

GENERAL INFORMATION RELATIVE TO MIAMI-DADE COUNTY, FLORIDA

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

History

Miami-Dade County, Florida (the "County") is the largest county in the southeastern United States in terms of population. The County currently covers 2,209 square miles, located in the southeastern corner of the State of Florida (the "State"), and includes, among other municipalities, the cities of Miami, Miami Beach, Coral Gables and Hialeah. In 2004, the population of the County was estimated to have been 2,372,000.

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

County Government

The State Legislature in 1955 approved and submitted to a general election a constitutional amendment designed to give a new form of government to the County. The amendment was approved in a statewide general election in November, 1956. A Dade County Charter Board was constituted and, in April, 1957, completed a draft of a charter for the County. The proposed charter (the "Charter") was adopted in a County-wide election in May, 1957 and became effective on July 20, 1957. The electors of the County are granted power to revise and amend the Charter from time to time by County-wide vote. The most recent amendment was in March 2004. The County has home-rule powers, subject only to the limitations of the Constitution and general laws of the State. The County has, in effect, a county government with certain powers effective throughout the entire County, including 34 municipalities located within the County, and a municipal government for the unincorporated area of the County. The County has not displaced or replaced the cities, but supplements them. The County can take over particular activities of a city's operations if the services fall below minimum standards set by the Board of County Commissioners of Miami-Dade County (the "Board"), or with the consent of the governing body of a particular city.

The County has a commission-executive mayor form of government. The Board, which consists of thirteen members elected from single member districts, is the legislative and governing body of the County and is responsible for the formation of all policies. The executive mayor, who is not a member of the Board, has veto authority over legislative acts, and has the power to appoint the County Manager. The executive mayor, first elected in October of 1996, is elected every four years in a County-wide election.

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

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

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

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

(d) County-wide water and sewer system operated by the Water and Sewer Department;

(e) Jackson Memorial Hospital which is operated, maintained and governed by an independent governing body called the Public Health Trust (the "Trust"). The Board appoints members of the Board of Trustees for the Trust and also approves the budget of the Trust. The County continues to subsidize treatment of indigent patients on a contractual basis with the Trust;

(f) Unified transit system, consisting of various surface public transportation systems. In May, 1985, the 20.5 miles Phase I of the County's rapid rail transit system was completed and placed into operation. An extension was opened on May 30, 2003 expanding the rail service along the north section from Okeechobee to the Palmetto station making the system 22.4 miles long. In April, 1986, the light rail component of the rapid rail transit system commenced operation, with 1.9 miles of an elevated doubleloop system, and two extensions were subsequently constructed extending the service 1.4 miles south to the Brickell Avenue area and 1.1 miles north to the area known as Omni, for a total of 4.4 miles of service. These extensions were placed in service on May 26, 1994;

(g) Combined public library system consisting of the Main Library, 39 branches and 2 bookmobiles offering educational, informational and recreational programs and materials. On an annual basis, approximately 6.5 million people visit the libraries, 650,000 active cardholders borrow more than 5 million items such as books, videotapes, audiotapes, CD's and other library materials, while reference librarians answer over 6 million questions, and 1 million internet session are provided free of charge;

(h) Property appraisal; and tax collection, performed by the County Tax Collector, with all collected taxes distributed directly to the respective governmental entity, according to its respective tax levy and the amount of such taxes collected. The municipalities, Board of Public Instruction and several State agencies use data furnished to them by the County for the purpose of budget preparation and for their respective governmental operations;

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

(j) Garbage and trash collection and disposal services, consisting of garbage and trash collection services to an average of 300,000 households during Fiscal Year 2004 within the unincorporated area and certain municipalities within the County and disposal services to public and private haulers County-wide;

(k) The Dante B. Fascell Port of Miami (the "Port") is owned and operated by the County through the Seaport Department. The Port is the world's largest cruise port in terms of cruise

passengers, handling over approximately 3,499,600 passengers in Fiscal Year 2004. As of September, 2004 the Port had the largest container cargo port in the State, and is within the top ten in the United States in total number of containers held;

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

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

Economy

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

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

International Commerce

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

Trade with Latin America, Europe and countries in the Caribbean, during the past several years, has caused substantial growth in the number of financial institutions conducting business in the County. The large Spanish-speaking labor force and the State's proximity to Latin America have also contributed to the growth of the banking industry in the County. As of September 2004, there were 21 Edge Act Banks throughout the United States; 7 of those institutions were located in the County with over \$5.4 billion on deposit as of September 30, 2004, according to the Federal Reserve Bank of Atlanta. Edge Act Banks are federally chartered organizations offering a wide range of banking services, but limited to foreign or international transactions only. Among these banking institutions are: American Express Bank International; Bancafe International; Banco Santander International; Bank Boston International; Citibank International; HSBC Private Bank International; Riggs International Banking Corporation.

The County had the highest concentration of foreign bank agencies on the east coast south of New York City with a total of 34 foreign chartered banks and over \$14.3 billion on deposit as of September 30, 2004 according to the Florida Department of Financial Services, Office of Financial Regulations.

Corporate Expansion

The favorable geographic location of the County, the trained commercial labor force and the favorable transportation infrastructure have caused the economic base of the County to expand by attracting many national and international firms doing business in Latin America. Among these corporations are: BF Goodrich Aerospace, General Electric Company, Federal Express Corporation, Panasonic and IBM Corporation.

Significant strides have been made in attracting non-manufacturing firms to the County. Other national firms with established international operations or office locations in the County are: Ryder Systems, Burger King, The Gap, Ericsson, 3M, Black & Decker (US), Inc., Caterpillar, Inc., Oracle Corporation and Lennar.

Industrial Development

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

IDA's principal program, the Tax-Exempt Industrial Development Revenue Bond Program, generated 411 applications through May 2005. Bonds for 203 company projects were issued for a total volume in excess of \$1.2 billion. Approximately 9,184 new jobs have been generated by these projects. The IDA continues to manage approximately 58 outstanding Industrial Development Revenue Bond Issues, approximating \$631 million in capital investment.

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

Other Developmental Activities

In October, 1979, the Miami-Dade County Health Facilities Authority (the "Health Authority") was formed to assist not-for-profit health care corporations through the issuance of tax-exempt bonds or notes to acquire, construct, improve or refinance health care projects located in the County. Since its inception, the Health Authority has issued 23 series of revenue bonds for 16 projects and 16 advance refundings. As of May 2005, the total amount of revenue bonds issued by the Health Authority was \$1.2 billion.

In October, 1969, the Board created the Miami-Dade County Educational Facilities Authority (the "EFA") for the purpose of assisting institutions of higher learning within the County with an additional means to finance facilities and structures needed to maintain and expand learning opportunities and intellectual development. As of May 2005, the EFA had issued 37 series of revenue bonds for 25 projects and 22 advance refundings, totaling \$968 million.

Since the inception of the Housing Finance Authority of Miami-Dade County (Florida) (the "HFA") in December 1978, the HFA has generated \$1.1 billion in mortgage funds through the issuance of revenue bonds under the Single Family Mortgage Revenue Bond Program benefitting approximately 12,000 families in the County. The purpose of issuing these bonds is to provide the HFA with moneys to purchase mortgage loans secured by mortgages on single family residential real property owned by low and moderate income persons residing in the County.

Under the HFA's Multi-Family Mortgage Revenue Bond Program as of May 2005, revenue bonds aggregating approximately \$912 million had been issued for new construction or rehabilitation of 16,752 units.

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

Film Industry

The County's film and entertainment industry continues to be the third largest production center in the U.S., behind Los Angeles and New York City. Miami-Dade hosted more than 3,500 film, television, still photo and commercial advertising shoots in 2004, which contributed \$208 million in direct expenditures to the local economy. Location filming exceeded previous year totals by more than 25%, with high profile productions like MTV's Video Music Awards show and CSI: Miami, feature films from Luc Besson (Transporter II) and Paris Hilton (National Lampoon's Pledge This) and more than 120 commercials filmed in the area. Production of Spanish language television from broadcast giants Telemundo and Univision and dozens of Latin cable networks also continued on an upward trend in Miami, with thousands of hours of programming produced during 2004 including eight telenovelas. The strength of the Euro against the dollar also contributed to a robust year from European still photo and commercial advertising shoots, with production companies from the UK, Germany and Spain in particular returning to Miami in numbers not seen since the 1990's.

Surface Transportation

The County owns and operates through its Transit Agency (a County department) a unified multi-modal public transportation system. Operating in a fully integrated configuration, the County's Transit Agency provides public transportation services through: (i) Metrorail - a 22.4-mile, 22-station elevated electric rail line connecting South Miami-Dade and the City of Hialeah with the Downtown and Civic Center areas, providing 15.5 million passenger trips annually; (ii) Metromover - a fully automated, driverless, 4.4-mile elevated electric double-loop people-mover system interfaced with Metrorail and completing approximately 8.2 million passenger trips annually throughout 21 stations in the central business district and south to the Brickell international banking area and north to the Omni area; and (iii) Metrobus - including both directly operated and contracted conventional urban bus service, operating over 33 million miles per year, interconnecting with all Metrorail stations and key Metromover stations, and providing over 97 million passenger trips annually.

Additionally, the County provides paratransit service to qualified elderly and handicapped riders through its Special Transportation Service which supplies over 1.3 million passenger trips per year in a demand-response environment.

Airport

The County owns and operates the Airport, the principal commercial airport serving Southeast Florida. The Airport is currently handling approximately 30,244,000 passengers and 1,942,000 tons of air freight annually and is classified by the Federal Aviation Administration as a large hub airport, the highest classification given by that organization. The Airport is also one of the principal maintenance and overhaul bases, as well as a principal training center, for the airline industry in the United States, Central and South America, and the Caribbean.

A five year summary of the passengers served and cargo handled by the Airport is shown below:

**Passengers and Cargo Handled by
Miami International Airport
2000-2004**

<u>Fiscal Year</u>	<u>Passengers (in thousands)</u>	<u>Cargo Tonnage (in millions)</u>	<u>Total Landed Weight (million lbs.)</u>
2000	33,743	1.80	33,985
2001	33,049	1.84	33,476
2002	29,350	1.76	31,851
2003	29,532	1.77	31,610
2004	30,244	1.94	31,900

Source: Miami-Dade County Aviation Department

Seaport

The Port is an island port, which covers 640 acres of land, operated by the Seaport Department. It is the world's largest cruise home port. Embarkations and debarkations on cruise ships totaled just short of 3.5 million passengers for Fiscal Year 2004. With the increase in activity from the Far-East markets and South and Central America, cargo tonnage transiting the Port amounted to over 9.2 million tons for Fiscal Year 2004.

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

**Passengers and Cargo Handled by Port
2000-2004**

<u>Fiscal Year</u>	<u>Cruise Passengers (in thousands)</u>	<u>Cargo Tonnage (in millions)</u>
2000	3,365	7.80
2001	3,391	8.25
2002	3,643	8.68
2003	3,961	9.00
2004	3,500	9.23

Source: Miami-Dade County Seaport Department

Tourism

The Greater Miami Area is a leading center for tourism in the State. Miami was the primary destination for more domestic air travelers after Orlando according to the Florida Division of Tourism of the Department of Commerce. It is also the principal port of entry in the State for international air travelers. During 2004, 79% of international air travelers (excluding travelers from Canada) entering the State arrived through the Airport.

The visitors market in the County is shifting away from the traditional tourist market to a "convention group market." This is reflected in the expansion and renovation of lodging facilities as well as in the marketing efforts of South Florida hoteliers, including the expansion and

remodeling by the City of Miami Beach, with the assistance of the County, of the Miami Beach Convention Center, the largest existing convention center in the County, from 250,000 to 500,000 square feet of exhibition space. The convention group market is generally less sensitive to fluctuations in disposable personal income.

The following is a five-year schedule of domestic and international visitors and the estimated economic impact produced by those visitors:

	Tourism Statistics					
	2000-2004			2000-2004		
	Visitors (in thousands)			Estimated Economic Impact (in millions)		
	<u>Domestic</u>	<u>Int'l</u>	<u>Total</u>	<u>Domestic</u>	<u>Int'l</u>	<u>Total</u>
2000	5,475	5,684	11,159	\$8,530	\$8,065	\$16,595
2001	5,264	5,246	10,510	7,122	6,797	13,919
2002	5,316	4,915	10,231	6,298	5,613	11,911
2003	5,536	4,909	10,445	5,633	4,207	9,840
2004	5,700	5,262	10,962	6,423	6,034	12,457

	International Visitors by Region				
	2000-2004				
	(in thousands)				
	<u>European</u>	<u>Caribbean</u>	<u>Latin American</u>	<u>Canada Japan/Other</u>	<u>Total</u>
2000	1,419	739	2,725	801	5,684
2001	1,222	698	2,581	745	5,246
2002	1,131	650	2,461	673	4,915
2003	1,119	653	2,455	682	4,909
2004	1,253	679	2,641	689	5,262

Source: Greater Miami Convention and Visitors Bureau.

Employment

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

ESTIMATED EMPLOYMENT IN NON-AGRICULTURAL ESTABLISHMENTS 2002-2004

	<u>Sept. 2002</u>	<u>Percent</u>	<u>Sept. 2003</u>	<u>Percent</u>	<u>Sept. 2004</u>	<u>Percent</u>
Goods Producing Sector						
Construction	39,700	4.0	41,700	4.2	44,000	4.4
Manufacturing	55,100	5.5	52,200	5.2	50,500	5.0
Mining & Natural Resources	<u>500</u>	<u>0.0</u>	<u>400</u>	<u>0.0</u>	<u>400</u>	<u>0.0</u>
Total Goods-Producing	<u>95,300</u>	<u>9.5</u>	<u>94,300</u>	<u>9.4</u>	<u>94,900</u>	<u>9.4</u>
Service Providing Sector						
Transportation, Warehousing, and Utilities	67,600	6.7	64,500	6.4	63,200	6.2
Wholesale Trade	69,400	6.9	70,400	7.0	72,300	7.1
Retail Trade	119,000	11.9	116,600	11.6	116,800	11.5
Information	31,100	3.1	28,700	2.9	27,300	2.7
Finance Activities	67,000	6.7	67,300	6.7	69,500	6.9
Professional and Business Services	146,200	14.6	147,900	14.8	151,000	14.9
Education and Health Services	127,000	12.7	130,800	13.0	132,700	13.1
Leisure and Hospitality	88,500	8.8	89,500	8.9	91,300	9.0
Other Services	41,000	4.1	42,100	4.2	42,800	4.2
Government	<u>150,900</u>	<u>15.0</u>	<u>151,500</u>	<u>15.1</u>	<u>152,100</u>	<u>15.0</u>
Total Service Providing	<u>907,700</u>	<u>90.5</u>	<u>909,300</u>	<u>90.6</u>	<u>919,000</u>	<u>90.6</u>
Total Non-Agricultural Employment	<u>1,003,000</u>	<u>100.0%</u>	<u>1,003,600</u>	<u>100.0%</u>	<u>1,013,900</u>	<u>100.0%</u>

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, Current Employment Statistics Program (in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics). Miami-Dade County, Department of Planning and Zoning, Research Section, January 2005.

County Demographics

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

<u>Age Group</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>2020</u>	<u>2025</u>	<u>2030</u>
Under 16	495,375	522,848	534,919	568,328	587,943	624,806	651,014
16-64	1,457,435	1,559,305	1,675,516	1,762,652	1,859,961	1,930,253	2,011,989
65 & Over	<u>300,552</u>	<u>321,613</u>	<u>340,854</u>	<u>372,142</u>	<u>410,285</u>	<u>464,741</u>	<u>524,789</u>
Total	<u>2,253,362</u>	<u>2,403,766</u>	<u>2,551,289</u>	<u>2,703,122</u>	<u>2,858,189</u>	<u>3,019,800</u>	<u>3,187,792</u>

Source: U.S. Bureau of the Census. Decennial Census Reports for 2000.

Projections Source: Miami-Dade County Department of Planning and Zoning,
Research Section, 2004.

**Trends and Forecasts, Population in
Incorporated and Unincorporated Areas
1960 - 2015**

<u>Year</u>	<u>Population in Incorporated Areas</u>	<u>Population in Unincorporated Areas</u>	<u>Total</u>	<u>Percentage Growth in Population</u>
<u>Trends:</u>				
1960	582,713	352,334	935,047	N/A
1970	730,425	537,367	1,267,792	36.5%
1980	829,881	795,900	1,625,781	28.2
1990	909,371	1,027,723	1,937,094	19.1
1995	973,912	1,110,293	2,084,205	7.6
2000	1,049,074	1,204,288	2,253,362	8.1
2001	1,078,455	1,204,864	2,283,319	1.3
2002	1,080,909	1,222,138	2,303,047	1.3
2003	1,100,442	1,242,297	2,342,739	1.3
2004	1,265,077	1,107,341	2,372,418	1.3
<u>Forecast:</u>				
2005	1,277,000	1,126,000	2,404,000	1.3
2010	1,331,000	1,220,000	2,551,000	6.1
2015	1,383,000	1,320,000	2,703,000	6.0

Source: U.S. Census Bureau and Miami-Dade County, Department of Planning and Zoning, Research Section, 2004.

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

<u>Year</u>	<u>Total</u>	<u>Hispanic⁽¹⁾</u>	<u>Black⁽¹⁾</u>	<u>Non-Hispanic Whites and Others</u>
1970	1,268	299	190	782
1975	1,462	467	237	765
1980	1,626	581	284	773
1985	1,771	768	367	656
1990	1,967	968	409	618
1995	2,084	1,155	446	519
2000	2,253	1,292	457	534
2005 ⁽²⁾	2,404	1,456	497	483
2010 ⁽²⁾	2,551	1,621	526	442
2015 ⁽²⁾	2,703	1,794	554	395
2020 ⁽²⁾	2,858	1,972	583	347

(In Percentages)

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

Note: ⁽¹⁾ Persons of Hispanic origin may be of any race. Hispanic Blacks are counted as both Hispanic and as Black. Other Non-Hispanics are grouped with Non-Hispanic White category. Sum of components exceeds total.

⁽²⁾ Projections

Source: U.S. Bureau of the Census, Census of Population, 1970-2000.

Miami-Dade County 2005 - 2020 Projections, Department of Planning and Zoning,
Research Section.

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

Fifteen Largest Public Employers

<u>Employers' Name</u>	<u>Number of Employees</u>
1. Miami-Dade County Public Schools	54,387
2. Miami-Dade County	32,265
3. U.S. Federal Government	20,100
4. Florida State Government	18,900
5. Jackson Memorial Hospital Public Health Trust	11,700
6. Miami - Dade Community College	7,500
7. Florida International University	5,000
8. City of Miami	3,954
9. VA Medical Center	2,400
10. City of Miami Beach	1,839
11. City of Hialeah	1,800
12. U.S. Coast Guard	1,224
13. U.S. Southern Command	1,200
14. City of Coral Gables	1,059
15. City of North Miami Beach	828

Fifteen Largest Private Employers

<u>Employer's Name</u>	<u>Number of Employees</u>
1. Baptist Health Systems of South	10,300
2. University of Miami	9,367
3. American Airlines	9,000
4. United Parcel Service	5,000
5. Bell South Telecommunications	4,800
6. Winn-Dixie Stores	4,616
7. Precision Response Corporation	4,196
8. Publix Super Markets	4,000
9. Florida Power & Light Company	3,665
10. Burdines-Macy's Department Store	3,368
11. Royal Caribbean International/Celebrity Cruises	3,300
12. Carnival Cruise Lines	3,000
13. Mount Sinai Medical Center	3,000
14. Miami Children's Hospital	2,571
15. Wachovia, N.A.	2,500

Source: The Beacon Council/Miami-Dade County, Florida,
Miami Business Profile 2004/2005

The following table sets forth the unemployment rates:

**UNEMPLOYMENT RATES
2000-2004**

<u>Area</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
USA	4.0%	4.7%	5.8%	6.0%	5.6%*
Florida	3.6	4.8	5.5	5.1	4.7
Miami-Dade County	5.3	6.9	7.8	7.2	6.5

*Annual Avg. through September, 2004

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

**PER CAPITA PERSONAL INCOME
1998 - 2002**

<u>Year</u>	<u>USA</u>	<u>Southeastern</u>	<u>Florida</u>	<u>Miami-Dade</u>
1998	\$26,883	\$24,155	\$25,987	\$23,216
1999	27,939	25,032	26,894	24,050
2000	29,847	26,485	28,511	25,627
2001	30,527	27,325	29,247	26,172
2002	30,906	27,837	29,758	26,780

Sources: U.S. Department of Commerce, Economic and Statistic Administration Bureau of Economic
Analysis/Regional Economic Information System.
Miami-Dade County Department of Planning and Zoning, Research Section.



Delivering Excellence Every Day

General Fund Financial Statements
(a major governmental fund of Miami-Dade County)
for the Fiscal Year Ended
September 30, 2004

The County's audited General Purpose Financial Statements for the Fiscal Year ended September 30, 2004 have not been completed pending resolution of certain accounting issues relative to the County's Public Health Trust, a major enterprise fund included in the County's financial statements as part of the primary government. The County estimates that its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2004 will be available within 60 days from this submission. The County will file with the NRMSIRS the General Purpose Financial Statements for the Fiscal Year ended September 30, 2004 shortly after they are received by the County.

Report of Independent Certified Public Accountant

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 general fund (a major governmental fund) of Miami-Dade County, Florida (the "County"), as of and for the year ended September 30, 2004, as listed in the table of contents. These financial statements and supplementary information are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements and supplementary information based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States 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. We were not engaged to perform an audit of the County's internal control over financial reporting. Our audit included 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, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements referred to above are intended to present the financial position and changes in financial position of the general fund and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida, as of September 30, 2004, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of Miami-Dade County, Florida, as of September 30, 2004, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

The schedule of budgetary comparison on pages 17 through 21 is not a required part of the general fund financial statements, but is supplementary information. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the method of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on such information.

Our audit was conducted for the purpose of forming an opinion on the general fund financial statements. The accompanying supplemental Stormwater Utilities (a sub-fund within the General Fund) balance sheet and schedule of revenues, expenditures and changes in fund balance is presented for purposes of additional analysis and is not a required part of the general fund financial statements. The supplemental Stormwater Utilities balance sheet and schedule of revenues, expenditures and changes in fund balance has been subjected to the auditing procedures applied in the audit of the general fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the general fund financial statements taken as a whole.

Ernst + Young LLP

April 5, 2005

MIAMI-DADE COUNTY, FLORIDA

**GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 2004**

(in thousands)

Assets:	
Cash and cash equivalents	\$ 29,624
Investments	26,919
Accounts receivable, net	4,811
Delinquent taxes receivable	20,243
Allowance for uncollected delinquent taxes	(20,243)
Due from other funds	151,997
Due from other governments	57,517
Inventories	18,341
Total assets	<u>\$ 289,209</u>
Liabilities and Fund Equity:	
Liabilities:	
Accounts payable and accrued expenditures	\$ 82,086
Unearned (deferred) revenues	278
Due to other funds	3,711
Due to other governments	18,755
Total liabilities	<u>104,830</u>
Fund Equity:	
Reserve for encumbrances	22,656
Reserve for inventories	18,341
Reserve for due from other governments	3,020
Reserve for stormwater utility	7,781
Reserve for endangered lands	66,015
Unreserved fund balance	66,566
Total fund equity	<u>184,379</u>
Total liabilities and fund equity	<u>\$ 289,209</u>

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

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2004

(in thousands)

Revenues:	
Taxes	
General property taxes	\$ 859,600
Utility taxes	72,959
Communication taxes	48,178
Local option gas tax	55,782
Franchise taxes	37,273
Total	<u>1,073,792</u>
Licenses and permits	
Building	60,577
Occupational	9,613
Other licenses	15,853
Total	<u>86,043</u>
Intergovernmental revenues	
State sales tax	113,947
State revenue sharing	69,596
Gasoline and motor fuel tax	13,403
Alcoholic beverages license	920
Other	2,119
Total	<u>199,985</u>
Charges for services	
Clerk of Circuit and County Court	17,360
Tax Collector fees	22,036
Merchandise sales and recreation fees	26,132
Sheriff and police services	15,042
Other	103,421
Total	<u>183,991</u>
Fines and forfeitures	
Clerk of Circuit and County Court	29,578
Investment income	<u>4,081</u>
Other	
Administrative	25,216
Rentals	2,758
Reimbursements and other	18,494
Total	<u>46,468</u>
Total revenues	<u>1,623,938</u>

(Continued)

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2004

(in thousands)

Expenditures:	
Policy formulation and general government	
Financial administration	92,104
Judicial	93,426
Executive	5,792
Legislative	12,243
Other general government	<u>104,127</u>
Total	<u>307,692</u>
Protection of people and property	
Police and crime control	448,960
Corrections and rehabilitation	201,630
Protective services and inspection	<u>70,062</u>
Total	<u>720,652</u>
Physical environment	<u>59,855</u>
Transportation	<u>26,146</u>
Health	<u>33,583</u>
Socio-economic environment	
Welfare	8,251
Social services	<u>3,423</u>
Total	<u>11,674</u>
Culture and recreation	<u>84,901</u>
Capital outlay	<u>14,043</u>
Total expenditures	<u>1,258,546</u>
Excess of revenues over expenditures	<u>365,392</u>
Other financing sources (uses):	
Transfers in	46,619
Transfers out	<u>(423,440)</u>
Total other financing (uses)	<u>(376,821)</u>
Net change in fund balances	(11,429)
Fund balance - beginning	194,980
Increase in reserve for inventories	<u>828</u>
Fund balance - ending	<u>\$ 184,379</u>

(Concluded)

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

MIAMI-DADE COUNTY, FLORIDA

Notes to General Fund Financial Statements
September 30, 2004

(1) Organization

Organization

Miami-Dade County, Florida (the "County") is an instrumentality of the State of Florida established by an amendment to the Florida State Constitution adopted May 21, 1957 as the Dade County Home Rule Charter, to carry on a centralized government. The Board of County Commissioners (the "Commission"), comprised of thirteen elected members, have the authority for the legislative and fiscal affairs of the County. The County Manager is responsible for the administrative and fiscal control of all County departments through the administration of directives and policies established by the Commission. The Mayor has the authority to appoint and remove the County Manager subject to Commission approval. The Mayor has veto authority over any legislative, quasi-judicial, zoning master plan or land use decision of the Commission, including the budget or any particular component contained therein which is approved by the Commission. The Commission may override a veto with a two-thirds vote of the Commissioners present.

The General Fund is the primary operating fund of Miami-Dade County, Florida (the "County"). The General Fund is included as a major fund in the County's comprehensive annual financial report. The accompanying financial statements present only the General Fund and are not intended to present fairly the financial position and the changes in financial position of the County in conformity with accounting principles generally accepted in the United States of America.

(2) Summary of Significant Accounting Policies

(a) Measurement Focus, Basis of Accounting, Basis of Presentation

The General Fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. For the purpose of revenue recognition, "available" means that the revenues are collectible within the current period or soon thereafter to pay liabilities of the current period. The County recognizes property tax revenues in the period they are collected. When the primary eligibility requirement under a grant is incurring an eligible expenditure, the County recognizes revenue at the time the expenditure is incurred. The County considers "availability period," for revenues susceptible to accrual to be one year. Current and prior year property taxes billed but uncollected as of the end of the fiscal year are reflected as delinquent taxes receivable with an offsetting allowance account, as these amounts are not considered to be available to finance current operations. Other revenues that are not considered measurable or available are recognized when received by the County. Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and expenses related to compensated absences and claims and judgments, which are recorded only when payment is due.

MIAMI-DADE COUNTY, FLORIDA

(b) Use of Estimates

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

(c) Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, amounts in demand deposits, and short-term investments with maturity dates within three months of the date acquired by the County.

The County follows the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which establishes accounting and financial reporting standards for all investments, including fair value standards. As the statement permits, non-participating investments are reported at amortized cost, which approximates market. All participating investments are carried at fair value and unrealized gains and losses due to variations in fair value are recognized for the year.

The provisions of GASB No. 31 also specify that the investment income of each fund be reported in the fund that is associated with the assets. If the investment income is assigned to another fund for other than legal or contractual reasons, the income has to be recognized in the fund that reports the investment, with an operating transfer to the recipient fund.

The Local Government Surplus Funds Trust Fund Investment Pool (the "Pool") is a "2a-7 like" pool, and the Pool account balance (amortized cost) can be used as fair value for financial reporting. The Pool is governed by Chapter 19-7 of the Florida Administrative Code, which identified the rules of the State Board of Administration (SBA) for the administration of the Pool.

(d) Due to/ from other Funds

These balances are a result of a timing difference between the date(s) the interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between the funds are made. Please see note 4 for detail of funds owed to and from the general fund as well as interfund transfers.

(e) Inventories

Inventories, consisting principally of materials and supplies held for use or consumption, are recorded at cost or weighted average.

The purchases method of inventory accounting is used to report inventory in the General Fund. Under this method, inventories are reported as expenditures when purchased. However,

MIAMI-DADE COUNTY, FLORIDA

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.

(f) Capital Assets

The General Fund financial statements do not include 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 greater than one year. The cost to acquire and / or construct a capital asset is expended in the General Fund. The cost of capital assets are capitalized and depreciated over their useful life in the County's government-wide financial statement.

(g) Property Taxes

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed in October and are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by the sale of interest-bearing tax certificates and the seizure of personal property to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment. Current and prior year property taxes billed but uncollected as of the end of the fiscal year are reflected as delinquent taxes receivable with an offsetting allowance account.

(h) Transfers from the General Fund

Transfers from the General Fund are used to move revenues from the fund that legislation or budget requires to collect them, to the fund that the legislation or budget requires to expend them; move receipts from funds collecting receipts to the debt service fund as debt service payments become due, use unrestricted funds in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and move receipts from the general fund to subsidy programs and services in other funds.

(i) Reservations of Fund Balance

Reservations of fund balance in the General Fund statement represent amounts that are not available for appropriation or are restricted by outside parties for use for a specific purpose.

The reservation for due from other governments represents the balance of amounts due the County for services rendered to a local municipality. An inter-local agreement stipulating repayment terms has been executed. The reservation of fund balance represents the amount that will not be collected within one year from the end of the fiscal year.

The reservation for endangered lands represents the equity of the Environmentally Endangered ("EEL") sub-fund of the General Fund. An Environmentally Endangered Land (EEL) is land

MIAMI-DADE COUNTY, FLORIDA

which contains natural forest, wetland or native plant communities, rare and endangered plants and animals, endemic species, endangered species habitat, a diversity of species, outstanding geologic or other natural features, or land which functions as an integral and sustaining component of an existing ecosystem. Pursuant to County Ordinance the funds collected in the EEL sub-fund can only be used for the program.

(j) Encumbrances

Encumbrance accounting is used in the General Fund. Encumbrances are commitments for future expenditures, based on purchase orders or contracts issued, where the goods or services have been ordered but have not been received. Encumbrances do not constitute expenditures or liabilities to the County since no resources are expended until the goods or services are received. They are used to help ensure that actual expenditures and commitments for future expenditures do not exceed authorized appropriations. Encumbrances outstanding at year-end are reported as a reservation of fund balance in the balance sheet of the General Fund since they will be carried over and reappropriated in the following year.

(k) Budget

Chapter 129, Florida Statutes, requires that all county governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budgets control the levy of taxes and the expenditure of money for County purposes for the ensuing fiscal year. The budgeting process is based on estimates of revenues and expenditures. The General Fund's budgets are prepared on a modified-accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

The General Fund's budgets have to be approved by the Board of County Commissioners. Every September the Board holds two public hearings and adopts the annual budgets for substantially all County funds through the enactment of budget ordinances. The General Fund has annually appropriated budgets, meaning that the budgets are established annually. At the end of the fiscal year, the appropriations of annually adopted budgets lapse, but the appropriations of project-length budgets continue until the end of the capital project or grant.

The adopted budgets are either appropriated or non-appropriated in nature. Funds that have appropriated budgets cannot legally exceed their appropriations. The budgetary control over funds that have non-appropriated budgets are dependent on other enabling ordinances, such as bond ordinances, in which expenditure authority extends over several years into the future.

Budgets are monitored at varying levels of classification detail. However, expenditures cannot legally exceed total appropriations at the individual fund/department level. Amendments and supplements to the budget at fund/department level require County Commissioners' approval. Department directors are authorized to make transfers of appropriations within their fund/department. Transfers of appropriations between fund/departments require County Commissioners' approval as well. Estimated fund balances are considered in the budgetary process.

MIAMI-DADE COUNTY, FLORIDA

(l) Compensated Absences

The County accounts for compensated absences by recording a liability for employees' compensation of future absences, in the County's government-wide financial statements according to the guidelines in GASB Statement No. 16, *Accounting for Compensated Absences*.

County policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. In the General Fund, the cost of vacation and sick pay benefits is recognized when payments are made to employees. A liability is recognized in the government-wide financial statements in the period vacation is earned and an estimate for the sick pay benefits to be paid at time of separation.

(m) Disaggregation of Receivable and Payable Balances

Receivables are comprised of amounts owed to the County by customers and others that conduct business with the County, and are expected to be collected within a year. Receivables in the General Fund of \$5,711,000 are comprised primarily of franchise fees. The County is aggressively trying to collect these fees, but an allowance for uncollectible accounts for \$900,000 has been made for amounts not expected to be collected within a year from the end of the fiscal year.

Receivable balances at September 30, 2004, were as follows (in thousands):

	Accounts	Allowance for uncollectible accounts	Total
General Fund	\$ 5,711	\$ (900)	\$ 4,811

Accounts payable and accrued expenses at September 30, 2004, were as follows (in thousands):

	Vendors	Salaries and Benefits	Total
General Fund	\$ 36,883	\$ 45,203	\$ 82,086

MIAMI-DADE COUNTY, FLORIDA

Note 2 - Cash, Cash Equivalents and Investments

The County pools substantially all cash, cash equivalents and investments, except for separate cash and investment accounts that are maintained in accordance with legal restrictions.

The General Fund's equity share of the total pooled cash, cash equivalents and investments is included on the accompanying balance sheet under the captions "Cash and cash equivalents" and "Investments."

At September 30, 2004, the General Fund's cash and cash equivalents and investments include the following (in thousands):

Cash	\$	2,067
Investments (including cash equivalents)		54,476
Total cash and cash equivalents and investments	\$	<u>56,543</u>

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

Cash Deficits

As of September 30, 2004, the Transit Agency and the other non-major governmental funds had cash deficit balances of approximately \$84.9 million and \$30.5 million, respectively. It is the County's practice to reclassify cash deficits with a corresponding interfund receivable/payable in the appropriate fund. These cash deficits are funded with cash advances from the County's General Fund.

MIAMI-DADE COUNTY, FLORIDA

Investments

Investments are made in accordance with the provisions of Chapter 125.31 (1) Florida Statutes, and County Ordinance 84-47, "Investment and Reinvestment of Surplus Funds."

The County is authorized to invest in obligations of the U.S. Government, its agencies and instrumentalities, commercial paper, banker's acceptances, repurchase agreements, certificates of deposit, and the Local Government Surplus Funds Trust Fund.

The County's investments are categorized to provide an indication of the level of custodial risk assumed by the County at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the County's name.

The Local Government Surplus Funds Trust Fund (SBA) Investment Pool and the Money Market are not subject to credit risk classification because the three categories of credit risk for investments apply only to the custody of investment securities.

	Category (in thousands)			
	1	2	3	Fair Value
US Government and Agency Securities	\$ 25,352	\$ -	\$ -	\$ 25,352
Commercial Paper	6,810	-	-	6,810
	<u>\$ 32,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,162</u>
Money Market				246
SBA Pool				<u>22,068</u>
Total Investments (including cash equivalents)				<u><u>\$ 54,476</u></u>

MIAMI-DADE COUNTY, FLORIDA

Note 3 - Pension Plan

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

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

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

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

	2004	2003	2002
Covered Payroll	\$2,042,167	\$1,807,153	\$1,747,000
Contributions	206,273	156,684	170,000
% of Covered Payroll	10.1%	8.7%	9.7%

Pension costs for the County, as required and defined by State Statute, ranged from 7.39% to 18.53% of gross salaries for fiscal year 2004. For the fiscal years ended September 30, 2004, 2003 and 2002, the County contributed 100% of the required contributions.

MIAMI-DADE COUNTY, FLORIDA

A copy of the System's June 30, 2004 annual report can be obtained by writing to the Division of Retirement, Cedars Executive Center, 2639 - C North Monroe Street, Tallahassee, FL 32399-1560 or by calling (850) 488-5706.

Note 4 - Self-Insurance Program

The County's Risk Management Division (RMD) administers property, workers' compensation and liability self-insurance programs. Certain group health insurance programs are also self-insured, subject to certain stop-loss provisions. An independent administrator administers these programs.

The County's self-insurance program covers the first \$5 million of property losses for most perils. A \$200 million self insured retention per occurrence applies to named windstorm losses. Named windstorm coverage is limited to \$725 million per occurrence. Insurance coverage is maintained with independent carriers for property losses in excess of self-insured retentions.

The County maintains no excess coverage with independent insurance carriers for the workers' compensation and general liability self-insurance programs. Premiums are charged to the various County departments based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year.

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 are based on historical experience and is performed by an independent actuary.

The General Fund participates in the County's Self-Insurance internal service fund. The County's Self-Insurance internal service fund has a net asset deficit of approximately \$127 million at September 30, 2004. This deficit resulted primarily from actuarially estimated self-insured claims including incurred but not reported claims for workers' compensation, general and automobile liability. The County has implemented an action plan in an effort to reduce the accumulated deficit. Approximately 40% of the premiums for the County's Self-Insurance internal service fund are allocated to the General Fund.

Note 5 – Contingencies and Commitments

At September 30, 2004 the County had approximately \$1 billion of outstanding debt secured by non ad valorem revenue accounted for in the General Fund.

The County is a defendant in 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 General Fund.

MIAMI-DADE COUNTY, FLORIDA

Note 6 - *Interfund Transfers and Balances (in thousands)*

TRANSFER FROM GENERAL FUND		TRANSFER TO GENERAL FUND	
Nonmajor Governmental	\$ 185,710	Nonmajor Governmental	\$ 8,720
Transit Agency	118,620	Water and Sewer	<u>37,899</u>
Public Health Trust	<u>119,110</u>		
Total	<u><u>\$ 423,440</u></u>	Total	<u><u>\$ 46,619</u></u>

Transfers are used to (1) move revenues from the fund that legislation or budget requires to collect them to the fund that the legislation or budget requires to expend them; (2) move receipts from funds collecting receipts to the debt service fund as debt service payments become due (3) use unrestricted funds collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations (4) move receipts from the general fund to subsidize programs and services in other funds

DUE TO GENERAL FUND		DUE TO OTHER FUNDS	
Nonmajor Governmental	\$ 38,400	Aviation Department	\$ 36
Transit Agency	84,960	Public Health Trust	<u>3,675</u>
Seaport	574		
Aviation Department	5,329	Total	<u><u>\$ 3,711</u></u>
Water and Sewer	6,388		
Public Health Trust	<u>16,346</u>		
Total	<u><u>\$ 151,997</u></u>		

These balances are a result of a timing difference between the date(s) the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between the funds are made.

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MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
 SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes				
General property taxes	\$ 861,434	\$ 861,434	\$ 859,600	\$ (1,834)
Utility taxes	71,124	71,124	72,959	1,835
Communication taxes	58,242	58,242	48,178	(10,064)
Local option gas tax	52,489	52,489	55,782	3,293
Franchise taxes	36,000	36,000	37,273	1,273
Total	1,079,289	1,079,289	1,073,792	(5,497)
Licenses and permits				
Building	47,021	47,021	60,577	13,556
Occupational	9,531	9,531	9,613	82
Other licenses	15,454	15,859	15,853	(6)
Total	72,006	72,411	86,043	13,632
Intergovernmental revenues				
State sales tax	104,607	104,607	113,947	9,340
State revenue sharing	65,121	65,121	69,596	4,475
Gasoline and motor fuel tax	12,636	12,636	13,403	767
Alcoholic beverages license	986	986	920	(66)
Other	1,586	1,586	2,119	533
Total	184,936	184,936	199,985	15,049
Charges for services				
Clerk of Circuit and County Court	16,196	16,901	17,360	459
Tax Collector fees	21,467	21,467	22,036	569
Merchandise sales & recreational fees	27,342	27,647	26,132	(1,515)
Sheriff and police services	14,813	16,034	15,042	(992)
Other	93,143	95,221	103,421	8,200
Total	172,961	177,270	183,991	6,721
Fines and forfeitures				
Clerk of Circuit and County Court	26,633	28,390	29,578	1,188
Investment income	12,278	12,278	4,081	(8,197)
Other	54,681	54,683	46,468	(8,215)
Total revenues	1,602,784	1,609,257	1,623,938	14,681
Expenditures:				
Policy formulation and general governme				
Office of the Mayor	2,002	2,002	1,821	181
County Commission	13,828	16,138	12,036	4,102
County Manager	3,989	3,989	3,971	18
Strategic Business Management	5,575	5,672	5,672	

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

(Continued)

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
 SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Policy formulation and general government (continued)				
Personnel	8,191	8,533	8,531	2
Finance	21,756	21,756	19,835	1,921
Audit and Management Services	4,474	4,474	4,374	100
Property Appraiser	16,145	16,736	16,063	673
Clerk of Circuit and County Court	66,839	66,839	63,862	2,977
Procurement Management	7,347	7,733	7,733	
Office of Computer Services	35,462	35,462	30,568	4,894
Elections	11,665	16,706	16,659	47
Fair Employment Practices	542	542	534	8
Law	11,837	11,837	11,394	443
Planning and zoning	3,182	3,182	3,174	8
Judicial Administration	44,655	48,210	47,148	1,062
Agenda Coordination	938	1,083	1,076	7
Community Relations Board	1,334	1,565	1,564	1
General Service Administration	7,564	7,564	2,425	5,139
General government costs	106,176	61,474	49,252	12,222
Total	373,501	341,497	307,692	33,805
Protection of people and property				
Police	442,839	444,060	438,297	5,763
Corrections and rehabilitation	192,667	201,631	201,630	1
Building code compliance	12,020	12,020	6,626	5,394
Consumer services	9,776	9,776	8,065	1,711
Building	30,841	30,841	28,572	2,269
Planning and zoning	13,008	13,008	8,866	4,142
Team Metro	14,252	16,445	16,445	
Juvenile assessment	4,556	4,556	4,454	102
Emergency Management	1,597	1,626	1,488	138
Non-departmental	4,670	4,670	3,650	1,020
General government costs	2,000	2,559	2,559	
Total	728,226	741,192	720,652	20,540
Physical environment				
Environmentally Endangered Lands	14,020	14,020	14,020	
Public Works	9,959	9,959	8,255	1,704
Environmental Resources	47,637	47,637	33,829	13,808
Non-departmental	1,650	1,650	1,650	
General government costs	2,111	2,111	2,101	10
Total	75,377	75,377	59,855	15,522

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

(Continued)

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
 SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

(in thousands)

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Transportation				
Public Works	26,273	26,092	25,013	1,079
General Service Administration	1,620	1,620	1,133	487
Total	27,893	27,712	26,146	1,566
Health				
Public Works	2,174	2,355	2,355	
Police	4,675	5,080	5,080	
General government costs	8,850	26,148	26,148	
Total	15,699	33,583	33,583	
Socio-economic environment				
General Service Administration	612	612	607	5
Welfare	8,313	8,313	8,251	62
Metro Miami Action Plan	1,404	1,404	1,066	338
General government costs	1,506	1,795	1,750	45
Total	11,835	12,124	11,674	450
Culture and Recreation				
Cultural Affairs Coordination	4,126	4,126	4,119	7
Park and Recreation	80,200	80,896	80,782	114
Total	84,326	85,022	84,901	121
Capital outlay	14,043	14,043	14,043	
Total expenditures	1,330,900	1,330,550	1,258,546	72,004
Excess of revenues over expenditures	271,884	278,707	365,392	86,685
Other financing sources (uses):				
Transfers in	103,669	104,446	46,619	(57,827)
Transfers out	(435,481)	(443,833)	(423,440)	20,393
Reserve for future expenditures:				
Physical environment	(74,324)	(74,324)		74,324
Total other financing sources (uses)	(406,136)	(413,711)	(376,821)	36,890
Net change in fund balances	(134,252)	(135,004)	(11,429)	123,575
Fund balance - beginning	134,252	135,004	194,980	59,976
Increase in reserve for inventories			828	828
Fund balance - ending			\$ 184,379	\$ 184,379

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

(Concluded)

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MIAMI-DADE COUNTY, FLORIDA

Notes to Supplementary Information

Chapter 129, Florida Statutes, requires that all county governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budgets control the levy of taxes and the expenditure of money for County purposes for the ensuing fiscal year. The budgeting process is based on estimates of revenues and expenditures. The County budgets are prepared on a modified-accrual basis or accrual basis of accounting in accordance with generally accepted accounting principles.

The County's budgets have to be approved by the Board of County Commissioners. Every September the County holds two public hearings and adopts the annual budgets for substantially all County funds through the enactment of budget ordinances. The General Fund has annually appropriated budgets, meaning that their budgets are established annually. At the end of the fiscal year, the appropriations of annually adopted budgets lapse, but the appropriations of project-length budgets continue until the end of the capital project or grant.

The adopted budgets are either appropriated or non-appropriated in nature. Funds that have appropriated budgets cannot legally exceed their appropriations. The budgetary control over funds that have non-appropriated budgets are dependent on other enabling ordinances, such as bond ordinances, in which expenditure authority extends over several years into the future.

Budgets are monitored at varying levels of classification detail. However, expenditures cannot legally exceed total appropriations at the individual fund/department level. Amendments and supplements to the budget at fund/department level require County Commissioners' approval. Department directors are authorized to make transfers of appropriations within their fund/department. Transfers of appropriations between fund/departments require County Commissioners' approval as well. Estimated fund balances are considered in the budgetary process.

Encumbrance accounting is used in the County's General Fund. Encumbrances are commitments for future expenditures, based on purchase orders or contracts issued, where the goods or services have been ordered but have not been received. Encumbrances do not constitute expenditures or liabilities to the County since no resources are expended until the goods or services are received. They are used to help ensure that actual expenditures and commitments for future expenditures do not exceed authorized appropriations. Encumbrances outstanding at year-end are reported as a reservation of fund balance in the balance sheet of the General Fund since they will be carried over and reappropriated in the following year.

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MIAMI-DADE COUNTY, FLORIDA
STORMWATER UTILITIES
SUPPLEMENTAL BALANCE SHEET
SEPTEMBER 30, 2004
(in thousands)

ASSETS:	
Cash and cash equivalents	\$ 8,134
Investments	8,006
Due from other funds	500
Inventories	808
Total assets	<u>\$ 17,448</u>
 LIABILITIES AND FUND BALANCES:	
Liabilities:	
Accounts payable and accrued liabilities	\$ 1,054
Total liabilities	<u>1,054</u>
Fund balances:	
Reserve for encumbrances	7,805
Reserve for inventories	808
Unreserved fund balance	7,781
Total fund balance	<u>16,394</u>
Total liabilities and fund balance	<u>\$ 17,448</u>

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

MIAMI-DADE COUNTY, FLORIDA

**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE
STORMWATER UTILITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**
(in thousands)

Revenues:	
Intergovernmental revenue	\$ 1,170
Charges for services	33,626
Investment income	233
Other	18
Total revenues	<u>35,047</u>
Expenditures:	
Current:	
Physical environment	<u>21,058</u>
Total expenditures	<u>21,058</u>
Excess (deficiency) of revenues over expenditures	13,989
Other financing sources (uses):	
Operating transfers in	19,350
Operating transfers out	<u>(42,358)</u>
Net change in fund balance	<u>(9,019)</u>
Decrease in reserve for inventories	(86)
Fund balance--beginning	<u>25,499</u>
Fund balance--ending	<u>\$ 16,394</u>

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

MIAMI-DADE COUNTY, FLORIDA

Notes to Supplementary Information

The Stormwater Utilities Sub-fund is used to account for revenues from the unincorporated area to plan, construct, operate and maintain stormwater management systems. The Stormwater Utilities Sub-fund is included in the General Fund financial statements. The accompanying financial statements present only the Stormwater Utilities Sub-fund and are not intended to present fairly the financial position and the changes in financial position of the General Fund or the County in conformity with accounting principles generally accepted in the United States of America.