March 31, 2000

Honorable Alex Penelas, Mayor

Honorable Gwen Margolis, Chairperson and
Members Board of County Commissioners

Honorable Harvey Ruvin, Clerk
Board of County Commissioners

Mr. Merrett R. Stierheim, County Manager
Miami-Dade County, Florida

LADIES and GENTLEMEN:

The Miami-Dade County, Florida (the "County") Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 1999 is hereby submitted. Responsibility for the accuracy and fairness of the presentation, including all disclosures, rests with management of the County. We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and account groups, and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activity have been included. This report may also be accessed via the internet at **http://www.co.miami-dade.fl.us/finance**. The accompanying report consists of three parts:

- ***Introductory section,*** including the letter of transmittal from the Finance Director.
- ***Financial section,*** including financial statements, supplemental data, and other schedules of the County, accompanied by our independent auditors' opinion. Other schedules include General Obligation Bonds; Special Obligation Bonds; and Revenue Bonds of Seaport, Aviation, Public Health Trust, Water and Sewer Utility, Solid Waste, Rickenbacker Causeway and the Miami-Dade County Housing Agency.
- ***Statistical section,*** including a number of tables of unaudited data depicting the financial history of the County over the past ten years, demographics, and other miscellaneous information.

The County provides a full range of services. These services include, but are not limited to, police and fire protection; health services; mass transportation including the operation of a full scale international airport and seaport; sanitation; water and sewer services; the construction and maintenance of highways, streets and infrastructure; libraries; correctional facilities; recreational activities; cultural facilities, programs and events; and mass transportation services, to name just a few.

An amendment to the County Charter was approved by the electorate, creating an executive mayor. The Mayor was elected in October 1996, for a term of four years in a County-wide election. Thirteen (13) Commissioners are elected from single member districts, for four year staggered terms, to a Board that serves as the legislative and governing body of the County and is responsible for the formation of all policies. The Mayor is not a member of the Board, but has veto authority over legislative acts and may appoint a Chairperson of the Board. The mayor selects the County Manager, subject to ratification by the Board of County Commissioners.

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.

ECONOMIC CONDITION AND OUTLOOK

Last year's report ended with the view that fiscal year 1999 would be quite similar to 1998 with respect to overall economic performance. Essentially, this forecast was correct. The immediate past year did not set records but had some bright spots that may bode well for the future. This was especially true for international trade and the visitor industry, but there were positive developments in several areas.

EMPLOYMENT

Nonagricultural wage and salary employment added 16,500 employees (a 1.7% increase) almost identical to fiscal year 1998's 19,000 (a 2.0% gain). Also, the unemployment rate continued its downward trend, ending at 6.0% for the year compared to 6.5% in 1998 and 7.0% in 1997. In December 1999, a rate of 5.0% was recorded; a level not experienced in more than 20 years. While this trend is welcomed, these figures still exceed the same measures for the state and the nation. A corollary of this unemployment movement was an 8.2% gain in median family income.

As usual, the sector of employment with the largest gains was services which added 9,100 jobs, followed by Retail Trade with 4,800 and Transportation & Public Utilities with 3,200. Wholesale Trade inched up only by 500 employees, a less than 1% gain. The largest relative gain was registered by Construction at 5.6%. The construction employment increase was manifested in a large 33.7% jump in housing units authorized, but office space additions increased only 3.7%. The vacancy rate dropped slightly from 13.5% to 12.2%. Total business establishments in Miami-Dade County increased from 69,927 in fiscal year 1998 to 70,113 in fiscal year 1999. Savings institutions have not joined in the upward trend of increases in business establishments, as they have been decreasing in the past few years. Commercial bank offices, however, rose in number from 432 to 442.

SALES INDICATORS

Economic activity, as reflected in the previous measures, was mirrored in the taxable sales statistics. Total taxable sales rose 5.4%, with retail sales alone up 6.0%. Consumer durables led the way in this category. These are modest gains but the Index of Retail Activity for Miami-Dade County at 5.1% still lagged the statewide average by two percentage points. This latter fact is indicative of the somewhat ambivalent nature of local economic performance during the year.

REAL ESTATE MARKET

The pattern seen in home sales during fiscal year 1999 was about the same as during the prior year. New single family home sales fell by 3.7% but this was a smaller decline than 1998's drop. Also, as in the previous year, used single family homes and both new and used condominiums all recorded healthy increases, ranging from 13.2% for used condos to 11.5% for single family homes. Prices were up across the board with new condominiums reaching an average sales price of $245,185 versus $213,666 in 1998. The average price for a new single family home climbed to $160,953 (a 4.8% increase).

The commercial real estate market did not quite match fiscal year 1998's achievements. The additions to leasable space decreased from 1998's level, but the occupancy rate dipped slightly in contrast to the two point gain in the earlier year. Business phone lines installed actually declined slightly from 508,500 to 504,600. Even so, most observers and those active in the commercial/industrial market see a good year ahead in 2000 fueled by an economy in a state of steady, if not spectacular, growth, a relatively tight market, and an adequate supply of capital.

TRADE

Fiscal year 1997 was an extraordinary one for international trade, with very large increases in both exports and imports through Customs District 52. Fiscal year 1998 presented a picture of only marginal growth, while in fiscal year 1999 exports actually declined by 2.6%. Imports sustained a growth trend by rising 15.6% compared to 13.1% the year before.

As is to be expected, the overall figures for the customs district were reflected in activity levels at Miami International Airport and the Port of Miami. At the former, total passengers stayed about steady (down a few thousand) while the international component alone was up less than 1.0%. Air freight was a different story, with tonnage moving through the airport reflecting a 7.0% decline over 1998. Passenger counts showed a small improvement over 1998, but there was a reversal in freight which had shown a minor gain in fiscal year 1998. The results at the Seaport were different with about 5.0% more passengers, but freight tonnage was off almost 2.0%. The year before it was the opposite with passengers down and cargo up 7.3% and 4.8% respectively.

TOURISM

The visitor industry experienced a strong performance during 1999 with total visitors nudging the ten million mark. Total expenditures by visitors rose at a faster rate than the increase in the volume of tourists. Also on the positive side, a modest boom in new hotel and luxury condominium construction occurred. In the year 2000, more than 2,000 new hotel rooms are expected to be added to the inventory. This will arrest a decline in total rooms which has persisted for many years. Industry experts are optimistic about the upcoming year in large part because of expectations that two major markets, Canada and Brazil, are going to rebound in the new year and several other foreign countries may also send increased numbers of visitors. Assuming that the national economy remains robust, the domestic market should also be strong which would be good news for South Florida. Several large conventions and trade shows have already been booked which supports prospects for a strong year 2000 for tourism.

INTERNATIONAL COMMERCE

Moreover, there are signs that international trade and commerce, which has been in recession recently due to economic and political problems in several Latin American countries, is beginning to recover. Most Latin American currencies have strengthened against the dollar, usually good news for exporters. The value of merchandise trade through Customs District 52 reached nearly $38.4 billion for the first nine months of 1999. This was a 1.5% increase from the same period in 1998. The World Bank has expectations that Brazil, the Dominican Republic, the major countries of Central America and Mexico will all have good economic performance in 2000. Other South American nations such as Argentina, Chile, Bolivia and Peru should also improve in the coming year. The outlook may not be as bright for Venezuela, which is a major trading partner with South Florida, although continued high oil prices may be beneficial there. Columbia also has deep internal problems, but overall, foreign trade should bounce back in the coming year.

Higher interest rates and a slowdown in the U.S. economy would be dampening influences on international trade, the severity depending upon the size of the changes. Tourism could also be negatively affected. However, at this point, the nation’s economy shows every sign of continued steady expansion, and Federal Reserve reaction to possible inflationary tendencies is likely to be modest.

INTERNAL CONTROL

County administration is responsible for establishing and maintaining internal control designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe that the County's internal controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial information for both internal and external reporting purposes.

BUDGETARY 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 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 County Commission approval. Beginning fund balances available for financing current appropriations are considered in the budgetary process, but are not included in the financial statements of the Governmental Fund Types as budgeted revenue. All appropriations within the Governmental Fund Types lapse at year end.

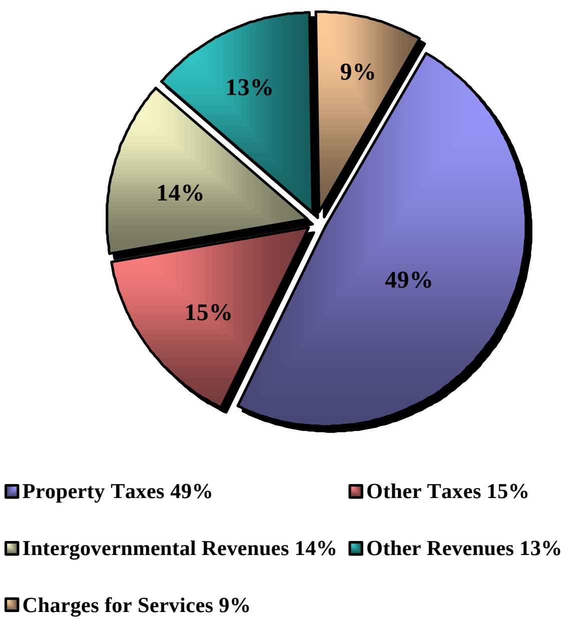
As an additional control, the County employs an encumbrance system which reduces available appropriations in governmental funds upon the issuance of purchase orders, contracts, or other forms of legal commitments. Encumbrances at year end do not constitute expenditures or liabilities. They are accounted for as a reservation of fund balance in the year the commitment is made. While appropriations lapse at the end of the fiscal year, the succeeding year's budget ordinance provides for the reappropriation of the year end encumbrances.

GENERAL FUND SUMMARY

The following schedule is a summary of the County's General Fund revenue and expenditures for the years ended September 30, 1999, and September 30, 1998. Variances are reflected in percentages and amount of increase or decrease compared to the prior fiscal year (in thousands):

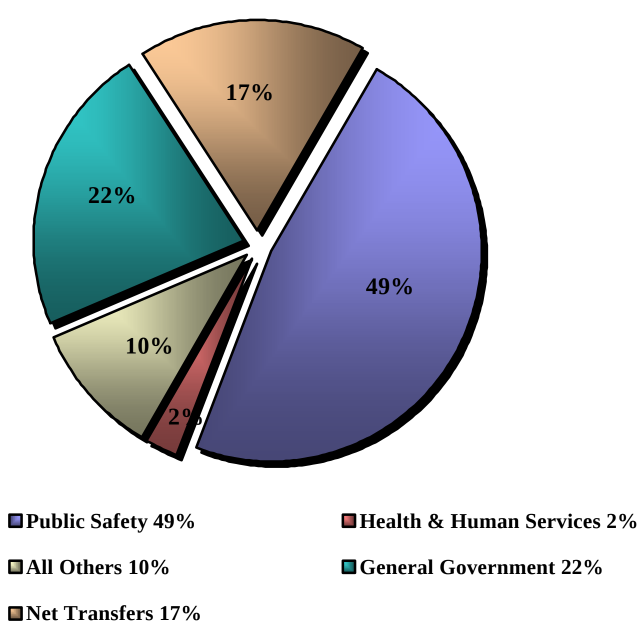
	1999	1998	Increase / (Decrease) Percentage	Increase / (Decrease) Amount
Revenue Sources				
General Property Taxes	$ 595,566	$ 577,643	3.10	$ 17,923
Other Taxes	183,255	179,000	2.38	4,255
Licenses and Permits	62,421	56,186	11.10	6,235
Intergovernmental Revenues	173,591	166,996	3.95	6,595
Charges for Services	106,553	100,816	5.69	5,737
Fines and Forfeitures	26,450	23,329	13.38	3,121
Interest Income	22,139	19,854	11.51	2,285
Other Revenues	48,575	51,675	(6.00)	(3,100)
Total	$ 1,218,550	$1,175,499		$ 43,051

General Fund Revenues
Fiscal Year 1999



	1999	1998	Increase / (Decrease) Percentage	Amount
Expenditures and Transfers				
Policy Formulation and General Government	$ 263,810	$ 244,995	7.68	$ 18,815
Protection of People and Property	566,467	553,756	2.30	12,711
Physical Environment	29,468	31,446	(6.29)	(1,978)
Transportation	27,373	26,737	2.38	636
Health, Welfare and Social Services	29,699	44,255	(32.89)	(14,556)
Culture and Recreation	64,877	60,033	8.07	4,844
Transfers Out (In):				
Transit Agency	$ 103,534	$ 102,346	1.16	$ 1,188
Seaport		17,000	(100.00)	(17,000)
Solid Waste	500		100.00	500
Capital Projects	20,195	4,487	350.08	15,708
Debt Service	10,362	6,803	52.32	3,559
Health Program	96,373	73,282	31.51	23,091
Social Programs	49,482	44,740	10.60	4,742
Water & Sewer	(25,849)	(26,471)	(2.35)	622
Self Insurance	(56,320)	(61,400)	(8.27)	5,080
Other, Net	9,460	11,612	(18.53)	(2,152)
Total	$1,189,431	$1,133,621		$55,810

Expenditures and Transfers
Fiscal Year 1999



	1999	1998	Actual Change
Net Assessed Property Value (in thousands):			
Countywide	$85,839,080	$81,474,178	$4,364,902
Unincorporated Area	39,681,571	38,707,453	974,118
Ad Valorem Tax Rate (in mills):			
Countywide	6.023	6.023	0
Unincorporated Area	2.517	2.683	(.166)

Revenues in the General Fund were approximately $1.2 billion for the fiscal year ended September 30, 1999, an increase of 3.68% or $43 million compared to the prior fiscal year.

General Property Taxes - although the Countywide millage rate remained unchanged, and the Unincorporated millage rate dropped slightly by .166 mills, the property tax revenues rose by $17.9 million in 1999 or 3.1% as a result of an increase in net assessed property values (including new construction) of 4.4%.

Licenses & Permits - rose 11% or $6.2 million attributable to an increase in building permits issued in fiscal year 1999.

Intergovernmental Revenues - primarily due to increased sales tax revenues of $5.6 million, or 7% while maintaining the same sales tax rates.

Fines & Forfeitures - the 13.3% increase is due to the implementation of a new Traffic Division imaging system referred to as “SPIRIT” (the Simultaneous Paperless Image Retrieval Information Technology). This new system and associated processes implemented by the Clerk of Courts in 1999 has enabled the Clerk to better manage hundreds of thousands of traffic cases.

Interest Income - an increase in the average daily cash balance consistently throughout the year resulted in the increase to interest income of $2.3 million or 11.5% increase.

Fiscal year 1999 expenditures for the general fund were approximately $1.189 billion, an increase of $56 million over 1998. The major contributors to increase were as follows:

Policy Formulation & General Government - the $18.8 million increase is explained as follows:

- The Housing Finance Authority had an increase of $5.83 million.

  a. $4 million was attributed to a housing program grant provided to the Miami-Dade Affordable Housing Foundation, Inc., to provide low mortgage loans and grants to moderate income home buyers for acquisition, construction or rehabilitation of real property,
  b. $750,000 resulting from unexpected interest charges due to the Federal Loan Bank Line of Credit, and
  c. $1.08 million to cover bond issuance costs for the 1999A Single Family Program.

- $2 million tax increment distribution as a result of the creation of a new taxing district in South Miami area, and increased construction in Miami Beach area.

- Lightweight vehicle replacement expenditures of $3.5 million by General Services Administration (GSA), Fleet Management Division. The method of billing workorder and service tickets was changed to reflect revenues and expenditures, thereby resulting in a $4.7 million increase in expenditures. In fiscal year 1998, the expenditures were netted against interdepartmental billings.

Protection of People & Property - expenditures increased by $12.7 million or 2.3%. This increase is mostly attributed to the support of many separate ongoing police activities like the Safe Streets/Clean Sweep program, the Tactical Narcotic Team (TNT), Tourist Robbery Abatement Program (TRAP) and support to the Public Corruption Section.

Heath, Welfare and Social Services - the 32% decrease, or $14.6 million is primarily due to the Public Health Trust's contribution to help cover the County's state mandated Medicare reimbursements payments, in turn reducing the General Fund's Medicaid expenditures.

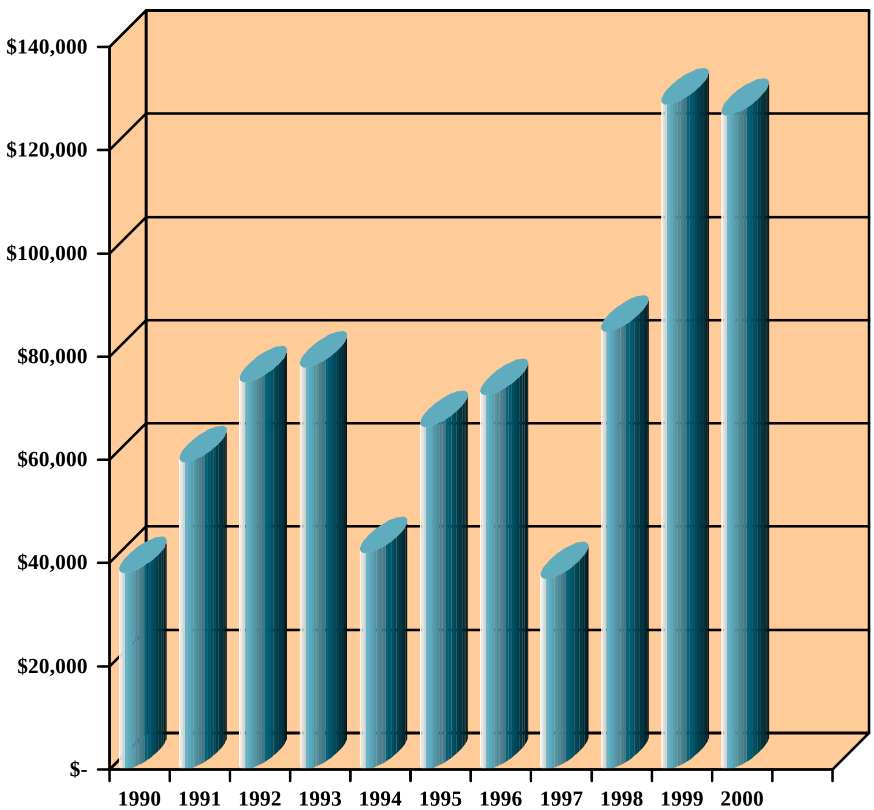
Culture and Recreation – the 8% increase or $4.8 million is the result of funding operations of 17 newly developed, expanded or renovated park sites. Increased recreational programming, establishment of summer and after school programs, and improved programs for children with disabilities, have also contributed to the increase.

Unreserved Fund Balance – The Countywide Unreserved Fund Balance at September 30, 1999 was $125 million, an increase of $41 million from the 1998 level of $84 million. The increase is attributed to a net increase of revenues over expenditures and transfers. Property taxes and intergovernmental revenues together account for 42% of the increase in revenues over the last year, due primarily to increased property values. The remainder of the increase in fund balance is attributable to the transfer of the County's General Fund Medicaid costs of $30 million to PHT.

General Fund
Unreserved Fund Balance
For the Fiscal Year Ending September 30,
(in thousands)

1990	$38,014
1991	59,550
1992	75,014
1993	77,900
1994	41,958
1995	66,373
1996	72,519
1997	37,001
1998	84,855
1999	125,153
2000 Estimate	120,000

GENERAL FUND UNRESERVED FUND BALANCE
FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
(in thousands)



ENTERPRISE OPERATIONS

Enterprise Funds are established to finance and account for the acquisition, operation and maintenance of facilities and services which are intended to be entirely or predominantly self-supporting through the collection of charges from users, or for which the periodic determination of revenues earned, expenses incurred, or net income is appropriated for capital maintenance, public policy or other purposes.

The County maintains the following Enterprise funds: the Transit Agency, the Department of Solid Waste Management, the Seaport Department, the Aviation Department, the Water and Sewer Department, the Public Health Trust, the Rickenbacker Causeway, the Vizcaya Art Museum and certain enterprise operations of the Housing Agency.

A summary of their operations is presented in the table below (in millions):

Enterprise Operations
Fiscal Year Ending September 30, 1999
(in millions)

	Operating Revenues	*Operating Expenses **	*Net Operating Income (Loss)*	*Non-Operating Revenues (Expenses)*	*Operating Transfers In (Out)*	*Net Income (Loss)*	
Transit Agency	$81.8	$303.2	($221.4)	$75.4	$103.4	($42.6)	**
Solid Waste	183.3	167.6	15.7	(4.4)	(.3)	11.0	
Seaport	64.6	45.3	19.3	(17.9)	-	1.4	
Aviation	451.8	411.0	40.8	(94.8)	-	(54.0)	**
Water & Sewer	377.8	273.7	104.1	(29.9)	(25.8)	48.4	
Public Health Trust	650.6	876.0	(225.4)	18.1	217.1	9.8	
Rickenbacker	5.3	3.5	1.8	(.2)	-	1.6	
Vizcaya	2.5	2.4	.1	.1	-	.2	
Housing Agency	5.2	6.3	(1.1)	2.3	-	1.2	

* Operating Expenses include depreciation and assumption of closure and postclosure care cost of inactive landfills.
** Reported net loss is due to depreciation expense. Absent depreciation these operations would have reported net income.

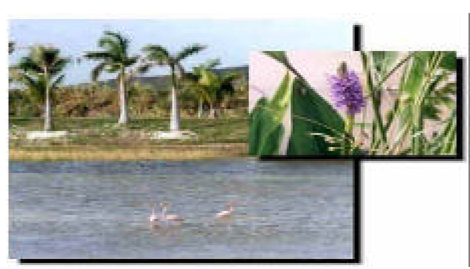
The following is a brief discussion of the operating results for the County’s major enterprise funds:

Transit Agency

The Miami-Dade Transit Agency is charged with the operation of a unified public transit system consisting of a bus fleet of 626 buses, a 21.1 mile above ground Metrorail system and a 4.2 mile Metromover system providing services throughout the County. Operating Revenues for the Transit Agency increased by 1.7% from the 1998 levels primarily attributed to a passenger fare and advertising revenue increase of $1.0 million or 1.2%. Operating expenses increased by 3.1% over the 1998 levels. Net loss after operating subsidies was $42.6 million, which is a reduction from the 1998 level of $53.9 million, a positive variance of 20.9%. The reported net loss is attributable to depreciation of $51.5 million.

The Transit Agency was selected by the Federal Transit Administration (FTA) to participate in the Bus Rapid Transit (BRT) Busway Demonstration Consortium. Only ten properties nationwide were selected. One of the central concepts of the BRT is to facilitate and give priority to the application of the latest technology, administrative support, land use policy and funds to the properties selected to be part of the consortium. The ultimate goal of FTA is to demonstrate that busways can operate with the speed, reliability and efficiency of a light rail system at a fraction of the cost.

As of September 30, 1999, the Transit Agency had a cumulative cash deficit from operations of $12.7 million, of which $6.1 million will be reimbursed from grantor agencies. The remaining cash deficit of $6.6 million represents accumulated operating expenditures in excess of cash receipts. The cash deficit was recorded as an interfund receivable in the County=s General Fund. This $6.6 million net cash deficit, compared to $17.8 million at year end 1998, will be eliminated in fiscal year 1999-2000 with one time revenues, including the sale of certain non-productive capital assets, pending lease-leaseback transaction proceeds, and anticipated net revenues over operating expenditures.



Solid Waste

The Department of Solid Waste Management is responsible for providing solid waste collection and recycling services to approximately 275,000 residential customers in the unincorporated area of Dade County, as well as countywide disposal for solid waste collected by County and private waste collection companies. Solid Waste has entered into long-term agreements with nineteen municipalities and three private haulers, including the two largest private haulers in Miami-Dade County, for delivery of waste to the Department for a period of twenty years. This public-private partnership has resulted in a continuing return of revenue waste tons to the Department's facilities.

Operating revenues for the fiscal year were $183.3 million, an increase of 8.6% from the 1998 levels. The revenue increased due to an increase in tipping fees and service area expansion, which grew by 5,500 customers. Operating expenses increased by $24.9 million or 17.4% from the previous year. The $25 million increase is primarily attributed to changes in the usage amortization and revision of closure estimates of active and inactive landfills. During 1998, the department recognized a net credit adjustment of $7.2 million due to changes in the closure and postclosure liability estimates; in comparison to an approximate $3.8 million charge in fiscal 1999. In 1999, the changes in estimated foreclosure and postclosure costs for inactive landfills amounted to approximately $3.5 million as compared to a credit reduction of approximately $10.5 million in fiscal 1998.

Seaport

The Seaport's revenue from operations decreased by $3.2 million or 4.7% from the 1998 levels due to the impact of natural disasters and economic down turn in certain trading markets.

During the past fiscal year, the Seaport successfully negotiated long term terminal agreements with its largest cruise customers. The annual revenue guarantees in these agreements affords the Port’s financial stability.

During the past fiscal year, the Seaport continued to pursue the growth and financial initiatives begun during 1998. As a result, despite the economic problems experienced by South America, the Seaport’s largest trading partner, cargo activity was down less than 2% for the year. The growth in cargo from Europe reflects the Seaport’s successful efforts to mitigate the loss of Latin America cargo by diversifying the Port’s cargo trading partners to include Europe, the Far East and Africa. Despite the impact of new cruise and cargo customer incentive agreements on fiscal year 1999 revenues, the Seaport was able to eliminate the $4.3 million deficit balance to the County’s General Fund carried over from the end of fiscal year 1998.

Aviation

The Miami-Dade Aviation Department operates the Miami International Airport as well as five general aviation airports. The general aviation airports and their related activities provide a significant role as they serve to alleviate traffic at MIA. In 1993, the Aviation Department embarked on a $4.7 billion redevelopment and expansion program which continues to move forward.

In 1998, the aviation industry witnessed significant changes, which caused the Aviation Department to undertake a comprehensive verification and revalidation study of its Capital Improvement Program (CIP). One of the major changes was the emergence of new, stronger, worldwide alliances of airlines, involving significant financial equity exchange between airline partners. Based on the study, the Department canceled certain projects resulting in the write-off of programming and design costs of approximately $36.8 million.

Plans for cargo facilities to house various tenants and their operations which were to be developed by the Aviation Department were discontinued. These facilities will be developed by specific users. As a result, the Aviation Department has written-off approximately $8.5 million of planning, programming and design costs for cargo area development.

The CIP was revised to reflect the current industry trends, and a revised $5.4 billion Capital Improvement Program was approved in July 1999 by the Board of County Commissioners. Through the end of 1999, 376 construction projects have been completed, 106 are in the planning and programming stages, 128 are in the design, bid and award process, and 104 are under construction. In December 1999, the Aviation Department celebrated the opening of Phase II of Concourse A, a project which consists of 242,000 square feet of new terminal space and 10 new aircraft gates. Also completed is the North Terminal Expansion, Phase III project which provides 305,000 square feet of terminal space that includes baggage check-in and claim areas, tenant offices, a vastly expanded Federal Inspection Services area for immigration customs, Public Health and Agriculture, and public areas.

In addition, American Airlines broke ground on the first phase of construction of the airports new $1.3 billion Miami World Gateway Terminal which has a scheduled completion date of 2004. The new terminal will be a state-of-the-art facility and will provide 47 jet gates for the airline, each of them capable of handling international aircraft, and 29 gates for American Eagle flights.

The Aviation Department's revenue from operations for the fiscal year ended September 30, 1999 was $452 million, a decrease of less than 1% from 1998 levels. Total operating expenditures for the fiscal year ended September 30, 1999 were $411 million, a decrease of $4.4 million or 1.1%. Non-operating expenses increased by $60.5 million.

Water and Sewer

Operating revenues for the fiscal year ended September 30, 1999 were $377.8 million, an increase of $5.2 million (1.3%) when compared to $372.6 million in revenues recorded in the fiscal year 1998. The increase in revenues was primarily attributed to increase in the number of retail water and wastewater customers, 5,833 and 7,018 respectively, during fiscal year 1999. The operating and maintenance expenses for the fiscal year ended September 30, 1999 were $184.6 million, a decrease of $6.8 million from the prior fiscal year. Total operating expense including depreciation was $273.7 million. The decrease is due largely to the reduced number of employees identified as part of the department's efficiency program and the resulting reorganization.

The Water and Sewer Department continued successful implementation of a $1 billion program to upgrade its wastewater system. The program was developed to comply with enforcement actions levied by the State of Florida and the United States Department of Justice on behalf of the United States Environmental Protection Agency. Through fiscal year 1999, the Department completed more than 77% of the program improvements. With these improvements, a dramatic reduction is evident in capacity related sanitary sewer overflows since the inception of the program. Further, the Department achieved a 50% increase in wastewater pump station capacity and a 15% increase in the average day wastewater treatment plant reserve. The reduction of sanitary sewer overflows is the primary goal of the program, which provides a safer environment for Miami-Dade County residents.

Public Health Trust

Operating revenues for the fiscal year ended September 30, 1999 were $650.6 million, an increase of $24.6 million, or 4.0% when compared to $626 million in revenues recorded in the fiscal year ended 1998. Operating expenses increased $68.1 million or 8.5%. Operating transfers in, consisting of indigent sales tax and general fund subsidies, increased by $12.5 million or 6.1%. Net income decreased from $46.3 million in 1998 to $9.8 million for fiscal year ending September 30, 1999.

DEBT MANAGEMENT

The County has continued 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 1999 for all Countywide bonded indebtedness was .837 mills representing a 9.90% decrease from the 1998 rate. Of the total Countywide millage, .552 mills or 66% is dedicated to the $553 million Decade of Progress Program, .232 mills or 27.4% is earmarked for the $200 million Criminal Justice Facilities Bond Program, and .053 mills or 6.6% is attributed to the $200 million Parks Bond Program. The total millage for all Miami-Dade Fire and Rescue Service District bonded debt service for 1999 was .068 mills.

The following chart indicates the principal amortization of the County's general obligation debt in five year increments. As can be seen, approximately 70% of the County's outstanding debt will be retired within the next ten years.

General Obligation Debt
Principal Amortization
For The Five Year Period Ending September 30,
(in thousands)

2004	$176,315
2009	46,960
2014	46,875
2019	51,876
2024	20,510

During fiscal 1999 and thereafter, the County accessed the municipal bond market via negotiated and competitive issuances, and entered into loan agreements with the State of Florida and other governmental bodies to permanently finance, or in some instances to refinance, the following:

$150,000,000 Dade County, Florida Aviation Revenue Bonds, Series 1998 C. The net proceeds of the Series 1998 C Bonds, together with certain other monies of the Aviation Department, will be used to provide funds to pay a portion of the cost of certain airport improvements included in the approved Capital Improvement Program, make a deposit to the Reserve Account, and pay certain costs of issuance of the Series 1998 C Bonds. The Series 1998 C Bonds were issued at interest rates ranging from 4.40% to 5.25% with a final maturity in fiscal year 2029.

$26,000,000 Dade County, Florida General Obligation Bonds (Parks Program), Series 1998. The proceeds of the Series 1998 Bonds will be used to provide funds for new and improved park facilities, and pay certain costs of issuance of the Series 1998 Bonds. The Series 1998 Bonds were issued at interest rates ranging from 4.2% to 6.0% with a final maturity in fiscal year 2024.

$77,640,000 Dade County, Florida Public Service Tax Revenue Bonds (UMSA Public Improvements, Series 1999. The proceeds of the Series 1999 Bonds together with other available monies of the County, will be used to provide funds for infrastructure projects solely in the unincorporated area of the County which form part of the County's Quality Neighborhoods Initiative Program ("QNIP") and pay certain costs of issuance of the Series 1999 Bonds, including the premium for a Reserve Fund Facility. The Series 1999 Bonds were issued at interest rates ranging from 4.00% to 5.25% with a final maturity in fiscal year 2024.

$41,580,000 Dade County, Florida Stormwater Utility Revenue Bonds, Series 1999. The proceeds of the Series 1999 Bonds together with other available monies of the County, will be used to provide funds for capital improvements to the County's Stormwater System in the unincorporated municipal service area of the County and pay certain costs of issuance of the Series 1999 Bonds, including the premium for a Reserve Account Credit Facility. The Series 1999 Bonds were issued at interest rates ranging from 3.00% to 5.00% with a final maturity in fiscal year 2024.

$43,430,000 Special Obligation (Courthouse Center Project) and Refunding Bonds, Series 1998 A&B. The proceeds of the Series 1998 Bonds were used to purchase non-callable direct government obligations to refund a portion of the outstanding Series 1994 and 1995 Bonds, pay the costs of completion of the Courthouse Center and pay certain costs of issuance of the Series 1998 Bonds, including the premium for a Reserve Fund Facility. The Refunding Bonds provided the County with a total savings in excess of $2.5 million in debt service which equated to $1.6 million in present value savings or 4.98% of the refunded issue. The Series 1998 Bonds were issued at interest rates ranging from 3% to 4.75% with a final maturity in fiscal 2020.

$20,605,000 Sunshine State Financing Commission Loan, Series 1998 and $36,000,000 Sunshine State Financing Commission Loan, Series 1998. The loan proceeds will finance marine structures, cargo and cruise terminals and related infrastructure improvements, and intermodal container facilities.

$150,000,000 Water and Sewer System Revenue Bonds, Series 1999A. The proceeds of the Series 1999 Bonds, together with certain other monies of the Water and Sewer Department, will be used to provide funds to pay for additions, extensions and improvements to the County's water and sewer utility system, make a deposit to the Reserve Account, and pay certain costs of issuance of the Series 1999A Bonds. The Series 1999A Bonds were issued at an interest rate of 5% with a final maturity in fiscal year 2030.

The County's financial management team has consistently demonstrated its ability to responsibly manage the fiscal affairs of the government. The nationally recognized ratings on County bonds have reflected these strengths through current high investment grade ratings of A1 and A+ from Moody's Investors Service and Standard & Poor's Corporation, respectively.

CONSTRUCTION MANAGEMENT

The County's current six year Capital Improvement Plan covering the period from October 1, 1999 through September 30, 2005 highlights 589 projects with an estimated cost of $9.1 billion. Of this amount, 64% represents the transportation area, with Aviation improvements comprising 68% of the total multi-year transportation program costs. Capital projects in the physical environment category comprise 20% of the total spending plan with approximately 17% attributable to the Water and Sewer Department.

Major capital projects for fiscal year 2000, other than Aviation and Water and Sewer capital improvements, include:

- construction of the Carol City Police Station,
- interior renovations to the building purchased to serve as the Fire and Rescue Headquarters, which will house all departmental administrative personnel and also accommodate the Emergency Operations Center and staff of the Emergency Management Division,
- site selection and acquisition process for the construction of a new Fire Rescue training facility,
- construction of the various Fire Rescue Stations,
- acquisition of replacement and expansion buses,
- construction of the Palmetto Rail extension,
- completion of the Mt. Sinai Medical Center Intermodal Transportation Center,
- landfill closures,
- construction of new surgical suites and intensive care units at Jackson Memorial Hospital,
- public housing improvements,
- Community Development Block Grant funded projects,
- Safe Neighborhood Parks projects, and
- Quality Neighborhood Improvement Program (QNIP) projects.

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

The Miami-Dade Empowerment Zone, approved by the federal government in January 1999, will create opportunity, rebuild poverty-stricken communities in designated areas, and create jobs and opportunities for Empowerment Zone residents. The fiscal year 2000 Capital Budget includes 91 projects located in the Empowerment Zone with expenditures of $788.57 million and mutli-year expenditures through fiscal year 2005 total $5 billion.

The Quality Neighborhoods Improvement Program, approved by the Board in September 1998 totals approximately $143 million and addresses infrastructure needs in older urban neighborhoods and high growth areas.

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

	Fiscal Year 2000		Fiscal Year 2000-2005	
	Amount	**%**	**Amount**	**%**
Debt Proceeds	$ 974,618	59.36	$5,741,611	63.36
County Proprietary Operations	242,347	14.76	1,219,238	13.45
Federal	169,136	10.31	883,645	9.75
State	64,826	3.95	308,684	3.41
Impact Fees and Contributions	92,007	5.61	397,089	4.38
Gas Taxes	22,765	1.39	163,265	1.80
Other	75,897	4.62	348,858	3.85
Total	$ 1,641,596	100.00	$9,062,390	100.00

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

	Fiscal Year 2000		Fiscal Year 2000-2005	
	Amount	**%**	**Amount**	**%**
Transportation	$ 927,421	56.50	$5,765,931	63.62
Physical Environment	347,867	21.19	1,822,192	20.11
Health and Human Services	154,199	9.39	758,029	8.36
Protection of People and Property	43,728	2.66	151,850	1.68
Culture and Recreation	131,014	7.98	511,176	5.64
Internal Support and General Government	37,367	2.28	53,212	.59
Total	$ 1,641,596	100.00	$9,062,390	100.00

CASH MANAGEMENT

In order to achieve maximum 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.

Commencing with fiscal year 1995, the County adopted a formal investment policy which applies to all investment of public funds. Idle 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.

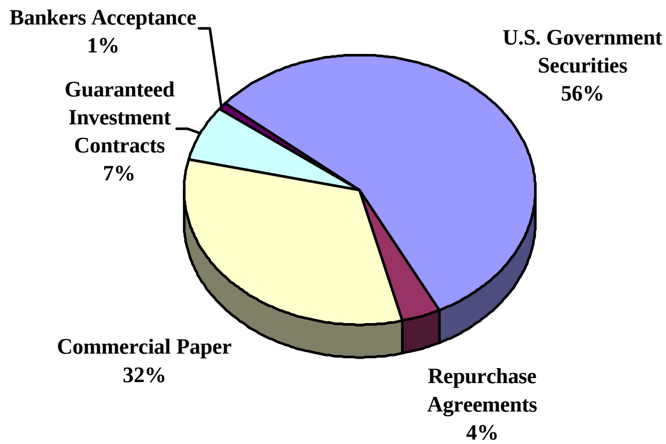
During fiscal year 1999, the average investment yield realized by the County was 5.27%. As in the past, treasury activities have realized forecasted returns and have been a significant contributor in the attainment of revenues to meet the many service demand levels identified by the administration and management.

A summary and comparison of treasury activity for the last three fiscal years is as follows (in thousands):

	1999	1998	1997
Average Portfolio Balance	$2,350,623	$1,918,272	$1,878,916
Average Investment Yield	5.27%	5.77%	5.66%
Interest Earned on Investments Managed by the Finance Department	$123,661	$110,766	$106,316

The following chart summarizes the County's investments, including cash equivalents, at September 30, 1999:

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 thirteen fiscal 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.

The following recaps the County's deposits in participating minority owned banks in the past three fiscal years:

1999	$ 63,184,200
1998	56,435,685
1997	174,851,524

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. The health and life insurance programs are administered by an independent administrator. 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.

At September 30, 1999, the estimated liability for insurance claims which are expected to be paid with available financial resources was $46,569,000. The estimated long term liability for insurance claims, which are not expected to be paid with available financial resources at September 30, 1999, was $86,382,000.

In December 1995, the County entered into a loan agreement with the Florida Sunshine State Commission. The purpose of the loan is to provide additional cash reserves in the event of a cataclysmic occurrence. The $41,200,000 loan is on deposit with a fiscal agent. The carrying costs of the loan are offset by interest earnings. In the event of a drawdown, the debt service payments will be generated by increasing the annual premiums charged to participants of the self-insurance fund. This loan arrangement enables the County to help cover its potential long term liability at a nominal cost without adversely impacting the County's fiscal operations.

INDEPENDENT AUDIT

The general purpose financial statements for 1999 were audited by KPMG LLP, and their opinion resulting from their audit, is included in this Comprehensive Annual Financial Report. Their audit was performed in accordance with generally accepted auditing standards, Government Auditing Standards and the Rules of the Auditor General State of Florida. The scope of the audit was sufficient to satisfy State, Federal and County Charter requirements.

CERTIFICATE OF ACHIEVEMENT

For the nineteenth 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, 1998. 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 had 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 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.

The County's 1998 Comprehensive Annual Financial Report has been evaluated by 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. We believe that the 1999 Comprehensive Annual Financial Report continues to conform to the high standards of the Certificate of Achievement Program and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

The preparation and completion of this Comprehensive Annual Financial Report 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 Comprehensive Annual Financial Report to be issued on a timely basis; and the Research Division 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