



FINANCE DEPARTMENT
OFFICE OF THE DIRECTOR
SUITE, 2550
111 N.W. 1st Street
MIAMI, FLORIDA 33128-1995
(305) 375-5147

August 31, 2005

Honorable Carlos Alvarez , Mayor

Honorable Joe A. Martinez , Chairman and
Members of the Board of County Commissioners

Honorable Harvey Ruvin, Clerk

Mr. George M. Burgess, County Manager

Citizens of Miami-Dade County

Ladies and Gentlemen:

We are pleased to present the Miami-Dade County, Florida (the “County”) Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended September 30, 2004, pursuant to Florida State law. The financial statements were prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (“GASB”) and audited by a firm of independent certified public accountants retained by the County and paid from its public funds. This report may also be accessed via the internet at **<http://www.miamidade.gov/finance/>**.

Responsibility for the accuracy and fairness of the presentation, including disclosures, rests with management of the County. We believe the data, as presented, is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the County, and that all disclosures necessary to enable the reader to gain an understanding of the County’s financial activity have been included. Miami-Dade County has established comprehensive internal controls designed to ensure that the County’s assets are protected from loss, theft or misuse and adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”). Because the cost of internal control should not exceed the benefits likely to be derived, the County’s internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met.

The accompanying report consists of three parts:

- The ***Introductory Section***, including this letter of transmittal, provides general information on the County's structure and personnel, as well as other information useful in assessing the County's financial condition.
- The ***Financial Section*** contains the basic financial statements and required supplementary information (including Management's Discussion and Analysis or MD&A), the report of independent certified public accountants, and other supplemental information useful to financial statement users. The MD&A is a narrative required to accompany the basic financial statements. It provides an objective and easy to read analysis of the County's financial activities based on currently known facts, decisions or conditions. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Please reference the chart in the MD&A for a graphical presentation of the new CAFR format.
- The ***Statistical Section*** provides a number of tables of unaudited data depicting the financial history of the County over the past ten years, demographics, and other miscellaneous information.

Independent Audit

Ernst and Young LLP, a firm of licensed certified public accountants, has audited Miami-Dade County's financial statements. Separate auditors audited certain of the County's major enterprise funds and the Housing Agency. Their audits were performed in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Rules of the Auditor General, State of Florida. The goal of the independent audits was to obtain reasonable assurance as to whether the financial statements were free from material misstatement. The audits included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The scope of the audits was sufficient to satisfy State, Federal and County Charter requirements. Ernst and Young's LLP opinion resulting from the audit is included in this CAFR.

Profile of the Government

Miami-Dade County is located along the southeast tip of the Florida peninsula, bounded by Biscayne Bay and the Atlantic Ocean to the east, Everglades National Park to the west, the Florida Keys to the south, and Broward County to the north. It occupies an area of more than 2,000 square miles, one-third of which is located in the Everglades National Park. The total population served by the County is more than 2.3 million, including approximately one million in its 34 municipalities and the rest in the unincorporated area. Due to its proximity and high volume of travel and trade within the region, Miami-Dade County is often referred to as the "Gateway to Latin America and the Caribbean."

Government structure and services provided

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, it completed a draft of a charter for the County. The proposed charter was adopted in a County-wide election in May 1957 and became effective on July 20, 1957 (the “Charter”). The electors of the County are granted power to revise and amend the Charter from time to time by County-wide vote. 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 has a commission-Mayor, Commission, Manager form of government. The Board, which consists of thirteen members elected for a four year term from single member districts, is the legislative and governing body of the County and is responsible for the formation of all policies. The mayor, elected countywide for a four year term, is not a member of the Board, has veto authority over legislative acts, and has the power to appoint the County Manager. The County Manager is the head of the administrative branch of the county government and is responsible for carrying out the policies adopted by the Board. Both the Mayor and the Commission have the power to remove the County Manager, requiring a two-third vote of the Board.

Miami-Dade County provides a full range of services, including, but not limited to, police and fire protection; health services, to include the operation of a major hospital and various neighborhood health clinics; mass transportation; sanitation; water and sewer services; the construction and maintenance of highways, streets and other infrastructure; libraries; correctional facilities; parks, recreational and cultural facilities and events; the operation of an airport system, including an international airport, four general aviation airports and a training airport; and a full service seaport.

The financial reporting entity under which the financial statements are prepared includes all the organizations, activities and functions for which the County as the primary government is financially accountable.

Budgetary Process and Control

State of Florida statutes require 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. In compliance with this, the budgets adopted by the County are either appropriated or non-appropriated in nature. Funds that have legally appropriated budgets cannot legally exceed their appropriations. The budgetary controls over funds that have non-appropriated budgets are set by enabling ordinances, such as Bond Ordinances, in which the expenditure authority extends many 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 require BCC approval. Estimated beginning fund balances available for financing current appropriations are considered in the budgetary process. Budget and actual

comparison for the General Fund is located in the Required Supplementary Information (RSI) section of the CAFR. Budget and actual comparisons for all other governmental funds are presented as supplementary information in the financial section of the report. There is no similar comparison presented for Capital Projects Funds since they are budgeted in the year they are anticipated to be obligated and, in subsequent years, the unused budget is reappropriated until the project is completed.

As an additional control, the County employs an encumbrance system that reduces available appropriations in governmental funds upon issuance of purchase orders, contracts or other forms of legal commitments. Encumbrances at year-end do not constitute expenditures or liabilities, but are accounted for as a reservation of fund balance.

Cash Management

To maximize the financial return on all available funds, the Finance Department pursues an aggressive cash management and investment program within the constraints imposed by Florida Statutes and local policies adopted by resolution of the Board of County Commissioners. The County has implemented an Investment Advisory Committee composed of professionals from the public and private sector. Every quarter, the portfolio performance is presented and reviewed by the Committee.

The County continues to use a cash management consultant to provide expert and professional analysis of the County's cash management performance and to make recommendations on investment strategies to maximize future investment earnings to the County in a non-exclusive basis, while maintaining or increasing the safety of the County's investment portfolio.

The County has an adopted investment policy that applies to all investment of public funds. Cash balances are invested on a daily basis at the best interest rates available in the markets. Investments consist primarily of time deposits in banks approved by the State Treasurer to act as a qualified public depository, United States government treasuries, United States government agencies, commercial paper, bankers' acceptances and repurchase agreements.

For purposes of maximizing the interest-earning yield on short-term investments, cash balances of all funds are pooled, except where separate cash and investment accounts are maintained in accordance with legal requirements. It is the County's policy not to invest in leveraged derivatives. The primary objective of the County's policy is preservation of capital.

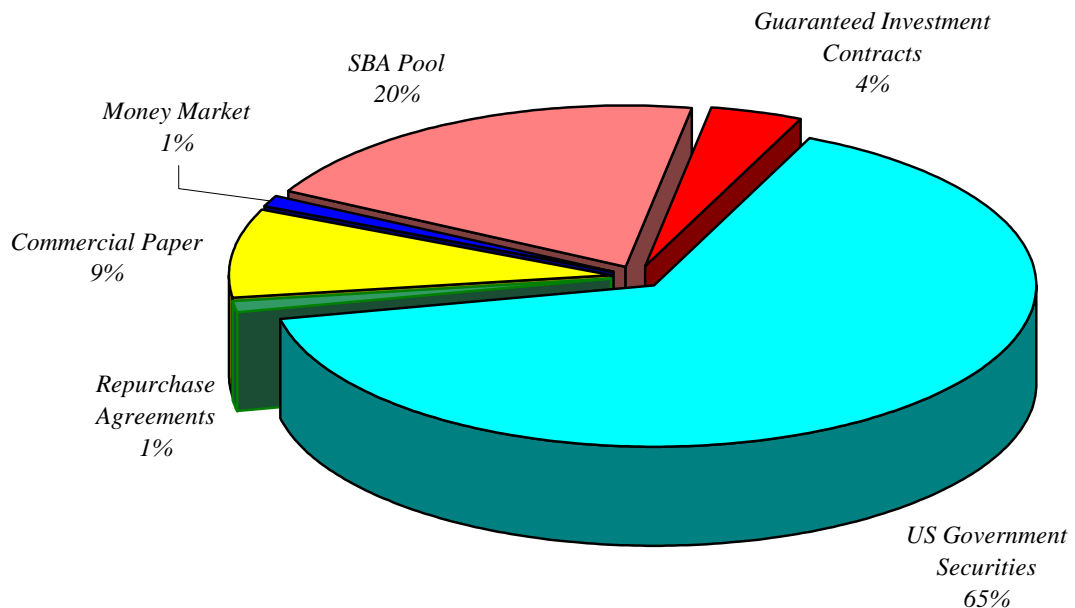
During fiscal year 2004, the average investment yield realized by the County was 1.66%. While the investment earnings have not met forecasted returns, due to Federal Funds Rate remaining low, investment earnings continue to contribute to the attainment of revenues to meet the many service demand levels identified by the administration and management.

A summary and comparison of treasury activity for the last three fiscal years, not including cash with the fiscal agents and the Public Health Trust, are as follows (in thousands):

	2004	2003	2002
Average Portfolio Balance	\$ 2,975,815	\$ 3,269,175	\$ 2,809,944
Average Investment Yield	1.66%	1.82%	2.82%
Interest Earned on Investments Managed by the Finance Department	\$ 49,373	\$ 59,344	\$ 79,160

The following chart summarizes the County's investments, including cash equivalents, at September 30, 2004.

Cash Equivalents and Investment Types



The County participates in the United States Treasury Department Minority Bank Deposit Program. This program, which has been in effect for the past seventeen years, requires the County to deposit Federal initiated grants and entitlements and certain State originated monies with local minority owned banks for a period of three working days. The banks in turn, have free use of the funds to make investments or take advantage of the Fed Funds Market and keep all interest earned thereon. However, in all instances, the County's monies are fully collateralized as required by Florida Statutes.

Long-Term Debt Management

The County continues to obtain, in an efficient and innovative manner, long-term financing for the construction or acquisition of various long-term assets. It is management's objective to adequately plan and meet the County's comprehensive construction demands for essential capital improvements and equipment, and, at the same time, ensure that the residents of the community are not overburdened with general obligation long-term debt payable from ad valorem taxes.

The County's debt service millage for 2004 for all Countywide bonded indebtedness was 0.285 mills representing a 26.9% decrease from the 2003 rate. Of the total Countywide millage, .074 mills or 26% is dedicated to the Decade of Progress Program, .117 mills or 41.2% is earmarked

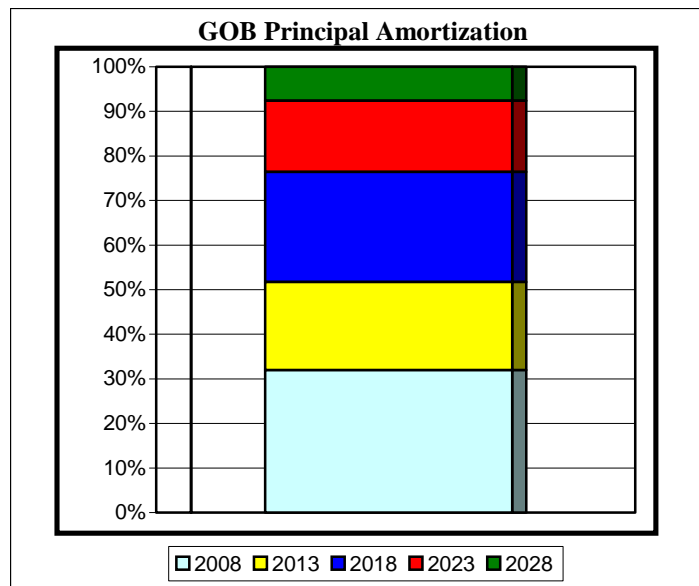
for the Criminal Justice Facilities Bond Program, and .094 mills or 32.8% is attributed to the Parks Bond Program. The total millage for all Miami-Dade Fire and Rescue Service District bonded debt service for 2004 remained the same as 2003 at 0.079 mills.

The following chart indicates the principal amortization of the County's general obligation debt in five-year increments.

**General Obligation Debt
Principal Amortization
In Five Year Increments Following Fiscal Year 2004
(in thousands)**

Fiscal Year	Principal Amortization
2009	\$ 59,990
2014	59,155
2019	63,541
2024	35,645
2029	7,250
Total	\$ 225,581

As can be seen in the chart below, approximately 53% of the County's outstanding general obligation debt will be retired within the next ten years.



In November 2004, voters approved the issuance of general obligation bonds to fund projects for transportation, culture and recreation, protection of property and people, water and sewer projects and general government.



Enterprise Operations

The County operates the following enterprise funds: the Transit Agency, Solid Waste Department, the Seaport Department, the Aviation Department, the Water and Sewer Department, the Public Health Trust, the Rickenbacker Causeway, the Vizcaya Art Museum and certain operations of the Housing Agency. Following is a brief introduction to the County's major enterprise departments.

Transit Agency

Miami-Dade Transit ("MDT") operates a unified public transit system consisting of buses, a 22.4-mile above ground heavy rail system and a 4.4 mile automated guide-way system. MDT is one of the largest transit systems in the nation and carries approximately 45% of all transit trips in the State of Florida.

On November 5, 2002, voters in Miami-Dade County approved a County ordinance proposed by the Board of County Commissioners to levy and impose a one half of one percent Charter County Transit System Surtax for the purpose of funding transit and roadway improvements in Miami-Dade County. The Peoples Transportation Plan (PTP) listed specific transit and roadway improvements to be supported by the proposed half-cent surtax. The Charter County Transit System Surtax may be used for both transit and roadway improvements as well as to meet capital and operating needs.

Eligible application of the proceeds of the Surtax includes bus service improvements, fixed guideway, rapid transit improvements, major highway and road improvements as well as neighborhood improvements. Changes to County projects detailed in the PTP must go through the Citizens' Independent Transportation Trust and ultimately be approved by the County Commission. Additionally, 20 percent of the sales tax proceeds shall be distributed annually to cities in Miami-Dade County based upon a pro rata share determined by population for transit improvements.

Solid Waste



The Solid Waste Department ("SWD") provides solid waste collection and recycling services to residential customers in the unincorporated area of Miami-Dade County and countywide disposal of solid waste collected by County and private waste collection companies. The SWD is one of the largest municipal solid waste curbside collection systems in the United States and the largest publicly owned waste disposal system in the southeastern portion of the country. The Collection system served approximately 300,000 residential households.

Seaport Department



The Seaport Department operates the Dante B. Fascell Port of Miami-Dade (“Port”). The Port is the largest cruise port in the world, among the top five container cargo ports serving the Caribbean and Latin American Regions and ranks nationally in the top ten ports. The Port continues to realize growth and its financial initiatives.

Aviation Department

The Miami-Dade County Aviation Department (“MDAD”) operates the Miami International Airport (“MIA”), as well as four general aviation airports and one training and transition airport. The general aviation airports provide a significant role as they serve to alleviate traffic at MIA. MIA is currently ranked number one in the U.S. for international freight and third for international passengers.



Water and Sewer Department

The Miami-Dade County Water and Sewer Department (“WASD”) operates the County’s water and wastewater systems. The WASD’s water system, considered the largest water utility in the Southeast United States, serves approximately 401,000 retail customers and fifteen wholesale customers within the County. The wastewater system serves approximately 316,000 retail customers and twelve wholesale customers.

Public Health Trust

The Public Health Trust was created in October 1973 to provide for an independent governing body responsible for the operation, governance, and maintenance of designated health facilities. Some of these include the 1,498 bed general acute care hospital (Jackson Memorial Hospital), a 60 bed maternity hospital, a 199 bed hospital in South Miami Dade, a 180 bed and a 163 bed nursing homes, and several primary care centers and clinics throughout Miami-Dade County. Jackson Memorial is affiliated with the University of Miami School of Medicine and is one of the largest of the six statutory teaching hospitals in Florida.

On September 3, 1991, the voters of the County approved the imposition of a one-half cent discretionary sales surtax (the “Healthcare Surtax”). The Surtax proceeds are considered unrestricted tax revenue of the Trust and shall be used only for the operation, maintenance and administration of Jackson Memorial Hospital. Additionally, the enabling legislation requires that in each year that the Healthcare Surtax is collected, the County must continue its maintenance of effort contribution, which was capped at 80% of the 1991 general fund contribution.

Risk Management

The County administers a self-insurance program for workers' compensation, tort liability, property, and group health and life insurance programs, subject to certain stop-loss provisions. An independent administrator administers the health and life insurance programs. The County funds the program on an annual payout basis. Insurance coverage is maintained with independent carriers for property damage to County facilities. The County maintains no excess coverage with independent carriers for workers' compensation and general liability.

Factors Affecting Financial Condition

The information presented in the financial statements primarily focuses on the County's financial position, as measured by its existing resources and claims on those resources. However, the County's financial condition is best understood when the focus is on both existing and future resources and potential claims on those resources. This broader concept is used to assess its financial condition, which reflects the current financial position as well as the prospects that today's financial position will improve or deteriorate. To achieve this objective, the County utilizes a wide range of information, including the local economic condition and outlook; long-term debt management; capital construction management; cash management and investments; and risk financing.

ECONOMIC CONDITION AND OUTLOOK

Last year's economic condition and outlook ended with a forecast that the 2004 fiscal year would be a strong year with respect to the economy. Overall, this forecast was accurate. The national economy had the strongest performance in five years, with a 4.4% growth over the previous year. Miami-Dade's economy was also strong, with excellent performance in most of the leading economic indicators. This was especially true for international trade, the visitor and real estate industries.

The visitor industry and international trade and commerce, two of the County's economic drivers, achieved very high activity levels approaching the records set in prior years. Improving economic conditions in Europe and Latin America, coupled with a weakened dollar, continued to positively impact the number of international visitors and the volume of exports. Total employment grew at a moderate pace and there was a continued reduction in the unemployment rate. As will be discussed below, the year closed on a positive note and should continue to benefit and grow as the national economy continues to expand.

EMPLOYMENT

In fiscal year 2004, nonagricultural wage and salary employment added approximately 10,300 jobs, an increase of approximately 1.0% from the previous year. For the second consecutive year, the unemployment rate declined, averaging 6.5% for the year compared to 7.4% in 2003.

Consistent with prior years, professional and business services added 3,100 jobs, an increase of 2.1%. The highest rate of growth was in construction with a net gain of 2,300 jobs, or an increase of 5.5%. Other industries with positive growth during fiscal year 2004 were: leisure and hospitality, financial activities, and other services with 2,800 jobs, or 3.2%, 2,200 jobs, or 3.3% and 700 jobs, or 1.7%, respectively.

The largest job losses were in information technology with 1,200 jobs lost, or 4.1% decrease from prior year. Other industries that reported decreases in new jobs over the prior year were: transportation, warehousing and utilities, with a decrease of 1,300 jobs, or 2.0%. Retail trade remained constant with the same period last year. Total government remained constant with last year.

Along with the gains in total employment, over 1,200 new businesses were established during the 2004 fiscal year, representing a 1.5% increase over the 2003 fiscal year. The 2004 median family income was \$45,400, representing an increase of \$1,600 or 3.7%, from prior year.

REAL ESTATE MARKET



The real estate sector is viewed as a vital measure of the County's economic health. In fiscal year 2004, the market for home sales reached levels not seen in a decade. During the first nine months of the year, sales of new single-family homes increased by 45.9% and sales of existing homes increased 15.5%, from the same period last year. Consistent with this increase, sales of new multifamily type units, such as condos, increased by 43.4% in the first nine months of the year and sales of existing condos increased by 27.2%, from prior year. This trend is attributed to stable or slightly falling mortgage rates, which allow more people to purchase homes, and / or to foreign buyer investment.

Despite the Federal Reserve increases to short-term rates, long-term rates such as mortgage rates have actually moved lower in the past twelve months. The average home mortgage rate declined slightly from 5.8% to 5.7% during the 2004 fiscal year. These rates have allowed households to keep their mortgage payments within acceptable levels, even when the cost of housing has been rising faster than income. During this same period, the inflation rate increased slightly, by 2.5% in fiscal 2004.

The construction employment increase is attributed to the high level of home construction activities. The number of building permits for residential units increased by 18,700 units or 34.3% from prior year, compared with 14,000 units in 2003. Construction costs in housing units increased from \$1.28 billion to \$1.95 billion or 52.7% during the same period last year.

In the first nine months of fiscal 2004 the average new single-family home in Miami-Dade increased to \$258,643, or 4.5% from last year. Consistent with this increase, the used single-family home average sales price increased \$266,301 or 25.1%, from the prior year. Conversely, the average sales price for new condominiums declined slightly to \$275,682 or 1.5%, from the previous year, while average sales price for used condominiums increased to \$217,337 or 19.3%, from last year.

The commercial real estate market increased more conservatively. Existing office space square footage decreased from 41.3 million to 41.1 million or 0.4%, from prior year. The overall office vacancy rate improved, with a decrease from 17.9% to 15.8%. Leasing activity totaled 2.8 million square feet, an increase of 14.5%, from the previous year. During the same period, the average rental rate per square foot remained constant when compared to the previous year. Sustained population growth and better business conditions continue to increase the demand for office and other commercial activities. Concurrent with these trends, the new electrical connections to businesses increased by 2.3%, from prior year.

The number of banks were 60, with total deposits approaching \$49.0 billion, a slight decrease from the prior year. The number of thrift institutions was 11, while deposits declined to \$9.8 billion from 2003. This represents a decrease of 10%, from the prior year.

SALES INDICATORS

Consumer activity, as measured by taxable sales, increased in fiscal year 2004, reflecting a higher level of confidence on the part of the consumer. Total taxable sales increased by 7.7%. In fiscal 2004 there was an across-the-board increase in all-major categories from the 2003 figures. Total retail sales increased by 5% over fiscal year 2003. This increase is attributed to increases in tourism and recreation and consumer durables of 8.9% and 5.3%, respectively. These increases were followed by increases of 3.7% and 2.7% in consumer non-durables and autos and accessories, respectively. This increased performance was reflected in Miami-Dade's Index of Retail Activity, which increased by 6.2% during the same period.

INTERNATIONAL TRADE AND COMMERCE

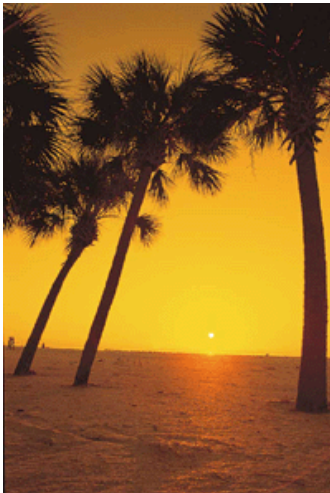


Overall, international trade had a good performance in fiscal year 2004. Trade and commerce reported a volume of merchandise trade through the Miami Customs District of approximately \$59 billion. This represents a 10.7% increase in total trade from the previous year. Imports increased by 8.5%, while exports increased by 13.2%. Most U.S. goods are exported from the Miami Customs District to South America, Central America, and the Caribbean.

Improved economic conditions in some of the countries in these regions, coupled with relatively strong currencies against the dollar, contributed to the increase.

Two of Miami-Dade County's barometers of trade activity are the freight tonnage moving through Miami International Airport ("MIA") and the Seaport of Miami ("the Seaport"). International freight increased 10.5% and 2.5% at MIA and the Seaport, respectively. Most analysts are fairly optimistic regarding international commerce and predict positive growth in the years to come. This is based on the expectation that economic growth in Latin America will continue to improve and that trade with Europe and Asia will increase.

TOURISM



The 2004 fiscal year was a very good year for tourism. During the 2004 fiscal year, approximately 11.0 million people visited Miami-Dade County representing an increase of 4.9%. This is the third consecutive year an increase in tourism is reported. Visitors satisfied with their stay continued at high levels, indicating higher consumer confidence, upgraded and expanded hotels, attractions, and great beaches. In 2004 visitors spent \$12.3 billion, an increase from \$9.9 billion in 2003, reflecting successful targeting of a more upscale visitor market. The number of domestic visitors grew to a record number of 5.7 million, an increase of 3% from the prior year. International visitors increased by 7.2% to more than 13.9 million. This reflected a visitor market mix of approximately 52% domestic and 48% international. The increase in international visitors is the result of a soft dollar and increases in visitations from Latin America, the strongest segment of

Miami-Dade's international visitor component.

In fiscal 2004, passengers at Miami International Airport ("MIA") increased by 2.4% compared to a gain of only 0.6% in 2003. Domestic passengers at MIA increased by 3.9%, to approximately 16.3 million, while international air passengers increased slightly by 0.7%. Total number of cruise passengers declined by 11.5%, from the prior year.

During the 2004 fiscal year, the hotel occupancy rate was 68.1% on a year-round basis, approaching the record set in 2000. The factors in attracting more visitors are the result of a successful marketing campaign by the Greater Miami Convention and Visitors Bureau to promote local tourism, as well as the addition of many high-end hotels. An increase in the average room rate to \$114.48 in 2004, compared to \$110.47 in 2003, demonstrates the industry's potential to attract more visitors.

FUTURE OUTLOOK

After a year of good results, the future economic outlook for fiscal 2005 is optimistic with good prospects for Miami-Dade County. This is the consensus of most analysts and economists who are fairly optimistic regarding Miami-Dade's economy in the year to come.

This positive outlook is firmly grounded in the area's strength in tourism and trade. As the economies of its major trading partners, such as Brazil, Argentina, and Venezuela continue to rebound from the downturns in recent years, many of the indicators associated with these two sectors will further improve and will greater benefit the local economy.

Continued job growth is expected for the more critical segments of the economy, such as real estate, consumer spending, and merchandise trade. Based on the United States' economic strength, the number of employed workers is expected to increase modestly, but steadily. There is anticipation that unemployment will be lower. Real estate activity is expected to increase, but housing may curtail slightly, since mortgage rates are expected to rise. State and local public infrastructure construction projects are factors that will maintain construction employment at current levels. Expenditures related to the \$2.0 billion bond authorization recently approved by voters, as well as the Civic Center redevelopment, are projects promising to enhance the area's economic growth. Consumer spending and business investment are expected to remain strong. Several consumer incentives, such as stable mortgage rates near historic lows and decelerated consumer prices should encourage spending. Volume levels in merchandise trade are most likely to continue upwardly, since they depend on the growth of the U.S. economy, U.S. exports to Latin America, and the expected economic improvement of the region.

While the prospects for Miami-Dade County should be reasonably good in 2005, consideration should be given factors affecting the Miami-Dade economy. Local politicians and business leaders are attempting to address issues and provide solutions through continued efforts to reform and reshape the local economy.

Overall, the 2005 fiscal year is expected to be a good year. Economic expansion should continue at a moderate and consistent pace to the growth experienced in 2004.

Construction Management



The County's current six year Capital Improvement Plan covering the period from October 1, 2004 through September 30, 2010 highlights 509 projects with an estimated cost of over \$16.8 billion. Of this amount, 50.1% represents the transportation strategic area, with Aviation improvements comprising 44.6% of the total multi-year transportation program costs and with Transit improvements comprising 42.4% of the total multi-year transportation program costs. Capital projects in the Neighborhood and

Unincorporated Area Municipal Services strategic area comprise 24% of the total spending plan with approximately 66% attributable to the Water and Sewer Department.

Major capital projects for FY 2004-05 include:

- planning, design, and construction of People's Transportation Plan projects by Miami-Dade Transit and the Public Works Department,
- planning and design of the East West Transit Corridor,
- planning and design of the North Transit Corridor,
- planning and design for a new Juvenile Justice Courthouse,
- construction of the Miami International Airport North Terminal,
- construction of the Earlington Heights/Miami Intermodal Center Transit Connector,
- improvements to the water distribution system,
- upgrades to the wastewater treatment system,
- construction of various fire stations,
- sidewalk, drainage road surfacing, and park improvements as the Quality Neighborhood Improvement Program begins to wind down,
- dredging at the Seaport,
- completion of the new Seaport container yard,
- construction of drainage improvements primarily funded from FEMA grants,
- construction of new branch libraries,
- the Performing Arts Center and South Miami-Dade Cultural Center,
- park facilities sewer upgrades,
- Safe Neighborhood Parks projects,
- various drainage projects,
- public housing improvements including Scott/Carver Homes Modernization,
- Community Development Block Grant funded projects,
- Americans with Disabilities Act barrier removal projects, and
- information technology projects targeting customer service.

The Local Option Gas Tax Program continues to be allocated for road projects in the unincorporated area.

The Safe Neighborhood Parks Program, approved by the electorate in November 1996, is still ongoing. Improvements totaling \$200 million are programmed including \$125 million for

Miami-Dade County. To date, more than \$142 million in debt has been issued for the program. It is anticipated that \$50 million additional debt will be issued in fiscal year 2005.

The Quality Neighborhoods Improvement Program continues with funding of approximately \$240 million. The Board of County Commissioners approved \$144 million in fiscal year 1999, \$60 million for fiscal year 2001, \$3.6 million in fiscal year 2002, and another \$32.5 million in fiscal year 2004. The program addresses infrastructure needs in older urban neighborhoods and high growth areas. Improvements include among others, construction of new sidewalks and repairs to existing sidewalks, local and major drainage improvements, roadway resurfacing, and park facility improvements. Most of the QNIP Phase I projects are expected to be completed during fiscal year 2005.

Implementation of the capital portion of the People's Transportation Plan continues with \$113.3 million of Transit projects, \$80 million of Public Works projects, and \$32.6 million of municipal projects planned for fiscal year 2005.

Subsequent to the release of the fiscal year 2005 Resource Allocation and Multi-Year Capital Plan, Miami-Dade County voters approved all eight questions of the Building Better Communities General Obligation Bond Program. The projects, totaling \$2.926 billion over approximately 15 years, were not included in the fiscal year 2005 Multi-Year Capital Plan because the budget was adopted prior to the election. A schedule for the construction of these projects is being developed and will be incorporated into the fiscal year 2006 Multi-Year Capital Plan.

Funding sources for capital improvement expenditures can be broken down as follows (in thousands):

	<u>Fiscal Year 2005</u>		<u>Multi-Year Plan</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Debt Proceeds	\$ 1,389,708	58.7%	\$ 9,186,073	54.6%
County Proprietary Operations	193,407	8.1%	1,592,098	9.5%
Federal	385,458	16.2%	3,288,617	19.6%
State	107,773	4.5%	1,231,512	7.3%
Impact Fees and Contributions	91,727	3.9%	731,947	4.4%
Gas Taxes	24,044	1.0%	73,325	0.4%
Other	181,120	7.6%	706,993	4.2%
Total	<u>\$ 2,373,237</u>	<u>100.0%</u>	<u>\$ 16,810,565</u>	<u>100.0%</u>

Capital improvement expenditures by program area can be broken down as follows (in thousands):

	<u>Fiscal Year 2005</u>		<u>Multi-Year Plan</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Protection of People and Property	\$ 91,974	3.9%	\$ 254,549	1.5%
Transportation	1,209,077	50.9%	10,691,481	63.6%
Culture and Recreation	189,152	8.0%	785,510	4.7%
Physical Environment	641,097	27.0%	4,034,080	24.0%
Health and Human Services	205,606	8.7%	989,206	5.9%
Internal Support and General Government	36,331	1.5%	55,739	0.3%
Total	<u>\$ 2,373,237</u>	<u>100.0%</u>	<u>\$ 16,810,565</u>	<u>100.0%</u>

Certificate of Achievement

For the twenty-fourth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Miami-Dade County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2003. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment of this award represents a significant accomplishment by a government and its financial management.

In order to be awarded a Certificate of Achievement, the County has to publish an easily readable and efficiently organized CAFR, whose contents conform to established program standards. Such comprehensive reports must satisfy both generally accepted accounting principles and applicable legal requirements. To earn a Certificate of Achievement, a government must demonstrate a constructive spirit of full disclosure to clearly communicate its financial story, while enhancing the understanding of the logic underlying the traditional governmental financial reporting model.

An impartial Special Review Committee composed of other government officers, independent certified public accountants, educators, and others with particular expertise in government accounting and financial reporting, has evaluated the County's 2003 CAFR. We believe that the 2004 CAFR continues to conform to the high standards of the Certificate of Achievement Program, and we are submitting it to the GFOA.

Acknowledgements

The preparation and completion of this CAFR represents the culmination of numerous processes performed by many of the accountants throughout the County departments, and of the continued excellent cooperation and assistance of all of the accounting firms associated with the audit of the County's operations. We would like to thank the chief financial officers of the County's enterprise operations for coordinating their reporting deadlines with that of the combined entity in order for this CAFR to be issued on a timely basis, and the Research Section of the Department of Planning and Zoning for providing the information regarding our economy.

In particular, we wish to express our appreciation to the staff of the Finance Department who were responsible for compiling and collating the data comprising this report, for developing our underlying financial accounting theory, and for achieving the highly respected Certificate of Achievement award.

Finally, your guidance and cooperation in planning and conducting the financial affairs of the County in a responsible and progressive manner is greatly appreciated.

Respectfully submitted,



RACHEL BAUM
Finance Director



GRACIELA CESPEDES
Deputy Finance Director