Miami-Dade Aviation Department: Operates and develops the activities of the Miami International Airport, four other general aviation airports, and one training airport.

Miami-Dade Water and Sewer Department: Maintains and operates the County's water distribution system and wastewater collection and treatment system.

Public Health Trust (PHT): The PHT was created by a County ordinance in 1973 that provided for an independent governing body responsible for the operation, governance and maintenance of certain designated health facilities. The PHT operates the Jackson Memorial Hospital and Medical Towers, the North Dade Primary Health Care Facility, the Corrections Health Services Facility, the Liberty City Medical Facility, and other health facilities.

Internal Service Fund

The following internal service fund is included in the County's financial statements:

Self-Insurance Fund: Accounts for the County's insurance programs covering property, automobile, general liability, professional and workers' compensation. Also accounts for medical, dental, life, and disability insurance for County employees.

Fiduciary Funds

The following fiduciary funds are included in the County's financial statements:

Agency Funds:

Clerk of Circuit and County Court Funds: Accounts for funds received, maintained and distributed by the Clerk of the Circuit and County Courts in his capacity as custodian to the State and County judicial systems.

Tax Collector Fund: Accounts for the collection and distribution of ad-valorem taxes and personal property taxes to the appropriate taxing districts. Also accounts for the collection of motor vehicle registration fees and sales of other State of Florida licenses, the proceeds of which are remitted to the State.

Other Agency Funds: Accounts for various funds placed in escrow pending timed distributions.

Pension Trust Fund: The Pension Trust Fund accounts for assets held by Northern Trust Bank for the benefit of employees of the Public Health Trust who participate in the Public Health Trust Defined Benefit Retirement Plan.

Application of FASB Standards

Governmental Accounting Standards Board ("GASB") Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, offers the option of following all Financial Accounting Standards Board ("FASB") standards issued after November 30, 1989, unless the latter conflict with or contradict GASB pronouncements, or not following FASB standards issued after such date. The County and its enterprise funds elected the option not to follow the FASB standards issued after November 30, 1989.

Proprietary Funds Operating vs. Nonoperating Items

The County's proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items in their statements of revenues, expenses and changes in fund net assets. In general, operating revenues result from charges to customers for the purchase or use of the proprietary fund's principal product or

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service. Operating expenses relate to the cost of providing those services or producing and delivering those goods, and also include administrative expenses, depreciation of capital assets, and closure and postclosure care costs for inactive landfills.

All other revenues and expenses that do not result from the fund's principal ongoing operations are considered to be *nonoperating*. Examples of other nonoperating items include investment earnings, interest expense, grants and contributions, and passenger facility charges.

Grants from Government Agencies

Certain operating grants under various federal and state programs are included in the Special Revenue Funds. Grant monies received are disbursed by these funds for goods and services as prescribed under the respective grant program or are transferred to other County funds for ultimate distribution under the terms of the grants. These programs are dependent on the continued financial assistance of the state or federal government.

Grants designated as operating subsidies to enterprise funds are recorded as nonoperating revenues upon compliance with the grant's eligibility requirements. Grants designated for use in acquiring property or equipment are recorded as capital contributions. Grant monies received but not earned are recorded as deferred revenues.

Interfund Activity

As a general rule the effect of interfund activity has been eliminated from the government-wide statements. An exception to this rule is that charges for services provided by the Water and Sewer Department and the Solid Waste Department have not been eliminated from the statement of activities. Elimination of these charges would understate the expenses of the user function and the program revenues of the function providing the services. Also, the General Fund charges certain funds an administrative cost overhead charge based on a cost allocation plan. An adjustment has been made to the government-wide statements to eliminate the revenue and expense reported in the General Fund so that the administrative expense is shown only by the funds/activities that were charged.

Flow Assumption for Restricted Assets

If both restricted and unrestricted assets are available for use for a certain purpose, it is the County's policy to use restricted assets first, then use unrestricted assets as needed.

Use of Estimates

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

1-C. Assets, Liabilities, and Net Assets or Fund Balances

Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, amounts in demand deposits, and short-term investments with maturity dates within three months of the date acquired by the County.

The County adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which established accounting and financial reporting standards for all investments, including fair value standards. As the statement permits, non-participating investments are reported at amortized cost, which approximates market. All participating investments are carried at fair value and unrealized gains and losses due to variations in fair value are recognized for the year.

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The provisions of GASB No. 31 also specify that the investment income of each fund be reported in the fund that is associated with the assets. If the investment income is assigned to another fund for other than legal or contractual reasons, the income has to be recognized in the fund that reports the investment, with an operating transfer to the recipient fund. The County has made the needed adjustments to the accompanying financial statements to ensure compliance with this provision.

The Local Government Surplus Funds Trust Fund Investment Pool (the "Pool") is a "2a-7 like" pool, and the Pool account balance (amortized cost) can be used as fair value for financial reporting. 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.

Inventories

Inventories, consisting principally of materials and supplies held for use or consumption, are recorded at cost or weighted average for governmental funds and lower of cost (first-in, first-out method) or market for enterprise funds, except for the Transit Agency, Water and Sewer and Public Health Trust. These enterprise funds use the average cost method.

The purchases method of inventory accounting is used to report inventories in the governmental funds. Under this method, inventories are reported as expenditures when purchased. However, significant amounts of inventories are reported as assets and are offset by a reservation of fund balance to indicate they do not constitute resources available for appropriation. In the Statement of Net Assets, inventories are accounted for using the consumption method characteristic of full accrual accounting. Under this method, the recognition of an expense is deferred until such time when the inventories are actually consumed.

Mortgage Receivables

Mortgages receivable in special revenue funds arise from the County's housing development programs that provide low-income housing assistance to eligible applicants. An allowance for uncollectible mortgages receivable of \$184,723,000 is recorded in the Community and Social Development Fund, and \$9,060,000 is recorded in the Housing Special Revenue Fund.

Accounts Receivables

Accounts receivable reported by the enterprise funds as of September 30, 2006 are net of an allowance for uncollectible accounts of \$326,743,000.

Property Taxes

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed in October and are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by the sale of interest-bearing tax certificates and the seizure of personal property to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Capital Assets

Capital assets include land, buildings, furniture, fixtures, equipment, machinery, utility plant and systems, infrastructure (e.g., roads, bridges, sidewalks, and similar items) and construction work in progress with an estimated useful life in excess of two years. Capital assets used in the operation of governmental funds and those used in business-type activities are reported in the applicable columns in the government-wide financial statements.

Capital assets are recorded at cost if purchased or constructed. Contributed capital assets are recorded at estimated fair value at the date of contribution. The cost of maintenance, repairs and minor renewals

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and betterments are expensed as incurred, rather than capitalized (added to the cost of the asset). Major renewals and betterments are treated as capital asset additions.

Interest expense related to borrowings used for construction projects of business-type activities is capitalized, net of interest earned on the same funds. Interest capitalization ceases when the construction project is substantially complete. Net interest capitalized during fiscal year 2006 amounted to \$89,375,000. Interest is not capitalized for construction projects of governmental funds.

Capital assets are depreciated over their useful lives unless they are inexhaustible (e.g., land, certain individual items or collections with historical or artistic value). Pursuant to Florida Statute, the County inventories all assets with a historical cost of \$1,000 or more and a useful life of two years or greater. However, for financial reporting purposes, the County has established a capitalization threshold of \$5,000 for its governmental activities. The County uses the straight-line method of depreciation to depreciate assets over their estimated useful lives, which range as follows:

Buildings and building improvements	5-50 years
Utility plant and systems	5-100 years
Infrastructure	10-50 years
Furniture, fixtures, machinery and equipment	3-30 years

The Solid Waste Management enterprise fund records depletion on landfill sites and the estimated cost of permanently capping and maintaining such landfills on the basis of capacity used.

Restricted Net Assets

Certain net assets have been identified as "restricted". These net assets have constraints as to their use externally imposed by creditors, through debt covenants, by grantors, or by law. Restricted net assets are being reported for: Capital Projects, Debt Service, Housing Programs, Fire and Rescue, Transportation, Public Library, Community and Social Development, Environmentally Endangered Lands, Stormwater Utility, other purposes (expendable); and other purposes (nonexpendable).

Net assets restricted for "other purposes (expendable)" include the net assets of most of the other special revenue funds, including amounts for: Special Assessments; Wetlands Mitigation; Tourist and Convention Development taxes to be used for facilities such as convention centers, sports stadiums and arenas; and amounts from grants from the federal and state government. Net assets restricted for "other purposes (nonexpendable)" include permanent endowments for the Metrozoo and public libraries, and are reported in the permanent funds.

The government-wide statement of net assets reports \$2.055 million of restricted net assets.

Reservations of Fund Balances

Reservations of fund balances in governmental fund statements represent amounts that are not available for appropriation or are restricted by outside parties for use for a specific purpose.

Donor-restricted endowments

The permanent funds for the Metrozoo and public libraries report nonexpendable restricted assets of \$2,781,000 and \$479,000, respectively, and net appreciation of \$270,000 and \$22,000 respectively. Under the terms of the endowments and consistent with State statutes, the County is authorized based on a total-return policy to spend the net appreciation on those programs. Any amounts not spent during a particular fiscal year may be carried forward to be spent in future years.

Long-term Obligations

In the government-wide and proprietary type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts and deferral amounts on refunding are deferred and amortized over the life of the bonds using the effective interest method or the

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straight-line method if it does not differ materially from the interest method. Bonds payable are reported net of the applicable bond premium or discount and deferral amounts on refunding. Bond issuance costs are reported as deferred charges and amortized using the straight-line method over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, deferral amounts on refunding, as well as bond issuance costs, during the current period. The face amount of the debt issues are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

The County accounts for compensated absences by recording a liability for employees' compensation of future absences according to the guidelines set by GASB Statement No. 16, *Accounting for Compensated Absences*.

County policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. In the governmental funds, the cost of vacation and sick pay benefits is recognized when payments are made to employees. The government-wide statements and proprietary funds recognize a liability and expense in the period vacation and sick pay benefits are earned.

The government-wide statement of net assets for September 30, 2006 includes a liability for accumulated vacation and sick pay of \$524,666,000. Of this amount an estimated \$199,335,000 is payable within a year and the remaining balance of \$325,331,000 is payable after one year.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, allows them to defer a portion of their salary to future years. The County's direct involvement in the Plan is limited to remitting the amounts withheld from employees to the Plan's administrator. The deferred compensation plan is not available to employees until termination, retirement, death or an unforeseeable emergency. The deferred compensation plan is not included in the County's financial statements.

1-D. Special Tax Assessments – Non-recurring

The Statement of Revenues, Expenditures, and Changes in Fund Balance shows non-recurring special tax assessments revenues of \$147,530,000 for the year ended September 30, 2006 in Other Governmental Funds. This amount represents the current year recognition of impact fees collected in prior years.

Note 2 - Stewardship, Compliance and Accountability

Self-Insurance Net Assets Deficit

As of September 30, 2006, the Self-Insurance Internal Service Fund had a deficit in net assets of \$44 million. The deficit is the result of estimated losses incurred but not reported (IBNR). The County currently partially funds IBNR liability and has steadily increased such coverage in recent years. It is the County's intent to continue increasing its coverage of IBNR in future years as funding flexibility permits. The premium rates charged to County departments for health insurance, workers compensation and general liability have been adjusted to reflect rising costs of insurance. As required by generally accepted accounting principles (GASB Codification C50.128), the County has implemented an action plan to eliminate the accumulated deficit over a reasonable period of time.

Legally Adopted Budgets

The County's General Fund, Debt Service Funds, Permanent Funds, and Special Revenue Funds, with the exception of the Clerk of Courts Operations Special Revenue Fund, have legally adopted annual budgets approved by the Board of County Commissioners. As dictated by Article V of the Florida

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Constitution, the Clerk of the Courts Operations Special Revenue Fund's budget is submitted to the State's Clerk of Court (COC) Operations Conference for their review and approval. The Clerk of the Court is accountable to the COC Operations Conference for court-related expenditures funded by the State. The General Fund's budget-to-actual comparison is presented in the Required Supplementary Information section. The remaining funds' budget-to-actual comparisons are presented in the Supplementary Information section of this report.

Note 3 - Cash, Cash Equivalents and Investments

Deposits and Investments:

Miami-Dade County ("the County") is authorized through Florida Statutes §218.415, Ordinance No. 84-47, Resolution R-1074-04 and its Investment Policy to make certain investments. The County pools substantially all cash, cash equivalents and investments, except for separate cash and investment accounts that are maintained in accordance with legal restrictions.

Each fund's equity share of the total pooled cash, cash equivalents and investments is included in the accompanying financial statements under the caption "Cash and cash equivalents" and "Investments."

All cash deposits are held in qualified public depositories pursuant to State of 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 depositories 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 County 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 as well as sales relating to swap transactions. The County does not purchase any security at a lower price with the intent to sell the security later to generate a capital gain.

At September 30, 2006, the cash on hand of the primary government and fiduciary funds other than that of the Pension Trust Funds totaled \$248,971,241. The carrying value of cash equivalents and investments of the primary government and fiduciary funds other than that of the Pension Trust Funds included the following (in thousands):

Investment Type	Fair Value
Federal Home Loan Mortgage Corporation	\$ 656,718
Federal Home Loan Bank	595,398
Federal Farm Credit Bank	127,775
Fannie Mae	724,399
Freddie Mac	10,910
SBA	312,256
Time Deposits	101,754
Treasury Notes	100,992
Aim Money Market	873
Commercial Paper	1,492,232
Municipal Bonds	84,455
Repurchase Agreements	187
Guaranteed Investment Contracts	520,012
	<u>\$ 4,727,961</u>

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Credit Risk

The County's Investment Policy (the Policy), minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund 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 United States Treasury; federal agencies and instrumentalities; securities of, or other interests 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 United States government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States 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; Bankers 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. Securities Lending - Securities or investments purchased or held under the provisions of this section may be loaned to securities dealers or financial institutions provided the loan is collateralized by cash or securities having a market value of at least 102% of the market value of the securities loaned upon initiation of the transaction. The credit ratings below were consistent among the three major rating agencies (Moody's, Standard and Poor's, and Fitch).

The table below summarizes the investments by credit rating at September 30, 2006.

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
Municipal Bonds	AAA
Repurchase Agreements	N/A
Guaranteed Investment Contracts	N/A

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. At September 30, 2006 all of the County's bank deposits were in qualified public depositories and as such the deposits are not exposed to custodial credit risks.

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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.

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 non-negotiable interest bearing time certificates of 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% to with any one issuer; a maximum of 25% of the portfolio may be invested in bankers acceptance with a maximum of 10% with any one issuer; a maximum of 60% of the portfolio may be invested in both commercial paper and bankers acceptance; a maximum of 10% of the portfolio may be invested with any one institution.

As of September 30, 2006 the following issuers held 5% or more of the investment portfolio:

Issuer	% of Portfolio
Federal Home Loan Bank	14.45%
Federal Home Loan Mortgage Corporation	15.85%
Federal National Mortgage Association	17.31%

The above excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investments pools.

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; 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 1 year. Investments for bond reserves, construction funds and other non-operating fund 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 5 years.

As of September 30, 2006 the County had the following investments with the respective weighted average maturity in years.

Investment Type	Weighted Average in Years
Federal Home Loan Mortgage Corporation	0.66
Federal Home Loan Bank	0.75
Federal Farm Credit Bank	0.48
Fannie Mae	0.97
Freddie Mac	0.27
SBA	0.00
Time Deposits	0.23
Treasury Notes	0.53
Commercial Paper	0.07
Municipal Bonds	1.87

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Foreign Currency Risk

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

Cash Deficits

As of September 30, 2006, the Transit Agency and the Hurricane Funds have cash deficit balances of approximately \$149.3 million and \$38.1 million, respectively. It is the County's practice to reclassify cash deficits with a corresponding interfund receivable/payable in the appropriate fund. These cash deficits are funded with cash advances from the County's General Fund.

Swaps

Swaps are made in accordance with the provisions of County Resolution R-311-05, "Master SWAP Policy." The Board must authorize the swap agreement and its provisions. Generally, the County will enter into transactions only with counterparties whose obligations are rated in the double-A category or better from at least one nationally recognized rating agency. In instances when the credit rating is lowered below the double-A rating the County requires the counterparty to collateralize its exposures or the County will exercise its right to terminate. The County's swap policy seeks to mitigate counterparty risk, termination risk, interest rate risk, basis risk, amortization risk, liquidity risk and pricing risk.

Securities Lending

Miami-Dade County ("the County") is authorized through Florida Statutes §218.415, Ordinance No. 84-47, Resolution R-1074-04 and its Investment Policy to lend its investment securities on a fully collateralized, temporary basis to approved broker-dealers and other counterparties ("Borrowers") pursuant to a Securities Lending Agreement ("Agreement") that provides for the return of identical securities in the future. The County has executed an Agreement with a bank acting as the County's securities lending agent ("Agent") in these transactions. There were no violations of legal or contractual provisions during the year.

While the County's investment policy does not restrict the types of securities on loan, during the year the County made only specific portfolios available for loan consisting of US Government securities. The Agent lends securities of the type on loan at year-end in exchange for collateral in the form of U.S. securities issued or guaranteed by the U.S. Government at 102% margin or cash at minimum of 100% margin, plus accrued interest, at the initiation of the transaction. Loan transactions are marked to market daily to ensure that adequate collateral is held at all times.

At September 30, 2006, the County had no credit risk exposure to borrowers because the value of the collateral held by the County's Agent exceeded the value of the securities on loan. In the event of a borrower default, the Agent has the authority to seize collateral on the County's behalf. The Agreement with the Agent requires it to indemnify the County against losses caused by the insolvency of a borrower. No losses were recognized because of default by counterparties. The County was not exposed to custodial credit risk since cash collateral was fully invested at all times. There was no interest rate risk involved in the securities lending transactions since the maturity of loans and investments made with cash collateral had identical maturities and repricing characteristics. There was no foreign currency risk involved in the County's securities lending activities as all transactions were negotiated in US dollars.

All securities loans can be terminated on demand by either the County or the borrower. The average term of the loans is one day. Cash collateral is reported as an asset of the County in the accompanying basic financial statements with an offsetting liability. Under the terms of the Agreement with borrowers, the County cannot pledge or sell securities that it receives as collateral unless the borrower defaults on its obligations. During the period, all loans were collateralized by cash. The Agreement authorizes the Agent to invest cash collateral in instruments approved by the County. During the period, cash collateral was invested in repurchase agreements and an SEC registered money market fund rated AAA by S&P. The Agent indemnifies the County against losses associated with investing cash collateral in repurchase agreements. As of September 30, 2006, the market value of securities on loan was \$975,675,000.

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Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2006 for the governmental activities, business-type activities and major proprietary funds was as follows (in thousands):

	Beginning Balance As Previously Reported	Prior Period Adjustments (Restated - Note 11)	Beginning Balance Restated	Additions	Adjustments/ Deletions	Balance September 30, 2006
	September 30, 2005	September 30, 2005	September 30, 2005	September 30, 2005	September 30, 2005	September 30, 2006
Governmental activities:						
Capital assets, not being depreciated:						
Land	\$ 524,675		\$ 524,675	\$ 42,463	\$ (5,418)	\$ 561,720
Construction in progress	607,659		607,659	186,987	(529,508)	265,138
Total capital assets, not being depreciated	<u>1,132,334</u>		<u>1,132,334</u>	<u>229,450</u>	<u>(534,926)</u>	<u>826,858</u>
Capital assets, being depreciated:						
Building and building improvements	1,789,583	\$ (58,573)	1,731,010	496,296	(1,006)	2,226,300
Infrastructure	2,129,992		2,129,992	52,863		2,182,855
Machinery and equipment	322,429	1,299	323,728	63,439	(14,070)	373,097
Total capital assets, being depreciated	<u>4,242,004</u>	<u>(57,274)</u>	<u>4,184,730</u>	<u>612,598</u>	<u>(15,076)</u>	<u>4,782,252</u>
Less accumulated depreciation for:						
Building and building improvements	(760,410)	111	(760,299)	(51,752)	40	(812,011)
Infrastructure	(1,228,174)		(1,228,174)	(45,546)		(1,273,720)
Machinery and equipment	(192,292)	155	(192,137)	(33,934)	13,542	(212,529)
Total accumulated depreciation	<u>(2,180,876)</u>	<u>266</u>	<u>(2,180,610)</u>	<u>(131,232)</u>	<u>13,582</u>	<u>(2,298,260)</u>
Total capital assets, being depreciated, net	<u>2,061,128</u>	<u>(57,008)</u>	<u>2,004,120</u>	<u>481,366</u>	<u>(1,494)</u>	<u>2,483,992</u>
Total governmental capital assets, net	<u>\$ 3,193,462</u>	<u>\$ (57,008)</u>	<u>\$ 3,136,454</u>	<u>\$ 710,816</u>	<u>\$ (536,420)</u>	<u>\$ 3,310,850</u>
Business-type activities:						
Capital assets, not being depreciated:						
Land	\$ 565,853		\$ 565,853	\$ 2,926	\$ (1,065)	\$ 567,714
Construction in progress	2,080,008		2,080,008	693,002	(169,067)	2,603,943
Total non-depreciable assets	<u>2,645,861</u>		<u>2,645,861</u>	<u>695,928</u>	<u>(170,132)</u>	<u>3,171,657</u>
Capital assets, being depreciated:						
Building and building improvements	5,023,376		5,023,376	40,562	(42,383)	5,021,555
Infrastructure	4,648,765		4,648,765	96,277	(35)	4,745,007
Machinery and equipment	1,974,635		1,974,635	160,164	(25,067)	2,109,732
Total capital assets, being depreciated	<u>11,646,776</u>		<u>11,646,776</u>	<u>297,003</u>	<u>(67,485)</u>	<u>11,876,294</u>
Less accumulated depreciation for:						
Building and building improvements	(1,934,389)		(1,934,389)	(179,792)	41,768	(2,072,413)
Infrastructure	(1,506,737)		(1,506,737)	(136,413)		(1,643,150)
Machinery, and equipment	(1,191,163)		(1,191,163)	(133,578)	34,719	(1,290,022)
Total accumulated depreciation	<u>(4,632,289)</u>		<u>(4,632,289)</u>	<u>(449,783)</u>	<u>76,487</u>	<u>(5,005,585)</u>
Total capital assets, being depreciated, net	<u>7,014,487</u>		<u>7,014,487</u>	<u>(152,780)</u>	<u>9,002</u>	<u>6,870,709</u>
Total business-type capital assets, net	<u>\$ 9,660,348</u>		<u>\$ 9,660,348</u>	<u>\$ 543,148</u>	<u>\$ (161,130)</u>	<u>\$ 10,042,366</u>

MIAMI-DADE COUNTY, FLORIDA

MDT	Balance		Balance	
	September 30, 2005	Additions	Deletions	September 30, 2006
Capital assets, not being depreciated:				
Land	\$ 197,142	\$ 1,025		\$ 198,167
Construction in progress	47,004	60,704	\$ (22,996)	84,712
Total capital assets, not being depreciated	244,146	61,729	(22,996)	282,879
Capital assets, being depreciated:				
Buildings and building improvements	1,404,391	34		1,404,425
Machinery and equipment	508,243	68,871		577,114
Total capital assets, being depreciated	1,912,634	68,905		1,981,539
Less accumulated depreciation for:				
Buildings and building improvements	(500,630)	(49,059)		(549,689)
Machinery and equipment	(300,471)	(15,661)		(316,132)
Total accumulated depreciation	(801,101)	(64,720)		(865,821)
Total capital assets, being depreciated, net	1,111,533	4,185		1,115,718
Total MDT capital assets, net	\$ 1,355,679	\$ 65,914	\$ (22,996)	\$ 1,398,597

SOLID WASTE

Capital assets, not being depreciated:				
Land	\$ 57,544			\$ 57,544
Construction in progress	21,576	\$ 3,958	\$ (6,286)	19,248
Total capital assets, not being depreciated	79,120	3,958	(6,286)	76,792
Capital assets, being depreciated:				
Buildings and building improvements	308,287	2		308,289
Infrastructure	129,995	4,241	(35)	134,201
Machinery and equipment	104,924	9,821	(3,632)	111,113
Total capital assets, being depreciated	543,206	14,064	(3,667)	553,603
Less accumulated depreciation for:				
Buildings and building improvements	(224,544)	(11,310)		(235,854)
Infrastructure	(97,254)	(10,620)		(107,874)
Machinery and equipment	(52,733)	(7,778)	3,582	(56,929)
Total accumulated depreciation	(374,531)	(29,708)	3,582	(400,657)
Total capital assets, being depreciated, net	168,675	(15,644)	(85)	152,946
Total Solid Waste capital assets, net	\$ 247,795	\$ (11,686)	\$ (6,371)	\$ 229,738

MIAMI-DADE COUNTY, FLORIDA

SEAPORT	Balance		Balance	
	September 30,	Additions	Deletions	September 30,
	2005			2006
Capital assets, not being depreciated:				
Land	\$ 152,294	\$ 212		\$ 152,506
Construction in progress	152,800	45,225	\$ (35,198)	162,827
Total capital assets, not being depreciated	<u>305,094</u>	<u>45,437</u>	<u>(35,198)</u>	<u>315,333</u>
Capital assets, being depreciated:				
Buildings and building improvements	347,581	3,591		351,172
Infrastructure	187,077	30,642		217,719
Machinery and equipment	13,902	1,234		15,136
Total capital assets, being depreciated	<u>548,560</u>	<u>35,467</u>		<u>584,027</u>
Less accumulated depreciation for:				
Buildings and building improvements	(120,483)	(10,111)		(130,594)
Infrastructure	(53,033)	(5,002)		(58,035)
Machinery and equipment	(9,261)	(1,019)		(10,280)
Total accumulated depreciation	<u>(182,777)</u>	<u>(16,132)</u>		<u>(198,909)</u>
Total capital assets, being depreciated, net	<u>365,783</u>	<u>19,335</u>		<u>385,118</u>
Total Seaport capital assets, net	<u>\$ 670,877</u>	<u>\$ 64,772</u>	<u>\$ (35,198)</u>	<u>\$ 700,451</u>

AVIATION

Capital assets, not being depreciated:				
Land	\$ 89,500		\$ (664)	\$ 88,836
Construction in progress	1,474,084	\$ 468,144	(61,419)	1,880,809
Total capital assets, not being depreciated	<u>1,563,584</u>	<u>468,144</u>	<u>(62,083)</u>	<u>1,969,645</u>
Capital assets, being depreciated:				
Buildings and building improvements	2,471,987	29,296	(41,485)	2,459,798
Infrastructure	1,069,703	20,930		1,090,633
Machinery and equipment	267,975	13,361	(4,065)	277,271
Total capital assets, being depreciated	<u>3,809,665</u>	<u>63,587</u>	<u>(45,550)</u>	<u>3,827,702</u>
Less accumulated depreciation for:				
Buildings and building improvements	(835,486)	(90,396)	41,584	(884,298)
Infrastructure	(404,132)	(7,729)		(411,861)
Machinery and equipment	(154,854)	(13,683)	3,283	(165,254)
Total accumulated depreciation	<u>(1,394,472)</u>	<u>(111,808)</u>	<u>44,867</u>	<u>(1,461,413)</u>
Total capital assets, being depreciated, net	<u>2,415,193</u>	<u>(48,221)</u>	<u>(683)</u>	<u>2,366,289</u>
Total Aviation capital assets, net	<u>\$ 3,978,777</u>	<u>\$ 419,923</u>	<u>\$ (62,766)</u>	<u>\$ 4,335,934</u>

MIAMI-DADE COUNTY, FLORIDA

WATER & SEWER	Balance		Balance	
	September 30,	Additions	Deletions	September 30,
	2005			2006
Capital assets, not being depreciated:				
Land	\$ 35,020	\$ 400		\$ 35,420
Construction in progress	331,404	95,817	\$ (36,724)	390,497
Total capital assets, not being depreciated	366,424	96,217	(36,724)	425,917
Capital assets, being depreciated:				
Infrastructure	3,199,845	39,783		3,239,628
Machinery and equipment	769,657	38,796	(3,997)	804,456
Total capital assets, being depreciated	3,969,502	78,579	(3,997)	4,044,084
Less accumulated depreciation for:				
Infrastructure	(919,482)	(109,884)		(1,029,366)
Machinery and equipment	(458,424)	(74,936)	3,664	(529,696)
Total accumulated depreciation	(1,377,906)	(184,820)	3,664	(1,559,062)
Total capital assets, being depreciated, net	2,591,596	(106,241)	(333)	2,485,022
Total Water and Sewer capital assets, net	\$ 2,958,020	\$ (10,024)	\$ (37,057)	\$ 2,910,939

PHT

Capital assets, not being depreciated:				
Land	\$ 30,745	\$ 3		\$ 30,748
Construction in progress	41,572	18,572	\$ (6,444)	53,700
Total capital assets, not being depreciated	72,317	18,575	(6,444)	84,448
Capital assets, being depreciated:				
Buildings and building improvements	448,710	7,639	(533)	455,816
Infrastructure	27,953	681		28,634
Machinery and equipment	301,492	27,766	(13,373)	315,885
Total capital assets, being depreciated	778,155	36,086	(13,906)	800,335
Less accumulated depreciation for:				
Buildings and building improvements	(236,768)	(17,966)	(93)	(254,827)
Infrastructure	(15,471)	(1,280)		(16,751)
Machinery and equipment	(212,111)	(20,105)	23,142	(209,074)
Total accumulated depreciation	(464,350)	(39,351)	23,049	(480,652)
Total capital assets, being depreciated, net	313,805	(3,265)	9,143	319,683
Total PHT capital assets, net	\$ 386,122	\$ 15,310	\$ 2,699	\$ 404,131

MIAMI-DADE COUNTY, FLORIDA

Depreciation expense was charged to the different functions of the primary government as follows (in thousands):

Governmental Activities	
Depreciation Expense by Function	
(in thousands)	
Function	Amount
Policy formulation and general government	\$ 29,676
Protection of people and properties	20,019
Physical environment	508
Transportation	45,289
Health	867
Socio-economic environment	18,411
Culture and recreation	16,462
Total depreciation expense - governmental activities	<u>\$ 131,232</u>

Note 5 - Leases

Operating Leases

Aviation - The major portion of the Aviation Department's property, plant and equipment is held for lease. Substantial portions of the leases are cancelable and provide for periodic adjustment to rental rates to maximize operational flexibility. The non-cancelable lease agreements also provide for periodic adjustments to the rental rates. All leases are classified as operating leases. The Aviation Department recognized \$93,077,000 of rental income for the year ended September 30, 2006.

In addition, the Aviation Department leases certain properties under management and concession agreements. Certain of these leases provide for minimum rentals plus a specified percentage of the tenants' gross revenues. The agreements generated revenues of \$80,171,000 during the year ended September 30, 2006. At September 30, 2006 minimum rentals under such lease agreements are as follows (in thousands):

Year Ending September 30,	
2007	\$ 42,718
2008	34,953
2009	28,422
2010	25,920
2011	21,732
2012-2016	60,732
2017-2021	32,386
2022-2026	30,140
2027-2031	11,827
2032-2036	8,656
2037-2041	6,907
2042-2046	1,804
2047-2051	1,682
2052-2056	<u>\$ 307,879</u>

MIAMI-DADE COUNTY, FLORIDA

General Segment - During fiscal year 1998, the County entered into a three party Lease/Sublease agreement with Dana Commercial Credit Corporation (“Dana”) regarding the leasing rights of the Stephen P. Clark Center (the “Metro Center”). The terms of the Lease/Sublease agreement provide for the leasing of the County’s leasing rights of the Metro Center to a third party, Wilmington Savings as trustee for Redade, a subsidiary of Dana, which in turn subleases the asset back to the County for a period of 29 years, commencing June 1, 1998. During this time period, the County retains title and control of the facility.

At closing, the County received a total of \$79 million, of which \$3.7 million was considered an up-front payment and was recognized as revenue in fiscal year 1998. \$57 million of the remaining \$75.3 million was deposited with a financial institution and the proceeds will be used to meet the payment obligations by the County under the sublease agreement and the remaining \$18 million will mature to an amount sufficient, approximately \$49 million, to fully defease its sublease obligations and buy-out option, 17.5 years subsequent to the commencing date. There is a purchase option allowed under the agreement in the year 2015. The total original minimum lease payments of approximately \$125 million will be amortized on a straight-line basis over the life of the lease term. This Lease/Sublease agreement has been accounted for as a non-cancelable operating lease as part of the Special Revenue Funds. The future minimum lease payments, amortized on a straight-line basis to include the buy-out option, are as follows (in thousands):

Year Ending September 30,		
2007	\$	4,656
2008		4,772
2009		4,896
2010		5,029
2011		5,171
2012-2016		75,663
	<u>\$</u>	<u>100,187</u>

Public Health Trust – The Public Health Trust leases various equipment and facilities under operating leases. Rent expense for all operating leases was approximately \$5,079,000 in 2006. At September 30, 2006, future minimum lease payments by year under non-cancelable operating leases are as follows (in thousands):

Year Ending September 30,		
2007	\$	4,368
2008		1,865
2009		1,123
2010		637
2011		585
2012-2016		585
	<u>\$</u>	<u>9,163</u>

MIAMI-DADE COUNTY, FLORIDA

Transit Agency - During fiscal year 1997, the County entered into a three party lease-in/lease-out arrangement ("Lease 1") with the Bank of New York Leasing Corporation for a total of 134 commuter rail cars. The agreements provide for the lease of the equipment owned by the County to a financial party lessee and the lessee, in turn, subleases such equipment back to the County for a period ranging from 22 to 24 years commencing May 1997. At the time of the transaction, the County received from the financial party lessee the total minimum rental payments required under the lease of approximately \$95 million. The minimum rental payments received are amortized on a straight-line basis over the life of the lease terms.

The County deposited \$70,350,000 with a financial institution sufficient to meet all of its payment obligations under the terms of the sublease and acquired \$17,583,000 in United States Treasury Strips that will mature to an amount sufficient to satisfy each agreement's purchase of the Head Lease Rights option. The funds on deposit and the United States Treasury Strips have been included as restricted assets in the accompanying financial statements.

In December 1998, the County entered into a second lease-in/lease-out arrangement ("Lease 2"). The agreement which was entered into with NationsBanc Leasing and Finance, provided for the lease of six different facilities owned by the County to a financial party lessee and the lessee, in turn, subleased the facilities back to the County for a period of 35 years. At the time of commencement, the County received from the financial party approximately \$133 million.

The County deposited approximately \$120.9 million with a financial institution sufficient to meet all its payment obligations under the terms of the sublease agreement and buy-out options, ranging 19 to 20 years subsequent to the commencing date. The funds are reported in the same manner as Lease 1. The subleases have been accounted for as non-cancelable operating leases.

On August 14, 2002, a portion of the third lease-in/lease-out arrangement (QTE Lease) commenced. This agreement which was entered into with the Bank of America Leasing & Capital Group, provided for the lease of certain Qualified Technological Equipment owned by the County and consisted of the MDT control system. The agreement provided for the lease of the equipment to a financial party lessee and the sublease of such equipment back to the County for a period of 16 years.

At the time of commencement, the County received from the financial party a total of approximately \$239 million. The County deposited approximately \$229 million with a financial institution sufficient to meet all its payment obligations.

Future minimum lease payments are amortized on a straight-line basis over the lease term as follows (in thousands):

Year Ending September 30,	
2007	\$ 26,421
2008	24,073
2009	24,985
2010	24,477
2011	26,621
2012-2016	174,603
2017-2021	257,821
	<u>559,001</u>
Less amount representing interest	<u>(171,656)</u>
Present value of mininum sublease payments	<u>\$ 387,345</u>

MIAMI-DADE COUNTY, FLORIDA

Note 6 – Disaggregation of Accounts Receivable and Accounts Payable Balances

Accounts Receivable

Receivables are comprised of amounts owed to the County by customers, tenants, patients, carriers and others that conduct business with the County and are expected to be collected within a year. Receivables in the General Fund are 74% customer receivables, with the remaining amount mostly due from other governments. Receivables in the Other Governmental Funds are 84% from tenants for local housing assistance loans, 9% from Fire Department transport fees and 7% from miscellaneous charges. Net receivables in the Business-type Activities are 58% due from patients and carriers, 25% due from water and sewer customers, 9% due from airlines and concessionaires, 5% from solid waste disposal and collection customers, and the remaining 3% from transit fees and rental facility fees.

	Accounts	Allowance for uncollectible accounts	Total Net Receivables
Governmental activities:			
General Fund	\$ 3,744		\$ 3,744
Internal Service Fund	297		297
Other Governmental Funds	95,246	\$ (25,554)	69,692
Total - governmental activities	<u>\$ 99,287</u>	<u>\$ (25,554)</u>	<u>\$ 73,733</u>
Business-type activities:			
Public Health Trust	\$ 481,302	\$ (284,595)	\$ 196,707
Water and Sewer Department	107,487	(21,851)	85,636
Aviation Department	42,688	(11,324)	31,364
Miami-Dade Transit	4,370	(2,162)	2,208
Seaport Department	12,778	(5,363)	7,415
Solid Waste Department	18,662	(1,448)	17,214
Other Non-major proprietary	725		725
Total - business-type activities	<u>\$ 668,012</u>	<u>\$ (326,743)</u>	<u>\$ 341,269</u>

Accounts Payable

Accounts payable and accrued expenses at September 30, 2006, were as follows (in thousands):

	Vendors	Salaries and Benefits	Total
Governmental activities:			
General	\$ 66,299	\$ 19,245	\$ 85,544
Other non-major governmental	111,057	2,984	114,041
Internal Service Fund	11,996		11,996
Total - governmental activities	<u>\$ 189,352</u>	<u>\$ 22,229</u>	<u>\$ 211,581</u>
Business-type activities:			
Miami-Dade Transit	\$ 41,619	\$ 4,716	46,335
Solid Waste Department	12,126	924	13,050
Seaport Department	23,725	354	24,079
Aviation Department	174,925	3,570	178,495
Water and Sewer Department	41,551	6,030	47,581
Public Health Trust	152,397	23,240	175,637
Other Non-major proprietary	807	104	911
Total - business-type activities	<u>\$ 447,150</u>	<u>\$ 38,938</u>	<u>\$ 486,088</u>

MIAMI-DADE COUNTY, FLORIDA

Note 7 - Self-Insurance Program

The County's Risk Management Division (RMD) administers workers' compensation and liability self-insurance programs. Certain group health insurance programs are also self-insured, subject to certain stop-loss provisions. An independent administrator administers these programs.

The County purchases a master property insurance policy covering most properties. A \$200 million deductible per occurrence applies to named windstorm losses. A \$5 million deductible applies to other perils. The current limit is \$350 million per occurrence.

The County maintains no excess coverage with independent insurance carriers for the workers' compensation and general liability self-insurance programs. Premiums are charged to the various County departments based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. However, various liability and property programs are purchased from independent carriers due to exposure to loss and/or contractual obligations. During fiscal year 2006, there were no significant changes in insurance coverage.

The estimated liability for reported and unreported claims of the self-insurance programs administered by RMD is determined annually based on the estimated ultimate costs of settling claims, past experience adjusted for current trends, and other factors that would modify past experience. Outstanding claims are evaluated through a combination of case-by-case reviews and application of historical experience. The estimate of incurred but not reported losses is based on historical experience and is performed by an independent actuary.

The Risk Management Division also administers the self-insurance program for the Enterprise Funds. Water and Sewer only participates in the workers' compensation and certain group health self-insurance programs. Water and Sewer has established a self-insurance program for general and automobile liability exposures. The Public Health Trust (the Trust) maintains its own self-insurance programs for general and professional liability claims. The Trust also participates in the County's self-insurance worker's compensation program, certain health self-insurance programs and the County's master property insurance program.

The Aviation Department pays premiums to commercial insurance carriers for airport liability insurance, construction wrap-up insurance and participates in the County's master property insurance program. The airport liability coverage provides comprehensive general liability, contractual liability, personal injury and on-site automobile liability at all airports.

The County's Self-Insurance Internal Service Fund has an accumulated deficit of approximately \$44.048 million for various self-insurance programs administered by the County. The County has implemented an action plan in an effort to reduce the accumulated deficit. County management believes that the deficit will be made up over a reasonable period of time.

MIAMI-DADE COUNTY, FLORIDA

Changes in the Internal Service Fund estimated liability amount for fiscal years 2005 and 2006 are as follows (in thousands):

	Workers Compensation	General, Auto, and Police Liability	Group Health	Other	Total
Balance as of October 1, 2004	\$ 128,930	\$ 24,105	\$ 20,680		\$ 173,715
Claims paid	(53,451)	(37,247)	(116,099)	\$ (2,907)	(209,704)
Claims and changes in estimates	42,954	38,008	118,516	2,907	202,385
Liabilities as of September 30, 2005	<u>\$ 118,433</u>	<u>\$ 24,866</u>	<u>\$ 23,097</u>		<u>\$ 166,396</u>
Balance as of October 1, 2005	\$ 118,433	\$ 24,866	\$ 23,097		\$ 166,396
Claims paid	(50,185)	(43,423)	(107,578)	\$ (3,205)	(204,391)
Claims and changes in estimates	54,796	52,376	102,423	3,205	212,800
Liabilities as of September 30, 2006	<u>\$ 123,044</u>	<u>\$ 33,819</u>	<u>\$ 17,942</u>		<u>\$ 174,805</u>

Changes in estimated liabilities for the Water and Sewer Department and the Public Health Trust for fiscal years 2005 and 2006 are as follows (in thousands):

These amounts are included in accounts payable and accrued expenses and estimated claims payable in the accompanying financial statements.

	Water & Sewer Department	Public Health Trust	Total
Balance as of October 1, 2004	\$ 9,933	\$ 38,935	\$ 48,868
Claims paid	(784)	(4,416)	(5,200)
Claims and changes in estimates	(6,052)	3,854	(2,198)
Liabilities as of September 30, 2005	<u>\$ 3,097</u>	<u>\$ 38,373</u>	<u>\$ 41,470</u>
Balance as of October 1, 2005	\$ 3,097	\$ 38,373	\$ 41,470
Claims paid	(908)	(3,190)	(4,098)
Claims and changes in estimates	1,348		1,348
Liabilities as of September 30, 2006	<u>\$ 3,537</u>	<u>\$ 35,183</u>	<u>\$ 38,720</u>

Approximately \$1,348,000 of the Water and Sewer Department's September 30, 2006 liability is reported as due to other funds in the accompanying statements.

MIAMI-DADE COUNTY, FLORIDA

Note 8 – Long-Term Debt

LONG-TERM LIABILITY ACTIVITY

Changes in long-term liabilities for the year ended September 30, 2006 are as follows (amounts in thousands):

	Beginning Balance as previously reported @ 9/30/2005	Prior Period Adjustment	Beginning Balance - Restated @9/30/2005	Additions	Reductions	Ending Balance @ 9/30/2006	Due Within One Year
Governmental Activities							
Bonds, loans and notes payable:							
General obligation bonds	\$ 519,126		\$ 519,126		\$ (11,810)	\$ 507,316	\$ 12,530
Special obligation bonds	1,406,064		1,406,064	\$ 80,201	(42,180)	1,444,085	54,850
Current year accretions of interest	50,874		50,874	25,590		76,464	
Housing Agency bonds and notes payable	65,400	\$ (65,400)					
Loans and notes payable	178,660		178,660	102,947	(9,510)	272,097	18,506
Add/subtract deferred amounts:							
For bond issuance premiums/discounts/refundings	24,838		24,838	2,116	(1,970)	24,984	
Total bonds, loans and notes payable	2,244,962	(65,400)	2,179,562	210,854	(65,470)	2,324,946	85,886
Other liabilities:							
Compensated absences	310,853		310,853	149,504	(118,767)	341,590	90,464
Estimated insurance claims payable	166,396		166,396	212,800	(204,391)	174,805	56,953
Accrued post-retirement health insurance benefits	4,445		4,445		(787)	3,658	690
Arbitrage rebate liability	52		52			52	
Capital Lease	11,669		11,669		(249)	11,420	271
Other	31,110		31,110		(3,246)	27,864	2,148
Total governmental activity long-term liabilities	\$ 2,769,487	\$ (65,400)	\$ 2,704,087	\$ 573,158	\$ (392,910)	\$ 2,884,335	\$ 236,412
Business-type Activities							
Bonds, loans, and notes payable:							
Revenue bonds	\$ 5,279,006		\$ 5,279,006	\$ 734,233	\$ (340,850)	\$ 5,672,389	\$ 119,505
General obligation bonds	145,710		145,710		(3,495)	142,215	3,705
Special obligation bonds	52,940		52,940		(5,630)	47,310	5,850
Current year accretions of interest				2,281		2,281	
Loans and notes payable	650,174		650,174	6,152	(33,973)	622,353	24,588
Add/subtract deferred amounts:							
For bond issuance premiums/discounts/refundings	(96,787)		(96,787)	4,364	8,744	(83,679)	
Commercial paper notes	313,626		313,626	366,194	(314,478)	365,342	
Total bonds, loans and notes payable	6,344,669		6,344,669	1,113,224	(689,682)	6,768,211	153,648
Other liabilities:							
Estimated insurance claims payable	40,967		40,967	1,851	(4,098)	38,720	7,136
Compensated absences	177,625		177,625	24,028	(18,577)	183,076	108,871
Environmental remediation liability	152,793		152,793		(14,631)	138,162	54,281
Liability for landfill closure/post closure care costs	93,222		93,222	11,139	(643)	103,718	
Lease agreements	418,860		418,860		(11,024)	407,836	30,713
Other	55,070		55,070	12,865	(7,062)	60,873	3,390
Total business-type activities long-term liabilities	\$ 7,283,206		\$ 7,283,206	\$ 1,163,107	\$ (745,717)	\$ 7,700,596	\$ 358,039

MIAMI-DADE COUNTY, FLORIDA

Changes in long-term liabilities for the County's major enterprise funds are as follows (in thousands):

	Beginning Balance September 30, 2005	Additions	Reductions	Ending Balance September 30, 2006	Due Within One Year
Miami-Dade Transit Agency (MDTA)					
Bonds and loans payable:					
Revenue bonds		\$ 134,233		\$ 134,233	\$ 2,041
General obligation bonds					
Special obligation bonds	\$ 32,395		\$ (3,530)	28,865	3,660
Loans payable	141,318		(10,380)	130,938	10,959
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	1,526	6,287	(535)	7,278	
Total bonds and loans payable	175,239	140,520	(14,445)	301,314	16,660
Other liabilities:					
Compensated absences	28,770	3,101		31,871	11,614
Lease agreements	395,983		(8,638)	387,345	26,421
Other	20,775		(1,572)	19,203	1,572
Total long-term liabilities - MDTA	\$ 620,767	\$ 143,621	\$ (24,655)	\$ 739,733	\$ 56,267
Solid Waste Department					
Bonds and loans payable:					
Revenue bonds	\$ 218,166		\$ (10,665)	\$ 207,501	\$ 12,939
Special obligation bonds	20,545		(2,100)	18,445	2,190
Current year accretions of interest		\$ 2,281		2,281	
Loans and notes payable	10,289	2,053	(1,028)	11,314	1,198
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	1,482		53	1,535	
Total bonds and loans payable	250,482	4,334	(13,740)	241,076	16,327
Other liabilities:					
Compensated absences	13,084	5,044	(4,233)	13,895	3,521
Liability for landfill closure/postclosure care costs	93,222	11,139	(643)	103,718	
Other	1,481	1,481	(1,481)	1,481	
Total long-term liabilities - Solid Waste	\$ 358,269	\$ 21,998	\$ (20,097)	\$ 360,170	\$ 19,848

MIAMI-DADE COUNTY, FLORIDA

	Beginning Balance September 30, 2005	Additions	Reductions	Ending Balance September 30, 2006	Due Within One Year
Seaport					
Bonds and loans payable:					
Revenue bonds	\$ 70,375		\$ (2,820)	\$ 67,555	\$ 2,980
General obligation bonds	145,710		(3,495)	142,215	3,705
Special obligation bonds					
Loans payable	352,295		(3,585)	348,710	3,405
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(11,069)		842	(10,227)	
Total bonds and loans payable	557,311		(9,058)	548,253	10,090
Other liabilities:					
Compensated absences	3,452	\$ 2,442	(1,655)	4,239	1,280
Environmental remediation liability	2,476		(11)	2,465	
Lease agreements	8,219		(1,150)	7,069	1,275
Other	5,229	460	(1,209)	4,480	1,818
Total long-term liabilities - Seaport	\$ 576,687	\$ 2,902	\$ (13,083)	\$ 566,506	\$ 14,463

Aviation

Bonds, loans, and notes payable:					
Revenue bonds	\$ 3,157,740	\$ 600,000	\$ (295,050)	\$ 3,462,690	\$ 65,130
Loans payable	8,074		(1,763)	6,311	1,466
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(55,940)	(1,923)	5,786	(52,077)	
Commercial paper notes	313,626	366,194	(314,478)	365,342	
Estimated insurance claims payable					
Total bonds, loans and notes payable	3,423,500	964,271	(605,505)	3,782,266	66,596
Other liabilities:					
Compensated absences	28,205		(3,741)	24,464	6,381
Environmental remediation liability	150,317		(14,620)	135,697	54,281
Lease agreements	14,658		(1,236)	13,422	3,017
Total long-term liabilities - Aviation	\$ 3,616,680	\$ 964,271	\$ (625,102)	\$ 3,955,849	\$ 130,275

MIAMI-DADE COUNTY, FLORIDA

	Beginning Balance September 30, 2005		Additions	Reductions	Ending Balance September 30, 2006		Due Within One Year
Water and Sewer Department							
Bonds and loans payable:							
Revenue bonds	\$	1,527,435		\$ (31,510)	\$	1,495,925	\$ 35,730
Loans payable		138,198	\$ 4,099	(17,217)		125,080	7,560
Add/subtract deferred amounts:							
For bond issuance premiums/discounts/refundings		(33,846)		2,083		(31,763)	
Total bonds and loans payable		1,631,787	4,099	(46,644)		1,589,242	43,290
Other liabilities:							
Estimated insurance claims payable		2,594	1,851	(908)		3,537	1,866
Compensated absences		28,194	11,602	(8,947)		30,849	9,463
Other		24,559	10,924	(1,774)		33,709	
Total long-term liabilities - Water and Sewer Dept.	\$	1,687,134	\$ 28,476	\$ (58,273)	\$	1,657,337	\$ 54,619
For issuance discounts							
On refunding							
Add deferred bond premium							
Total bonds and loans payable							
Other liabilities:							
Estimated insurance claims payable							
Compensated absences							
Environmental remediation liability							
Liability for landfill closure/postclosure care costs							
Lease agreements							
Other							
Total business-type activities long-term liabilities							
Public Health Trust (PHT)							
Bonds and loans payable:							
Revenue bonds	\$	300,000			\$	300,000	
Add/subtract deferred amounts:							
For bond issuance premiums/discounts/refundings		1,060		\$ 515		1,575	
Total bonds and loans payable		301,060		515		301,575	
Other liabilities:							
Estimated insurance claims payable		38,373		(3,190)		35,183	\$ 5,270
Compensated absences		74,617	\$ 1,702			76,319	76,319
Other		2,859		(1,012)		1,847	
Total long-term liabilities - Public Health Trust	\$	416,909	\$ 1,702	\$ (3,687)	\$	414,924	\$ 81,589

MIAMI-DADE COUNTY, FLORIDA

Compensated absences have typically been liquidated in the General Fund, other governmental funds and enterprise funds. Liabilities for landfill and postclosure care costs have been liquidated in the Solid Waste enterprise fund. Legal contingencies have typically been liquidated in the General Fund. Insurance claims liabilities have typically been liquidated in the Self-Insurance Internal Service Fund and in the enterprise funds. The Self-Insurance Internal Service Fund predominantly serves the governmental funds. When an internal service fund predominantly serves governmental funds the residual balances of the internal service fund should be reported as part of governmental activities. Therefore, the long-term liabilities of the fund are included in the above totals for governmental activities.

Demand Bonds

At September 30, 2006, the County had \$1,700,000 of Capital Asset Acquisition Floating / Fixed Rate Special Obligation Bonds, Series 1990 (the "Bonds") that were due within seven days of demand by the holder at a price equal to principal plus accrued interest. The County's remarketing agent is authorized to use its best efforts to sell the repurchased bonds at par by adjusting the interest rate.

Under a standby bond purchase agreement (the "Agreement") issued by a bank, the fiscal agent can draw amounts sufficient to repurchase the Bonds if they cannot be resold by the remarketing agent. In the absence of monies available under the Agreement, the monies will be drawn under an irrevocable letter of credit. The Agreement and letter of credit, with a stated termination date of November 1, 2009 expired on November 1, 2004 and have been extended to November 1, 2011. There were no amounts outstanding under the Agreement or letter of credit at September 30, 2006.

MIAMI-DADE COUNTY, FLORIDA

Long-Term Debt -- Governmental Activities

Long-term debt of the County's governmental activities include general and special obligation bonds, installment purchase contracts and loan agreements that are payable from property tax levies and specific revenue sources. General obligation bonds are payable from unlimited ad valorem taxes on all taxable real and tangible personal property of the County, and are backed by the full faith, credit and taxing power of the County. Special obligation bonds are limited obligations of the County, payable solely from and secured by pledged non-ad valorem revenues of the County. Neither the full faith and credit nor the taxing power of the County is pledged to the payment of the special obligation bonds. Interest on variable-rate bonds, currently in an auction rate mode, is based on the BMA index and is currently reset every 28 days.

Annual debt service requirements to maturity are as follows (in thousands):

<u>Maturing in</u> <u>Fiscal Year</u>	<u>General Obligation Bonds</u>		<u>Special Obligation Bonds</u>		<u>Loans and Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 12,530	\$ 26,533	\$ 54,850	\$ 54,091	\$ 18,506	\$ 11,620
2008	13,255	25,522	55,322	51,796	19,043	10,943
2009	10,240	24,713	70,776	49,234	19,742	10,167
2010	10,790	24,118	58,483	51,057	21,001	9,354
2011	11,380	23,486	72,226	52,880	21,205	8,474
2012-2016	64,460	106,499	325,272	283,082	97,751	29,286
2017-2021	66,781	87,089	277,891	266,103	44,503	11,619
2022-2026	90,595	68,499	332,016	267,211	30,346	3,641
2027-2031	114,455	44,644	411,436	297,380		
2032-2036	112,830	14,447	433,481	314,469		
2037-2041			203,928	152,641		
2042-2046			10,561	566		
	507,316	445,550	2,306,242	1,840,510	272,097	95,104
Less:						
Unaccreted value			(785,693)			
Accretions to date				(202,108)		
Add:						
Unamortized premium			24,984			
Total	\$ 507,316	\$ 445,550	\$ 1,545,533	\$ 1,638,402	\$ 272,097	\$ 95,104

MIAMI-DADE COUNTY, FLORIDA

Long-Term Debt – Business-type Activities

Long-term debt of business-type activities include revenue bonds, special obligation bonds and loans payable from specified revenues of the County’s enterprise funds. Also included are general obligation bonds issued on behalf of the Seaport Department, which will be paid from Seaport revenues and, to the extent those revenues are insufficient, from ad valorem taxes. Interest on variable-rate bonds, currently in an auction rate mode, is based on the BMA index and is currently reset every 28 days.

Annual debt service requirements to maturity for revenue bonds and loans payable are as follows (in thousands):

Maturing in Fiscal Year	Revenue Bonds		General Obligation Bonds		Special Obligation Bonds		Loans and Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 119,505	\$ 285,180	\$ 3,705	\$ 7,453	\$ 5,850	\$ 2,175	\$ 24,588	\$ 331,613
2007	130,967	282,037	3,940	7,209	6,045	1,974	27,736	250,552
2008	127,661	275,973	4,200	6,945	6,305	1,707	28,566	168,837
2009	125,249	269,812	4,470	6,663	6,560	1,440	29,437	87,097
2,010	134,555	263,672	4,755	6,363	6,875	1,117	33,330	18,928
2011-2015	724,412	1,230,296	28,080	27,589	15,675	1,272	137,881	78,022
2016-2020	877,358	1,021,869	36,050	19,414			101,160	54,401
2021-2025	1,048,068	761,602	46,290	8,916			68,577	38,596
2026-2030	967,699	489,362	10,725	275			121,898	21,652
2031-2035	884,086	270,846					49,180	3,057
2036-2040	548,510	53,271						
	5,688,070	5,203,920	142,215	90,827	47,310	9,685	622,353	1,052,755
Less:								
Unaccreted value	(13,400)							
Accretions to date		(2,281)						
Unamortized discount and deferred amounts	(110,938)		(8,640)					
Add:								
Unamortized bond premium	33,846				2,053			
Total	\$ 5,597,578	\$ 5,201,639	\$ 133,575	\$ 90,827	\$ 49,363	\$ 9,685	\$ 622,353	\$ 1,052,755

Public Health Trust Bonds Payable

The Series 2005 Bonds (the Bonds) are secured by the gross revenues of the Public Health Trust (the Trust). The Bonds are subject to certain covenants included in Ordinance No. 05-49 (the Ordinance), together with certain ordinances and Series resolutions, which authorize and issue the Bonds by and between the Trust and the County. In addition, the Trust must comply with certain covenants included in the Bond insurance agreements.

The Ordinance contains significant restrictive covenants including, among other items, the requirement to maintain a minimum long-term debt service coverage ratio, to make scheduled monthly deposits to the debt service fund, maintenance of insurance on the Trust’s facilities and limitations on the incurrence of additional debt. Should there be a draw on the Debt Service Reserve Fund, the County has covenanted to budget and appropriate from time to time and if necessary, in its annual budget from Legally Available Non Ad Valorem Revenues sufficient funds to replenish any deficiency in the Debt Service Reserve Fund. In general, the bond insurance agreement contains the same covenants as the Ordinance.

MIAMI-DADE COUNTY, FLORIDA

Commercial Paper Notes (Short-term Debt to be Refinanced on a Long-Term Basis)

On September 30, 2006, the County had outstanding \$364,894,000 of Aviation Commercial Paper Notes (the Notes), plus accrued interest of \$448,840. The effective interest rate paid on the Notes outstanding ranged from 3.53% to 3.75%. The proceeds of such Notes are being 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, 2006, there was \$34,658,000 remaining on the letter of credit. The outstanding Notes and accrued interest, totaling \$365,342,000, have been included in long-term liabilities, rather than in current liabilities, because the County intends to refinance the commercial paper with long-term revenue bonds.

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

Balance on September 30, 2005	\$ 313,626
Additions	366,194
Deductions	<u>(314,478)</u>
Balance on September 30, 2006	<u>\$ 365,342</u>

MIAMI-DADE COUNTY, FLORIDA

Long-Term Debt Issued During the Year

The table below describes bonds and loans that were issued during the year (other than commercial paper) for governmental and business-type activities (in thousands):

Date Issued	Description	Purpose	Interest Rate Range	Final Maturity Date	Original Amount Issued
BONDS:					
11/2/05	Aviation Revenue Bonds, Series 2005A (AMT)	To finance certain airport improvements associated with the Airport's Capital Improvement Plan previously approved by the Board	4.87% - 5.00%	10/1/38	\$ 357,900,000
11/2/05	Aviation Revenue Refunding Bonds, Series 2005B (AMT)	To refund the Aviation Revenue Bonds, Series 1995B & the Aviation Revenue Refunding Bonds Series 1995D, originally issued to finance certain airport improvements associated with the Airport's Capital Improvement Plan.	3.50% - 5.00%	10/1/21	180,345,000
11/2/05	Aviation Revenue Refunding Bonds, Series 2005C (Non-AMT)	To refund the Aviation Revenue & Aviation Revenue Refunding Bonds, Series 1995A, C & E, which originally were issued to finance certain airport improvements associated with the Airport's Capital Improvement Plan.	3.50% - 5.00%	10/1/25	61,755,000
2/8/06	Public Service Tax Revenue Bonds (UMSA Public Improvements), Series 2006.	To pay a portion of the cost of a capital improvement program for improvements to, and acquisition of, stormwater drainage systems, existing sidewalks, park development and the beautification of neighborhoods located within the UMSA areas of the County.	4.12% - 6.25%	4/1/30	28,000,000
4/27/06	Transit System Sales Surtax Revenue Bonds, Series 2006	To pay all or a portion of the cost of certain transportation and transit projects included in the People's Transportation Plan.	4.00% - 5.00%	7/1/35	186,435,000
LOANS:					
5/23/06	Sunshine State Governmental Financing Commission, Series 1986 Program	To pay the cost of, or reimbursing the County for the cost of constructing certain capital infrastructure improvements for the Naranja Lakes Community Redevelopment Agency (Naranja Lakes CRA).	Variable	7/01/16	5,000,000
9/7/06	Sunshine State Governmental Financing Commission, Series 2006, Various Taxable AMT and Non-AMT.	To pay or reimburse the County for the cost of acquiring certain capital equipment and/or constructing certain capital improvements for various County departments and to fund the required reserve funds.	Variable	9/1/26	100,000,000
9/30/06	State Revolving Fund (Miami-Dade Water and Sewer Dept.)	To finance construction of water and wastewater treatment facilities	2.56%-4.17%	10/1/24	4,100

Total long-term debt issued during the year

\$ 919,439,100

MIAMI-DADE COUNTY, FLORIDA

Refunding Debt Issued During the Year

In November, 2005, the County issued \$180,345,000 of Series 2005B and \$61,755,000 of Series 2005C all of which remains outstanding at September 30, 2006. The Series 2005B bonds were issued to refund Airport Revenue Bonds Series 1995B and Series 1995D. The Series 2005C bonds were issued to refund Series 1995A, 1995C and 1995E. The Series 2005B bonds bear stated interest rates ranging from 3.5% to 5.00% with \$180,345,000 serial bonds due on October 1, 2006 to October 1, 2021. The Series 2005C bonds bear stated interest rates ranging from 3.00% to 5.00% with \$34,015,000 serial bonds due from October 1, 2006 to October 1, 2011 together with \$9,120,000 MBIA insured term bonds due October 1, 2025 and \$17,720,000 XL Assurance insured term bonds due October 1, 2025.

The advance refunding of Series 1995B and D resulted in a deferred accounting loss of approximately \$3,514,000 for the fiscal year ended September 30, 2006. As a result of this transaction, the Aviation Department decreased its aggregate debt service payments by approximately \$15,156,156 over the next 15 years and realized an economic gain of approximately \$13,050,000. The advance refunding of Series 1995 A, C, and E resulted in a deferred accounting loss of approximately \$2,645,000 for the fiscal year ended September 30, 2006. As a result of this transaction, the Aviation Department decreased its aggregate debt service payments by approximately \$3,859,000 over the next 19 years and realized an economic gain of approximately \$3,259,000.

Defeased Debt – Advance Refundings

In prior years, the County defeased certain debt as listed in the table below (in thousands), by placing the proceeds of new bond issues in an irrevocable trust to provide for all future debt service payments of the defeased debt. Such proceeds are invested in direct obligations of the U.S. government, and in the opinion of the County and its Bond Counsel, will provide for all future debt service payments on the defeased debt. Accordingly, the trust account's assets and the liability for the defeased debt are not included in the accompanying financial statements.

Type	Series	Date of Defeasance	Call Date	Final Maturity Defeased	Principal Amount Defeased	Principal Outstanding, September 30, 2006
Special Obligation Bonds:						
Guaranteed Entitlement	A	12/27/85	02/01/08	02/01/08	\$ 65,000	\$ 16,300
Sports Franchise Facilities Tax	1992B	07/09/98	10/01/11	10/01/22	59,609	10,700
Sports Franchise Facilities Tax	1995	07/09/98	10/01/30	10/01/30	30,162	29,889
Special Obligation (CDT)	1996B	12/18/97	10/01/08	10/01/33	75,120	70,381
Total Special Obligation Bonds Defeased					<u>\$ 229,891</u>	<u>\$ 127,270</u>
Revenue Bonds and Loans:						
Public Facilities (Jackson Memorial)	1998	09/27/05	06/01/08	06/01/18	58,980	56,615
Rickenbacker Causeway	1983	08/29/85	10/01/08	10/01/08	5,225	5,225
Total Revenue Bonds and Loans Defeased					<u>\$ 64,205</u>	<u>\$ 61,840</u>

MIAMI-DADE COUNTY, FLORIDA

Interest Rate Swap Agreements

As a debt management tool, the County has entered into several swap transactions.

The Fair Value of Swap is determined at September 30, 2006 based on an estimated mark-to-mid-market assessment. The fair value was developed by using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipates future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

Below is a recap in chart form of each of the swaps that the County has entered into:

Water and Sewer Revenue Bonds

Objective

To obtain a lower fixed rate than what was available in the Bond Market, or to obtain the lower cost of borrowing.

	Date of Execution	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/06
1	2/4/94	\$416,940,000 amortizing in step with the Bonds.	10/5/22	W&S Series 94	Fixed – 5.28%	Variable – Bond Rate	AAA	(\$82,010,636)

Using rates as of September 30, 2006 debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. ⁽¹⁾

Fiscal Year Ending 9/30	Variable Rate Bonds		Interest Rate Swap	Total
	Principal	Interest ⁽²⁾	Net Payments ⁽³⁾	
2007	\$865	\$15,552	\$6,463	\$22,880
2008	915	15,520	6,449	22,884
2009	970	15,485	6,435	22,890
2010	1,020	15,449	6,420	22,889
2011	1,080	15,411	6,404	22,895
2012-2023	<u>412,090</u>	<u>126,424</u>	<u>52,535</u>	<u>591,049</u>
Total	<u>\$416,940</u>	<u>\$203,841</u>	<u>\$84,706</u>	<u>\$705,487</u>

⁽¹⁾ In thousands.

⁽²⁾ Interest rate on the Bonds on September 30, 2006 was 3.730%.

⁽³⁾ The rate is calculated as the difference between the variable rate paid by the counterparty to the County (3.730%) and the fixed rate paid by County to the counterparty (5.28%) as of September 30, 2006 (3.730% - 5.28% = -1.55%).

⁽⁴⁾ The total net payments of \$84.7 million have a negative fair market value of \$82 million.

MIAMI-DADE COUNTY, FLORIDA

	Date of Execution	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/06 ⁽¹⁾
2	10/1/05	\$295,240,000 amortizing in step with the Bonds.	10/1/25	W&S Series 2005	Fixed – 5.27%	Variable – Bond Rate	AAA	(\$48,724,413)

⁽¹⁾ **Fair Value of Swap:** As of September 30, 2006 based on an estimated mark-to-mid-market assessment, the fair market value of the swap was a negative \$48,724,413.

Additional Disclosure: Bonds issued as variable rate and swapped at issuance to fixed rate.

Swap Payments and Associated Debt for Pay - Fixed, Receive – Variable Interest Rate Swap

Using rates as of September 30, 2006 debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows ⁽¹⁾.

Fiscal Year Ending 9/30	Variable Rate Bonds		Interest Rate Swap Net Payments ^{(3) (4)}	Total
	Principal	Interest ⁽²⁾		
2007	\$0	\$11,042	\$2,369	\$13,411
2008	0	11,042	2,369	13,411
2009	0	11,042	2,369	13,411
2010	0	11,042	2,645	13,687
2011	0	11,042	2,939	13,981
2012-2026	<u>295,240</u>	<u>135,606</u>	<u>50,039</u>	<u>480,885</u>
Total	<u>\$295,240</u>	<u>\$190,816</u>	<u>\$62,730</u>	<u>\$548,786</u>

⁽¹⁾ In thousands.

⁽²⁾ Interest rate on the Bonds on September 30, 2006 was 3.534%.

⁽³⁾ The rate is calculated as the difference between the variable rate paid by the counterparty to the County (3.534%) and the fixed rate paid by County to the counterparty (5.27%) as of September 30, 2006 (3.534% - 5.27% = -1.736%).

⁽⁴⁾ The total net receipts of \$62.7 million have a negative fair market value of \$48.7 million.

MIAMI-DADE COUNTY, FLORIDA

	Date of Execution	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/06
3	12/15/93	\$215,000,000 amortizing in step with the Bonds commencing 9/25/15.	6/15/20 with option to terminate 6/15/08 ⁽¹⁾	W&S Series 97	Variable – after 6/15/08, to 6/15/20	Fixed – 4.902%	AA	(\$718,664)

(1) The counterparty has a one time option to terminate the swap on June 15, 2008.

Using rates as of September 30, 2006, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. ⁽¹⁾

Fiscal Year Ending 9/30	Fixed Rate Bonds		Interest Rate Swap	Total
	Principal	Interest ⁽²⁾	Net Receipts ^{(3) (4)}	
2007	\$8,275	\$20,402		\$28,677
2008	8,790	19,869	(\$739)	27,920
2009	9,335	19,356	(2,520)	26,171
2010	9,810	18,866	(2,520)	26,156
2011	10,320	18,344	(2,520)	26,144
2012-2026	<u>343,010</u>	<u>190,727</u>	<u>(22,678)</u>	<u>511,059</u>
Total	<u>\$389,540</u>	<u>\$287,564</u>	<u>(\$30,977)</u>	<u>\$646,127</u>

⁽¹⁾ In thousands.

⁽²⁾ Interest rate on the Bonds is the actual fixed rate on the Bonds.

⁽³⁾ The rate is calculated as the difference between the fixed rate paid by the counterparty to the County (4.902%) and the variable rate paid by County to the counterparty (3.730%) commencing on June 16, 2008 until the termination of the swap on June 15, 2021 (4.902% - 3.730% = 1.172%).

⁽⁴⁾ The total net receipts of \$31 million have a negative fair market value of \$0.7 million.

MIAMI-DADE COUNTY, FLORIDA

	Date of Execution	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/06
4	8/27/98	\$200,000,000 amortizing in step with the Bonds commencing 9/1/21.	10/1/26	W&S Series 97	Variable BMA plus (BMA divided by 0.604) minus (USD-LIBOR-BBA plus 1.455%)	BMA	AAA ⁽¹⁾	\$1,875,716

⁽¹⁾ The Counterparty is backed by an “AAA” guarantor. The swap’s rating is based on the rating of the guarantor.

Additional Disclosure Bonds issued as fixed rate and swapped a portion to basis swap. Swap Payments and Associated Debt for Pay Variable, Receive Variable Rate Swap.

Using rates as of September 30, 2006, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. ⁽¹⁾ As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year Ending 9/30	Fixed Rate Bonds		Interest Rate Swap	Total
	Principal	Interest ⁽²⁾	Net Receipts ⁽³⁾⁽⁴⁾	
2007	\$8,275	\$20,402	(\$2,121)	\$26,556
2008	8,790	19,869	(2,120)	26,539
2009	9,335	19,356	(2,121)	26,570
2010	9,810	18,866	(2,120)	26,556
2011	10,320	18,344	(2,121)	26,543
2012-2027	<u>343,010</u>	<u>190,727</u>	<u>(31,059)</u>	<u>502,678</u>
Total	<u>\$389,540</u>	<u>\$287,564</u>	<u>(\$41,662)</u>	<u>\$635,442</u>

⁽¹⁾ In thousands.

⁽²⁾ Interest rate on the Bonds is the actual fixed rate on the Bonds.

⁽³⁾ The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (5.508130% + 1.455% = 6.96313%) and the tax-exempt variable rate paid by County to the Counterparty (3.56533%/0.604 = 5.9029%) as of September 30, 2006 (6.96313% - 5.9029%= 1.060266%).

⁽⁴⁾ The total net receipts of \$41.7 million have a positive fair market value of \$1,9 million.

MIAMI-DADE COUNTY, FLORIDA

	Date of Execution	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/06
5	3/6/06	\$205,070,000 amortizing in step with the Bonds commencing 10/1/22.	10/1/29	W&S Series 94 and upon the final maturity of the Series 94 Bonds, the W&S Series 99A	Variable BMA plus (BMA divided by 0.604) minus (USD-LIBOR-BBA plus 1.5800%)	BMA	AA ⁽¹⁾	\$2,163,445

⁽¹⁾ The Counterparty is backed by an “AA” guarantor. The swap’s rating is based on the rating of the guarantor.

Additional Disclosure Bonds issued as fixed rate and swapped a portion to basis swap. Swap Payments and Associated Debt for Pay Variable, Receive Variable Rate Swap.

Using rates as of September 30, 2006, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. ⁽¹⁾ As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year Ending 9/30	Fixed Rate Bonds		Interest Rate Swap	Total
	Principal	Interest ⁽²⁾	Net Receipts ⁽³⁾⁽⁴⁾	
2007	\$865	\$15,552	(\$2,431)	\$13,986
2008	915	15,520	(2,430)	14,005
2009	970	15,485	(2,431)	14,024
2010	1,020	15,449	(2,430)	14,039
2011	1,080	15,411	(2,431)	14,060
2012-2030	<u>562,090</u>	<u>167,918</u>	<u>(37,462)</u>	<u>692,546</u>
Total	<u>\$566,940</u>	<u>\$245,335</u>	<u>(\$49,615)</u>	<u>\$762,660</u>

- ⁽¹⁾ In thousands.
- ⁽²⁾ Interest rate on the Series 1994 Bonds on September 30, 2006 was 3.730%. Interest rate on the Series 1999A Bonds is the actual fixed rate on the Bonds.
- ⁽³⁾ The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (5.508130% + 1.5800% = 7.08813%) and the tax-exempt variable rate paid by County to the Counterparty (3.56533%/0.604 = 5.9029%) as of September 30, 2006 (7.08813% - 5.9029% = 1.185266%).
- ⁽⁴⁾ The total net receipts of \$49.6 million have a positive fair market value of \$2.2 million.

MIAMI-DADE COUNTY, FLORIDA

Special Obligation Bonds and Subordinate Special Obligation Bonds

Objective

To lower the County's overall cost of borrowing. No cash was exchanged at the time the swaps became effective.

	Date of Execution	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/06
1	5/12/00	\$83,902,330 amortizing in step with the Bonds commencing 10/1/00.	10/1/22	SOB Series 1996B	BMA divided by 0.604	Libor plus a constant of 1.65343%	AAA ⁽¹⁾	\$2,351,246
2	7/21/04	\$15,696,215 amortizing in step with the Bonds commencing 10/1/04.	10/1/10	SOB Series 1996B	BMA divided by 0.604	Libor plus a constant of 1.770%	AAA ⁽¹⁾	\$344,612

(1) The Counterparty is backed by an "AAA" guarantor. The swap's rating is based on the rating of the guarantor.

Additional Disclosure Bonds issued as fixed. A portion swapped to basis swap. Swap Payments and Associated Debt for Payment: Variable Receiver, Variable Rate Swap.

Using rates as of September 30, 2006, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. ⁽¹⁾ As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year Ending 9/30	Fixed Rate Bonds		Interest Rate Swap Net Receipt		Total
	Principal	Interest ⁽²⁾	Swap 1 ⁽³⁾⁽⁵⁾	Swap 2 ⁽⁴⁾⁽⁶⁾	
2007	\$3,123	\$5,062	(\$1,056)	(\$201)	\$6,928
2008	3,764	5,871	(1,017)	(159)	8,459
2009	2,064	4,862	(969)	(87)	5,870
2010	2,135	5,200	(943)	(11)	6,381
2011	3,696	7,270	(917)	(0)	10,049
2012-	<u>69,120</u>	<u>84,267</u>	<u>(8,707)</u>	<u>(0)</u>	<u>144,680</u>
2036					
Total	<u>\$83,902</u>	<u>\$112,532</u>	<u>(\$13,609)</u>	<u>(\$458)</u>	<u>\$182,367</u>

(1) In thousands.

(2) Interest rate on the Bonds is the actual fixed rate on the Bonds.

(3) The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (5.50813% + 1.65343% = 7.161560%) and the tax-exempt variable rate paid by County to the Counterparty (3.56533%/0.604 = 5.9029%) as of September 30, 2006 ((7.16156% - 5.9029% = 1.258696%).

(4) The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (5.508130% + 1.7700% = 7.27813%) and the tax-exempt variable rate paid by County to the Counterparty (3.56533%/0.604 = 5.9029%) as of September 30, 2006 (7.27813% - 5.9029% = 1.375266%).

(5) With respect to Swap 1, the total net receipts of \$13.609 million have a positive fair market value of \$2,351,246.

(6) With respect to Swap 2, the total net receipts of \$458,000 have a positive fair market value of \$344,612.

MIAMI-DADE COUNTY, FLORIDA

	Date of Execution	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/06
3	5/12/00	\$275,640,529 amortizing in step with the Bonds commencing 10/1/00.	10/1/22	Subordinate SOB Series 1997A, B & C	BMA divided by 0.604	Libor plus a constant of 1.65343 %	AAA ⁽¹⁾	\$8,587,227
4	7/21/04	\$98,758,933 amortizing in step with the Bonds commencing 10/1/04.	10/1/22	Subordinate SOB Series 1997A, B & C	BMA divided by 0.604	Libor plus a constant of 1.7700%	AAA ⁽¹⁾	\$5,100,333

(1) The Counterparty is backed by an “AAA” guarantor. The swap’s rating is based on the rating of the guarantor.

Additional Disclosure: Bonds issued as fixed rate and swapped a portion to basis swap. Swap Payments and Associated Debt for Payment: Variable Receiver, Variable Rate Swap.

Using rates as of September 30, 2006, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. ⁽¹⁾ As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year Ending 9/30	Fixed Rate Bonds		Interest Rate Swap Net Receipts		Total
	Principal	Interest ⁽²⁾	Swap 3 ^{(3) (5)}	Swap 4 ^{(4) (6)}	
2007	\$343	\$6,020	(\$3,469)	(\$1,556)	\$1,338
2008	0	5,843	(3,465)	(1,650)	728
2009	222	6,001	(3,465)	(1,753)	1,005
2010	209	6,014	(3,463)	(1,861)	899
2011	745	6,543	(3,460)	(1,933)	1,895
2012- 2038	<u>274,122</u>	<u>741,510</u>	<u>(35,116)</u>	<u>(26,185)</u>	<u>954,331</u>
Total	<u>\$275,641</u>	<u>\$771,931</u>	<u>(\$52,438)</u>	<u>(\$34,938)</u>	<u>\$960,196</u>

⁽¹⁾ In thousands.

⁽²⁾ Interest rate on the Bonds is the actual fixed rate on the Bonds.

⁽³⁾ The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (5.50813% + 1.65343% = 7.161560%) and the tax-exempt variable rate paid by County to the Counterparty (3.56533%/0.604 = 5.9029%) as of September 30, 2006 (7.16156% - 5.9029%= 1.258696%).

⁽⁴⁾ The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (5.50813% + 1.7700% = 7.27813%) and the tax-exempt variable rate paid by County to the Counterparty (3.56533%/0.604 = 5.9029%) as of September 30, 2006 (7.27813% - 5.9029%= 1.375266%).

⁽⁵⁾ With respect to Swap 3, the total net receipts of \$52.438 million have a positive fair market value of \$8,587,227.

⁽⁶⁾ With respect to Swap 4, the total net receipts of \$34.938 million have a positive fair market value of \$5,100,333.

MIAMI-DADE COUNTY, FLORIDA

Special Obligation Bonds (Capital Asset Acquisition Floating Rate (CPI-MUNI))

Objective

To lower the County's overall cost of borrowing.

	Date of Execution	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/06
1	4/16/04 – Effective 4/27/04	\$50,000,000 amortizing in step with the Bonds commencing 4/1/05.	4/1/14	SOB Series 2004A Capital Asset Acquisition (MUNI-CPI)	BMA plus 0.235%	CPI plus Constant Rate ⁽¹⁾	AA	(\$450,218)

⁽¹⁾ The Constant Rate on the \$15 million, 4/1/09 maturity is 0.20%; on the \$10 million, 4/1/12 maturity is 0.50% and on the \$25 million, 4/1/14 maturity is 0.70%

Additional Disclosure: Bonds issued as fixed rate and swapped to a floating rate. Swap Payments and Associated Debt for Payment: - Fixed Receiver - Variable Interest Rate Swap.

Using rates as of September 30, 2006, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows ⁽¹⁾. As rates vary, variable-rate bond interest payments will vary and net swap payments may vary.

Fiscal Year Ending 9/30	Fixed Rate Bonds		Interest Rate Swap	Total
	Principal	Interest ⁽²⁾	Net Receipts ^{(3) (4)}	
2007		\$2,870	(\$974)	\$1,896
2008		2,870	(974)	1,896
2009	\$15,000	2,870	(973)	16,897
2010		2,009	(682)	1,327
2011	10,000	2,009	(681)	11,328
2012-2014	<u>25,000</u>	<u>4,305</u>	<u>(1,461)</u>	<u>27,844</u>
Total	<u>\$50,000</u>	<u>\$16,933</u>	<u>(\$5,745)</u>	<u>\$61,188</u>

⁽¹⁾ In thousands.

⁽²⁾ Interest rate on the Bonds is the CPI Index plus 20 basis points of interest (bpi) on the Bonds maturing on 4/1/09, 50 bpi on the bonds maturing on 4/1/11 and 70 bpi on the Bonds maturing on 4/1/14.

⁽³⁾ The rate is calculated as the difference between the variable rate (CPI plus premium) paid by the Counterparty to the County (5.2300% + 0.51% = 5.7400%) and the variable rate (BMA) plus premium paid by County to the Counterparty (3.55753% + 0.235% = 3.79253%) as of September 30, 2006 (5.7400% - 3.79253% = 1.947470%).

⁽⁴⁾ The total net receipts of \$5.745 million have a negative fair market value of \$450,218.

MIAMI-DADE COUNTY, FLORIDA

Risk Disclosure:

Credit Risk. Because all of the County's Swaps rely upon the performance of the third parties who serve as swap counterparties, the County is exposed to credit risk, or the risk that the counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the swaps, as shown in the columns labeled Fair Value in the tables above. All Fair Values have been calculated using the Mark to Mid-Market Method. To mitigate credit risk, the County maintains strict credit standards for swap counterparties. All swap counterparties for longer term swaps are rated at least in the double-A category by both Moody's and Standard & Poor's. To further mitigate credit risk, the County's swap documents require counterparties to post collateral for the County's benefit if they are downgraded below a designated threshold.

Basis Risk. Many of the County's swaps expose the County to basis risk. Should the relationship between the variable rate the County receives on the swap fall short of the variable rate on the associated bonds, the expected savings may not be realized. As of September 30, 2006, the BMA rate was 3.56533%.

Tax Risk. For the basis swaps, the interplay between the taxable index and the tax exempt index may be affected by changes to the marginal tax rates, the elimination of tax preferences and a flat tax. The County considers these risks to be remote.

Termination Risk. The County's swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards the County or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. The County views such events to be remote at this time. If at the time of the termination, a swap has a negative value, the County would be liable to the counterparty for a payment equal to the fair value of such swap unless the counterparty is the defaulting party.

Rollover Risk. With the exception of the swaps on the Water and Sewer System Bonds, Series 1995, the Special Obligation Bonds and the Subordinate Special Obligation Bonds, the County is not exposed to rollover risk. Because the swaps for the Water and Sewer System Bonds, Series 1995, the Special Obligation Bonds and the Subordinate Special Obligation Bonds terminate prior to the maturity of such bonds, the County is exposed to rollover risk. Upon the termination of the swap, the County will no longer realize the synthetic rate on the bonds and will be exposed to the full fixed rate on the underlying bonds if no new hedge is put in place.

Swap Option Exercise Risk. The County has entered into an option whereby the counterparty can require the County to issue Bonds to refund a currently outstanding series of Bonds and enter into a swap with the counterparty. The fixed payments on the swap shall equal the fixed payments on the refunded Bonds. The variable rate receipts would be equal to the variable rate on the refunding Bonds. The counterparty will not exercise the option if variable rates increase significantly. The County believes the option will be exercised.

MIAMI-DADE COUNTY, FLORIDA

Interest Rate Risk. The counterparty exercised their option and the Department has issued the variable rate bonds and variable to fixed rate swap.

Credit Risk. If the counterparty fails to fulfill its contractual obligations, the Department will be exposed to this risk. To mitigate this risk, the County maintains strict credit standards for the counterparty. The County requires all counterparties for longer term swaps to be rated in the double-A category by both Moody's and Standard & Poor's. In addition, the County's swap documents require counterparties to post collateral for the Department's benefit if they are downgraded below a designated threshold.

Basis Risk. The Department would be exposed to basis risk if the variable rate on the new variable rate bonds do not match the variable rate received on the swap. Should the variable rate the Department receives on the swap fall short of the variable rate on the new variable rate bonds, the expected savings will not be realized.

Contingent Liability / Loan Guarantee

The County's General Fund is contingently liable for the payment of certain obligations from available non ad valorem taxes, and has pledged to budget and appropriate annually for the debt service payments in the event revenues from the benefiting enterprise operations are not sufficient to meet the debt service requirements. These instances are delineated below.

Series	Department	Original Amount	Principal Outstanding at 9/30/2006	Final Maturity
Sunshine State Governmental Financing Commission, Series 1986 Program	Seaport	\$50,000,000	\$41,650,000	June 30, 2016
Sunshine State Governmental Financing Commission, Series 1986 Program	Parks	\$2,000,000	\$1,417,811	October 1, 2014
Sunshine State Governmental Financing Commission, Series 1986 Program, Issued 2004	Naranja Lakes CRA	\$5,000,000	\$5,000,000	July 1, 2016
Sunshine State Governmental Financing Commission, Series 1986 Program, Issued 2006	Naranja Lakes CRA	\$5,000,000	\$5,000,000	July 1, 2016
Sunshine State Governmental Financing Commission, Series 2001	Various	\$49,000,000	\$31,940,000	October 1, 2011
Sunshine State Governmental Financing Commission, Series 2005	Seaport	\$75,000,000	\$75,000,000	September 1, 2035
Sunshine State Governmental Financing Commission, Series 2005	Various	\$71,000,000	\$63,800,000	September 1, 2017
Sunshine State Governmental Financing Commission, Series 2005	PHT Equipment	\$56,200,000	\$55,000,000	September 1, 2017
Sunshine State Governmental Financing Commission, Series 2006	Seaport	\$232,060,000	\$232,060,000	September 30, 2032
Sunshine State Governmental Financing Commission, Series 2006	Various	\$100,000,000	\$100,000,000	September 30, 2026
Industrial Development Revenue Bonds-BAC Funding Project Series 2000A and 2000B	Various	\$21,775,000	\$19,890,000	October 1, 2030

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Miami-Dade County entered into a lease agreement whereby BAC is the developer of an office-building complex pursuant to an installment sales agreement. Miami-Dade County will lease the entire building and the lease payments are pledged to the bondholders. Additionally, the County has unconditionally guaranteed to budget and appropriate any shortfalls in pledged revenues from non ad valorem taxes.

Debt Authorized, but Unissued

As of September 30, 2006, the County has authorized but not issued the following:

- a) \$1,280,000 of general obligation bonds for general public improvements;
- b) \$247,500,000 of general obligation bonds for capital improvements for County airports to be paid by Aviation net revenues, if issued;
- c) \$156,300,000 Equipment Floating/Fixed Rates Special Obligation Bond to finance cost of capital equipment for various County departments.
- d) \$35,700,000 Equipment Floating/Fixed Rate Special Obligation Bonds;
- e) \$131,474,000 of general obligation bonds for capital improvements to the County's water and sewer system, to be paid by Water and Sewer net revenues, if issued;
- f) \$2,301,608 Professional Sports Franchise Facilities Tax Revenue Bonds;
- g) \$1,216,385,000 Aviation Revenue Bonds for improvements to airport facilities (the "1996 Authorization");
- h) \$500,000,000 Aviation Revenue Bonds for improvements to airport facilities (the "1997 Authorization");
- i) \$34,657,520 Aviation Bond Anticipation Notes to pay costs for improvements to airport facilities;
- j) \$84,285,000 Water and Sewer System Revenue Bonds to finance the cost of capital improvements to the water and sewer systems of the County;
- k) \$50,000,000 Solid Waste System Bond Anticipation Notes to pay the costs of improvements to, and new capital project for, the Solid Waste System of the County;
- l) \$49,605,000 Solid Waste System Revenue Bonds to pay the outstanding Solid Waste System Bond Anticipation Notes and any additional improvements to, and new capital project for, the Solid Waste System of the County;
- m) \$18,880,000 Capital Acquisition Special Obligation Bonds;
- n) \$29,545,000 Special Obligation Bonds (Juvenile Courthouse Project) to fund the acquisition, construction and equipping of the Juvenile Courthouse Project;
- o) \$6,000,000 Special Obligation Bonds (Correction Facility Project) to fund a portion of the cost of acquisition, construction and equipping of a new holding facility;
- p) \$77,275,000 Special Obligation Bonds (Capital Asset Acquisition) to fund the acquisition, renovation, improvement, construction or purchase of capital assets;
- q) \$16,493,417 Solid Waste System Revenue Bonds to pay the cost of improvements to, and new capital projects for, the County's Solid Waste System;
- r) \$25,687,752 Special Obligation Bonds (Convention Development Tax) to pay the cost of various visitor related capital facilities; and
- s) \$2,675,750,000 General Obligation Bonds to fund the projects under the "Building Better Communities" Bond Program.
- t) \$313,565,000 Transit System Sales Surtax Bonds to fund the projects of the People's Transportation Plan.

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Note 9 - Pension Plans

Florida Retirement System

The County participates in the Florida Retirement System (the "System"), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of its 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. Benefits under the plan vest after six years of service.

The System is a defined benefit plan, qualified under section 401(a) of the Internal Revenue Code, with defined contribution options. Under the defined benefit option, employees who retire at or after age 62 with six years of credited service (vesting period), are entitled to an annual retirement benefit payable monthly for life. The System also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by State statute.

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 where the contribution amount is fixed by a set percentage determined by law and the contribution is made to an individual account in each participant's name. With 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.

**Summary of Florida Retirement System ("FRS")
Contributions, Covered Payroll and Percentage of
Covered Payroll for the County
(in thousands)**

	2006	2005	2004
Covered Payroll	\$ 2,016,853	\$ 1,979,699	\$ 1,797,400
Contributions	\$ 227,044	\$ 204,793	\$ 183,592
% of Covered Payroll	11.3%	10.3%	10.2%

Pension costs for the County, as required and defined by State Statute, ranged from 9.85% to 20.92% of gross salaries for fiscal year 2006. For the fiscal years ended September 30, 2006, 2005 and 2004, the County contributed 100% of the required contributions.

A copy of the System's annual report for the year ended June 30, 2006 can be obtained by writing to the Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, by calling toll-free (877) 377-1737, or by visiting their website at <http://FRS.myFlorida.com>.

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Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan

The Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan (the Plan) was created in 1996. The Plan is a single-employer, defined benefit pension plan and is an employee-noncontributory plan administered by the Public Health Trust (PHT). The Plan does not issue stand-alone financial statements. This report includes a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets for the Plan for the year ended September 30, 2006.

All PHT employees working in a full-time or part-time regularly established position who were hired after January 1, 1996 are covered by the Plan. Benefits under the Plan vest after six years of service. Employees who retire at or after age 62 with six years credited service are entitled to an annual retirement benefit payable monthly for life. The Plan also provides for early retirement at reduced benefits, and death and disability benefits. These benefit provisions and all other requirements are set forth in the Plan document. Benefits increase by approximately 3% per year for cost of living adjustments. The Board of Trustees of the PHT (the Board) reserves the right to modify, alter or amend the Plan subject to certain limitations.

Membership of the Plan consisted of the following at January 1, 2006, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	38
Terminated plan members entitled to but not yet receiving benefits	319
Active plan members	<u>5,308</u>
Total	<u>5,665</u>
Number of participating employers	1

The contribution rate for normal cost is determined using the aggregate actuarial cost method. Under this method, the excess of the present value of projected benefits over the actuarial value of assets is spread evenly over the expected future salaries of the active participants presently under Normal Retirement Age. This method does not identify or separately amortize unfunded actuarial liabilities. Gains and losses resulting from fluctuations in Plan experience are similarly amortized as part of normal cost. The significant assumptions used to compute the annual required contribution include an 8% rate of return on investment, projected salary increase of 6% in the first 10 years of service and 5% after 10 years of service. The rate of return on investments and the projected salary increase rate include projected inflation of 2.5%.

The PHT's funding policy provides for actuarially determined rates deemed sufficient to pay benefits as due. The assumptions used to compute the contribution requirement are the same as those used to compute pension benefits earned as previously described under funding status and progress. The PHT's funding policy is to make contributions based on a percentage of payroll.

Contributions to the Plan for the fiscal year ended September 30, 2006 were approximately \$26,169,000. The PHT's most recent actuarial report as of January 1, 2006 determined the annual pension cost to be approximately \$31,379,000, \$26,652,000 and \$25,470,000 for the Plan years ended December 31, 2006, 2005, and 2004, respectively. The PHT has contributed 100% of the annual cost for all of the years.

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Deposits and Investments

The Plan's investment authority is derived from the authorization of the Board and is in accordance with the Florida Statute 215.47 (the Statute) and the Employment Retirement Income Security Act of 1974 (ERISA).

The following is a summary of the fair value (based on quoted market prices) of assets held in the pension trust fund at September 30, 2006: (in thousands)

Cash and short-term investments	\$	16,157
Investments, at fair value		
Domestic investments:		
Equities		49,665
Mutual funds		27,887
Corporate debt securities		13,651
Government and agency obligations		<u>20,961</u>
Total domestic investments		<u>112,164</u>
International investments:		
Mutual funds		28,594
Equities		2,767
Corporate debt securities		<u>546</u>
Total international investments		<u>31,907</u>

Custodial Credit Risk

GASB 40 requires governments to disclose deposits and investments exposed to custodial credit risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party to a transaction, a government may not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of September 30, 2006, the Plan's investment portfolio was held with a single third-party custodian.

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Credit Risk

The Plan's investment policy (the Investment Policy) is designed to minimize credit risk by restricting authorized investments to only those investments permitted by the Statute, subject to certain additional limitations. These additional limitations consist of prohibitions against investments in derivative securities, options, futures or short positions, however the Investment Policy allows for investments in mortgage pass-through securities. Generally, the Statute permits investments in the Florida State Board of Administration Pooled Investment account (the SBA Pool), U.S. Government and agency securities, common and preferred stock of domestic and foreign corporations, repurchase agreements, commercial paper and other corporate obligations, bankers acceptances, state or local government taxable or tax exempt debt, real estate and real estate securities, and money market funds. With the exception of obligations directly issued or guaranteed by the U.S. Government, investments in the SBA Pool, and certain state and local government debt instruments, the Statute provides limits as to the maximum portion of the Plan's portfolio which can be invested in any one investment category or issuer.

At September 30, 2006, the Plan's investment securities had the following credit ratings: (in thousands)

	Fair Value	Credit Rating	
Money market accounts	\$ 16,156	Not rated	
Domestic investments:			
U.S. Government agency securities, by issuer			
Federal National Mortgage Association	3,337	AAA	*
Federal Home Loan Mortgage Corporation	3,799	AAA	*
Federal Home Loan Bank	997	AAA	
U.S. Treasury bills	12,828	AAA	*
Equities	48,808	Not rated	
Corporate debt securities:			
Collateralized mortgage obligations	858	AAA	*
Corporate bonds	3,605	A1-A3	**
Corporate bonds	4,542	Aa2-Aa3/Aaa	**
Corporate bonds	846	B/B1-B3	**
Corporate bonds	888	Ba1-Ba3	**
Corporate bonds	3,122	Baa1-Baa3	**
Corporate bonds	67	BB/BB+	*
Corporate bonds	210	Not rated	*
Corporate bonds	371	D	
Corporate bonds mutual funds	27,887	Not rated	
International investments:			
Mutual funds	28,594	Not rated	
Equities	2,767	Not rated	
Corporate debt securities	546	A2-Aa2/ B1-Baaa3	**
Total	\$ 160,228		

* Standard and Poor's ratings

** Moody's Investor Services ratings

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Concentration of Credit Risk

The Investment Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Investment Policy provides that a maximum of 25% be invested in bonds, notes, or obligations of any municipality or political subdivision or any agency or authority of the State of Florida; a maximum of 80% be invested in common stock, preferred stock, and interest-bearing obligations of a corporation having an option to convert into common stock; a maximum of 75% be invested in internally managed common stock; a maximum of 80% be invested in interest-bearing obligations with a fixed maturity of any corporation or commercial entity within the United States; a maximum of 20% be invested in corporate obligations and securities of any kind of a foreign corporation or a foreign commercial entity having its principal office located in any country other than the United States of America or its possessions or territories, not including United States dollar-denominated securities listed and traded on a United States exchange; a maximum of 5% be invested in private equity through participation in limited partnerships and limited liability companies.

At September 30, 2006, the composition of the Plan's investments by investment type as a percentage of total investments was as follows:

	Percentage of Portfolio
Cash and short-term investments	10.1%
Domestic investments:	
Equities	31.0%
Mutual Funds	35.3%
Corporate debt securities	8.5%
Government and agency obligations	13.1%
International investments:	
Mutual funds	1.7%
Equities	1.7%
Corporate debt securities	0.3%

The following represents individual investments whose fair value (based on quoted market prices) exceeded 5% of the Plan's net assets at September 30, 2006.

ING Mayflower TR – International Value Fund Class A	\$ 14,696
MFO TCW Funds in CL I Select Equities FD	17,750
Julius Baer International Equity Fund – Class I	<u>13,898</u>
Total	<u><u>\$ 46,344</u></u>

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Interest Rate Risk

The Plan manages its exposure to rising interest rate risk in fair value by forecasting cash outflows and inflows. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

As of September 30, 2006 the Plan had the following investments with the respective weighted average maturity in years.

	Weighted Average Maturity
Cash and short-term investments	N/A
Domestic investments:	
Equities	N/A
Corporate debt securities	
Corporate bonds	11.36
Corporate bond mutual funds	N/A
Government and agency obligations	
Federal Home Loan Bank	9.65
Federal National Mortgage Association	16.66
Federal Home Loan Mortgage Corporator	21.16
U.S. Treasury bills	7.86
International investments:	
Mutual funds	N/A
Equities	N/A
Corporate debt securities	16.31

Foreign Currency Risk

The Plan's exposure to foreign currency risk is as follows: (in thousands)

	Currency	Fair Value (in U.S. dollars)
International equities:		
Common stock	Canadian Dollars	\$ 1,977
Common stock	British Pounds	112
Common stock	Chinese Yuan Renminbi	257
Common stock	Hong Kong Dollars	205
Common stock	Korean Won	216
		<u>\$ 2,767</u>
International corporate debt securities:		
Corporate bonds	Canadian Dollars	201
Corporate bonds	Euros	286
Corporate bonds	British Pounds	59
		<u>\$ 546</u>

In addition, at September 30, 2006, the Plan's investments include approximately \$28,595,000 in mutual funds which principally invest in international stocks and other international securities. Although these

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mutual funds are United States dollar-denominated and United States exchange-traded, the underlying investments expose the Plan to an additional degree of foreign currency risk.

Note 10 - Contingencies and Commitments

Environmental Matters

In August 1993, the Miami-Dade County Aviation Department (“MDAD” or “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 and Pan Am Airlines. 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, f/k/a LAW Engineering and Environmental Services, Inc. (LAW), 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 2006, the total cumulative estimate to correct such violations was \$256 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, 2006 approximated \$120.5 million.

During fiscal year 1998, a new Consent Order (“FDEP Consent Order”) was signed with the State of Florida Department of Environmental Protection (“FDEP”). The new FDEP Consent Order encompasses and replaces the DERM agreement and includes additional locations. The FDEP Consent Order includes all locations at the Miami International Airport (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.

In February 1999, the Aviation Department settled its Inland Protection Trust Fund (“IPTF”) case with FDEP concerning the cleanup of the sites formerly occupied by Eastern Airlines that are petroleum contaminated and are eligible for reimbursement. The settlement allocates \$1.7 million per year for a period of five years to clean up those sites that impact the current Capital Improvement Program. As of September 30, 2006, the Aviation Department spent \$54 million and has received approximately \$42 million of cost reimbursement from the State and insurance companies.

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.

The Aviation Department has recorded a liability of \$135.7 million at September 30, 2006, 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.

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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 occupied by Eastern and Pan Am. The studies estimate the cost to correct such damage related to all buildings to be approximately \$4.5 million. 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 liability was recorded at September 30, 2006.

Settlement Agreement

In 1993, the County entered into a settlement agreement with the Florida Department of Environmental Protection ("FDEP") resulting in very limited restrictions on new sewer construction in certain areas of the County until adequate capacity becomes available in the wastewater system. Subsequently, in 1994 and 1995, two consent decrees were entered into with the U.S. Environmental Protection Agency ("EPA") whereby the County accelerated its improvement program of the wastewater system, subject to a schedule of stipulated penalties if certain established completion dates are not met.

On April 29, 2004, the Consent Order, OGC File No. 03-1376, was entered into between the State of Florida Department of Environment Protection and Miami-Dade County. It requires the County to provide high level disinfection for the effluent prior to injection, by April 2009. The total project cost of these improvements is approximately \$505 million.

On May 10, 2006, Miami-Dade County and the South Florida Water Management District entered into an Interim Consumption Use Authorization and Agreement to authorize the withdrawal of up to 349.75 million gallons of water per day from the existing wellfields, for a duration of 18 months, to allow the County time to complete all the tasks required to complete a pending permit application for a twenty year consumptive use permit. The Agreement requires that all the water needed for future demands come from alternative sources.

Closure and Postclosure Care Costs

Current laws and regulations require the County to place final covers on landfill cells as they are closed and perform certain maintenance and monitoring functions at the landfill cell sites for thirty years after closure. These laws and regulations also require the County, on an annual basis, to disclose the extent of its financial responsibility for the costs involved, which are referred to as "closure and postclosure care" costs. The County was in compliance with these requirements as of September 30, 2006.

At September 30, 2006, the County's total liability for landfill closure and postclosure care costs was approximately \$103.7 million. Of this amount, \$69.8 million relates to active landfills and approximately \$33.9 million relates to inactive landfills.

The County accounts for and discloses closure and postclosure care costs in accordance with GASB Statement No. 18 *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* (the "Statement"). The Statement requires, among other matters: (1) that the liability for closure and postclosure care costs be estimated based on applicable federal, state or local regulations that were in existence as of the balance sheet date, (2) that the cost estimates be reevaluated and adjusted on an annual basis for changes due to inflation or deflation, or for changes due to advancements in technology, (3) that a portion of these estimated closure and postclosure costs be recognized in each operating period that the landfill is active, based on the amount of waste received during the period, even though the majority of the costs will not be disbursed until the landfill cells are closed, and (4) that changes in the estimated costs for closure and postclosure care which occur after the landfill stops accepting waste are recognized entirely in the period of the change.

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Expenses for closure and postclosure care are funded from bond proceeds, of which the principal and interest are subsequently repaid from Utility Service Fees assessed on all countywide water and wastewater users, in accordance with Chapter 24 of the Dade County Code (the "Code"). Under the Code, funds collected from this fee can be used for solid waste landfill closure and postclosure care costs that are the financial responsibility of the County, for environmental remediation at landfill sites, and for land acquired to protect groundwater.

Active Landfills - Active landfills consist of the North Dade Landfill, the South Dade Landfill, and the Resources Recovery Ashfill.

The liability balance of \$69.8 million as of September 30, 2006, represents an increase of approximately \$8.9 million when compared to the preceding year. This resulted from the combined effects of (1) a net amortization credit of approximately \$9.1 million in the current period adjusting the recorded liability to the amount required to be recognized based on the current estimates for closure and postclosure care costs and the use of approximately 83.0% of the existing landfill capacity, and (2) reductions of approximately \$266,000 for amounts paid or due to vendors actually performing closure or postclosure work during the current period on closed "cells" of active landfills.

Unrecognized costs of approximately \$25.4 million as of September 30, 2006 will be amortized on a current basis as the existing estimated capacity of approximately 5.8 million tons at September 30, 2006 is used. This estimated capacity is expected to last until 2010 based on current waste flows.

Inactive Landfills - Inactive landfills consist of the Main Landfill at 58th Street, the Ojus Landfill, and the old South Dade Landfill.

The liability balance of the inactive landfills as of September 30, 2006 is approximately \$33.9 million. When compared to the preceding year, the liability balance increased approximately \$1.6 million reflecting the offsetting effects of (1) expenses recognized in the current period of approximately \$1.7 million and (2) reductions of approximately \$93,000 for amounts paid or due to vendors actually performing closure and postclosure work during the current period.

Construction Commitments

As of September 30, 2006, the County's enterprise funds had contracts and commitments totaling \$1.625 billion, as follows:

- Miami-Dade Transit, \$90.1 million;
- Miami-Dade Water and Sewer Department, \$18.9 million;
- Public Health Trust, \$323.9 million;
- Aviation Department, \$1.1 billion;
- Solid Waste Department, \$.9 million; and
- Miami-Dade Seaport Department, \$91.2 million.

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The Reserve for Encumbrances at September 30, 2006, for the Capital Project Funds reflect construction commitments entered into by the County. The following table sets forth these commitments by program classification (in thousands):

Street and Safety Improvements	\$	93,894
Recreational Facilities and Cultural Improvements		36,099
Public Safety Facilities		15,218
Judicial and Correctional Facilities		9,506
Physical Environment		9,070
Health		2,757
General Governmental Facilities		21,336
Total	\$	<u>187,880</u>

Gantry Cranes Operating Agreement

The Seaport's gantry crane operation had been maintained by a private company (the "Operating Company") under a restated and amended operating agreement dated November 1, 1988. During 1997, certain activities of the Operating Company came under investigation by local, state and federal authorities to determine whether user fees belonging to the County were spent by the Operating Company for improper or illegal purposes. In addition, County investigation indicates that shipping companies may not have been billed or were under billed for gantry crane services. This contract was terminated by the County on May 19, 1998.

During the term of the Restated and Amended Agreement, the County received approximately \$3.9 million (cumulatively) from the Operating Company for user fees in excess of the amounts retained. In addition, the County believes the Operating Company has an obligation to repay certain operating advances and ground lease rentals of approximately \$11.5 million that carried forward from the previous agreement, plus accrued interest thereon. This obligation has not been reflected in the accompanying financial statements due to uncertainty of receipt. Such balances accrue simple interest at an annual rate of 7.8% and are reduced by excess usage fees paid by the Operating Company. The Seaport has received approximately \$500,000 (cumulatively) from the Operating Company for excess usage fees. The County believes that collection of any amounts owed by the Operating Company pursuant to the Agreement is doubtful due to the negative net worth of the Operating Company.

The County has filed a claim against the Operating Company for breach of contract, breach of fiduciary duty, civil theft, and declaratory relief, among others. The County believes it has a claim against the Operating Company for recovery of improper expenditures. The full amount has not been determined. The County has concluded at this time that it is not possible to determine the amount, if any, that may be collectible from the Operating Company, if it is determined that amounts were spent improperly. Therefore, no amounts have been recorded in the accompanying financial statements.

The Operating Company has filed a counterclaim against the County alleging that Seaport officials required them to pay for expenses that were not related to gantry crane activities; therefore, creating deficits that could have been used to reduce amounts owed to the Seaport. Management does not believe this will have an adverse effect on the financial statements of the Seaport.

On May 19, 1998, pursuant to Resolutions R-456-98 and R-514-98, the County terminated the Agreement with the Operating Company and entered into an Interim Gantry Crane Management Agreement (the "Interim Agreement") with a company (the "Interim Operator") to take over the maintenance of the gantry cranes.

On June 6, 1999, the Board of County Commissioners adopted Resolution R-671-99 adopting in principle the Crane Maintenance Company Business Plan proposed by the Seaport and recommended by the County Manager. This plan provided for the creation of a not-for profit-company, Port of Miami Crane

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Management, Inc. ("Crane Management"), to replace the Interim Operator. On August 5, 2002, the County and Crane Management entered into an Agreement for maintenance and management of the container handling cranes and cargo handling equipment at the Port. The term of the Agreement is for a period of five years with a renewal option for another five years at the County's sole discretion. Crane Management became fully operational in October 2002 and took over the maintenance of the Port's gantry cranes. Crane Management is responsible to a board of directors appointed by the Board of County Commissioners, the County Manager, the Port Director, and Port users. Container crane user revenues for fiscal year 2006 totaled \$10.3 million.

Dredging Project

The Seaport Department entered into a contract in 1994 with a dredging company for the dredging of the Port of Miami's south channel. The total cost of the project, including two approved change orders, was approximately \$40.5 million. The performance of the contractual obligation was backed by a performance bond. In January 1997, the dredging company filed for Chapter 11 bankruptcy protection and shortly thereafter demobilized its equipment and abandoned the project. In March 1998, the dredging company rejected the contract and prompted the County to make formal demand on the performance bond company ("bond company"). When the bond company neither tendered the amount of the bond to the County, nor promptly started the project, the County filed suit against the bond company.

Also, during fiscal year 1998, the County discovered that the dredging company had billed the County approximately \$29.3 million. However, they had only completed \$19.4 million worth of dredging project, therefore over-billing the Seaport for approximately \$9.9 million. The Seaport has recorded the amount of the overpayment as a construction advance.

During 1999, the bond company brought in a replacement contractor to complete the unfinished work. Subsequently, the replacement contractor abandoned the project leaving a significant amount of dredging work pending. The County sought to recover the overpayment made by filing a proof of claim in the dredging company's bankruptcy proceeding, as well as initiated a civil suit against the bond company. The bond company in turn filed a counterclaim against the County, seeking approximately \$29 million in alleged damages. Additional portions of the project have been completed, thereby reducing the estimated advance to approximately \$8.9 million.

On January 24, 2006, the County and bond company reached a settlement whereby the bonding company waived all rights to counterclaims and will pay a total of \$22.5 million to the Seaport Department. On February 24, 2006, the Seaport received \$21.3 million with additional payments totaling \$1.2 million to follow over the next 24 months.

Consent Order

During fiscal year 2002, the Miami-Dade County Board of County Commissioners authorized the County Manager to execute a Consent Order between the State of Florida Department of Environmental Protection ("FDEP") and Miami-Dade County for settlement of Miami Harbor dredging permit violations committed by the Seaport's former dredging contractor. Accordingly, the Seaport recognized an expense and related liability for the fiscal year 2002 in the amount of \$2.5 million, which was the amount estimated to satisfy the Consent Order. As of September 30, 2006, \$2.4 million was the remaining balance. The County is pursuing potential reimbursement opportunities through the United States Corps of engineers Miami federal harbor Project.

Building Lease/Terminal Usage Agreements

The Seaport entered into an office building lease agreement (the "Agreement") with one of its cruise line customers (the "Lessee") to finance and construct an office building and related improvements (the "Building") at the Seaport. The Building was to be occupied and used by the Lessee. The Seaport would assume any financing, up to a maximum of \$16.6 million, enter into an agreement for the Lessee to finance the construction of the Building and would possess fee simple title to the Building. Under terms of the Agreement, the Lessee is to pay base rent of an amount per year equal to the debt service payments on the financing assumed by the Seaport.

MIAMI-DADE COUNTY, FLORIDA

The construction of the Building has been completed; however, the Seaport and the Lessee are currently in dispute over certain terms and conditions of the Agreement. As a result, the Seaport has neither assumed any financing which may have been entered into by the Lessee to finance the construction of the Building nor possesses fee simple title to the Building. Until the Seaport obtains title to the building and assumes any debt and any other uncertainties regarding the contract are resolved, the County does not plan to include such asset and related liability, if any, in its financial statements to reflect the effects of the items described herein.

During fiscal years 1998 and 1999, the County approved various resolutions authorizing the County Manager to execute terminal usage agreements with two major cruise lines (the "Lines") and a terminal operating agreement with one of the cargo terminal operators. These agreements provide certain wharfage and dockage incentive discounts from the published tariff in return for annual revenue guarantees and preferential berthing arrangements at certain terminal facilities. The cargo terminal operator agreement also provides for container yard improvements and reduced reefer rates.

The terminal usage agreements are 15 year contracts with five-year renewal options wherein each line guarantees to pay minimum annual revenues of not less than \$6.5 million in the first year and increasing annually thereafter during the initial term of the agreements. The lines receive incentive discounts ranging from 27% to a maximum of 33% from the published wharfage and dockage rates. Annual dockage and wharfage increases are capped, with only one increase per annum.

Interlocal Agreement

The County entered into an interlocal agreement (the "Interlocal Agreement") with the City of Miami Beach, Florida (the "City") in 1996 regarding the use and disposition of the two-thirds (2/3) portion of the Convention Development Tax (the "Tax"). The Tax is imposed by the County, pursuant to Section 212.0305(4)(b) of the Florida Statutes, on the leasing or letting of transient rental accommodations. Prior to this agreement, the Tax proceeds were collected by the County and remitted to the City of Miami Beach as security for the payment of debt service on any bonds secured by the Tax. The Interlocal Agreement provides that the tax proceeds be held by the County for projects permitted by State law and distributed after debt service is paid on the Miami-Dade County Special Obligation and Refunding Bonds Taxable Series 1996A and Series 1996B (the "1996 Senior Lien Bonds") and an annual operating subsidy payment of \$1.5 million (the "Operating Subsidy") is remitted to the City for the Miami Beach Convention Center Complex (the "Complex").

During fiscal year 1998, the County issued three series of bonds (the "1997 Subordinate Bonds") at one time. The 1997 Subordinate Bonds were comprised of the Subordinate Special Obligation Refunding Series 1997A, in the amount of \$86,570,856, Subordinate Special Obligation Bonds, Series 1997B, in the amount of \$170,008,377 and Subordinate Special Obligation Bonds, Series 1997C in the amount of \$41,961,440. The 1997 bond proceeds were used to refund a portion of the 1996 Senior Lien Bonds, to provide additional funds for the construction of the performing arts center (the "Downtown PAC"), to renovate and construct other cultural facilities and to acquire real property for the construction of a new multi-purpose professional sports facility in the City of Miami (the "Arena Project"). The 1996 Senior Lien Bonds and the Operating Subsidy have a first lien on the Tax that is superior to the lien on the Tax in favor of the 1997 Subordinate Bonds.

MIAMI-DADE COUNTY, FLORIDA

In 2001, the City and the County amended the Interlocal Agreement to provide, among other matters, for an increase in the Operating Subsidy to \$3 million for April 1, 2002 and to \$4.5 million on each April 1 thereafter until the end of the term of the Agreement. It also provided that the County and the City would share in any Tax proceeds that exceed a certain growth factor for each year commencing in 2004. Moreover, the County agreed to fund \$15 million of capital improvements for the Complex from the next bond transaction in which the Tax is pledged and to pay an additional \$50 million in available tax proceeds to the City if the Tax is not pledged to a new baseball stadium by December 2003. The County Commission prior to the December 2003 deadline pledged the revenues for a new baseball stadium. The additional payments to the City agreed to in the amendment to the Interlocal Agreement are payable from Tax proceeds only and are subordinate to the lien on the Tax in favor of the 1996 Senior Bonds, the original \$1.5 million Operating Subsidy and the 1997 Subordinate Bonds.

Agreements with Airlines

The County has entered into agreements (the Airline Agreements) with various airlines using the Miami International Airport (MIA) which, 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 which restricted 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 Agreements, 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, which can be used for any airport-related purpose, are to be transferred to the Revenue Fund (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. At September 30, 2006 there were excess deposits of approximately \$42,946,000, which were transferred to the Revenue Account during the following January.

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Other Commitments

Legal Contingencies

The County is a defendant to other legal proceedings that occur in the normal course of operations. In the opinion of the County Attorney, the ultimate resolution of these legal proceedings are not likely to have a material, adverse impact on the financial position of the County or the affected funds.

Departure Incentive Program

The County offered a Departure Incentive Program (the "Program") to employees with ten years of continuous service who were eligible for an unreduced Florida Retirement System benefit on or before January 31, 1996, and to employees who completed 20 years or more of continuous service, regardless of age, on or before January 31, 1996. The Program offered single health insurance coverage in a County approved group health plan or a \$300 a month cash payment for a minimum of eight years or until the employee becomes eligible for Medicare. The total estimated cost of the Program, discounted at 5%, is approximately \$3,658,000 and is recorded in long-term debt.

Arbitrage Rebates

At September 30, 2006, the County recorded obligations to rebate arbitrage interest earnings on certain General Obligation and Special Obligation Refunding and Equipment Floating Bonds (the "Bonds") issued after the passage of the Tax Reform Act of 1986. The proceeds of the bonds were used to refund existing debt and to finance certain capital projects and acquisitions accounted for within the governmental and proprietary fund types of the County.

The rebate to the Federal Government, required to be paid within five years from the date of issuance and each five years thereafter, is estimated to be approximately \$2.2 million as of September 30, 2006. The liability related to governmental activities, not expected to be paid with available financial resources, is \$.05 million and is recorded in long-term debt. The liability related to the enterprise funds at September 30, 2006 amounted to \$2.2 million, and is also included in long-term debt. The ultimate amount of the County's obligation will be determined based on actual interest earned.

Federal and State Grants

Federal grant awards are audited in accordance with OMB Circular A-133 and state grants are audited in accordance with Florida Rules of the Auditor General, Section 10.550 and the State of Florida Single Audit Act to determine that the terms and conditions of the grant awards have been complied with. Amounts received or receivable from grantor agencies are subject to audit adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. It is the County management's opinion that no material liabilities will result from any such audits.

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 Miami-Dade County by the Miami-Dade Aviation Department (MDAD). The OIG reported Miami-Dade County diverted MDAD revenues of approximately \$38 million from 1995 to 2000. On August 9, 2005, upon receiving additional information from MDAD, the OIG agreed to adjust the finding to \$8.1 million, plus interest. The *Oversight of Airport Revenue* report was then 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. Miami-Dade County repaid MDAD \$1 million annually during fiscal years 2004 through 2006, leaving an unpaid balance of \$11.3 million at September 30, 2006. The \$11.3 million will be repaid by Miami-Dade County in quarterly installments of \$564,251 over the next five fiscal years beginning October 1, 2006.

MIAMI-DADE COUNTY, FLORIDA

Annual Operating Agreement

In accordance with the operating agreement between the Public Health Trust (the "Trust") and the University of Miami (the "University"), the Trust pays certain amounts for staff and services to be provided by the University. Under the annual operating agreement, costs incurred by the Trust for the year ended September 30, 2006 were approximately \$121,404,000. At September 30, 2006 the Trust had a liability to the University of approximately \$2,851,000.

Note 11 – Restatements - Prior Period Adjustments

Fund statements

The effect of the Miami-Dade Housing Agency's restatement of fund balance / net assets in the fund statements is as follows (in thousands):

	<u>Non-major Governmental Funds</u>	<u>Non-major Enterprise Funds</u>
At September 30, 2005:		
Fund balance / net assets-		
As previously reported	\$ 1,415,394	\$ 67,297
Adjustment:		
(1) To close out account balances in MDHA's debt service fund	(7,710)	
(2) To adjust fund balance of MDHA's Mixed Income Properties fund		(99)
	<hr/>	<hr/>
Fund balance / net assets - restated	<u>\$ 1,407,684</u>	<u>\$ 67,198</u>

MIAMI-DADE COUNTY, FLORIDA

Government-wide statements

The effect of the Miami-Dade Housing Agency's restatement of fund balance / net assets in the government-wide statements is as follows (in thousands):

	Governmental Activities	Business-type Activities
At September 30, 2005:		
Net assets-As previously reported	\$ 2,248,511	\$ 4,888,702
Adjustment:		
(1) To close out balances in debt service funds	(7,710)	
(2) To write off capital assets	(57,008)	
(3) To remove HUD long-term debt	65,400	
(4) To remove accrued interest on	13,918	
(5) To adjust other assets	1,867	
(6) To adjust Mixed Income Properties of the Miami-Dade Housing Agency		(99)
Total Adjustments	16,467	(99)
Net assets - restated	\$ 2,264,978	\$ 4,888,603

MIAMI-DADE COUNTY, FLORIDA

Note 12 – Implementation of New Accounting Standards

During fiscal year 2006, Miami-Dade County 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 County’s financial statements, including required disclosures.

During fiscal year 2006, Miami-Dade County adopted the provisions of GASB Statement No. 44 — *Economic Condition Reporting: the Statistical Section* — (“GASB 44”). GASB 44 amends the portions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, that guide the preparation of the statistical section. The information contained in the statistical section should assist the user of the financial statements assess the economic condition of the County.

During fiscal year 2006, the Miami-Dade County 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 the meaning of the phrase *legally enforceable* as it applies to restrictions imposed on net asset use by enabling legislation. 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 a material impact on the financial statements of the County. The required disclosures are included in Note 1-C.

During fiscal year 2006, Miami-Dade County 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 of the County, including required disclosures.

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MIAMI-DADE COUNTY, FLORIDA

Note 13 - Interfund Transfers and Balances

(in thousands)

		TRANSFER FROM			
		General Fund	Nonmajor Governmental	Miami-Dade Transit	Solid Waste Department
T	General Fund		\$ 19,313		
R	Nonmajor Governmental	\$ 227,732	85,725		
A	Miami-Dade Transit Department	132,426	118,079		
N.	Public Health Trust	140,424	189,700		
	All Others	485			
T					
O	Total Transfer Out	\$ 501,067	\$ 412,817		

Transfers are used to (1) move revenues between funds because legislation or budget requirements exist that require the funds to be collected in a fund different from the one in which the funds will be expended, (2) move receipts from funds collecting receipts to the debt service fund as debt service payments become due, and (3) move unrestricted funds collected in the general fund to other funds to finance programs accounted for in the other funds in accordance with budgetary authorizations.

MIAMI-DADE COUNTY, FLORIDA

TRANSFER FROM

Seaport Department	Aviation Department	Water and Sewer Department	Public Health Trust	All Others	Internal Service Fund	Total Transfer In
		\$ 22,868				\$ 42,181
\$ 289				\$ 41		313,787
						250,505
						330,124
						485
\$ 289		\$ 22,868		\$ 41		\$ 937,082

MIAMI-DADE COUNTY, FLORIDA

Note 13 - Interfund Transfers and Balances

(in thousands)

		DUE FROM			
		General Fund	Nonmajor Governmental	Miami-Dade Transit	Solid Waste Department
D	General Fund		\$ 47,104	\$ 176,918	\$ 1,504
U	Nonmajor Governmental	\$ 4,057	1,281	47,808	
E	Internal Service Fund		416	11,355	1,946
	Miami-Dade Transit Department		3,014		
	Solid Waste Department		4,171		
T	Aviation Department	26,737	2,245		
O	Water and Sewer Department		9,805		
	Public Health Trust		30,807		
	Housing				
Total Due to Other Funds		\$ 30,794	\$ 98,843	\$ 236,081	\$ 3,450

The General Fund balance of \$176,918 million due from Miami-Dade Transit includes a long-term receivable of \$40 million not scheduled to be collected in the subsequent year. The Nonmajor Governmental Funds balance of \$47,808 due from Miami-Dade Transit includes a long-term receivable of \$45,511 not scheduled to be collected in the subsequent year. All remaining balances are the result of a timing difference between the dates the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between the funds are made and (4) consistent with County policy, cover cash deficits at year end. Specific information regarding cash deficits can be found in Note 3.

(Continued)

MIAMI-DADE COUNTY, FLORIDA

DUE FROM						
Seaport Department	Aviation Department	Water and Sewer Department	Public Health Trust	All Others	Internal Service Fund	Total Due to Other Funds
\$ 2,186	\$ 9,633	\$ 8,403	\$ 16,913			\$ 262,661
	4,568	1,615	962			60,291
168	10,165	2,145	18,020			44,215
						3,014
						4,171
						28,982
						9,805
						30,807
<hr/>						
\$ 2,354	\$ 24,366	\$ 12,163	\$ 35,895			\$ 443,946

Note 14 – Subsequent Events

Wholesale and retail water rate increases

In September 2006, the Board of County Commissioners approved the County Budget Ordinance which provided for increases to the Hialeah and Miami Springs wholesale water rate for the Water and Sewer Department effective on October 1, 2006 and also approved retail rate increases effective January 1, 2007. The Ordinance also approved other miscellaneous fee changes effective October 1, 2006.

Landfill Closure Grant Agreement

On November 20, 2006, the County and the City of Homestead Florida (the “City”) entered into a Landfill Closure Agreement (the “Agreement”). Under the Agreement, the County agreed to provide certain grant funds to the City for the cost of financing the remediation and closure of the City’s Landfill Site. On January 25, 2007, the Solid Waste Department transferred \$7.5 million to an interest bearing escrow account for the purposes set forth in the Agreement. The terms of the Agreement prescribe reimbursement to the City from the escrow account based on invoices or draw requests for eligible costs. Because of the cost-reimbursement nature of the Agreement, the Solid Waste Department will recognize grant expenses as the City incurs and presents documentation for reimbursements of eligible reimbursable costs.

Transfer approved by the Miami-Dade County, Florida, Board of County Commissioners

On January 25, 2007, the Board of County Commissioners approved to fund unbudgeted hurricane-related expenses with combined system unrestricted reserves. The unbudgeted hurricane-related expenses resulted from excess disposal costs, unbudgeted overtime and fleet costs ensuing from the storms service delivery activities. The Supplemental Schedules of Net Assets and Supplemental Schedules of Revenues, Expenses and Changes in Fund Net assets for the Solid Waste Department’s disposal and collection activities included under Supplementary Financial Information in the Solid Waste Comprehensive Annual Financial Report reflect the impact of this \$20.1 million transfer. This \$20.1 million inter-fund transfer had no impact on the combined financial statements.

Miami-Dade Housing Agency

The U.S. Department of Housing and Urban Development has been in discussions with the Miami-Dade Housing Agency’s management, County administrators, the County Mayor and representatives of the Board of County Commissioners concerning the transfer of the governance structure from the local authority to the federal authority. Management cannot determine the outcome of these discussions at this time.

REQUIRED SUPPLEMENTARY INFORMATION

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MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
 (UNAUDITED)
 (in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes				
General property taxes	\$ 1,108,331	\$ 1,108,331	\$ 1,110,992	\$ 2,661
Utility taxes	70,300	70,300	73,329	3,029
Communication taxes	45,000	45,000	50,037	5,037
Local option gas tax	55,545	55,545	58,572	3,027
Franchise taxes	33,000	33,000	38,724	5,724
Total	1,312,176	1,312,176	1,331,654	19,478
Licenses and permits				
Building	57,724	57,724	67,944	10,220
Occupational	10,352	10,352	9,003	(1,349)
Other licenses	17,728	17,728	17,662	(66)
Total	85,804	85,804	94,609	8,805
Intergovernmental revenues				
State sales tax	115,926	115,926	130,538	14,612
State revenue sharing	73,864	73,864	81,242	7,378
Gasoline and motor fuel tax	12,854	12,854	13,719	865
Alcoholic beverages license	1,035	1,035	916	(119)
Other	1,816	1,816	1,001	(815)
Total	205,495	205,495	227,416	21,921
Charges for services				
Clerk of Circuit and County Court	7,909	7,909	10,006	2,097
Tax Collector fees	23,328	23,328	26,606	3,278
Merchandise sales & recreational fees	27,513	27,513	29,852	2,339
Sheriff and police services	60,269	63,820	64,473	653
Other	113,264	117,214	134,177	16,963
Total	232,283	239,784	265,114	25,330
Fines and forfeitures				
Clerk of Circuit and County Court	13,320	13,320	13,078	(242)
Investment income	8,523	13,485	25,873	12,388
Other	74,556	74,556	59,974	(14,582)
Total revenues	1,932,157	1,944,620	2,017,718	73,098
Expenditures:				
Policy formulation and general government				
Office of the Mayor	2,474	2,474	2,468	6
County Commission	15,417	18,756	15,251	3,505
County Manager	6,701	7,173	7,172	1
Strategic Business Management	6,100	6,202	6,202	

The notes to the required supplementary information are an integral part of this statement.

(Continued)

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
(UNAUDITED)
(in thousands)
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Policy formulation and general government (continued)				
Personnel	9,216	9,216	9,204	12
Finance	25,676	25,676	23,300	2,376
Audit and Management Services	5,237	5,237	4,923	314
Property Appraiser	21,962	21,962	19,599	2,363
Clerk of Circuit and County Court	15,800	19,750	19,689	61
Procurement Management	8,833	9,003	7,953	1,050
Chief Information Officer	714	714	594	120
Enterprise Technology Services Departm	54,311	54,311	52,504	1,807
Elections	18,195	18,195	15,887	2,308
Fair Employment Practices	792	792	728	64
Law	14,016	14,016	12,873	1,143
Planning and zoning	4,387	4,387	4,060	327
Judicial Administration	25,073	25,073	24,357	716
Agenda Coordination	1,266	1,266	1,226	40
Community Relations Board	1,782	1,782	1,714	68
Office of the Inspector General	1,393	1,393	1,265	128
Commission on Ethics	1,913	1,913	1,833	80
General Service Administration	21,037	21,037	5,208	15,829
General government costs	176,641	160,363	100,846	59,517
Total	438,936	430,691	338,856	91,835
Protection of people and property				
Police	506,464	510,015	498,298	11,717
Corrections and rehabilitation	236,130	250,615	250,615	
Building code compliance	13,645	13,645	8,195	5,450
Chief Information Officer	9,148	9,148	6,262	2,886
Consumer services	9,561	9,561	9,150	411
Building	38,708	38,708	36,160	2,548
Planning and zoning	15,902	15,902	11,306	4,596
Team Metro	18,222	18,222	16,668	1,554
Juvenile assessment	8,263	8,263	7,857	406
Emergency Management	2,441	2,441	1,806	635
General government costs	4,330	4,330	3,882	448
Total	862,814	880,850	850,199	30,651

The notes to the required supplementary information are an integral part of this statement.

(Continued)

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
(UNAUDITED)
(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Physical environment				
Environmentally Endangered Lands	7,765	7,765	7,765	
Public Works	13,451	13,451	12,254	1,197
Environmental Resources	53,592	53,592	50,864	2,728
Non-departmental	39,839	39,839	603	39,236
General government costs	2,114	2,114	2,114	
Total	116,761	116,761	73,600	43,161
Transportation				
Public Works	37,590	37,590	35,273	2,317
General Service Administration	1,873	1,873	1,526	347
Total	39,463	39,463	36,799	2,664
Health				
Public Works	3,700	3,700	2,586	1,114
Animal Services	8,474	8,474	8,265	209
General government costs	27,393	27,393	17,984	9,409
Total	39,567	39,567	28,835	10,732
Socio-economic environment				
General Service Administration				
Welfare	8,786	8,786	7,962	824
Metro Miami Action Plan	1,605	1,605	1,358	247
Office of ADA Coordination	2,849	2,849	1,722	1,127
General government costs	1,021	1,021	97	924
Total	14,261	14,261	11,139	3,122
Culture and Recreation				
Cultural Affairs Coordination	4,158	4,158	4,156	2
Park and Recreation	92,715	97,625	97,590	35
General government costs	41	41	41	
Total	96,914	101,824	101,787	37
Capital outlay	24,772	24,772	24,772	
Total expenditures	1,633,488	1,648,189	1,465,987	182,202
Excess of revenues over expenditures	298,669	296,431	551,731	255,300
Other financing sources (uses):				
Transfers in	56,731	59,074	42,181	(16,893)
Transfers out	(489,822)	(506,744)	(501,067)	5,677
Reserve for future expenditures:				
Physical environment	(65,751)	(65,751)		65,751
Total other financing sources (uses)	(498,842)	(513,421)	(458,886)	54,535
Net change in fund balances	(200,173)	(216,990)	92,845	309,835
Fund balance - beginning	200,173	216,990	274,744	57,754
Increase in reserve for inventories			1,826	1,826
Fund balance - ending			\$ 369,415	\$ 369,415

The notes to the required supplementary information are an integral part of this statement.

(Concluded)

MIAMI-DADE COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC HEALTH TRUST
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)

Year Ended December 31	Annual Required (a) Contribution	Percentage Contributed
2000	6,014,669	104%
2001	8,771,314	100%
2002	12,771,107	100%
2003	17,740,441	100%
2004	25,470,445	100%
2005	24,353,498	100%

(a) The actuarially determined contribution requirements for the Trust's fiscal year ended September 30, 2006 are based on actuarial valuations as of January 1, 2006.

The notes to the required supplementary information are an integral part of this statement.

Notes to the Required Supplementary Information

Chapter 129, Florida Statutes, requires that all county governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budgets control the levy of taxes and the expenditure of money for County purposes for the ensuing fiscal year. The budgeting process is based on estimates of revenues and expenditures. The County budgets are prepared on a modified-accrual basis or accrual basis of accounting in accordance with generally accepted accounting principles.

The County's budgets have to be approved by the Board of County Commissioners. Every September the County holds two public hearings and adopts the annual budgets for substantially all County funds through the enactment of budget ordinances. Most funds have annually appropriated budgets, meaning that their budgets are established annually. Capital project funds and certain grant funds, however, have budgets that extend over the duration of the project or grant, which may be several years. At the end of the fiscal year, the appropriations of annually adopted budgets lapse, but the appropriations of project-length budgets continue until the end of the capital project or grant.

The adopted budgets are either appropriated or non-appropriated in nature. Funds that have appropriated budgets cannot legally exceed their appropriations. The budgetary control over funds that have non-appropriated budgets are dependent on other enabling ordinances, such as bond ordinances, in which expenditure authority extends over several years into the future.

Budgets are monitored at varying levels of classification detail. However, expenditures cannot legally exceed total appropriations at the individual fund/department level. Amendments and supplements to the budget at fund/department level require County Commissioners' approval. Department directors are authorized to make transfers of appropriations within their fund/department. Transfers of appropriations between fund/departments require County Commissioners' approval as well. Estimated fund balances are considered in the budgetary process.

Encumbrance accounting is used in the County's governmental funds. Encumbrances are commitments for future expenditures, based on purchase orders or contracts issued, where the goods or services have been ordered but have not been received. Encumbrances do not constitute expenditures or liabilities to the County since no resources are expended until the goods or services are received. They are used to help ensure that actual expenditures and commitments for future expenditures do not exceed authorized appropriations. Encumbrances outstanding at year-end are reported as reservations of fund balance in the balance sheets of the governmental funds since they will be carried over and reappropriated in the following year.

A budget and actual comparison for the General Fund is presented in the Required Supplementary Information section of this report. Budget and actual comparisons for other funds are reflected in the Other Supplementary section.

MIAMI-DADE COUNTY, FLORIDA

Notes to the Required Supplementary Information (continued)

PUBLIC HEALTH TRUST - PENSION DISCLOSURE

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2005
Actuarial cost method	Aggregate**
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return:	8%
Projected salary increase	
In the first 10 years of service	6%
Service after 10 years	5%
Cost of living increase for all years	2.5%

** The actuarial cost method used does not identify or separately amortize unfunded actuarial liabilities.

**Unaudited General Fund Financial Statements
(a major governmental fund of Miami-Dade County)
for the Fiscal Year Ended
September 30, 2007**

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MIAMI-DADE COUNTY, FLORIDA

*GENERAL FUND
FINANCIAL STATEMENTS
(a major governmental fund of Miami-Dade County)*
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2007
(UNAUDITED)

**MIAMI-DADE COUNTY, FLORIDA
General Fund Financial Statements
For the Fiscal Year Ended September 30, 2007**

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MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 2007
(UNAUDITED)
(in thousands)

Assets:	
Cash and cash equivalents	\$ 123,070
Investments	117,703
Accounts receivable, net	5,176
Taxes receivable	
Delinquent taxes receivable	28,896
Allowance for uncollected delinquent taxes	(28,896)
Due from other funds	204,960
Due from other governments	54,324
Long-term advances receivable	44,678
Inventories	18,463
Total assets	<u>\$ 568,374</u>
Liabilities and Fund Equity:	
Liabilities:	
Accounts payable and accrued expenditures	\$ 92,349
Unearned (deferred) revenues	19,866
Due to other funds	33,849
Due to other governments	10,716
Total liabilities	<u>156,780</u>
Fund Equity:	
Reserve for encumbrances	30,338
Reserve for inventories	18,463
Reserved for long-term advances receivable	44,678
Reserve for stormwater utility	60,413
Reserve for endangered lands	67,159
Unreserved fund balance	190,543
Total fund equity	<u>411,594</u>
Total liabilities and fund equity	<u>\$ 568,374</u>

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
 SUPPLEMENTAL STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR FISCAL YEAR ENDED SEPTEMBER 30, 2007
 (UNAUDITED)
 (in thousands)

Revenues:	
Taxes	
General property taxes	\$ 1,286,643
Utility taxes	70,251
Communication taxes	53,129
Local option gas tax	57,389
Franchise taxes	51,813
Total	<u>1,519,225</u>
Licenses and permits	
Building	53,807
Occupational	9,121
Other licenses	17,928
Total	<u>80,856</u>
Intergovernmental revenues	
State sales tax	130,822
State revenue sharing	77,838
Gasoline and motor fuel tax	13,820
Alcoholic beverages license	944
Other	805
Total	<u>224,229</u>
Charges for services	
Clerk of Circuit and County Court	12,063
Tax Collector fees	32,249
Merchandise sales and recreation fees	31,942
Sheriff and police services	58,545
Other	127,739
Total	<u>262,538</u>
Fines and forfeitures	
Clerk of Circuit and County Court	14,357
Investment income	<u>33,957</u>
Other	
Administrative	43,529
Rentals	3,607
Reimbursements and other	33,789
Total	<u>80,925</u>
Total revenues	<u>2,216,087</u>

(Continued)

See accompanying independent auditors' report.

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
SUPPLEMENTAL STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2007
(UNAUDITED)
(in thousands)

Expenditures:	
Policy formulation and general government	
Financial administration	110,530
Judicial	48,453
Executive	10,371
Legislative	16,802
Other general government	256,434
Total	<u>442,590</u>
Protection of people and property	
Police and crime control	561,623
Corrections and rehabilitation	282,673
Protective services and inspection	87,731
Total	<u>932,027</u>
Physical environment	<u>73,286</u>
Transportation	<u>44,006</u>
Health	<u>26,757</u>
Socio-economic environment	
Welfare	7,532
Social services	5,365
Total	<u>12,897</u>
Culture and recreation	<u>99,565</u>
Capital outlay	
Total expenditures	<u>1,631,128</u>
Excess of revenues over expenditures	<u>584,959</u>
Other financing sources (uses):	
Transfers in	17,928
Transfers out	(560,058)
Total other financing (uses)	<u>(542,130)</u>
Net change in fund balances	42,829
Fund balance - beginning	369,415
Increase in reserve for inventories	(650)
Fund balance - ending	<u><u>\$ 411,594</u></u>

(Concluded)

MIAMI-DADE COUNTY, FLORIDA

Note 1- Organization

Miami-Dade County, Florida (the "County") is an instrumentality of the State of Florida established by an amendment to the Florida State Constitution adopted May 21, 1957 as the Dade County Home Rule Charter, to carry on a centralized government.

On January 23, 2007, the electors of Miami-Dade approved an amendment to the Home Rule Charter which established a Strong Mayor form of government. This amendment expands the Mayor's powers over administrative matters. The County Manager who previously was chief administrator now reports directly to the Mayor who has the authority to hire, fire and set the salary of the County Manager. Under this new system, the Mayor also appoints all department heads.

The Board of County Commissioners is the legislative body, consisting of 13 members elected from single-member districts. Members are elected to serve four-year terms, and elections of members are staggered. The Board chooses a Chairperson, who presides over the Commission, as well as appoints the members of its legislative committees. The Board has a wide array of powers to enact legislation, create departments, and regulate business operating within the County. It also has the power to override the Mayor's veto with a two-thirds vote.

The General Fund is the primary operating fund of Miami-Dade County, Florida (the "County"). The General Fund is included as a major fund in the County's comprehensive annual financial report. The accompanying financial statements present only the General Fund and are not intended to present fairly the financial position and the changes in financial position of the County in conformity with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting, Basis of Presentation

The General Fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. For the purpose of revenue recognition, "available" means that the revenues are collectible within the current period or soon thereafter to pay liabilities of the current period. The County recognizes property tax revenues in the period they are collected. Current and prior year property taxes billed but uncollected as of the end of the fiscal year are reflected as delinquent taxes receivable with an offsetting allowance account. Other revenues that are not considered measurable or available are recognized when received by the County. Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and expenses related to compensated absences and claims and judgments, which are recorded only when payment is due.

Use of Estimates

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

Cash, Cash Equivalents and Investments

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.

MIAMI-DADE COUNTY, FLORIDA

The County adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which established accounting and financial reporting standards for all investments, including fair value standards. As the statement permits, non-participating investments are reported at amortized cost, which approximates market. All participating investments are carried at fair value and unrealized gains and losses due to variations in fair value are recognized for the year.

The provisions of GASB No. 31 also specify that the investment income of each fund be reported in the fund that is associated with the assets. If the investment income is assigned to another fund for other than legal or contractual reasons, the income has to be recognized in the fund that reports the investment, with an operating transfer to the recipient fund. The County has made the needed adjustments to the accompanying financial statements to ensure compliance with this provision.

The Local Government Surplus Funds Trust Fund Investment Pool (the "Pool") is a "2a-7 like" pool, and the Pool account balance (amortized cost) can be used as fair value for financial reporting. 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.

Due to/from other Funds

These balances are a result of a timing difference between the date(s) the interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between the funds are made. Please see note 7 for detail of funds owed to and from the General Fund as well as interfund transfers.

Inventories

Inventories, consisting principally of materials and supplies held for use or consumption, are recorded at cost or weighted average.

The purchases method of inventory accounting is used to report inventories in the General Fund. Under this method, inventories are reported as expenditures when purchased. However, significant amounts of inventories are reported as assets and are offset by a reservation of fund balance to indicate they do not constitute resources available for appropriation.

Property Taxes

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed in October and are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by the sale of interest-bearing tax certificates and the seizure of personal property to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment. Current and prior year property taxes billed but uncollected as of the end of the fiscal year are reflected as delinquent taxes receivable with an offsetting allowance account.

Transfers from the General Fund

Transfers from the General Fund are used to move revenues from the fund that legislation or budget requires to collect them to the fund that the legislation or budget requires to expend them, move receipts from funds collecting receipts to the debt service fund as debt service payments become due, move unrestricted funds in the General Fund to finance various programs

MIAMI-DADE COUNTY, FLORIDA

accounted for in other funds in accordance with budgetary authorizations, and move funds from the General Fund to subsidize programs and services in other funds.

Reservations of Fund Balance

Reservations of fund balances in the General Fund statement represent amounts that are not available for appropriation or are restricted by outside parties for use for a specific purpose.

The reservation for long-term advances receivable represents \$44.678 million not scheduled to be collected from Miami-Dade Transit within the following year.

The reservation for stormwater utility represents funds to be used exclusively for stormwater projects.

The reservation for endangered lands represents the equity of the Environmentally Endangered Land ("EEL") sub-fund of the General Fund. An Environmentally Endangered Land (EEL) is land which contains natural forest, wetland or native plant communities, rare and endangered plants and animals, endemic species, endangered species habitat, a diversity of species, outstanding geologic or other natural features, or land which functions as an integral and sustaining component of an existing eco-system. Pursuant to County Ordinance the funds collected in the EEL sub-fund can only be used for the program.

Encumbrances

Encumbrances are commitments for future expenditures, based on purchase orders or contracts issued, where goods or services have been ordered but have not been received. Encumbrances do not constitute expenditures or liabilities to the County since no resources are expended until the goods or services have been received. They are used to help insure that actual expenditures and commitments for future expenditures do not exceed authorized appropriations. Encumbrances outstanding at year-end are reported as a reservation of fund balance in the balance sheet of the General Fund since they will be carried over and reappropriated in the following year.

Budget

Chapter 129, Florida Statutes, requires that all county governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budgets control the levy of taxes and the expenditure of money for County purposes for the ensuing fiscal year. The budgeting process is based on estimates of revenues and expenditures. The General Fund budget is prepared on a modified-accrual basis of accounting in accordance with generally accepted accounting principles.

The General Fund budget has to be approved by the Board of County Commissioners. Every September the County holds two public hearings and adopts the annual budgets for substantially all County funds through the enactment of budget ordinances. The General Fund has an annually appropriated budget, meaning that the budget is established annually. At the end of the fiscal year, the appropriation of the annually adopted budget lapses.

Budgets are monitored at varying levels of classification detail. However, expenditures cannot legally exceed total appropriations at the individual fund/department level. Amendments and supplements to the budget at fund/department level require County Commissioners' approval. Department directors are authorized to make transfers of appropriations within their fund/department. Transfers of appropriations between fund/departments require County Commissioners' approval as well. Estimated fund balances are considered in the budgetary process.

MIAMI-DADE COUNTY, FLORIDA

Compensated Absences

The County accounts for compensated absences by recording a liability for employees' compensation of future absences according to the guidelines set by GASB Statement No. 16, *Accounting for Compensated Absences*.

County policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. In the General Fund, the cost of vacation and sick pay benefits is recognized when payments are made to employees. A liability is recognized in the government-wide statements in the period vacation and sick pay benefits are earned.

Disaggregation of Receivables and Payable Balances

Receivable balances in the General Fund at September 30, 2007, were as follows (in thousands):

Accounts	Allowance for uncollectible accounts	Total
\$ 13,145	(7,967)	\$ 5,178

Receivables include \$5.59 million of notes receivable from Parrot Jungle and other amounts owed to the County by customers and others that conduct business with the County.

Accounts payable and accrued expenditures in the General Fund at September 30, 2007, were as follows (in thousands):

Vendors	Salaries and Benefits	Total
\$ 68,431	23,918	\$ 92,349

Note 3 - Cash, Cash Equivalents and Investments

The County pools substantially all cash, cash equivalents and investments, except for separate cash and investment accounts that are maintained in accordance with legal restrictions.

The General Fund's equity share of the total pooled cash, cash equivalents and investments is included in the accompanying financial statements under the caption "Cash and cash equivalents" and "Investments."

At September 30, 2007, the General Fund's cash and cash equivalents and investments include the following (in thousands):

Cash	\$ 2,331
Investments (including cash equivalents)	238,442
Total cash, cash equivalents and investments	<u>\$ 240,773</u>

MIAMI-DADE COUNTY, FLORIDA

All cash deposits are held in qualified public depositories pursuant to State of 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 County 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 as well as sales relating to swap transactions. The County does not purchase any security at a lower price with the intent to sell the security later to generate a capital gain.

Credit Risk

The County's Investment Policy (the Policy), minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund 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 United States Treasury; federal agencies and instrumentalities; securities of, or other interests 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 United States government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States 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; Bankers 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. Securities Lending - Securities or investments purchased or held under the provisions of this section may be loaned to securities dealers or financial institutions provided the loan is collateralized by cash or securities having a market value of at least 102% of the market value of the securities loaned upon initiation of the transaction. The credit ratings below were consistent among the three major rating agencies (Moody's, Standard and Poor's, and Fitch).

MIAMI-DADE COUNTY, FLORIDA

The table below summarizes the investments by credit rating at September 30, 2007.

Investment Type	Credit Rating
Federal Home Loan Mortgage Corporation	AAA
Federal Home Loan Bank	AAA
Federal Farm Credit Bank	AAA
Federal National Mortgage Association	AAA
Federal Agricultural Mortgage Corporation	AAA
SBA	N/A
Time Deposits	N/A
Treasury Notes	N/A
Commercial Paper	A1/P1
Municipal Bonds	AAA
Repurchase Agreements	N/A
Guaranteed Investment Contracts	N/A

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. At September 30, 2007 all of the County's bank deposits were in qualified public depositories and as such the deposits are not exposed to custodial credit risks.

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.

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 non-negotiable interest bearing time certificates of 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% to with any one issuer; a maximum of 25% of the portfolio may be invested in bankers acceptance with a maximum of 10% with any one issuer; a maximum of 60% of the portfolio may be invested in both commercial paper and bankers acceptance; a maximum of 10% of the portfolio may be invested with any one institution.

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

Issuer	Portfolio
Federal Home Loan Bank	14.03%
Federal Home Loan Mortgage Corporation	15.00%
Federal National Mortgage Association	15.99%

The above excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investments pools.

MIAMI-DADE COUNTY, FLORIDA

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; 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 1 year. Investments for bond reserves, construction funds and other non-operating fund 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 5 years.

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

Investment Type	Weighted Average in Years
Federal Home Loan Mortgage Corporation	0.98
Federal Home Loan Bank	1.23
Federal Farm Credit Bank	1.61
Fannie Mae	0.63
Federal Agricultural Mortgage Corporation	0.20
SBA	0.00
Time Deposits	0.43
Treasury Notes	0.61
Commercial Paper	0.08
Municipal Bonds	1.84

Foreign Currency Risk

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

Cash Deficits

As of September 30, 2007, the Transit Agency, the Hurricane Funds and the Health Development Fund had cash deficit balances of approximately \$128.4 million, \$35.6 million and \$.348 million, respectively. It is the County's practice to reclassify cash deficits with a corresponding interfund receivable/payable in the appropriate fund. These cash deficits are funded with cash advances from the County's General Fund.

Swaps

Swaps are made in accordance with the provisions of County Resolution R-311-05, "Master SWAP Policy." The Board must authorize the swap agreement and its provisions. Generally, the County will enter into transactions only with counterparties whose obligations are rated in the double-A category or better from at least one nationally recognized rating agency. In instances when the credit rating is lowered below the double-A rating the County requires the counterparty to collateralize its exposures or the County will exercise its right to terminate. The County's swap policy seeks to mitigate counterparty risk, termination risk, interest rate risk, basis risk, amortization risk, liquidity risk and pricing risk.

Securities Lending

Miami-Dade County ("the County") is authorized through Florida Statutes §218.415, Ordinance No. 84-47, Resolution R-1074-04 and its Investment Policy to lend its investment securities on a fully collateralized, temporary basis to approved broker-dealers and other counterparties

MIAMI-DADE COUNTY, FLORIDA

("Borrowers") pursuant to a Securities Lending Agreement ("Agreement") that provides for the return of identical securities in the future. The County has executed an Agreement with a bank acting as the County's securities lending agent ("Agent") in these transactions. There were no violations of legal or contractual provisions during the year.

While the County's investment policy does not restrict the types of securities on loan, during the year the County made only specific portfolios available for loan consisting of US Government securities. The Agent lends securities of the type on loan at year-end in exchange for collateral in the form of U.S. securities issued or guaranteed by the U.S. Government at 102% margin or cash at minimum of 100% margin, plus accrued interest, at the initiation of the transaction. Loan transactions are marked to market daily to ensure that adequate collateral is held at all times.

At September 30, 2007, the County had no credit risk exposure to borrowers because the value of the collateral held by the County's Agent exceeded the value of the securities on loan. In the event of a borrower default, the Agent has the authority to seize collateral on the County's behalf. The Agreement with the Agent requires it to indemnify the County against losses caused by the insolvency of a borrower. No losses were recognized because of default by counterparties. The County was not exposed to custodial credit risk since cash collateral was fully invested at all times. There was no interest rate risk involved in the securities lending transactions since the maturity of loans and investments made with cash collateral had identical maturities and repricing characteristics. There was no foreign currency risk involved in the County's securities lending activities as all transactions were negotiated in US dollars.

All securities loans can be terminated on demand by either the County or the borrower. The average term of the loans is one day. Cash collateral is reported as an asset of the County in the accompanying basic financial statements with an offsetting liability. Under the terms of the Agreement with borrowers, the County cannot pledge or sell securities that it receives as collateral unless the borrower defaults on its obligations. During the period, all loans were collateralized by cash. The Agreement authorizes the Agent to invest cash collateral in instruments approved by the County. During the period, cash collateral was invested in repurchase agreements and an SEC registered money market fund rated AAA by S&P. The Agent indemnifies the County against losses associated with investing cash collateral in repurchase agreements. As of September 30, 2007, the market value of securities on loan was \$1.142 billion.

Note 4 - Pension Plan

Florida Retirement System

The County participates in the Florida Retirement System (the "System"), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of its 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. Benefits under the plan vest after six years of service.

The System is a defined benefit plan, qualified under section 401(a) of the Internal Revenue Code, with defined contribution options. Under the defined benefit option, employees who retire at or after age 62 with six years of credited service (vesting period), are entitled to an annual retirement benefit payable monthly for life. The System also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by State statute.

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

MIAMI-DADE COUNTY, FLORIDA

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 where the contribution amount is fixed by a set percentage determined by law and the contribution is made to an individual account in each participant's name. With 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.

Summary of Florida Retirement System ("FRS") Contributions, Covered Payroll and Percentage of Covered Payroll for the County (in thousands)

	2007	2006	2005
Covered Payroll	\$ 2,099,613	\$ 2,016,853	\$ 1,979,699
Contributions	\$ 272,101	\$ 227,044	\$ 204,793
% of Covered Payroll	13.0%	11.3%	10.3%

Pension costs for the County, as required and defined by State Statute, ranged from 9.85% to 20.92% of gross salaries for fiscal year 2007. For the fiscal years ended September 30, 2007, 2006 and 2005, the County contributed 100% of the required contributions.

A copy of the System's annual report for the year ended June 30, 2007 can be obtained by writing to the Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, by calling toll-free (877) 377-1737, or by visiting their website at <http://FRS.myFlorida.com>.

Note 5 - Self-Insurance Program

The County's Risk Management Division (RMD) administers workers' compensation and liability self-insurance programs. Certain group health insurance programs are also self-insured, subject to certain stop-loss provisions. An independent administrator administers these programs.

The County purchases a master property insurance policy covering most properties. A \$200 million deductible per occurrence applies to named windstorm losses. A \$5 million deductible applies to other perils. The current limit is \$350 million per occurrence.

The County maintains no excess coverage with independent insurance carriers for the workers' compensation and general liability self-insurance programs. Premiums are charged to the various County departments based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. However, various liability and property programs are purchased from independent carriers due to exposure to loss and/or contractual obligations. During fiscal year 2007, there were no significant changes in insurance coverage.

The estimated liability for reported and unreported claims of the self-insurance programs administered by RMD is determined annually based on the estimated ultimate costs of settling claims, past experience adjusted for current trends, and other factors that would modify past experience. Outstanding claims are evaluated through a combination of case-by-case reviews and application of historical experience. The estimate of incurred but not reported losses is based on historical experience and is performed by an independent actuary.

MIAMI-DADE COUNTY, FLORIDA

The General Fund participates in the County's self-insurance programs. The County's Self-Insurance Internal Service Fund has an accumulated deficit of approximately \$55.198 million for various self-insurance programs administered by the County. The County has implemented an action plan in an effort to reduce the accumulated deficit. County management believes that the deficit will be made up over a reasonable period of time. Approximately 40% of the Self-Insurance Internal Service Fund revenues are derived from the General Fund.

Note 6 – Contingencies and Commitments

At September 30, 2007 the County had approximately \$1 billion of outstanding debt secured by non ad valorem revenue accounted for in the General Fund.

The County is a defendant to other legal proceedings that occur in the normal course of operations. In the opinion of the County Attorney, the ultimate resolution of these legal proceedings are not likely to have a material, adverse impact on the financial position of the County or the affected funds.

DRAFT

MIAMI-DADE COUNTY, FLORIDA

Note 7 - Interfund Transfers and Balances (in thousands)

TRANSFER FROM GENERAL FUND		TRANSFER TO GENERAL FUND	
Nonmajor Governmental	\$260,578	Nonmajor Governmental	<u>\$ 17,928</u>
Transit Agency	138,773		
Public Health Trust	<u>160,707</u>	Total	<u><u>\$ 17,928</u></u>
Total	<u><u>\$560,058</u></u>		

Transfers are used to (1) move revenues from the fund that legislation or budget requires to collect them to the fund that the legislation or budget requires to expend them; (2) move receipts from funds collecting receipts to the debt service fund as debt service payments become due (3) use unrestricted funds collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations (4) move receipts from the general fund to subsidize programs and services in other funds

DUE TO GENERAL FUND		DUE FROM OTHER FUNDS	
Nonmajor Governmental	\$ 35,962	Nonmajor Governmental	\$ 1,225
Transit Agency	152,283	Aviation Department	24,657
Seaport	7,375	Miami-Dade Housing Agency	<u>7,967</u>
Aviation Department	11,261	Total	<u><u>\$ 33,849</u></u>
Water and Sewer	8,198		
Public Health Trust	21,438		
Solid Waste	3,318		
Miami-Dade Housing Agency	<u>9,803</u>		
Total	<u><u>\$249,638</u></u>		

These balances are a result of a timing difference between the date(s) the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between the funds are made.

The balance of \$249,638 includes a long-term advance receivable of \$44,678 from Miami-Dade Transit.

MIAMI-DADE COUNTY, FLORIDA

Note 8 – Subsequent Events

Local Government Surplus Fund Investment Pool

At September 30, 2007, Miami-Dade County had \$512.2 million invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (the Pool). During the month of November 2007, the County began making withdrawals from the Pool until all funds were withdrawn by November 27, 2007.

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool.

The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk. These assets had an approximate value of \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 15% of their balance or \$2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principal value of Pool B assets is not readily determinable.

Currently Miami-Dade County does not have investments in Pool A or B. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

Auction Rate Bonds and Sunshine State Governmental Financing Commission Loans

Subsequent to year end, several of the bond insurers have been placed on ratings watch and some have been downgraded from AAA to AA or A by rating agencies due to their exposure to asset-backed securities. Auction rate securities and other variable rate debt obligations trade based on the insurance ratings. Since the bond insurers have been placed on ratings watch, the financial markets have experienced significant turmoil and the auction rate bonds have traded at much higher rates than normal. Additionally, the County has loans outstanding from the Sunshine State Governmental Financing Commission which are commercial paper obligations backed by insurance and a line of credit. These loans are also experiencing significant trading problems.

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007
 (UNAUDITED)
 (in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes				
General property taxes	\$ 1,294,115	\$ 1,294,115	\$ 1,286,643	\$ (7,472)
Utility taxes	68,797	68,797	70,251	1,454
Communication taxes	45,472	45,472	53,129	7,657
Local option gas tax	55,643	55,643	57,389	1,746
Franchise taxes	40,800	40,800	51,813	11,013
Total	1,504,827	1,504,827	1,519,225	14,398
Licenses and permits				
Building	61,963	61,963	53,807	(8,156)
Occupational	8,273	8,273	9,121	848
Other licenses	17,768	17,768	17,928	160
Total	88,004	88,004	80,856	(7,148)
Intergovernmental revenues				
State sales tax	128,093	128,093	130,822	2,729
State revenue sharing	75,064	75,064	77,838	2,774
Gasoline and motor fuel tax	12,951	12,951	13,820	869
Alcoholic beverages license	1,035	1,035	944	(91)
Other	897	897	805	(92)
Total	218,040	218,040	224,229	6,189
Charges for services				
Clerk of Circuit and County Court	11,954	11,954	12,063	109
Tax Collector fees	26,026	26,026	32,249	6,223
Merchandise sales & recreational fees	28,350	28,350	31,942	3,592
Sheriff and police services	68,700	70,350	58,545	(11,805)
Other	118,546	118,546	127,739	9,193
Total	253,576	255,226	262,538	7,312
Fines and forfeitures				
Clerk of Circuit and County Court	13,540	13,540	14,357	817
Investment income	22,127	28,326	33,957	5,631
Other	87,134	82,573	80,925	(1,648)
Total revenues	2,187,248	2,190,536	2,216,087	25,551
Expenditures:				
Policy formulation and general government				
Office of the Mayor	2,778	2,778	2,737	41
County Commission	17,013	20,737	16,575	4,162
County Manager	7,702	7,702	7,634	68
Strategic Business Management	7,547	7,547	6,610	937

The notes to the required supplementary information are an integral part of this statement.

(Continued)

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007
 (UNAUDITED)
 (in thousands)
 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Policy formulation and general government (continued)				
Personnel	11,954	11,954	11,190	764
Finance	30,314	30,314	26,069	4,245
Audit and Management Services	6,291	6,291	5,276	1,015
Property Appraiser	23,145	23,145	21,317	1,828
Clerk of Circuit and County Court	21,421	21,906	21,356	550
Procurement Management	9,585	9,585	8,933	652
Chief Information Officer				
Enterprise Technology Services Departm	61,718	61,718	61,553	165
Elections	17,342	18,723	18,676	47
Fair Employment Practices	1,085	1,085	783	302
Law	20,537	20,537	20,138	399
Planning and zoning	4,709	4,709	3,943	766
Judicial Administration	27,461	27,461	27,101	360
Agenda Coordination	1,275	1,275	1,255	20
Community Relations Board	1,893	1,893	1,792	101
Office of the Inspector General	1,720	1,720	596	1,124
Commission on Ethics	2,082	2,082	1,991	91
General Service Administration	39,134	39,134	29,967	9,167
Government Information Center	11,211	11,211	9,961	1,250
General government costs	229,521	234,388	137,137	97,251
Total	557,438	567,895	442,590	125,305
Protection of people and property				
Police	548,464	550,114	548,467	1,647
Corrections and rehabilitation	285,672	285,672	282,673	2,999
Building code compliance	14,186	14,186	10,670	3,516
Chief Information Officer				
Consumer services	11,500	11,500	10,044	1,456
Building	42,333	42,333	36,321	6,012
Planning and zoning	15,806	15,806	11,918	3,888
Team Metro	19,050	19,050	18,816	234
Juvenile assessment	9,882	9,882	8,414	1,468
Emergency Management			(38)	38
General government costs	5,235	5,235	4,742	493
Total	952,128	953,778	932,027	21,751

The notes to the required supplementary information are an integral part of this statement.

(Continued)

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007
 (UNAUDITED)
 (in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Physical environment				
Environmentally Endangered Lands	69,293	64,732	3,262	61,470
Public Works	15,374	15,374	15,009	365
Environmental Resources	58,687	58,687	52,003	6,684
Non-departmental	32,153	32,153	450	31,703
General government costs	3,228	3,228	2,562	666
Total	178,735	174,174	73,286	100,888
Transportation				
Public Works	53,235	53,235	41,819	11,416
General Service Administration	2,228	2,228	2,187	41
Total	55,463	55,463	44,006	11,457
Health				
Public Works	3,599	3,599	2,837	762
Animal Services	9,152	9,152	8,904	248
General government costs	34,858	34,858	15,016	19,842
Total	47,609	47,609	26,757	20,852
Socio-economic environment				
General Service Administration				
Welfare	9,295	9,295	7,532	1,763
Metro Miami Action Plan	1,471	1,471	1,404	67
Office of ADA Coordination	1,180	1,180	877	303
General government costs	3,009	3,221	3,084	137
Total	14,955	15,167	12,897	2,270
Culture and Recreation				
Cultural Affairs Coordination	4,942	4,942	4,942	
Park and Recreation	101,384	101,384	94,560	6,824
Team Metro	63	63	63	
Total	106,389	106,389	99,565	6,824
Capital outlay				
Total expenditures	1,912,717	1,920,475	1,631,128	289,347
Excess of revenues over expenditures	274,531	270,061	584,959	314,898
Other financing sources (uses):				
Transfers in	14,877	14,877	17,928	3,051
Transfers out	(572,617)	(574,754)	(560,058)	14,696
Reserve for future expenditures:				
Physical environment				
Total other financing sources (uses)	(557,740)	(559,877)	(542,130)	17,747
Net change in fund balances	(283,209)	(289,816)	42,829	332,645
Fund balance - beginning	283,209	289,816	369,415	79,599
Increase in reserve for inventories			(650)	(650)
Fund balance - ending			\$ 411,594	\$ 411,594

The notes to the required supplementary information are an integral part of this statement.

(Concluded)

APPENDIX D

Proposed Form of Opinion of Bond Counsel

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On the date of issuance of the Series 2008 Bonds in definitive form, Squire, Sanders & Dempsey L.L.P. and KnoxSeaton, Bond Counsel, propose to render their opinions in substantially the following form:

_____, 2008

Board of County Commissioners of
Miami-Dade County, Florida
Miami, Florida

Re: \$274,565,000 Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds,
Series 2008

We have examined the transcript of proceedings (the “Transcript”) relating to the issuance by Miami-Dade County, Florida (the “County”) of its \$274,565,000 aggregate principal amount of Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds, Series 2008 (the “Series 2008 Bonds”). All terms used in capitalized form and not defined herein have the meanings ascribed to such terms in the hereinbelow described Bond Ordinance.

The Series 2008 Bonds are issued pursuant to Ordinance No. 05-48, enacted by the Board of County Commissioners of the County (the “Board”) on March 1, 2005 (the “Master Ordinance”), and Resolution No. R-319-08, adopted by the Board on April 8, 2008, as amended by Resolution No. R-581-08, adopted by the Board on May 20, 2008 (collectively, the “Series 2008 Resolution” and together with the Master Ordinance, the “Bond Ordinance”). The Series 2008 Bonds are being issued for the purpose of paying all or a part of the Cost of the Series 2008 Project.

The documents in the Transcript examined include a certified copy of the Bond Ordinance. We have also examined a specimen of the Series 2008 Bonds.

Based on this examination, we are of the opinion that, under existing law:

1. The County is a validly existing political subdivision of the State of Florida under the Constitution and laws of the State of Florida, with the power to issue the Series 2008 Bonds.

2. The Series 2008 Bonds and the Bond Ordinance are valid and legally binding special, limited obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy laws and other laws affecting creditors’ rights and to the exercise of judicial discretion. The Series 2008 Bonds are payable as to principal and interest solely from and secured by a pledge of the Pledged Revenues in the manner and to the extent provided in the Bond Ordinance. Neither the faith and credit nor the ad valorem taxing power of the County, the State of Florida or any political subdivision thereof are pledged to the payment of the principal of, or interest on, the Series 2008 Bonds.

3. The interest on the Series 2008 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

A portion of the interest on the Series 2008 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2008 Bonds may be

subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations.

In giving the foregoing opinion in numbered paragraph 3, we have relied upon, and assumed continuing compliance with, the County's covenants and the accuracy, which we have not independently verified, of the representations and certifications of the County contained in the Transcript. The County's continuing compliance with those covenants, and the accuracy of those representations and certifications, may be necessary for the interest on the Series 2008 Bonds to be and to remain excluded from gross income for federal income tax purposes. Failure to comply with certain requirements subsequent to issuance of the Series 2008 Bonds may cause interest on the Series 2008 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2008 Bonds.

4. The Series 2008 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

In rendering the foregoing opinions we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We express no opinion as to the statement of insurance on the Series 2008 Bonds referring to the municipal bond insurance policy issued by Financial Security Assurance Inc., or as to that insurance referenced in the statement of insurance.

Respectfully submitted,

APPENDIX E

Proposed Form of Opinion of Disclosure Counsel

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On the date of issuance of the Series 2008 Bonds in definitive form, Edwards Angell Palmer & Dodge LLP, and Rasco, Reininger, Perez, Esquenazi & Vigil, P.L., Disclosure Counsel, propose to render their approving opinion in substantially the following form:

_____, 2008

Board of County Commissioners
of Miami-Dade County, Florida
Miami, Florida

\$274,565,000
MIAMI-DADE COUNTY, FLORIDA
Transit System Sales Surtax Revenue Bonds
Series 2008

Ladies and Gentlemen:

We have served as disclosure counsel to Miami-Dade County, Florida (the “County”) in connection with the issuance by the County of its \$274,565,000 Miami-Dade County, Transit System Sales Surtax Revenue Bonds, Series 2008 (the “Series 2008 Bonds”).

In connection with the issuance and delivery of this opinion, we have considered such matters of law and fact and have relied upon such certificates and other information furnished to us as we deemed appropriate. We are not expressing any opinion or views herein on the authorization, issuance, delivery or validity of the Series 2008 Bonds and we have assumed, but not independently verified, that the signatures on all documents and certificates that we have examined are genuine.

To the extent that the opinions expressed herein relate to or are dependent upon the determination that the proceedings and actions related to the authorization, issuance and sale of the Series 2008 Bonds are lawful and valid under the laws of the State of Florida, or that the Bonds are valid and binding obligations of the County enforceable in accordance with their respective terms, or that the interest on the Bonds is excluded from gross income of the owners of the Bonds for federal income tax purposes, we understand that you are relying upon the opinions delivered on the date hereof of Squire, Sanders & Dempsey L.L.P. and KnoxSeaton, Bond Counsel, and no opinion is expressed herein as to such matters.

The scope of our engagement with respect to the issuance of the Series 2008 Bonds was not to establish factual matters and because of the wholly or partially non-legal character of many of the determinations involved in the preparation of the Official Statement, dated June 17, 2008 (the “Official Statement”), we are not passing on and do not assume any responsibility for, except as set forth in the next paragraph, the accuracy or completeness of the contents of the Official Statement (including, without limitation, any appendices, schedules, and exhibits thereto) and we make no representation that we have independently verified the accuracy, completeness or fairness of such statements. As your counsel, we have participated in the preparation of the Official Statement and in discussions and conferences with representatives of the County from the Finance Department and the County Attorney’s Office, Public Resources Advisory Group, Financial Advisor to the County, Squire, Sanders & Dempsey L.L.P. and KnoxSeaton, Bond Counsel and representatives of Merrill Lynch, Pierce, Fenner & Smith Incorporate, (the “Underwriters”), in which the contents of the Official Statement and related matters were discussed.

Based solely on the basis of our participation in the preparation of the Official Statement, our examination of certificates, documents, instruments and records and the above-mentioned discussions, nothing has come to our attention which would lead us to believe that the Official Statement (except for the financial and statistical data in the Official Statement, including, without limitation, the appendices thereto, and the matters set forth therein under the captions “DESCRIPTION OF THE SERIES 2008 BONDS – Book-Entry-Only System,” and “MUNICIPAL BOND INSURANCE” and in APPENDICES A, B, C, D and F as to which no opinion is expressed) is not a fair and accurate summary of the matters purported to be summarized therein or that the Official Statement contained as of its date or as of the date hereof, any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. We are also of the opinion that the continuing disclosure undertaking set forth in the Series 2008 Resolution and in the Omnibus Certificate of the County delivered at the closing satisfy the requirements set forth in Rule 15c2-12(b)(5)(i) of the Securities Exchange Act of 1934, as amended.

In reaching the conclusions expressed herein, we have with your concurrence, assumed and relied on the genuineness and authenticity of all signatures not witnessed by us; the authenticity of all documents, records, instruments, items and letters submitted to us as originals; the conformity with originals of all items submitted to us as certified or photostatic copies and examined by us; the legal capacity and authority of the persons who executed the documents; the accuracy of all warranties, representations and statements of fact contained in the documents and instruments submitted to us in connection with the purchase and sale of the Series 2008 Bonds; that neither you nor the Underwriters have any actual knowledge or any reason to believe that any portion of the Official Statement is not accurate; and the continuing accuracy on this date of any certificates supplied to us regarding the matters addressed herein, which assumptions we have not verified. As to questions of fact material to our opinions, we have relied upon and assumed the correctness of the public records and certificates by and representations of public officials and other officers and representatives of various parties to this transaction. We have no actual knowledge of any factual information that would lead us to form a legal opinion that the public records or the certificates which we have relied upon contain any untrue statement of a material fact.

We are further of the opinion that, assuming the Bonds are the legal, valid and binding obligations of the County, the Series 2008 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Bond Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the United States of America. The only opinions rendered hereby shall be those expressly stated herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion may be relied upon solely by the County and only in connection with the transaction to which reference is made above and may not be used or relied upon by any other person for any purposes whatsoever without our prior written consent.

Respectfully submitted,

APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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**FINANCIAL
SECURITY
ASSURANCE®**

**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER:

BONDS:

Policy No.: -N

Effective Date:

Premium: \$

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day, otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment

made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

[Countersignature]

FINANCIAL SECURITY ASSURANCE INC.

By _____

By _____
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
31 West 52nd Street, New York, N.Y. 10019

(212) 826-0100

Form 500NY (5/90)



**FINANCIAL
SECURITY
ASSURANCE®**

**ENDORSEMENT NO. 1 TO
MUNICIPAL BOND
INSURANCE POLICY
(Florida Insurance
Guaranty Association)**

ISSUER:

BONDS:

Policy No.: -N

Effective Date:

Notwithstanding the terms and provisions contained in this Policy, it is further understood that the insurance provided by this Policy is not covered by the Florida Insurance Guaranty Association created under part 11 of chapter 631, Florida Statutes.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Endorsement to be executed on its behalf by its Authorized Officer.

FINANCIAL SECURITY ASSURANCE INC.

By: _____
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
31 West 52nd Street, New York, N.Y. 10019

(212) 826-0100

Form No. 553NY (FL 6/90)

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