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## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Miami-Dade County, Florida (the County), as of and for the year ended September 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of (1) Miami-Dade Housing Finance Authority (a discretely presented component unit); (2) Jackson Memorial Foundation, Inc. (a discretely presented component unit); (3) Public Health Trust of Miami-Dade County (a major enterprise fund); (4) Miami-Dade Water and Sewer Department (a major enterprise fund); (5) Miami-Dade County Clerk of the Circuit and County Courts Special Revenue and Agency Funds (nonmajor funds); (6) Miami-Dade Housing Agency – State Housing Initiatives Program (a nonmajor special revenue fund); (7) Miami-Dade Housing Agency – Documentary Stamp Surtax Program (a nonmajor special revenue fund); (8) Miami-Dade Housing Agency – Other Housing Programs (a nonmajor special revenue fund); (9) Miami-Dade Housing Agency – Public Housing Division Enterprise Fund (a nonmajor fund); and (10) Pension Trust Fund (a nonmajor fund), which represent the percentage of assets and revenues as listed below:



	Percentage of	
	Total assets	Total revenues
Governmental activities:		
Miami-Dade Housing Agency – State Housing Initiatives Program	0.42%	0.38%
Miami-Dade Housing Agency – Documentary Surtax Program	2.74%	0.86%
Miami-Dade Housing Agency – Other Housing Programs	4.60%	5.70%
Miami-Dade County Clerk of the Circuit and County Courts – Special Revenue Fund	0.07%	1.65%
	<u>7.83%</u>	<u>8.59%</u>
Business-type activities:		
Miami-Dade Water and Sewer Department	28.29%	17.62%
Public Health Trust of Miami-Dade County	8.80%	41.36%
Miami-Dade Housing Agency – Public Housing Division Enterprise Fund	0.23%	0.24%
	<u>37.32%</u>	<u>59.22%</u>
Discretely presented component units:		
Miami-Dade Housing Finance Authority	57.99%	16.90%
Jackson Memorial Foundation, Inc.	42.01%	83.10%
	<u>100.00%</u>	<u>100.00%</u>
Major funds:		
Miami-Dade Water and Sewer Department	<u>100.00%</u>	<u>100.00%</u>
Public Health Trust of Miami-Dade County	<u>100.00%</u>	<u>100.00%</u>
Aggregate remaining fund information:		
Miami-Dade Housing Agency – State Housing Initiatives Program	1.08%	0.63%
Miami-Dade Housing Agency – Documentary Surtax Program	7.08%	1.42%
Miami-Dade Housing Agency – Other Housing Programs	2.32%	9.26%
Miami-Dade Housing Agency – Public Housing Division Enterprise Fund	1.10%	0.30%
Miami-Dade County Clerk of the Circuit and County Courts – Special Revenue Fund	0.18%	2.71%
Miami-Dade County Clerk of the Circuit and County Courts – Agency Fund	4.19%	—
Pension Trust Fund	7.65%	2.30%
	<u>23.60%</u>	<u>16.62%</u>

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

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

The report of the other auditor on the financial statements of the Miami-Dade Housing Agency expressed an adverse opinion on the Miami-Dade Housing Agency – Other Housing Programs fund and the Miami-Dade Housing Agency – Public Housing Division Enterprise Fund because the Miami-Dade Housing Agency did not maintain adequate accounting records to support the amounts recorded in the respective financial statements. In the opinion of the other auditor, because of the inadequacy of the



accounting records, the financial statements of the Miami-Dade Housing Agency – Other Housing Programs fund and the Miami-Dade Housing Agency – Public Housing Division Enterprise Fund do not present fairly, the financial position of the Miami-Dade Housing Agency – Other Housing Programs fund and the Miami-Dade Housing Agency – Public Housing Division Enterprise Fund as of September 30, 2007, or the changes in financial position, or where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, based on our audit and the reports of other auditors, except for the departure from U.S. generally accepted accounting principles of the Miami-Dade Housing Agency – Other Housing Programs fund and the Miami-Dade Housing Agency – Public Housing Division Enterprise Fund, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of Miami-Dade County, Florida as of September 30, 2007 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

Further, in our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and each major fund of Miami-Dade County, Florida, as of September 30, 2007, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in note 11 to the accompanying financial statements, the respective net assets and fund balances as of October 1, 2006 of the governmental activities, the business-type activities, and the aggregate remaining fund information have been restated.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2008 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information, and schedule of employer contributions on pages 5 through 24, pages 121 through 123, and pages 124 and 125, respectively, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We and other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, except for the departure from U.S. generally accepted accounting principles of the Miami-Dade Housing Agency – Other Housing Programs fund and the Miami-Dade Housing Agency – Public Housing Division Enterprise Fund, as discussed above, are fairly stated, in all material respects, in relation to the basic financial statements taken as whole. The introductory and statistical sections have not been subjected to the



auditing procedures applied by us and other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

August 13, 2008  
Certified Public Accountants