

**Miami-Dade Aviation Department**  
**MIAMI INTERNATIONAL AIRPORT FACILITIES'**  
**MANAGEMENT AND OPERATING AGREEMENTS**  
**SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT THEREON**  
**For the Year Ended September 30, 2006**



**Watson Rice LLP**  
Certified Public Accountants and Consultants

**Miami-Dade Aviation Department**  
**MIAMI INTERNATIONAL AIRPORT FACILITIES'**  
**MANAGEMENT AND OPERATING AGREEMENTS**  
**SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT THEREON**  
**For the Year Ended September 30, 2006**

**WATSON RICE LLP**  
**Certified Public Accountants**  
**and**  
**Consultants**

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FACILITIES'  
MANAGEMENT AND OPERATING AGREEMENTS  
SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**TABLE OF CONTENTS**

	<b>PAGE(S)</b>
<b>Financial Section</b>	
Independent Auditors' Report	1
Special-Purpose Statement of Assets and Liabilities	3
Special-Purpose Statement of Revenue and Expenses	4
Notes to Special-Purpose Financial Statements	5
<b>Supplemental Schedules</b>	
Public Parking Facilities	
Supplemental Special-Purpose Statements of Assets and Liabilities	12
Supplemental Special-Purpose Statements of Revenue and Expenses	13
Sundries Facilities	
Supplemental Special-Purpose Statements of Assets and Liabilities	14
Supplemental Special-Purpose Statements of Revenue and Expenses	15
Special Lounges Facilities	
Supplemental Special-Purpose Statements of Assets and Liabilities	16
Supplemental Special-Purpose Statements of Revenue and Expenses	17
Fuel Farm Facilities	
Supplemental Special-Purpose Statements of Assets and Liabilities	18
Supplemental Special-Purpose Statements of Revenue and Expenses	19
Janitorial Services Facilities	
Supplemental Special-Purpose Statements of Assets and Liabilities Unicco, Vista and N&K	20
Supplemental Special-Purpose Statements of Revenue and Expenses Unicco, Vista and N&K	21
Porter Services Facilities	
Supplemental Special-Purpose Statements of Assets and Liabilities	22
Supplemental Special-Purpose Statements of Expenses	23

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FACILITIES'  
MANAGEMENT AND OPERATING AGREEMENTS  
SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**TABLE OF CONTENTS (continued)**

	<b>PAGE(S)</b>
<b>Supplemental Schedules (continued)</b>	
Shuttle Service Facilities	
Supplemental Special-Purpose Statements of Assets and Liabilities	24
Supplemental Special-Purpose Statements of Expenses	25
Hotel Facilities	
Supplemental Special-Purpose Statements of Assets and Liabilities	26
Supplemental Special-Purpose Statements of Revenue and Expenses	27
Restaurant Facilities	
Supplemental Special Purpose Statements of Assets and Liabilities	28
Supplemental Special-Purpose Statements of Revenue and Expenses	29



**Watson Rice LLP**

Certified Public Accountants and Consultants

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying special-purpose statements of assets and liabilities of Miami-Dade Aviation Department - Miami International Airport Facilities' Management and Operating Agreements (the "Facilities") as of September 30, 2006, and the related special-purpose statements of revenue and expenses for the year then ended. These special-purpose financial statements are the responsibility of the Facilities' management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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 Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes 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 provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements have been prepared for the purpose of complying with the Management and Operating Agreements between Miami-Dade County, Florida, and the Management Companies of the Miami International Airport Facilities as described in Notes 1 and 2 to the special-purpose financial statements, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the assets and liabilities of the Facilities as of September 30, 2006, and the revenue and expenses for the year then ended, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2006 on our consideration of the Facilities' internal control over financial reporting and 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 supplemental information presented in the supplemental special-purpose financial statements on pages 12 through 29 is included for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the special-purpose financial statements taken as a whole.

This report was prepared solely for the information and use of the Office of the Honorable Mayor, Board of County Commissioners of Miami-Dade County, Florida and the management of the Miami International Airport Facilities, and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida  
December 15, 2006

*Watson Rice LLP*

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FACILITIES'  
MANAGEMENT AND OPERATING AGREEMENTS  
SPECIAL-PURPOSE STATEMENT OF ASSETS AND LIABILITIES**

**SEPTEMBER 30, 2006**

(With Comparative Totals for 2005)

	Public Parking Facilities	Sundries Facilities	Special Lounges Facilities	Fuel Farm Facilities	Janitorial Services Facilities	Porter Services Facilities	Shuttle Services Facilities	Hotel Facilities	Restaurant Facilities	Total Memorandum Only	
										2006	2005
<b>ASSETS</b>											
Cash	\$ -	\$ 150,000	\$ 40,000	\$ 101,000	\$ -	\$ 100,000	\$ 50,300	\$ 100,000	\$ 90,000	\$ 631,300	\$ 631,300
Accounts receivable, net	28,067	7,200	407,625	2,019,157	-	-	-	254,071	90,627	2,806,747	2,280,491
Inventory	-	208,999	24,669	228,029	-	-	160,522	-	45,274	667,493	630,759
Due from Aviation Department	523,152	-	-	-	1,046,041	318,517	-	-	-	1,887,710	2,029,573
Other assets	-	31,601	14,979	54,851	5,830	37,123	-	132,978	36,010	313,372	394,750
<b>Total Assets</b>	<b>\$ 551,219</b>	<b>\$ 397,800</b>	<b>\$ 487,273</b>	<b>\$ 2,403,037</b>	<b>\$ 1,051,871</b>	<b>\$ 455,640</b>	<b>\$ 210,822</b>	<b>\$ 487,049</b>	<b>\$ 261,911</b>	<b>\$ 6,306,622</b>	<b>\$ 5,966,873</b>
<b>LIABILITIES</b>											
Accounts payable and accrued expenses	\$ 551,219	\$ 146,408	\$ 38,609	\$ 386,369	\$ 872,147	\$ 443,623	\$ 96,292	\$ 258,823	\$ 98,779	\$ 2,892,269	\$ 3,242,734
Due to Management Company	-	15,290	10,416	-	179,724	12,017	8,120	17,804	11,719	255,090	403,514
Due to Aviation Department	-	236,102	438,248	2,016,668	-	-	106,410	210,422	151,413	3,159,263	2,320,625
<b>Total Liabilities</b>	<b>\$ 551,219</b>	<b>\$ 397,800</b>	<b>\$ 487,273</b>	<b>\$ 2,403,037</b>	<b>\$ 1,051,871</b>	<b>\$ 455,640</b>	<b>\$ 210,822</b>	<b>\$ 487,049</b>	<b>\$ 261,911</b>	<b>\$ 6,306,622</b>	<b>\$ 5,966,873</b>

See accompanying notes to special-purpose financial statements.

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FACILITIES'  
MANAGEMENT AND OPERATING AGREEMENTS  
SPECIAL-PURPOSE STATEMENT OF REVENUE AND EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2006  
(With Comparative Totals for 2005)**

	Public Parking Facilities	Sundries Facilities	Special Lounges Facilities	Fuel Farm Facilities	Janitorial Services Facilities	Porter Services Facilities	Shuttle Services Facilities	Hotel Facilities	Restaurant Facilities	Total Memorandum Only	
										2006	2005
<b>REVENUES</b>											
Net sales	\$ 37,990,807	\$ 4,993,442	\$ 2,303,329	\$ 15,657,455	\$ -	\$ -	\$ -	\$ 3,939,184	\$ 2,690,719	\$ 67,574,936	\$ 64,531,290
Less: Cost of goods sold	-	2,526,563	290,776	225,787	-	-	-	-	835,190	3,878,316	4,743,898
Sales tax	2,485,123	-	-	-	-	-	-	-	-	2,485,123	2,246,851
Gross margin	35,505,684	2,466,879	2,012,553	15,431,668	-	-	-	3,939,184	1,855,529	61,211,497	57,540,541
Total Revenues	35,505,684	2,466,879	2,012,553	15,431,668	-	-	-	3,939,184	1,855,529	61,211,497	57,540,541
<b>EXPENSES</b>											
Payroll and fringe benefits	2,967,022	1,078,595	689,592	1,783,005	14,848,272	5,743,042	2,538,045	2,075,761	1,312,473	33,035,807	32,523,671
Selling, general and administrative expenses	1,350,846	203,439	390,193	4,012,177	4,932,698	400,589	823,878	1,254,190	565,780	13,933,790	13,482,006
Fixed assets expense	-	-	-	-	88,057	-	-	-	-	88,057	536,515
Management fees	72,000	182,970	129,089	346,080	1,894,992	144,200	97,440	215,554	142,543	3,224,868	3,196,961
Total Expenses	4,389,868	1,465,004	1,208,874	6,141,262	21,764,019	6,287,831	3,459,363	3,545,505	2,020,796	50,282,522	49,739,153
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ 31,115,816	\$ 1,001,875	\$ 803,679	\$ 9,290,406	\$ (21,764,019)	\$ (6,287,831)	\$ (3,459,363)	\$ 393,679	\$ (165,267)	\$ 10,928,975	\$ 7,801,388

See accompanying notes to special-purpose financial statements.



**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FACILITIES'  
MANAGEMENT AND OPERATING AGREEMENTS**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE 1. GENERAL**

Miami-Dade County, Florida (the "County") entered into Management and Operating Agreements (the "Agreements") with third parties (the "Management Companies") to operate, maintain and manage for a fee (see Note 3) certain facilities (the "Facilities") at Miami International Airport (the "Airport") on behalf of the County. These Agreements are generally short term in nature and provide for a fixed management fee and/or fees based on percentages of revenue and/or operating profits of the Facilities. While the County generally looks toward the Management Companies for recommendations relative to operation of the Facilities, the County does exercise complete budgetary control and establishes guidelines and goals for growth and performance. Such actions are taken within the rights reserved by the County under the Agreements to control all aspects of the businesses. These actions include such matters as pricing, staffing, employee benefits, operating hours, maintenance requirements, service levels, merchandise selections, personnel policies and marketing strategies. In the event the Management Companies are not performing in accordance with the standards established by the County, the County has the right to cancel such Agreements. The Management Companies do not act as general agents on behalf of the County and, therefore, cannot obligate or commit the County beyond the scope of what is required to run the day-to-day operations of the managed facilities, as established by the budgets approved by the County.

The Management Companies for each of the Facilities are as follows:

<u>Facilities</u>	<u>Management Companies</u>
Public Parking	Airport Parking Associates ("APA")
Pharmacy, Sundries & Lunch Counter	Miami International Airport Pharmacy, Inc. ("MIAP")
Special Lounges	International Airport Managements, Inc. ("IAMI")
Fuel Farm	Allied Fueling of Miami, Inc. ("Allied")
Janitorial Services	N & K, Vista and UNICCO
Porter Services	Quality Aircraft Services, Inc. ("Quality")
Shuttle Services	Shuttle Services MIA, Inc. ("Shuttle")
Hotel	H.I. Development Corp. ("H.I.D.")
Restaurant	H.I. Development Corp. ("H.I.D.")

The County amended certain agreements to extend terms and modify compensation to the Management Companies. See Note 3 for more detail on the Agreements' termination dates and management fees effective as of September 30, 2006.

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FACILITIES'  
MANAGEMENT AND OPERATING AGREEMENTS**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The special-purpose financial statements of the Facilities conform substantially to accounting principles generally accepted in the United States of America, except for the exclusion of certain assets, liabilities and expenses. The special-purpose statements of assets and liabilities include only those assets and liabilities which are recorded in the books of the Facilities, as maintained by the Management Companies for the County pursuant to the Agreements. Assets not reflected therein include, but are not limited to, cash in the revenue depository accounts, and furniture, fixtures and equipment. Liabilities not reflected therein relate primarily to other operating expenses paid directly by the County. The special-purpose statements of revenue and expenses include only those expenses, which are paid by the Facilities under the terms of the Agreements. Expenses not reflected therein include charges for depreciation in connection with the furniture, fixtures and equipment located within the Facilities. The Facilities are included as part of the assets, liabilities and operations of Miami-Dade Aviation Department ("Aviation Department").

In accordance with the provisions of the Agreements, the Facilities deposit, on a daily basis, all gross receipts, as defined in the Agreements, into County-owned bank accounts.

The Management Companies pay the operating expenses of the Facilities. After reviewing the expenses, the County reimburses the Management Companies for all approved reimbursable operating expenses, as defined in the Agreements. Certain Facilities are non-revenue producing operations.

**Basis of Presentation**

The accompanying special-purpose financial statements were prepared for the purpose of complying with the Agreements. Statements of cash flows are not required under the Agreements and have not been presented.

Information as of and for the year ended September 30, 2005, is presented for comparative purposes only. The amounts reflected in the total columns of the accompanying special-purpose financial statements are not comparable to a consolidation and are captioned "memorandum only" as they do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America, or the basis of accounting described above.

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FACILITIES'  
MANAGEMENT AND OPERATING AGREEMENTS**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash**

At September 30, 2006, total cash was \$631,300.

Deposits - Public deposits in the state of Florida are collateralized under the provisions of Chapter 280, Florida statutes. Losses to public depositors are covered by the state and consist of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. Included in the balance of cash are deposits which are deemed as insured and, therefore, not subject to classification by credit risk category under the provisions of GASB Statement No. 40.

**Allowance for Uncollectible Accounts**

As of September 30, 2006 accounts receivable are presented in the special-purpose financial statements net of allowance for uncollectible accounts of \$184,101 as follows:

Public Parking Facilities	\$ 15,666
Special Lounges Facilities	120,932
Hotel Facilities	31,205
Restaurant Facilities	3,275
Fuel Facilities	13,023
	<u>\$ 184,101</u>

**Inventory**

Inventory is stated at the lower of cost or market. Cost is determined using the first-in, first-out method for Special Lounges, Restaurant and Shuttle Services Facilities. The moving average cost method is used for other Facilities.

**Fixed Assets Reimbursements**

Pursuant to the Agreements, upon budget approval by the County, the Management Companies purchase equipment and vehicles needed by the Facilities. Such assets are the property of the County and are not recorded in the accompanying special-purpose financial statements of the Facilities. The Management Companies are reimbursed for the cost of such assets through an imprest capital outlay or imprest operating account, which is funded by the County. The accompanying special-purpose statements of revenue and expenses include expenditures only for capitalizable assets reimbursed through the imprest operating account.

**Income Taxes**

The special-purpose statements of revenue and expenses are intended to show the results of operations for the Facilities managed under the Agreements on behalf of the County;

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FACILITIES'  
MANAGEMENT AND OPERATING AGREEMENTS**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

accordingly, no provision has been made for income taxes as the County is an income tax-exempt organization.

**Use of Estimates**

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

**Fair Value of Financial Instruments**

The carrying amount of cash, accounts receivable, accounts payable and accrued expenses approximates fair values as of September 30, 2006.

**Reclassifications**

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

**NOTE 3. MANAGEMENT AND OPERATING AGREEMENTS**

Pursuant to the Agreements, a management fee is payable to the Management Companies monthly. The monthly management fees in effect for the fiscal year ended September 30, 2006, as defined in the Agreements, are as follows:

<u>Management Companies</u>	<u>Management Fees</u>
APA	\$6,000
MIAP	\$13,107, plus 2.5% of net operating income, less the fixed fee
IAMI	\$6,355, plus 5% of net operating income, less the fixed fee
Allied	\$28,840
N & K	\$16,349 (October 1, 2005 - January 31, 2006); \$16,987 effective February 1, 2006
Vista	\$16,303 through January 31, 2006; \$16,939 effective February 1, 2006
Unicco	\$121,262 (October 1, 2005 - January 31, 2006); \$125,991 effective February 1, 2006
Quality	\$12,377
Shuttle	\$8,120
H.I.D. (Hotel)	\$17,803*
H.I.D. (Restaurant)	\$11,719*

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FACILITIES'  
MANAGEMENT AND OPERATING AGREEMENTS**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE 3. MANAGEMENT AND OPERATING AGREEMENTS (Continued)**

\*Pursuant to the Agreement, a percentage management fee is payable to H.I.D. equal to 5% of the amount by which adjusted monthly net operating income, as defined in the Agreement, exceeds the monthly net operating income for the same month in the prior year.

**Indirect Cost Reimbursement**

Pursuant to the Agreements, and effective October 1, 2005, indirect cost reimbursements of monthly gross payroll to N&K, Vista and UNICCO, were, 28.30%, 35.83% and 26.70%, respectively. Effective February 1, 2006, indirect cost reimbursements of monthly gross payroll to UNICCO was 24.66%. Indirect costs, as defined in the Agreements, include other indirect expenses. These expenses are included in the accompanying special-purpose statements of revenue and expenses and include payroll and labor mark-up, selling, general and administrative, group health and life insurance, workers' compensation insurance, unemployment taxes, and general insurance.

**Terms of Agreements**

The Agreements cover periods disclosed below, with the County reserving the right to extend the Agreements for specific periods at the end of each contract year. Ordinance 95-138, Section 2-286a(9) extends any concession or management agreement related to the retail activities on a month-to-month basis for so long as may be needed to avoid disruption of concession services to passengers. Unless otherwise terminated by either party upon advanced written notice, the Agreements' expiration dates are as follows:

<u>Management Companies</u>	<u>Expiration Date</u>
APA	September 30, 2006 (month to month thereafter not to exceed one hundred-eighty (180) days)
MIAP	July 31, 2000 (month to month thereafter)
IAMI	September 30, 1998 (month to month thereafter)
Allied Aviation	May 2, 2011
Quality	September 30, 2007
Shuttle	October 31, 2007
HID (Hotel)	September 30, 2002 (month to month thereafter)
HID (Restaurant)	September 30, 2002 (month to month thereafter)
N&K	January 28, 2007
Vista	January 28, 2007
Unicco	January 28, 2007

The management agreements with IAMI, MIAP, APA and H.I. Development for Hotel and Restaurant services expired on September 30, 1998, July 31, 2000, September 30, 2006, September 30, 2002 (Hotel) and September 30, 2002 (Restaurant), respectively.

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FACILITIES'  
MANAGEMENT AND OPERATING AGREEMENTS**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE 3. MANAGEMENT AND OPERATING AGREEMENTS (Continued)**

IAMI, MIAP, APA and H.I. Development (for both Hotel and Restaurant Services) have agreed to operate on a month-to-month basis on the same terms as the expired Agreements. The Operating Agreement to operate the Janitorial Facility was approved for UNICCO, Vista and N&K on a year-to-year basis until January 28, 2007. Ordinance 95-138, Section 2-286a(9) extends any concession, management agreement related to the retail activities on a month-to-month basis for so long as may be needed to avoid disruption of concession services to passengers.

**NOTE 4. DUE TO/FROM MANAGEMENT COMPANY**

Due to/from Management Company represent expenses paid by the Management Companies on behalf of the Facilities, which are reimbursable by the County.

**NOTE 5. DUE TO/FROM AVIATION DEPARTMENT**

Amounts due to/from Aviation Department represent the cumulative excess/deficit of revenue over expenses since inception of the Agreements and net payments made by the County on behalf of the Facilities in excess of net receipts generated from the operations of the Facilities.

**NOTE 6. RELATED PARTY TRANSACTIONS**

Shuttle purchases health insurance from an affiliated company, Coach USA, Inc. The affiliate is controlled by certain parties who also manage Shuttle. Payments to this affiliate during the fiscal year 2006 were approximately \$261,000.

MIAP has an officer who is a direct owner of both Bijoux Turner, and Medvit, Inc. MIAP purchases a substantial portion of its sundries from Bijoux Turner. Total purchases from Bijoux Turner for the fiscal year were approximately \$2,549,378. As of September 30, 2005, MIAP owed Bijoux Turner approximately \$73,230.

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FACILITIES'  
MANAGEMENT AND OPERATING AGREEMENTS**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE 6. RELATED PARTY TRANSACTIONS (Continued)**

Certain expenses included in the accompanying special-purpose statements of revenue and expenses are paid to and are based on amounts invoiced by the Management Companies. Such expenses represent allocation of costs from the Management Companies.

A summary of such expenses are as follows:

Management Companies	Group Health & Life Insurance	Workers Compensation Insurance	Unemployment Taxes	General Liability Insurance	Other
APA	\$ 281,034	\$ -	\$ -	\$ -	\$ -
MIAP	96,448	-	-	-	-
IAMI	73,287	-	-	-	-
Allied	174,373	-	-	-	-
Quality	473,876	-	-	-	-
N & K	124,189	96,089	109,494	68,691	2,643
Vista	138,486	234,022	112,894	27,721	5,517
Unicco	1,132,934	805,724	935,607	372,674	60,827
Shuttle	261,093	-	-	-	-
H.I.D. (Hotel)	161,276	-	-	-	-
H.I.D. (Restaurant)	67,968	-	-	-	-
<b>Total</b>	<b>\$ 2,984,964</b>	<b>\$ 1,135,835</b>	<b>\$ 1,157,995</b>	<b>\$ 469,086</b>	<b>\$ 68,987</b>

**NOTE 7. CONTINGENCIES**

On November 4, 2003, the Department of Labor (DOL) conducted a wage and hour audit of the Restaurant Facility. On December 16, 2004, the DOL assessed the Restaurant Facility for back wages from December 2001 to October 2003 in the amount of \$9,331. HID's legal counsel determined the amount of back wages payable to employees to be \$4,331. HID is currently contesting the amount assessed by DOL.

## **SUPPLEMENTAL INFORMATION**

Supplemental special-purpose financial statements are provided to present the assets and the liabilities as well as revenue and expenses of each Facility individually. These schedules also serve to provide a comparison with the prior year amounts.



**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT PARKING FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF ASSETS AND LIABILITIES  
SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Accounts receivable, net	\$ 28,067	\$ 22,524
Due from Aviation Department	523,152	491,799
Other assets	<u>-</u>	<u>143,987</u>
<b>Total Assets</b>	<u>\$ 551,219</u>	<u>\$ 658,310</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 551,219</u>	<u>\$ 658,310</u>
<b>Total Liabilities</b>	<u>\$ 551,219</u>	<u>\$ 658,310</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT PUBLIC PARKING FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>		
Net sales	\$ 37,990,807	\$ 34,275,737
Less: Sales tax	<u>2,485,123</u>	<u>2,246,851</u>
Gross margin	<u>35,505,684</u>	<u>32,028,886</u>
Total Revenues	<u>35,505,684</u>	<u>32,028,886</u>
<b>EXPENSES</b>		
Payroll and fringe benefits	2,967,022	3,035,288
Selling, general and administrative expenses	1,350,846	1,253,066
Management fees	<u>72,000</u>	<u>72,000</u>
Total Expenses	<u>4,389,868</u>	<u>4,360,354</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 31,115,816</u>	<u>\$ 27,668,532</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT SUNDRIES FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF ASSETS AND LIABILITIES  
SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash	\$ 150,000	\$ 150,000
Accounts receivable, net	7,200	3,290
Inventory	208,999	186,184
Other assets	<u>31,601</u>	<u>36,457</u>
<b>Total Assets</b>	<u>\$ 397,800</u>	<u>\$ 375,931</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 146,408	\$ 164,900
Due to Management Company	15,290	14,510
Due to Aviation Department	<u>236,102</u>	<u>196,521</u>
<b>Total Liabilities</b>	<u>\$ 397,800</u>	<u>\$ 375,931</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT SUNDRIES FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>		
Net sales	\$ 4,993,442	\$ 5,692,551
Less: Cost of sales	<u>2,526,563</u>	<u>2,885,517</u>
Gross margin	<u>2,466,879</u>	<u>2,807,034</u>
Total Revenues	<u>2,466,879</u>	<u>2,807,034</u>
<b>EXPENSES</b>		
Payroll and fringe benefits	1,078,595	1,106,847
Selling, general and administrative expenses	203,439	200,392
Management fees	<u>182,970</u>	<u>190,848</u>
Total Expenses	<u>1,465,004</u>	<u>1,498,087</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 1,001,875</u>	<u>\$ 1,308,947</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT SPECIAL LOUNGES FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF ASSETS AND LIABILITIES  
SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash	\$ 40,000	\$ 40,000
Accounts receivable, net	407,625	304,091
Inventory	24,669	24,444
Other assets	<u>14,979</u>	<u>15,397</u>
<b>Total Assets</b>	<u>\$ 487,273</u>	<u>\$ 383,932</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 38,609	\$ 36,127
Due to Management Company	10,416	9,527
Due to Aviation Department	<u>438,248</u>	<u>338,278</u>
<b>Total Liabilities</b>	<u>\$ 487,273</u>	<u>\$ 383,932</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT SPECIAL LOUNGES FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>		
Net sales	\$ 2,303,329	\$ 2,338,669
Less: Cost of sales	<u>290,776</u>	<u>272,072</u>
Gross margin	<u>2,012,553</u>	<u>2,066,597</u>
Total Revenues	<u>2,012,553</u>	<u>2,066,597</u>
<b>EXPENSES</b>		
Payroll and fringe benefits	689,592	692,070
Selling, general and administrative expenses	390,193	408,580
Management fees	<u>129,089</u>	<u>130,496</u>
Total Expenses	<u>1,208,874</u>	<u>1,231,146</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 803,679</u>	<u>\$ 835,451</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FUEL FARM FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF ASSETS AND LIABILITIES  
SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash	\$ 101,000	\$ 101,000
Accounts receivable, net	2,019,157	1,685,141
Inventory	228,029	210,478
Other assets	<u>54,851</u>	<u>61,197</u>
<b>Total Assets</b>	<u>\$ 2,403,037</u>	<u>\$ 2,057,816</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 386,369	\$ 637,194
Due to Aviation Department	<u>2,016,668</u>	<u>1,420,622</u>
<b>Total Liabilities</b>	<u>\$ 2,403,037</u>	<u>\$ 2,057,816</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT FUEL FARM FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>		
Net sales	\$ 15,657,455	\$ 14,390,350
Less: Cost of sales	<u>225,787</u>	<u>383,446</u>
Gross margin	<u>15,431,668</u>	<u>14,006,904</u>
Total Revenues	<u>15,431,668</u>	<u>14,006,904</u>
<b>EXPENSES</b>		
Payroll and fringe benefits	1,783,005	1,545,807
Selling, general and administrative expenses	4,012,177	2,923,106
Management fees	<u>346,080</u>	<u>336,000</u>
Total Expenses	<u>6,141,262</u>	<u>4,804,913</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 9,290,406</u>	<u>\$ 9,201,991</u>



**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT JANITORIAL SERVICES FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF ASSETS AND LIABILITIES  
SEPTEMBER 30, 2006 AND 2005**

	<u>UNICCO</u>	<u>VISTA</u>	<u>N &amp; K</u>	<u>TOTAL</u>	
				<u>2006</u>	<u>2005</u>
<b>ASSETS</b>					
Due from Aviation Department	\$ 669,841	\$ 209,992	\$ 166,208	\$ 1,046,041	\$ 1,229,541
Other assets	<u>-</u>	<u>5,830</u>	<u>-</u>	<u>5,830</u>	<u>4,982</u>
<b>Total Assets</b>	<u>\$ 669,841</u>	<u>\$ 215,822</u>	<u>\$ 166,208</u>	<u>\$ 1,051,871</u>	<u>\$ 1,234,523</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 669,841	\$ 53,085	\$ 149,221	\$ 872,147	\$ 920,339
Due to Management Company	<u>-</u>	<u>162,737</u>	<u>16,987</u>	<u>179,724</u>	<u>314,184</u>
<b>Total Liabilities</b>	<u>\$ 669,841</u>	<u>\$ 215,822</u>	<u>\$ 166,208</u>	<u>\$ 1,051,871</u>	<u>\$ 1,234,523</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT JANITORIAL SERVICES FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

	<u>UNICCO</u>	<u>VISTA</u>	<u>N &amp; K</u>	<u>TOTAL</u>	
				<u>2006</u>	<u>2005</u>
<b>REVENUES</b>					
Net sales	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
<b>EXPENSES</b>					
Payroll and fringe benefits	11,947,071	1,527,182	1,374,019	14,848,272	14,475,059
Selling, general and administrative expenses	4,700,578	109,271	122,849	4,932,698	5,007,826
Fixed assets expense	59,200	3,867	24,990	88,057	317,689
Management fees	1,492,976	200,728	201,288	1,894,992	1,834,308
Total Expenses	18,199,825	1,841,048	1,723,146	21,764,019	21,634,882
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (18,199,825)</b>	<b>\$ (1,841,048)</b>	<b>\$ (1,723,146)</b>	<b>\$ (21,764,019)</b>	<b>\$ (21,634,882)</b>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT PORTER SERVICES FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF ASSETS AND LIABILITIES  
SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash	\$ 100,000	\$ 100,000
Due from Aviation Department	318,517	308,233
Other assets	<u>37,123</u>	<u>4,263</u>
<b>Total Assets</b>	<u>\$ 455,640</u>	<u>\$ 412,496</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 443,623	\$ 400,830
Due to Management Company	<u>12,017</u>	<u>11,666</u>
<b>Total Liabilities</b>	<u>\$ 455,640</u>	<u>\$ 412,496</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT PORTER SERVICES FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>	\$ <u>          -</u>	\$ <u>          -</u>
<b>EXPENSES</b>		
Payroll and fringe benefits	5,743,042	5,884,977
Selling, general and administrative expenses	400,589	509,924
Fixed assets expense	-	218,826
Management fees	<u>144,200</u>	<u>140,000</u>
Total Expenses	<u>6,287,831</u>	<u>6,753,727</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ (6,287,831)</u>	<u>\$ (6,753,727)</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT SHUTTLE SERVICES FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF ASSETS AND LIABILITIES  
SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash	\$ 50,300	\$ 50,300
Inventory	<u>160,522</u>	<u>162,952</u>
<b>Total Assets</b>	<u>\$ 210,822</u>	<u>\$ 213,252</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 96,292	\$ 107,453
Due to Management Company	8,120	35,823
Due to Aviation Department	<u>106,410</u>	<u>69,976</u>
<b>Total Liabilities</b>	<u>\$ 210,822</u>	<u>\$ 213,252</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT SHUTTLE SERVICES FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>	\$ <u>          -</u>	\$ <u>          -</u>
<b>EXPENSES</b>		
Payroll and fringe benefits	2,538,045	2,503,252
Selling, general and administrative expenses	823,878	894,231
Management fees	<u>97,440</u>	<u>97,440</u>
Total Expenses	<u>3,459,363</u>	<u>3,494,923</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ (3,459,363)</u>	<u>\$ (3,494,923)</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT HOTEL FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF ASSETS AND LIABILITIES  
SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash	\$ 100,000	\$ 100,000
Accounts receivable, net	254,071	184,152
Other assets	<u>132,978</u>	<u>84,213</u>
<b>Total Assets</b>	<u>\$ 487,049</u>	<u>\$ 368,365</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 258,823	\$ 218,518
Due to Management Company	17,804	17,804
Due to Aviation Department	<u>210,422</u>	<u>132,043</u>
<b>Total Liabilities</b>	<u>\$ 487,049</u>	<u>\$ 368,365</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT HOTEL FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>		
Net sales	\$ <u>3,939,184</u>	\$ <u>4,396,813</u>
<b>EXPENSES</b>		
Payroll and fringe benefits	2,075,761	1,766,572
Selling, general and administrative expenses	1,254,190	1,648,409
Management fees	<u>215,554</u>	<u>213,645</u>
Total Expenses	<u>3,545,505</u>	<u>3,628,626</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ <u><u>393,679</u></u>	\$ <u><u>768,187</u></u>



**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT RESTAURANT FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF ASSETS AND LIABILITIES  
SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash	\$ 90,000	\$ 90,000
Accounts receivable, net	90,627	81,293
Inventory	45,274	46,701
Other assets	<u>36,010</u>	<u>44,254</u>
<b>Total Assets</b>	<u>\$ 261,911</u>	<u>\$ 262,248</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 98,779	\$ 99,063
Due to Management Company	11,719	-
Due to Aviation Department	<u>151,413</u>	<u>163,185</u>
<b>Total Liabilities</b>	<u>\$ 261,911</u>	<u>\$ 262,248</u>

**MIAMI-DADE AVIATION DEPARTMENT  
MIAMI INTERNATIONAL AIRPORT RESTAURANT FACILITIES  
MANAGEMENT AGREEMENT**

**SUPPLEMENTAL SPECIAL-PURPOSE STATEMENTS OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>		
Net sales	\$ 2,690,719	\$ 2,697,377
Less: Cost of sales	<u>835,190</u>	<u>854,663</u>
Gross margin	<u>1,855,529</u>	<u>1,842,714</u>
Total Revenues	<u>1,855,529</u>	<u>1,842,714</u>
<b>EXPENSES</b>		
Payroll and fringe benefits	1,312,473	1,395,884
Selling, general and administrative expenses	565,780	565,564
Management fees	<u>142,543</u>	<u>140,631</u>
Total Expenses	<u>2,020,796</u>	<u>2,102,079</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ (165,267)</u>	<u>\$ (259,365)</u>