Miami-Dade Aviation Department

2010
Comprehensive Annual Financial Report

For fiscal year ended September 30, 2010

Miami-Dade Aviation Department

Miami, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2010

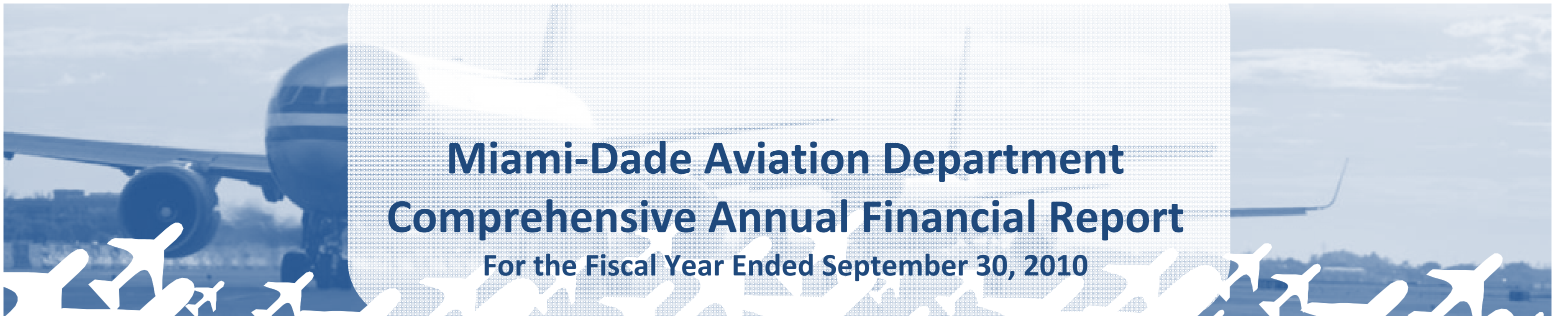
Miami-Dade County Aviation Department
A Department of Miami-Dade County, Florida

Prepared by:
Finance & Strategy Division

2010

Comprehensive Annual Financial Report

(This page intentionally left blank)



Miami-Dade Aviation Department
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010

INDEX

Introductory Section (Unaudited)

Financial Section

Statistical Section (Unaudited)

Introductory Section

2010

Comprehensive Annual Financial Report

(This page intentionally left blank)

MIA
MIAMI INTERNATIONAL AIRPORT

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

miamidade.gov

Commercial Airport:
Miami International Airport

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

March 29, 2011

Honorable Chairman Joe A. Martinez

Honorable Members of the Board of County Commissioners

Alina T. Hudak, County Manager

Harvey Ruvin, Clerk of Courts

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the Miami-Dade Aviation Department ("the Aviation Department" or "MDAD") for the fiscal year ended September 30, 2010, is hereby submitted. Responsibility for both the accuracy and completeness and fairness of presentation, including all disclosures, rests with the Aviation Department. This report presents fairly, and discloses fully, in all material respects, the financial position and results of operations of the Aviation Department.

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

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

Profile Overview

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

The County operates the Airport System through the Aviation Department with policy guidance from the Mayor, the Board of County Commissioners of Miami-Dade County, Florida (the "Board"), and the County Manager.

Economic Conditions and Outlook

MIA continues to be an economic engine for Miami-Dade County and the State of Florida. In the most recent economic impact study (which MDAD has done every three years), it was found that MIA has an annual financial impact on local tourism, cruise, international banking, trade and commerce of $26.7 billion. MIA and related aviation industries contribute 282,043 jobs directly and indirectly to the South Florida economy, and are responsible for 1 out of every 4 jobs.

The Airport offers an extensive air service network, enhanced by multiple daily scheduled and non-scheduled flights covering nearly 150 cities on four continents. MIA's stronghold market, the Latin America/Caribbean region, was served by more passenger flights from the airport than from any other U.S. airport. MIA is a major transshipment point by air for the Americas. During calendar year 2009, the most recent year for which such information is available, the Airport handled 83% of all air imports and 80% of all air exports between the USA and the Latin American/Caribbean region. The Airport was also the nation's number one airport in international freight (excluding mail) and second in international passenger traffic during calendar year 2010.

The Airport stimulates a host of industries such as tourism, the cruise industry and international banking and commerce. The Airport's activities have significant statewide effects as well. For the 12 months ended February 2010, the most recent period for which such information is available, the Airport was the port of entry for 69.3% of all international passenger traffic arriving by air to the State. In terms of trade, Department of Commerce data for 2009 showed that the Airport handled 97% of the dollar value of the State's total air imports and exports, and 41% of the State's total air and sea trade domestically and international.

Passenger Activity

During fiscal year 2010, 35,029,106 passengers transited through MIA, which represents a 3.4% increase compared to fiscal year 2009. Domestic traffic increased by 2.7% to 18,403,921, or 52.5% of the total. International traffic accounted for 47.5% of the traffic or 16,625,185 passengers, which represents an increase of 4.2% over the prior fiscal year. MIA is ranked second in the U.S. behind New York Kennedy for international passengers.

The Airport is American Airline's largest international hub operation, both for international passengers and international cargo. American Airlines accounted for approximately 64% of the enplaned passengers at the Airport during fiscal year 2010, and together with its affiliate, American Eagle, approximately 69% of all enplaned passengers during such period. American combined with American Eagle increased 2.5% fiscal year over fiscal year. Delta Air Lines, which became the second largest carrier at MIA in fiscal year 2010 by surpassing American eagle with over 5% of the enplaned passenger traffic, also significantly increased its service at MIA in fiscal year 2010.

---

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

Cargo Activity

Cargo (mail and freight) tonnage totaled 1,991,467 tons in fiscal year 2010, resulting in an increase of 16.5%. MIA remains the number one airport in the U.S. for international freight. Cargo activity generates different types of revenues for the Aviation Department including landing fees, cargo warehouse rentals, aircraft apron rentals, and ground rentals. Cargo carriers represented 21.9% of the landed weight in fiscal year 2010, which is an increase from the 20.4% in the prior fiscal year.

Airline Agreements

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

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

Passenger Facility Charges (PFC)

The Federal Aviation Administration ("FAA") authorized the Aviation Department to impose a Passenger Facility Charge ("PFC") of $3 per passenger commencing November 1, 1994. Subsequently, on October 21, 2001, the FAA approved a revised PFC collection level of $4.50 with an effective date of January 1, 2002. In December 2002, the FAA approved a PFC application that enables the Aviation Department to use PFC revenues to pay debt service related to the bonds that were issued to finance the construction of the North and South terminals at MIA.

Per FAA regulations, net receipts from PFCs are restricted to use only on these FAA approved capital projects and related financing costs. The Aviation Department has been authorized to collect PFCs in the estimated aggregate amount of $2.6 billion. The authorization is expected to expire October 1, 2035. The amount of PFC collections from inception through September 30, 2010 was $740.3 million and with interest was $811.0 million. Of this amount, the Aviation Department has expended $652.0 million. As of September 30, 2010, the Aviation Department had a cash balance of $159.0 million in the PFC account.

Capital Improvement Program (CIP)

In 2002, the Board of County Commissioners approved a CIP, with estimated expenditures of $4.8 billion through 2015, when enplanement levels were projected to reach 39 million annual passengers. Since that time the Board has approved a number of increases in the cost of the CIP such that the total CIP budget was approximately $6.5 billion as of September 30, 2010. The increases were primarily due to schedule delays and increased construction estimates.

To finance the costs of certain projects including financing costs, the Board has authorized the Department to issue up to $6.2 billion in Aviation Revenue Bonds under the Trust Agreement, of which $5.84 billion has been issued. The remaining Bond authorized amount of $355.5 million, however, may not be issued without approval of specific bond series resolutions by the Board. Future authorizations will be required to issue bonds for projects that are not yet covered by existing ordinances.

Tenant Financed Facilities

Because of the significant size of the CIP, the Department has decided, as a matter of policy, to permit tenants of airside facilities to construct some buildings with private financing. Accordingly, certain hangars and cargo facilities (including those for Federal Express, UPS, LAN Airlines, and United) have been constructed with private financing. Such improvements do not constitute County-owned properties until the financing of such improvements has been paid. Such change in ownership may be done either through buy-out or at the termination of the ground lease in which terms are long enough to allow the tenant to fully amortize its investment in the facility.

Major Initiatives & Long-Term Financial Planning

Of the $6.491 billion total CIP, approximately $5.654 billion has been spent as of September 30, 2010. About $3.650 billion worth of projects have been completed and are in use with the remaining $2.841 billion under construction or in design as of September 30, 2010.

The Terminal Building is divided into three areas: North, Central and South. Approximately, 63.2% of the CIP is allocated to constructing and expanding the North and South Terminals. The CIP will increase the building's area from 4.8 million to approximately 7.8 million square feet.

A significant portion of the North Terminal Development (NTD) Program was completed in fiscal year 2010 including the reopening of old Concourse A (with 16 gates and now is part of Concourse D), the regional commuter facility for American Eagle operations, and the NT automated people mover that spans the entire length of Concourse D (50 gates). The major remaining NTD projects to be completed before the end of fiscal year 2011 are the outbound baggage handling system and the Federal Inspection Services area.

The South Terminal Program, which is substantially complete and the related facilities have been operational since August 2007, includes the terminal expansion from Concourse H to Concourse J, construction of a new Concourse J, internationalization of four gates at Concourse H, apron construction between Concourses H and J and related utilities infrastructure. It provides approximately 1.5 million square feet of new and 0.2 million square feet of renovated terminal and concourse space. The South Terminal has 28 gates of which 19 are international/domestic and one designated for Airport A-380 operations. In addition the South Terminal includes a new Federal Inspection Services Facility; a cruise and tour bus station; 50,000 square feet of new concession space; and a gate control tower for aircraft traffic at Concourses H and J.

The other on-going major capital project is the MIA Mover, which is the construction of an elevated automated people mover (APM) system connecting the Terminal Building to remote ground transportation facilities at an intermodal hub known as the MIC that is being built by Florida Department of Transportation. This APM project is scheduled to be operational by September 2011.

The CIP is the critical path to success for MIA, as its completion will allow existing and prospective carriers to maintain and expand their domestic and international passenger operations out of MIA.

Risk Management

It is the policy of the Aviation Department to measure, manage and monitor risk associated with its operations. As a business practice, certain risks are transferred by way of insurance instruments and others are self-assumed, with risk management and mitigation being key elements. Risks involving lease operations are typically managed by way of enforcement of minimum insurance requirements to be maintained by lessors, as well as inclusion of "hold harmless" and indemnification wording in favor of the Aviation Department.

Additionally, vendors, service providers, concessionaires, retailers and other outside parties are managed similarly. Use of contractors for construction or professional services is closely monitored to ensure that financial responsibility (insurance) is adequate and that the appropriate coverage is afforded to the Aviation Department.

The Aviation Department manages credit risk by restricting authorization as to the type and compositions of investment in which it invests (and its related custodians). Its portfolio has reflected such policy.

The Aviation Department manages its interest rate risk by requiring the matching of known cash needs and anticipated net cash outflows with its liquid cash and investment maturities.

Independent Audit

The financial statements for Fiscal Year 2010 were audited by KPMG LLP, and the opinion resulting from their examination is included in this Comprehensive Annual Financial Report. Their audit was made in accordance with auditing standards generally accepted in the United States.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Department for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for one year only. The Department has received a Certificate of Achievement for the last 18 consecutive fiscal years (1992-2009). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgements

This report could not have been presented without the efforts of the Finance and Strategy staff. We sincerely appreciate their time and thank them for their valuable contributions. The Deparment also thanks the County Mayor, the Board of County Commissioners and the County Manager for providing their continued support to the Department, enabling us to successully operate the Airport System.

Respectfully submitted,

José Abreu, P.E.
Aviation Director

Anne Syrcle Lee
Chief Financial Officer

2010
Comprehensive Annual Financial Report

(This page intentionally left blank)

Miami-Dade County Elected Officials

Vacant
Mayor

Board of County Commissioners

Joe A. Martinez, *Chairman*

Audrey M. Edmonson, *Vice Chairman*

Barbara J. Jordan, District 1

Jean Monestime, 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

Lynda Bell, District 8

Dennis C. Moss, District 9

Sen. Javier D. Souto, District 10

Joe A. Martinez, District 11

José “Pepe” Diaz, District 12

Vacant, District 13

Harvey Ruvin
Clerk of the Circuit and County Courts

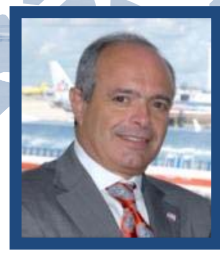
Alina T. Hudak
County Manager

Robert A. Cuevas Jr.
County Attorney

Jennifer Glazer-Moon
Director Office of Strategic Business Management

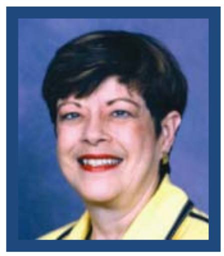
www.miamidade.gov

Miami-Dade Aviation Department
Senior Staff



José Abreu
Aviation Director

Miguel Southwell
Deputy Aviation Director
Business Retention & Development

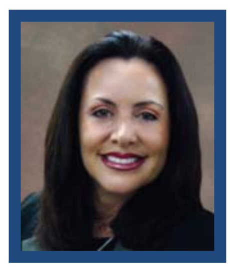


Anne Syrcle Lee
Chief Financial Officer

Ken Pyatt
Deputy Aviation Director
Operations

Bobbie Jones-Wilfork
Assistant Director
Administration

Carlos Jose
Assistant Director
Facilities Management



Lauren Stover
Assistant Director
Public Safety and Security

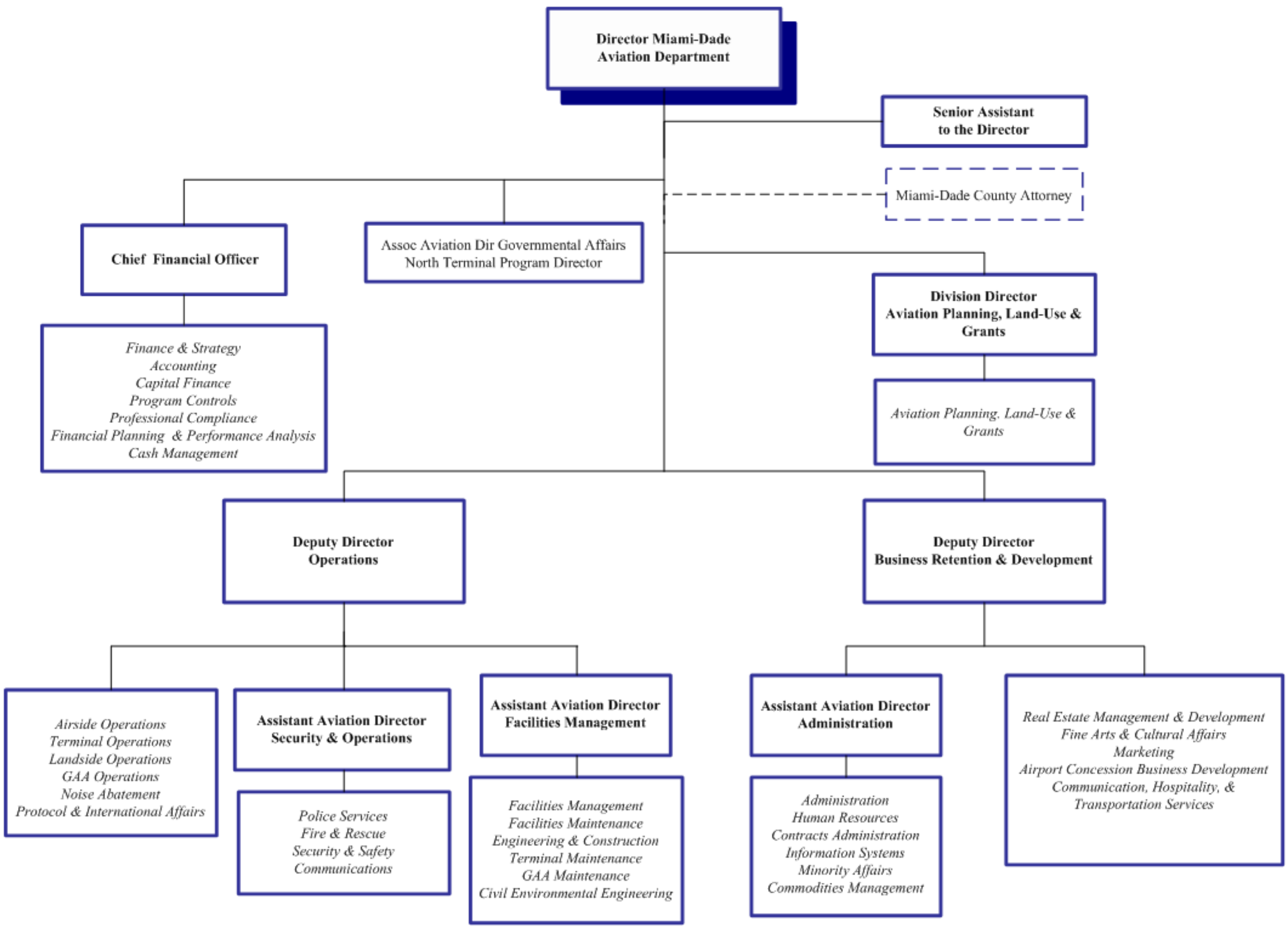
Juan Carlos Arteaga
North Terminal Program
Director

Milton Collins
Associate Director
Minority Affairs

Tony Quintero
Associate Director
Governmental Affairs

Miami-Dade Aviation Department
Organizational Chart

Miami-Dade Aviation Department
Table of Organization



GFOA Certificate of Achievement

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Miami-Dade County Aviation Department Florida

For its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2009

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

President

Executive Director

Financial Section

Independent Auditor's Report

Management Discussion & Analysis

Financial Statements

2010

Comprehensive Annual Financial Report

(This page intentionally left blank)

KPMG

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Financial Statements

September 30, 2010 and 2009

(With Independent Auditors' Report Thereon)

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Table of Contents

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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Miami-Dade County Aviation Department (the Aviation Department), an enterprise fund of Miami-Dade County, as of and for the years ended September 30, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of the Aviation Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Aviation Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in note 1(a), the financial statements present only the Aviation Department and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida (the County), as of September 30, 2010 and 2009, and the changes in its financial position or, where applicable, its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Aviation Department, an enterprise fund of Miami-Dade County, as of September 30, 2010 and 2009, and the changes in financial position and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2011, on our consideration of the Aviation Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10 and the schedule of funding progress on page 52 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

KPMG LLP

March 11, 2011
Certified Public Accountants

Introduction

The following discussion and analysis of the financial performance and activity of the Miami-Dade County Aviation Department (the Aviation Department) is to provide an introduction and understanding of the financial statements of the Aviation Department for the years ended September 30, 2010 and 2009. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

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

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

Required Financial Statements

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

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

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

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

Activity Highlights

MIA experienced a 3.1% increase in enplaned passenger traffic in fiscal year 2010. There was a decrease of 0.9% in fiscal year 2009 and an increase of 2.5% in passenger traffic in fiscal year 2008. MIA experienced significant passenger growth in fiscal year 2010 due to the lesser impact of worldwide economic recession on the Latin American countries, which provide a strong feed of passenger traffic for MIA. Landed weight, which represents the total weight of the commercial aircraft that landed at MIA, increased by 3.2% in fiscal year 2010 reflecting the increase in flight operations at MIA. Enplaned cargo increased by 23.1% in fiscal year 2010 reflecting the rebound in international trade activity after decreasing by 20.1% in fiscal year 2009. In fiscal year 2008, enplaned cargo increased 1.4% from the previous fiscal year. Below is a comparative of these activities at MIA by fiscal year:

	2010	2009	2008
Enplanements	17,405,330	16,884,099	17,035,400
Landed weight (1,000 pounds)	31,147,760	30,171,682	31,590,470
Enplaned cargo (in tons)	959,014	778,864	974,653

Financial Highlights

- Total assets increased by $1.2 billion in fiscal year 2010 while total liabilities increased by $1.1 billion resulting in a net increase in net assets of $36.3 million. The primary reason for the increase in assets is due to the addition and construction in progress of new facilities at MIA and proceeds from bonds. Correspondingly, liabilities increased as bond financing was used as the primary funding source for the construction costs of these new facilities.

- Buildings increased by a net of $2.1 billion, or 85.0%, during fiscal year 2010. The increase primarily represents North Terminal construction being completed and transferred from Construction in Progress to Buildings.

- Total bonded debt increased by $1.3 billion during fiscal year 2010, due to the issuance of new bonds during the fiscal year to do the final pay-off of the outstanding commercial paper that had been utilized to fund capital-related costs and to provide the final funding for the ongoing CIP.

- During fiscal year 2010, operating revenues were $573.3 million, an increase of $51.9 million, or 10%, as compared to fiscal year 2009. The increase in operating revenues is primarily due to a landing fee rate increase of 62.7%, from $1.18 to 1.92 and an 8.2% increase in the MIA terminal rental rate. During fiscal year 2009, operating revenues were $521.6, a decrease of $40.3 million, or 7.2%, as compared to fiscal year 2008.

- During fiscal year 2010, operating expenses, excluding depreciation and amortization, were $374.7 million, a decrease of $10.2 million, or 2.7%, as compared to fiscal year 2009. The decrease in operating expenses was due to a reduction in utility and departmental salaries and fringes expenses. During fiscal year 2009, operating expenses, excluding depreciation and amortization, were $384.9 million, an increase of $2.0 million, or 0.5%, as compared to fiscal year 2008.

(Continued)

The table below shows the composition of assets, liabilities, and net assets as of September 30, 2010, 2009, and 2008.

		2010	2009	2008
			(In thousands)	
Current assets:				
Unrestricted assets	$	257,814	250,361	293,237
Restricted assets		386,850	426,564	377,380
Total current assets		644,664	676,925	670,617
Noncurrent assets:				
Restricted assets		997,742	335,958	326,066
Capital assets, net		6,337,922	5,804,574	5,148,169
Other assets		75,857	72,370	71,678
Total assets		8,056,185	6,889,827	6,216,530
Current liabilities		59,316	70,603	62,548
Current liabilities payable from restricted assets		367,001	398,204	358,002
Total current liabilities		426,317	468,807	420,550
Noncurrent liabilities		6,413,566	5,241,039	4,604,000
Total liabilities		6,839,883	5,709,846	5,024,550
Net assets:				
Invested in capital assets, net of debt		670,302	755,324	627,687
Restricted		383,999	285,614	380,357
Unrestricted		162,001	139,043	183,936
Total net assets	$	1,216,302	1,179,981	1,191,980

Capital assets, net, as of September 30, 2010 were $6.3 billion, $533.3 million higher than at September 30, 2009. Capital assets, net, as of September 30, 2009 were $5.8 billion, $656.4 million higher than at September 30, 2008. Capital assets, net, as of September 30, 2008 were $5.1 billion, $513.2 million higher than at September 30, 2007. These increases were primarily in buildings and improvements due to the ongoing CIP.

Total net assets as of September 30, 2010 were $1.2 billion, an increase of approximately $36.3 million as compared to 2009. Total net assets as of September 30, 2009 were $1.18 billion, a decrease of approximately $12.0 million as compared to 2008. Total net assets as of September 30, 2008 were $1.19 billion, an increase of approximately $33.6 million as compared to 2007.

Changes in net assets can be determined by reviewing the following summary of revenue, expenses, and changes in net assets for the years ended September 30, 2010, 2009, and 2008.

	2010	2009	2008
		(In thousands)	
Operating revenue:			
Aviation fees	$ 280,872	238,938	262,888
Rentals	107,450	104,008	103,483
Commercial operations	179,603	170,470	176,239
Other operating	4,829	5,559	6,149
Other – environmental remediation	750	2,625	13,181
Nonoperating revenues:			
Investment income	5,678	5,981	18,138
Passenger facility charges	60,214	61,756	71,502
Other	17,271	14,163	13,123
Total revenues	656,667	603,500	664,703
Operating expenses:			
Operating expenses	237,718	258,037	260,093
Operating expenses – environmental remediation	8,091	457	2,223
Operating expenses – commercial operations	64,029	64,433	58,858
General and administrative expenses	64,867	62,011	61,750
Depreciation and amortization	167,693	138,968	138,117
Nonoperating expenses:			
Interest expense	161,542	156,382	154,575
Total expenses	703,940	680,288	675,616
Loss before capital contributions	(47,273)	(76,788)	(10,913)
Capital contributions	83,594	64,789	44,547
Change in net assets	36,321	(11,999)	33,634
Net assets at beginning of year	1,179,981	1,191,980	1,158,346
Net assets at end of year	$ 1,216,302	1,179,981	1,191,980

Total revenues for the fiscal year 2010 were $656.7 million, an increase of $53.2 million, as compared to fiscal year 2009. The increase in total revenues is primarily attributed to rate increases of landing and terminal rental rates, which in turn serves as the basis for the increase in the concourse use fees. Total revenues for the fiscal year 2009 were $603.5 million, a decrease of $61.2 million, or 9.2%, as compared to fiscal year 2008. Operating revenues were $573.3 million, an increase of $51.9 million, or 10.0%, as compared to fiscal year 2009. The increase in operating revenues is primarily in the categories of Aviation fees, which as previously stated is due to the increase in the airline rates and charges, and concession revenues, which increased mostly due to the increase in rental car revenue.

(Continued)

Total expenses, including depreciation and amortization, for fiscal year 2010 were $703.9 million, an increase of $23.7 million, or 3.5%, as compared to fiscal year 2009. The increase in total expenses is primarily attributed to the increase in depreciation expense. Total expenses, including depreciation and amortization, for the fiscal year 2009 were $680.3 million, an increase of $4.7 million, or 0.7%, as compared to fiscal year 2008. Operating expenses, excluding depreciation and amortization, were $374.7 million, a decrease of $10.2 million, or 2.7%, as compared to fiscal year 2009. The decrease in operating expenses was related to a reduction in utility and departmental salaries and fringes expenses. During fiscal year 2009, operating expenses, excluding depreciation and amortization, were $384.9 million, an increase of $2.0 million, or 0.5%, as compared to fiscal year 2008.

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

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2010, 2009, and 2008, the Aviation Department had $6.3 billion, $5.8 billion, and $5.1 billion, respectively, invested in capital assets, net of accumulated depreciation.

The following table summarizes the composition of capital assets, net of accumulated depreciation as of September 30, 2010, 2009, and 2008.

		2010	2009	2008
			(In thousands)	
Land	$	88,836	88,836	88,836
Buildings, improvements, and systems		4,477,364	2,419,663	2,458,826
Infrastructure		774,144	711,205	669,888
Furniture, machinery, and equipment		132,809	141,111	147,178
		5,473,153	3,360,815	3,364,728
Construction in progress		864,769	2,443,759	1,783,441
Total capital assets, net	$	6,337,922	5,804,574	5,148,169

Buildings increased by a net $2.1 billion, or 85.0%, during 2010, due to completion of most of the North Terminal construction.

The Aviation Department's ongoing CIP consists of 344 projects with a budgeted cost of approximately $6.32 billion for capital projects through fiscal year 2015. As of September 30, 2010, the status of these projects can be described as follows:

- 287 projects completed $3.659 billion
- The completed projects include most of the South Terminal, the Northside Runway (9/27), portions of Concourse "A" Terminal Expansion, the Central Collection Plaza, the Park 7 Garage, the Central Chiller Plant, Mid-field and Runway 9/27 rehabilitation, security projects, and the entire Westside Cargo Development Program.
- 38 projects under construction $2.626 billion
- These projects primarily consist of the North Terminal, which will add terminal, concourse, administrative, and concessions space to MIA. It also includes the MIA Mover, which will connect MIA with the Miami Intermodal Center. A few remaining projects related to the South Terminal, which opened for passenger operations in August 2007, are still under construction.
- 19 projects in design and planning $0.035 billion
- These projects include the rehabilitation of runway 8R/26L at MIA, life safety, roof repairs, and signage projects in the terminal building and drainage improvement projects on the north side of MIA.

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

Debt Administration

As of September 30, 2010, 2009, and 2008, the Aviation Department had a total of $6.1 billion, $5.1 billion, and $4.6 billion, respectively, in long-term revenue bonds outstanding. The long-term debt consists of Aviation Revenue Bonds issued under the Trust Agreement. Maturity dates range from 2011 to 2041, and the interest rates range from 2% to 6%. Both principal and interest are payable solely from net revenues generated from the airport facilities constructed under the provisions of the Trust Agreement. These revenue bonds do not constitute debt of the County or a pledge of the full faith and credit of the County. In addition to net revenues, the Aviation Department used $100.0 million of PFC revenue to pay principal and interest due in fiscal year 2010.

In January 2010, the County issued $600,000,000 of Series 2010A all of which remains outstanding at September 30, 2010. The Series 2010A were issued to refund outstanding Commercial Paper Notes and to provide funds for the payment of costs of certain airport improvements. The Series 2010A bonds bear stated interest ranging from 3.00% to 5.50%, with $172,925,000 serial bonds due October 1, 2012 to 2030 and $427,075,000 term bonds due October 1, 2029 to 2041.

In August 2010, the County issued $503,020,000 of Series 2010B all of which remains outstanding at September 30, 2010. Series 2010B were issued as part of a contingency program to finance certain airport capital projects under the Aviation Department's CIP. The Series 2010B bonds bear stated interest ranging from 2.25% to 5.00%, with $228,795,000 serial bonds due October 1, 2013 to 2030 and $274,225,000 term bonds due October 1, 2035 to 2041.

Additionally, on March 4, 2010 the County issued its Double-Barreled Aviation Bond (General Obligation), Series 2010, in the aggregate principal amount of $239,775,000 all of which remains outstanding at September 30, 2010. The Series 2010 Bonds are a general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2010 Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitation as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt services on the Series 2010 Bonds. 'Net Available Airport Revenues' is defined to mean any unencumbered funds held for the credit of the Improvement Fund created under the Trust Agreement after the payment of all obligations of the County pertaining to the County airports which are payable pursuant to, and subject to the restrictions of (i) the Trust Agreement, (ii) any Airline Use Agreement then in effect, or (iii) any other indenture, trust agreement or contract. Series 2010 was issued to provide long-term financing for certain capital improvement comprising a part of the CIP for the County's Aviation Department. Proceeds of the Series 2010 Bonds will be used for financing or reimbursing the County for costs of the acquisition, construction, improvement, and/or installation by the Aviation Department of its MIA Mover Program and a portion of its North Terminal Program. The Series 2010 Bonds bear stated interest ranging from 2.00% to 5.00%, with $129,995,000 serial bonds due July 1, 2012 to 2032 and $109,760,000 term bonds due July 1, 2034 to 2041.

The Aviation Department initiated a Commercial Paper (CP) Program in July 2000, with the authorization of the Board of County Commissioners (the Board), of $400,000,000 Aviation Commercial Paper Notes with maturities not to exceed 270 days. As of September 30, 2010, 2009, and 2008, the Aviation Department had outstanding $0, $110.1 million, and $0, respectively. The CP Program expired on August 1, 2010.

Some issues of General Aviation Revenue Bonds are insured by various original monoline insurance companies whose credit ratings reflect the financial capacity of these companies. The purchase of insurance elevated bond ratings by Standard and Poor's, Moody's Investor Service, and Fitch Ratings, respectively, to AAA, Aaa, and AAA and lowered the interest rate on the related debt. The Trust Agreement requires that insurers have certain minimum ratings in order to insure County bonds. The policies provide that insurers will make debt service payments in the unlikely event that the County is unable to do so. Since the insured bonds were issued, the ratings of the various monoline insurers have been lowered or withdrawn by the rating agencies. The rating downgrades do not necessarily affect the insurance companies' ability to pay claims, and the various insurance policies remain in effect. However, the Reserve Account was affected by the rating downgrades of the Surety policies that were purchased in lieu of cash funding the Debt Service Reserve Requirement.

MDAD funded the reserve requirement shortfall by funding the difference over a specified time period. As a result, the Department has a fully-funded cash reserve along with potentially viable but unusable Surety policies unless the ratings of the Reserve Surety Providers are upgraded to "AA/Aa" or higher. The County's cash flow and its ability to pay its debt service obligation have not been affected.

As of September 30, 2010, the public underlying ratings for the Aviation Department's outstanding General Aviation Revenue Bonds were A- with a stable outlook, A2 with a stable outlook, and A with a stable outlook per Standard and Poor's, Moody's Investors Service, Inc, and Fitch Ratings, respectively.

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

Economic Factors and Outlook

Most of the airline rates and charges at MIA continue to increase despite the decrease in operating expenses due to the issuance of additional debt required for the Aviation Department's ongoing CIP. As previously stated, the Aviation Department calculates the landing fee rate on an airport system residual cost recovery basis and, therefore, is able to pass along these increases in costs to the MIA air carriers through the terminal rental rate, terminal concourse use fee, and the landing fee. This increase in debt service is expected to significantly increase in fiscal years 2011 and 2012 and then level off for the next few years.

MIA principally serves the metropolitan area of Miami-Dade County. The local residents in Miami-Dade County serve as a portion of the MIA passenger traffic, which means that the local economy somewhat affects the airport's revenues. Like the rest of the nation, during fiscal year 2010, Miami-Dade County continued to economically struggle; although a number of the economic indicators improved over fiscal year 2009. On the negative side, Miami-Dade County experienced a significant increase in the unemployment rate and declines in median house prices. On the plus side, the County experienced an increase in taxable sales and visitors to the area, which improved the hotel occupancy rate over the prior year. Most of these positive factors had experienced declines in fiscal year 2009.

The rebound in visitors to the County is partially due to the increase in MIA passenger traffic. Compared to the nation's 1.1% growth during fiscal year 2010, MIA's growth of 3.1% is noteworthy. For a number of reasons, MIA passenger traffic has not experienced the same decline as the nation, most of which has to do with the strong Latin American traffic that passes through or visits MIA. In addition, with the completion of most of the gates in Concourse D and the reopening of the area previously referred to as Concourse A (but now part of Concourse D), American Airlines along with its regional airline American Eagle has significantly increased service to MIA. Delta Air Lines also significantly increased its service to MIA in fiscal year 2010.

Thus far in this economic cycle, Latin American economies have been more resilient than the U.S. economy, thereby diluting some of the negative impacts that other airports have faced and continue to face during this time of financial strain. This has benefited Miami International Airport because it dominates the Latin American/Caribbean region both in passenger numbers and cargo volume. The financial strength and stability of the airlines serving Miami International Airport will affect future airline traffic. While passenger demand at the airport remained strong in fiscal year 2010, there can be no assurance given as to the levels of aviation activity that will be achieved at the airport in the future. Any financial or operational difficulties incurred by American Airlines or any other major air carriers at the airport could have a material adverse effect on the airport, although the Aviation Department would take measures to mitigate the effect.

Air cargo tonnage at MIA greatly rebounded in fiscal year 2010 as noted by the 23.1% increase in cargo tonnage. This increase is reflective of the significant rebound in exports and imports from/to Latin American countries, which had both significantly declined in the previous year, thus benefitting MIA because MIA is a transshipment location with a major portion of the goods being shipped beyond MIA.

Request for Information

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

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Net Assets

September 30, 2010 and 2009

(In thousands)

Assets		**2010**	**2009**
Current assets:			
Cash and cash equivalents	$	156,874	94,131
Investments, including interest receivable		35,262	86,473
Accounts receivable, net of allowance for doubtful accounts of $12,718 in 2010 and $15,541 in 2009		36,060	37,323
Inventories, prepaid expenses, and deferred charges		6,948	7,140
Due from County Agencies		22,670	25,294
Total current unrestricted assets		257,814	250,361
Restricted assets:			
Current restricted assets:			
Cash and cash equivalents		131,178	159,771
Investments, including interest receivable		235,823	237,823
Government grants receivable		12,743	19,582
Passenger facility charges receivable		7,106	9,388
Total current restricted assets		386,850	426,564
Total current assets		644,664	676,925
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents		983,805	314,417
Cash held in escrow by agent		13,937	21,541
Total noncurrent restricted assets		997,742	335,958
Capital assets:			
Land		88,836	88,836
Construction in progress		864,769	2,443,759
Buildings, improvement, and systems		5,830,205	3,628,358
Infrastructure		1,217,051	1,146,389
Furniture, equipment, and machinery		351,652	347,194
Less accumulated depreciation		(2,014,591)	(1,849,962)
Capital assets, net		6,337,922	5,804,574
Other noncurrent assets		75,857	72,370
Total noncurrent assets		7,411,521	6,212,902
Total assets	$	8,056,185	6,889,827

(Continued)

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Net Assets

September 30, 2010 and 2009

(In thousands)

Liabilities and Net Assets		2010	2009
Current liabilities payable from unrestricted assets:			
Accounts payable and accrued expenses	$	20,522	31,546
Security deposits		9,908	10,159
Environmental remediation liability		9,215	9,615
Compensated absences		7,777	7,555
Deferred revenues		4,027	3,335
Due to County Agencies		7,867	8,393
Total current liabilities payable from unrestricted assets		59,316	70,603
Current liabilities payable from restricted assets:			
Accounts and contracts payable and accrued expenses		145,796	209,886
Bonds payable within one year:			
Trust Agreement Aviation Revenue Bonds		64,276	61,049
Interest payable		156,929	127,269
Total current liabilities payable from restricted assets		367,001	398,204
Total current liabilities payable		426,317	468,807
Noncurrent liabilities:			
Trust Agreement Aviation Revenue Bonds payable after one year		6,301,212	5,017,813
Commercial paper notes		—	110,141
Deferred rental credits		7,482	8,252
Compensated absences, net of current portion		20,905	20,402
Environmental remediation liability, net of current portion		79,630	79,980
Other noncurrent liabilities		4,337	4,451
Total noncurrent liabilities		6,413,566	5,241,039
Total liabilities		6,839,883	5,709,846
Net assets:			
Invested in capital assets, net of related debt		670,302	755,324
Restricted:			
Restricted for Debt Service		255,897	175,107
Restricted for Reserve Maintenance		20,248	28,790
Restricted for Construction		107,854	81,717
Unrestricted		162,001	139,043
Total net assets	$	1,216,302	1,179,981

See accompanying notes to financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended September 30, 2010 and 2009

(In thousands)

		2010	2009
Operating revenue:			
Aviation fees	$	280,872	238,938
Rentals		107,450	104,008
Commercial operations:			
Management agreements		67,433	66,970
Concessions		112,170	103,500
Other		4,829	5,559
Other – environmental remediation		750	2,625
Total operating revenue		573,504	521,600
Operating expenses:			
Operating expenses		237,718	258,037
Operating expenses – environmental remediation		8,091	457
Operating expenses under management agreements		24,930	24,755
Operating expenses under operating agreements		39,099	39,678
General and administrative expenses		64,867	62,011
Total operating expenses before depreciation and amortization		374,705	384,938
Operating income before depreciation and amortization		198,799	136,662
Depreciation and amortization		167,693	138,968
Operating income (loss)		31,106	(2,306)
Nonoperating revenue (expenses):			
Environmental cost recovery		1,003	1,077
Passenger facility charges		60,214	61,756
Interest expense		(161,542)	(156,382)
Investment income		5,678	5,981
Other revenue		16,268	13,086
Total nonoperating expenses		(78,379)	(74,482)
Loss before capital contributions		(47,273)	(76,788)
Capital contributions		83,594	64,789
Change in net assets		36,321	(11,999)
Net assets, beginning of year		1,179,981	1,191,980
Net assets, end of year	$	1,216,302	1,179,981

See accompanying notes to financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Cash Flows

Years ended September 30, 2010 and 2009

(In thousands)

	2010	2009
Cash flows from operating activities:		
Cash received from customers and tenants	$ 576,198	520,018
Cash paid to suppliers for goods and services	(252,056)	(241,492)
Cash paid to employees for services	(132,951)	(139,974)
Net cash provided by operating activities	191,191	138,552
Cash flows from capital and related financing activities:		
Proceeds from sale of revenue bonds and commercial paper	1,522,993	1,091,599
Principal paid on revenue bonds and commercial paper	(346,508)	(452,895)
Interest paid on revenue bonds	(265,807)	(230,976)
Payment of bond issue costs	(3,487)	(692)
Purchase and construction of capital assets, net	(623,933)	(666,386)
Capital contributed by federal and state governments	90,433	55,728
Passenger facility charges	62,496	61,225
Proceeds from environmental reimbursements	1,003	1,077
Proceeds from North Terminal Program Claims	10,000	10,000
Net cash provided by (used in) capital and related financing activities	447,190	(131,320)
Cash flows from noncapital financing activity:		
Operating reimbursements received	6,268	3,086
Net cash provided by noncapital financing activity	6,268	3,086
Cash flows from investing activities:		
Purchase of investments	(890,227)	(1,128,540)
Proceeds from sales and maturities of investments	943,438	1,041,811
Interest and dividends on investments	5,678	5,981
Net cash provided by (used in) investing activities	58,889	(80,748)
Net increase (decrease) in cash and cash equivalents	703,538	(70,430)
Cash and cash equivalents, beginning of year	568,319	638,749
Cash and cash equivalents, end of year	$ 1,271,857	568,319
Cash and cash equivalents reconciliation:		
Unrestricted assets	$ 156,874	94,131
Restricted assets	1,114,983	474,188
Cash and cash equivalents	$ 1,271,857	568,319

(Continued)

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Cash Flows

Years ended September 30, 2010 and 2009

(In thousands)

		2010	2009
Reconciliation of operating (loss) income to net cash provided by operating activities:			
Operating income (loss)	$	31,106	(2,306)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:			
Depreciation and amortization		167,693	138,968
Provision for uncollectible accounts		(2,823)	2,552
Changes in operating assets and liabilities:			
Accounts receivable		4,086	(2,742)
Inventories, prepaid expenses, and deferred charges		192	(1,135)
Due from County Agencies		2,624	2,740
Accounts and contracts payable and accrued expenses		(10,693)	5,282
Security deposits		(251)	444
Due to County Agencies		(526)	(1,433)
Deferred revenues and rental credits		(78)	(1,706)
Other liabilities		(139)	(2,112)
Total adjustments		160,085	140,858
Net cash provided by operating activities	$	191,191	138,552
Noncash investing, capital, and financing activities:			
Increase (decrease) in fair value of investments	$	337	(1,742)
(Decrease) increase in construction in progress accrual		(64,421)	26,813
Decrease in cash held in escrow by agent		(7,604)	(8,276)

See accompanying notes to financial statements.

(1) General

(a) Description

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

These statements present only the Aviation Department, and do not purport to, and do not present fairly the financial position of the County as of September 30, 2010 and 2009, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

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

(b) Basis of Presentation

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

(c) Authority to Fix Rates

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

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

of the principal and interest requirements of the Trust Agreement Aviation Revenue Bonds, as defined in the Trust Agreement.

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

(d) Agreements with Airlines

An Airline Use Agreement, which became effective in May 2002, establishes an airport system residual landing fee such that all costs not recovered through other revenues will be recovered from the landing fee revenue. Pursuant to the requirements of the Airlines Use Agreement, remaining money residing in the Improvement Fund at the end of the fiscal year in excess of $5 million, adjusted annually by the Consumer Price Index (CPI), is to be transferred to the Revenue Fund in the subsequent fiscal year thus reducing the amounts otherwise to be paid by the MIA air carriers in that fiscal year. The $5 million annual contribution is deposited into a separate account that has a cumulative cap of $15 million also subject to a CPI adjustment and can be used for any discretionary airport-related purpose. As of September 30, 2010 and 2009, these excess deposits, which are supposed to be transferred to the Revenue Fund annually by the following March, were approximately $57,222,000 and $71,954,000, respectively.

(e) Relationship with County Departments

The Aviation Department reimburses the General Fund of the County for its portion of the direct administrative service cost, such as Audit and Management Services, the Board, Clerk of the Courts, Computer Services and Information Systems, County Manager, Fire, Police, Personnel, and others. In 1996, an internal study was conducted by the County to determine the appropriate method as a basis to establish the indirect administrative services cost reimbursement for the year ended September 30, 1996 and subsequent years. This study was updated in 2003, which has recommended a cost allocation basis in accordance with the Office of Management and Budget (OMB) Circular A-87. For the years ended September 30, 2010 and 2009, the Aviation Department recorded an expense in the amount of $8,791,000 and $9,412,000, respectively, for the indirect administrative services cost reimbursement in accordance with the formula developed as a result of the study.

As of September 30, 2010 and 2009, the Aviation Department owes the County approximately $7,867,000 and $8,393,000, respectively, for various services. For these same periods, the Aviation Department has receivables due from the County in the amount of $22,670,000 and $25,294,000, respectively.

In addition, the Aviation Department pays other County departments directly for most services provided such as Fire, Police, Legal, and General Services Administration. The total cost to the Aviation Department for these services was approximately $70,024,000 and $70,610,000 for the years ended September 30, 2010 and 2009, respectively.

On March 20, 2003, the U.S. Department of Transportation, Office of the Inspector General (OIG) issued Report No. AV-2003-030 entitled Oversight of Airport Revenue in connection with their audit of amounts paid to the County by the Aviation Department. The OIG reported that the County diverted Aviation Department revenues of approximately $38 million from 1995 to 2000. On August 9, 2005, upon receiving additional information from the Aviation Department, the OIG agreed to adjust the finding to $8.1 million, plus interest. The Oversight of Airport Revenue report was updated to include the years 2001 through 2005, and the total diversion of revenues was increased to $12 million, plus interest of $2.3 million for a total of $14.3 million. The County repaid the Aviation Department $2,257,005 and $2,257,006 in fiscal years 2010 and 2009, respectively, leaving an unpaid balance of $2,257,006 as of September 30, 2010, which is included in due from County Agencies in the accompanying statements of net assets. The $2,257,006 unpaid balance will be repaid by the County in quarterly installments of $564,251 over the next fiscal year.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Cash and Cash Equivalents

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

(c) Investments

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

(d) Inventories

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

(e) Capital Assets and Depreciation

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

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

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

(f) Interest on Indebtedness

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

(g) Restricted Assets

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

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

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

(h) Compensated Absences

The Aviation Department accounts for compensated absences by accruing a liability for employees' compensation of future absences in accordance with Governmental Accounting Standards Board (GASB) No. 16, *Accounting for Compensated Absences*. The Aviation Department's policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. The Aviation Department recognizes a liability and expense in the period vacation and sick pay benefits are earned. As of September 30, 2010 and 2009, liabilities related to compensated absences were approximately $28,682,000 and $27,957,000, respectively.

(Continued)

(i) Environmental Remediation

Environmental remediation expenses that relate to current operations are expensed. Assets acquired for environmental remediation are capitalized as appropriate. Environmental remediation expenses that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed.

(j) Refundings Resulting in the Defeasance of Debt

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

(k) Bond Discount/Premium and Issuance Costs

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

(l) Pension Plan

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

(m) Net Asset Classifications

Net assets are classified and displayed in three components:

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

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

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

(Continued)

(n) Revenue Classifications

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

The components of the major revenue captions are:

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

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

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

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

(o) Grants from Government Agencies

Grants received for the acquisition or construction of capital assets are recorded as capital contributions, when earned. Grants are earned when costs relating to such capital assets, which are reimbursable under the terms of the grants, have been incurred. During fiscal years 2010 and 2009, the Aviation Department recorded approximately $83,594,000 and $64,789,000, respectively, in contributions consisting of federal and state grants in aid of construction.

(p) Passenger Facility Charges

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

PFC revenue is reported as nonoperating revenue. The Aviation Department has been authorized to collect PFCs on eligible enplaning revenue-generating passengers in the aggregate amount not to exceed $2,757,441,000 including interest, of which $814,159,000 has been earned through September 30, 2010.

(q) Application of FASB Pronouncements to Proprietary Funds

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

(r) Use of Estimates

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

(s) Implementation of New Accounting Standards

In December 2006, the GASB issued GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement provides guidance on how to calculate and report the cost and obligations associated with pollution cleanup efforts. The requirements of this statement become effective for fiscal periods beginning after December 15, 2007. Effective October 1, 2008, the Aviation Department adopted GASB Statement No. 49. The impact of adopting GASB No. 49 as of October 1, 2008 was not material to the Aviation Department's financial statements.

In June 2007, the GASB issued GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. An absence of sufficiently specific authoritative guidance has resulted in inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. The objective of this statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009. As of September 30, 2010, the Aviation Department has not acquired or developed intangible assets, as such, the adoption of GASB Statement No. 51 was not material to the Aviation Department's financial statements.

In June 2008, the GASB issued GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By entering into these arrangements, governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. Derivative instruments associated with changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk-management or investment tools. Derivative instruments, however, also can expose governments to significant risks and liabilities. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swap options, forward contracts, and futures contracts. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2009. As of September 30, 2010, the Aviation Department has no derivative instruments, as such, the adoption of GASB Statement No. 53 was not material to the Aviation Department's financial statements.

(Continued)

(t) Reclassification

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

(3) Cash and Cash Equivalents and Investments

The County is authorized through *Florida Statutes* §218.415, Ordinance No. 84-47, Resolution R-31-09 and its Investment Policy to make certain investments. The Investment Policy was updated and adopted on January 22, 2009 in response to current and possible uncertainties in the domestic and international financial markets. The County's overall investment objectives are, in order of priority, the safety of principal, liquidity of funds, and maximizing investment income.

As of September 30, 2010 and 2009, total unrestricted and restricted cash and cash equivalents and investments comprise the following:

		2010	2009
		(In thousands)	
Cash and cash equivalents	$	1,271,857	568,319
Investments, including interest receivable		271,085	324,296
	$	1,542,942	892,615

The carrying amounts of the Aviation Department's local deposits were $20.0 million and $6.7 million as of September 30, 2010 and 2009, respectively. All deposits are fully insured by Federal Depository Insurance and are held in qualified public depositories pursuant to *Florida Statutes* Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

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

Cash held in escrow by agent of $13.9 million and $21.5 million as of September 30, 2010 and 2009, respectively, represents the proceeds held by the Florida Department of Transportation (FDOT) State Infrastructure Bank to fund construction projects. See note 6.

Cash, cash equivalents, and investments as of September 30, 2010 and 2009 are summarized as follows:

	2010	2009
	(In thousands)	
Cash deposits	$ 19,975	6,739
U.S. government securities	1,491,951	748,550
Money market	24,989	132,323
Interest bearing	6,027	5,003
Total cash equivalents and investments	1,522,967	885,876
	$ 1,542,942	892,615

At September 30, 2010 and 2009, the carrying value of cash equivalents and investments included the following (in thousands):

Investment type	2010 Fair value	2009 Fair value
Federal Home Loan Mortgage Company	$ 420,449	163,848
Federal Home Loan Bank	406,363	254,259
Federal Farm Credit Bank	101,556	119,591
Fannie Mae	385,803	159,085
Treasury notes	177,780	51,767
Money market	24,989	132,323
Interest bearing	6,027	5,003
	$ 1,522,967	885,876

(a) Credit Risk

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

All Repos shall be governed by a standard SIFMA Master Repurchase Agreement; municipal securities issued by U.S. state or local governments, having at time of purchase, a stand-alone credit rating of AA or better assigned by two or more recognized credit rating agencies or a short-term credit rating of A1/P1 or equivalent from one or more recognized credit rating agencies.

The table below summarizes the investments by type and credit ratings as of September 30, 2010 and 2009:

Investment type	Credit rating
Federal Home Loan Mortgage Corporation	AAA
Federal Home Loan Bank	AAA
Federal Farm Credit Bank	AAA
Fannie Mae	AAA
Treasury notes	N/A
Money market	AAAm
Interest bearing	N/A

(b) Custodial Credit Risk

The Policy requires that bank deposits be secured per Chapter 280, *Florida Statutes*. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. As of September 30, 2010, all of the County’s bank deposits were in qualified public depositories.

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

(c) Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 50% of the portfolio may be invested in the State of Florida Local Government Surplus Trust Fund (the Pool); however, bond proceeds may be temporarily deposited in the Pool until alternative investments have been purchased. Prior to any investment in the Pool, approval must be received from the Board. 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 interest-bearing time deposits or demand accounts with no more than 5% deposited with any one issuer.

There is no limit on the percentage of the total portfolio that may be invested in direct obligations of the U.S. Treasury or federal agencies and instrumentalities, with no limits on individual issuers (investment in agencies containing call options shall be limited to a maximum of 25% of the total portfolio). 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 in prime commercial paper with a maximum of 5% with any one issuer. A maximum of 25% of the portfolio may be invested in bankers' acceptances with a maximum of 10% with any one issuer, but a maximum of 60% of the portfolio may be invested in both commercial paper and bankers' acceptances. A maximum of 20% of the portfolio may be invested in repurchase agreements with the exception of one (1) business day agreement, with a maximum of 10% of the portfolio in any one institution or dealer with the exception of one (1) business day agreement. Investments in derivative products shall be prohibited by the County. A maximum of 25% of the portfolio may be directly invested in municipal obligations, up to 5% with any one municipal issuer.

As of September 30, 2010 and 2009, the following issuers held 5% or more of the investment portfolio:

Issuer	2010	2009
Federal Farm Credit Bank	6.70%	13.50%
Federal Home Loan Bank	26.68	28.70
Federal Home Loan Mortgage Corporation	27.61	18.50
Fannie Mae	25.33	17.96
Treasury notes	11.67	5.84
Money market	—	14.94

(d) Interest Rate Risk

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

As of September 30, 2010 and 2009, the County had the following investments with the respective weighted average maturity in years:

Investment type	2010	2009
Federal Home Loan Mortgage Corporation	0.73	1.01
Federal Home Loan Bank	0.32	0.79
Federal Farm Credit Bank	3.02	1.56
Fannie Mae	0.28	0.67
Time deposits	—	0.42
Treasury notes	0.09	0.62

(e) Foreign Currency Risk

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

(4) Disaggregation of Receivables and Payables

(a) Receivables

As of September 30, 2010, accounts receivable, net of the allowance for doubtful accounts, in the amount of $36,060,000 comprise accounts from customers (tenants, carriers, business partners) representing 96% and government agencies representing 4%. As of September 30, 2009, accounts receivable, net of the allowance for doubtful accounts, in the amount of $37,323,000 comprise accounts from customers (tenants, carriers, business partners) representing 95% and government agencies representing 5%.

(b) Payables

As of September 30, 2010, accounts payable and accrued expenses and contracts payables totaled $166,318,000. This amount comprised 97% for amounts payable to vendors, 2% due to employees, and 1% due to government agencies. As of September 30, 2009, accounts payable and accrued expenses and contracts payables totaled $241,432,000. This amount comprised 97% for amounts payable to vendors, 2% due to employees, and 1% due to government agencies.

(Continued)

(5) Capital Assets and Depreciation

A summary of capital asset activity and changes in accumulated depreciation for the years ended September 30, 2010 and 2009 follows:

	Balance at September 30, 2009	Additions/ transfers	Deletions/ transfers and retirements	Balance at September 30, 2010
		(In thousands)		
Capital assets not being depreciated:				
Land	$ 88,836	—	—	88,836
Construction in progress	2,443,759	706,402	(2,285,392)	864,769
Total capital assets not being depreciated	2,532,595	706,402	(2,285,392)	953,605
Capital assets being depreciated:				
Buildings, improvements, and systems	3,628,358	2,201,894	(47)	5,830,205
Infrastructure	1,146,389	70,662	—	1,217,051
Furniture, machinery, and equipment	347,194	7,867	(3,409)	351,652
Total capital assets being depreciated	5,121,941	2,280,423	(3,456)	7,398,908
Less accumulated depreciation for:				
Buildings, improvements, and systems	(1,208,695)	(144,193)	47	(1,352,841)
Infrastructure	(435,184)	(7,723)	—	(442,907)
Furniture, machinery, and equipment	(206,083)	(15,777)	3,017	(218,843)
Total accumulated depreciation	(1,849,962)	(167,693)	3,064	(2,014,591)
Depreciable capital assets, net	3,271,979	2,112,730	(392)	5,384,317
Net capital assets	$ 5,804,574	2,819,132	(2,285,784)	6,337,922

	Balance at September 30, 2008	Additions/ transfers	Deletions/ transfers and retirements	Balance at September 30, 2009
		(In thousands)		
Capital assets not being depreciated:				
Land	$ 88,836	—	—	88,836
Construction in progress	1,783,441	790,246	(129,928)	2,443,759
Total capital assets not being depreciated	1,872,277	790,246	(129,928)	2,532,595
Capital assets being depreciated:				
Buildings, improvements, and systems	3,553,164	75,366	(172)	3,628,358
Infrastructure	1,097,364	49,025	—	1,146,389
Furniture, machinery, and equipment	341,120	10,813	(4,739)	347,194
Total capital assets being depreciated	4,991,648	135,204	(4,911)	5,121,941
Less accumulated depreciation for:				
Buildings, improvements, and systems	(1,094,338)	(114,529)	172	(1,208,695)
Infrastructure	(427,476)	(7,708)	—	(435,184)
Furniture, machinery, and equipment	(193,942)	(16,731)	4,590	(206,083)
Total accumulated depreciation	(1,715,756)	(138,968)	4,762	(1,849,962)
Depreciable capital assets, net	3,275,892	(3,764)	(149)	3,271,979
Net capital assets	$ 5,148,169	786,482	(130,077)	5,804,574

Total interest costs incurred during the years ended September 30, 2010 and 2009 amounted to approximately $295,467,000 and $250,280,000, respectively. Of this amount, approximately $133,925,000 and $93,898,000 were capitalized during 2010 and 2009, respectively.

(6) Debt

(a) Aviation Revenue Bonds

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

In August 2010, the County issued $503,020,000 of Series 2010B all of which remains outstanding at September 30, 2010. Series 2010B were issued as part of a contingency program to finance certain airport capital projects under the Aviation Department's CPI. The Series 2010B Bonds bear stated interest ranging from 2.25% to 5.00%, with $228,795,000 serial bonds due October 1, 2013 to 2030 and $274,225,000 term bonds due October 1, 2035 to 2041.

In January 2010, the County issued $600,000,000 of Series 2010A all of which remains outstanding at September 30, 2010. The Series 2010A were issued to refund outstanding Commercial Paper Notes and to provide funds for the payment of costs of certain airport improvements. The Series 2010A Bonds bear stated interest ranging from 3.00% to 5.50%, with $172,925,000 serial bonds due October 1, 2012 to 2030 and $427,075,000 term bonds due October 1, 2029 to 2041.

In May 2009, the County issued $388,440,000 of Series 2009A all of which remains outstanding at September 30, 2010 and $211,560,000 of Series 2009B all of which remains outstanding at September 30, 2010. The Series 2009A and 2009B were issued to refund outstanding Commercial Paper Notes and to provide funds for the payment of costs of certain airport improvements. The Series 2009B Bonds bear stated interest ranging from 3.00% to 5.75%, with $62,170,000 serial bonds due October 1, 2011 to 2029 and $149,390,000 term bonds due October 1, 2025 to 2041. The Series 2009A Bonds bear stated interest ranging from 3.00% to 6.00%, with $138,170,000 serial bonds due October 1, 2011 to 2029 and $250,270,000 term bonds due October 1, 2036 to 2041.

(Continued)

Miami-Dade County Aviation Department Debt Reconciliation, September 30, 2010 and 2009

Revenue bonds	Issue date	Rate	Maturity	2010	2009
2010B	August 2010	2.250% – 5.000%	2013-2030	$ 228,795	—
2010A	January 2010	3.000% – 5.500%	2012-2030	172,925	—
2009A	May 2009	3.000% – 6.000%	2011-2029	138,170	138,170
2009B	May 2009	3.000% – 5.750%	2011-2029	62,170	62,170
2008A	June 2008	5.350% – 5.500%	2024-2038	55,740	55,740
2008B	June 2008	4.000% – 5.000%	2016-2041	166,435	166,435
2007A	May 2007	5.000%	2040	228,885	228,885
2007B	May 2007	4.500% – 5.000%	2025-2029	32,850	32,850
2005A	November 2005	4.875% – 5.000%	2036-2038	322,500	322,500
2004A	March 2004	4.875%	2029	1,020	1,020
2004B	March 2004	4.625%	2029	2,670	2,670
2004C	March 2004	2.500% – 5.000%	2011	9,990	14,650
2003A	May 2003	4.750%	2027	26,490	26,490
2002A	December 2002	5.000% – 5.125%	2029-2036	600,000	600,000
2002	May 2002	4.500% – 5.750%	2011-2025	162,340	162,340
2000A	March 2000	5.400% – 5.875%	2011-2020	30,690	30,690
2000B	March 2000	5.250% – 5.750%	2011-2020	24,610	24,610
1998C	October 1998	4.400% – 5.250%	2009-2018	52,170	56,655
				2,318,450	1,925,875
Term bonds					
2010B	August 2010	5.500%	2035-2041	274,225	—
2010A	January 2010	5.000% – 5.500%	2029-2041	427,075	—
2009A	May 2009	5.500%	2036-2041	250,270	250,270
2009B	May 2009	5.000% – 5.500%	2025-2041	149,390	149,390
2008A	June 2008	5.250% – 5.500%	2033-2041	377,825	377,825
2007A	May 2007	5.000%	2040	322,195	322,195
2007B	May 2007	4.600%	2031-2032	16,070	16,070
2005A	November 2005	5.000%	2030-2035	35,400	35,400
2004A	March 2004	4.750% – 5.000%	2030-2036	210,830	210,830
2004B	March 2004	5.000%	2030-2037	153,695	153,695
2003A	May 2003	4.750% – 5.000%	2033-2035	264,910	264,910
2002	May 2002	5.375%	2027-2032	136,660	136,660
2000A	March 2000	6.000%	2024-2029	47,420	47,420
2000B	March 2000	5.750%	2024-2029	37,280	37,280
1998C	October 1998	5.000%	2023-2028	93,345	93,345
1997C	October 1997	5.125%	2027	63,170	63,170
				2,859,760	2,158,460

Miami-Dade County Aviation Department Debt Reconciliation, September 30, 2010 and 2009

Refunding bonds	Issue date	Rate	Maturity	2010	2009
2007C	December 2007	5.000% – 5.250%	2008 – 2026	$ 354,705	360,185
2007D	December 2007	4.000% – 5.250%	2008 – 2026	35,840	39,805
2005B	November 2005	3.500% – 5.000%	2006 – 2021	154,155	164,370
2005C	November 2005	3.500% – 5.000%	2006 – 2011	13,870	15,215
2003B	May 2003	3.600% – 5.250%	2006 – 2022	33,060	33,060
2003C	May 2003	2.000% – 5.250%	2006 – 2010	—	4,920
2003D	May 2003	2.000% – 5.250%	2006 – 2024	74,460	78,665
2003E	March 2008	5.250% – 5.375%	2010 – 2018	70,125	70,125
1997A	June 1997	5.375% – 6.000%	2006 – 2010	10,250	19,975
1995E	August 1995	6.000%	2009	—	6,370
				746,465	792,690
Term bonds					
2005C	November 2005	3.500% – 5.000%	2025	26,840	26,840
2003E	May 2008	5.125%	2024	69,575	69,575
1998A	May 2002	5.000% – 5.250%	2018 – 2024	85,675	85,675
				182,090	182,090
		Total		$ 6,106,765	5,059,115

(b) Maturities of Bonds Payable

The annual debt service requirements are as follows:

		Aviation revenue bonds principal		Interest
		(In thousands)		
Years ending September 30:				
2011	$	59,815		277,961
2012		59,520		313,948
2013		62,995		307,213
2014		68,145		304,116
2015		73,640		300,701
2016 – 2020		518,790		1,437,908
2021 – 2025		744,750		1,277,976
2026 – 2030		958,785		1,063,939
2031 – 2035		1,230,940		791,782
2036 – 2040		1,579,090		443,636
2041 – 2042		750,295		58,795
		6,106,765	$	6,577,975
Less:				
Unamortized discount		(6,098)		
Deferred loss on defeased debt		(27,030)		
	$	6,073,637		

Bond premium is added, and bond discount and deferred loss on defeased debt are deducted from the face amount of bonds payable. They are amortized as additional interest expense on the bonds outstanding method, which approximates the interest method. Amortization of bond discount or premium and deferred loss on defeased debt was approximately $2,492,000 and $2,933,000 as of September 30, 2010 and 2009, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net assets.

Amortization of bond issuance cost was approximately $3,889,000 and $3,761,000 as of September 30, 2010 and 2009, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net assets.

(c) Double-Barrel Aviation Bond

On March 4, 2010, the County issued its Double-Barreled Aviation Bond (General Obligation), Series 2010, in the aggregate principal amount of $239,775,000. The Series 2010 Bonds are a general obligation of the County, secured by the full faith, credit, and taxing power of the County. The Series 2010 Bonds are payable from ad valorem taxes levied on all taxable property in the

County, without limitation as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt services on the Series 2010 Bonds. 'Net Available Airport Revenues' is defined to mean any unencumbered funds held for the credit of the Improvement Fund created under the Trust Agreement after the payment of all obligations of the County pertaining to the County airports, which are payable pursuant to, and subject to the restrictions of (i) the Trust Agreement, (ii) any Airline Use Agreement then in effect, or (iii) any other indenture, trust agreement or contract.

Miami-Dade County Aviation Department Debt Reconciliation
September 30, 2010 and 2009

Revenue Serial	Issue date	Rate	Maturity	2010	2009
2010	March 2010	2.000% – 5.000%	2012 – 2032	$ 129,995	—
				129,995	—
Revenue Term					
2010	March 2010	4.750% – 5.000%	2034 – 2041	109,760	—
				109,760	—
Total				$ 239,755	—

In March 2010, the County issued $239,775,000 of its Double-Barreled Aviation bond (General Obligation), Series 2010 all of which remains outstanding at September 30, 2010. Series 2010 was issued to provide long-term financing for certain capital improvement comprising a part of the CPI for the County's Aviation Department. Proceeds of the Series 2010 Bonds will be used for financing or reimbursing the County for costs of the acquisition, construction, improvement, and/or installation by the Aviation Department of its MIA Mover Program and a portion of its North Terminal Program. The Series 2010 Bonds bear stated interest ranging from 2.00% to 5.00%, with $129,995,000 serial bonds due July 1, 2012 to 2032 and $109,760,000 term bonds due July 1, 2034 to 2041.

(d) Maturities of Double-Barrel Aviation Bonds Payable

The annual debt service requirements are as follows:

	General obligation bonds principal	Interest
	(In thousands)	
Years ending September 30:		
2011	$ —	11,485
2012	3,945	11,485
2013	4,025	11,407
2014	4,185	11,246
2015	4,395	11,036
2016 – 2020	24,745	52,414
2021 – 2025	30,855	46,306
2026 – 2030	39,260	37,900
2031 – 2035	50,020	27,143
2036 – 2040	63,630	13,528
2041	14,695	735
	239,755	$ 234,685
Less:		
Unamortized premium	6,295	
	$ 246,050	

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

On August 16, 2005, the County closed on the $71,000,000 Sunshine State Governmental Financing Commission Commercial Paper Revenue Note (Miami-Dade County Program), Series I 2005. The Aviation Department's pro rata share (12%) of the principal is $8,074,304, with interest at 5%, payable over five years. The proceeds provided funding for various County projects, including $7.9 million for the Aviation Department's Enterprise Resource Planning (ERP) Implementation. The final payment has been made on the Aviation Department's portion of the Sunshine State Revenue Note. The outstanding balance at September 30, 2010 and 2009 was $0 and $1,480,000, respectively.

(f) State Infrastructure Bank Note

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

The funds are held in escrow by the FDOT State Infrastructure Bank for the construction of the project. As of September 30, 2010 and 2009, cash held in escrow by agent totaled $13.9 million and $21.5 million, respectively. During fiscal year 2010 there were drawdowns totaling $7.6 million. As of September 30, 2010 and 2009, the outstanding loan balance was $45.8 million. The loan bears interest at 2% per annum. The maturity date of the loan is October 1, 2019 and the first payment of $5.0 million was made on October 1, 2009.

The annual debt service requirements are as follows:

		Principal	Interest
		(In thousands)	
Years ending September 30:			
2011	$	4,461	539
2012		4,173	827
2013		4,257	743
2014		4,342	658
2015		4,428	570
2016 – 2020		24,140	1,492
	$	45,801	4,829

(g) Long-Term Liabilities

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

	Balance at September 30, 2009	Additions	Reductions	Total at September 30, 2010	Due within one year
			(In thousands)		
Revenue bonds	$ 5,059,115	1,103,020	(55,370)	6,106,765	59,815
Less deferred amounts:					
For issuance discount and refunding losses	(31,733)	3,815	(5,210)	(33,128)	—
General obligation bonds	—	239,755	—	239,755	—
Less deferred amounts:					
For issuance premium	—	6,480	(185)	6,295	—
State infrastructure bank loan	50,000	—	(4,199)	45,801	4,461
Sunshine state loan	1,480	—	(1,480)	—	—
Total bonds payable, net	5,078,862	1,353,070	(66,444)	6,365,488	64,276
Other liabilities:					
Compensated absences	27,957	725	—	28,682	7,777
Environmental remediation	89,595	—	(750)	88,845	9,215
Deferred revenues and rental credits	11,587	692	(770)	11,509	4,027
Postemployment benefits	956	401	—	1,357	—
Other noncurrent liabilities	3,495	—	(515)	2,980	—
Total long-term liabilities	$ 5,212,452	1,354,888	(68,479)	6,498,861	85,295

	Balance at September 30, 2008	Additions	Reductions	Total at September 30, 2009	Due within one year
			(In thousands)		
Revenue bonds	$ 4,522,365	600,000	(63,250)	5,059,115	55,370
Less deferred amounts:					
For issuance discount and refunding losses	(25,161)	4,861	(11,433)	(31,733)	—
State infrastructure bank loan	50,000	—	—	50,000	4,199
Sunshine state loan	3,095	—	(1,615)	1,480	1,480
Total bonds payable, net	4,550,299	604,861	(76,298)	5,078,862	61,049
Other liabilities:					
Compensated absences	27,199	758	—	27,957	7,555
Environmental remediation	92,220	—	(2,625)	89,595	9,615
Deferred revenues and rental credits	13,293	—	(1,706)	11,587	3,335
Postemployment benefits	679	277	—	956	—
Other noncurrent liabilities	4,017	—	(522)	3,495	—
Total long-term liabilities	$ 4,687,707	605,896	(81,151)	5,212,452	81,554

(h) Commercial Paper Notes

At September 30, 2010, the County had no outstanding Aviation Commercial Paper (CP) Notes. At September 30, 2009, the County had $110,141,000 outstanding of Aviation Commercial Paper Notes.

All outstanding CP Notes issued by Miami-Dade Aviation Department were paid in full in February 2010 with the proceeds of the Series 2010A Bond. The Department discontinued utilizing the CP Program. Effective August 1, 2010 a Termination Certificate was issued for the cancellation of the Letter of Credit issued by BNP Paribas 91884181 and Dexia Local DCL#0507173.

The proceeds of such notes were used to finance certain airport and airport-related improvements. The notes and accrued interest are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. The notes are secured by an irrevocable stand-by letter of credit. The letter of credit, in the amount of $400,000,000, was approved for the purpose of making funds readily available for the payment of principal and interest on the notes. As of September 30, 2010 and 2009, there were no amounts outstanding on the letter of credit. The letter of credit expires on August 1, 2010.

The outstanding notes and accrued interest have been excluded from current liabilities at September 30, 2009 because the Aviation Department intended to refinance the commercial paper with long-term revenue bonds.

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

Balance as of September 30, 2008	$	—
Additions		498,171
Deductions		(388,030)
Balance as of September 30, 2009		110,141
Additions		175,318
Deductions		(285,459)
Balance as of September 30, 2010	$	—

(i) Defeased Debt

The County did not have any outstanding amount previously defeased held in escrow during fiscal year 2010.

(7) Restricted Assets

A summary of restricted assets at September 30, 2010 and 2009 is as follows:

		2010	2009
		(In thousands)	
Construction account	$	911,347	431,348
Bond service and reserve account		452,374	302,376
Reserve maintenance		20,871	28,798
	$	1,384,592	762,522

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

(a) Management Agreements

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

(b) Operating Agreements

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

(c) *Concession Agreements*

The Aviation Department has entered into concession agreements with retail stores and newsstands, duty-free merchandise shops, food and beverage facilities, various rent-a-car companies, aeronautical service companies, and other passenger services through 2014. The agreements consist of both cancelable and noncancelable agreements and provide for a minimum annual rental and a franchise fee based on a percentage of the gross revenue, whichever is greater. These agreements generated revenues of approximately $112,170,000 and $103,500,000 during fiscal years 2010 and 2009, respectively. Minimum future fees under such noncancelable concession agreements as of September 30, 2010 are as follows (in thousands):

Years ending September 30:		
2011	$	62,231
2012		59,441
2013		55,756
2014		54,896
2015		36,847
	$	269,171

(d) *Lease Agreements*

The leasing operations of the Aviation Department consist principally of the leasing of land, buildings, and office space. The lease agreements consist of both cancelable and noncancelable agreements and permit the Aviation Department to periodically adjust rents and maximize operational flexibility. Minimum future rentals under such noncancelable lease agreements as of September 30, 2010 are as follows (in thousands):

Years ending September 30:		
2011	$	39,508
2012		35,519
2013		31,787
2014		29,046
2015		26,206
2016 – 2020		35,044
2021 – 2025		29,280
2026 – 2030		13,862
2031 – 2035		6,707
2036 – 2040		6,279
2041 – 2045		2,637
2046 – 2050		2,637
2051 – 2052		527
	$	259,039

The Aviation Department recognized approximately $107,450,000 and $104,008,000 of rental income for the years ended September 30, 2010 and 2009, respectively.

(9) Insurance

The Aviation Department, along with most other County departments, participates in the self-insurance program of the County for workers' compensation insurance. The program is administered by the Risk Management Division of the General Services Administration Department of the County (Risk Management). Premiums on the self-insurance programs are based on historical loss experiences. The long-term estimated liability for claims payable, including incurred but not reported (IBNR), is recorded and retained at the County level. Therefore, such long-term liability is not included in the accompanying financial statements. The Aviation Department's liability for workers' compensation and general liability insurance is estimated to be approximately $4,779,000 and $4,125,000 as of September 30, 2010 and 2009, respectively, based on an independent actuarial valuation. The short-term liability for claims payable in the amount of approximately $1,224,000 and $1,057,000 is included in due to County Agencies in the accompanying statements of net assets as of September 30, 2010 and 2009, respectively.

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

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

With the exception of the South Terminal, the property of the Aviation Department is insured under a Countywide master program that covers most County properties subject to policy terms and conditions. The Aviation Department has been allocated a portion of the premium by the Risk Management Division based on the value of the property of the Aviation Department as a percentage of the total value of the property insured. The limit is $365 million countywide with a $5 million deductible per occurrence for most perils and a $200 million deductible for Named Storms. The sublimit for flood is $50 million. Terrorism is included in the program with a limit of $100 million. The Business Interruption limit for the Aviation Department is $192 million.

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

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

(10) Pension Plan

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

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

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

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

Pension costs for the Aviation Department as required and defined by the FRS ranged between 10.77% and 23.25% of gross salaries for fiscal years 2010, 2009, and 2008. For the fiscal years ended September 30, 2010, 2009, and 2008, the County contributed 100% of the annual required contributions. These contributions aggregated $282 million, $284 million, and $281 million, respectively, which represents 13.39%, 12.95%, and 13.10% of covered payroll, respectively, and 11.52%, 11.22%, and 10.80% of the total contributions required of all participating agencies for fiscal years 2010, 2009, and 2008.

Pension costs of the Aviation Department for the years ended September 30, 2010, 2009, and 2008, as required and defined by the System were $11,670,000, $11,681,000, and $11,261,000, respectively. These amounts are included in operating expenses in the accompanying statements of revenues, expenses, and changes in net assets.

The complete financial report of the FRS may be obtained by writing Division of Retirement, P.O. Box 9000, Tallahassee, Florida, 32315-9000; or by contacting Research & Education by e-mail at rep@dms.myflorida.com or by phone toll-free at 877-FRS-1FRS (877-377-1377), at 850-488-5706 in the Tallahassee local calling area, or at SUNCOM 278-5706.

(11) North Terminal Development Program (NTD)

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

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

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

A Fourth Amendment was entered into between the parties, which was approved by the Board on June 21, 2005. The Fourth Amendment primarily terminated the carrier's management of the Project and attempted to resolve the unprocessed and unpaid claims. Under the Fourth Amendment, the carrier agreed to contribute to the Project, $105 million, payable in installments over a period of 10 years beginning in fiscal year 2005. The contribution shall be maintained in a claims reserve fund to pay such claims. Once all claims have been settled, any excess funds available are retained by the Aviation Department to be applied to construction of the Project. Payments in the amount of $10 million were received in fiscal years 2010 and 2009. They were recognized as other revenue in the accompanying statements of revenues, expenses, and changes in net assets. The Aviation Department's best estimate is an allowance for uncollectible amounts equal to 100% of the unpaid balance of $35 million.

It is not probable that the Aviation Department will have any further claims predating the Fourth Amendment associated with the NTD. All known claims have been paid to date, and there were no claims paid during fiscal 2010. As of September 30, 2010 and 2009, $62,495,000 of claims had been paid and none had been accrued in the accompanying statements of net assets.

(12) Commitments and Contingencies

(a) Environmental Matters

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

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

As a result of the updated study and costs incurred in fiscal year 2010, the total cumulative estimate to correct such violations was $223.9 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, 2010 approximated $135.0 million. The Aviation Department has also spent $55.9 million in other environmental-related projects not part of any consent order.

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

Currently, the County has several pending lawsuits in State Court against the Potentially Responsible Parties (PRPs) and insurers to address recovery of past and future damages associated with the County’s liability under the FDEP Consent Order. As of September 30, 2010, the Aviation Department has received approximately $52.6 million from the State, insurance companies, and PRPs.

The outstanding liability amount at September 30, 2010 and 2009 was $88,845,000 and $89,595,000, respectively, representing the unexpended environmental remediation costs based on the Opinion of Cost performed by MACTEC. Management has allocated a portion of bond proceeds to fund this obligation and believes that the remaining amount can be funded from recoveries and the operations of the Aviation Department. The liability recorded by the Aviation Department does not include an estimate of any environmental violations at the three general aviation airports or at the two training airports. Management is not aware of any such liabilities, and the occurrence of any would not be material to the financial statements.

In addition to the studies conducted to determine the environmental damage to the sites occupied by Eastern and Pan Am, the Aviation Department caused studies to be performed to determine the amount required to remove or otherwise contain the asbestos in certain buildings occupied by the airlines. The Aviation Department has also estimated the amount required to remove or otherwise contain the asbestos in buildings other than those formerly occupied by Eastern and Pan Am. The studies that estimate the cost to correct such damage related to all buildings were assessed at approximately $4.5 million. The Aviation Department has no intention of correcting all assessed damage related to asbestos in the near future as they pose no imminent danger to the public. Specific issues will be addressed when and if the department decides to renovate or demolish related buildings. At such time, the department will obligate itself to the cleanup or asbestos abatement. As emergencies or containment issues may arise from this condition, they will be isolated and handled on a case-by-case basis as repair and maintenance. Such amounts do not represent a liability of the Aviation Department until such time as a decision is made by the Aviation Department's management to make certain modifications to the buildings, which would require the Aviation Department to correct such matters. As such, no amounts are recorded as of September 30, 2010 and 2009.

The nature of ground and groundwater contamination at MIA can be divided into two categories; petroleum related contamination and hazardous/non hazardous contamination. The Opinion of Cost is divided in three large areas: the Inland Protection Trust Fund (IPTF) which was created by the State of Florida to deal with contamination related to petroleum products in sites that qualified for that program; the non IPTF contamination relates to other sites which might include petroleum as well as hazardous/non-hazardous related contamination; and the non-consent items which can be either of the two above but were not specifically listed in the Consent Order.

The table below summarizes the remediation liability by nature of contaminant:

Nature of Contamination	IPTF	Non-IPTF	Non-Consent	Totals
Petroleum	$ 12,203,000	1,460,000	2,285,000	15,948,000
Hazardous/nonhazardous	—	63,746,523	9,150,390	72,896,913
Total	$ 12,203,000	65,206,523	11,435,390	88,844,913

(b) Other Commitments and Contingencies

As of September 30, 2010, the Aviation Department had approximately $665.7 million of construction commitments outstanding.

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

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

FDOT, in cooperation with the County, has borrowed $433 million from the United States Department of Transportation (USDOT) under the Transportation Infrastructure Financing Innovation Act (TIFIA) loan program. Approximately $269 million of the loan proceeds will be used to construct the Miami Intermodal Center and approximately $164 million for a consolidated rental car facility (RCF) adjacent to the Airport. The $164 million was to be used by FDOT to purchase the land needed for the RCF and then design and construct the facility. The portion of the loan relating to the RCF will be repaid through the collection of the Customer Facility Charges (CFCs) from car rental company customers at the Airport. The remainder of the loan will be repaid by the State. The repayment of the TIFIA loan is not secured by revenues or any other revenues of the Aviation Department. On December 7, 1999, the County entered into a Memorandum of Understanding (MOU) with FDOT. The MOU provides that FDOT's portion of the TIFIA loan is $269 million and that MDAD's portion of the TIFIA loan is approximately $164 million. This funding of $164 million is expressly for the purpose of paying FDOT for the cost of the land underlying the RCF and the construction of the RCF. MDAD has agreed to purchase from FDOT all land acquired by FDOT for use in connection with the RCF site as part of the capital cost for the RCF. As of September 30, 2010, the purchase by MDAD from FDOT has not taken place. The negotiation and purchase of the land will not occur until all construction work in connection with the RCF is completed.

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

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

(13) Postemployment Benefits Other Than Pensions

During fiscal year 2008, the Aviation Department adopted the requirements of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, for Other Postemployment Benefit (OPEB). This statement requires that the County accrue the cost of the County's retiree health subsidiary and OPEB during the period of employees' active employment as the benefits are being earned. It requires the unfunded actuarial accrued liability be disclosed in order to accurately account for the total future cost of OPEB and the financial impact on the County. The financial impact to the Aviation Department is reflected in the accompanying financial statements.

Plan Description

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

Eligibility: To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under FRS and pay required contributions.

- Regular Class (All employees not identified as members of the Special Risk Class)
  - Eligibility for Unreduced Pension Benefits under FRS
    - Age 62 with 6 years of service
    - 30 years of service (no age requirement)
    - Eligibility for Reduced Pension Benefits under FRS
- Special Risk Class (Police Officers, Firefighters, and Corrections Officers)
  - Eligibility for Unreduced Pension Benefits under FRS
    - Age 55 with 6 years of special risk service
    - 25 years of special risk service (no age requirement)
    - Age 52 and 25 years of creditable service, including special risk service and up to maximum of 4 years of active duty wartime military service credit
    - Regular Class criteria
  - Eligibility for Reduced Pension Benefits under FRS
    - 6 years of service (no age requirement)

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

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

- JMH HMO High Option
- JMH HMO Low Option

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

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

Number of covered participants:	
Actives	37,516
Retirees under age 65	2,329
Eligible spouses under age 65	681
Retirees age 65 and over	548
Eligible age 65 and over	112
Total	41,186

Funding Policy. The County contributes to both the pre-65 and post-65 retiree medical coverage. Retirees pay the full cost of dental coverage. Medical contributions vary based on plan and tier. For pre-65 retirees, the County explicitly contributed an average of 19% of the cost for the AvMed POS plan, 40% for the AvMed HMO High, and AvMed HMO Low plans in fiscal year 2008. The JMH HMO plans receive no explicit contribution. However, it is the County's policy that after fiscal year 2008, its per capita contribution for retiree healthcare benefits will remain at the 2008 dollar level.

The pre-65 retirees also receive an implicit subsidy from the County since they are underwritten with the active employees. The implicit contribution is approximately 3% of the cost. The pre-65 cost is approximately 42% greater than the combined pre-65 and active cost. The post-65 retiree contributions also vary by plan and tier with the County contributing an average of 30% of the entire plan cost.

The postretirement medical and dental benefits are currently funded on a pay-as-you go basis (i.e., Miami-Dade County funds on a cash basis as benefits are paid). No assets have been segregated and restricted to provide postretirement benefits. For fiscal years 2010 and 2009, the Miami-Dade Aviation Department contributed $851,000 and $836,000, respectively, to the Plan.

Annual OPEB Cost and Net OPEB Obligation

The Aviation Department's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

(Continued)

The Department's annual OPEB cost for the fiscal years 2010 and 2009 and the related information for each plan are as follows (dollar amounts in thousands):

		2010	2009
Annual required contribution	$	1,252	1,112
Interest on net OPEB obligation		—	32
Adjustment to annual required contribution		—	(31)
Annual OPEB cost		1,252	1,113
Contribution made		851	836
Increase in net OPEB obligation		401	277
Net OPEB obligation – beginning of year		956	679
Net OPEB obligation – end of year	$	1,357	956

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 were as follows (dollar amounts in thousands):

Fiscal year ended		Annual OPEB cost	Percentage Annual OPEB cost contributed		Net OPEB obligation
September 30, 2009	$	1,113	75.1%	$	956
September 30, 2010	$	1,252	68.0%	$	1,357

Funded Status and Funding Progress

The schedule below shows the balance of the County's actuarial accrued liability (AAL), all of which was unfunded as of September 30, 2010 (dollar amounts in thousands).

Schedule of Funding Progress
For the Retiree Health Plan (Unaudited)

Actuarial valuation date		Actuarial value of assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)		Estimated covered payroll (c)	UAA as a percentage of covered payroll [(b-a)/c]
October 1, 2009	$	—	281,470	281,470	—%	$	1,573,391	18%
October 1, 2008	$	—	255,259	255,259	—%	$	1,527,564	17%

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

Actuarial Methods and Assumptions

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

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

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

Actuarial valuation date	October 1, 2008
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Actuarial assumptions:	
Discount rate	4.75%
Payroll growth assumption	3.00%
Healthcare cost trend rates	10.00% initial to 5.25% ultimate
Mortality table	RP 2000

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

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Required Supplementary Information

September 30, 2010 and 2009

Unaudited

Schedule of Funding Progress For the Retiree Health Plan
(Unaudited – see accompanying accountants' report)

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Estimated covered payroll (c)	UAA as a percentage of covered payroll [(b-a)/c]
October 1, 2009	$ —	281,470	281,470	—%	$ 1,573,391	18%
October 1, 2008	$ —	255,259	255,259	—%	$ 1,527,564	17%

Statistical Section

(unaudited)

(This page intentionally left blank)

Overview

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

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

- Department Operating Revenues and Expenses
- Department Statements of Net Assets
- Department Changes in Cash and Cash Equivalents
- Department Largest Sources of Revenue

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

- Key Usage Fees and Charges
- Concession Revenue Per Enplaned Passenger
- Parking Revenue Per Enplaned Passenger
- Rental Car Revenue Per Enplaned Passenger
- Terminal Rent Revenue Per Enplaned Passenger
- Food and Beverage Revenue Per Enplaned Passenger

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

- Department Employee Strength
- Aircraft Operations
- Aircraft Landed Weight
- Passenger Enplanements
- Passenger Deplanements
- Enplanement Market Share by Airline by Fiscal Year
- Air Cargo Activity

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

- Miami-Dade County Population Estimates
- Principal Employers in Miami-Dade County
- Miami-Dade County Unemployment Statistics
- Miami-Dade County Per Capita Personal Income

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

- Revenue Bond Debt Service Coverage
- Outstanding Debt
- Long Term Debt Per Enplaned Passenger
- Capital Assets

(This page intentionally left blank)

Miami-Dade County Aviation Department
Schedules of Revenues and Expenses
Last Ten Fiscal Years
(Unaudited)

(In Thousands)	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
OPERATING REVENUES:										
Aviation Fees	$185,718	$171,960	$197,084	$208,026	$213,481	$249,867	$239,565	$262,888	$238,938	$280,872
Rentals	93,492	100,458	88,609	91,167	89,255	93,077	101,331	103,483	104,008	107,450
Commercial Operations:										
Management Agreements	112,141	95,785	91,188	98,371	62,103	68,499	78,974	72,250	66,970	67,433
Concessions	74,338	75,287	74,057	73,174	77,520	80,171	94,100	103,989	103,500	112,170
Other	3,431	2,944	308	1,279	13,364	18,967	10,717	6,149	5,559	4,829
Other Environmental Remediation	-	-	-	-	39,758	14,619	30,296	13,181	2,625	750
Total Operating Revenue	**$469,120**	**$446,434**	**$451,246**	**$472,017**	**$495,481**	**$525,200**	**$554,983**	**$561,940**	**$521,600**	**$573,504**
OPERATING EXPENSES:										
Operating Expenses	$188,212	$190,754	$212,708	$196,925	$220,412	$221,049	$238,691	$260,093	$258,037	$237,718
Operating Expenses for										
Environmental Remediation	68,661	7,118	8,980	24,659	4,893	3,381	2,107	2,223	457	8,091
Operating Expenses Under										
Management Agreements	61,826	49,780	49,520	48,824	22,132	27,040	32,197	24,447	24,755	24,930
Operating Expenses Under										
Operating Agreements	30,066	26,658	28,560	30,435	31,221	31,564	32,651	34,411	39,678	39,099
General and Administrative Expenses	37,907	37,802	40,992	47,819	64,895	65,102	51,732	61,750	62,011	64,867
Depreciation and Amortization	102,557	101,586	97,902	103,971	109,169	111,811	122,596	138,117	138,968	167,693
Total Operating Expenses	**$489,229**	**$413,698**	**$438,662**	**$452,633**	**$452,722**	**$459,947**	**$479,974**	**$521,041**	**$523,906**	**$542,398**
Operating Income (loss)	($20,109)	$32,736	$12,584	$19,384	$42,759	$65,253	$75,009	$40,899	($2,306)	$31,106
NONOPERATING REVENUE (EXPENSE):										
Interest Expense (net)	(90,434)	(92,689)	(126,754)	(87,762)	(113,535)	(113,274)	(123,401)	(154,575)	(156,382)	(161,542)
Investment Income:										
Current Investments	8,923	4,922	174	1,928	3,957	9,456	10,519	5,832	1,744	620
Restricted Investments	15,850	5,692	7,776	4,290	7,659	21,880	18,384	12,306	4,237	5,058
Loss on Disposition of Assets/Project Costs	(3,823)	-	(5,973)	-	-					
Passenger Facility Charges	45,754	46,982	51,657	58,472	59,571	65,149	66,341	71,502	61,756	60,214
Other Nonoperating Revenue	7,702	5,728	10,539	1,284	18,420	20,548	23,027	13,123	14,163	17,271
Total Nonoperating Expenses	**($16,028)**	**($29,365)**	**($62,581)**	**($21,788)**	**($23,928)**	**$3,759**	**($5,130)**	**($51,812)**	**($74,482)**	**($78,379)**
(Loss) Income before Capital										
Contribution	**(36,137)**	**3,371**	**(49,997)**	**(2,404)**	**18,831**	**69,012**	**69,879**	**(10,913)**	**(76,788)**	**(47,273)**
Capital Contributions	24,891	44,968	62,845	31,532	25,483	55,993	26,983	44,547	64,789	83,594
Change in Net Assets	**(11,246)**	**48,339**	**12,848**	**29,128**	**44,314**	**125,005**	**96,862**	**33,634**	**(11,999)**	**36,321**

See Accompanying Auditor's Report

Miami-Dade County Aviation Department
Department Statements of Net Assets (in $000)
Fiscal Years Ended September 30
(Unaudited)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Current Assets:	$ 164,530	$ 166,707	$ 454,486	$ 495,380	$ 467,748	$ 556,999	$ 577,363	$ 670,617	$ 676,925	$ 644,664
Noncurrent assets										
Restricted assets	376,125	390,006	656,150	436,806	316,142	376,423	400,861	326,066	335,958	997,742
Capital assets, net	2,434,970	2,776,584	3,186,232	3,609,761	3,978,777	4,335,934	4,634,971	5,148,169	5,804,574	6,337,922
Other assets	14,284	16,205	37,234	45,087	41,489	45,905	53,199	71,678	72,370	75,857
Total assets	2,989,909	3,349,502	4,334,102	4,587,034	4,804,156	5,315,261	5,666,394	6,216,530	6,889,827	8,056,185
Current liabilities	102,082	81,944	99,291	88,858	88,412	142,484	80,841	62,548	70,603	59,316
Current liabilities payable from restricted assets	105,431	147,937	253,097	286,558	261,853	285,719	285,499	358,002	398,204	367,001
Noncurrent liabilities	1,677,093	2,269,432	3,118,677	3,319,453	3,517,412	3,825,574	4,141,708	4,604,000	5,241,039	6,413,566
Total liabilities	1,884,606	2,499,313	3,471,065	3,694,869	3,867,677	4,253,777	4,508,048	5,024,550	5,709,846	6,839,883
Net assets:										
Invested in capital assets, net of debt	$ 743,620	$ 793,370	$ 790,564	$ 416,312	$ 476,523	$ 553,668	$ 591,818	$ 627,687	$ 755,324	$ 670,302
Restricted	131,854	104,505	82,951	584,512	452,140	443,019	426,644	380,357	285,614	383,999
Unrestricted net assets (deficit)	(73,456)	(47,686)	(10,478)	(108,659)	7,816	64,797	139,884	183,936	139,043	162,001
Total net assets	**$ 802,018**	**$ 850,189**	**$ 863,037**	**$ 892,165**	**$ 936,479**	**$ 1,061,484**	**$ 1,158,346**	**$ 1,191,980**	**$ 1,179,981**	**$ 1,216,302**

Miami-Dade County Aviation department
Changes in Cash and Cash Equivalents ($000)
Fiscal Years Ended September 30
(Unaudited)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Cashflows from operating activities:										
Cash received from customers and tenants	471,247	440,122	450,718	470,172	455,396	494,923	515,276	557,218	520,018	576,198
Cash paid to suppliers for goods and services	(166,106)	(132,204)	(97,084)	(136,003)	(162,405)	(162,898)	(259,488)	(207,279)	(241,492)	(252,056)
Cash paid to employees for services	(149,804)	(147,178)	(185,905)	(161,121)	(202,308)	(159,394)	(164,347)	(169,578)	(139,974)	(132,951)
Net cash provided by operating activities	155,337	160,740	167,729	173,048	90,683	172,631	91,441	180,361	138,552	191,191
Cash flows from capital and related financing activities:										
Proceeds from sale of revenue bonds and commercial paper	93,339	592,500	1,421,504	577,539	560,361	963,715	732,400	1,346,472	1,091,599	1,522,993
Principal paid on revenue bonds and commpercial paper	(52,741)	(313,789)	(599,184)	(411,419)	(330,927)	(604,949)	(471,513)	(889,326)	(452,895)	(346,508)
Interest paid on revenue bonds	(90,491)	(92,708)	(77,384)	(143,694)	(175,505)	(181,807)	(191,814)	(201,427)	(230,976)	(265,807)
Payment of bond issue costs	-	-	(21,029)	(7,853)	3,598	(4,416)	(7,294)	(18,479)	(692)	(3,487)
Purchase and construction of capital assets, net	(261,651)	(443,213)	(466,099)	(461,135)	(418,559)	(381,287)	(317,323)	(520,727)	(666,386)	(623,933)
Proceeds from land sale	-	-	-	-	-	1,000	-	-	-	-
Capital contributed by federal and state governments	13,681	44,530	42,296	46,690	38,546	56,979	32,136	36,168	55,728	90,433
Passenger facility charges	45,190	42,869	53,912	57,607	59,135	62,656	69,186	67,531	61,225	62,496
Proceeds from environmental reimbursements	5,210	206	6,588	134	1,793	4,448	6,586	1,902	1,077	1,003
Proceeds from North Terminal Program Claims					15,000	15,000	10,000	10,000	10,000	10,000
Proceeds from insurance claim	2,492	-	-	-	-	-	-	-	-	-
Net cash used in cpaital and related financing activities	(244,971)	(169,605)	360,604	(342,131)	(246,558)	(68,661)	(137,636)	(167,886)	(131,320)	447,190
Cash flows from non capital financing activities:										
Operating reimbursements received	-	5,354	3,309	1,150	1,627	1,100	6,441	1,221	3,086	6,268
Net cash provided by non capital financing activities	-	5,354	3,309	1,150	1,627	1,100	6,441	1,221	3,086	6,268
Cash flows from investing activities:										
Purchase of investments	(429,847)	(457,574)	(761,250)	(607,250)	(292,518)	(493,839)	(513,953)	(980,767)	(1,128,540)	(890,227)
Proceeds from sales and maturities of investments	482,744	426,410	644,666	708,928	347,495	595,940	580,678	901,533	1,041,811	943,438
Interest and dividends on investments	23,139	11,877	7,837	6,218	11,616	31,336	28,903	20,328	5,981	5,678
Net cash provided by investing activities	76,036	(19,287)	(108,747)	107,896	66,593	133,437	95,628	(58,906)	(80,748)	58,889
Net increase (decrease) in cash and cash equivalents	(13,598)	(22,798)	422,895	(60,037)	(87,655)	238,507	55,874	(45,210)	(70,430)	703,538
Cash and cash equivalents, beginning of year	298,708	285,110	114,375	537,270	477,233	389,578	628,085	683,959	638,749	568,319
Cash and cash equivalents, end of year	285,110	262,312	537,270	477,233	389,578	628,085	683,959	638,749	568,319	1,271,857

See Accompanying Auditor’s Report

Miami-Dade County Aviation Department
Department Largest Sources of Revenue
Ten Largest Sources of Revenue
Fiscal Years Ended September 30
Ranked by the Last Fiscal Year
(Unaudited)

2010	Firm	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	
1	American Airlines Inc	$ 231,767,763	$ 211,982,688	$ 226,059,371	$ 199,554,639	$ 204,703,115	$ 178,786,027	$ 160,838,715	$ 149,747,534	$ 133,421,403	$ 126,886,444	$122,680,818	
2	Airport Parking Associates	37,701,231	37,535,392	42,435,888	41,846,246	37,834,025	34,134,747	31,456,696	28,133,747	28,000,902	33,718,967	33,588,806	
3	Delta Air Lines Inc	19,510,771	13,033,455	11,804,962	11,339,539	11,733,842	11,828,570	12,032,097	11,588,804	10,191,580	12,044,745	11,332,019	
4	Duty Free Americas Miami,LLC	17,743,699	17,730,545	18,283,877	14,467,149	9,164,337	N/A	N/A	N/A	N/A	N/A	N/A	(A)
5	Allied Aviation Services	17,096,716	14,185,967	16,113,669	16,445,584	15,343,478	15,205,936	1,559,288	N/A	N/A	N/A	N/A	(B)
6	Executive Airlines dba American Eagle Airlines	12,484,302	9,639,269	10,680,809	9,392,626	8,832,305	7,487,016	7,728,100	6,255,063	5,207,800	6,280,420	6,838,917	
7	H I Development Corp	11,636,562	9,651,656	9,852,661	8,570,793	4,923,212	5,812,398	9,242,028	10,500,787	10,590,688	13,345,938	13,502,258	
8	LAN Airlines f/k/a LAN Chile SA	8,795,112	8,192,338	9,499,178	7,185,466	7,793,737	6,380,985	6,465,311	5,844,003	6,214,075	5,431,451	4,069,417	
9	Continental Airlines	8,754,211	8,022,644	9,083,970	8,398,282	8,380,145	7,681,805	8,245,510	9,035,554	7,722,979	7,445,833	6,857,026	
10	The Hertz Corporation	8,574,393	7,429,770	8,478,292	6,873,492	6,957,243	7,627,336	7,698,827	6,722,875	6,350,439	7,382,247	6,845,459	

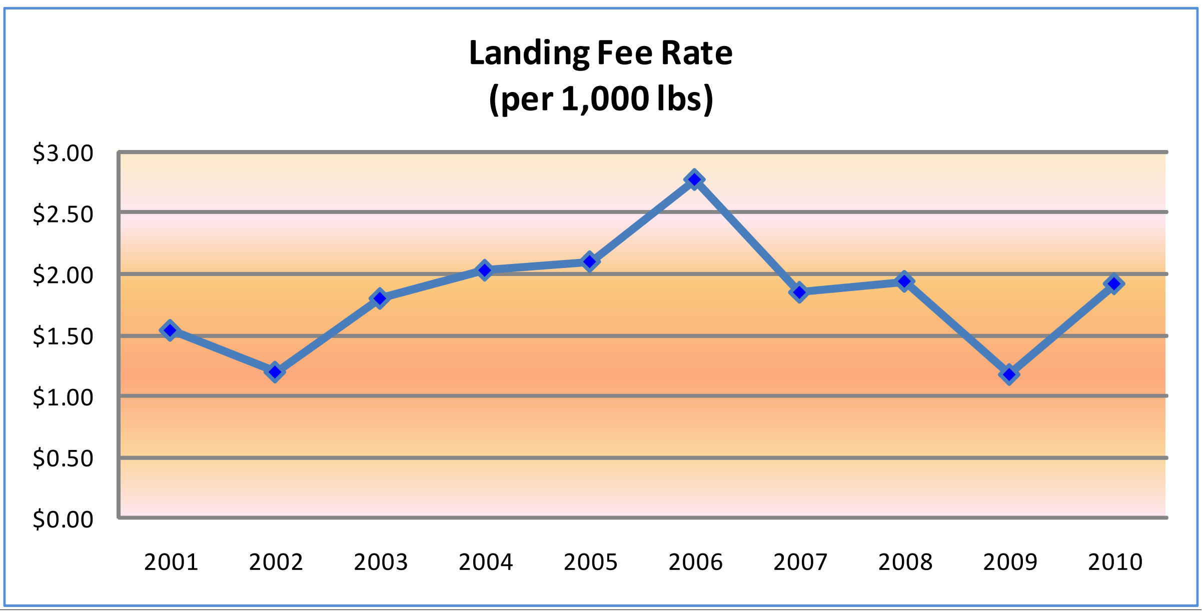
Note N/A:

(A) Duty Free effective date commenced January 2006.

(B) Prior to 2004 ASIG managed the fuel farm.

Miami-Dade Aviation Department
Key Usage Fees and Charges
Fiscal Years Ended September 30 2001 To 2010
(Unaudited)

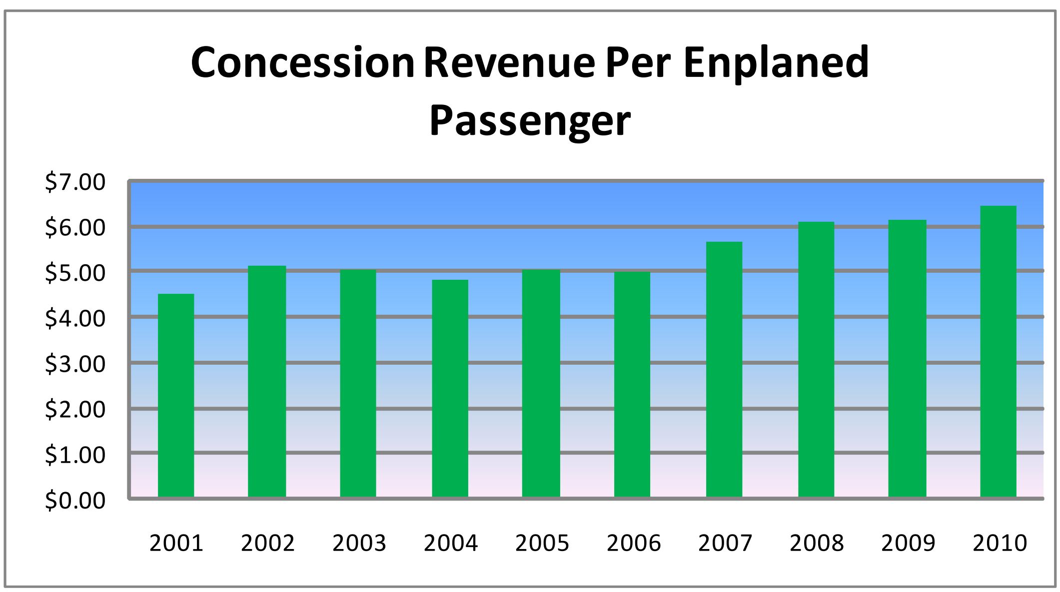
Fiscal Year	Landing Fees/ 1,000 lbs.	Percent Change	Terminal Rental Rates (average cost per sq. foot (Class III)	Percent Change	Concourse Use Fee	Percent Change	Intn'l Facilities Fee	Percent Change	Domestic Baggage Claim Charge	Percent Change	Outbound Baggage Makeup Charge	Percent Change	Security Screening Fee	Percent Change
2001	$1.54	0.0%	$50.55	7.0%	$1.64	7.9%	$1.86	-7.5%	$0.40	5.3%	$0.29	-35.6%	$0.22	10.0%
2002	$1.20	-22.1%	$50.31	-0.5%	$1.79	9.1%	$2.10	12.9%	$0.40	0.0%	$0.37	27.6%	$0.22	0.0%
2003	$1.80	50.0%	$47.18	-6.2%	$1.91	6.7%	$2.05	-2.4%	$0.45	12.5%	$0.65	75.7%	$0.24	9.1%
2004	$2.03	12.8%	$51.39	8.9%	$1.80	-5.8%	$2.17	5.9%	$0.62	37.8%	$0.59	-9.2%	$0.29	20.8%
2005	$2.10	3.4%	$56.49	9.9%	$2.12	17.8%	$2.24	3.2%	$0.69	11.3%	$0.60	1.7%	$0.32	10.3%
2006	$2.77	31.9%	$59.77	5.8%	$2.42	14.2%	$2.43	8.5%	$0.83	20.3%	$0.76	26.7%	$0.33	3.1%
2007	$1.85	-33.2%	$61.90	3.6%	$2.74	13.2%	$2.49	2.5%	$1.08	30.1%	$0.78	2.6%	$0.33	0.0%
2008	$1.94	4.9%	$66.14	6.8%	$2.81	2.6%	$2.78	11.6%	$1.67	54.6%	$1.04	33.3%	$0.36	9.1%
2009	$1.18	-39.2%	$65.69	-0.7%	$2.95	5.0%	$2.65	-4.7%	$1.65	-1.2%	$1.09	4.8%	$0.36	0.0%
2010	$1.92	62.7%	$71.08	8.2%	$3.24	9.8%	$2.58	-2.6%	$1.56	-5.5%	$1.00	-8.3%	$0.35	-2.8%



See Accompanying Auditor’s Report

Miami-Dade County Aviation Department
Concession Revenue Per Enplaned Passenger
Fiscal Years Ended September 30, 2001 to 2010
(Unaudited)

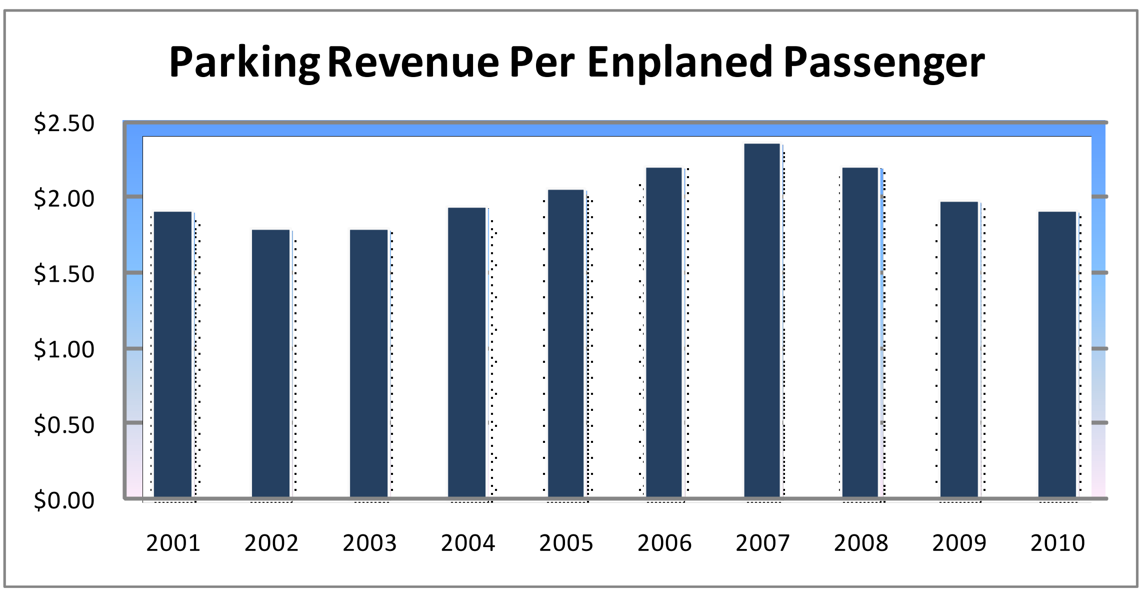
Fiscal	Concession Revenue		Enplaned Passengers		Revenue Per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2001	$74,338,000	3.0%	16,523,588	-1.8%	$4.50	5.0%
2002	$75,287,000	1.3%	14,674,174	-11.2%	$5.13	14.0%
2003	$74,057,000	-1.6%	14,739,909	0.4%	$5.02	-2.1%
2004	$73,174,000	-1.2%	15,117,556	2.6%	$4.84	-3.7%
2005	$77,520,000	5.9%	15,443,258	2.2%	$5.02	3.7%
2006	$80,171,000	3.4%	16,055,040	4.0%	$4.99	-0.5%
2007	$94,099,786	17.4%	16,615,415	3.5%	$5.66	13.4%
2008	$103,988,905	10.5%	17,035,400	2.5%	$6.10	7.8%
2009	$103,500,056	-0.5%	16,884,099	-0.9%	$6.13	0.4%
2010	$112,169,979	8.4%	17,405,330	3.1%	$6.44	5.1%



Miami-Dade County Aviation Department
Parking Revenue Per Enplaned Passenger
Fiscal Years Ended September 30, 2001 to 2010

(Unaudited)

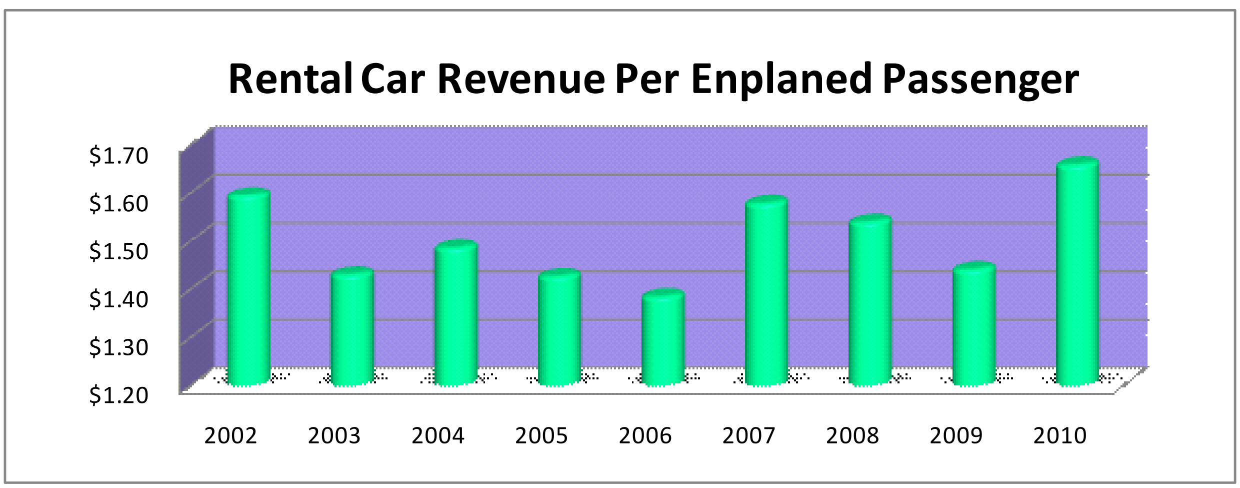
Fiscal	Parking Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	%Change
2001	$31,589,597	0.4%	16,523,588	-1.8%	$1.91	2.1%
2002	$26,215,802	-17.0%	14,674,174	-11.2%	$1.79	-6.6%
2003	$26,388,268	0.7%	14,739,909	0.4%	$1.79	0.2%
2004	$29,189,658	10.6%	15,117,556	2.6%	$1.93	7.9%
2005	$31,804,432	9.0%	15,443,258	2.2%	$2.06	6.7%
2006	$35,261,450	10.9%	16,055,040	4.0%	$2.20	6.6%
2007	$39,199,550	11.2%	16,615,415	3.5%	$2.36	7.4%
2008	$37,418,651	-4.5%	17,035,400	2.5%	$2.20	-6.9%
2009	$33,403,192	-10.7%	16,884,099	-0.9%	$1.98	-9.9%
2010	$33,157,031	-0.7%	17,405,330	3.1%	$1.90	-4.0%



See accompanying Auditor's Report

Miami-Dade County Aviation Department
Rental Car Revenue Per Enplaned Passenger
Fiscal Years Ended September 30, 2001 to 2010
(Unaudited)

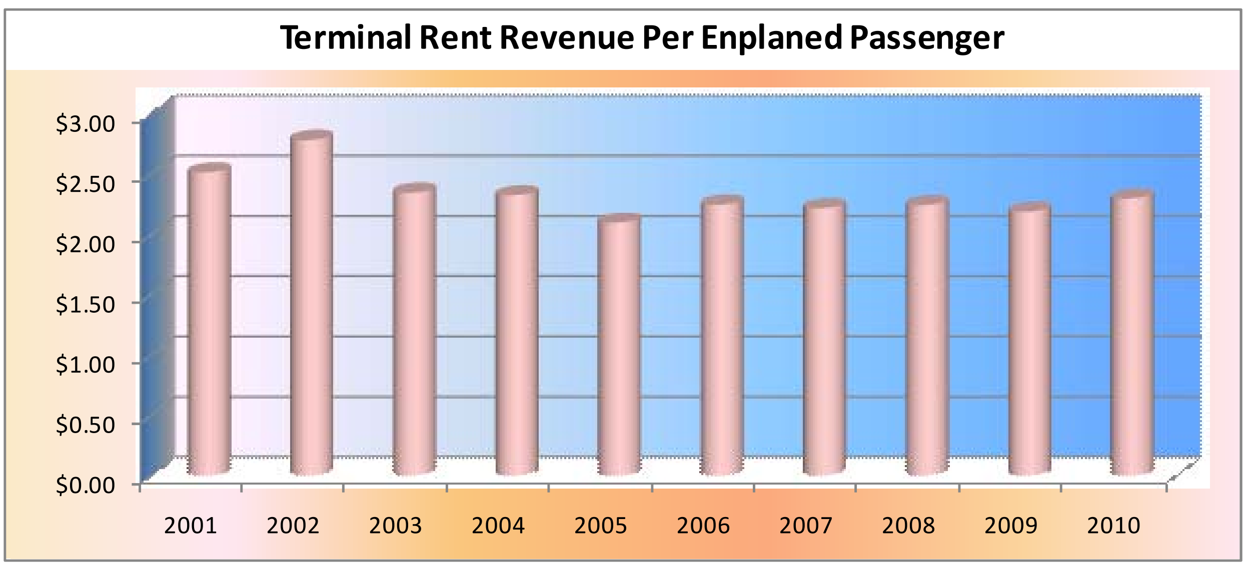
Fiscal Year	Rental Car Revenue Amount	Rental Car Revenue % Change	Enplaned Passengers Number	Enplaned Passengers % Change	Revenue per Enplaned Passenger Amount	Revenue per Enplaned Passenger % Change
2001	$18,584,881	-4.8%	16,523,588	-1.8%	$1.12	-3.0%
2002	$23,404,000	25.9%	14,674,174	-11.2%	$1.59	41.8%
2003	$21,093,813	-9.9%	14,739,909	0.4%	$1.43	-10.3%
2004	$22,465,183	6.5%	15,117,556	2.6%	$1.49	3.8%
2005	$22,047,393	-1.9%	15,443,258	2.2%	$1.43	-3.9%
2006	$22,239,100	0.9%	16,055,040	4.0%	$1.39	-3.0%
2007	$26,227,564	17.9%	16,615,415	3.5%	$1.58	14.0%
2008	$26,236,321	0.0%	17,035,400	2.5%	$1.54	-2.4%
2009	$24,337,791	-7.2%	16,884,099	-0.9%	$1.44	-6.4%
2010	$28,867,490	18.6%	17,405,330	3.1%	$1.66	15.3%



See Accompanying Auditor's Report

Miami-Dade County Aviation Department
Terminal Rent Per Enplaned Passenger
Fiscal Years Ended September 30, 2001 to 2010
(Unaudited)

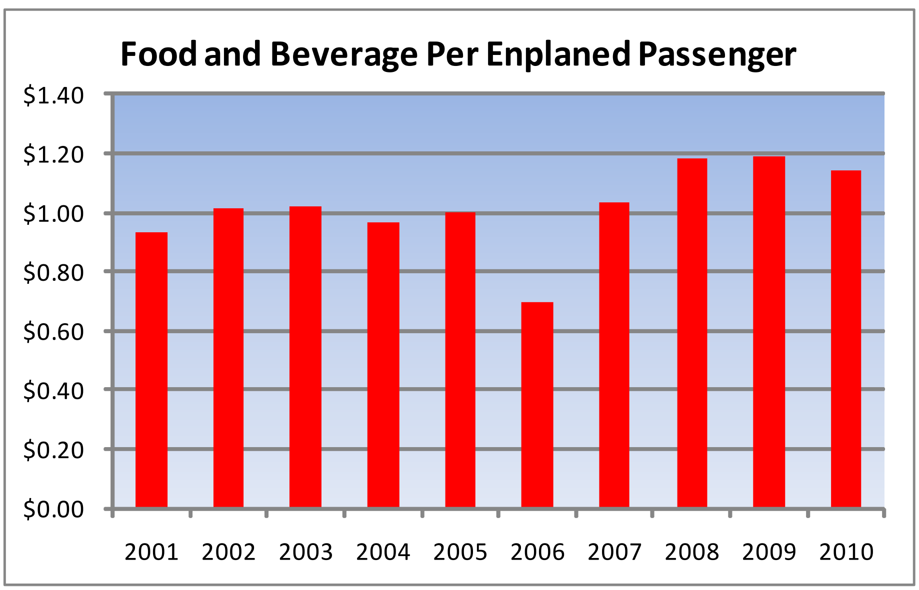
Fiscal	Terminal Rent Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2001	$41,503,279	6.7%	16,523,588	-1.8%	$2.51	8.7%
2002	$40,820,093	-1.6%	14,674,174	-11.2%	$2.78	10.7%
2003	$34,561,447	-15.3%	14,739,909	0.4%	$2.34	-15.7%
2004	$35,103,016	1.6%	15,117,556	2.6%	$2.32	-1.0%
2005	$32,349,432	-7.8%	15,443,258	2.2%	$2.09	-9.8%
2006	$36,017,147	11.3%	16,055,040	4.0%	$2.24	7.1%
2007	$36,810,779	2.2%	16,615,415	3.5%	$2.22	-1.2%
2008	$38,163,073	3.7%	17,035,400	2.5%	$2.24	1.1%
2009	$36,921,714	-3.3%	16,884,099	-0.9%	$2.19	-2.4%
2010	$39,943,979	8.2%	17,405,330	3.1%	$2.29	4.6%



See Accompanying Auditor's Report

Miami-Dade County Aviation Department
Food and Beverage Revenues Per Enplaned Passenger
Fiscal Years Ended September 30, 2001 to 2010
(Unaudited)

Fiscal	Food & Beverage Revenues		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2001	$15,407,164	-3.0%	16,523,588	-1.8%	$0.93	-1.2%
2002	$14,840,977	-3.7%	14,674,174	-11.2%	$1.01	8.5%
2003	$15,026,517	1.3%	14,739,909	0.4%	$1.02	0.8%
2004	$14,652,311	-2.5%	15,117,556	2.6%	$0.97	-4.9%
2005	$15,423,261	5.3%	15,443,258	2.2%	$1.00	3.0%
2006	$11,228,494	-27.2%	16,055,040	4.0%	$0.70	-30.0%
2007	$17,226,724	53.4%	16,615,415	3.5%	$1.04	48.2%
2008	$20,091,095	16.6%	17,035,400	2.5%	$1.18	13.8%
2009	$20,027,083	-0.3%	16,884,099	-0.9%	$1.19	0.6%
2010	$19,916,085	-0.6%	17,405,330	3.1%	$1.14	-4.2%



See Accompanying Auditor's Report

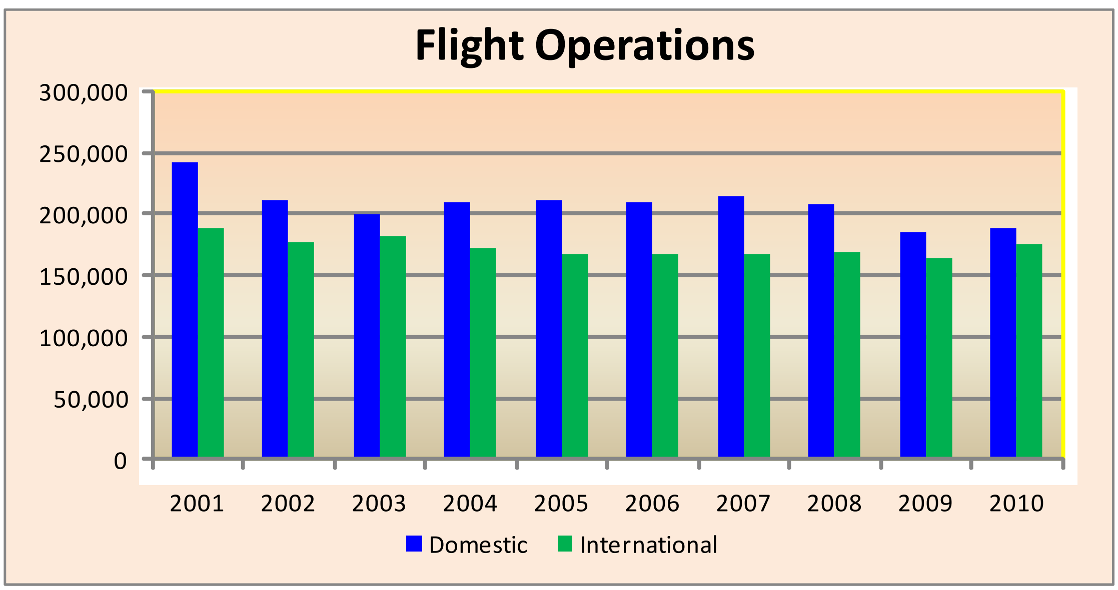
Miami-Dade County Aviation Department
Department Employee Strength
Ful-Time Equivalent Employees (FTE)
Fiscal Years 2001 to 2010
(Unaudited)

Year	FTEs as of September 30	% Change	Enplaned Passengers	Enplaned Passengers per FTEs
2001	1,811	2.0%	16,523,588	9,124
2002	1,704	-5.9%	14,674,174	8,612
2003	1,674	-1.8%	14,739,909	8,805
2004	1,692	1.1%	15,117,556	8,935
2005	1,686	-0.4%	15,443,258	9,160
2006	1,504	-10.8%	16,055,040	10,675
2007	1,404	-6.6%	16,615,415	11,834
2008	1,428	1.7%	17,035,400	11,930
2009	1,402	-1.8%	16,884,099	12,043
2010	1,435	2.4%	17,405,330	12,129

See Accompanying Auditor’s Report

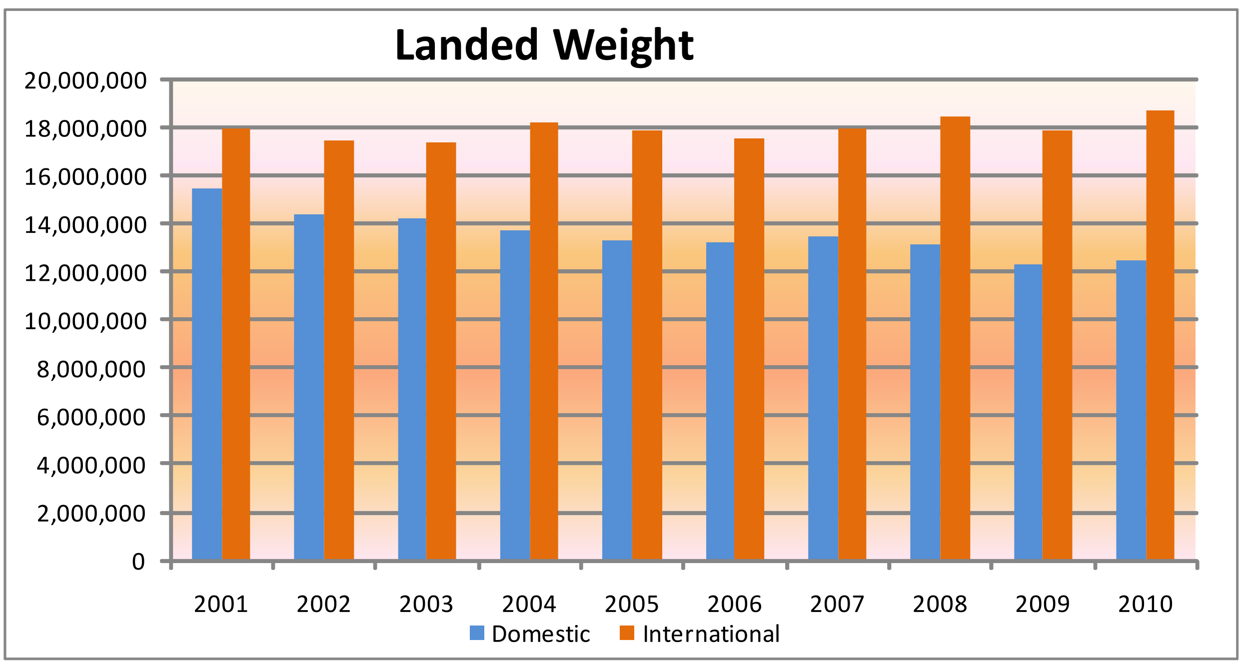
Miami-Dade County Aviation Department
Aircraft Operations
Flight Operations
Fiscal Years Ended September 30, 2001 to 2010
(Unaudited)

Fiscal	Domestic		International		Total	
Year	Operations	% Change	Operations	% Change	Operations	% Change
2001	242,701	-8.0%	189,218	2.3%	431,919	-3.8%
2002	211,502	-12.9%	177,236	-6.3%	388,738	-10.0%
2003	199,725	-5.6%	181,523	2.4%	381,248	-1.9%
2004	209,331	4.8%	172,339	-5.1%	381,670	0.1%
2005	210,960	0.8%	166,670	-3.3%	377,630	-1.1%
2006	209,357	-0.8%	166,650	0.0%	376,007	-0.4%
2007	214,668	2.5%	168,046	0.8%	382,714	1.8%
2008	207,839	-3.2%	169,729	1.0%	377,568	-1.3%
2009	184,827	-11.1%	163,660	-3.6%	348,487	-7.7%
2010	188,590	2.0%	174,732	6.8%	363,322	4.3%



Miami-Dade County Aviation Department
Aircraft Landed Weight
Fiscal Years Ended September 30, 2001 to 2010
(Unaudited)

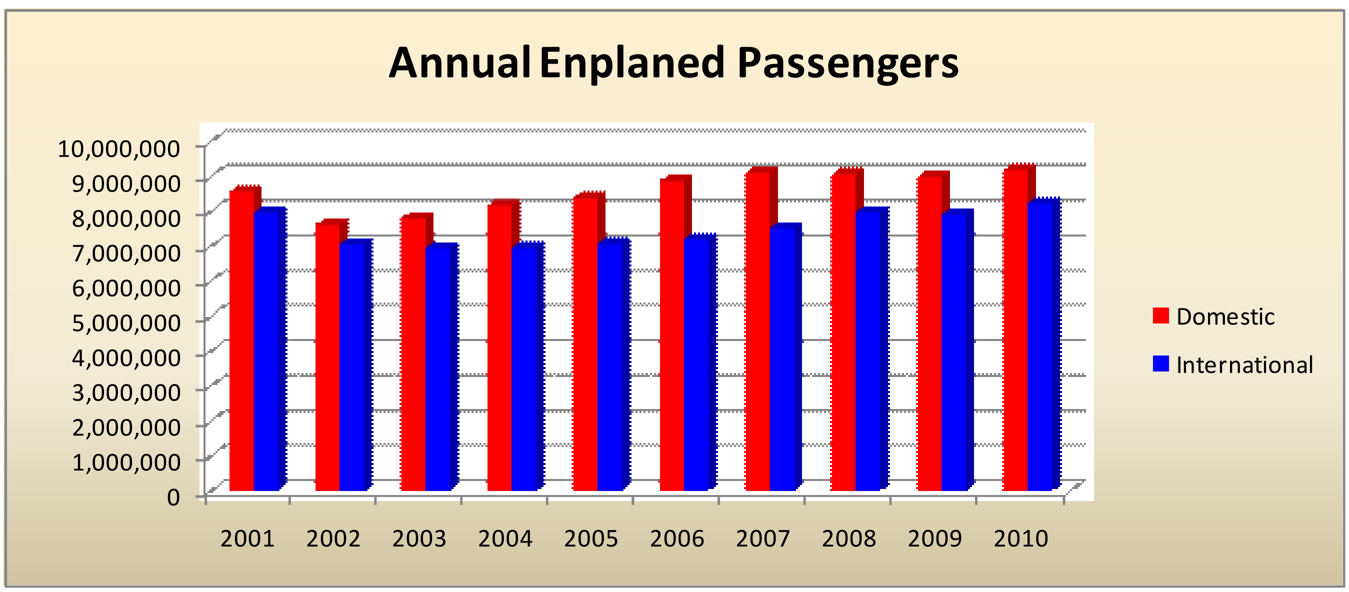
Fiscal	Domestic		International		Total	
Year	1,000 lbs	% Change	1,000 lbs	% Change	1,000 lbs	% Change
2001	15,482,267	-6.0%	17,994,033	2.7%	33,476,300	-1.5%
2002	14,369,643	-7.2%	17,481,027	-2.9%	31,850,670	-4.9%
2003	14,204,601	-1.1%	17,405,321	-0.4%	31,609,922	-0.8%
2004	13,716,597	-3.4%	18,182,948	4.5%	31,899,545	0.9%
2005	13,288,101	-3.1%	17,860,411	-1.8%	31,148,512	-2.4%
2006	13,197,980	-0.7%	17,537,132	-1.8%	30,735,112	-1.3%
2007	13,498,940	2.3%	17,920,937	2.2%	31,419,877	2.2%
2008	13,121,892	-2.8%	18,468,578	3.1%	31,590,470	0.5%
2009	12,315,080	-6.1%	17,856,602	-3.3%	30,171,682	-4.5%
2010	12,472,867	1.3%	18,674,893	4.6%	31,147,760	3.2%



See Accompanying Auditor's Report

Miami-Dade County Aviation Department
Passenger Enplanements
Fiscal Years Ended September 30, 2001 to 2010
(Unaudited)

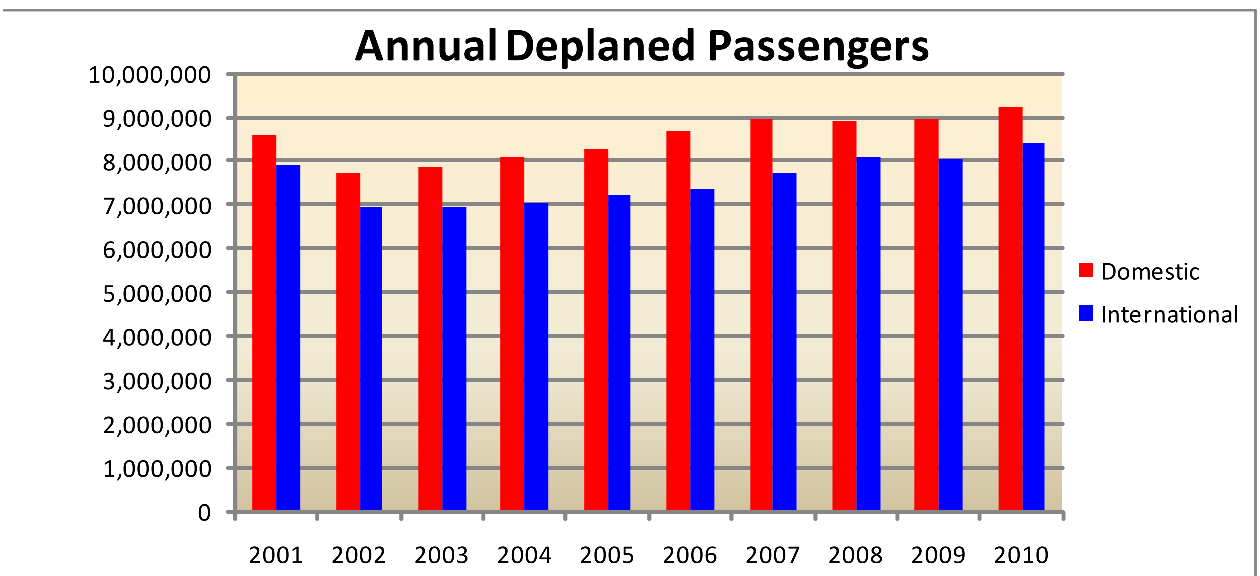
	Domestic		International		Total	
Year	Passengers	% Change	Passengers	% Change	Passengers	% Change
2001	8,568,487	-1.8%	7,955,101	-1.9%	16,523,588	-1.8%
2002	7,615,860	-11.1%	7,058,314	-11.3%	14,674,174	-11.2%
2003	7,792,381	2.3%	6,947,528	-1.6%	14,739,909	0.4%
2004	8,162,901	4.8%	6,954,655	0.1%	15,117,556	2.6%
2005	8,373,079	2.6%	7,070,179	1.7%	15,443,258	2.2%
2006	8,854,085	5.7%	7,200,955	1.8%	16,055,040	4.0%
2007	9,102,351	2.8%	7,513,064	4.3%	16,615,415	3.5%
2008	9,067,718	-0.4%	7,967,682	6.1%	17,035,400	2.5%
2009	8,987,096	-0.9%	7,897,003	-0.9%	16,884,099	-0.9%
2010	9,179,436	2.1%	8,225,894	4.2%	17,405,330	3.1%



See Accompanying Auditor's Report

Miami-Dade County Aviation Department
Passenger Deplanements
Fiscal Years Ended September 30, 2001 to 2010
(Unaudited)

	Domestic		International		Total	
	Passengers	% Change	Passengers	% Change	Passengers	% Change
2001	8,611,134	-2.4%	7,914,019	-2.2%	16,525,153	-2.3%
2002	7,704,786	-10.5%	6,970,953	-11.9%	14,675,739	-11.2%
2003	7,847,037	1.8%	6,945,601	-0.4%	14,792,638	0.8%
2004	8,093,276	3.1%	7,033,287	1.3%	15,126,563	2.3%
2005	8,263,987	2.1%	7,204,846	2.4%	15,468,833	2.3%
2006	8,696,147	5.2%	7,343,525	1.9%	16,039,672	3.7%
2007	8,952,776	3.0%	7,709,587	5.0%	16,662,363	3.9%
2008	8,922,543	-0.3%	8,107,887	5.2%	17,030,430	2.2%
2009	8,939,655	0.2%	8,051,716	-0.7%	16,991,371	-0.2%
2010	9,224,485	3.2%	8,399,291	4.3%	17,623,776	3.7%



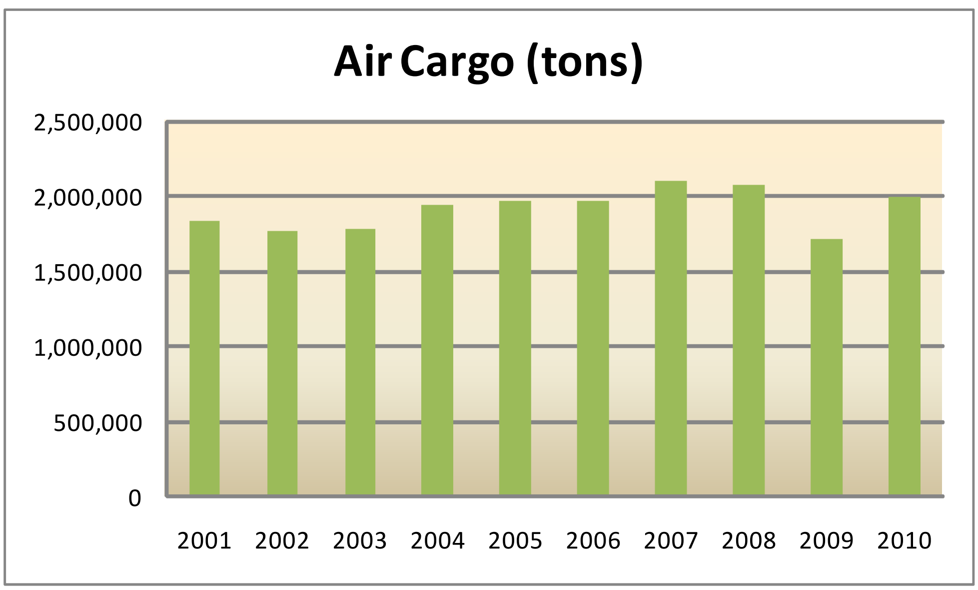
See Accompanying Auditor's Report

Miami-Dade County Aviation Department
Enplanement Market Share by Airline by Fiscal Year
Fiscal Year Ended September 30th (000)
(Unaudited)

Airline	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
American	8,085.3	7,489.8	7,977.2	8,739.1	9,558.5	10,170.8	10,655.0	11,099.7	11,002.7	11,144.3
Delta	745.0	615.4	634.8	651.5	595.3	530.2	527.6	549.4	645.3	927.8
American Eagle	776.0	580.4	516.5	534.3	586.3	693.5	749.3	711.8	684.8	792.3
US Airways	684.8	591.9	410.1	355.3	345.0	385.3	441.6	396.4	405.9	386.8
Continental	484.9	495.0	492.3	456.1	385.6	390.8	402.9	402.0	379.1	400.0
Avianca	145.7	127.8	100.6	192.4	213.8	247.3	278.9	292.2	276.7	273.5
TAM	95.3	89.7	61.7	90.8	116.6	137.7	169.4	165.7	223.3	262.0
TACA Group	240.2	232.3	179.1	188.5	283.9	186.7	198.6	232.2	197.7	246.4
British Airways	243.8	217.8	231.5	231.0	239.4	239.1	219.7	214.1	222.4	215.7
Air France	219.1	158.3	169.8	148.5	151.7	167.4	158.2	173.7	183.4	173.8
All Others	4,949.2	4,203.6	3,966.3	3,530.0	2,967.1	2,906.2	2,814.2	2,798.2	2,662.8	2,582.7
	16,669.3	14,802.0	14,739.9	15,117.5	15,443.2	16,055.0	16,615.4	17,035.4	16,884.1	17,405.3

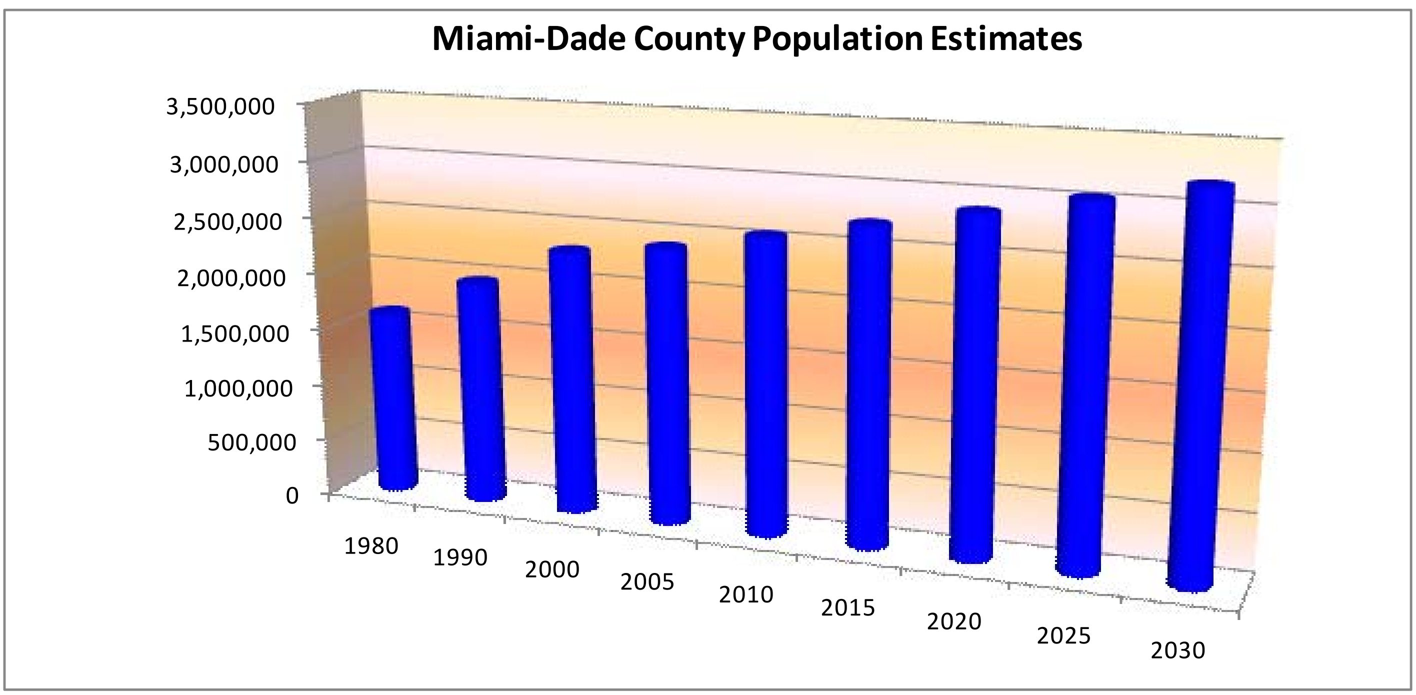
Miami-Dade County Aviation Department
Air Cargo Activity
Fiscal Years Ended September 30, 2001 to 2010
(Unaudited)

Fiscal Year	Mail	Freight	Total	% Change
2001	90,409	1,750,526	1,840,935	2.3%
2002	46,847	1,716,445	1,763,292	-4.2%
2003	45,456	1,729,631	1,775,087	0.7%
2004	49,496	1,892,623	1,942,119	9.4%
2005	43,524	1,921,977	1,965,501	1.2%
2006	41,088	1,929,840	1,970,928	0.3%
2007	42,961	2,056,402	2,099,363	6.5%
2008	46,874	2,033,126	2,080,000	-0.9%
2009	43,550	1,666,204	1,709,754	-17.8%
2010	33,458	1,958,009	1,991,467	16.5%



Miami-Dade County Aviation Department
Miami-Dade County Population Estimates
1980 to 2030
(Unaudited)

Year	Total Population
1980	1,625,781
1990	1,967,000
2000	2,308,219
2005	2,403,472
2010	2,563,885
2015	2,724,623
2020	2,885,439
2025	3,046,081
2030	3,206,287



Source: **Source: U.S. Bureau of the Census, Decennial Census for years 1960-2000. Post 2000 figures provided by the Miami-dade Planning and Zoming Department, Research Section, 2007.**

Miami-Dade County Aviation Department
Principal Employers in Miami-Dade County
Latest Available Year and Ten Years Previous
(Unaudited)

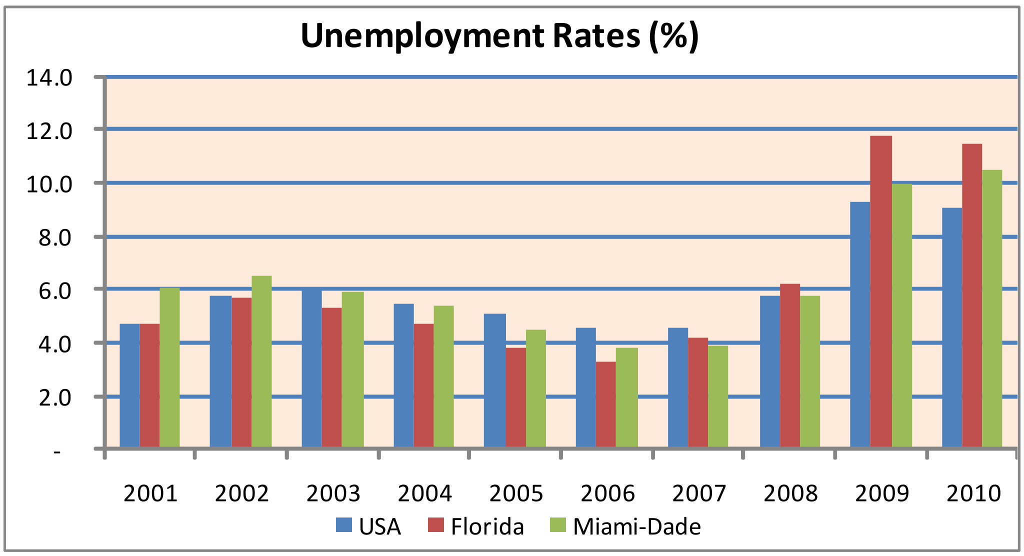
	2001			2010		
Employer	**Employees**	**Rank**	**% of Total County Employment**	**Employees**	**Rank**	**% of Total County Employment**
Miami-Dade County Public Schools	37,500	1	3.4%	50,000	1	4.1%
Miami-Dade County	30,000	2	2.7%	32,000	2	2.6%
Federal Government	18,276	3	1.7%	20,400	3	1.7%
State of Florida	18,100	4	1.6%	17,000	4	1.4%
Publix Super Markets	4,000	12	0.4%	11,000	5	0.9%
Baptist Health South Florida	7,500	8	0.7%	10,826	6	0.9%
Jackson Health System	10,000	5	0.9%	10,500	7	0.9%
University of Miami	8,000	7	0.7%	9,874	8	0.8%
American Airlines	9,000	6	0.8%	9,000	9	0.7%
Miami-Dade College	-	-	-	6,500	10	0.5%
Precision Response Corporation	4,346	9	0.4%	6,000	11	0.5%
Bellsouth Corporation - Florida	4,240	10	0.4%	5,500	12	0.4%
Winn-Dixie Stores	2,672	17	0.2%	4,833	13	0.4%
City of Miami	3,400	15	0.3%	4,034	14	0.3%
Florida Power & Light Company	3,823	14	0.3%	3,900	15	0.3%
	160,857		**14.6%**	**201,367**		**16.5%**

Source: The Beacon Council, Miami, Florida, Miami Business Profile

See Accompanying Auditor's Report

Miami-Dade County Unemployment Statistics
(In %)
(Unaudited)

Year	USA	Florida	Miami-Dade County
2001	4.7	4.7	6.1
2002	5.8	5.7	6.5
2003	6.0	5.3	5.9
2004	5.5	4.7	5.4
2005	5.1	3.8	4.5
2006	4.6	3.3	3.8
2007	4.6	4.2	3.9
2008	5.8	6.2	5.8
2009	9.3	11.8	10.0
2010	9.1	11.5	10.5



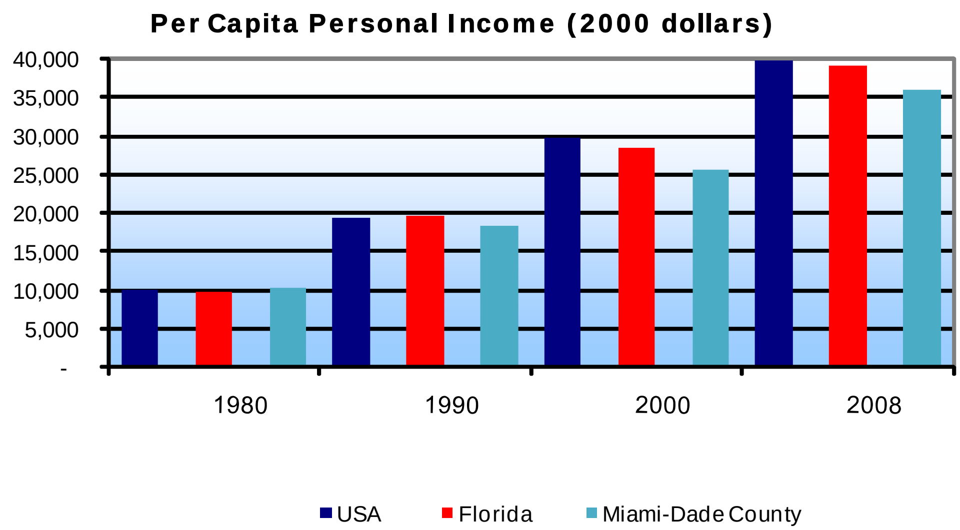
Source: US Bureau of Labor Statistics, Local Area Unemployment Statistics

Miami-Dade County Per Capita Personal Income

(Unaudited)

Per Capita Personal Income

Year	USA	Florida	Miami-Dade County
1980	10,114	9,933	10,437
1990	19,477	19,564	18,374
2000	29,847	28,512	25,639
2008	40,166	39,064	35,887



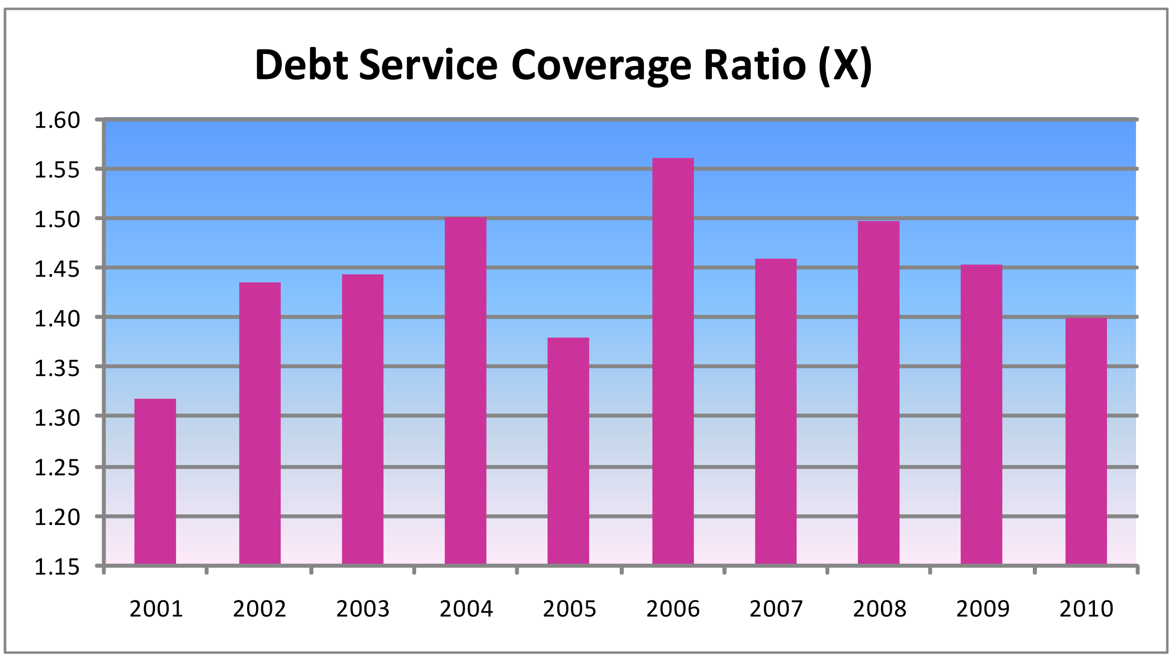
Source for 1980 and 1990: US Bureau of Labor Statistics

Source for 2000: Bureau of Economic Analysis (BEA)

Sources for 2008: U.S. Census Bureau, Population Estimates, Data Set 2009 Population Estimates and Bureau of Economic Analysis, Regional Economic Accounts

Miami-Dade County Aviation Department
Revenue Bond Debt Service Coverage
Fiscal Year Ended September 30th, 2001 to 2010
(Unaudited)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Pledged Revenues	$ 465,256	$ 466,146	$ 491,745	$ 550,255	$ 539,397	$ 549,887	$ 591,769	$ 623,648	$ 601,881	$ 638,347
Expenses	286,501	270,198	289,956	314,958	329,030	299,675	345,833	378,583	367,514	361,633
Net Revenues	178,755	195,948	201,789	235,297	210,367	250,212	245,936	245,065	234,367	276,714
Reserve Maintenance Fund Deposit	8,000	4,000	7,000	24,500	15,000	7,500	17,000	23,000	15,000	19,250
Net Revenues after Deposits	170,755	191,948	194,789	210,797	195,367	242,712	228,936	222,065	219,367	257,464
Principal & Interest Requirement	129,599	133,774	134,898	140,471	141,610	155,578	156,853	148,376	151,049	184,044
Debt Service Coverage Ratio (x)	1.32	1.43	1.44	1.50	1.38	1.56	1.46	1.50	1.45	1.40



See Accompanying Auditor's Report

Miami-Dade County Aviation Department
Outstanding Debt
Last 10 Fiscal Years
(In Thousands)
(Unaudited)

Fiscal Year Ended September 30,	Trust Agreement Revenue Bonds (a)	Double-Barreled Aviation Bonds (General Obligation) (d)	Aviation Facilities Revenue Bonds (b)	Commercial Paper Notes (c)	Total
2001	$1,530,445		$253,425	$168,339	$1,952,209
2002	1,776,110		246,305	206,056	2,228,471
2003	2,915,315		-	178,694	3,094,009
2004	3,224,355		-	30,111	3,254,466
2005	3,157,740		-	313,626	3,471,366
2006	3,462,690		-	365,342	3,828,032
2007	3,997,560		-	70,295	4,067,855
2008	4,522,365		-	-	4,522,365
2009	5,059,115		-	110,142	5,169,257
2010	6,106,765	$239,755	-	-	6,346,520

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

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

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

d) In FY 2010 the County issued its Series 2010 Double-Barreled Aviation Bond (General Obligation), in the aggregate principal amount of $239,775,000. The Series 2010 Bonds are a general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2010 Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitations as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt service on the Series 2010 Bonds.

Miami-Dade County Aviation Department
Long Term Debt Per Enplaned Passenger
Last Ten Fiscal Years
(In Thousands)
(Unaudited)

Fiscal Year Ended September 30	Trust Agreement Revenue Bonds (a)	Double-Barreled Aviation Bonds (General Obligation) (c)	Aviation Facilities Revenue Bonds (b)	Total	Enplaned #	Long Term Debt Enplaned Passenger
2001	$1,530,445		$253,425	$1,783,870	16,523,588	$107.96
2002	1,776,110		246,305	2,022,415	14,674,174	137.82
2003	2,915,315		-	2,915,315	14,739,909	197.78
2004	3,224,355		-	3,224,355	15,117,556	213.29
2005	3,157,740		-	3,157,740	15,443,258	204.47
2006	3,462,690		-	3,462,690	16,055,040	215.68
2007	3,997,560		-	3,997,560	16,615,415	240.59
2008	4,522,365		-	4,522,365	17,035,400	265.47
2009	5,059,115		-	5,059,115	16,884,009	299.64
2010	6,106,765	$239,755	-	6,346,520	17,405,330	364.63

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

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

c) In FY 2010 the County issued its Series 2010 Double-Barreled Aviation Bond (General Obligation), in the aggregate principal amount of $239,775,000. The Series 2010 Bonds are a general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2010 Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitations as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt service on the Series 2010 Bonds.

Miami-Dade County Aviation Department
Capital Assets
Fiscal Years 2001 to 2010
(Unaudited)

Miami-Dade Aviation Department	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Number of airports	6	6	6	6	6	5	5	5	5	5
Number of runways										
Miami International	3	3	4	4	4	4	4	4	4	4
Opa-Locka	3	3	3	3	3	3	3	3	3	3
Tamiami	3	3	3	3	3	3	3	3	3	3
Homestead	2	2	2	2	2	2	2	2	2	2
Training & Transition Airport	1	1	1	1	1	1	1	1	1	1
Opa-Locka West	2	2	2	2	2	closed	closed	closed	closed	closed

(This page intentionally left blank)

Miami-Dade Aviation Department

Finance & Strategy Division

P.O. Box 526624

Miami, FL 33152-6624

www.miami-airport.com