Note 1 – Summary of Significant Accounting Policies

1-A. Reporting Entity

Miami-Dade County, Florida (the "County") is an instrumentality of the State of Florida established by an amendment to the Florida State Constitution adopted May 21, 1957 as the Dade County Home Rule Charter, to carry on a centralized government.

The Board of County Commissioners (the "BCC") is the legislative body, consisting of 13 members elected from single-member districts. Members are elected to serve four-year terms, and elections of members are staggered. The BCC chooses a Chairperson, who presides over the Commission, as well as appoints the members of its legislative committees. The BCC has a wide array of powers to enact legislation, create departments, and regulate business operating within the County. It also has the power to override the Mayor's veto with a two-thirds vote.

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

On January 29, 2008, a charter amendment was approved to make the Property Appraiser an elected position. November 4, 2008 was the first election for a Property Appraiser in Miami-Dade County.

On August 24, 2010, a charter amendment was approved to eliminate the office of the County Manager as a charter office effective November 2012.

On March 15, 2011, a special election was held and the results of which were the recall the Mayor and the County Commissioner for District 13. The Board of County Commissioners held a special meeting on April 11, 2011 and adopted Resolution 272-11 setting a special election to fill both vacancies for May 24, 2011. Because the Mayoral position requires a 51 percent vote of the electorate, the Board also approved under the same resolution a run-off election for June 28, 2011. In addition, the District 7 Commissioner resigned from his Commission seat as required to run for County Mayor. As a result, the Board held a special meeting on April 13, 2011 and adopted Resolution 273-11 to include the filling of the District 7 vacancy for the May 24, 2011 special election, as well.

The County Manager resigned effective March 17, 2011. On the same day, the Mayor appointed a new County Manager, a twenty-seven year County administrator, and delegated various powers and functions of the Mayor to the County Manager during the mayoral vacancy, except for the ability to hire or dismiss any employees. The appointment was accepted by the BCC on April 4, 2011. Miami-Dade County government is committed to a seamless transition as it awaits a new head of County government and district commissioners.

The financial reporting entity for which the accompanying financial statements are prepared includes the County (primary government) and its component units. Component units are legally separate organizations for which the County is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either 1) the County's ability to impose its will on the component unit's board, or 2) the possibility that the component unit will provide a financial benefit to or impose a financial burden to the County.

The financial position and result of operations of the following entities are blended with the primary government in the accompanying financial statements.

- ***Clerk of the Circuit and County Courts (the "Clerk")***
  The Clerk is an elected official pursuant to Article V of the Florida Constitution. The Clerk serves two capacities: Clerk of the Circuit and County Courts and Clerk, Ex-Officio of the Board of County Commissioners. Under the first function, the Clerk provides support to the Courts (Civil, Family, Criminal and Traffic). His ex-officio functions include Clerk of the Board of County Commissioners, County Auditor, Custodian of Public Funds and County Recorder.

  In November 1998, voters approved Constitutional Revision 7 of Article V of the Florida Constitution. Effective July 1, 2004, this revision allocated State court system funding among the State, counties and users of courts. Funding responsibilities were defined as pertaining to the State court system when the Clerk served in his capacity as Clerk of the Circuit and County Courts and to the BCC when serving as ex-officio of the BCC. Consequently, the Clerk prepares a budget in two parts.

  Effective July 1, 2009, the manner in which the Clerk's court operations are funded changed at the direction of Senate Bills 1718 and 2108. New legislation provided that all of the Clerks' Offices be funded from state appropriations rather than from filing fees, services charges, court costs and fines. Funding is enacted pursuant to the General Appropriations Act where the State's Legislation appropriates for the budgets. Accordingly, the Clerk prepares budget requests and submits them to the Clerk of Courts Operations Corporation (CCOC) with a copy to the Supreme Court.

  The budget for the ex-officio capacity is funded by the BCC as part of the County's annual budget whereby the Clerk remits all fees and other monies earned throughout the agency funds to the County for appropriation by the Board. As a result of the budgetary control by the County and its financial dependency on the County, financial information for the Clerk is presented as a special revenue fund and has been blended with the Miami-Dade primary government.

- ***Naranja Lakes Community Redevelopment Agency (the "NLCRA")***
  The NLCRA trust fund was created by the BCC on May 6, 2003 as a redevelopment trust fund to be funded with ad valorem tax increment revenues to finance or refinance proposed community redevelopment in the NLCRA area. The BCC appointed the NLCRA Board of Commissioners and delegated certain powers to it. All other powers not specifically delegated to the NLCRA are reserved exclusively by the BCC. Financial information for the NLCRA for the fiscal year ended September 30, 2010 has been blended with the Miami-Dade County primary government in this CAFR. Trust fund revenues and expenditures during the period were $2.3 million and $2.9 million, respectively, with an ending fund balance of $3.4 million.

- ***7th Avenue Community Redevelopment Agency (the "7th Avenue CRA")***
  The 7th Avenue CRA trust fund was created by the BCC on June 22, 2004 as a redevelopment trust fund to be funded with ad valorem tax increment revenues to finance or refinance proposed community redevelopment in the 7th Avenue CRA area. The BCC appointed itself as the Board of the 7th Avenue CRA. Financial information for the 7th Avenue CRA for the fiscal year ended September 30, 2010 has been blended with the Miami-Dade County primary government in this CAFR. Trust fund revenues and expenditures during the period were $0.5 million and $.2 million, respectively, with an ending fund balance of $2.0 million.

- ***West Perrine Community Redevelopment Agency (the "WPCRA")***
  The WPCRA was created by the BCC on June 5, 2007 as a redevelopment trust fund to be funded with ad valorem tax increment revenues to finance or refinance proposed community redevelopment in the CRA area. The BCC appointed itself as the Board of the WPCRA. Financial information for the WPCRA for the fiscal year ended September 30, 2010 has been blended with the Miami-Dade County primary government in this CAFR. Trust fund revenues and expenditures during the period were $.7 million and $.5 million, respectively, with an ending fund balance of $1.3 million.

- ***Educational Facilities Authority (the "EFA")***
  The Miami-Dade Educational Facilities Authority was created by the BCC on October 22, 1969, pursuant to Chapter 69-345, Florida Statutes, empowering it to issue tax-exempt bonds for the purpose of enabling institutions of higher education to provide facilities and structures, including the refinancing of the same, pursuant to Chapter 243, Part II, Florida Statutes. Neither the notes, bonds nor any other obligation incurred by the EFA shall be deemed a pledge of the faith or credit of Miami-Dade County. Any expenditures incurred by the EFA shall be payable solely from funds provided under the authority of Chapter 69-345. The EFA had $0 (zero) revenues and $0 (zero) expenditures for the fiscal year ended September 30, 2010 and no fund balance at September 30, 2010.

- ***Health Facilities Authority***
  The Miami-Dade County Health Facilities Authority was created by the BCC on October 16, 1979 pursuant to Section 154.207, Florida Statutes, empowering it to issue tax-exempt bonds for the purpose of assisting in the development and maintenance of the health facilities of Miami-Dade County. All bonds issued by the Health Facilities Authority shall not be deemed to constitute debt, liability or obligation of Miami-Dade County or a pledge of the faith and credit of Miami-Dade County. The Health Facilities Authority had $0 (zero) revenues and $0 (zero) expenditures for the year ended September 30, 2010, and no fund balance as of September 30, 2010.

  The financial position and result of operations of the following entities are discretely presented in the accompanying financial statements:

- ***Housing Finance Authority (the "HFA")***
  The HFA was created by the BCC on December 12, 1978. The HFA provides financing for residential housing to persons or families of moderate, middle or lesser income. The HFA is a component unit of the County since the BCC appoints the thirteen members of its governing Board and has the ability to impose their will on the Board. Financial information for the HFA is presented in a separate column in the County's government-wide financial statements.

  Complete financial statements of the HFA may be obtained directly from their administrative offices at: Housing Finance Authority of Miami-Dade County, 7300 NW 19th Street, Suite 501, Miami, Florida 33126. Telephone (305) 594-2518.

- ***Jackson Memorial Foundation, Inc. (the "Foundation")***
  The Foundation is a legally separate, tax-exempt component unit of the County. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the Public Health Trust in support of its programs. The board of the Foundation is self-perpetuating and consists of community members. Although the County does not control the timing or amount of the receipts from the Foundation, the majority of resources and income that the Foundation holds and invests are restricted to the activities of the Public Health Trust by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the Public Health Trust, the Foundation is considered a component unit of the County. Financial information for the Foundation is presented in a separate column in the County's government-wide financial statements.

  Prior to October 1, 2009, the Foundation did not report and consolidate the accounts of Foundation Health Services (the "FHS"), a wholly owned subsidiary. Effective October 1, 2009, the Foundation reported and included within its financials statement the accounts of the FHS. This decision was based on management's review of the criteria for consolidation, with consideration to ownership interest, economic interest, and control. The Foundation's beginning net assets for fiscal year 2010 were increased by $3.222 million, representing the addition of the FHS net assets to the Foundation.

On November 16, 2010, the BCC adopted Resolution 1136-10 directing the Public Health Trust to terminate its service relationship with FHS by declining to renew its service agreement.

Complete financial statements for the Foundation can be obtained at: Jackson Memorial Foundation, Inc., 901 NW 17th Street, Plaza Park East - Suite G, Miami, Florida 33136. Telephone (305) 355-4999.

Related Organizations:

- ***Industrial Development Authority (the "IDA")***
  The Miami-Dade IDA was created by the BCC on March 21, 1978, pursuant to Chapter 159, Sections 159.44 through 159.53, Florida Statutes. The IDA develops and manages the Tax-Exempt Industrial Development Revenue Bond Program that serves as a financial incentive to support private sector business and industry expansion and location in Miami-Dade County. The Commission appoints the members of IDA's governing board. However, the County is not financially accountable for IDA because it cannot impose its will on the organization. IDA bonds are not obligations of the County. Its operations neither provide a financial benefit to nor impose a financial burden on the County and are not included in the financial statements of Miami-Dade County.

  Financial statements for the IDA may be obtained directly from their administrative offices at: Miami-Dade Industrial Development Authority, 80 SW 8th Street, Suite 2801, Miami, Florida 33130. Telephone (305) 579-0070.

- ***Miami-Dade Expressway Authority (the "MDXA")***
  The MDXA is an agency of the State of Florida. It constructs, maintains and operates the expressway system located in Miami-Dade County. The Commission appoints a voting majority of the MDXA governing board. However, the County is not financially accountable for the MDXA, and the MDXA is therefore not included in the accompanying financial statements.

  Financial statements for the MDXA may be obtained directly from their administrative offices at: Miami-Dade Expressway Authority, 3790 NW 21st Street, Miami, Florida 33142.
  Telephone (305) 637-3277.

- ***MDHA Development Corporation (the "MDHADC")***
  The MDHADC was created by the BCC in July 2000, pursuant to Resolution R-903-00, as a Florida non-profit corporation to promote development of low- to moderate-income housing facilities for residents of Miami-Dade County. Currently, there are no County employees serving on the MDHADC's Board of Directors. The MDHADC is financially independent, and the County is not financially accountable for the MDHADC. The MDHADC is not included in the accompanying financial statements. Financial statements for the MDHADC are not readily available.

- ***Performing Arts Center Trust (the "PACT")***
  The PACT, a non-profit corporation, was created by the BCC in 1991 to oversee the planning, design, construction and operation of the Performing Arts Center. The Mayor of Miami-Dade County appoints the 32 trustees of the PACT, a majority of which is predetermined by ordinance or selected by others outside the County government; hence the Mayor's appointment authority is not substantive. The PACT is financially independent from the County, and Miami-Dade County is not entitled to, nor has the ability to otherwise access, the economic resources of the PACT. Therefore, the PACT is not included in the accompanying financial statements.

  Financial statements for the PACT may be obtained directly from their administrative offices at: Performing Arts Center Trust, 1300 Biscayne Blvd, Miami, Florida 33132.
  Telephone (786) 468-2210.

1-B. Measurement Focus, Basis of Accounting, Basis of Presentation

In addition to the government-wide statements, separate financial statements are presented for governmental funds, proprietary funds, and fiduciary funds. The financial statements may differ in terms of the measurement focus and basis of accounting used to prepare them, as discussed below.

The government-wide statements, proprietary fund and fiduciary fund financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. (Agency funds, however, report only assets and liabilities. Since an operating statement is not presented, agency funds have no measurement focus). Revenues are generally recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flow occurs. Property taxes are recorded as revenues in the year for which they are levied, and grants and other similar non-exchange transactions are recorded as revenue as soon as all eligibility requirements have been met.

The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. For the purpose of revenue recognition, “available” means that the revenues are collectible within the current period or soon thereafter to pay liabilities of the current period. Major revenue sources that are susceptible to accrual under the above criteria include intergovernmental revenues and certain taxes. The County considers the availability for revenues susceptible to accrual to be ninety days, with the exception of expenditure driven (reimbursement) grants, for which the availability period is one year, and property taxes, which are not accrued. When the primary eligibility requirement under a grant is incurring an eligible expenditure, the County recognizes revenue at the time the expenditure is incurred. Prior year property taxes billed but uncollected as of the end of the fiscal year are reflected as delinquent taxes receivable with an offsetting allowance account. Other revenues that are not considered measurable or available are recognized when received by the County. Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt, expenditures related to compensated absences, claims and judgments, and other long-term obligations, which are recorded only when payment is due.

The above differences in measurement focus and basis of accounting result in differences in the amounts reported as net assets and changes in net assets in the government-wide statements from the amounts shown in the governmental fund statements. Those differences are briefly explained in the reconciliation statements included in the governmental fund statements.

Government-wide financial statements:

The accompanying financial statements include a government-wide statement of activities and a government-wide statement of net assets. These statements report information on the County as a whole and its component units. They do not include the fiduciary activities of the County.

In the government-wide statements, the primary government (the County) is reported separately from its component units (the Housing Finance Authority and the Jackson Memorial Foundation). Governmental activities and business-type activities of the County are presented separately. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities rely mostly on charges for services for support.

The statement of activities shows the extent to which the direct expenses of a given function or segment are offset by its program revenues. The direct expenses of a function are clearly identifiable with that function. The program revenues of a function include: (1) amounts charged to those who purchase, use, or directly benefit from goods or services provided by the function, (2) grants and contributions that are restricted to operational uses by the function, and (3) grants and contributions that are restricted to capital uses by the function. All revenues other than program revenues are considered to be general revenues and are shown in the bottom section of the statement of activities. They include all taxes (even those levied for a particular function), unrestricted intergovernmental revenues, unrestricted investment earnings and other miscellaneous non-program revenues.

The government-wide statement of net assets reports all financial and capital resources of the County, as well as its liabilities. The difference between assets and liabilities are reported as net assets. Net assets are displayed in three components:

Invested in capital assets, net of related debt: Capital assets, net of depreciation and reduced by the outstanding balance of debt that is attributable to the acquisition or construction of those assets.

Restricted net assets: Net assets where constraints on their use are: (1) externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets (deficit): All other assets and liabilities not part of the above categories. This amount represents the accumulated results of all past years' operations. The deficit in net assets of governmental activities is due to long-term liabilities, including compensated absences.

Fund financial statements:
The accompanying financial report includes separate financial statements for governmental funds, proprietary funds and fiduciary funds (though fiduciary funds are excluded from the government-wide statements). The fund financial statements present major individual funds in separate columns. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Major Governmental Funds
The following major governmental funds are included in the County's financial statements:

General Fund: The County's primary operating fund; also accounts for the financial resources of the general government, except those required to be accounted for in another fund.

Major Proprietary Funds
The following major enterprise funds are included in the County's financial statements:

Miami-Dade Transit Agency: Operates the County's mass transit rail system, bus system, downtown metro-mover loop, and special transportation services.

Solid Waste Management Department: Provides solid waste collection and recycling services to the unincorporated area of Miami-Dade County and to some municipalities and also provides solid waste disposal services to 17 municipalities and operates a variety of facilities, including landfills, transfer stations and neighborhood trash and recycling centers.

Miami-Dade Seaport Department: Operates the Dante B. Fascell Port of Miami-Dade County.

Miami-Dade Aviation Department: Operates and develops the activities of the Miami International Airport, three other general aviation airports, and one training airport.

Miami-Dade Water and Sewer Department: Maintains and operates the County's water distribution system and wastewater collection and treatment system.

Public Health Trust (PHT): The PHT was created by a County ordinance in 1973 to provide for an independent governing body responsible for the operation, governance and maintenance of designated health facilities. These facilities include Jackson Memorial Hospital, a teaching hospital operating in association with the University of Miami School of Medicine, Jackson North (formerly Parkway Regional Medical Center), Jackson South (formerly Deering Hospital), and several primary care centers and clinics throughout Miami-Dade County.

Internal Service Fund
The following internal service fund is included in the County's financial statements:

Self-Insurance Fund: Accounts for the County's insurance programs covering property, automobile, general liability, professional and workers' compensation. Also accounts for medical, dental, life, and disability insurance for County employees.

Fiduciary Funds

The following fiduciary funds are included in the County's financial statements:

Agency Funds:

Clerk of Circuit and County Courts Funds: Accounts for funds received, maintained and distributed by the Clerk of the Circuit and County Courts in his capacity as custodian to the State and County judicial systems.

Tax Collector Fund: Accounts for the collection and distribution of ad-valorem taxes and personal property taxes to the appropriate taxing districts. Also accounts for the collection of motor vehicle registration fees and sales of other State of Florida licenses, the proceeds of which are remitted to the State.

Other Agency Funds: Accounts for various funds placed in escrow pending timed distributions.

Pension Trust Fund: The Pension Trust Fund accounts for assets held by Northern Trust Bank for the benefit of employees of the Public Health Trust who participate in the Public Health Trust Defined Benefit Retirement Plan.

Application of FASB Standards

Governmental Accounting Standards Board ("GASB") Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting,* offers the option of following all Financial Accounting Standards Board ("FASB") standards issued after November 30, 1989, unless the latter conflict with or contradict GASB pronouncements, or not following FASB standards issued after such date. The County and its enterprise funds elected the option not to follow the FASB standards issued after November 30, 1989.

Proprietary Funds Operating vs. Nonoperating Items

The County's proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items in their statements of revenues, expenses and changes in fund net assets. In general, operating revenues result from charges to customers for the purchase or use of the proprietary fund's principal product or service. Operating expenses relate to the cost of providing those services or producing and delivering those goods, and also include administrative expenses, depreciation of capital assets, and closure and postclosure care costs for active and inactive landfills.

All other revenues and expenses that do not result from the fund's principal ongoing operations are considered to be *nonoperating.* Examples of other nonoperating items include investment earnings, interest expense, grants and contributions, and passenger facility charges.

Grants from Government Agencies

Certain operating grants under various federal and state programs are included in the Special Revenue Funds. Grant monies received are disbursed by these funds for goods and services as prescribed under the respective grant program or are transferred to other County funds for ultimate distribution under the terms of the grants. These programs are dependent on the continued financial assistance of the state or federal government.

Grants designated as operating subsidies to enterprise funds are recorded as nonoperating revenues upon compliance with the grant's eligibility requirements. Grant monies designated for use in acquiring property or equipment are recorded as capital contributions. Grant monies received but not earned are recorded as unearned revenues.

Interfund Activity

As a general rule the effect of interfund activity has been eliminated from the government-wide statements. An exception to this rule is that charges for services provided by the Water and Sewer Department and the Solid Waste Department have not been eliminated from the statement of activities. Elimination of these charges would understate the expenses of the user function and the program revenues of the function providing the services. Also, the General Fund charges certain funds an administrative cost overhead charge based on a cost allocation plan. An adjustment has been made to the government-wide statements to eliminate the revenue and expense reported in the General Fund so that the administrative expense is shown only by the funds/activities that were charged.

Flow Assumption for Restricted Assets

If both restricted and unrestricted assets are available for use for a certain purpose, it is the County's policy to use restricted assets first, and then use unrestricted assets as needed.

Use of Estimates

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

1-C. Assets, Liabilities, and Net Assets or Fund Balances

Cash, Cash Equivalents and Investments

Cash 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.

The County adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which established accounting and financial reporting standards for all investments, including fair value standards. Non-participating investments, such as nonnegotiable certificates of deposit with redemption values that do not consider market rates, are reported at amortized cost. Participating investments are carried at fair value, and unrealized gains and losses due to variations in fair value are recognized for the year.

The provisions of GASB No. 31 also specify that the investment income of each fund be reported in the fund that is associated with the assets. If the investment income is assigned to another fund for other than legal or contractual reasons, the income has to be recognized in the fund that reports the investment, with an operating transfer to the recipient fund. The County has made the needed adjustments to the accompanying financial statements to ensure compliance with this provision.

Derivative Instruments

The County implemented the provisions of GASB Statement 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), in fiscal year 2010. GASB 53 addresses the recognition, measurement and disclosure of information regarding derivative instruments entered into by state and local governments. GASB 53 requires governments to report most of their derivatives at fair value on their statement of net assets. If a derivative instrument is determined to be effective at reducing an identified risk, the changes in fair value should be deferred until a termination event occurs. If a derivative instrument is determined to be ineffective, the change in fair value should be reported as investment income in the period in which it occurs.

The County has entered into several interest rate swap agreements that have been determined to be ineffective and are therefore reported as investment derivatives. As such, these interest rate swaps are reported at fair value in the Statement of Net Assets and changes in the fair value are reported as investment income in the Statement of Activities. Additional disclosure on the County's investment derivatives can be found in Notes 3 and 11.

Inventories

Inventories, consisting principally of materials and supplies held for use or consumption, are recorded at cost or weighted average for governmental funds and lower of cost (first-in, first-out method) or market for enterprise funds, except for the Transit Agency, Water and Sewer and Public Health Trust. These enterprise funds use the average cost method.

The purchases method of inventory accounting is used to report inventories in the governmental funds. Under this method, inventories are reported as expenditures when purchased. However, significant amounts of inventories are reported as assets and are offset by a reservation of fund balance to indicate they do not constitute resources available for appropriation. In the Statement of Net Assets, inventories are accounted for using the consumption method characteristic of full accrual accounting. Under this method, the recognition of an expense is deferred until such time when the inventories are actually consumed.

Mortgage and Notes Receivable

Mortgages and notes receivable primarily arise from the County's housing development programs that provide low-income housing assistance to eligible applicants and developers. These receivables are collateralized by the property for which the mortgage has been issued. Mortgages and notes receivable total $620,288,000 and have an estimated allowance for uncollectible accounts of $451,666,000.

Accounts Receivables

Accounts receivable reported by the enterprise funds as of September 30, 2010 are net of an allowance for uncollectible accounts of $620,009,000.

Property Taxes

Property values are assessed as of January 1 of each year, at which time, according to the Florida Statute 197.122, taxes become an enforceable lien on property until discharged by payment or until barred under Chapter 95. Tax bills are mailed in October and are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by the sale of interest-bearing tax certificates and the seizure of personal property to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Capital Assets

Capital assets include land, buildings, furniture, fixtures, equipment, machinery, utility plant and systems, infrastructure (e.g., roads, bridges, sidewalks, and similar items) and construction work in progress with an estimated useful life in excess of one year. Capital assets used in the operation of governmental funds and those used in business-type activities are reported in the applicable columns in the government-wide financial statements.

Capital assets are recorded at cost if purchased or constructed. Contributed capital assets are recorded at estimated fair value at the date of contribution. The cost of maintenance, repairs and minor renewals and betterments are expensed as incurred, rather than capitalized (added to the cost of the asset). Major renewals and betterments are treated as capital asset additions.

Interest expense related to borrowings used for construction projects of business-type activities is capitalized, net of interest earned on the same funds. Interest capitalization ceases when the construction project is substantially complete. Net interest capitalized during fiscal year 2010 amounted to $151.0

million comprised of $133.9 million for Aviation, $11.6 million for Water and Sewer Department, $4.4 million for MDT, $0.8 for Seaport and $0.3 million for Solid Waste Management. Interest is not capitalized for construction projects of governmental funds.

Capital assets are depreciated over their useful lives unless they are inexhaustible (e.g., land, certain individual items or collections with historical or artistic value). Pursuant to Florida Statute, the County inventories all assets with a historical cost of $1,000 or more and a useful life of one year or greater. However, for financial reporting purposes, the County has established a capitalization threshold of $5,000 for its governmental activities and from $1,000 to $5,000 for its business-type activities. The County uses the straight-line method of depreciation to depreciate assets over their estimated useful lives, which range as follows:

Buildings and building improvements	5-50 years
Utility plant and systems	5-100 years
Infrastructure	10-50 years
Furniture, fixtures, machinery and equipment	3-30 years

The Solid Waste Management enterprise fund records depletion on landfill sites and the estimated cost of permanently capping and maintaining such landfills on the basis of capacity used.

Restricted Net Assets
Certain net assets have been identified as “restricted”. These net assets have constraints as to their use externally imposed by creditors, through debt covenants, by grantors, or by enabling legislation. Restricted net assets are being reported for: Capital Projects, Debt Service, Housing Programs, Fire and Rescue, Transportation, Public Library, Community and Social Development, Environmentally Endangered Lands, Stormwater Utility, other purposes (expendable); and other purposes (nonexpendable).

Net assets restricted for “other purposes (expendable)” include the net assets of most of the other special revenue funds, including amounts for: Special Assessments; Wetlands Mitigation; Tourist and Convention Development taxes to be used for facilities such as convention centers, sports stadiums and arenas; and amounts from grants from the federal and state government. Net assets restricted for “other purposes (nonexpendable)” include permanent endowments for the Metrozoo and public libraries, and are reported in the permanent funds.

As of September 30, 2010, Miami-Dade County had $2.143 billion of restricted net assets, of which $656.7 million was restricted by enabling legislation.

Reservations of Fund Balances
Reservations of fund balances in governmental fund statements represent amounts that are not available for appropriation or are restricted by outside parties for use for a specific purpose.

Donor-restricted endowments
The permanent funds for the Metrozoo and public libraries report nonexpendable restricted assets of $2,781,000 and $479,000, respectively, and net appreciation of $463,000 and $5,000 respectively. Under the terms of the endowments and consistent with State statutes, the County is authorized based on a total-return policy to spend the net appreciation on those programs. Any amounts not spent during a particular fiscal year may be carried forward to be spent in future years.

Long-term Obligations
In the government-wide and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts and deferral

amounts on refunding are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method if it does not differ materially from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferral amounts on refunding. Bond issuance costs are reported as deferred charges and amortized using the straight-line method over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts and bond issuance costs during the current period. The face amount of the debt issues are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

The County accounts for compensated absences by recording a liability for employees' compensation of future absences according to the guidelines set by GASB Statement No. 16, *Accounting for Compensated Absences.*

County policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. In the governmental funds, the cost of vacation and sick pay benefits is recognized when payments are made to employees. The government-wide statements and proprietary funds recognize a liability and expense in the period vacation and sick pay benefits are earned.

The government-wide statement of net assets for September 30, 2010 includes a liability for accumulated vacation and sick pay of $624,950,000. Of this amount an estimated $241,226,000 is payable within a year and the remaining balance of $383,724,000 is payable after one year.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, allows them to defer a portion of their salary to future years. The County's direct involvement in the Plan is limited to remitting the amounts withheld from employees to the Plan's administrator. The deferred compensation plan is not available to employees until termination, retirement, death or an unforeseeable emergency. The deferred compensation plan is not included in the County's financial statements.

Note 2 - Stewardship, Compliance and Accountability

Miami-Dade Public Housing Agency

On January 8, 2009, US HUD returned control of the Miami-Dade Public Housing Agency (MDPHA) to the County after 15 months in its possession. For a period of two years, US HUD maintained oversight over the MDPHA and monitored progress of specific tasks to be completed, as outlined in a Memorandum of Understanding (MOU) with the County. US HUD terminated oversight of the MDPHA on December 31, 2010 after finding that overall, the tasks required in the MOU were completed and the objectives of the US HUD oversight and monitoring were achieved.

Self-Insurance Net Assets Deficit

As of September 30, 2010, the Self-Insurance Internal Service Fund had a deficit in net assets of $68.4 million. The deficit is the result of estimated losses incurred but not reported (IBNR). The County currently partially funds the IBNR liability and has steadily increased such coverage in recent years. The premium rates charged to County departments for health insurance, workers compensation and general liability have been adjusted to reflect rising costs of insurance. As required by generally accepted accounting principles (GASB Codification C50.128), the County has implemented an action plan to eliminate the accumulated deficit over a reasonable period of time.

Legally Adopted Budgets

The County's General Fund, Debt Service Funds, Permanent Funds, and Special Revenue Funds, with the exception of the Clerk of Courts Operations Special Revenue Fund, have legally adopted annual budgets approved by the BCC. As dictated by Article V of the Florida Constitution, the Clerk of the Courts Operations Special Revenue Fund's budget is submitted to the State's Clerk of Court (COC) Operations Conference for their review and approval. The Clerk of the Court is accountable to the COC Operations Conference for court-related expenditures funded by the State. The General Fund's budget-to-actual comparison is presented in the Required Supplementary Information section. The remaining funds' budget-to-actual comparisons are presented in the Supplementary Information section of this report.

Public Health Trust - Liquidity Risk

Liquidity risk is the risk that the County would not have sufficient liquid financial resources to meet its obligations when they fall due. This may occur as a result of excessive cash outflows or reduction in revenues. During fiscal year 2010, the Public Health Trust ("PHT" or "Trust"), an enterprise fund of the County, reported a decrease in net assets of $92.9 million. As a result, PHT management together with County management is actively implementing a financial improvement plan ("Plan") to address the Trust's financial condition. The Plan includes expected savings in operations, strategic sourcing and increased revenues by implementing efficiencies in billings and patient management.

The County is obligated to make certain payments to the operation or capital needs of the designated facilities operated by the PHT. The County has levied a half-cent county public hospital sales surtax utilized for the operation, maintenance and administration of the Trust. As a result of the tax levy, the County is required to contribute each year a maintenance of effort (MOE) amount no less than 80% of the general fund support at the time of the tax levy. The MOE is calculated as 11.873% times the millage rate levied for countywide purposes in fiscal year 2007 times 95% of the preliminary tax roll for the upcoming fiscal year and by multiplying 11.873% on general fund non-ad valorem revenues with the exception of local and state gas taxes. During fiscal year 2010 the PHT received $158.5 million of MOE from the County and $176.8 million of sales surtax funds. In fiscal year 2011, the County budgeted $137.9 million of MOE and $162.8 million of sales surtax funds. During fiscal year 2010 the County assisted PHT by advancing a portion of the health surtax ($61 million), net of debt service for PHT bonds, and provided an advance of the budgeted maintenance of effort ($6 million) for the fiscal year.

County management is closely monitoring the progress of the PHT's Plan. The County placed PHT under "management watch" and named a leadership team to work on site with Trust management. The team provides an additional level of due diligence for the County and provides a fresh perspective on operations. On a regular basis the County Manager and a team of senior financial, budgetary, procurement and human resources professionals meet with the PHT management team to discuss the progress of the Plan and address any changes or additional initiatives in order to stabilize the PHT financial condition. PHT management's cash stabilization plan for fiscal year 2011 forecasts that the Trust will be solvent for the remainder of the fiscal year 2011 and anticipates an advance from the budgeted surtax by the end of the third quarter. The County does have the ability to advance budgeted surtax and MOE funds to the Trust, if such circumstances are warranted. The County does not anticipate any funds being transferred from the County's General Fund. In the event PHT's financial condition falls short of the sustainability goals forecasted, the County would evaluate available options including reducing costs and pursuing opportunities to redesign and optimize the operations and revenues and billing areas, including seeking additional Medicaid funding from the State.

<u>Note 3 - Cash, Cash Equivalents and Investments</u>

Deposits and Investments:

Miami-Dade County ("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.

The County pools substantially all cash, cash equivalents and investments, except for separate cash and investment accounts that are maintained in accordance with legal restrictions. Each fund's equity share of the total pooled cash, cash equivalents and investments is included in the accompanying financial statements under the caption "Cash and cash equivalents" and "Investments."

All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes Chapter 280, "Florida Security for Public Deposits Act" (the Act). Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

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

At September 30, 2010, the cash on hand of the primary government and fiduciary funds totaled $556,526,000 exclusive of cash in PHT's Pension Trust Fund (Note 9). The carrying value of cash equivalents and investments of the primary Government and fiduciary funds, other than PHT's Pension Trust Fund, include the following (in thousands):

Investment Type		**Fair Value**
Federal Home Loan Mortgage Corporation	$	912,420
Federal Home Loan Bank		1,003,853
Federal Farm Credit Bank		672,378
Federal National Mortgage Association		1,069,335
Time Deposits		83,120
Treasury Notes		456,519
Interest Bearing Accounts		414,684
Money Market		50,924
Municipal Bonds		79,580
Guaranteed Investment Contracts		229,743
	$	4,972,556

Credit Risk

The County's Investment Policy (the Policy), minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to Florida Statutes §280.02, which are defined as banks, savings bank, or savings association organized under the laws of the United States with an office in the State of Florida that is authorized to receive deposits, and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the United States Treasury; federal agencies and instrumentalities; securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the United States government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating from at least two rating agencies which are Standard & Poor's (A1), Moody's (P1), or Fitch (F1); bankers acceptances which have a stated maturity of 180 days or less from the date of its issuance, and have the highest letter and numerical rating from at least two rating agencies (as noted for commercial paper above) and are drawn and accepted by commercial banks and which are eligible for purchase by the Federal Reserve Bank; investments in repurchase agreements ("Repos") collateralized by securities authorized within 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 credit rating at September 30, 2010.

Investment Type	Credit Rating (N/A = not rated)
Federal Home Loan Mortgage Corporation	AAA
Federal Home Loan Bank	AAA
Federal Farm Credit Bank	AAA
Federal National Mortgage Association	AAA
Time Deposits	N/A
Treasury Notes	N/A
Municipal Bonds	AA
Guaranteed Investment Contracts	N/A
Interest Bearing Accounts	N/A

Custodial Credit Risk

The Policy requires that time deposits made in banks and savings and loan associations must be made with qualified public depositories in accordance with Chapter 280, Florida Statutes. The County deposits funds only in qualified public depositories, pursuant to Florida Statutes 280.02, which are defined as banks, savings banks, or savings associations organized under the laws of the United States with an office in the State of Florida that is authorized to receive deposits, and has deposit insurance under the provisions of the FDIC. At September 30, 2010 all of the County's bank deposits were in qualified public depositories and as such the deposits are not exposed to custodial credit risks.

Securities may be purchased only through financial institutions that are state-certified public depositories. For third-party custodial agreements, the County will execute a Custodial Safekeeping Agreement with a commercial bank. All securities purchased and/or collateral obtained by the County shall be the property of the County and be held apart from the assets of the financial institution.

Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 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 of County Commissioners. 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 percent 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 invested in prime commercial paper with a maximum of 5% with any one issuer. A maximum of 25% of the portfolio may be invested in bankers acceptances with a maximum of 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 agreements, with a maximum of 10% of the portfolio in any one institution or dealer with the exception of one (1) business day agreements. Investments in derivative products shall be prohibited by Miami-Dade 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 the following issuers held 5% or more of the investment portfolio:

% of Portfolio	Issuer
14.13%	Federal Farm Credit Bank
21.06%	Federal Home Loan Bank
19.26%	Federal Home Loan Mortgage Corporation
22.69%	Federal National Mortgage Association

The above excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investment pools.

Interest Rate Risk

The Policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash outflow requirements; following historical spread relationships between different security types and issuers; evaluating both interest rate forecasts and maturity dates to consider short-term market expectations. The Policy requires that investments made with current operating funds shall maintain a weighted average of no longer than twelve (12) months. Investments for bond reserves, construction funds and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The Policy limits the maturity of a single investment in the portfolio to a maximum of five (5) years.

As of September 30, 2010 the County had the following investments with the respective weighted average maturity.

Investment Type	Weighted Average in Years
Federal Home Loan Mortgage Corporation	0.65
Federal Home Loan Bank	0.61
Federal Farm Credit Bank	1.81
Fannie Mae	0.53
Time Deposits	0.49
Treasury Notes	0.14
Municipal Bonds	0.45

Foreign Currency Risk
The Policy limits the County's foreign currency risk by excluding foreign investments as an investment option.

Derivative Instruments

Derivative instruments, such as interest rate and commodity swaps, swaptions, and forward contracts, are financial arrangements entered into by governments with other parties (usually private-sector financial firms) to manage specific risks or to make investments. The value of a derivative depends on other, more basic, underlying variables. The County implemented the provisions of GASB Statement 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53) in fiscal year 2010. Refer to Note 1-C for additional discussion.

As a debt management tool, the County has entered into several swap transactions. Swaps are made in accordance with the provisions of County Resolution R-311-05, "Master SWAP Policy." The BCC must authorize the swap agreement and its provisions. Generally, the County will enter into transactions only with counterparties whose obligations are rated in the double-A category or better from at least one nationally recognized rating agency. In instances when the credit rating is lowered below the A rating the County requires the counterparty to collateralize its exposures or the County will exercise its right to terminate. The County's swap policy seeks to mitigate counterparty risk, termination risk, interest rate risk, basis risk, amortization risk, liquidity risk and pricing risk.

In accordance with GASB 53, the swaps were evaluated to determine whether they should be treated as effective hedging derivative instruments. As stated in paragraph 26 of GASB 53, "Derivative instruments utilized in hedging relationships are designed to reduce identified financial risks by offsetting changes in cash flows or fair values of the associated item." All of the County's swaps are basis swaps, with the exception of one fixed-receiver swap. Because there is no financial risk being hedged by the swaps that can be expressed in terms of exposure to adverse changes in cash flows or fair values, the swaps are treated as investment derivative instruments.

The fair value balances of the swaps as of September 30, 2010 were derived by the County's Swap Advisor using market prices in effect as of the close of business on September 30, 2010. The valuations include the current interest period accruals which would be payable on the next interest payment dates, if applicable. Valuation numbers are from the perspective of Miami-Dade County. A negative number is what the County would have owed had the transaction been terminated at midmarket on the valuation date, and a positive number is what the County would have received.

The fair value balances and notional amounts of the swaps (investment derivative instruments) at September 30, 2010 and the changes in fair value of such investment derivative instrument for the year then ended as reported in the fiscal year 2010 financial statements are as follows (amounts in thousands):

		Changes in Fair Value		Fair Value at 9/30/10		
Swap#		Classification	Amount	Classification	Amount	Notional
Governmental Activities						
Investment derivatives:						
Floating to floating interest rate swaps						
1	SOB 1996B Swap	Earnings on investments	$ 989	Investment derivative instruments	$ 2,662	$ 72,815
2	SOB 1996B Incremental Swap	Earnings on investments	(36)	Investment derivative instruments	4	822
3	SOB 1997 A,B & C Swap	Earnings on investments	4,676	Investment derivative instruments	11,400	274,867
4	SOB 1997 A,B & C Incremental Swap	Earnings on investments	2,699	Investment derivative instruments	7,315	135,316
5	SOB 2004B Swap	Earnings on investments	(823)	Investment derivative instruments	1,173	35,000
	Total Governmental Activities		$ 7,505		$ 22,554	
Business-type Activities						
Investment derivatives:						
Floating to floating interest rate swaps:						
6	W & S Series 2007 Swap	Earnings on investments	$ 2,590	Investment derivative instruments	$ 2,776	$ 200,000
7	W & S Series 1999A Swap	Earnings on investments	9,242	Investment derivative instruments	22,967	205,070
Receive fixed pay variable interest rate swaps:						
8	Industrial Develop 1996 Montanay Swap	Earnings on investments	(870)	Investment derivative instruments	2,900	43,265
	Total Business-type Activities		$ 10,962		$ 28,643	
	Total - Government-wide		$ 18,467		$ 51,197	

For fiscal year 2010, beginning net assets of governmental activities and business-type activities were restated to include the cumulative effect of GASB Statement 53, by $15.049 million and $17.681 million, respectively.

The swaps in effect as of September 30, 2010 are further described below:

Objective: To lower the County's overall cost of borrowing.

Swap #	Execution Date	Notional Amount	Termination Date	Associated Bonds	County Payment	Counterparty Payment	Counterparty Credit Rating	Fair Value at 9/30/10 (in thousands)
1	5/12/00 Novated to a new Counter-party on October 20, 2009	$72,815,380 amortizing in step with the Bonds commencing 10/1/00	10/1/22	SOB Series 1996B	SIFMA divided by 0.604	Libor plus a constant of 1.6534%	Aa3, A+, AA- (1)	$2,662
2	7/21/04 Novated to a new Counter-party on October 20, 2009	$ 822,436 amortizing in step with the Bonds commencing 10/1/04	10/1/10	SOB Series 1996B	SIFMA divided by 0.604	Libor plus a constant of 1.770%	Aa3, A+, AA- (1)	$4
3	5/12/00 Novated to a new Counter-party November 19, 2009	$274,867,162 amortizing in step with the Bonds commencing 10/1/00	10/1/22	Subordinate SOB Series 1997A, B & C	SIFMA divided by 0.604	Libor plus a constant of 1.6534%	Aa3, A+, AA- (1)	$11,400
4	7/21/04 Novated to a new Counter-party November 19, 2009	$135,315,527 amortizing in step with the Bonds commencing 10/1/04	10/1/22	Subordinate SOB Series 1997A,B & C	SIFMA divided by 0.604	Libor plus a constant of 1.7700%	Aa3, A+, AA- (1)	$7,315
5	4/16/04 Effective 4/27/04	$35,000,000 amortizing in step with the Bonds commencing 4/1/05	4/1/14	SOB Series 2004A Capital Asset Acquisition (MUNI-CPI)	SIFMA plus, 0235%	CPI plus premium (2)	Aa1, AA-, AA-	$1,173

(1) The Counterparty is not rated by the rating agencies and is not backed by an "AAA" guarantor. The swap's rating is based on the rating of the guarantor. The guarantor is rated "Aa3", "A+", "AA-" by Moody's, S&P and Fitch, respectively.

(2) The premium on the $10 million, 4/1/12 maturity is 0.50% and on the $25 million, 4/1/14 maturity is 0.70%.

Objective: To obtain a lower cost of borrowing.

Swap#	Execution Date	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counterparty Credit Rating	Fair Value at 9/30/10 (in thousands)
6	8/27/98 Novated to a new Counter-party on October 20, 2009	$200,000,000 amortizing in step with the Bonds commencing 9/1/21	10/1/26	W&S Series 2007	SIFMA	Variable SIFMA plus (USD-LIBOR-BBA plus 1.465%) minus (SIFMA divided by .604)	Aaa, AA, AA-	$2,776
7	3/6/06 Novated to a new Counter-party on October 20, 2009	$205,070,000 amortizing in step with the Bonds commencing 10/1/22	10/1/29	W&S Series 1999A	SIFMA	Variable SIFMA plus (90.15% of USD-ISDA-Swap Rate plus 1.580%) minus (SIFMA divided by 0.604)	Aaa, AA, AA-	$22,967

Objective: To obtain a lower all-inclusive variable rate than what was available in the Bond Market and to obtain the lower cost of borrowing.

Swap#	Execution Date	Notional Amount	Termination Date	Associated Bonds	County Payment	Counterparty Payment	Counterparty Credit Rating	Fair Value at 9/30/10 (in thousands)
8	9/10/96	$43,265,000	10/1/13	Solid Waste Resource Recovery Facility Refunding Revenue Bonds, Series 1996	BMA +49.776 vs. Various %	Pays fixed rate 5.5%	Aa3, AAA, AA	$2,900

See Note 10, Contingencies and Commitments, Resources Recovery Facility, for additional discussion on this swap.

Risk Disclosure:

***Credit Risk*.** Because all of the County's swaps rely upon the performance of the third parties who serve as swap counterparties, the County is exposed to credit risk, or the risk that the counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the Fair Value of the swaps, as shown in the columns labeled Fair Value in the tables above. To mitigate credit risk, the County maintains strict credit standards for swap counterparties. All swap counterparties for longer term swaps are to be rated at least in the double-A category by both Moody's and Standard & Poor's. To further mitigate credit risk, the County's swap documents require counterparties to post collateral for the County's benefit if they are downgraded below a designated threshold.

***Basis Risk*.** Many of the County's swaps expose the County to basis risk. Should the relationship between the variable rate the County receives on the swap fall short of the variable rate on the associated bonds, the expected savings may not be realized. A form of Basis Risk is tax risk. The swaps on the Special Obligation Bonds, the Subordinate Special Obligation Bonds, and the Water and Sewer Department Bonds, have a high degree of tax risk. If the tax laws change the personal income tax rates, the relationship between taxable rates (LIBOR) and tax exempt rates (SIFMA) will change. The swaps on the Special Obligation Bonds, the Subordinate Special Obligation Bonds, and the Water and Sewer Department Bonds are solely dependent on the relationship between Libor and SIFMA.

Termination Risk. The County's swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards the County or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. If at the time of the termination, a swap has a negative value, the County would be liable to the counterparty for a payment equal to the Fair Value of such swap unless the counterparty is the defaulting party.

***Rollover Risk*.** With the exception of the swaps on the Special Obligation Bonds and the Subordinate Special Obligation Bonds, the County is not exposed to rollover risk. Because the swaps for the Special Obligation Bonds and the Subordinate Special Obligation Bonds terminate prior to the maturity of such bonds, the County is exposed to rollover risk. Upon the termination of the swap, the County will no longer realize the synthetic rate on the bonds and will be exposed to the full fixed rate on the underlying bonds if no new swap is put in place.

Interest Rate Risk. The Solid Waste pay-variable, receive-fixed swap (Swap 8 above) has interest rate risk exposure. As the BMA index increases, the net payment on the swap increases. However, this exposure is passed on to the Facility Operator via deductions from the tipping fee the Department pays the Trustee. See Note 10, Contingencies and Commitments, Resources Recovery Facility, for additional discussion.

Cash Deficits

As of September 30, 2010, the Transit Agency, the Hurricane Funds and the Community and Social Development Funds had cash deficit balances of approximately $152.2 million, $1.6 million and $16.9 million, respectively. In accordance with generally accepted accounting principles, these cash deficits are funded with cash advances from the County's General Fund. The corresponding amounts are reported by the appropriate funds as an interfund receivable or payable.

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2010 for the governmental activities, business-type activities and major proprietary funds was as follows (in thousands)

Governmental activities:	Beginning Balance September 30, 2009	Additions	Deletions	Ending Balance September 30, 2010
Capital assets, not being depreciated:				
Land	$ 666,574	$ 5,841	$ (1,123)	$ 671,292
Construction in progress	503,174	318,858	(56,846)	765,186
Total capital assets, not being depreciated	1,169,748	324,699	(57,969)	1,436,478
Capital assets, being depreciated:				
Building and building improvements	2,218,751	136,350		2,355,101
Infrastructure	2,414,950	1,051		2,416,001
Machinery and equipment	425,122	38,886	(18,935)	445,073
Total capital assets, being depreciated	5,058,823	176,287	(18,935)	5,216,175
Less accumulated depreciation for:				
Building and building improvements	(748,964)	(49,538)		(798,502)
Infrastructure	(1,421,580)	(50,489)		(1,472,069)
Machinery and equipment	(237,358)	(42,103)	16,451	(263,010)
Total accumulated depreciation	(2,407,902)	(142,130)	16,451	(2,533,581)
Total capital assets, being depreciated, net	2,650,921	34,157	(2,484)	2,682,594
Total governmental capital assets, net	$ 3,820,669	$ 358,856	$ (60,453)	$ 4,119,072
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 636,954	$ 15,352		$ 652,306
Construction in progress	3,330,087	1,252,758	$ (2,587,685)	1,995,160
Total non-depreciable assets	3,967,041	1,268,110	(2,587,685)	2,647,466
Capital assets, being depreciated:				
Building and building improvements	6,378,858	2,236,629	(308)	8,615,179
Infrastructure	5,282,337	322,772	(880)	5,604,229
Machinery and equipment	2,514,930	134,183	(14,609)	2,634,504
Total capital assets, being depreciated	14,176,125	2,693,584	(15,797)	16,853,912
Less accumulated depreciation for:				
Building and building improvements	(2,610,650)	(222,188)	(261)	(2,833,099)
Infrastructure	(2,030,302)	(148,245)	1,686	(2,176,861)
Machinery, and equipment	(1,561,419)	(156,051)	13,889	(1,703,581)
Total accumulated depreciation	(6,202,371)	(526,484)	15,314	(6,713,541)
Total capital assets, being depreciated, net	7,973,754	2,167,100	(483)	10,140,371
Total business-type capital assets, net	$ 11,940,795	$ 3,435,210	$ (2,588,168)	$ 12,787,837

The beginning balances reflect the reclassification of $19.6 million between asset accounts in governmental activities and $34 million in business-type activities.

MDT	Balance September 30, 2009	Additions	Deletions	Balance September 30, 2010
Capital assets, not being depreciated:				
Land	$ 241,195	$ 5,270		$ 246,465
Construction in progress	141,546	188,902	$ (2,845)	327,603
Total capital assets, not being depreciated	382,741	194,172	(2,845)	574,068
Capital assets, being depreciated:				
Buildings and building improvements	1,404,510	89		1,404,599
Machinery and equipment	711,997	47,183	(2,382)	756,798
Total capital assets, being depreciated	2,116,507	47,272	(2,382)	2,161,397
Less accumulated depreciation for:				
Buildings and building improvements	(650,528)	(35,113)		(685,641)
Machinery and equipment	(367,771)	(39,263)	2,382	(404,652)
Total accumulated depreciation	(1,018,299)	(74,376)	2,382	(1,090,293)
Total capital assets, being depreciated, net	1,098,208	(27,104)		1,071,104
Total MDT capital assets, net	$ 1,480,949	$ 167,068	$ (2,845)	$ 1,645,172
SOLID WASTE				
Capital assets, not being depreciated:				
Land	$ 22,847			$ 22,847
Construction in progress	16,323	$ 11,319	$ (9,718)	17,924
Total capital assets, not being depreciated	73,851	11,319	(9,718)	40,771
Capital assets, being depreciated:				
Buildings and building improvements	310,529	15		310,544
Infrastructure	168,882	855		169,737
Machinery and equipment	162,913	3,588	(3,113)	163,388
Total capital assets, being depreciated	607,643	4,458	(3,113)	643,669
Less accumulated depreciation for:				
Buildings and building improvements	(266,897)	(5,620)		(272,517)
Infrastructure	(133,008)	(7,817)		(140,825)
Machinery and equipment	(77,296)	(16,130)	2,936	(90,490)
Total accumulated depreciation	(477,201)	(29,567)	2,936	(503,832)
Total capital assets, being depreciated, net	130,442	(25,109)	(177)	139,837
Total Solid Waste capital assets, net	$ 204,293	$ (13,790)	$ (9,895)	$ 180,608

This presentation reflects a reclassification of $34M in the beginning balances between accounts.

SEAPORT	Balance September 30, 2009	Additions	Deletions	Balance September 30, 2010
Capital assets, not being depreciated:				
Land	$ 198,596	$ 9,809		$ 208,405
Construction in progress	45,926	33,703	$ (45,782)	33,847
Total capital assets, not being depreciated	244,522	43,512	(45,782)	242,252
Capital assets, being depreciated:				
Buildings and building improvements	422,035	33,893		455,928
Infrastructure	279,647	659		280,306
Machinery and equipment	43,869	5,064		48,933
Total capital assets, being depreciated	745,551	39,616		785,167
Less accumulated depreciation for:				
Buildings and building improvements	(149,972)	(13,436)		(163,408)
Infrastructure	(76,902)	(6,720)		(83,622)
Machinery and equipment	(16,323)	(2,839)		(19,162)
Total accumulated depreciation	(243,197)	(22,995)		(266,192)
Total capital assets, being depreciated, net	502,354	16,621		518,975
Total Seaport capital assets, net	$ 746,876	$ 60,133	$ (45,782)	$ 761,227

AVIATION	Balance September 30, 2009	Additions	Deletions	Balance September 30, 2010
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 and building improvements	3,628,358	2,201,894	(47)	5,830,205
Infrastructure	1,146,389	70,662		1,217,051
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 and building improvements	(1,208,695)	(144,193)	47	(1,352,841)
Infrastructure	(435,184)	(7,723)		(442,907)
Machinery and equipment	(206,083)	(15,777)	3,017	(218,843)
Total accumulated depreciation	(1,849,962)	(167,693)	3,064	(2,014,591)
Total capital assets, being depreciated, net	3,271,979	2,112,730	(392)	5,384,317
Total Aviation capital assets, net	$ 5,804,574	$ 2,819,132	$ (2,285,784)	$ 6,337,922

WATER & SEWER	Balance September 30, 2009	Additions	Deletions	Balance September 30, 2010
Capital assets, not being depreciated:				
Land	$ 44,485	$ 165		$ 44,650
Construction in progress	620,586	266,073	$ (243,350)	643,309
Total capital assets, not being depreciated	665,071	266,238	(243,350)	687,959
Capital assets, being depreciated:				
Buildings and building improvements				
Infrastructure	3,604,920	240,793	(880)	3,844,833
Machinery and equipment	857,022	31,759	(5,261)	883,520
Total capital assets, being depreciated	4,461,942	272,552	(6,141)	4,728,353
Less accumulated depreciation for:				
Buildings and building improvements				
Infrastructure	(1,339,231)	(122,354)	1,690	(1,459,895)
Machinery and equipment	(636,729)	(38,115)	4,535	(670,309)
Total accumulated depreciation	(1,975,960)	(160,469)	6,225	(2,130,204)
Total capital assets, being depreciated, net	2,485,982	112,083	84	2,598,149
Total Water and Sewer capital assets, net	$ 3,151,053	$ 378,321	$ (243,266)	$ 3,286,108

PHT				
Capital assets, not being depreciated:				
Land	$ 36,635			$ 36,635
Construction in progress	54,218	$ 46,359		100,577
Total capital assets, not being depreciated	90,853	46,359		137,212
Capital assets, being depreciated:				
Buildings and building improvements	565,685		$ (261)	565,424
Infrastructure	30,412			30,412
Machinery and equipment	383,369	38,681	(304)	421,746
Total capital assets, being depreciated	979,466	38,681	(565)	1,017,582
Less accumulated depreciation for:				
Buildings and building improvements	(316,436)	(22,429)	(308)	(339,173)
Infrastructure	(21,175)	(1,123)	(4)	(22,302)
Machinery and equipment	(252,893)	(43,767)	880	(295,780)
Total accumulated depreciation	(590,504)	(67,319)	568	(657,255)
Total capital assets, being depreciated, net	388,962	(28,638)	3	360,327
Total PHT capital assets, net	$ 479,815	$ 17,721	$ 3	$ 497,539

Depreciation expense was charged to the different functions of governmental activities as follows (in thousands):

Governmental Activities
Depreciation Expense by Function
(in thousands)

Function		Amount
Policy formulation and general government	$	36,565
Protection of people and properties		23,565
Physical environment		1,338
Transportation		48,334
Human services and health		860
Socio-economic environment		8,947
Culture and recreation		22,521
Total depreciation expense - governmental activities	$	142,130

Depreciation expense was charged to the different functions of business-type activities as follows (in thousands):

Business-type Activities
Depreciation Expense by Function
(in thousands)

Function		Amount
Mass transit	$	74,376
Solid waste collection		9,645
Solid waste disposal		19,922
Seaport		22,995
Aviation		167,693
Water		62,604
Sewer		97,865
Public health		67,319
Other		4,065
Total depreciation expense - business-type activities	$	526,484

Note 5 – Leases

Lease Leaseback Transactions

General Segment - During fiscal year 1998, the County entered into a three party Lease/Sublease agreement with Dana Commercial Credit Corporation ("Dana") regarding the leasing rights of the Stephen P. Clark Center (the "Metro Center"). The terms of the Lease/Sublease agreement provide for the leasing of the County's leasing rights of the Metro Center to a third party, Wilmington Savings as trustee for Redade, a subsidiary of Dana, which in turn subleased the asset back to the County for a period of 29 years, commencing June 1, 1998. In April 2002, Dana sold its equity in the lease to Rabo Bank. During the lease period, the County retains title and control of the facility. The building facility is included in the capital assets of the County in the government-wide Statement of Net Assets.

At closing, the County received a total of $79 million, of which $3.7 million was considered an up-front payment and was recognized as revenue in fiscal year 1998. The County entered into two payment undertakings that were funded by the remaining $75.3 million.

The first payment undertaking (the Equity Payment Undertaking or "EPUA") was for $18 million. The $18 million was deposited with a "AAA" rated Guarantor (AMBAC), who in turn purchased a Guaranteed Investment Contract (GIC) made up of securities that would grow to equal the lease value at the expected Early Buy-Out date in 2015. The value of the securities would fluctuate with the market. The Guarantor deposited the GIC with a Trustee that would hold the GIC until directed by the County to sell and disburse the maturity amount in payment of lease on the Early Buy-Out date. The GIC would be used to pay a portion of the termination value if the County were to default. The Guarantor has guaranteed that the GIC will equal the lease value at the Early Buy-Out date. If the Guarantor was downgraded below AA-/Aa3 by Standard and Poor's and Moody's Investor Services, respectively, the County, upon request by the counterparty (Equity), would be required to direct the Guarantor to post additional collateral equal to 104% of the difference between the market value of the securities and the carrying value of the GIC. Upon the downgrade below AA-/Aa3, the County may also be required to terminate the Guarantor's guarantee and procure another guarantee from a "AAA" guarantor. The County's failure to direct the Guarantor to post collateral, or the Guarantor's failure to post collateral, or the County's failure to replace the Guarantor, is an event of default.

In October 2008, AMBAC, the Guarantor, was downgraded below AA-/Aa3. In November 2008, Rabo Bank (Equity) asked the County to have AMBAC collateralize the EPUA and be replaced. In November 2008, at the County's request, AMBAC posted the necessary collateral and continues to post the necessary collateral. In February 2010, Rabo Bank accepted a posting of $6.7 million with the Bank of New York, as Collateral Trustee, as collateral by the County equal to the present value of the difference between the lease value of the GIC on the Early Buy-Out date and the current projected value of the GIC as a waiver of default caused by the downgrade of AMBAC. The County must maintain the value of the difference in additional collateral, AMBAC must continue to post collateral equal to the carrying value of the GIC, and AMBAC must continue to be solvent in order for the waiver to remain in effect. On September 30, 2010, the County had securities with a market value of $9.4 million posted as collateral.

The second payment undertaking (the Debt Payment Undertaking or "DPUA") was for $57 million. The DPUA amount was invested in an unsecured GIC provided by AMBAC. Earnings on the DPUA exactly matched the debt service due under the loan agreement, which was also issued by a subsidiary of AMBAC. This same AMBAC subsidiary also made periodic debt service payments to AMBAC. Therefore, since AMBAC was guaranteeing the payments to itself, there was no need for downgrade provisions to be included in the DPUA as was the case with the EPUA.

On August 19, 2010, after negotiations with Rabo Bank, an Amendment and Termination Agreement was executed by all parties which terminated the DPUA. At the termination date, both the GIC and the Miami-Dade County obligation under the lease agreement were $29.4 million. The effect of termination had no impact on fund balance or net assets.

The total original minimum lease payments of approximately $125 million will be amortized on a straight-line basis over the life of the lease term. This Lease/Sublease agreement has been accounted for as a non-cancelable operating lease, as part of the other nonmajor governmental funds.

The future minimum lease payments are as follows (in thousands):

Year Ending September 30,	
2011	$ 5,172
2012	5,324
2013	5,488
2014	2,748
2015	1,570
2016-2020	60,532
	$ 80,834

Transit Agency – Miami-Dade Transit Agency (MDT) has entered into lease transactions in which assets are leased to investors (headlease) and simultaneously leased back (sublease). At inception of the lease the investors prepaid the headlease obligation and MDT invested amounts necessary to satisfy its sublease payment obligations. Under these transactions, MDT maintains the right to continued use and control of the assets through the end of the lease terms, and is required to insure and maintain the assets.

The following table summarizes the MDT capital lease/leaseback agreements in existence at the beginning of fiscal year 2010:

Lease #/ Lease date	Property	Equity Investor	Guarantor	Equity Payment Undertaking	Equity Payment Undertaking Provider	Early Buy-Out Date (EBO)
#1 12/23/1998	Transit maintenance facilities	Bank of America Leasing (4 remaining tranches	AIG	GIC	AIG	Bank of America tranches: January 2018; others terminated in March 2009
#2 8/14/2002	Qualified technical equipment (QTEs)	PNC Leasing (1 tranche); Bank of Hawaii (1 tranche); Bank of America Leasing (5 tranches)	AIG	GIC	AIG	January 2018 (all tranches); PNC Leasing and Bank of Hawaii tranches were terminated on Sept. 30, 2010

At the time of closing of these transactions, part of the funds received by the County (Equity Payment Undertaking) were deposited with a “AAA” rated Guarantor, who in turn purchased a Guaranteed Investment Contract (GIC) made up of securities that would grow to equal the lease value at the expected Early Buy-Out dates. The value of the securities would fluctuate with the market. The Guarantor deposited the GIC with a Trustee that would hold the GIC until directed by the County to sell and disburse the maturity amount in payment of lease on the Early Buy-Out (EBO) date. The GIC would be used to pay a portion of the termination value if the County were to default. The Guarantor has guaranteed that the GIC will equal the lease value at the Early Buy-Out date.

If the Guarantor was downgraded below AA-by S&P’s and Aa3 by Moody’s Investor Services, the County, upon request by the counterparty (Equity Investor) would be required within thirty days to direct the Guarantor to post additional collateral equal to the difference between 104% of the market value of the securities and the carrying value of the GIC. Upon the downgrade below AA-/Aa3, the County may also be required to terminate the Guarantor’s guarantee and procure another guarantee from a “AAA” guarantor. The County’s failure to direct the Guarantor to post collateral, or the Guarantor’s failure to post collateral, or the County’s failure to replace the Guarantor is an event of default.

In fiscal 2009, the Guarantor (AIG) of the Guaranteed Investment Contracts (GICs) experienced a decline in its overall rating. As a result, MDT was deemed to be in a technical default with the Equity Investors for the remaining four facilities of Lease #1 above and two of the seven QTE leases of Lease #2. The remaining five QTE leases are guaranteed by Financial Security Assurance and are not in technical default.

On September 30, 2010, the County and two Equity Investors, PNC Leasing (PNC) and Bank of Hawaii Leasing (Bank of Hawaii), terminated the two QTE leases that were in default. The other Equity Investor, Bank of America Leasing, (BAO) has extended the thirty day cure period through these negotiations. The extension period is through June 30, 2011. If an agreement has not been reached by this date, the County intends to request for an additional extension. The County anticipates Bank of America will continue to extend the cure period as long as AIG's financial condition continues to improve and is not further downgraded.

Given the current market and economic conditions, the County has not been able to find a reputable replacement to AIG. Instead, the County, on behalf of MDT, has been in negotiations with the Equity Investor to provide additional security collateral that will be acceptable to the Equity Investor in order to guarantee that the future value of the GIC will be equal to the necessary GIC value on the EBO date and eliminate or reduce any and all "potential" liability to an AIG insolvency.

If the County was to post collateral based on what the County has posted to secure another lease/leaseback, the additional collateral required to secure all the transactions in technical default would be about $14 million. If the County has to post collateral equal to the early buy-out amount, the amount of the additional collateral would be about $30 million.

As a result of the technical default, the investors of the lease transactions have the right to terminate the lease and require full satisfaction of the lease obligation. Accordingly, the lease obligation and the corresponding restricted asset have been classified as current in the accompanying statement of net assets. The investors have extended the date by which the County must comply with the terms of lease to June 30, 2011 and, as such the investors have not exercised their option to terminate the lease. Should the investors exercise their right to terminate the lease, the County would be liable for the stipulated loss value in the lease, which is the present value of the future lease payments ($14 million) plus the present value of the future tax benefits. The County deems it unlikely that should this event occur, it would have to pay the present value of the future tax benefits (which have been disallowed by the IRS), given favorable rulings towards the municipality when similar cases have been taken to Court.

The benefit from these transactions net of transaction costs have been recorded as deferred revenue in the statement of net assets and are amortized over the lease term. The unamortized portion of the initial benefit (deferred benefit) at September 30, 2010 was $4.9 million. The acquisition costs and accumulated depreciation on the capital lease/leaseback at September 30, 2010 were $95 million and $67 million respectively.

Future minimum lease payments are as follows (in thousands):

Year Ending September 30,	
2011	$ 14,223
2012	17,821
2013	38,879
2014	18,551
2015	19,556
2016-2020	165,194
	274,224
Less amount representing interest	(82,250)
Present value of minumum sublease payments	$ 191,974

Operating Leases

General Segment – The County leases various facilities under non-cancelable operating leases. Total cost for the leases was $18.2 million for the year ended September 30, 2010. The future minimum lease payments for these leases are as follows (in thousands):

Year Ending September 30,	
2011	$ 11,962
2012	6,965
2013	4,368
2014	2,656
2015	1,657
2016-2020	3,717
2021-2025	3,716
2026-2030	3,460
2031-2035	1,875
	$ 40,376

Seaport – The Seaport has several operating leases consisting principally of the leasing of land, office space and warehouses to several tenants. The lease agreements consist of both cancelable and non-cancelable agreements. The agreements expire over the next 15 years.

Future minimum lease income under the non-cancelable operating leases (with initial remaining lease terms in excess of one year) as of September 30, 2010 are summarized in the table below (in thousands):

Year Ending September 30,	
2011	$ 9,957
2012	8,660
2013	8,277
2014	7,833
2015	7,640
2016-2020	37,726
2021-2024	22,841
	$ 102,934

Rental income was $14.826 million in fiscal year 2010.

Public Health Trust – The Public Health Trust leases various equipment and facilities under operating leases. Rent expense for all operating leases was approximately $18.8 million in 2010. At September 30, 2010, future minimum lease payments by year under non-cancelable operating leases are as follows (in thousands):

Year Ending September 30,	
2011	$ 2,946
2012	2,841
2013	2,390
2014	2,038
2015	629
	$ 10,844

Aviation - The major portion of the Aviation Department's property, plant and equipment is held for lease. Substantial portions of the leases are cancelable and provide for periodic adjustment to rental rates to maximize operational flexibility. The non-cancelable lease agreements also provide for periodic adjustments to the rental rates. All leases are classified as operating leases. The Aviation Department recognized $107.450 million of rental income for the year ended September 30, 2010.

In addition, the Aviation Department leases certain properties under management and concession agreements. Certain of these leases provide for future minimum rentals plus a specified percentage of the tenants' gross revenues. The agreements generated revenues of $112.170 million during the year ended September 30, 2010. At September 30, 2010 future minimum rentals under such lease agreements are as follows (in thousands):

Year Ending September 30,	
2011	$ 101,739
2012	94,960
2013	87,543
2014	83,942
2015	63,053
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
2051-2055	527
	$ 528,210

Note 6 – Disaggregation of Accounts Receivable and Accounts Payable Balances

Accounts Receivable
Receivables are comprised of amounts owed to the County by customers, patients, carriers and others that conduct business with the County and are expected to be collected within a year. Receivables in the General Fund are 26% customer receivables, 62% utility taxes, and the remaining amount due from other entities. Receivables in the Other Governmental Funds are 90% from Fire Department transport fees, 7% from Miami Dade Housing Department's tenants and others, and 3% from miscellaneous charges. Net receivables in the Business-type Activities are 57% due from patients and carriers, 27% due from water and sewer customers, 10% due from airlines and concessionaires, 3% from solid waste disposal and collection customers, 2% from water ports and terminal charges, and the remaining 1% from transit fees and rental facility fees.

	Accounts	Allowance for uncollectible accounts	Total Net Receivables
Governmental activities:			
General Fund	$ 20,326	$ (885)	$ 19,441
Internal Service Fund	6,883		6,883
Other Governmental Funds	107,877	(88,609)	19,268
Total - governmental activities	$ 135,086	$ (89,494)	$ 45,592
Business-type activities:			
Public Health Trust	$ 790,314	$ (576,016)	$ 214,298
Water and Sewer Department	129,081	(26,941)	102,140
Aviation Department	48,778	(12,718)	36,060
Miami-Dade Transit	1,513	(33)	1,480
Seaport Department	11,120	(3,622)	7,498
Solid Waste Department	11,782	(679)	11,103
Other Non-major proprietary	696		696
Total - business-type activities	$ 993,284	$ (620,009)	$ 373,275

Accounts Payable
Accounts payable and accrued expenses at September 30, 2010, were as follows (in thousands):

	Vendors	Salaries and Benefits	Total
Governmental activities:			
General	$ 66,048	$ 35,084	$ 101,132
Other non-major governmental	111,413	7,050	118,463
Internal Service Fund	626		626
Total - governmental activities	$ 178,087	$ 42,134	$ 220,221
Business-type activities:			
Miami-Dade Transit	$ 60,806	$ 7,496	$ 68,302
Solid Waste Department	12,860	1,773	14,633
Seaport Department	9,025	868	9,893
Aviation Department	162,992	3,326	166,318
Water and Sewer Department	44,329	8,519	52,848
Public Health Trust	146,450	41,320	187,770
Other Non-major proprietary	2,306	200	2,506
Total - business-type activities	$ 438,768	$ 63,502	$ 502,270

Note 7 - Self-Insurance Program

The County's Risk Management Division (RMD) administers workers' compensation and general liability self-insurance programs. No excess coverage is purchased for these programs. A large portion of the group medical insurance program is also self-insured and is managed by an independent third party administrator. The County continues to offer one fully insured HMO program. Premiums are charged to the various County departments based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. The County purchases commercial property insurance for County-owned properties and also in certain instances due to exposure to loss and/or contractual obligations.

The estimated liability for reported and unreported claims of the self-insurance programs administered by RMD is determined annually based on the estimated ultimate costs of settling claims, past experience adjusted for current trends, and other factors that would modify past experience. Outstanding claims are evaluated through a combination of case-by-case reviews and application of historical experience. The estimate of incurred but not reported losses is based on historical experience and is performed by an independent actuary.

The Risk Management Division also administers the self-insurance program for the Enterprise Funds. Water and Sewer only participates in the workers' compensation and certain group health self-insurance programs. Water and Sewer has established a self-insurance program for general and automobile liability exposures. RMD administers the claims on their behalf. The Public Health Trust (the Trust) maintains its own self-insurance programs for general and professional liability claims. Until January 1, 2008, the County acted as the servicing agent for the Trust's self-insurance worker's compensation program. Currently, the Trust uses a Third Party Administrator to administer their workers compensation coverage. The Trust participates in the County's benefit programs, including the self-insured medical plan and the fully insured dental and life insurance programs. Effective January 1, 2011, only those Trust employees represented by Government Supervisors Association of Florida (GSAF) are eligible to participate in the County's self-insured medical plan. All other eligible Trust employees are enrolled in the fully insured HMO program. The RMD places and administers a commercial property insurance program for Trust properties.

The Aviation Department pays premiums to commercial insurance carriers for airport liability insurance, construction wrap-up insurance and participates in the County's property insurance program. The airport liability program provides commercial general liability coverage and on-site automobile liability at all airports. RMD administers claims within the self-insured retention for this program.

The County's Self-Insurance Internal Service Fund has an accumulated deficit of approximately $68.4 million for various self-insurance programs administered by the County. The County has implemented an action plan in an effort to reduce the accumulated deficit. County management believes that the deficit will be made up over a reasonable period of time.

Changes in the Internal Service Fund estimated liability amount for fiscal years 2009 and 2010 are as follows (in thousands):

	Workers Compensation	General, Auto, and Police Liability	Group Health	Other	Total
Balance as of October 1, 2008	$ 154,794	$ 28,117	$ 23,836		$ 206,747
Claims paid	(49,346)	(38,562)	(111,434)	$ (5,337)	(204,679)
Claims and changes in estimates	54,251	36,753	112,188	5,337	208,529
Liabilities as of September 30, 2009	$ 159,699	$ 26,308	$ 24,590		$ 210,597
Claims paid	(47,263)	(44,077)	(101,857)	$ (7,092)	(200,289)
Claims and changes in estimates	60,918	43,407	110,067	7,092	221,484
Liabilities as of September 30, 2010	$ 173,354	$ 25,638	$ 32,800		$ 231,792

Changes in estimated liabilities for the Water and Sewer Department and the Public Health Trust for fiscal years 2009 and 2010 are as follows (in thousands):

	Water & Sewer Department	Public Health Trust	Total
Balance as of October 1, 2008	$ 3,659	$ 31,117	$ 34,776
Claims paid	(538)	(10,566)	(11,104)
Claims and changes in estimates	(927)	7,922	6,995
Liabilities as of September 30, 2009	$ 2,194	$ 28,473	$ 30,667
Balance as of October 1, 2009	$ 2,194	$ 28,473	$ 30,667
Claims paid	5,370	(10,408)	(5,038)
Claims and changes in estimates	(4,849)	4,508	(341)
Liabilities as of September 30, 2010	$ 2,715	$ 22,573	$ 25,288

Such amounts are recorded as other liabilities in the accompanying statement of net assets.

Note 8 – Long-Term Debt

LONG-TERM LIABILITY ACTIVITY

Changes in long-term liabilities for the year ended September 30, 2010 are as follows (amounts in thousands):

	Beginning Balance September 30, 2009	Additions	Reductions	Ending Balance September 30, 2010	Due Within One Year
Governmental Activities					
Bonds, loans and notes payable:					
General obligation bonds	$ 843,961	$ 50,980	$ (13,665)	$ 881,276	$ 14,935
Special obligation bonds	2,321,551	143,884	(47,000)	2,418,435	73,453
Current year accretions of interest		43,468		43,468	
Loans and notes payable	255,697		(23,585)	232,112	30,411
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	29,828	2,070	(3,677)	28,221	
Total bonds, loans and notes payable	3,451,037	240,402	(87,927)	3,603,512	118,799
Other liabilities:					
Compensated absences	396,903	170,715	(162,773)	404,845	110,036
Estimated insurance claims payable	210,597	221,484	(200,289)	231,792	71,869
Other postemployment benefits	14,046	17,875	(12,133)	19,788	
Departure Incentive Plan	2,139		(482)	1,657	506
Arbitrage rebate liability	2,010		(1,855)	155	
Capital Lease Agreements	10,548		(325)	10,223	338
Other	45,053	6,632	(5,949)	45,736	5,846
Total governmental activity long-term liabilities	$ 4,132,333	$ 657,108	$ (471,733)	$ 4,317,708	$ 307,394
Business-type Activities					
Bonds, loans, and notes payable:					
Revenue bonds	$ 7,618,479	$ 1,860,295	$ (129,157)	$ 9,349,617	$ 142,414
General obligation bonds	130,370	239,755	(4,470)	365,655	4,755
Special obligation bonds	97,740	11,276	(6,860)	102,156	7,310
Current year accretions of interest	7,509	1,902		9,411	
Loans and notes payable	549,000	10,668	(26,709)	532,959	26,622
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(3,861)	15,291	(7,786)	3,644	
Commercial paper notes	110,141	175,318	(285,459)		
Total bonds, loans and notes payable	8,509,378	2,314,505	(460,441)	10,363,442	181,101
Other liabilities:					
Estimated insurance claims payable	30,667	9,878	(15,257)	25,288	4,660
Compensated absences	233,379	15,303	(28,577)	220,105	131,190
Other postemployment benefits	8,576	4,651		13,227	
Environmental remediation liability	89,996		(1,151)	88,845	9,215
Liability for landfill closure/post closure care costs	100,236	3,656	(7,796)	96,096	3,154
Lease agreements	306,733	692	(102,850)	204,575	197,093
Other	44,220	64,029	(6,522)	101,727	1,003
Total business-type activities long-term liabilities	$ 9,323,185	$ 2,412,714	$ (622,594)	$ 11,113,305	$ 527,416

Changes in long-term liabilities for the County's major enterprise funds are as follows (in thousands):

	Beginning Balance September 30, 2009	Additions	Reductions	Ending Balance September 30, 2010	Due Within One Year
Miami-Dade Transit Agency (MDTA)					
Bonds and loans payable:					
Revenue bonds	$ 542,097	$ 162,945	$ (5,602)	$ 699,440	$ 5,880
Special obligation bonds	17,530		(4,065)	13,465	4,270
Loans payable	26,616		(5,588)	21,028	5,847
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	12,171	2,280	(820)	13,631	
Total bonds and loans payable	598,414	165,225	(16,075)	747,564	15,997
Other liabilities:					
Compensated absences	36,835		(1,381)	35,454	12,220
Other postemployment benefits	2,633	898		3,531	
Lease agreements	292,325		(100,351)	191,974	191,974
Other	8,047	1,675	(3,071)	6,651	675
Total long-term liabilities - MDTA	$ 938,254	$ 167,798	$ (120,878)	$ 985,174	$ 220,866
Solid Waste Department					
Bonds and loans payable:					
Revenue bonds	$ 171,742		$ (13,205)	$ 158,537	$ 15,875
Special obligation bonds	11,580		(2,495)	9,085	2,605
Current year accretions of interest	7,509	$ 1,902		9,411	
Loans and notes payable	7698		(1,221)	6,477	1,229
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	1,954	493	(339)	2,108	
Total bonds and loans payable	200,483	2,395	(17,260)	185,618	19,709
Other liabilities:					
Compensated absences	15,166	5,212	(4,998)	15,380	3,854
Other postemployment benefits	705	274		979	
Liability for landfill closure/postclosure care costs	100,236	3,656	(7,796)	96,096	3,154
Other	1,888	194	(1,686)	396	328
Total long-term liabilities - Solid Waste	$ 318,478	11,731	$ (31,740)	$ 298,469	27,045

	Beginning Balance September 30, 2009	Additions	Reductions	Ending Balance September 30, 2010	Due Within One Year
Seaport					
Bonds and loans payable:					
Revenue bonds	$ 58,000		$ (3,620)	$ 54,380	$ 5,475
General obligation bonds	130,370		(4,470)	125,900	4,755
Special obligation bonds	68,630		(300)	68,330	310
Loans payable	338,305		(3,500)	334,805	4,000
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(9,625)	$ 576		(9,049)	
Total bonds and loans payable	585,680	576	(11,890)	574,366	14,540
Other liabilities:					
Compensated absences	6,367	2,664	(2,317)	6,714	1,687
Other postemployment benefits	302	129		431	
Environmental remediation liability	401		(401)		
Lease agreements	2,821		(1,729)	1,092	1,092
Other	389	1		390	
Total long-term liabilities - Seaport	$ 595,960	$ 3,370	$ (16,337)	$ 582,993	$ 17,319
Aviation					
Bonds, loans, and notes payable:					
Revenue bonds	$ 5,059,115	$ 1,103,020	$ (55,370)	$ 6,106,765	$ 59,815
General obligation bonds		239,755		239,755	
Loans payable	51,480		(5,679)	45,801	4,461
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(31,733)	10,295	(5,395)	(26,833)	
Commercial paper notes	110,141	175,318	(285,459)		
Total bonds, loans and notes payable	5,189,003	1,528,388	(351,903)	6,365,488	64,276
Other liabilities:					
Compensated absences	27,957	725		28,682	7,777
Other postemployment benefits	956	401		1,357	
Environmental remediation liability	89,595		(750)	88,845	9,215
Lease agreements	11,587	692	(770)	11,509	4,027
Other	3495		(515)	2,980	
Total long-term liabilities - Aviation	$ 5,322,593	$ 1,530,206	$ (353,938)	$ 6,498,861	$ 85,295

	Beginning Balance September 30, 2009	Additions	Reductions	Ending Balance September 30, 2010	Due Within One Year
Water and Sewer Department					
Bonds and loans payable:					
Revenue bonds	$ 1,411,385	$ 594,330	$ (45,385)	$ 1,960,330	$ 48,034
Loans payable	119,092	10,668	(10,505)	119,255	10,862
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	20,626	1,120	(1,232)	20,514	
Total bonds and loans payable	1,551,103	606,118	(57,122)	2,100,099	58,896
Other liabilities:					
Estimated insurance claims payable	2,194	5,370	(4,849)	2,715	1,189
Compensated absences	37,601	6,686	(6,074)	38,213	11,019
Other postemployment benefits	1,845	712		2,557	
Other	13,285	55	(1,250)	12,090	
Total long-term liabilities - Water and Sewer Dept.	$ 1,606,028	$ 618,941	$ (69,295)	$ 2,155,674	$ 71,104
Public Health Trust (PHT)					
Bonds and loans payable:					
Revenue bonds	$ 373,660		$ (5,230)	$ 368,430	$ 6,715
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	2,746	$ 527		3,273	
Total bonds and loans payable	376,406	527	(5,230)	371,703	6,715
Other liabilities:					
Estimated insurance claims payable	28,473	4,508	(10,408)	22,573	3,471
Compensated absences	108,068		(13,800)	94,268	94,268
Other postemployment benefits	2,135	2,237		4,372	
Other	17,116	62,104		79,220	
Total long-term liabilities - Public Health Trust	$ 532,198	$ 69,376	$ (29,438)	$ 572,136	$ 104,454

Compensated absences have typically been liquidated in the General Fund, other governmental funds and enterprise funds. Liabilities for landfill and postclosure care costs have been liquidated in the Solid Waste enterprise fund. Legal contingencies have typically been liquidated in the General Fund. Insurance claims liabilities have typically been liquidated in the Self-Insurance Internal Service Fund and in the enterprise funds. The Self-Insurance Internal Service Fund predominantly serves the governmental funds. When an internal service fund predominantly serves governmental funds the residual balances of the internal service fund should be reported as part of governmental activities. Therefore, the long-term liabilities of the fund are included in the above totals for governmental activities.

Demand Bonds

At September 30, 2010, the County had $400 thousand of Capital Asset Acquisition Floating / Fixed Rate Special Obligation Bonds, Series 1990 (the "Bonds") that were due within seven days of demand by the holder at a price equal to principal plus accrued interest. The County's remarketing agent is authorized to use its best efforts to sell the repurchased bonds at par by adjusting the interest rate.

Under a standby bond purchase agreement (the "Agreement") issued by a bank, the fiscal agent can draw amounts sufficient to repurchase the Bonds if they cannot be resold by the remarketing agent. In the absence of monies available under the Agreement, the monies will be drawn under an irrevocable letter of credit. The letter of credit has a stated termination date of November 1, 2012. There were no amounts outstanding under the letter of credit at September 30, 2010.

Long-Term Debt -- Governmental Activities

Long-term debt of the County's governmental activities include general and special obligation bonds, installment purchase contracts and loan agreements that are payable from property tax levies and specific revenue sources. General obligation bonds are payable from unlimited ad valorem taxes on all taxable real and tangible personal property of the County, and are backed by the full faith, credit and taxing power of the County. Special obligation bonds are limited obligations of the County, payable solely from and secured by pledged non-ad valorem revenues of the County. Neither the full faith and credit nor the taxing power of the County is pledged to the payment of the special obligation bonds. Interest on variable-rate bonds, currently in an auction rate mode, is based on the BMA index and is currently reset every 28 days. Debt service requirements for interest on variable-rate debt was calculated using the rates in effect as of September 30, 2010.

Annual debt service requirements to maturity are as follows (in thousands):

Long-Term Bonded Debt, Governmental Activities
(amounts in thousands)

Maturing in	General Obligation Bonds		Special Obligation Bonds		Loans and Notes Payable	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 14,935	$ 46,076	$ 73,453	$ 92,880	$ 30,411	$ 10,389
2012	15,655	45,304	68,343	94,196	23,433	9,144
2013	16,075	44,488	71,431	92,997	22,058	8,125
2014	16,520	43,633	110,104	96,003	20,022	7,154
2015	17,300	42,725	75,886	98,392	20,440	6,255
2016-2020	96,631	198,880	375,602	474,168	67,743	18,670
2021-2025	142,895	170,470	436,468	470,864	39,389	6,964
2026-2030	204,080	126,894	543,623	482,465	8,616	365
2031-2035	261,985	68,984	608,337	581,647		
2036-2040	95,200	11,069	554,555	550,815		
2041-2045			84,474	506,819		
2046-2050			23,444			
	881,276	798,523	3,025,720	3,541,246	232,112	67,066
Add (Less):						
Unaccreted value			(563,817)			
Accretions to date				(241,467)		
Unamortized premium / discount and deferred charges on bond refundings			28,221			
Total	$ 881,276	$ 798,523	$ 2,490,124	$ 3,299,779	$ 232,112	$ 67,066

Long-Term Debt – Business-type Activities

Long-term debt of business-type activities includes revenue bonds, special obligation bonds and loans payable from specified revenues of the County's enterprise funds. Also included are general obligation bonds issued on behalf of the Seaport Department, which will be paid from Seaport revenues and, to the extent those revenues are insufficient, from ad valorem taxes. Interest on variable-rate bonds, currently in an auction rate mode, is based on the BMA index and is currently reset every 28 days. Debt service requirements for interest on variable-rate debt was calculated using the rates in effect as of September 30, 2010.

Annual debt service requirements to maturity are as follows (in thousands):

Maturing in	Revenue Bonds		General Obligation Bonds		Special Obligation Bonds		Loans and Notes Payable	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 142,414	$ 441,464	$ 4,755	$ 16,240	$ 7,310	$ 4,886	$ 26,622	$ 8,697
2012	146,005	476,347	9,015	16,555	7,786	4,484	26,981	8,293
2013	157,227	466,807	9,355	16,737	10,329	4,099	21,818	7,989
2014	165,148	460,733	9,785	16,846	3,042	3,608	24,541	8,948
2015	174,344	454,069	10,285	16,926	3,001	3,472	44,800	9,977
2016-2020	1,058,372	2,109,668	59,035	86,704	14,138	15,453	105,389	70,196
2021-2025	1,373,682	1,793,325	74,890	90,341	14,149	12,408	82,448	66,837
2026-2030	1,635,967	1,405,479	60,190	58,830	14,476	9,062	119,446	111,144
2031-2035	1,684,531	990,997	50,020	27,143	14,927	5,418	80,914	74,635
2036-2040	2,070,187	515,709	63,630	13,528	12,998	1,621		
2041-2045	750,295	58,795	14,695	735				
	9,358,172	9,173,393	365,655	360,585	102,156	64,511	532,959	366,716
Add (Less)								
Unaccreted value	856							
Accretions to date		(9,411)						
Unamortized discount and deferred amounts	(69,028)		(563)				(1,973)	
Unamortized bond premium	74,386				822			
Total	$ 9,364,386	$ 9,163,982	$ 365,092	$ 360,585	$ 102,978	$ 64,511	$ 530,986	$ 366,716

Public Health Trust Bonds Payable

On September 27, 2005, the County issued Public Facilities Revenue Bonds and Public Facilities Revenue Refunding Bonds in the original combined amount of $300,000,000 (Series 2005 Bonds). On September 2, 2009, the County issued Public Facilities Revenue Bonds in the original amount of $83,315,000 (Series 2009 Bonds).

The Series 2005 Bonds and Series 2009 Bonds (the Bonds) are secured by the gross revenues of the Public Health Trust (PHT or the Trust). The Bonds are subject to certain covenants included in Ordinance No. 05-49 (the Bond Ordinance), together with certain ordinances and Board resolutions, which authorize and issue the Bonds by and between the Trust and the County. In addition, the Trust must comply with certain covenants included in the Bond insurance agreements.

The Bond Ordinance contains significant restrictive covenants that must be met by the Trust including, among other items, the requirement to maintain a rate covenant, to make scheduled monthly deposits to the debt service fund, maintenance of insurance on the Trust's facilities and limitations on the incurrence of additional debt. In general, the bond insurance agreement contains the same covenants as the Bond Ordinance.

At September 30, 2010, the Trust was in violation of the debt service coverage ratio covenant under its debt agreements with the County. In accordance with the provisions of the agreements, the Trust can remedy this covenant without a technical default by employing an independent consultant to make recommendations as to a revision of the rates, fees, and charges of the Trust or the method of operation of the Trust, which shall result in producing the net revenues used in the covenant computation. The Trust has an ongoing relationship with an independent consultant who specializes in health care; therefore, at this point in time management believes that the covenant requirement to employ an independent consultant has been satisfied. Failure of the debt service coverage covenant does not result in acceleration of debt service.

Commercial Paper Notes (Short-term Debt to be Refinanced on a Long-Term Basis) (CP)

At September 30, 2010, the County had no outstanding Aviation Commercial Paper Notes. At September 30, 2009, the County had $110,141,000 outstanding of Aviation Commercial Paper Notes. The proceeds of such notes were used to finance certain airport and airport-related improvements.

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.

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

Balance on September 30, 2009	$	110,141
Additions		175,318
Deductions		(285,459)
Balance on September 30, 2010	$	-

State Infrastructure Bank Note

On February 6, 2007, the Board of County Commissioners approved the construction of the N.W. 25th Street Viaduct Project (Viaduct Project) by the Florida Department of Transportation (FDOT) and approved a County loan in the amount of $50 million from the FDOT State Infrastructure Bank to fund the County's share of the total cost of the Viaduct Project. FDOT and the County subsequently entered into a joint participation agreement on March 12, 2007 whereby FDOT will construct the Viaduct Project. The loan, which closed on March 21, 2007, is secured by a County covenant to annually budget and appropriate from County legally available non-ad 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, cash held in escrow by agent totaled $13.9 million. During fiscal year 2010 there were drawdowns totaling $7.6 million. As of September 30, 2010, 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 scheduled payment of $5.0 million was made on October 1, 2009.

Seaport Department – Port Tunnel Letter of Credit

On July 24, 2007, the Board of County Commissioners adopted Resolution R-889-07 approving the Master Agreement which requires the County to participate in the development of the Port Tunnel. One of the County's commitments towards the tunnel project was to provide an irrevocable letter of credit (LOC) to fund its share of a $150 million Geotechnical and Relief Contingency Reserve (GRCR). The County's share of the GRCR is $75 million. The GRCR is to be used first to pay any unforeseen geotechnical costs associated with the digging of the tunnel and with respect to the County, certain other relief events.

On September 25, 2009, the County entered into a Reimbursement Agreement (LOC) with Wachovia Bank, National Association (the Bank) in the amount of $75 million for the County's share of the GRCR. The LOC will automatically extend for an additional one year effective September 25, 2010 and each September 25 thereafter unless the Bank shall have notified the County in writing at least 120 days prior to such date and the Beneficiary in writing at least 30 days prior to such date, as from time to time extended pursuant to the terms of the LOC, that the Bank not extend such applicable expiration date.

The amount drawn under the LOC shall be converted to an interest-only Line of Credit (the Credit Line) on the date of the draw. Interest accrued on the Credit Line shall be payable on February 25, 2011 through February 25, 2014 and on September 25, 2014.

On September 25, 2014, the outstanding amount of the Credit Line shall be converted to a term loan. The principal and interest on the Term Loan shall be payable on September 25, 2015 and annually thereafter on each September 25 through September 25, 2019. The first of four principal payments shall be equal to one tenth of the Term Loan Amount and the final installment shall be equal to the balance of the Term Loan. The outstanding Term Loan shall bear interest on the effective base rate plus two percent per annum.

The County anticipates and has programmed into its capital development plan issuing bonds to pay the LOC. As of September 30, 2010, the County had not drawn down on the letter of credit.

In the Master Agreement for the Port of Miami Tunnel, the County further committed to contribute $100 million towards the project. This payment was made in fiscal year 2010 and is included in the expenditures of the G.O. Bond Projects Fund. The Port of Miami Tunnel will be owned by the Florida Department of Transportation, and as such, this expenditure was not included in the County's additions to capital assets.

Long-Term Debt Issued During the Year

The table below describes bonds and loans that were issued during the year (other than commercial paper) for governmental and business-type activities (in thousands):

BONDS AND LOANS ISSUED DURING THE YEAR

(in thousands)

Date Issued	Description	Purpose	Interest Rate Range	Final Maturity Date	Original Amount Issued
BONDS:					
1/14/10	Aviation revenue Bonds, Series 2010A	To finance certain airport improvements associated with the Airport's capital Improvement Plan previously approved by the Board.	3.00-5.50%	10/1/41	$ 600,000,000
3/4/10	Aviation Double Barrel (General Obligation) Bonds Series 2010	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 it's North Terminal Program.	2.00-5.00%	7/1/41	$ 239,755,000
2/4/10	Miami-Dade County General Obligaion Bonds, (Building Better Communities Program), Series 2010A	To pay for a portion of the cost to construct and improve water, sewer and flood control systems, park and recreational facilities, bridges, public infrastructure and neighborhood improvements, public safety facilities, emergency and healthcare facilities.	2.25-4.75%	7/1/39	$ 50,980,000
3/1/10	Water and Sewer Revenue bonds, Series 2010	To pay the cost of constructing or acquiring certain improvements under the Water and Sewer Department's Multi-Year Capital Plan.	2.00-5.00%	10/1/39	$ 594,330,000
7/5/10	Aviation Revenue Bonds, Series 2010B	To finance certain airport improvements associated with the Airport's capital Improvement Plan previously approved by the Board.	2.25-5.00%	10/1/41	$ 503,020,000
8/31/10	Miami-Dade County Capital Acquisition Special Obligation Bonds, Series 2010A	To provide funds, together with other funds of the County, to pay the costs of acquisition, construction, improvement or renovation of certain capital assets, including buildings occupied or to be occupied by County departments and agencies.	3.00-4.00%	4/1/19	$ 15,925,000
8/31/10	Miami-Dade County Capital Acquisition Taxable Special Obligation Bonds, Series 2010B (Build America Bonds-Direct Payment to Issuer)	To provide funds, together with other funds of the County to pay the costs of acquisition, construction, improvement or renovation of certain capital assets, including buildings occupied or to be occupied by County departments and agencies.	5.069-6.743%	4/1/40	$ 71,115,000

8/31/10	Miami-Dade County Capital Asset Acquisition Taxable Special Obligation Bonds, Series 2010C (Scott Carver/Hope VI Project)	To provide a developer loan in connection with the acquisition, construction, improvement or renovation of the Scott Carver/Hope VI Project.	2.91%	10/1/13	$ 13,805,000
9/14/10	Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds, Series 2010A	To pay all or a portion of the cost of certain transportation and transit projects.	3.00-5.00%	7/1/20	$ 29,670,000
9/14/10	Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds, Series 2010B (Federally Taxable-Build America Bonds-Direct Payment	To pay all or a portion of the cost of certain transportation and transit projects.	4.593-5.624%	7/1/40	$ 187,590,000
LOANS:					
9/30/09	Water and Sewer Revolving Line of Credit	To pay costs of constructing or acquiring certain improvements under the Water and Sewer Department's Multi-Year Capital Plan.	2.56-4.17%	9/30/34	$ 10,668,000
Total long-term debt issued during the year					$ 2,316,858,000

Defeased Debt

The County has defeased certain debt as listed in the table below (in thousands), by placing the proceeds of new bond issues in an irrevocable trust to provide for all future debt service payments of the defeased debt. Such proceeds are invested in direct obligations of the U.S. government, and in the opinion of the County and its Bond Counsel, will provide for all future debt service payments on the defeased debt. Accordingly, the trust account's assets and the liability for the defeased debt are not included in the accompanying financial statements. Following is a schedule of defeased debt (in thousands):

Type	Series	Date of Defeasance	Call Date	Final Maturity Defeased	Principal Amount Defeased	Principal Outstanding, September 30, 2010
Special Obligation Bonds:						
Professional Sports Franchise Facilities Tax	1992B	7/9/98	10/01/11	10/1/22	$ 59,609	$ 5,775
Professional Sports Franchise Facilities Tax	1995	7/9/98	10/01/30	10/1/30	30,162	29,256
Professional Sports Franchise Facilities Tax	1998	7/14/09	10/1/09	10/1/30	6,944	17,195
Professional Sports Franchise Facilities Tax	1998	7/14/09	10/1/09	10/1/18	80,800	80,800
Total Special Obligation Bonds Defeased					$ 177,515	$ 133,026

Contingent Liability / Loan Guarantee

The County's General Fund is contingently liable for the payment of certain obligations from available non ad valorem taxes, and has pledged to budget and appropriate annually for the debt service payments in the event revenues from the benefiting enterprise operations are not sufficient to meet the debt service requirements. These instances are delineated below.

Series	Department	Original Amount	Principal Outstanding at 9/30/2010	Final Maturity
Sunshine State Governmental Financing Commission, Series 1986 Program	Seaport	$50,000,000	$22,745,000	July 1, 2016
Sunshine State Governmental Financing Commission, Series 1986 Program	Parks	$2,000,000	$854,075	October 1, 2014
Sunshine State Governmental Financing Commission, Series 1986 Program, Issued 2004	Naranja Lakes CRA	$5,000,000	$4,548,200	July 1, 2016
Sunshine State Governmental Financing Commission, Series 1986 Program, Issued 2006	Naranja Lakes CRA	$5,000,000	$3,000,000	July 1, 2016
Sunshine State Governmental Financing Commission, AMT Series L-Dexia LOC 2008	Seaport	$225,900,000	$225,900,000	September 1, 2035
Sunshine State Governmental Financing Commission, Non-AMT Series L-Dexia LOC 2008	Seaport	$81,160,000	$81,160,000	September 1, 2032
Sunshine State Governmental Financing Commission, Series L Dexia LOC 2008	Various	$223,578,000	$159,271,000	September 1,2026
Sunshine State Governmental Financing Commission, Series L Dexia LOC 2008	Various	$52,000,000	$43,900,000	September 1, 2027
Industrial Development Revenue Bonds-BAC Funding Project Series 2000A and 2000B	Various	$21,775,000	$18,495,000	October 1, 2030

Miami-Dade County entered into a lease agreement whereby the developer of an office-building complex pursuant to an installment sales agreement. Miami-Dade County will lease the entire building and the lease payments are pledged to the bondholders. Additionally, the County has unconditionally guaranteed to budget and appropriate any shortfalls in pledged revenues from non ad valorem taxes.

Debt Authorized, but Unissued

As of September 30, 2010, the County has authorized but not issued the following:

a) $1,280,000 of general obligation bonds for general public improvements;

b) $7,745,000 of general obligation bonds for capital improvements for County airports to be paid by Aviation net revenues, if issued;

c) $156,300,000 Equipment Floating/Fixed Rates Special Obligation Bond to finance cost of capital equipment for various County departments;

d) $35,700,000 Equipment Floating/Fixed Rate Special Obligation Bonds;

e) $131,474,000 of general obligation bonds for capital improvements to the County's water and sewer system, to be paid by Water and Sewer net revenues, if issued;

f) $355,465,000 Aviation Revenue Bonds for improvements to airport facilities

g) $221,655,000 Water and Sewer System Revenue Bonds to finance the cost of capital improvements to the water and sewer systems of the County;

h) $50,000,000 Solid Waste System Bond Anticipation Notes to pay the costs of improvements to, and new capital project for, the Solid Waste System of the County;

i) $49,605,000 Solid Waste System Revenue Bonds to pay the outstanding Solid Waste System Bond Anticipation Notes and any additional improvements to, and new capital project for, the Solid Waste System of the County;

j) $18,880,000 Capital Acquisition Special Obligation Bonds;

k) $29,545,000 Special Obligation Bonds (Juvenile Courthouse Project) to fund the acquisition, construction and equipping of the Juvenile Courthouse Project;

l) $6,000,000 Special Obligation Bonds (Correction Facility Project) to fund a portion of the cost of acquisition, construction and equipping of a new holding facility;

m) $77,275,000 Special Obligation Bonds (Capital Asset Acquisition) to fund the acquisition, renovation, improvement, construction or purchase of capital assets;

n) $16,493,417 Solid Waste System Revenue Bonds to pay the cost of improvements to, and new capital projects for, the County's Solid Waste System;

o) $27,147,079 Special Obligation Bonds (Convention Development Tax) to pay the cost of various visitor related capital facilities;

p) $2,175,170,000 General Obligation Bonds to fund the projects under the "Building Better Communities" Bond Program;

q) $4,215,000 Special Obligation Bonds to fund UMSA Public Improvements; and

r) $79,955,000 Special Obligation Bonds (Capital Acquisition) to acquire, construct, improve or renovate certain capital assets.

Note 9 - Pension Plans and Other Postemployment Benefits

Florida Retirement System

The County participates in the Florida Retirement System (the "System"), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of its full-time and part-time employees. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees (as defined by the State) that were hired after 1970 and those employed prior to 1970 that elect to be enrolled, are covered by the System. Benefits under the plan vest after six years of service. Benefit provisions are established under Chapter 121, Florida Statutes, which may be amended by the Florida Legislature.

The System is a defined benefit plan, qualified under section 401(a) of the Internal Revenue Code, with defined contribution options. Under the defined benefit option, employees who retire at or after age 62 with six years of credited service (vesting period), are entitled to an annual retirement benefit payable monthly for life. The System also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by State statute.

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

Summary of Florida Retirement System ("FRS") Contributions,
Covered Payroll and Percentage of Covered Payroll for the
(in thousands)

	2010	2009	2008
Covered Payroll	$ 2,105,838	$ 2,197,064	$ 2,145,709
Contributions	$ 281,910	$ 284,429	$ 281,048
% of Covered Payroll	13.4%	12.9%	13.1%

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 contribution rates are established by the Florida Legislature. Pension costs for the County ranged from 10.77% to 23.25% of gross salaries for fiscal year 2010. For the fiscal years ended September 30, 2010, 2009 and 2008, the County contributed 100% of the required contributions.

A copy of the System's annual report for the year ended June 30, 2010 can be obtained by writing to the Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, by calling toll-free (877) 377-1737, or by visiting their website at http://FRS.myFlorida.com.

Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan

The Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan (the Plan) was created in 1996. The Plan is a single-employer, defined benefit pension plan and is an employee-noncontributory plan administered by the Public Health Trust (PHT). The Plan does not issue stand-alone financial statements. This report includes a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets for the Plan for the year ended September 30, 2010.

All PHT employees working in a full-time or part-time regularly established position who were hired after January 1, 1996 are covered by the Plan. Benefits under the Plan vest after six years of credited 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 Plan also provides for early retirement at reduced benefits, and death and disability benefits. These benefit provisions and all other requirements are set forth in the Plan document. Benefits increase by approximately 2.5% per year for cost-of-living adjustments. The Board of Trustees of the PHT (the Board) reserves the right to modify, alter or amend the Plan subject to certain limitations.

Membership of the Plan consisted of the following at January 1, 2010, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	149
Terminated plan members entitled to but not yet receiving benefits	797
Active plan members	7,428
Total	8,374
Number of participating employers	1

Funded Status and Funding Progress (Unaudited)

The funded status of the Plan as of January 1, 2010, the date of the latest actuarial valuation, was as follows:

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)	UAAL as % of Covered Payroll ([b-a]/c)
1/1/2010	$317,499	$373,737	$56,238	85%	$507,365	11%

The required schedule of funding progress presented as required supplementary information (immediately following the notes to the financial statements) provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The contribution rate for normal cost is determined using the aggregate actuarial cost method. Under this method, the excess of the present value of projected benefits over the actuarial value of assets is spread evenly over the expected future salaries of the active participants presently under normal retirement age. This method does not identify or separately amortize unfunded actuarial liabilities. Gains and losses resulting from fluctuations in Plan experience are similarly amortized as part of normal cost. The significant assumptions used to compute the annual required contribution include an 8% rate of return on investments, projected salary increase of 7% in the first 10 years of service and 6% after 10 years of service. The rate of return on investments and the projected salary increase rate include projected inflation of 2.5%.

This Plan uses the aggregate actuarial cost method, which cannot be used to prepare a schedule of funding progress because it does not separately determine actuarial accrued liabilities. In order to provide information that serves as a surrogate for the funding progress of the plan per GASB Statement No. 50, the entry age normal cost method has been used to calculate the funded status. The current year information has been restated and calculated using the entry age normal cost method, which calculates the funding progress by a ratio of the actuarial value of assets to the actuarial accrued liability (AAL). The aggregate actuarial cost method used does not identify or separately amortize unfunded actuarial liabilities.

The PHT's funding policy provides for actuarially determined rates deemed sufficient to pay benefits as due; the current rate is 9.51% of covered payroll. The assumptions used to compute the contribution requirement are the same as those used to compute pension benefits earned. The PHT has traditionally contributed the annual required contribution and thus does not have a net pension obligation (NPO).

Six-year trend information for the Plan is presented below: (dollars in thousands):

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (NPO)
9/30/2005	$ 25,197	100%	$ -
9/30/2006	$ 26,169	100%	$ -
9/30/2007	$ 33,432	100%	$ -
9/30/2008	$ 38,068	100%	$ -
9/30/2009	$ 40,532	100%	$ -
9/30/2010	$ 42,820	100%	$ -

Deposits and Investments

The Plan's investment authority is derived from the authorization of the Board and is in accordance with the Florida Statute 215.47 (the Statute) and the Employment Retirement Income Security Act of 1974 (ERISA).

The following is a summary of the fair value (based on quoted market prices) of assets held in the pension trust fund at September 30, 2010: (in thousands)

Cash and cash equivalents	$ 14,961
Investments, at fair value	
Domestic investments:	
Equities	132,886
Corporate debt securities	115,302
U.S. government and agency obligations	21,858
Total domestic investments	270,046
International investments:	
Mutual funds	33,431
Equities	8,523
Corporate debt securities	8,682
Total international investments	50,636
Total	$ 335,643

Custodial Credit Risk

GASB Statement No. 40, Deposit and Investment Risk Disclosures, requires governments to disclose deposits and investments exposed to custodial credit risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party to a transaction, a government may not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of September 30, 2010, the Plan's investment portfolio was held with a single third-party custodian.

Credit Risk

The Plan's investment policy (the Investment Policy) is designed to minimize credit risk by restricting authorized investments to only those investments permitted by the Statute, subject to certain additional limitations. These additional limitations consist of prohibitions against investments in derivative securities, options, futures or short positions; however, the Investment Policy allows for investments in mortgage pass-through securities. Generally, the Statute permits investments in the Florida State Board of Administration Pooled Investment account (the SBA Pool), U.S. government and agency securities, common and preferred stock of domestic and foreign corporations, repurchase agreements, commercial paper and other corporate obligations, bankers acceptances, state or local government taxable or tax exempt debt, real estate and real estate securities, and money market funds. With the exception of obligations directly issued or guaranteed by the U.S. government, investments in the SBA Pool, and certain state and local government debt instruments, the Statute provides limits as to the maximum portion of the Plan's portfolio which can be invested in any one investment category or issuer.

At September 30, 2010, the Plan's investment securities had the following credit ratings: (in thousands)

Investment Type	Fair Market Value	Credit Rating	
Domestic investments			
U.S. Government agency securities, by issuer			
Federal Home Loan Mortgage Association	$ 9,072	AAA	*
Federal Home Loan Mortgage Corporation	2,687	AAA	*
U.S. Treasury Bills	10,099	AAA	*
Equities - common stock	132,886	AAA	
Corporate debt securities			
Corporate bonds	686	A-	**
Corporate bonds	12,994	A1-A3	**
Corporate bonds	949	AA2-AA3	**
Corporate bonds	827	AAA	*
Corporate bonds	2,613	AAA	*
Corporate bonds	2,437	Aa1-Aa3/Aaa	**
Corporate bonds	2,121	B1-B3	**
Corporate bonds	1,427	B/BB-BB+	*
Corporate bonds	432	BBB+/BBB	
Corporate bonds	2,107	Ba1-Ba3	**
Corporate bonds	22,118	Baa1-Baa3	**
Corporate bonds	674	Caa1/E-Caa2	**
Convertible bonds - Victory	3,598	Not Rated	
Convertible bonds - Victory	36,677	Not Rated	
Convertible bonds - Victory	844	BB+	*
Convertible bonds - Victory	1,002	AAA	*
Convertible bonds - Victory	7,680	A/A+/A-	*
Convertible bonds - Victory	1,979	AA/AA-	*
Convertible bonds - Victory	168	B	**
Convertible bonds - Victory	13,054	BBB/BBB+/BBB-	*
Convertible bonds - Victory	915	Not Rated	
International investments:			
Mutual funds	33,431	Not Rated	
Equities-Common stock	8,523	Not Rated	
Corporate debt securities:			
International Bonds	1,544	A1-A3	**
International Bonds	771	Aa1-Aa3/Aaa	**
International Bonds	241	B1/B2	**
International Bonds	146	Ba1	**
International Bonds	5,180	Baa1-Baa3	**
Convertible bonds - Victory	391	A-	*
Convertible bonds - Victory	409	BBB+	*
Cash and cash equivalents	14,961	Not Rated	
Total	$ 335,643		

* Standards & Poor's ratings

** Moody's Investor Services ratings

Concentration of Credit Risk

The Investment Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Investment Policy provides that a maximum of 25% be invested in bonds, notes, or obligations of any municipality or political subdivision or any agency or authority of the State of Florida; a maximum of 80% be invested in common stock, preferred stock, and interest-bearing obligations of a corporation having an option to convert into common stock; a maximum of 75% be invested in internally managed common stock; a maximum of 80% be invested in interest-bearing obligations with a fixed maturity of any corporation or commercial entity within the United States; a maximum of 20% be invested in corporate obligations and securities of any kind of a foreign corporation or a foreign commercial entity having its principal office located in any country other than the United States of America or its possessions or territories, not including United States dollar-denominated securities listed and traded on a United States exchange; and a maximum of 5% be invested in private equity through participation in limited partnerships and limited liability companies.

At September 30, 2010, the composition of the Plan's investments by investment type as a percentage of total investments was as follows:

	Percentage of Portfolio
Domestic investments:	
Equities	39.6%
Corporate debt securities	34.4%
Government and agency obligations	6.5%
International investments:	
Mutual funds	10.0%
Equities	2.5%
Corporate debt securities	2.6%
Other:	
Cash and cash equivalents	4.5%

The following represents individual investments whose fair market value (based on quoted market prices) exceeded 5% of the Plan's total investments at September 30, 2010 (in thousands):

MFO PIMCO/FDS PAC Invt. Mgmt.	$ 36,540
MFC Ishares TR Russell 1000 Value Index Fund	19,438
Total	$ 55,978

Interest Rate Risk

The Plan manages its exposure to rising interest rate risk by forecasting cash outflows and inflows. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

As of September 30, 2010 the Plan had the following investments with the respective weighted average maturity in years.

	Weighted Average Maturity
Domestic investments:	
Corporate debt securities:	
Corporate bonds	11.24
U.S. Government and agency obligations:	
Federal National Mortgage Association	24.92
Federal Home Loan Mortgage Corporation	21.68
U.S. Treasury bills	7.62
International investments:	
Corporate debt securities	12.62

Foreign Currency Risk

GASB Statement No. 40 requires governments to disclose deposits or investments exposed to foreign currency risk, the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

The Plan's exposure to foreign currency risk at September 30, 2010 is as follows: (in thousands and U.S. dollars)

	Currency	Fair Market Value (in U.S. dollars)
International equities:		
Common stock	Canadian dollar	$ 3,260
Common stock	Israeli new shekel	870
Common stock	Brazilian real	263
Common stock	Australian dollar	294
Common stock	British pounds	469
Common stock	Chinese yuan renminbi	1,433
Common stock	Indian rupee	525
Common stock	Russian rouble	246
Common stock	Euros	619
Common stock	Mexican peso	544
		$ 8,523
International corporate debt securities		
Corporate bonds	Canadian dollar	$ 1,403
Corporate bonds	Euro	1,716
Corporate bonds	Japanese yen	228
Corporate bonds	Netherlands A. guilder	230
Corporate bonds	South African rand	391
Corporate bonds	Korean won	368
Corporate bonds	Venezuelan bolivar	201
Corporate bonds	Swiss franc	166
Corporate bonds	Israeli new shekel	391
Corporate bonds	Caymanian dollar	549
Corporate bonds	Brazilian real	451
Corporate bonds	Bermudian dollar	426
Corporate bonds	Mexican peso	287
Corporate bonds	British pounds	1,699
Corporate bonds	Australian dollar	176
		$ 8,682

In addition, at September 30, 2010, the Plan's investments include approximately $33,431,000 in mutual funds that principally invest in international stocks and other international securities. Although these mutual funds are United States dollar-denominated and United States exchange traded, the underlying investments expose the Plan to an additional degree of foreign currency risk.

Postemployment Benefits Other Than Pensions

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

Eligibility: To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under the Florida Retirement System (FRS) or the Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan 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
        - 6 years of service (no age requirement)

- 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 a 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

Participation in the Health Plan consisted of the following at October 1, 2009:

Actives	37,516
Retirees under age 65	2,329
Eligible spouses under age 65	681
Retirees age 65 and over	548
Eligible spouses 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 contributes an average of 19% of the cost for the AvMed POS plan, 40% for the AvMed HMO High and AvMed HMO Low plans. 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 health care benefits will remain at the 2008 dollar 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.

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.

For fiscal year 2010, the County contributed $20,578,000 to the plan. 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.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 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 thirty years.

The following table shows the components of the County's annual OPEB cost for fiscal year 2010, the amount actually contributed, and changes in the County's net OPEB obligation (dollar amounts in thousands):

Annual required contribution	$ 30,956
Interest on net OPEB obligation	1,058
Adjustment to annual required contribution	(1,043)
Annual OPEB cost	30,971
Contributions made	(20,578)
Increase in net OPEB obligation	10,393
Net OPEB obligation—beginning of year	22,622
Net OPEB obligation—end of year	$ 33,015

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 and the two preceding years were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/2008	$ 26,997	42.0%	$15,653
09/30/2009	$ 28,810	75.8%	$22,622
09/30/2010	$ 30,971	66.4%	$33,015

Funded Status and Funding Progress (Unaudited). The schedule below shows the balance of the actuarial accrued liability (AAL) as of the latest actuarial valuation date: (dollar amounts in thousands)

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)	UAAL as % of Covered Payroll ([b-a]/c)
10/1/2009	$0	$336,700	$336,700	0%	$2,191,109	15%

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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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 Actuarial Accrued Liability (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 cost 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	10/1/2009
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Actuarial assumptions:	
Discount rate	4.00% - 4.75%
Payroll growth assumption	3.00%
Health care cost trend period	Grades down over seven years
Health care cost trend rates	11% initial to 5.25% ultimate
Mortality table	RP 2000 Projected to 2010

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 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.

The Actuarial Accrued Liability (AAL) for Other Postemployment Benefits, Annual Required Contribution (ARC) and contributions made during Fiscal Year 2010 were allocated as follows: (dollars in thousands)

	AAL	ARC	Contribution	OPEB liability @ 9/30/10
General Government	$ 194,235	$ 17,519	$ 11,905	$ 19,294
Miami-Dade Public Housing Agency	3,721	336	228	494
Solid Waste Department	9,472	854	580	979
Aviation Department	13,886	1,252	851	1,357
Seaport Department	4,444	401	272	431
Miami-Dade Transit Agency	31,078	2,803	1,905	3,531
Water and Sewer Department	24,634	2,222	1,510	2,557
Public Health Trust	55,230	5,569	3,327	4,372
Total	$ 336,700	$ 30,956	$ 20,578	$ 33,015

Note 10 - Contingencies and Commitments

Pollution Remediation Obligations
As of September 30, 2010, the County has identified a number of sites that are undergoing pollution remediation activities or have violations of pollution related permits and licenses that must be cured. Pollution at most sites is due to contamination from petroleum, ammonia, and metals in soil and in groundwater. In addition, certain sites must continue to be monitored for a number of years due to methane gas emission. As of September 30, 2010, the County has recorded a pollution remediation liability of $8.144 million in long-term liabilities in the statement of net assets of governmental activities.

Aviation Department Environmental Matters
In August 1993, the Miami-Dade County Aviation Department ("MDAD" or "Aviation Department") and the Dade County Department of Environmental Resources Management (DERM) entered into a Consent Order. Under the Consent Order, the Aviation Department was required to correct environmental violations resulting from various tenants' failure to comply with their environmental obligations at the Airport including those facilities previously occupied by Eastern Airlines and Pan Am Airlines. In addition, the Aviation Department had a preliminary study performed by an independent engineering firm to estimate the cost to correct the environmental violations noted in the Consent Order. This study was used as a basis to record the environmental remediation liability as of September 30, 1993. In each subsequent year, the Aviation Department has received an updated study performed by MACTEC Engineering and Consulting (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 new FDEP Consent Order encompasses and replaces the DERM agreement and includes additional locations. The FDEP Consent Order includes all locations at the Miami International Airport (MIA) that are contaminated as well as additional sites where contamination is suspected. The Aviation Department included other sites where contamination is suspected in the FDEP Consent Order under a "Protective Filing". If contamination is documented at these sites, the State would be required to incur the costs of remediation. Because the State will be required to pay for remediation of sites filed in the Protective Filing and because the contamination at the sites is unknown, an accrual amount is not reflected in the Opinion of Cost report 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 PRP's.

The Aviation Department has recorded a liability of $88.8 million at September 30, 2010, 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.

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 the containment:

Nature of Contamination	IPTF	Non-IPTF	Non-Consent	Totals
Petroleum	$12,203	$1,460	$2,285	$15,948
Hazardous/nonhazardous		63,747	9,150	72,897
	$12,203	$65,207	$11,435	$88,845

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

Water and Sewer Department Settlement Agreement

In 1993, the County entered into a settlement agreement with the State of Florida Department of Environmental Protection (“FDEP”) resulting in very limited restrictions on new sewer construction in certain areas of the County until adequate capacity becomes available in the wastewater system. Subsequently, in 1994 and 1995, two consent decrees were entered into with the U.S. Environmental Protection Agency (“EPA”) whereby the County accelerated its improvement program of the wastewater system, subject to a schedule of stipulated penalties if certain established completion dates are not met. The County continues to be in compliance with all provisions and through fiscal year 2010 has not incurred any penalties for not completing tasks within deadlines.

On April 29, 2004, the Consent Order, OGC File No. 03-1376, was entered into between the FDEP and Miami-Dade County. It requires the County to provide high level disinfection for the effluent prior to injection. The total project cost of these improvements is approximately $600 million and completion is anticipated in 2014.

On November 15, 2007, the South Florida Water Management District (the District) issued a consolidated 20-year Water Use Permit, which sets limits on the use of the Biscayne Aquifer and the Floridian Aquifer. In addition, the permit includes a schedule for the construction of the alternative water supply projects needed to meet demand. The plan developed by the County and submitted to the District includes the use of the Biscayne Aquifer to meet current demand and also for future growth, but also provides that additional amounts will be offset by providing ground water replenishment with highly treated reclaimed water. The plan also includes the use of the Floridian Aquifer to blend with water from the Biscayne Aquifer to be treated with reverse osmosis.

Seaport Department Consent Order
During fiscal year 2002, the Miami-Dade County Board of County Commissioners authorized the County Manager to execute a Consent Order between the State of Florida Department of Environmental Protection ("FDEP") and Miami-Dade County for settlement of Miami Harbor dredging permit violations committed by the Seaport's former dredging contractor. Accordingly, the County recognized an expense and related liability for the fiscal year 2002 in the amount of $2.5 million, which was the amount estimated to satisfy the Consent Order. As of September 30, 2010 all required mitigation has been completed and there is no liability. The Seaport continues to monitor the mitigation work already done. The Seaport is in year one of a five year mitigation program.

Solid Waste Department Closure and Postclosure Care Costs
Current laws and regulations require the County to place final covers on landfill cells as they are closed and perform certain maintenance and monitoring functions at the landfill cell sites for thirty years after closure. These laws and regulations also require the County, on an annual basis, to disclose the extent of its financial responsibility for the costs involved, which are referred to as “closure and postclosure care” costs. The County was in compliance with these requirements as of September 30, 2010.

At September 30, 2010, the County’s total liability for landfill closure and postclosure care costs was approximately $96.1 million. Of this amount, $70.6 million relates to active landfills and approximately $25.4 million relates to inactive landfills.

The County accounts for and discloses closure and postclosure care costs in accordance with GASB Statement No. 18 *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* (the “Statement”). The Statement requires, among other matters: (1) that the liability for closure and postclosure care costs be estimated based on applicable federal, state or local regulations that were in existence as of the date of the statement of net assets, (2) that the cost estimates be reevaluated and adjusted on an annual basis for changes due to inflation or deflation, or for changes due to advancements in technology, (3) that a portion of these estimated closure and postclosure costs be recognized in each operating period that the landfill is active, based on the amount of waste received during the period, even though the majority of the costs will not be disbursed until the landfill cells are closed, and (4) that changes in the estimated costs for closure and postclosure care which occur after the landfill stops accepting waste be recognized entirely in the period of the change.

Expenses for closure and postclosure care are funded from bond proceeds, of which the principal and interest are subsequently repaid from Utility Service Fees assessed on all countywide water and wastewater users, in accordance with Chapter 24 of the Dade County Code (the “Code”). Under the Code, funds collected from this fee can be used for solid waste landfill closure and postclosure care costs that are the financial responsibility of the County, for environmental remediation at landfill sites, and for land acquired to protect groundwater.

Active Landfills - Active landfills consist of the North Dade Landfill, the South Dade Landfill, and the Resources Recovery Ashfill.

The liability balance of $70.6 million as of September 30, 2010 represents a decrease of approximately $3.5 million when compared to the preceding year. This decrease resulted from the combined effects of amortization expense of $2.7 million resulting from the use of approximately 89.1% of the existing landfill capacity, and reductions of approximately $6.2 million for amounts paid or due to vendors actually performing closure or postclosure work during the current period on closed “cells” of active landfills.

There were no unrecognized costs as of September 30, 2010. Unrecognized costs are recognized on a current basis as the existing estimated capacity of approximately 3.9 million tons at September 30, 2010 is used. This estimated capacity is expected to last until 2016 based on current waste flows.

Inactive Landfills - Inactive landfills consist of the Main Landfill at 58th Street, the Ojus Landfill, and the Old South Dade Landfill.

The liability balance of the inactive landfills as of September 30, 2010 is approximately $25.4 million. When compared to the preceding year, the liability balance decreased approximately $800 thousand reflecting the effects of reductions for amounts paid or due to vendors actually performing closure and postclosure work during the current period.

Resources Recovery Facility - The County has an agreement for the operation of the County owned resource recovery facility (the "Facility"). The Third Amended and Restated Operations and Management Agreement (the "O&M Agreement," "Amended Agreement") expires on October 31, 2023, as amended August 2, 2004. The amended agreement can be automatically extended for up to four additional five-year renewal terms that would expire on October 31, 2043. On January 28, 2010, the Miami-Dade County Board of County Commissioners approved a resolution authorizing the County Mayor or the County Mayor's designee to execute the Letter Agreement to assign the O&M Agreement (as amended), between Miami-Dade County (the "County") and Montenay-Dade, Ltd. (the "Company"), to Covanta Southeastern Florida Renewable Energy LLC. ("Covanta"). The Letter Agreement was executed on January 28, 2010. Solid waste is delivered to the Facility from the County's transfer stations and directly from municipal customers and private haulers. The garbage and trash are processed into refuse derived fuel and then burned in four boilers that produce steam to turn two turbine generators.

Payments made to the Company under the Amended Agreement are primarily for tipping fees on the waste processed through the Facility, subject to certain delivery and processing guarantees. The Company is also paid a 50% share of the revenues from the sale of electricity generated by the plant and purchased by Florida Power Corporation under a power purchase agreement. Accordingly, these payments are treated as an operations and maintenance expense.

In order to finance ongoing plant enhancements over the years, the County issues various debt instruments on behalf of the Company, which were refunded from the proceeds of the $182.7 million Dade County, Florida Resource Recovery facility Refunding Revenue Bonds issued in 1996 (the "series 1996 Bonds"). The County contributed approximately $5 million to cover a portion of the Series 1996 Bond issuance costs. This portion of the issuance costs is included in the Department's other assets and is being amortized over the life of the bonds. Concurrent with the issuance of the Series 1996 Bonds, the Company issued a promissory note in favor of the County for the original principal amount of the Series 1996 Bonds. The County assigned this note to the Trust Estate created pursuant to the Trust Indenture, which provides that the Series 1996 Bonds are payable solely from and secured only by an irrevocable pledge of a lien on the Trust Estate. The County has not pledged any revenues or property (including the Facility) as security for the Series 1996 Bonds. Therefore, the County's obligation for the Series 1996 Bonds is strictly limited to stipulations in the Amended Agreement, which guarantees a minimum amount of annual tipping fees. The Series 1996 Bonds are a debt obligation of the Company, and are, therefore, not reflected in the accompanying financial statements. The principal balance of the bonds outstanding at September 30, 2010 is $32.5 million.

The bond proceeds were loaned to the Company pursuant to a September 1, 1996 Loan Agreement. This Loan Agreement requires the Company to assign all tipping fees and other operating revenues directly to the Trust Estate in an amount that, at a minimum, will equal the debt service requirements on the Series 1996 Bonds.

In the January 28, 2010 Letter Agreement, Covanta and the County agreed to modify the O&M Agreement's hard put or pay provision with respect to waste deliveries by the County after the effective date. The County and Covanta agreed to modify the annual recyclable trash guaranteed tonnage and annual on-site waste guaranteed tonnage and associated provisions of the O&M Agreement. The waste tipping fees were modified for fiscal year 2010. Such revised provisions for annual recyclable trash guaranteed tonnage, annual on-site waste guaranteed tonnage and waste tipping fees agreed upon were applied retroactively from the beginning of the 2010 County fiscal year, October 1, 2009.

The County has guaranteed to deliver 240,000 tons per year (TPY) in recyclable trash. In addition, the County has guaranteed 732,000 TPY in on-site waste. This on-site waste guaranteed tonnage is to be fulfilled with garbage. The sum of the annual on-site waste guaranteed tonnage and the annual recyclable trash guaranteed tonnage shall not be less than 972,000 tons per annual period, unless the solid waste shall not be deemed to be available to the County for delivery to the Facility if such Solid Waste is unavailable for circumstances beyond the County's control and not due to actions taken by the County. The parties acknowledged that the intent of the County is to use reasonable efforts to maximize the amount of on-site waste contracted for and available to process at the Facility for the term of the O&M Agreement including all renewal terms as set forth herein. Covanta and the County agree that it is in both parties interest for Covanta to seek to contract with third parties in the event of a shortfall on terms mutually agreeable to the parties.

For fiscal year 2010, the County recorded expenses of $47.6 million in tipping fees to the Company. The rates charged for tipping fees as of September 30, 2010 were $45 per ton for on-site waste processing other than tires and $81.15 per ton for clean shredded tires. These rates are adjusted annually for the consumer price index. Fuel and other by-products not returned to County facilities from the recyclable trash received a credit of $1.87 per ton as a recycle credit fee. In addition, the County also paid a capital improvements project fee of $2.5 million per year.

Concurrent with the issuance of the Series 1996 Bonds, the County entered into an interest rate swap agreement for purposes of converting the fixed interest payments on the Series 1996 Bonds into variable rate payments. This agreement, which is also part of the Trust Estate, has no effect on the County's obligation under the Trust Indenture to pay the principal and interest on the Series 1996 Bonds. It provides for the Trustee to pay interest calculated at a variable rate to the counterparty in the swap. The counterparty, in turn, is required to pay the Trustee interest at a fixed rate. Should interest rates increase significantly or there be a significant reduction in marginal income tax rates, the County could be exposed to increased payment obligations through increased tipping fees.

On October 23, 1997, the County entered into a second swap agreement to take advantage of the interest rate savings between the variable taxable and tax exempt rates. This Agreement provides for the Trustee to pay interest at a fixed rate to the counterparty in the swap. The counterparty, in turn, pays the Trustee interest at a taxable variable rate. If the counterparty defaults or if the swap is terminated, the County will be exposed to the rates established in the Series 1996 Bonds. Termination may result in the Trustee making or receiving a termination payment. From inception through September 30, 2010, this swap yielded total savings of approximately $8.4 million, including (negative) savings in fiscal years 2004 through 2007. The fiscal year 2010 reflects $412 thousand in savings, as compared to $1.4 million in fiscal year 2009.

On February 9, 2010, the Miami-Dade County Board of County Commissioners approved a resolution authorizing the County Mayor or the County Mayor's designee to negotiate with Rice Financial Products Company, LLC ("RFPC") regarding the interest rate swap insured by AMBAC Indemnity Corporation related to the Resource Recovery Facility Refunding Revenue Bonds (Series 1996) in order to minimize potential economic loss to the County; delegating authority within certain parameters to the County Mayor or the County Mayor's designee to terminate said swap or terminate it and enter into a replacement swap and to execute and deliver any related agreements; and authorizing County officials to take all actions necessary to accomplish such purposes.

The County, RFPC and Ambac Assurance Corporation ("AMBAC") entered into a termination agreement (the "Termination Agreement") on April 1, 2010. In full consideration of the Termination Agreement and in complete satisfaction of all obligations in respect of the Agreement, RFPC paid the County $1,254,000 on April 1, 2010.

In the event of termination of the O&M Agreement, the County must find a successor operator. This operator will be required to assume the Company's obligations under the Amended Agreement and Trust Indenture, or pay the Trustee an amount equal to the higher of (1) the unamortized capital cost or (2) the minimum tipping fee amounts due under Section 7.1.9 of the Amended Agreement. The aggregate amounts of estimated tipping fees, to be paid under the Amended Agreement for future fiscal years are as follows:

Fiscal Year		Amount
2011	$	54,542
2012		54,235
2013		53,936
Total	$	162,713

The amounts above represent the County's share, net of the Company's contract obligations and the effect of the fixed to variable rate swap agreements generating positive cash flows. The amounts are based on 732,000 tons of on-site waste plus 240,000 tons of recyclable trash to be processed in fiscal year 2010 and annually thereafter. The amounts were computed using rates effective October 1, 2010.

The Department implemented the provisions of the Governmental Accounting Standards Board, Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" (GASB 53) in fiscal year 2010, Pursuant to GASB 53, the fair value of the interest rate swap entered into concurrently with the issuance of the Series 96 Bonds has been included in the Statements of Net Assets as an investment in derivative instruments as of September 30, 2010 (see Notes 3 and 11). As discussed above, the second swap was terminated on April 1, 2010. Therefore, the Department's share of the proceeds received on April 1, 2010 have been included in the Statement of Revenue, Expenses and Changes in Fund Net Assets as interest income for the period ending September 30, 2010.

Construction Commitments
As of September 30, 2010, the County's enterprise funds had contracts and commitments totaling $1.235 billion, as follows:

- Miami-Dade Transit, $203.8 million;
- Miami-Dade Water and Sewer Department, $252.9 million;
- Public Health Trust, $93.7 million;
- Aviation Department, $665.7 million;
- Solid Waste Department, $2.5 million; and
- Miami-Dade Seaport Department, $16.0 million.

The Reserve for Encumbrances at September 30, 2010, for the Capital Project Funds reflect construction commitments entered into by the County. The following table sets forth these commitments by program classification (in thousands):

Street and Safety Improvements	$	64,114
Recreational Facilities and Cultural Improvements		110,486
Public Safety Facilities		9,128
Judicial and Correctional Facilities		15
Physical Environment		16,476
Health		24,982
Socio-Economic Environment		2,902
General Governmental Facilities		34,042
Total	$	262,145

Aviation Department North Terminal Development Program (NTD)
In 1989, the County agreed to allow a major carrier (collectively, the parties) to create an international passenger hub at Miami International Airport. 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 County 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 $974.9 million. In July 1999, the parties agreed to the First Amendment which increased the scope of work and the costs to $1.3 billion. 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 $1.5 billion.

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 County 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 has agreed to contribute to the Project $105 million, payable in installments over a period of ten 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. A payment in the amount of $10 million was received in fiscal year 2010. The County'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 County 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, $62.495 million of claims had been paid and none had been accrued in the accompanying statements.

Seaport Department Gantry Cranes Operating Agreement
The County's gantry crane operation had been maintained by a private company (the "Operating Company") under a restated and amended operating agreement dated November 1, 1988. During 1997, certain activities of the Operating Company came under investigation by local, state and federal authorities to determine whether user fees belonging to the County were spent by the Operating Company for improper or illegal purposes. In addition, County investigation indicates that shipping companies may not have been billed or were under billed for gantry crane services. This contract was terminated by the County on May 19, 1998.

During the term of the Restated and Amended Agreement, the County received approximately $3.9 million (cumulatively) from the Operating Company for user fees in excess of the amounts retained. In addition, the County believes the Operating Company has an obligation to repay certain operating advances and ground lease rentals of approximately $11.5 million that carried forward from the previous agreement, plus accrued interest thereon. This obligation has not been reflected in the accompanying financial statements due to uncertainty of receipt. Such balances accrue simple interest at an annual rate of 7.8% and are reduced by excess usage fees paid by the Operating Company. The County has received approximately $500 thousand (cumulatively) from the Operating Company for excess usage fees. The County believes that collection of any amounts owed by the Operating Company pursuant to the Agreement is doubtful due to the negative net worth of the Operating Company.

The County has filed a claim against the Operating Company for breach of contract, breach of fiduciary duty, civil theft, and declaratory relief, among others. The County believes it has a claim against the Operating Company for recovery of improper expenditures. The full amount has not been determined. The County has concluded at this time that it is not possible to determine the amount, if any, that may be collectible from the Operating Company, if it is determined that amounts were spent improperly. Therefore, no amounts have been recorded in the accompanying financial statements.

The Operating Company has filed a counterclaim against the County alleging that Seaport officials required them to pay for expenses that were not related to gantry crane activities; therefore, creating deficits that could have been used to reduce amounts owed to the County. Management does not believe this will have an adverse effect on the financial statements.

Seaport Department Building Lease Agreements

The County entered into an office building lease agreement (the "Agreement") with one of its cruise line customers (the "Lessee") to finance and construct an office building and related improvements (the "Building") at the Seaport. The Building was to be occupied and used by the Lessee. The County would assume any financing, up to a maximum of $16.6 million, enter into an agreement for the Lessee to finance the construction of the Building and would possess fee simple title to the Building. Under terms of the Agreement, the Lessee is to pay base rent of an amount per year equal to the debt service payments on the financing assumed by the County.

The construction of the Building has been completed; however, the County and the Lessee are currently in dispute over certain terms and conditions of the Agreement. As a result, the County has neither assumed any financing which may have been entered into by the Lessee to finance the construction of the Building nor possesses fee simple title to the Building. Until the County obtains title to the building and assumes any debt and resolves any other uncertainties regarding the contract, the County will not include such asset and related liability, if any, in its financial statements.

Aviation Department Agreement with Florida Department of Transportation

The Florida Department of Transportation (FDOT), in cooperation with the County, has borrowed $433 million from the United States Department of Transportation (USDOT) under the Transportation Infrastructure Financing Innovation Act (TIFIA) loan program. Approximately $269 million of the loan proceeds will be used to construct the Miami Intermodal Center and approximately $164 million for a consolidated rental car facility (RCF) adjacent to the Airport. The $164 million was to be used by FDOT to purchase the land needed for the RCF and then design and construct the facility. The portion of the loan relating to the RCF will be repaid through the collection of the Customer Facility Charges (CFCs) from car rental company customers at the Airport. The remainder of the loan will be repaid by the State. The repayment of the TIFIA loan is not secured by revenues or any other revenues of the Aviation Department. On December 7, 1999 the County entered into a Memorandum of Understanding (MOU) with FDOT. The MOU provides that FDOT's portion of the TIFIA loan is $269 million and that County'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. The County 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 CFC's collected by the County 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 the County to FDOT, the County is under no obligation to expend its own funds for the purchase. All payments to FDOT for the purchase of the land and the RCF will come exclusively from a pool of funds made of Customer Facility Charge proceeds (as well as any contingent rents that are imposed on the rental car companies).

On July 19, 2007 the Board of County Commissioners approved the First Amendment to the Rental Car Concession Agreement and Facility Lease Agreement (the RCCA). The RCCA was one of the contractual documents all rental car companies desiring to participate in the RCF were required to sign. Resolution No. R-910-07 approving the First Amendment also accepted FDOT's new estimate of $370 million for the design and construction costs of the RCF, and approved an increase in the County 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 the County 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.

Public Health Trust Annual Operating Agreement

In accordance with the annual operating agreement between the Public Health Trust (the "Trust") and the University of Miami (the "University"), the Trust pays certain amounts for staff and services to be provided by the University. Under the annual operating agreement, costs incurred by the Trust for the year ended September 30, 2010 were approximately $131.4 million. At September 30, 2010 the Trust had a liability to the University of approximately $58.8 million.

Interlocal Agreement with the City of Miami Beach

The County entered into an interlocal agreement (the "Interlocal Agreement") with the City of Miami Beach, Florida (the "City") in 1996 regarding the use and disposition of the two-thirds (2/3) portion of the Convention Development Tax (the "Tax"). The Tax is imposed by the County, pursuant to Section 212.0305(4)(b) of the Florida Statutes, on the leasing or letting of transient rental accommodations. Prior to this agreement, the Tax proceeds were collected by the County and remitted to the City as security for the payment of debt service on any bonds secured by the Tax. The Interlocal Agreement provides that the Tax proceeds be held by the County for projects permitted by State law and distributed after debt service is paid on the Miami-Dade County Special Obligation and Refunding Bonds Taxable Series 1996A and Series 1996B (the "1996 Senior Lien Bonds") and an annual operating subsidy payment of $1.5 million (the "Operating Subsidy") is remitted to the City for the Miami Beach Convention Center Complex (the "Complex").

During fiscal year 1998, the County issued three series of bonds (the "1997 Subordinate Bonds") at one time. The 1997 Subordinate Bonds were comprised of the Subordinate Special Obligation Refunding Series 1997A, in the amount of $86.6 million, Subordinate Special Obligation Bonds, Series 1997B, in the amount of $170.0 million and Subordinate Special Obligation Bonds, Series 1997C in the amount of $42.0 million. The 1997 bond proceeds were used to refund a portion of the 1996 Senior Lien Bonds, to provide additional funds for the construction of the Performing Arts Center (the "Downtown PAC"), to renovate and construct other cultural facilities and to acquire real property for the construction of a new multi-purpose professional sports facility in the City of Miami (the "Arena Project"). The 1996 Senior Lien Bonds and the Operating Subsidy have a first lien on the Tax that is superior to the lien on the Tax in favor of the 1997 Subordinate Bonds.

In 2001, the City and the County amended the Interlocal Agreement to provide, among other matters, for an increase in the Operating Subsidy to $3 million for April 1, 2002 and to $4.5 million on each April 1 thereafter until the end of the term of the Agreement. It also provided that the County and the City would share in any Tax proceeds that exceed a certain growth factor for each year commencing in 2004. Moreover, the County agreed to fund $15 million of capital improvements for the Complex from the next bond transaction in which the Tax is pledged and to pay an additional $50 million in available tax proceeds to the City if the Tax is not pledged to a new baseball stadium by December 2003. The County Commission prior to the December 2003 deadline pledged the revenues for a new baseball stadium. The additional payments to the City agreed to in the amendment to the Interlocal Agreement are payable from Tax proceeds only and are subordinate to the lien on the Tax in favor of the 1996 Senior Bonds, the original $1.5 million Operating Subsidy and the 1997 Subordinate Bonds.

Other Commitments

Legal Contingencies
The County is a defendant to other legal proceedings that occur in the normal course of operations. In the opinion of the County Attorney, the ultimate resolution of these legal proceedings are not likely to have a material, adverse impact on the financial position of the County or the affected funds.

Departure Incentive Program
The County offered a Departure Incentive Program (the "Program") to employees with ten years of continuous service who were eligible for an unreduced Florida Retirement System benefit on or before January 31, 1996, and to employees who completed 20 years or more of continuous service, regardless of age, on or before January 31, 1996. The Program offered single health insurance coverage in a County approved group health plan or a $300 a month cash payment for a minimum of eight years or until the employee becomes eligible for Medicare. The total estimated cost of the Program, discounted at 5%, is approximately $1.7 million as of September 30, 2010 and is recorded in long-term debt.

Arbitrage Rebates
At September 30, 2010, the County recorded obligations to rebate arbitrage interest earnings on certain General Obligation and Special Obligation Refunding and Equipment Floating Bonds (the "Bonds") issued after the passage of the Tax Reform Act of 1986. The proceeds of the bonds were used to refund existing debt and to finance certain capital projects and acquisitions accounted for within the governmental and proprietary fund types of the County.

The rebate to the Federal Government, required to be paid within five years from the date of issuance and each five years thereafter, is estimated to be approximately $2.2 million as of September 30, 2010. The liability related to governmental activities, not expected to be paid with available financial resources, is $.2 million and is recorded in long-term debt. The liability related to the enterprise funds at September 30, 2010 amounted to $2.0 million, and is also included in long-term debt. The ultimate amount of the County's obligation will be determined based on actual interest earned.

Federal and State Grant Awards
Federal grant awards are audited in accordance with OMB Circular A-133 and state grants are audited in accordance with Florida Rules of the Auditor General, Section 10.550 and the State of Florida Single Audit Act to determine that the terms and conditions of the grant awards have been complied with. Amounts received or receivable from grantor agencies are subject to audit adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund.

On March 20, 2003, the U.S. Department of Transportation, Office of the Inspector General (OIG) issued Report No. AV-2003-030 entitled Oversight of Airport Revenue in connection with their audit of amounts paid to Miami-Dade County by the Miami-Dade Aviation Department (MDAD). The OIG reported Miami-Dade County diverted MDAD revenues of approximately $38 million from 1995 to 2000. On August 9, 2005, upon receiving additional information from MDAD, the OIG agreed to adjust the finding to $8.1 million, plus interest. The Oversight of Airport Revenue report was then updated to include the years 2001 through 2005, and the total diversion of revenues was increased to $12 million, plus interest of $2.3 million for a total of $14.3 million. As of September 30, 2010, the unpaid balance is $2.3 million, which will be repaid by the County in quarterly installments of $564.3 thousand over the next fiscal year.

The Federal Transit Administration (FTA), as a routine follow-up to findings noted at the Miami-Dade Transit Agency (MDT) during the September 30, 2009 compliance audit, conducted an internal control environment review for the purpose of evaluating MDT's grants administration practices and assessing its financial management oversight procedures. The results of the assessment and evaluation by the FTA revealed findings and internal control deficiencies which caused the FTA to suspend financial drawdown privileges of MDT's grants. The County has responded to the FTA's findings and has outlined a corrective action plan. The FTA has indicated that the drawdown suspension will remain in place until the findings are resolved and it has tested and validated the successful implementation of the corrective action plan.

It is management's opinion that MDT will be able to address all findings to a satisfactory resolution, resulting in the restoration of the financial drawdown privileges. Until then, the Transit Department is continuing to meet its operational financial obligations by accessing the County's pooled cash.

Note 11 – Restatement of Beginning Fund Balances and Beginning Net Assets

Governmental fund statements

Beginning fund balance reflects a prior period adjustment to restate amounts in previous year statements. The prior period adjustment took place in the Other Housing Programs Special Revenue Fund. The effect of restatement of fund balance in the fund statements is as follows (in thousands):

	Other Governmental Funds
Fund Balance at September 30, 2009:	
Fund Balance - as previously reported	$ 2,039,139
Prior period adjustment:	
(1) To adjust various accounts of the Other Housing Programs Special Revenue Fund	(1,095)
Fund Balance - restated	$ 2,038,044

Enterprise fund statements

Beginning net assets of enterprise funds were restated as follows to reflect the cumulative effect of the implementation of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), in prior year balances. GASB 53 was implemented in the current year.

	Water and Sewer Department (a major enterprise fund)	Solid Waste Management Department (a major enterprise fund)
Net assets at September 30, 2009:		
Net Assets - as previously reported	$ 2,176,803	$ 161,880
Cumulative effect of the implementation of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, total $17.681 million	13,911	3,770
Net Assets - restated	$ 2,190,714	$ 165,650

Government-wide statements

Beginning net assets of governmental activities reflect prior period adjustments to restate amounts in previous year statements. The prior period adjustments took place in the Other Housing Programs Special Revenue Fund and in the Miami Dade Public Housing Agency.

Beginning net assets of governmental activities and business-type activities were also restated by $15.049 million and $17.681 million, respectively, to reflect the cumulative effect of the implementation of Governmental Accounting Standards Board Statement No. 53 *“Accounting and Financial Reporting for Derivative Instruments”* (GASB 53).

The effect in the government-wide statements is as follows (in thousands):

	Governmental Activities	Business-Type Activities
Net assets at September 30, 2009:		
Net Assets - as previously reported	$ 2,300,592	$ 4,809,237
Prior period adjustments:		
(1) To adjust various accounts of the Other Housing Programs Special Revenue Fund	(1,095)	
(2) To adjust various accounts of the Miami-Dade Public Housing Agency	1,340	
Total prior period adjustments	245	
Cumulative effect of the implementation of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments	15,049	17,681
Net Assets - restated	$ 2,315,886	$ 4,826,918

Beginning net assets of the Jackson Memorial Foundation (the “JMH Foundation”) component unit were increased from $16.209 million to $19.431 million. The $3.222 million increase was due to the addition of the Foundation Health Services, Inc. net assets to the JMH Foundation effective October 1, 2009.

Note 12 - Interfund Transfers and Balances
(in thousands)

		TRANSFER FROM			
		General Fund	Nonmajor Governmental	Miami-Dade Transit	Solid Waste Management
T	General Fund		$ 9,226		
R	Nonmajor Governmental	$ 178,007	178,583		
A	Miami-Dade Transit Department	148,071	147,179		
N.	Public Health Trust	158,478	176,752		
	Solid Waste Management				
	All Others				
T					
O	Total Transfers Out	$ 484,556	$ 511,740		

The General Fund transfer out of $484.6 million includes: $148.1 million to the Miami-Dade Transit Department (MDT) to support its operations in accordance with the Maintenance of Effort Agreement (MOE); $158.5 million to Public Health Trust from ad valorem taxes to support its operations; $32.2 million to the Debt Service Fund to make debt service payments as they become due; $53.5 million to the Capital Projects Fund to fund capital projects as per the approved budget; $39.8 million to the Community and Social Development Fund to finance its programs in accordance with the approved budget; $25 million to Fire Rescue to support different activities of the department; and $27.3million to Other Special Revenues Funds.

The Nonmajor Governmental transfer out of $511.740 million includes: $50.0 million to the SOB Bond Projects Fund from the GOB Bond Projects Fund to fund the ballpark stadium; $147.2 million to Miami-Dade Transit from the People's Transportation Plan (half penny transit system sales surtax), and $176.8 million to the Public Health Trust from the Health Development Fund (half penny indigent sales surtax).

		DUE FROM/ADVANCES			
		General Fund	Nonmajor Governmental	Miami-Dade Transit	Solid Waste Management
D	General Fund		$ 24,883	$ 152,178	
U	Nonmajor Governmental		9,833	134,288	
E	Internal Service Fund		1,560	5,217	$ 1,477
	Miami-Dade Transit Department		78		
	Solid Waste Management		2,219		
T	Aviation Department	$ 17,886	4,783		
O	Water and Sewer Management		372		
	Public Health Trust	9	29,690		
	Total Due to Other Funds	$ 17,895	$ 73,418	$ 291,684	$ 1,477

The General Fund balance of $152.2 million due from Miami-DadeTransit includes a Long-term Advance Receivable of $55.1 million not scheduled to be collected in the subsequent year (an increase of $12.7 million from fiscal year 2009), and $97.1 million recorded as Due from Other Funds. The Nonmajor Governmental Funds balance of $134.3 million due from Miami-Dade Transit includes a Long-term Advance Receivable of $123.2 million not scheduled to be collected in the subsequent year and a Short-term Advance Receivable of $8.7 million due to the People's Transportation Fund (PTP) ($131.9 million total due to PTP), and $2.4 million due to other nonmajor governmental funds.

(Continued)

TRANSFER FROM

Seaport Department	Aviation Department	Water and Sewer Department	Public Health Trust	All Others	Total Transfer In
					$ 9,226
				$ 892	357,482
					295,250
					335,230
				$ 892	$ 997,188

DUE FROM/ADVANCES

Seaport Department	Aviation Department	Water and Sewer Department	Public Health Trust	Miami-Dade Housing Agency	Total Due from Other Funds
$ 465	$ 4,096	$ 4,888	$ 21,272		$ 207,783
	2,074	1,804	184		148,183
397	1,697	2,421	4,795		17,563
					78
					2,219
					22,670
					372
					29,699
$ 862	$ 7,867	$ 9,113	$ 26,251		$ 428,567

Note 13 – New Accounting Pronouncements

In June 2007, the Governmental Accounting Standards Board issued Statement No. 51, *"Accounting and Financial Reporting for Intangible Assets"* (GASB 51). GASB 51 establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The implementation of GASB 51 in fiscal year 2010 resulted in the capitalization of intangible assets of $1.173 million.

In June 2008, the Governmental Accounting Standards Board issued Statement No. 53, *"Accounting and Financial Reporting for Derivative Instruments"* (GASB 53). A key provision of GASB 53 is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, be reported at fair value. The County implemented the requirements of GASB 53 in fiscal year 2010. Notes 3 and 11 discuss the impact of GASB 53 in fiscal year 2010.

In March 2009, the Governmental Accounting Standards Board issued Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"* (GASB 54) which is effective for fiscal periods beginning after June 15, 2010. GASB 54 provides new fund balance classifications and clarifies the existing governmental fund type definitions. The County will implement the requirements of GASB 54 beginning with fiscal year 2011.

Note 14 – Subsequent Events

On December 2, 2010, the County, on behalf of the Seaport issued $38.1 million of Capital Asset Acquisition Special Obligation Bonds, Series 2010E ("Series 2010E Bonds"). The purposes for issuing the Series 2010E Bonds are to (1) pay the costs of construction, improvement and renovation of certain capital assets of the Port; (2) fund the Reserve Account for the Series 2010E Bonds; and (3) pay the costs of issuance relating to the Series 2010E Bonds.

On December 15, 2010, the County on behalf of the Seaport issued $40.3 million of Capital Asset Acquisition Taxable Special Obligation Bonds, Series 2010D ("Series 2010D Bonds"). Of the $40.3 million, $21.7 million was allocated to the Seaport. The balance was allocated to the Miami-Dade Transit Department. The purposes for issuing the Series 2010D Bonds are to (1) pay the costs of construction, improvement and renovation of certain capital assets of the Port; (2) fund the Reserve Account for the Series 2010D bonds; and (3) pay the costs of issuance relating to the Series 2010E Bonds, including paying the premium for a municipal bond insurance policy securing the Series 2010D Bonds.

Public Health Trust Financial Position

During fiscal year 2010 the Public Health Trust net assets decreased approximately $93 million and reported a deficit in unrestricted fund net assets of approximately $110.4 million. The net patient revenue increased by $62 million for fiscal year 2010 as compared to 2009. This increase is due to one-time favorable cost report settlements of approximately $39.4 million and improved collections rates. These two factors more than offset the decline of approximately 6,800 or 8.2% in patient admissions.

The September 30, 2010, patient accounts receivable (net) declined to $202.5 million, representing a 12.6% decrease when compared to the amount as of September 30, 2009, of $231.7 million. The reduction in accounts receivable is due primarily to cash acceleration efforts aimed at improving the days in accounts receivable and improved payment schedules with the State of Florida.

At September 30, 2010, the Trust was in violation of the debt service coverage ratio covenant under its debt agreements with the County. In accordance with the provisions of the agreements, the PHT can remedy this covenant without a technical default by employing an independent consultant to make recommendations as to revision of rates, fees, and charges. The Trust has employed a consultant to address the revenue shortfalls, therefore, has satisfied the requirement. It should be noted that on March 1, 2005, the BCC approved a Memorandum of Understanding between the County and PHT, prior to the issuance of the revenue bonds, requiring the County to withhold debt service requirements on bonds from the Public Hospital Healthcare Surtax (Surtax) before it is remitted to the PHT. The arrangement guarantees the payment of debt service on the bonds from the healthcare revenues, so that no draw will be necessary from the debt service reserve fund, which would trigger the County covenant to replenish the fund in the event of a deficiency.

The PHT management is actively implementing an operational improvement plan to address the Trust's financial condition. On March 18, 2010 the Board of County Commissioners held a special meeting and placed the PHT on management watch. The plan included an advance from the County of $61 million of the budgeted Surtax for fiscal year 2010 of $176.8 million. In addition, the County advanced $6 million from the budgeted Maintenance of Effort (MOE) of $158.4 million. The County is required to provide PHT with a MOE payment that is no less than 80% of the general fund support provided for the operation of PHT at the time the surtax was levied. The MOE is calculated as 11.873% times the millage rate levied for countywide purposes in fiscal year 2007 times 95% of the preliminary tax roll for the upcoming fiscal year and by multiplying 11.873% of general fund non-ad valorem revenues, with the exception of local and state gas taxes. In addition, the County remitted $13.1 million to the State Agency for Health Care Administration (AHCA) which the County had previously agreed in the PHT MOE for fiscal year 2010.

The Trust has implemented and continues to evaluate cost reduction initiatives directed at reducing operating expenses. These initiatives have included reductions in workforce due to operational efficiencies, service adjustments consisting of either the elimination or reduction of certain services, and partnership with a group purchasing organization to reduce supply expense and assist with standardization of medical supplies across the organization.

The Trust conducted a comprehensive assessment of the revenue cycle area during fiscal 2010, which focused on maximizing patient revenues and accelerating cash collections. This effort has reduced the days in accounts receivable and increased cash collections.

In April 2010, PHT received a subpoena from the US Securities and Exchange Commission, Miami Regional Office (SEC). The subpoena requests PHT to provide documentation related to the Jackson Health System Bond Offering for Public Facilities Revenue Bonds, Jackson Health System Series 2009, as part of a formal investigation of the PHT's financial condition and projections. Management is cooperating fully with the SEC's investigation and at this time cannot determine what effect the results of the investigation will have on the Trust's financial position, results from operations or liquidity.

PHT management's cash stabilization plan for fiscal year 2011 forecasts that the Trust will be solvent for the remainder of the fiscal year 2011 and anticipates an advance from the budgeted surtax by the end of the third quarter. The County does have the ability to advance budgeted surtax and MOE funds to the Trust, if such circumstances are warranted. In the event PHT's financial condition falls short of the sustainability goals forecasted, the County would evaluate available options including reducing costs and pursuing opportunities to redesign and optimize the operations and revenue and billing areas, including seeking additional Medicaid funding from the State.

Sunshine State Governmental Financing Commission Loans Outstanding

As of September 30, 2010, the County had eight loans with the Sunshine State Governmental Financing Commission (the "Sunshine State Commission"). In July 1986, the Sunshine State Commission issued $300 million of variable rate demand bonds with interest being reset weekly (the "1986 Program Bonds"). The Sunshine State Commission lent a portion of the of these bond proceeds to the County (the "County's 1986 Loans") pursuant to four loan agreements (the "1986 Loan Agreements"). The balance of the County's 1986 Loans on September 30, 2010 was $35,990,739. The Sunshine State Commission used a Dexia Credit Locale ("Dexia") letter of credit (the "Dexia 1986 LOC") to provide liquidity and credit support of the 1986 Program Bonds. The Dexia 1986 LOC is to expire August 1, 2011.

In February 1994, the Sunshine State Commission created a new separate program, using commercial paper to supply the proceeds to fund loans to the Sunshine State Commission's participants. The County had several loans under the commercial paper program. In 2008, when the Dexia became the LOC provider, the Sunshine State Commission restructured all of the County's commercial paper loans under a separate commercial paper program (the "Series L Program"). The Series L Program was a commercial paper program issued solely for the benefit of the County. The proceeds from the issuance of the commercial paper were lent to the County (the "County's Series L Loans"), pursuant to four loan agreements (the "Series L Loan Agreements"). The balance of the County's Series L Loans on September 30, 2010 was $510,231,000. The Sunshine State Commission used a Dexia letter of credit (the "Dexia Series L LOC" and together with the Dexia 1986 LOC, the "Dexia LOCs") to provide liquidity and credit support of the Series L Program Bonds. The Dexia Series L LOC is to expire on June 2, 2011.

In June 2010, Dexia notified the Sunshine State Commission that they were going to be exiting the LOC provider market and they would not be extending the Dexia LOCs. The County and the Sunshine State Commission solicited the LOC provider market in October 2010 with a request for proposal to provide a replacement LOC for the Dexia LOCs. The Commission received three responses. The Sunshine State Commission selected JPMorgan as the replacement LOC provider, established a new program (the "Multimodal Program") and on December 30, 2010, issued bonds on the County's behalf as multimodal bonds in a variable rate mode with a weekly interest rate reset (the "Series 2010A&B Bonds"). The proceeds of the bonds were lent to the County pursuant to a loan agreement (the "2010 Loan Agreement") and used to defease $225.9 million of the Series L Loans. The Sunshine State Commission and JPMorgan have entered into a Letter of Credit Reimbursement Agreement to provide a LOC to secure the Series 2010A&B Bonds in the amount of $225.9 million, plus interest, for a term of three years to expire December 30, 2013.

On March 30, 2011, the Sunshine State Commission priced a new series of bonds under the Multimodal Program in the amount of $247.6 million (the "Series 2011A Bonds"). The Series 2011A Bonds are fixed rate bonds with a final maturity of September 1, 2027. The proceeds of $247.6 million and the original issue premium in the amount of $8,181,986 were lent to the County pursuant to a loan agreement (the "Series 2011A Loan Agreement") on April 14, 2011 and will be used to defease $227,332,000 of the outstanding County's Series L Loans and $28,442,489 of the outstanding County's 1986 Loans. The Series 2011A Bonds closed on April 14, 2011.

Prior to April 14, 2011, the Sunshine State Commission entered into a new Letter of Credit Reimbursement Agreement with JPMorgan to provide a new LOC in the amount of $57,655,891 plus interest for a term of three years to expire on April 14, 2014. The Sunshine State Commission issued additional Multimodal Program bonds in the amount of $57,000,000 (the "Series 2011B&C Bonds") to defease County's Series L Loans in the amount of $56,999,000. The Series 2011B&C Bonds were issued as multimodal variable rate bonds, with interest to be reset weekly. The new JPMorgan letter of credit will provide liquidity and credit enhancement pursuant to the new Letter of Credit and Reimbursement Agreement with JPMorgan. The Series 2011B&C Bonds closed on April 14, 2011, concurrently with the Series 2011A Bonds.

The County currently has outstanding loans in the amount of:

Series 1986 loans	$35,990,739
Series L loans	510,231,000
Total loans outstanding	**$546,221,739**

The County will defease or has defeased loans in the amount of:

Series 1986 Loans:		
Series 2010A&B Bonds	$0	
Series 2011A Bonds	28,442,489	
Series 2011B&C Bonds	0	
Total Series 1986 Loans defeased	$28,442,489	
Series L Loans:		
Series 2010A&B Bonds	$225,900,000	
Series 2011A Bonds	227,332,000	
Series 2011B&C Bonds	56,999,000	
Total Series 1986 Loans defeased	$510,231,000	
Total Loans defeased		**$538,673,489**

Loans remaining in the Series 1986 Program	**$7,548,250**

The remaining loans in the Series 1986 Program are funds borrowed by the County on behalf of the Naranja Lakes CRA ("Naranja CRA"). On March 1, 2011, the Board approved a request by Naranja CRA (Resolution No. R-145-11) to obtain financing to refinance the County loans attributable to the Naranja CRA. The County intends to pay off the loans remaining in the Series 1986 Program with the receipt of funds from the Naranja CRA prior to August 1, 2011. Failure by the Naranja CRA to procure the financing to repay the County loans, will require the issuance of fixed rate bonds under the Sunshine State Commissions Multimodal Program in an amount to pay the outstanding loans prior to the expiration of the Dexia 1986 LOC on August 1, 2011. The $7,548,250 is recorded in the current portion of debt at September 30, 2010.