Note 1 – Summary of Significant Accounting Policies

1-A. Reporting Entity

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

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

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

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

The financial position and result of operations of the following entities are reported as part of the primary government in the accompanying financial statements. They are not component units because they do not hold sufficient corporate powers of their own to be considered legally separate from the County for financial reporting purposes:

- The Public Health Trust (the "PHT") provides countywide healthcare services and is responsible for the operation, governance and maintenance of County health facilities. The PHT has its own governing board, which is appointed by the Commission. However, it is not considered to be legally separate from the County and is reported as an enterprise fund of the County.

- The Clerk of the Circuit and County Courts (the "Clerk") is an elected official whose principal function is to provide support to the Courts (Civil, Criminal and Traffic) and perform the ex-officio duties of the County Auditor, Custodian of Public Funds and County Recorder. As a result of the budgetary control by the County and its financial dependency on the County, the Clerk's activities are included as part of the primary government in the accompanying financial statements.

- The Naranja Lakes Community Redevelopment Agency (the "NLCRA") was created by the Miami-Dade County Board of County Commissioners (the "BCC") on October 24, 2002. The BCC appointed the NLCRA Board of Commissioners and delegated certain community redevelopment powers to it. All other powers not specifically delegated to the NLCRA are reserved exclusively by the BCC. The NLCRA balance sheet as of September 30, 2007 is included in the County's Other Governmental Funds balance sheet presented in this CAFR. For the fiscal year ended September 30, 2007 NLCRA revenues of $2,168,366 and expenditures of $1,383,687 are included in Capital Project Funds and Other Special Revenue Funds in this CAFR.

- The 7th Avenue Community Redevelopment Agency (the "Agency") was created by the Miami-Dade County Board of County Commissioners (the "BCC") on June 22, 2004, at which time the

BCC appointed itself as the Board of the Agency. The BCC created a redevelopment trust fund to be funded with ad valorem tax increment revenues in order to finance or refinance proposed community redevelopment and to facilitate the implementation of creative tax financing strategies. The Agency's trust fund balance sheet as of September 30, 2007 is included in the County's Other Governmental Funds balance sheet presented in this CAFR. For the fiscal year ended September 30, 2007 the Agency's trust fund revenues of $413,127 are included in the Other Special Revenue funds in this CAFR.

Component Units:

Housing Finance Authority (HFA)

The HFA provides financing for residential housing to persons or families of moderate, middle or lesser income. The HFA is a component unit of the County since the Commission appoints the thirteen members of its governing board and has the ability to impose their will on the board. It qualifies for discrete presentation in the County's financial statements, and is therefore reported in a separate column in the County's government-wide financial statements.

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

Jackson Memorial Foundation, Inc.

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

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

Related Organizations:

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

- The MDHA Development Corp. develops and manages low-income housing facilities for qualifying individuals. The directors are elected and dismissed only by existing board of director members. The MDHA Development Corp. is financially independent. The County is not financially accountable for the MDHA Development Corp. because it cannot impose its will on the organization.

- The Miami-Dade Industrial Development Authority (the "IDA") develops and manages the Tax-Exempt Industrial Development Revenue Bond Program that serves as a financial incentive to support private sector business and industry expansion and location in Miami-Dade County. The Commission appoints the members of IDA's governing board. However, the County is not financially accountable for IDA because it cannot impose its will on the organization. IDA bonds are not obligations of the County, and IDA's operations neither provide a financial benefit to nor impose a financial burden on the County. Therefore, the IDA is not included in the accompanying financial statements.

- The Performing Arts Center Trust (PACT), a non-profit corporation, was created by the Board of County Commissioners in 1991 to oversee the planning, design, construction and operation of the Performing Arts Center (PAC). The Mayor of Miami-Dade County appoints the 32 trustees of the PAC, a majority of which are predetermined by ordinance or are selected by others outside the County government, hence the Mayor's appointment authority is not substantive. The PAC is financially independent from the County, and Miami-Dade County is not entitled to, or has the ability to otherwise access, the economic resources of the PAC. Therefore, the PAC is not included in the accompanying financial statements.

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

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

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

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

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

Government-wide financial statements:

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

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

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

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

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

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

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

Fund financial statements:

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

Major Governmental Funds

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

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

Major Proprietary Funds

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

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

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

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

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

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

Public Health Trust (PHT): The PHT was created by a County ordinance in 1973 that provided for an independent governing body responsible for the operation, governance and maintenance of certain designated health facilities. The PHT operates the Jackson Memorial Hospital and Medical Towers, the North Dade Primary Health Care Facility, the Corrections Health Services Facility, the Liberty City Medical Facility, and other health facilities.

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

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

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

Agency Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Investments
Cash includes cash on hand, amounts in demand deposits, and positions in investment pools that can be deposited or withdrawn without notice or penalty. Cash equivalents are short-term, highly liquid securities with known market values and maturities, when acquired, of less than three months.

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

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

Inventories

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

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

Mortgage and Notes Receivable

Mortgages and notes receivable arise from the County's housing development programs that provide low-income housing assistance to eligible applicants and developers. These receivables are collateralized by the property for which the mortgage has been issued. Mortgages and notes receivable total $505,081,000 and have an estimated allowance for uncollectible accounts of $308,936,000.

Accounts Receivables

Accounts receivable reported by the enterprise funds as of September 30, 2007 are net of an allowance for uncollectible accounts of $463,344,000.

Property Taxes

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

Capital Assets

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

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

Interest expense related to borrowings used for construction projects of business-type activities is capitalized, net of interest earned on the same funds. Interest capitalization ceases when the construction project is substantially complete. Net interest capitalized during fiscal year 2007 amounted to $84,337,000. Interest is not capitalized for construction projects of governmental funds.

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

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

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

Restricted Net Assets

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

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

As of September 30, 2007, Miami-Dade County had $2.399 billion of restricted net assets, of which $845 million was restricted by enabling legislation.

Reservations of Fund Balances

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

Donor-restricted endowments
The permanent funds for the Metrozoo and public libraries report nonexpendable restricted assets of $2,781,000 and $479,000, respectively, and net appreciation of $387,000 and $29,000 respectively. Under the terms of the endowments and consistent with State statutes, the County is authorized based on a total-return policy to spend the net appreciation on those programs. Any amounts not spent during a particular fiscal year may be carried forward to be spent in future years.

Long-term Obligations
In the government-wide and proprietary type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts and deferral amounts on refunding are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method if it does not differ materially from the interest method. Bonds payable are reported net of the applicable bond premium or discount and deferral amounts on refunding. Bond issuance costs are reported as deferred charges and amortized using the straight-line method over the life of the bonds.

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

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

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

The government-wide statement of net assets for September 30, 2007 includes a liability for accumulated vacation and sick pay of $561,955,000. Of this amount an estimated $222,647,000 is payable within a year and the remaining balance of $339,308,000 is payable after one year.

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

Note 2 - Stewardship, Compliance and Accountability

Miami-Dade Housing Agency
The financial reporting entity for Miami-Dade County includes, among other programs, the combined operations of the Miami-Dade Housing Agency (MDHA), a department of Miami-Dade County. The MDHA activities are summarized in the County's CAFR in the Documentary Stamp Surtax Special Revenue Fund, State Housing Initiatives Special Revenue Fund, Other Housing Programs Special Revenue Fund, and the Housing Nonmajor Enterprise Fund, and are included in the County's governmental and business-type activities.

US HUD Takeover of MDHA

On August 7, 2007, the United States Department of Housing and Urban Development (US HUD) notified the County that it would take control of MDHA, citing the agency was in substantial default of its Public Housing Annual Contributions Contract by failing to maintain its books and records accurately and in accordance with GAAP. Additionally on August 7, 2007, US HUD declared the County in default of the Section 8 Consolidated Annual Contributions Contract, alleging failure to make progress in eliminating the backlog of annual reexaminations and failure to maintain books and records in accordance with US HUD requirements. The US HUD takeover action was authorized pursuant to the United States Housing Act of 1937.

On October 2, 2007, Miami-Dade County entered into a Settlement Agreement and Work Plan which enabled US HUD to take possession of MDHA effective on October 26, 2007. Under the Settlement Agreement, US HUD agreed to return possession of MDHA to the County upon the agency accomplishing specified tasks to improve operations. Nine months after the effective date, if the County believes that all items in the Work Plan have been met, it could petition US HUD to return MDHA's projects and programs. If US HUD agrees that all items in the Work Plan have been accomplished, US HUD will return MDHA's projects and programs to the County within 10 business days of US HUD's determination. If US HUD determines that one or more of the Work Plan have not been accomplished, US HUD shall not be required to grant the County's request.

On July 17, 2008, the County adopted Resolution 868-08, approving and authorizing execution of an amendment to the Settlement Agreement and Work Plan, subject to the approval of the U.S. Department of Justice and ratification by the Federal District Court. The agreement amends the Work Plan and serves to formalize agreed upon items necessary prior to US HUD returning the MDHA to the County. The following summarizes the activities that must be completed, among others.

1. The County and HUD agreed to the outsourcing of the management of the Section 8 program to a qualified entity having expertise in the administration of a Section 8 program.

2. US HUD will continue to oversee the financial services contract support to ensure that objectives and tasks of that contract are being achieved.

3. US HUD and the County agree that the 12 month timeframe of the original temporary possession, which was slated to end October 26, 2008, will be extended until December 1, 2008.

4. During the Transition Period, US HUD and the County will mutually agree upon an MOU for MDHA, which will (1) identify various action items for MDHA once possession is returned to the County, including any performance and/or compliance deficiencies that were identified prior to, or as a result of US HUD's temporary possession of MDHA's projects and programs; (2) describe the actions that will be necessary to correct each deficiency; (3) provide a timetable for the correction of each deficiency; (4) require completion of any outstanding items contained in Paragraph I of the Amendment; and (5) include any intervention identified in 24 C.F.R. & 902.83, for failing to comply with the terms of the MOU.

Section 8 Over- and Underpayments

US HUD identified possible issues with the Section 8, private rental assistance program payments to landlords. US HUD hired a consultant to review the Section 8 files; this effort is still ongoing. To date the effort identified certain underpayments and overpayments. Communications with HUD officials indicate that to the extent that underpayments are identified, the housing assistance payments (HAP) will be used to make the payments. To the extent that overpayments are identified, HUD will offset the overpayment from future HAP payments or seek reimbursement from the landlords. The review is ongoing, but the likelihood that there will be a negative impact to the General Fund is remote at this time.

Housing Opinion

For the separately issued MDHA financial statements, the auditor's report was adverse for MDHA's General Fund, Section 8 and Homeless Programs Fund, the Low Income Housing Program Fund and the non-major governmental funds (all of which are combined to represent the Other Housing Programs, a non-major governmental fund in the County's CAFR) and the Section 8 Special Allocation Fund and Mixed Income Housing Fund (which are combined to represent the Housing Agency Public Housing Division- Enterprise Fund, a non-major enterprise fund in the County's CAFR) as well as MDHA's governmental activities and business-type activities.

Self-Insurance Net Assets Deficit

As of September 30, 2007, the Self-Insurance Internal Service Fund had a deficit in net assets of $55.198 million. The deficit is the result of estimated losses incurred but not reported (IBNR). The County currently partially funds IBNR liability and has steadily increased such coverage in recent years. The premium rates charged to County departments for health insurance, workers compensation and general liability have been adjusted to reflect rising costs of insurance. As required by generally accepted accounting principles (GASB Codification C50.128), the County has implemented an action plan to eliminate the accumulated deficit over a reasonable period of time.

Legally Adopted Budgets

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

Note 3 - Cash, Cash Equivalents and Investments

Deposits and Investments:

Miami-Dade County ("the County") is authorized through Florida Statutes §218.415, Ordinance No. 84-47, Resolution R-1074-04 and its Investment Policy to make certain 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.

Each fund's equity share of the total pooled cash, cash equivalents and investments is included in the accompanying financial statements under the caption "Cash and cash equivalents" and "Investments."

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

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

At September 30, 2007, the cash on hand of the primary government and fiduciary funds totaled $382,580,923, exclusive of cash in PHT's Pension Trust Fund (Note 9) and cash collateral for security lending transactions (Note 3). The carrying value of cash equivalents and investments of the primary government and fiduciary funds, other than PHT's Pension Trust Fund, include the following (in thousands):

Investment Type	Fair Value
Federal Home Loan Mortgage Corporation	$ 584,677
Federal Home Loan Bank	509,869
Federal Farm Credit Bank	169,388
Fannie Mae	621,646
Federal Agricultural Mortgage Corporation	64,929
State of Florida Local Government Investment Pool	514,667
Time Deposits	197,202
Treasury Notes	45,684
Aim Money Market	9,127
Commercial Paper	1,261,748
Municipal Bonds	86,097
Repurchase Agreements	187
Guaranteed Investment Contracts	506,521
	$ 4,571,742

Credit Risk

The County's Investment Policy (the Policy), minimizes credit risk by restricting authorized investments to: the State of Florida Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to Florida Statutes §280.02, which are defined as banks, savings bank, or savings association organized under the laws of the United States with an office in this state that is authorized to receive deposits, and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the United States Treasury; federal agencies and instrumentalities; securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the United States government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; Commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least one nationally recognized rating service; Bankers Acceptances which have a stated maturity of 180 days or less from the date of its issuance, and have the highest letter and numerical rating as provided for by at least one nationally recognized rating service, and are drawn on and accepted by commercial banks and which are eligible for purchase by the Federal Reserve Bank; Investments in Repurchase Agreements ("Repos") collateralized by securities authorized by this policy. Securities Lending - Securities or investments purchased or held under the provisions of this section may be loaned to securities dealers or financial institutions provided the loan is collateralized by cash or securities having a market value of at least 102% of the market value of the securities loaned upon initiation of the transaction. The credit ratings below were consistent among the three major rating agencies (Moody's, Standard and Poor's, and Fitch).

The State of Florida Local Government Surplus Funds Trust Fund Investment Pool (the "Pool") is a "2a-7 like" pool and is not registered by the Securities and Exchange Commission. The Pool is governed by Chapter 19-7 of the Florida Administrative Code and is administered by the Florida State Board of

Administration (SBA), an agency of the State of Florida with regulatory oversight exercised by the State. As of 9/30/2007 the Pool was not rated. The Pool account balance (amortized cost) is used as fair value for financial reporting. See Note 13.

The table below summarizes the investments by credit rating at September 30, 2007.

Investment Type	Credit Rating (N/A: Not Rated)
Federal Home Loan Mortgage Corporation	AAA
Federal Home Loan Bank	AAA
Federal Farm Credit Bank	AAA
Federal National Mortgage Association	AAA
Federal Agricultural Mortgage Corporation	N/A
State of Florida Local Government Investment Pool	N/A
Time Deposits	N/A
Treasury Notes	N/A
Commercial Paper	A1/P1
Municipal Bonds	AAA
Repurchase Agreements	N/A
Guaranteed Investment Contracts	N/A

Custodial Credit Risk

The Policy requires that bank deposits be secured per Chapter 280, Florida Statutes. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2007 all of the County's bank deposits were in qualified public depositories and as such the deposits are not exposed to custodial credit risks.

The Policy requires the execution of a Custodial Safekeeping Agreement (CSA) for all purchased securities and shall be held for the credit of the County in an account separate and apart from the assets of the financial institution.

Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 50% of the portfolio may be invested in the State of Florida Local Government Surplus Trust Fund (the "Pool"), however, bond proceeds may be temporarily deposited in the Pool until alternative investments have been purchased; a maximum of 30% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund; a maximum of 20% of the portfolio may be invested in non-negotiable interest bearing time certificates of deposit or savings accounts with no more than 5% deposited with any one issuer; a maximum 75% of the total portfolio may be invested in federal agencies and instrumentalities with no limits on individual issuers (investment in agencies containing call options shall be limited to a maximum of 25% of the total portfolio); a maximum of 5% of the portfolio may be invested in open-end or closed-end funds; a maximum of 50% of the portfolio may be invested in prime commercial paper with a maximum of 5% with any one issuer; a maximum of 25% of the portfolio may be invested in bankers acceptance with a maximum of 10% with any one issuer; a maximum of 60% of the portfolio may be invested in both commercial paper and bankers acceptance; a maximum of 20% of the portfolio may be invested in repurchase agreements with the exception of one (1) business day agreements, with a maximum of 10% of the portfolio in any one institution or dealer with the exception of one (1) business day agreements.

As of September 30, 2007 the following issuers held 5% or more of the investment portfolio:

Issuer	% of Portfolio
Federal Home Loan Bank	14.03%
Federal Home Loan Mortgage Corporation	15.00%
Federal National Mortgage Association	15.99%

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

Interest Rate Risk

The Policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash outflow requirements; following historical spread relationships between different security types and issuers; evaluating both interest rate forecasts and maturity dates to consider short-term market expectations. The Policy requires that investments made with current operating funds shall maintain a weighted average of no longer than 1 year. Investments for bond reserves, construction funds and other non-operating fund shall have a term appropriate to the need for funds and in accordance with debt covenants. The Policy limits the maturity of an investment to a maximum of 5 years.

As of September 30, 2007 the County had the following investments with the respective weighted average maturity.

Investment Type	Weighted Average in Years
Federal Home Loan Mortgage Corporation	0.98
Federal Home Loan Bank	1.23
Federal Farm Credit Bank	1.61
Fannie Mae	0.63
Federal Agricultural Mortgage Corporation	0.20
State of Florida Local Government Investment Pool	1 day
Time Deposits	0.43
Treasury Notes	0.61
Commercial Paper	0.08
Municipal Bonds	1.84

Foreign Currency Risk

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

Cash Deficits

As of September 30, 2007, the Transit Agency, the Hurricane Funds and the Health Development Fund had cash deficit balances of approximately $128.4 million, $35.6 million and $348,000 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.

Swaps

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

Securities Lending

Miami-Dade County ("the County") is authorized through Florida Statutes §218.415, Ordinance No. 84-47, Resolution R-1074-04 and its Investment Policy to lend its investment securities on a fully collateralized, temporary basis to approved broker-dealers and other counterparties ("Borrowers") pursuant to a Securities Lending Agreement ("Agreement") that provides for the return of identical securities in the future. The County has executed an Agreement with a bank acting as the County's securities lending agent ("Agent") in these transactions. There were no violations of legal or contractual provisions during the year.

While the County's investment policy does not restrict the types of securities on loan, during the year the County made only specific portfolios available for loan consisting of US Government securities. The Agent lends securities of the type on loan at year-end in exchange for collateral in the form of U.S. securities issued or guaranteed by the U.S. Government at 102% margin or cash at minimum of 100% margin, plus accrued interest, at the initiation of the transaction. Loan transactions are marked to market daily to ensure that adequate collateral is held at all times.

At September 30, 2007, the County had no credit risk exposure to borrowers because the value of the collateral held by the County's Agent exceeded the value of the securities on loan. In the event of a borrower default, the Agent has the authority to seize collateral on the County's behalf. The Agreement with the Agent requires it to indemnify the County against losses caused by the insolvency of a borrower. No losses were recognized because of default by counterparties. The County was not exposed to custodial credit risk since cash collateral was fully invested at all times. There was no interest rate risk involved in the securities lending transactions since the maturity of loans and investments made with cash collateral had identical maturities and repricing characteristics. There was no foreign currency risk involved in the County's securities lending activities as all transactions were negotiated in US dollars.

All securities loans can be terminated on demand by either the County or the borrower. The average term of the loans is one day. Cash collateral is reported as an asset of the County in the accompanying basic financial statements with an offsetting liability. Under the terms of the Agreement with borrowers, the County cannot pledge or sell securities that it receives as collateral unless the borrower defaults on its obligations. During the period, all loans were collateralized by cash. The Agreement authorizes the Agent to invest cash collateral in instruments approved by the County. During the period, cash collateral was invested in repurchase agreements and an SEC registered money market fund rated AAA by S&P. The Agent indemnifies the County against losses associated with investing cash collateral in repurchase agreements. As of September 30, 2007, the market value of securities on loan was $1,142,063,000.

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2007 for the governmental activities, business-type activities and major proprietary funds was as follows (in thousands)

Governmental activities:	Beginning Balance As Previously Reported September 30, 2006	Prior Period Adjustment (Restated - Note 11)	Beginning Balance Restated September 30, 2006	Additions	Deletions	Ending Balance September 30, 2007
Capital assets, not being depreciated:						
Land	$ 561,720		$ 561,720	$ 30,706	$ (347)	$ 592,079
Construction in progress	265,138		265,138	167,796	(163,465)	269,469
Total capital assets, not being depreciated	826,858	-	826,858	198,502	(163,812)	861,548
Capital assets, being depreciated:						
Building and building improvements	2,226,300	$ (89,377)	2,136,923	98,793	(1,864)	2,233,852
Infrastructure	2,182,855		2,182,855	109,473		2,292,328
Machinery and equipment	373,097	(33,344)	339,753	60,628	(15,265)	385,116
Total capital assets, being depreciated	4,782,252	(122,721)	4,659,531	268,894	(17,129)	4,911,296
Less accumulated depreciation for:						
Building and building improvements	(812,011)	206,417	(605,594)	(47,264)	217	(652,641)
Infrastructure	(1,273,720)		(1,273,720)	(47,381)		(1,321,101)
Machinery and equipment	(212,529)	26,535	(185,994)	(35,634)	14,481	(207,147)
Total accumulated depreciation	(2,298,260)	232,952	(2,065,308)	(130,279)	14,698	(2,180,889)
Total capital assets, being depreciated, net	2,483,992	110,231	2,594,223	138,615	(2,431)	2,730,407
Total governmental capital assets, net	$ 3,310,850	$ 110,231	$ 3,421,081	$ 337,117	$ (166,243)	$ 3,591,955
Business-type activities:						
Capital assets, not being depreciated:						
Land	$ 567,714	$ (215)	$ 567,499	$ 59,991	$ (270)	$ 627,220
Construction in progress	2,603,943		2,603,943	672,053	(1,423,741)	1,852,255
Total non-depreciable assets	3,171,657	(215)	3,171,442	732,044	(1,424,011)	2,479,475
Capital assets, being depreciated:						
Building and building improvements	5,021,555	(1,308)	5,020,247	1,209,042	(29,198)	6,200,091
Infrastructure	4,745,007		4,745,007	184,506	(3,555)	4,925,958
Machinery and equipment	2,109,732	(3,238)	2,106,494	196,535	(46,847)	2,256,182
Total capital assets, being depreciated	11,876,294	(4,546)	11,871,748	1,590,083	(79,600)	13,382,231
Less accumulated depreciation for:						
Building and building improvements	(2,072,413)	2,227	(2,070,186)	(174,083)	15,387	(2,228,882)
Infrastructure	(1,643,150)		(1,643,150)	(135,348)	3,555	(1,774,943)
Machinery, and equipment	(1,290,022)	2,244	(1,287,778)	(138,439)	26,448	(1,399,769)
Total accumulated depreciation	(5,005,585)	4,471	(5,001,114)	(447,870)	45,390	(5,403,594)
Total capital assets, being depreciated, net	6,870,709	(75)	6,870,634	1,142,213	(34,210)	7,978,637
Total business-type capital assets, net	$ 10,042,366	$ (290)	$ 10,042,076	$ 1,874,257	$ (1,458,221)	$ 10,458,112

MDT	Balance September 30, 2006	Additions	Deletions	Balance September 30, 2007
Capital assets, not being depreciated:				
Land	$ 198,167	$ 4,742	$ (270)	$ 202,639
Construction in progress	84,712	67,917	(23,846)	128,783
Total capital assets, not being depreciated	282,879	72,659	(24,116)	331,422
Capital assets, being depreciated:				
Buildings and building improvements	1,404,425	59		1,404,484
Machinery and equipment	577,114	39,870	(704)	616,280
Total capital assets, being depreciated	1,981,539	39,929	(704)	2,020,764
Less accumulated depreciation for:				
Buildings and building improvements	(549,689)	(30,614)		(580,303)
Machinery and equipment	(316,132)	(34,930)		(351,062)
Total accumulated depreciation	(865,821)	(65,544)		(931,365)
Total capital assets, being depreciated, net	1,115,718	(25,615)	(704)	1,089,399
Total MDT capital assets, net	$ 1,398,597	$ 47,044	$ (24,820)	$ 1,420,821
SOLID WASTE				
Capital assets, not being depreciated:				
Land	$ 57,544	$ 142		$ 57,686
Construction in progress	19,248	4,377	$ (9,993)	13,632
Total capital assets, not being depreciated	76,792	4,519	(9,993)	71,318
Capital assets, being depreciated:				
Buildings and building improvements	308,289			308,289
Infrastructure	134,201			134,201
Machinery and equipment	111,113	54,480	(10,323)	155,270
Total capital assets, being depreciated	553,603	54,480	(10,323)	597,760
Less accumulated depreciation for:				
Buildings and building improvements	(235,854)	(11,347)		(247,201)
Infrastructure	(107,874)	(8,517)		(116,391)
Machinery and equipment	(56,929)	(11,579)	9,479	(59,029)
Total accumulated depreciation	(400,657)	(31,443)	9,479	(422,621)
Total capital assets, being depreciated, net	152,946	23,037	(844)	175,139
Total Solid Waste capital assets, net	$ 229,738	$ 27,556	$ (10,837)	$ 246,457

SEAPORT	Balance September 30, 2006	Additions	Deletions	Balance September 30, 2007
Capital assets, not being depreciated:				
Land	$ 152,506	$ 46,366		$ 198,872
Construction in progress	162,827	36,428	$ (163,775)	35,480
Total capital assets, not being depreciated	315,333	82,794	(163,775)	234,352
Capital assets, being depreciated:				
Buildings and building improvements	351,172	81,271	(28,062)	404,381
Infrastructure	217,719	42,978		260,697
Machinery and equipment	15,136	17,677		32,813
Total capital assets, being depreciated	584,027	141,926	(28,062)	697,891
Less accumulated depreciation for:				
Buildings and building improvements	(130,594)	(10,793)	14,291	(127,096)
Infrastructure	(58,035)	(5,709)		(63,744)
Machinery and equipment	(10,280)	(1,425)		(11,705)
Total accumulated depreciation	(198,909)	(17,927)	14,291	(202,545)
Total capital assets, being depreciated, net	385,118	123,999	(13,771)	495,346
Total Seaport capital assets, net	$ 700,451	$ 206,793	$ (177,546)	$ 729,698

AVIATION				
Capital assets, not being depreciated:				
Land	$ 88,836			$ 88,836
Construction in progress	1,880,809	$ 411,271	$ (1,088,491)	1,203,589
Total capital assets, not being depreciated	1,969,645	411,271	(1,088,491)	1,292,425
Capital assets, being depreciated:				
Buildings and building improvements	2,459,798	1,087,569	(1,136)	3,546,231
Infrastructure	1,090,633	6,569		1,097,202
Machinery and equipment	277,271	5,281	(2,731)	279,821
Total capital assets, being depreciated	3,827,702	1,099,419	(3,867)	4,923,254
Less accumulated depreciation for:				
Buildings and building improvements	(884,298)	(99,493)	1,096	(982,695)
Infrastructure	(411,861)	(7,802)		(419,663)
Machinery and equipment	(165,254)	(15,301)	2,205	(178,350)
Total accumulated depreciation	(1,461,413)	(122,596)	3,301	(1,580,708)
Total capital assets, being depreciated, net	2,366,289	976,823	(566)	3,342,546
Total Aviation capital assets, net	$ 4,335,934	$ 1,388,094	$ (1,089,057)	$ 4,634,971

WATER & SEWER	Balance September 30, 2006	Additions	Deletions	Balance September 30, 2007
Capital assets, not being depreciated:				
Land	$ 35,420	$ 2,854		$ 38,274
Construction in progress	390,497	127,570	$ (114,057)	404,010
Total capital assets, not being depreciated	425,917	130,424	(114,057)	442,284
Capital assets, being depreciated:				
Infrastructure	3,239,628	124,158	(3,555)	3,360,231
Machinery and equipment	804,456	26,626	(8,065)	823,017
Total capital assets, being depreciated	4,044,084	150,784	(11,620)	4,183,248
Less accumulated depreciation for:				
Infrastructure	(1,029,366)	(109,275)	3,555	(1,135,086)
Machinery and equipment	(529,696)	(49,759)	7,953	(571,502)
Total accumulated depreciation	(1,559,062)	(159,034)	11,508	(1,706,588)
Total capital assets, being depreciated, net	2,485,022	(8,250)	(112)	2,476,660
Total Water and Sewer capital assets, net	$ 2,910,939	$ 122,174	$ (114,169)	$ 2,918,944

PHT				
Capital assets, not being depreciated:				
Land	$ 30,748	$ 5,887		$ 36,635
Construction in progress	53,700	24,315	$ (13,589)	64,426
Total capital assets, not being depreciated	84,448	30,202	(13,589)	101,061
Capital assets, being depreciated:				
Buildings and building improvements	455,816	38,312		494,128
Infrastructure	28,634	811		29,445
Machinery and equipment	315,885	52,505	(25,023)	343,367
Total capital assets, being depreciated	800,335	91,628	(25,023)	866,940
Less accumulated depreciation for:				
Buildings and building improvements	(254,827)	(20,464)		(275,291)
Infrastructure	(16,751)	(2,128)		(18,879)
Machinery and equipment	(209,074)	(24,268)	6,811	(226,531)
Total accumulated depreciation	(480,652)	(46,860)	6,811	(520,701)
Total capital assets, being depreciated, net	319,683	44,768	(18,212)	346,239
Total PHT capital assets, net	$ 404,131	$ 74,970	$ (31,801)	$ 447,300

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

Governmental Activities
Depreciation Expense by Function
(in thousands)

Function	Amount
Policy formulation and general government	$ 34,064
Protection of people and properties	20,900
Physical environment	680
Transportation	46,176
Health	814
Socio-economic environment	6,194
Culture and recreation	21,451
Total depreciation expense - governmental activities	$ 130,279

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

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

Function	Amount
Mass transit	$ 65,545
Solid waste collection	7,540
Solid waste disposal	23,903
Seaport	17,927
Aviation	122,596
Water	61,349
Sewer	97,342
Public health	46,861
Other	4,466
Total depreciation expense - business-type activities	$ 447,529

Note 5 – Leases

Lease Leaseback Transactions

General Segment - During fiscal year 1998, the County entered into a three party Lease/Sublease agreement with Dana Commercial Credit Corporation ("Dana") regarding the leasing rights of the Stephen P. Clark Center (the "Metro Center"). The terms of the Lease/Sublease agreement provide for the leasing of the County's leasing rights of the Metro Center to a third party, Wilmington Savings as trustee for Redade, a subsidiary of Dana, which in turn subleases the asset back to the County for a period of 29 years, commencing June 1, 1998. During this time period, the County retains title and control of the facility.

At closing, the County received a total of $79 million, of which $3.7 million was considered an up-front payment and was recognized as revenue in fiscal year 1998. $57 million of the remaining $75.3 million was deposited with a financial institution and the proceeds will be used to meet the payment obligations by the County under the sublease agreement and the remaining $18 million will mature to an amount sufficient, approximately $49 million, to fully defease its sublease obligations and buy-out option, 17.5 years subsequent to the commencing date. There is a purchase option allowed under the agreement in the year 2015. The total original minimum lease payments of approximately $125 million will be amortized on a straight-line basis over the life of the lease term. This Lease/Sublease agreement has been accounted for as a non-cancelable operating lease as part of the other nonmajor governmental funds. The future minimum lease payments are as follows (in thousands):

Year Ending September 30,	
2008	$ 4,772
2009	4,896
2010	5,029
2011	5,171
2012	5,324
2013-2017	70,339
	$ 95,531

Transit Agency - During fiscal year 1997, the County entered into a three party lease-in/lease-out arrangement ("Lease 1") with the Bank of New York Leasing Corporation for a total of 134 commuter rail cars. The agreements provide for the lease of the equipment owned by the County to a financial party lessee and the lessee, in turn, subleases such equipment back to the County for a period ranging from 22 to 24 years commencing May 1997. At the time of the transaction, the County received from the financial party lessee the total minimum rental payments required under the lease of approximately $95 million.

The County deposited $70,350,000 with a financial institution sufficient to meet all of its payment obligations under the terms of the sublease and acquired $17,583,000 in United States Treasury Strips that will mature to an amount sufficient to satisfy each agreement's purchase of the Head Lease Rights option. The funds on deposit and the United States Treasury Strips have been included as restricted assets in the accompanying financial statements.

In December 1998, the County entered into a second lease-in/lease-out arrangement ("Lease 2"). The agreement which was entered into with NationsBanc Leasing and Finance, provided for the lease of six different facilities owned by the County to a financial party lessee and the lessee, in turn, subleased the facilities back to the County for a period of 35 years. At the time of commencement, the County received from the financial party approximately $133 million.

The County deposited approximately $120.9 million with a financial institution sufficient to meet all its payment obligations under the terms of the sublease agreement and buy-out options, ranging 19 to 20 years subsequent to the commencing date.

On August 14, 2002, a portion of the third lease-in/lease-out arrangement (QTE Lease) commenced. This agreement which was entered into with the Bank of America Leasing & Capital Group, provided for the lease of certain Qualified Technological Equipment owned by the County and consisted of the MDT control system. The agreement provided for the lease of the equipment to a financial party lessee and the sublease of such equipment back to the County for a period of 16 years.

At the time of commencement, the County received from the financial party a total of approximately $239 million. The County deposited approximately $229 million with a financial institution sufficient to meet all its payment obligations.

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

Year Ending September 30,	
2008	$ 24,073
2009	24,985
2010	24,477
2011	24,621
2012	24,645
2013-2017	174,603
2018-2022	274,517
	571,921
Less amount representing interest	(196,595)
Present value of minumum sublease payments	$ 375,326

Operating Leases

General Segment – The County leases various facilities under noncancelable operating leases. Total costs for such leases were $15 million for the year ended September 30, 2007. The future minimum lease payments for these leases are as follows (in thousands):

Year Ending September 30,	
2008	$ 13,436
2009	11,315
2010	8,387
2011	5,687
2012	2,210
2013-2017	3,718
2018-2022	3,718
2023-2027	3,711
2028-2032	2,802
2033-2037	1,002
2038-2042	2
2043-2047	2
2048-2052	2
2053-2057	2
	$ 55,994

Public Health Trust – The Public Health Trust leases various equipment and facilities under operating leases. Rent expense for all operating leases was approximately $5.079 million in 2007. At September 30, 2007, future minimum lease payments by year under non-cancelable operating leases are as follows (in thousands):

Year Ending September 30,	
2008	$ 3,155
2009	883
2010	585
	$ 4,623

Aviation - The major portion of the Aviation Department's property, plant and equipment is held for lease. Substantial portions of the leases are cancelable and provide for periodic adjustment to rental rates to maximize operational flexibility. The non-cancelable lease agreements also provide for periodic adjustments to the rental rates. All leases are classified as operating leases. The Aviation Department recognized $93.077 million of rental income for the year ended September 30, 2007.

In addition, the Aviation Department leases certain properties under management and concession agreements. Certain of these leases provide for minimum rentals plus a specified percentage of the tenants' gross revenues. The agreements generated revenues of $80.171 million during the year ended September 30, 2007. At September 30, 2007 minimum rentals under such lease agreements are as follows (in thousands):

Year Ending September 30,	
2008	$ 56,491
2009	51,447
2010	47,572
2011	38,448
2012	31,497
2013-2017	73,195
2018-2022	30,750
2023-2027	24,278
2028-2032	8,249
2033-2037	5,517
2038-2042	3,826
2043-2047	1,804
2048-2052	1,323
	$ 374,397

Note 6 – Disaggregation of Accounts Receivable and Accounts Payable Balances

Accounts Receivable

Receivables are comprised of amounts owed to the County by customers, patients, carriers and others that conduct business with the County and are expected to be collected within a year. Receivables in the General Fund are 45% customer receivables, with the remaining amount due from other entities. Receivables in the Other Governmental Funds are 80% from Fire Department transport fees, 12% from Miami Dade Housing Department's tenants and others, and 8% from miscellaneous charges. Net receivables in the Business-type Activities are 62% due from patients and carriers, 21% due from water and sewer customers, 10% due from airlines and concessionaires, 4% from solid waste disposal and collection customers, 2% from water ports and terminal charges, and the remaining from transit fees and rental facility fees.

	Accounts	Allowance for uncollectible accounts	Total Net Receivables
Governmental activities:			
General Fund	$ 13,359	$ (8,182)	$ 5,177
Internal Service Fund	2,875		2,875
Other Governmental Funds	56,586	$ (40,413)	16,173
Total - governmental activities	$ 72,820	$ (48,595)	$ 24,225
Business-type activities:			
Public Health Trust	$ 663,810	$ (413,773)	$ 250,037
Water and Sewer Department	110,739	(25,374)	85,365
Aviation Department	53,978	(14,033)	39,945
Miami-Dade Transit	4,099	(2,117)	1,982
Seaport Department	14,413	(6,997)	7,416
Solid Waste Department	18,475	(904)	17,571
Other Non-major proprietary	748	$ (146)	602
Total - business-type activities	$ 866,262	$ (463,344)	$ 402,918

Accounts Payable

Accounts payable and accrued expenses at September 30, 2007, were as follows (in thousands):

	Vendors	Salaries and Benefits	Total
Governmental activities:			
General	$ 68,672	$ 23,677	$ 92,349
Other non-major governmental	95,935	4,413	100,348
Internal Service Fund	20,998		20,998
Total - governmental activities	$ 185,605	$ 28,090	$ 213,695
Business-type activities:			
Miami-Dade Transit	$ 36,604	$ 5,317	41,921
Solid Waste Department	12,964	1,061	14,025
Seaport Department	25,649	492	26,141
Aviation Department	146,392	2,988	149,380
Water and Sewer Department	34,537	3,485	38,022
Public Health Trust	141,931	22,695	164,626
Other Non-major proprietary	1,089	61	1,150
Total - business-type activities	$ 399,166	$ 36,099	$ 435,265

Note 7 - Self-Insurance Program

The County's Risk Management Division (RMD) administers workers' compensation and liability self-insurance programs. The group medical insurance program is also self-insured. An independent third party administrator (TPA) administers the program.

The County purchases a master property insurance policy covering most properties. A $200 million deductible per occurrence applies to named windstorm losses. A $5 million deductible applies to other perils. The current limit is $350 million per occurrence. Policies for Water and Sewer Department properties and Miami-Dade Housing Agency properties are purchased separately.

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. However, various liability and property programs are purchased from independent carriers due to exposure to loss and/or contractual obligations. During fiscal year 2007, there were no significant changes in insurance coverage.

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

The Risk Management Division also administers the self-insurance program for the Enterprise Funds. Water and Sewer only participates in the workers' compensation and certain group health self-insurance programs. Water and Sewer has established a self-insurance program for general and automobile liability exposures. The Public Health Trust (the Trust) maintains its own self-insurance programs for general and professional liability claims. Until 1/1/08, the County acted as the servicing agent for the Trust's self-insurance worker's compensation program. The Trust participates in the County's benefit programs, including the self insured medical plan and the fully insured dental and life insurance programs The Trust also participates in the County's master property insurance program.

The Aviation Department pays premiums to commercial insurance carriers for airport liability insurance, construction wrap-up insurance and participates in the County's master property insurance program. The airport liability coverage provides comprehensive general liability, contractual liability, personal injury and on-site automobile liability at all airports.

The County's Self-Insurance Internal Service Fund has an accumulated deficit of approximately $55.198 million for various self-insurance programs administered by the County. The County has implemented an action plan in an effort to reduce the accumulated deficit. County management believes that the deficit will be made up over a reasonable period of time.

Changes in the Internal Service Fund estimated liability amount for fiscal years 2006 and 2007 are as follows (in thousands):

	Workers Compensation	General, Auto, and Police Liability	Group Health	Other	Total
Balance as of October 1, 2005	$ 118,433	$ 24,866	$ 23,097		$ 166,396
Claims paid	(50,185)	(43,423)	(107,578)	$ (3,205)	(204,391)
Claims and changes in estimates	54,796	52,376	102,423	3,205	212,800
Liabilities as of September 30, 2006	$ 123,044	$ 33,819	$ 17,942	-	$ 174,805
Claims paid	(54,715)	(40,910)	(128,685)	$ (3,723)	(228,033)
Claims and changes in estimates	95,241	30,751	131,525	3,723	261,240
Liabilities as of September 30, 2007	$ 163,570	$ 23,660	$ 20,782		$ 208,012

Changes in estimated liabilities for the Water and Sewer Department and the Public Health Trust for fiscal years 2006 and 2007 are as follows (in thousands):

	Water & Sewer Department	Public Health Trust	Total
Balance as of October 1, 2005	$ 3,097	$ 38,373	$ 41,470
Claims paid	(908)	(3,190)	(4,098)
Claims and changes in estimates	1,348		1,348
Liabilities as of September 30, 2006	$ 3,537	$ 35,183	$ 38,720
Balance as of October 1, 2006	$ 3,537	$ 35,183	$ 38,720
Claims paid	(609)	(2,493)	(3,102)
Claims and changes in estimates	1,175	3,539	4,714
Liabilities as of September 30, 2007	$ 4,103	$ 36,229	$ 40,332

Note 8 – Long-Term Debt

LONG-TERM LIABILITY ACTIVITY

Changes in long-term liabilities for the year ended September 30, 2007 are as follows (amounts in thousands):

	Beginning Balance as Previously Reported September 30, 2006	Prior Period Adjustment - Restated - Note 11	Beginning Balance Restated September 30, 2006	Additions	Reductions	Ending Balance September 30, 2007	Due Within One Year
Governmental Activities							
Bonds, loans and notes payable:							
General obligation bonds	$ 507,316		$ 507,316		$ (35,080)	$ 472,236	$ 11,515
Special obligation bonds	1,520,549		1,520,549	$ 367,210	(153,412)	1,734,347	53,616
Current year accretions of interest				26,814		26,814	
Loans and notes payable	272,097		272,097		(18,506)	253,591	19,043
Add/subtract deferred amounts:							
For bond issuance premiums/discounts/refundings	24,984		24,984	9,618	(2,048)	32,554	
Total bonds, loans and notes payable	2,324,946		2,324,946	403,642	(209,046)	2,519,542	84,174
Other liabilities:							
Compensated absences	341,590		341,590	159,279	(140,095)	360,774	98,306
Estimated insurance claims payable	174,805		174,805	261,240	(228,033)	208,012	57,854
Departure Incentive Plan (Note 10)	3,658		3,658		(342)	3,316	680
Arbitrage rebate liability	52		52	3,046		3,098	
Capital Lease	11,420		11,420		(271)	11,149	291
Other	27,864	1,357	29,221		(803)	28,418	2,603
Total governmental activity long-term liabilities	$ 2,884,335	$ 1,357	$ 2,885,692	$ 827,207	$ (578,590)	$ 3,134,309	$ 243,908
Business-type Activities							
Bonds, loans, and notes payable:							
Revenue bonds	$ 5,672,389		$ 5,672,389	$ 944,690	$ (471,029)	$ 6,146,050	$ 130,967
General obligation bonds	142,215		142,215		(3,705)	138,510	3,940
Special obligation bonds	47,310		47,310		(5,850)	41,460	6,045
Current year accretions of interest	2,281		2,281	1,669		3,950	
Loans and notes payable	622,353		622,353	52,037	(26,501)	647,889	27,502
Add/subtract deferred amounts:							
For bond issuance premiums/discounts/refundings	(83,679)		(83,679)	18,423	16,606	(48,650)	
Commercial paper notes	365,342		365,342	109,735	(404,782)	70,295	
Total bonds, loans and notes payable	6,768,211		6,768,211	1,126,554	(895,261)	6,999,504	168,454
Other liabilities:							
Estimated insurance claims payable	38,720		38,720	4,714	(3,102)	40,332	7,831
Compensated absences	183,076		183,076	63,944	(45,839)	201,181	124,341
Environmental remediation liability	138,162		138,162		(30,323)	107,839	16,015
Liability for landfill closure/post closure care costs	103,718		103,718	12,943	(7,943)	108,718	6,679
Lease agreements	407,836		407,836		(13,949)	393,887	28,540
Other	60,873		60,873	2,043	(9,075)	53,841	1,606
Total business-type activities long-term liabilities	$ 7,700,596	$ -	$ 7,700,596	$ 1,210,198	$ (1,005,492)	$ 7,905,302	$ 353,466

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

	Beginning Balance September 30, 2006	Additions	Reductions	Ending Balance September 30, 2007	Due Within One Year
Miami-Dade Transit Agency (MDTA)					
Bonds and loans payable:					
Revenue bonds	$ 134,233		$ (2,041)	$ 132,192	$ 2,142
General obligation bonds					
Special obligation bonds	28,865		(3,660)	25,205	3,760
Loans payable	130,938		(10,958)	119,980	11,426
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	7,278		(830)	6,448	
Total bonds and loans payable	301,314	-	(17,489)	283,825	17,328
Other liabilities:					
Compensated absences	31,871	$ 22,102	(20,450)	33,523	12,274
Lease agreements	387,345		(12,019)	375,326	24,073
Other	19,203		(1,572)	17,631	1,573
Total long-term liabilities - MDTA	$ 739,733	$ 22,102	$ (51,530)	$ 710,305	$ 55,248

	Beginning Balance September 30, 2006	Additions	Reductions	Ending Balance September 30, 2007	Due Within One Year
Solid Waste Department					
Bonds and loans payable:					
Revenue bonds	$ 207,501		$ (11,270)	$ 196,231	$ 13,665
Special obligation bonds	18,445		(2,190)	16,255	2,285
Current year accretions of interest	2,281	$ 1,669		3,950	
Loans and notes payable	11314		(1,197)	10,117	1,205
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	1,535		99	1,634	
Total bonds and loans payable	241,076	1,669	(14,558)	228,187	17,155
Other liabilities:					
Compensated absences	13,895	3,885	(3,668)	14,112	3,640
Liability for landfill closure/postclosure care costs	103,718	12,943	(7,943)	108,718	6,679
Other	1,481	1,589	(1,879)	1,191	
Total long-term liabilities - Solid Waste	$ 360,170	$ 20,086	$ (28,048)	$ 352,208	$ 27,474

	Beginning Balance September 30, 2006	Additions	Reductions	Ending Balance September 30, 2007	Due Within One Year
Seaport					
Bonds and loans payable:					
Revenue bonds	$ 67,555		$ (2,980)	$ 64,575	$ 3,180
General obligation bonds	142,215		(3,705)	138,510	3,940
Special obligation bonds					
Loans payable	348,710		(3,404)	345,306	3,500
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(10,227)		777	(9,450)	
Total bonds and loans payable	548,253		(9,312)	538,941	10,620
Other liabilities:					
Compensated absences	4,239	$ 2,272	(1,732)	4,779	1,419
Environmental remediation liability	2,465		(27)	2,438	
Lease agreements	7,069		(1,275)	5,794	1,411
Other	4,480	454	(3,597)	1,337	33
Total long-term liabilities - Seaport	$ 566,506	$ 2,726	$ (15,943)	$ 553,289	$ 13,483
Aviation					
Bonds, loans, and notes payable:					
Revenue bonds	$ 3,462,690	$ 600,000	$ (65,130)	$ 3,997,560	$ 67,275
Loans payable	6,311	50,000	(1,601)	54,710	1,480
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(52,077)	17,816	4,849	(29,412)	
Commercial paper notes	365,342	109,735	(404,782)	70,295	
Estimated insurance claims payable					
Total bonds, loans and notes payable	3,782,266	777,551	(466,664)	4,093,153	68,755
Other liabilities:					
Compensated absences	24,464	10,474	(10,135)	24,803	6,590
Environmental remediation liability	135,697		(30,296)	105,401	16,015
Lease agreements	13,422		(655)	12,767	3,056
Total long-term liabilities - Aviation	$ 3,955,849	$ 788,025	$ (507,750)	$ 4,236,124	$ 94,416

	Beginning Balance September 30, 2006	Additions	Reductions	Ending Balance September 30, 2007	Due Within One Year
Water and Sewer Department					
Bonds and loans payable:					
Revenue bonds	$ 1,495,925	$ 344,690	$ (389,060)	$ 1,451,555	$ 39,235
Loans payable	125,080	2,037	(9,341)	117,776	9,891
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(31,763)	92	11,711	(19,960)	
Total bonds and loans payable	1,589,242	346,819	(386,690)	1,549,371	49,126
Other liabilities:					
Estimated insurance claims payable	3,537	1,175	(609)	4,103	2,261
Compensated absences	30,849	11,653	(9,463)	33,039	10,341
Other	33,709		(1,774)	31,935	
Total long-term liabilities - Water and Sewer Dept.	$ 1,657,337	$ 359,647	$ (398,536)	$ 1,618,448	$ 61,728
Public Health Trust (PHT)					
Bonds and loans payable:					
Revenue bonds	$ 300,000			$ 300,000	$ 4,745
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	1,575	$ 515		2,090	
Total bonds and loans payable	301,575	515	-	302,090	4,745
Other liabilities:					
Estimated insurance claims payable	35,183	3,539	$ (2,493)	36,229	5,570
Compensated absences	76,319	13,416		89,735	89,735
Other	1,847		(100)	1,747	
Total long-term liabilities - Public Health Trust	$ 414,924	$ 17,470	$ (2,593)	$ 429,801	$ 100,050

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

Demand Bonds

At September 30, 2007, the County had $1,400,000 of Capital Asset Acquisition Floating / Fixed Rate Special Obligation Bonds, Series 1990 (the "Bonds") that were due within seven days of demand by the holder at a price equal to principal plus accrued interest. The County's remarketing agent is authorized to use its best efforts to sell the repurchased bonds at par by adjusting the interest rate.

Under a standby bond purchase agreement (the "Agreement") issued by a bank, the fiscal agent can draw amounts sufficient to repurchase the Bonds if they cannot be resold by the remarketing agent. In the absence of monies available under the Agreement, the monies will be drawn under an irrevocable letter of credit. The Agreement and letter of credit, with a stated termination date of November 1, 2009 expired on November 1, 2004 and have been extended to November 1, 2012. There were no amounts outstanding under the Agreement or letter of credit at September 30, 2007.

Long-Term Debt -- Governmental Activities

Long-term debt of the County's governmental activities include general and special obligation bonds, installment purchase contracts and loan agreements that are payable from property tax levies and specific revenue sources. General obligation bonds are payable from unlimited ad valorem taxes on all taxable real and tangible personal property of the County, and are backed by the full faith, credit and taxing power of the County. Special obligation bonds are limited obligations of the County, payable solely from and secured by pledged non-ad valorem revenues of the County. Neither the full faith and credit nor the taxing power of the County is pledged to the payment of the special obligation bonds. Interest on variable-rate bonds, currently in an auction rate mode, is based on the BMA index and is currently reset every 28 days. Debt service requirements for interest on variable-rate debt was calculated using the rates in effect as of September 30, 2007.

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

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

Maturing in	General Obligation Bonds		Special Obligation Bonds		Loans and Notes Payable	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2008	$ 11,515	$ 24,314	$ 53,616	$ 61,807	$ 19,043	$ 11,501
2009	8,405	23,601	68,342	58,303	19,742	10,679
2010	8,855	23,105	54,915	59,065	21,001	9,818
2011	9,340	22,581	71,314	59,818	21,205	8,886
2012	9,845	22,022	60,374	58,352	21,671	7,943
2013-2017	54,646	100,577	341,342	302,450	92,618	26,101
2018-2022	68,275	83,594	324,423	293,279	34,074	9,751
2023-2027	94,870	64,224	403,143	302,555	24,237	2,461
2028-2032	119,835	39,265	473,282	330,687		
2033-2037	86,650	8,806	472,328	287,480		
2038-2042			129,234	115,395		
2043-2047			5,385	191		
	472,236	412,089	2,457,698	1,929,382	253,591	87,140
Less:						
Unaccreted value			(696,537)			
Accretions to date				(155,541)		
Add:						
Unamortized premium / discount and deferred charges on bond refundings			32,554			
Total	$ 472,236	$ 412,089	$ 1,793,715	$ 1,773,841	$ 253,591	$ 87,140

Long-Term Debt – Business-type Activities

Long-term debt of business-type activities includes revenue bonds, special obligation bonds and loans payable from specified revenues of the County's enterprise funds. Also included are general obligation bonds issued on behalf of the Seaport Department, which will be paid from Seaport revenues and, to the extent those revenues are insufficient, from ad valorem taxes. Interest on variable-rate bonds, currently in an auction rate mode, is based on the BMA index and is currently reset every 28 days. Debt service requirements for interest on variable-rate debt was calculated using the rates in effect as of September 30, 2007.

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

Maturing in	Revenue Bonds		General Obligation Bonds		Special Obligation Bonds		Loans and Notes Payable	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	$ 130,967	$ 298,529	$ 3,940	$ 7,209	$ 6,045	$ 1,974	$ 27,502	$ 22,319
2009	127,796	300,473	4,200	6,945	6,305	1,707	28,447	21,289
2010	125,569	294,654	4,470	6,663	6,560	1,440	32,267	22,256
2011	134,865	288,338	4,755	6,363	6,875	1,117	33,111	20,075
2012	133,624	283,799	5,070	6,079	7,255	777	34,101	18,932
2013-2017	750,905	1,317,746	29,520	26,113	8,420	494	157,277	78,058
2018-2022	908,676	1,092,494	37,895	17,519			112,315	53,484
2023-2027	1,093,027	823,831	48,660	6,483			75,971	37,731
2028-2032	931,649	551,601					122,897	17,943
2033-2037	970,789	316,968					24,001	1,571
2038-2042	852,195	66,511						
	6,160,062	5,634,944	138,510	83,374	41,460	7,509	647,889	293,658
Less:								
Unaccreted value	(10,062)							
Accretions to date		(3,950)						
Unamortized discount and deferred amounts	(91,183)		(8,195)					
Add:								
Unamortized bond premium	49,193				1,535			
Total	$ 6,108,010	$ 5,630,994	$ 130,315	$ 83,374	$ 42,995	$ 7,509	$ 647,889	$ 293,658

Public Health Trust Bonds Payable

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

The Ordinance contains significant restrictive covenants including, among other items, the requirement to maintain a minimum long-term debt service coverage ratio, to make scheduled monthly deposits to the debt service fund, maintenance of insurance on the Trust's facilities and limitations on the incurrence of additional debt. Should there be a draw on the Debt Service Reserve Fund, the County has covenanted to budget and appropriate from time to time and if necessary, in its annual budget from Legally Available

Non Ad Valorem Revenues sufficient funds to replenish any deficiency in the Debt Service Reserve Fund. In general, the bond insurance agreement contains the same covenants as the Ordinance.

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

On September 30, 2007, the County had outstanding $70,006,000 of Aviation Commercial Paper Notes (the Notes), plus accrued interest of $288,477. The effective interest rate paid on the Notes outstanding ranged from 3.6% to 3.78%. The proceeds of such Notes are being used to finance certain airport and airport related improvements. The Notes and accrued interest are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. The Notes are secured by an irrevocable stand-by letter of credit. The letter of credit, in the amount of $400,000,000, was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. As of September 30, 2007, there was $71,735,000 remaining on the letter of credit. The outstanding Notes and accrued interest, totaling $70,295,000, have been included in long-term liabilities, rather than in current liabilities, because the County intends to refinance the commercial paper with long-term revenue bonds.

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

Balance on September 30, 2006	$	365,342
Additions		109,735
Deductions		(404,782)
Balance on September 30, 2007	$	70,295

State Infrastructure Bank Note

On February 6, 2007, the Board of County Commissioners approved the construction of the N.W. 25th Street Viaduct Project (Viaduct Project) by the Florida Department of Transportation (FDOT) and approved a County loan in the amount of $50 million from the FDOT State Infrastructure Bank to fund the County's share of the total cost of the Viaduct Project. FDOT and the County subsequently entered into a joint participation agreement on March 12, 2007 whereby FDOT will construct the Viaduct Project and closed on the loan on March 21, 2007. The loan is secured by a County covenant to annually budget and appropriate from County legally available non-ad valorem revenue funds sufficient to pay debt service costs. However, since the debt service costs will be reimbursed to the County by the Aviation Department, the $50 million loan is recorded as a liability of the Aviation Department.

The funds are held in escrow by the FDOT State Infrastructure Bank for the construction of the project. As of September 30, 2007, cash held in escrow by agent totaled $50 million (included in "Other Restricted Assets") and the outstanding loan balance was $50 million. The loan bears interest at 2% per annum. The maturity date of the loan is October 1, 2019 and the first scheduled payment of $5 million is due on October 1, 2009.

Long-Term Debt Issued During the Year

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

Date Issued	Description	Purpose	Interest Rate Range	Final Maturity Date	Original Amount Issued
BONDS:					
5/24/07	Capital Asset Acquisition Special Obligation Bonds, Series 2007A	To pay the cost of acquisition, construction, improvement or renovation of certain capital assets, including buildings occupied or to be occupied by the County.	4.00% - 5.00%	4/1/37	$ 210,270,000
5/24/07	Capital Asset Auction Rate Acquisition Special Obligation Bonds, Series 2007B	To pay the cost of acquisition, construction, improvement or renovation of certain capital assets, including buildings occupied or to be occupied by the County.	Variable	4/1/27	17,450,000
5/31/07	Aviation Revenue Bonds, Series 2007A (AMT)	To finance certain airport improvements associated with the Airport's Capital Improvement Plan previously approved by the Board.	5.00%	10/1/40	551,080,000
5/31/07	Aviation Revenue Bonds, Series 2007B (NON-AMT)	To finance certain airport improvements associated with the Airport's Capital Improvement Plan previously approved by the Board.	4.50% - 5.00%	10/1/31	48,920,000
7/11/07	Guaranteed Entitlement Refunding Revenue Bonds, Series 2007	To refund all of the outstanding Dade County, Florida Guaranteed Entitlement Refunding Revenue Bonds, Series 1995A.	4.00% - 5.25%	2018	108,705,000
8/30/07	Public Service TaxRevenue Bonds (UMSA Public Improvements), Series 2007B	To pay or reimburse the County for all or a portion of improvements to the stormwater drainage system, the construction of new sidewalks and, the repair and/or renovation of existing sidewalks, park development and the beautification of neighborhoods.	4.00% - 4.75%	4/1/32	30,785,000
9/12/07	Water and Sewer System Revenue Refunding Bonds, Series 2007	Refund a portion of the County's Water and Sewer System Revenue Bonds, Series 1997 and pay the cost of issuance of the Series 2007 Bonds.	4.00% - 5.00%	10/1/26	344,690,000
LOANS:					
12/20/06	State Revolving Fund (Miami-Dade Water and Sewer Dept.)	To finance construction of water and wastewater treatment facilities	2.58%	6/15/22	449,000
2/6/07	Aviation FDOT State Infrastructure Bank Note	To fund the County's share of the Viaduct Project by the FDOT	2.00%	10/1/19	50,000,000
6/19/07	State Revolving Fund (Miami-Dade Water and Sewer Dept.)	To finance construction of water and wastewater treatment facilities	2.58%	6/15/22	1,588,000
Total long-term debt issued during the year					$ 1,363,937,000

Current Refunding

On July 11, 2007, the County issued $108,705,000 of Guaranteed Entitlement Refunding Revenue Bonds, Series 2007, for current refunding of $113,309,251 of Guaranteed Entitlement Refunding Revenue Bonds, Series 1995A. A portion of proceeds of the Series 2007 Bonds was put into an escrow account that was used to refund the Series 1995A Bonds maturing on or after February 1, 2008 on August 15, 2007. The reacquisition price exceeded the net carrying amount of the old debt by $4,131,000. This amount is being netted against the new debt and amortized over the new debt's life, which is shorter than the refunded debt. This transaction also resulted in an economic gain of $6,624,383 and a reduction of $11,642,415 in future debt service payments. This transaction was undertaken for interest cost savings.

Defeased Debt – Advance Refundings

On September 29, 2007, $344.7 million of Miami-Dade County Water and Sewer System Revenue Refunding Bonds, Series 2007 were issued to refund the Miami-Dade County Water and Sewer System Revenue Bonds, Series 1997 maturing after October 1, 2009, and to pay issue costs.

The Series 2007 Refunding Bonds proceeds of $344.7 million, along with other funds, were used to purchase $357.9 million in U.S. Treasury securities. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded obligations. Accordingly, these refunded obligations are considered to be defeased and the assets held in trust have not been included in the accompanying financial statements. Although the refunding resulted in a deferred charge of $19.1 million, the Department reduced its aggregate debt service payments by $36.2 million, resulting in an economic gain of $25.4 million. On October 29, 2007 the Department redeemed the outstanding principal amount of the defeased $353.3 million of the County's Water and Sewer System Revenue Bonds, Series 1997.

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

Type	Series	Date of Defeasance	Call Date	Final Maturity Defeased	Principal Amount Defeased	Principal Outstanding, September 30, 2007
Special Obligation Bonds:						
Guaranteed Entitlement	A	12/27/85	02/01/08	02/01/08	$ 65,000	$ 14,330
Sports Franchise Facilities Tax	1992B	07/09/98	10/01/11	10/01/22	59,609	9,025
Sports Franchise Facilities Tax	1995	07/09/98	10/01/30	10/01/30	30,162	29,680
Special Obligation (CDT)	1996B	12/18/97	10/01/08	10/01/33	75,120	69,766
Total Special Obligation Bonds Defeased					$ 229,891	$ 122,801
Revenue Bonds and Loans:						
Public Facilities (Jackson Memorial)	1998	09/27/05	06/01/08	06/01/18	58,980	54,150
Rickenbacker Causeway	1983	08/29/85	10/01/08	10/01/08	5,225	4,625
Water and Sewer System	1997	9/27/07	10/29/07	10/1/26	353,330	353,330
Total Revenue Bonds and Loans Defeased					$ 417,535	$ 412,105

Interest Rate Swap Agreements

As a debt management tool, the County has entered into several swap transactions.

The Fair Value of Swap is determined at September 30, 2007 based on the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipates future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

Below is a recap in chart form of each of the swaps that the County has entered into:

Water and Sewer

Objective
To obtain a lower fixed rate than what was available in the Bond Market and to obtain the lower cost of borrowing.

	Date of Execution	Notional Amount	Termination Date (1)	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/07
1	2/4/94	$416,075,000 amortizing in step with the Bonds.	10/5/22	W&S Series 94	Fixed – 5.28%	Variable – Bond Rate	Aa2, AA, AA	($63,923,130)

(1) The swap was terminated on July 15, 2008.

Using rates as of September 30, 2007 debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. (1)

Fiscal Year Ending 09/30	Variable Rate Bonds Principal	Variable Rate Bonds Interest (2)	Interest Rate Swap Net Payments (3)	Total
2008	$915	$16,060	$5,908	$22,883
2009	970	16,025	5,895	22,890
2010	1,020	15,988	5,882	22,890
2011	1,080	15,948	5,867	22,895
2012	1,140	15,907	5,852	22,899
2013-2017	121,575	74,047	27,240	222,862
2018-2022	234,305	38,750	14,255	287,310
2023	55,070	2,126	782	57,978
Total	$416,075	$194,851	$71,681	$682,607

(1) In thousands.
(2) Interest rate on the Bonds on September 30, 2007 was 3.86%.
(3) The rate is calculated as the difference between the variable rate paid by the counterparty to the County (3.86%) and the fixed rate paid by County to the counterparty (5.28%) as of September 30, 2007 (3.86% - 5.28% = -1.42%).

	Date of Execution	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/07
2	10/1/05	$295,240,000 amortizing in step with the Bonds.	10/1/25	W&S Series 2005	Fixed – 5.27%	BMA	Aaa, AA+, AA	($47,357,375)

Using rates as of September 30, 2007 debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows [(1)].

Fiscal Year Ending 09/30	Variable Rate Bonds Principal	Interest [(2)]	Interest Rate Swap Net Payments [(3)]	Total
2008	$0	$11,396	$1,406	$12,802
2009	0	11,396	1,406	12,802
2010	0	11,396	1,683	13,079
2011	0	11,396	1,976	13,372
2012	0	11,396	2,288	13,684
2013-2017	30,465	54,755	12,585	97,805
2018-2022	39,885	48,192	11,476	99,553
2023-2026	224,890	25,614	11,870	262,374
Total	$295,240	$185,541	$44,690	$525,471

(1) In thousands.
(2) Interest rate on the Bonds on September 30, 2007 was 3.74%.
(3) The rate is calculated as the difference between the variable rate paid by the counterparty to the County (3.86%) and the fixed rate paid by County to the counterparty (5.27%) as of September 30, 2007 (3.86% - 5.27% = -1.41%).

	Execution Date	**Notional Amount**	**Termination Date** [1]	**Associated Bonds**	**County Payment**	**Counter-party Payment**	**Counter-party Credit Rating**	**Fair Value at 9/30/07**
3	12/15/93	$215,000,000 amortizing in step with the Bonds commencing 9/25/15.	6/15/20 with option to terminate 6/15/08 [1]	W&S Series 07	BMA – after 6/15/08, to 6/15/20	Fixed – 4.902%	A1, A+, A+	($118,648)

[1] The swap was terminated on June 15, 2008.

Using rates as of September 30, 2007, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. [1]

Fiscal Year Ending 09/30	Variable Rate Bonds Principal	Interest [2]	Interest Rate Swap Net Receipts [3]	Total
2008	$0	$8,393	$0	$8,393
2009	190	16,418	657	15,951
2010	380	16,407	2,240	14,547
2011	10,715	16,152	2,240	24,627
2012	11,200	15,657	2,241	24,616
2013-2017	63,515	70,704	11,202	123,017
2018-2022	78,705	54,923	8,961	124,667
2023-2027	179,985	30,942	0	210,927
Total	$344,690	$229,596	$27,541	$546,745

[1] In thousands.
[2] Interest rate on the Bonds is the actual fixed rate on the Bonds.
[3] The rate is calculated as the difference between the fixed rate paid by the counterparty to the County (4.902%) and the variable rate paid by County to the counterparty (3.860%) commencing on June 16, 2008 until the termination of the swap on June 15, 2020 (4.902% - 3.860% = 1.042%).

	Execution Date	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/07
4	8/27/98	$200,000,000 amortizing in step with the Bonds commencing 9/1/21.	10/1/26	W&S Series 07	BMA	Variable BMA plus (USD-LIBOR-BBA plus 1.455%) minus (BMA divided by 0.604)	Aaa, AAA, AAA [1]	$2,679,709

[1] The Counterparty is not rated by the rating agencies and is backed by an "AAA" guarantor. The swap's rating is based on the rating of the guarantor. The guarantor was downgraded from "Aaa" to "Aa3" by Moodys on 6/19/08, from "AAA" to "AA" by S&P on 6/5/08 and had its "AAA" rating withdrawn on 6/26/08 by Fitch.

Using rates as of September 30, 2007, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. [1] As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year Ending 09/30	Variable Rate Bonds Principal	Interest [2]	Interest Rate Swap Net Receipts [3]	Total
2008	$0	$8,393	$849	$7,544
2009	190	16,418	849	15,759
2010	380	16,407	849	15,938
2011	10,715	16,152	848	26,019
2012	11,200	15,657	848	26,009
2013-2017	63,515	70,704	4,243	129,976
2018-2022	78,705	54,923	4,243	129,385
2023-2027	179,985	30,942	3,094	207,833
Total	$344,690	$229,596	$15,823	$558,463

[1] In thousands.
[2] Interest rate on the Bonds is the actual fixed rate on the Bonds.
[3] The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (3.86%+((5.360% + 1.455%)-(3.86%/.604))= 4.284%) and the tax-exempt variable rate paid by County to the Counterparty 3.86% as of September 30, 2007 (4.2840% - 3.8600%= 0.4240%).

	Execution Date	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/07
5	3/6/06	$205,070,000 amortizing in step with the Bonds commencing 10/1/22.	10/1/29	W&S Series 2007 and after the final maturity of the Series 2007 Bonds, the Series 1999A Bonds	BMA	Variable BMA plus (USD-LIBOR-BBA plus 1.580%) minus (BMA divided by 0.604)	Aaa, AA-, AA (1)	$5,430,544

(1) The Counterparty is not rated by the rating agencies and is backed by an "Aaa" guarantor. The swap's rating is based on the rating of the guarantor.

Using rates as of September 30, 2007, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. (1) As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year	Variable Rate Bonds		Interest Rate Swap	
Ending 09/30	Principal	Interest (2)	Net Receipts (3)	Total
2008	$0	$8,393	$1,126	$7,267
2009	190	16,418	1,126	15,482
2010	380	16,407	1,126	15,661
2011	10,715	16,152	1,127	25,740
2012	11,200	15,657	1,127	25,730
2013-2017	63,515	70,704	5,632	128,587
2018-2022	78,705	54,923	5,632	127,996
2023-2027	179,985	30,942	4,422	206,505
2028-2030	150,000	11,494	1,675	159,819
Total	$494,690	$241,090	$22,993	$712,787

(1) In thousands.

(2) Interest rate on the Series 2007 Bonds on September 30, 2007 was 3.7005%. Interest rate on the Series 1999A Bonds is the actual fixed rate on the Bonds.

(3) The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (3.86% + ((5.360% + 1.5800%)-(3.86%/.604)) = 4.4093%) and the tax-exempt variable rate paid by County to the Counterparty (3.86%) as of September 30, 2007 (4.4093% - 3.8600%= 0.5493%).

Special Obligation Bonds and Subordinate Special Obligation Bonds

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

	Execution Date	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/07
1	5/12/00	$80,778,850 amortizing in step with the Bonds commencing 10/1/00.	10/1/22	SOB Series 1996B	BMA divided by 0.604	Libor plus a constant of 1.65343%	Aaa, AAA, AAA [1]	$2,909,310
2	7/21/04	$14,612,681 amortizing in step with the Bonds commencing 10/1/04.	10/1/10	SOB Series 1996B	BMA divided by 0.604	Libor plus a constant of 1.770%	Aaa, AAA, AAA [1]	$201,885

(1) The Counterparty is not rated by the rating agencies and is backed by an "AAA" guarantor. The swap's rating is based on the rating of the guarantor. The guarantor was downgraded from "Aaa" to "Aa3" by Moodys on 6/19/08, from "AAA" to "AA" by S&P on 6/5/08 and had its "AAA" rating withdrawn on 6/26/08 by Fitch.

Using rates as of September 30, 2007, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. [1] As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year	Variable Rate Bonds		Interest Rate Swap Net Receipts		
Ending 09/30	Principal	Interest [2]	Swap 1 [3]	Swap 2 [4]	Total
2008	$3,764	$5,871	$503	$85	$9,047
2009	2,064	4,862	480	47	6,399
2010	2,135	5,200	467	6	6,862
2011	3,696	7,270	453	0	10,513
2012	3,669	7,821	430	0	11,060
2013-2017	3,541	20,657	1,950	0	22,248
2018-2022	0	15,478	1,928	0	13,550
2023-2027	0	15,478	0	0	15,478
2028-2032	0	15,477	0	0	15,477
2033-2036	61,910	9,356	0	0	71,266
Total	$80,779	$107,470	$6,211	$138	$181,900

(1) In thousands.
(2) Interest rate on the Bonds is the actual fixed rate on the Bonds.
(3) The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (5.3600% + 1.6534% = 7.0134%) and the tax-exempt variable rate paid by County to the Counterparty (3.8600%/.604 = 6.3907%) as of September 30, 2007 (7.0134% - 6.3907%= 0.6227%).
(4) The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (5.3600% + 1.7700% = 7.1300%) and the tax-exempt variable rate paid by County to the Counterparty (3.8600%/.604 = 6.3907%) as of September 30, 2007 (7.1300% - 6.3907%= 0.7393%).

	Execution Date	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/07
3	5/12/00	$275,297,755 amortizing in step with the Bonds commencing 10/1/00.	10/1/22	Subordinate SOB Series 1997A, B & C	BMA divided by 0.604	Libor plus a constant of 1.65343 %	Aaa, AAA, AAA [1]	$11,219,907
4	7/21/04	$113,131,218 amortizing in step with the Bonds commencing 10/1/04.	10/1/22	Subordinate SOB Series 1997A,B & C	BMA divided by 0.604	Libor plus a constant of 1.7700%	Aaa, AAA, AAA [1]	$7,211,968

[1] The Counterparty is not rated by the rating agencies and is backed by an "AAA" guarantor. The swap's rating is based on the rating of the guarantor. The guarantor was downgraded from "Aaa" to "Aa3" by Moodys on 6/19/08, from "AAA" to "AA" by S&P on 6/5/08 and had its "AAA" rating withdrawn on 6/26/08 by Fitch.

Using rates as of September 30, 2007, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. [1] As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year	Variable Rate Bonds		Interest Rate Swap Net Receipts		
Ending 09/30	Principal	Interest [2]	Swap 1 [3]	Swap 2 [4]	Total
2008	$0	$5,843	$1,714	$887	$3,242
2009	222	6,001	1,714	942	3,567
2010	209	6,014	1,713	1,000	3,510
2011	745	6,543	1,712	1,039	4,537
2012	965	6,863	1,707	1,074	5,047
2013-2017	23,600	65,139	8,271	5,950	74,518
2018-2022	31,859	103,335	7,394	7,052	120,748
2023-2027	37,361	156,373	0	0	193,734
2028-2032	38,965	217,747	0	0	256,712
2033-2038	141,372	192,055	0	0	333,427
Total	$275,298	$765,913	$24,225	$17,944	$999,042

[1] In thousands.
[2] Interest rate on the Bonds is the actual fixed rate on the Bonds.
[3] The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (5.3600% + 1.6534% = 7.0134%) and the tax-exempt variable rate paid by County to the Counterparty (3.8600%/.604 = 6.3907%) as of September 30, 2007 (7.0134% - 6.3907%= 0.6227%).
[4] The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (5.3600% + 1.7700% = 7.1300%) and the tax-exempt variable rate paid by County to the Counterparty (3.8600%/.604 = 6.3907%) as of September 30, 2007 (7.1300% - 6.3907%= 0.7393%).

Special Obligation Bonds (Capital Asset Acquisition Floating Rate (CPI-MUNI))

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

	Execution Date	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/07
1	4/16/04 – Effective 4/27/04	$50,000,000 amortizing in step with the Bonds commencing 4/1/05.	4/1/14	SOB Series 2004A Capital Asset Acquisition (MUNI-CPI)	BMA plus 0.235%	CPI plus premium[1]	Aaa, AA, AA	($482,773)

(1) The premium on the $15 million, 4/1/09 maturity is 0.20%; on the $10 million, 4/1/12 maturity is 0.50% and on the $25 million, 4/1/14 maturity is 0.70%

Using rates as of September 30, 2007, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows [1]. As rates vary, variable-rate bond interest payments will vary and net swap payments may vary.

Fiscal Year Ending 09/30	Variable Rate Bonds Principal	Interest [2]	Interest Rate Swap Net Receipts [3]	Total
2008	$0	$3,154	$1,106	$2,048
2009	15,000	3,153	1,106	17,047
2010	0	2,207	774	1,433
2011	10,000	2,207	774	11,433
2012	0	1,577	553	1,024
2013-2014	25,000	3,154	1,106	27,048
Total	$50,000	$15,452	$5,419	$60,033

(1) In thousands.
(2) Interest rate on the Bonds is the CPI Index plus 20 basis points of interest (bpi) on the Bonds maturing on 4/1/09, 50 bpi on the bonds maturing on 4/1/11 and 70 bpi on the Bonds maturing on 4/1/14.
(3) The rate is calculated as the difference between the variable rate (CPI plus premium) paid by the Counterparty to the County (5.7970% + 0.51% = 6.3070%) and the variable rate (BMA) plus premium paid by County to the Counterparty (3.8600% + 0.235% = 4.0950%) as of September 30, 2007 (6.3070% - 4.095%= 2.2120%).

Risk Disclosure:

***Credit Risk*.** The maximum amount of potential credit risk loss is $29.6 million. Because all of the County's Swaps rely upon the performance of the third parties who serve as swap counterparties, the County is exposed to credit risk, or the risk that the counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the swaps, as shown in the columns labeled Fair Value in the tables above. All Fair Values have been calculated using the Zero Coupon Method. To mitigate credit risk, the County maintains strict credit standards for swap counterparties. All swap counterparties for longer term swaps are rated at least in the double-A category by both Moody's and Standard & Poor's. To further mitigate credit risk, the County's swap documents require counterparties to post collateral for the County's benefit if they are downgraded below a designated threshold.

***Basis Risk*.** Many of the County's swaps expose the County to basis risk. Should the relationship between the variable rate the County receives on the swap fall short of the variable rate on the associated bonds, the expected savings may not be realized. As of September 30, 2007, the BMA rate was 3.86% and the LIBOR rate was 5.36%.

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

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

Contingent Liability / Loan Guarantee

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

Series	Department	Original Amount	Principal Outstanding at 9/30/2007	Final Maturity
Sunshine State Governmental Financing Commission, Series 1986 Program	Seaport	$50,000,000	$38,245,000	June 30, 2016
Sunshine State Governmental Financing Commission, Series 1986 Program	Parks	$2,000,000	$1,285,746	October 1, 2014
Sunshine State Governmental Financing Commission, Series 1986 Program, Issued 2004	Naranja Lakes CRA	$5,000,000	$5,000,000	July 1, 2016
Sunshine State Governmental Financing Commission, Series 1986 Program, Issued 2006	Naranja Lakes CRA	$5,000,000	$4,500,000	July 1, 2016
Sunshine State Governmental Financing Commission, Series 2001	Various	$49,000,000	$27,185,000	October 1, 2011
Sunshine State Governmental Financing Commission, Series 2005	Seaport	$75,000,000	$75,000,000	September 1, 2035
Sunshine State Governmental Financing Commission, Series 2005	Various	$71,000,000	$56,600,000	September 1, 2017
Sunshine State Governmental Financing Commission, Series 2005	PHT Equipment	$56,200,000	$50,000,000	September 1, 2017
Sunshine State Governmental Financing Commission, Series 2006	Seaport	$232,060,000	$232,060,000	September 30, 2032
Sunshine State Governmental Financing Commission, Series 2006	Various	$100,000,000	$94,763,000	September 30, 2026
Industrial Development Revenue Bonds-BAC Funding Project Series 2000A and 2000B	Various	$21,775,000	$19,445,000	October 1, 2030

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

Debt Authorized, but Unissued

As of September 30, 2007, the County has authorized but not issued the following:

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

b) $247,500,000 of general obligation bonds for capital improvements for County airports to be paid by Aviation net revenues, if issued;

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

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

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

f) $2,301,608 Professional Sports Franchise Facilities Tax Revenue Bonds;

g) $616,385,000 Aviation Revenue Bonds for improvements to airport facilities (the "1996 Authorization");

h) $500,000,000 Aviation Revenue Bonds for improvements to airport facilities (the "1997 Authorization");

i) $329,705,552 Aviation Bond Anticipation Notes to pay costs for improvements to airport facilities;

j) $84,285,000 Water and Sewer System Revenue Bonds to finance the cost of capital improvements to the water and sewer systems of the County;

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

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

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

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

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

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

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

r) $25,687,752 Special Obligation Bonds (Convention Development Tax) to pay the cost of various visitor related capital facilities; and

s) $2,675,750,000 General Obligation Bonds to fund the projects under the "Building Better Communities" Bond Program.

t) $313,565,000 Transit System Sales Surtax Bonds to fund the projects of the People's Transportation Plan.

u) $4,215,000 Special Obligation Bonds to fund UMSA Public Improvements.

v) $197,280,000 Special Obligation Bonds (Capital Acquisition) to acquire, construct, improve or renovate certain capital assets.

Note 9 - Pension Plans and Other Postemployment Benefits

Florida Retirement System

The County participates in the Florida Retirement System (the "System"), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of its full-time and part-time employees. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees (as defined by the State) 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)**

	2007	2006	2005
Covered Payroll	$ 2,099,613	$ 2,016,853	$ 1,979,699
Contributions	$ 272,101	$ 227,044	$ 204,793
% of Covered Payroll	13.0%	11.3%	10.3%

Pension costs for the County, as required and defined by State Statute, ranged from 9.85% to 20.92% of gross salaries for fiscal year 2006. For the fiscal years ended September 30, 2007, 2006 and 2005, the County contributed 100% of the required contributions.

A copy of the System's annual report for the year ended June 30, 2007 can be obtained by writing to the Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, by calling toll-free (877) 377-1737, or by visiting their website at http://FRS.myFlorida.com.

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

The Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan (the Plan) was created in 1996. The Plan is a single-employer, defined benefit pension plan and is an employee-noncontributory plan administered by the Public Health Trust (PHT). The Plan does not issue stand-alone financial statements. This report includes a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets for the Plan for the year ended September 30, 2007.

All PHT employees working in a full-time or part-time regularly established position who were hired after January 1, 1996 are covered by the Plan. Benefits under the Plan vest after six years of service. Employees who retire at or after age 62 with six years credited service are entitled to an annual retirement benefit payable monthly for life. The Plan also provides for early retirement at reduced benefits, and death and disability benefits. These benefit provisions and all other requirements are set forth in the Plan document. Benefits increase by approximately 2.5% per year for cost of living adjustments. The Board of Trustees of the PHT (the Board) reserves the right to modify, alter or amend the Plan subject to certain limitations.

Membership of the Plan consisted of the following at January 1, 2007, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	42
Terminated plan members entitled to but not yet receiving benefits	475
Active plan members	6,347
Total	6,864
Number of participating employers	1

The contribution rate for normal cost is determined using the aggregate actuarial cost method. Under this method, the excess of the present value of projected benefits over the actuarial value of assets is spread evenly over the expected future salaries of the active participants presently under Normal Retirement Age. This method does not identify or separately amortize unfunded actuarial liabilities. Gains and losses resulting from fluctuations in Plan experience are similarly amortized as part of normal cost. The significant assumptions used to compute the annual required contribution include an 8% rate of return on investment, projected salary increase of 6% in the first 10 years of service and 5% after 10 years of service. The rate of return on investments and the projected salary increase rate include projected inflation of 2.5%.

The PHT's funding policy provides for actuarially determined rates deemed sufficient to pay benefits as due. The assumptions used to compute the contribution requirement are the same as those used to compute pension benefits earned as previously described under funding status and progress. The PHT's funding policy is to make contributions based on a percentage of payroll.

Contributions to the Plan for the fiscal year ended September 30, 2007 were approximately $33,432,000. The PHT's most recent actuarial report as of January 1, 2007 determined the annual pension cost to be approximately $24,137,469, $31,379,000 and $27,173,609 which represent 8.79%, 8.84% and 8.58% of payroll for the Plan years ended December 31, 2008, 2007, and 2006, respectively. The PHT has contributed 100% of the annual cost for all of the years.

Deposits and Investments

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

The following is a summary of the fair value (based on quoted market prices) of assets held in the pension trust fund at September 30, 2007: (in thousands)

Cash and short-term investments	$ 13,059
Investments, at fair value	
Domestic investments:	
Equities	97,759
Corporate debt securities	33,091
Government and agency obligations	30,926
Total domestic investments	161,776
International investments:	
Mutual funds	38,278
Equities	4,679
Corporate debt securities	2,054
Total international investments	45,011
Total	$ 219,846

Custodial Credit Risk

GASB 40 requires governments to disclose deposits and investments exposed to custodial credit risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party to a transaction, a government may not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of September 30, 2007, the Plan's investment portfolio was held with a single third-party custodian.

Credit Risk

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

At September 30, 2007, the Plan's investment securities had the following credit ratings: (in thousands)

	Fair Market Value	Credit Rating	
Money market accounts	$ 13,059	Not rated	
Domestic investments:			
U.S. Government agency securities, by issuer			
Federal Home Loan Mortgage Corporation	18,962	AAA	*
U.S. Treasury bills	11,964	AAA	*
Equities	92,104	Not rated	
Collateralized mortgage obligations	5,655	AAA	*
Corporate debt securities:			
Corporate bonds	6,605	A1-A3	**
Corporate bonds	4,875	Aa1-Aa3/Aaa	**
Corporate bonds	538	B1-B3	**
Corporate bonds	1,190	Ba1-Ba3/Baa	**
Corporate bonds	6,473	Baa1-Baa3	*
Corporate bonds	44	Caa1/Caa3	*
Corporate bonds	665	A/A-	
Corporate bonds	584	BBB+/BBB-	
Corporate bonds	9,446	Not rated	
Convertible bonds:			
Convertible bonds - Victory	654	A1-Aa3	
Convertible bonds - Victory	689	Baa1-Baa3	
Convertible bonds - Victory	406	BBB-	
Convertible bonds - Victory	191	Not rated	
Convertible bonds - Horizon	731	Not rated	
International investments:			
Mutual funds	38,278	Not rated	
Equities	4,679	Not rated	
Corporate debt securities	2,054	A1-Aa1/ Ba2-Ba3	**
Total	$ 219,846		

* Standards & Poor's ratings
** Moody's Investor Services ratings

Concentration of Credit Risk

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

At September 30, 2007, the composition of the Plan's investments by investment type as a percentage of total investments was as follows:

	Percentage of Portfolio
Cash and short-term investments	5.9%
Domestic investments:	
Equities	44.5%
Corporate debt securities	15.1%
Government and agency obligations	14.1%
International investments:	
Mutual funds	17.4%
Equities	2.1%
Corporate debt securities	0.9%

The following represents individual investments whose fair value (based on quoted market prices) exceeded 5% of the Plan's net assets at September 30, 2007.

ING Mayflower TR – International Value Fund Class A	$ 17,947
MFO TCW Funds in CL I Select Equities FD	20,331
Julius Baer International Equity Fund – Class I	25,778
Total	$ 64,056

Interest Rate Risk

The Plan manages its exposure to rising interest rate risk in fair value by forecasting cash outflows and inflows. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. As of September 30, 2007 the Plan had the following investments with the respective weighted average maturity in years.

	Weighted Average Maturity
Cash and short-term investments	N/A
Domestic investments:	
Equities	N/A
Corporate debt securities	
Corporate bonds	10.44
Corporate bond mutual funds	N/A
Government and agency obligations	
Federal Home Loan Bank	15.10
Federal National Mortgage Association	20.09
Federal Home Loan Mortgage Corporation	22.35
U.S. Treasury bills	5.38
International investments:	
Mutual funds	N/A
Equities	N/A
Corporate debt securities	17.62

Foreign Currency Risk

GASB 40 requires governments to disclose deposits or investments exposed to foreign currency risk, the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan's exposure to foreign currency risk at September 30, 2007 was as follows: (in thousands)

	Currency	Fair Value (in U.S. dollars)
International equities:		
Common stock	Canadian Dollars	$ 2,497
Common stock	Euros	174
Common stock	Russian Rouble	510
Common stock	Chinese Yuan Renminbi	726
Common stock	Indian Rupee	190
Common stock	Hong Kong Dollars	411
Common stock	Korean Won	171
		$ 4,679
International corporate debt securities:		
Corporate bonds	Brazilean Real	$ 258
Corporate bonds	Singapore Dollar	21
Corporate bonds	Canadian Dollars	749
Corporate bonds	Euros	728
Corporate bonds	British Pounds	298
		$ 2,054

In addition, at September 30, 2007, the Plan's investments include approximately $38,278,000 in mutual funds which principally invest in international stocks and other international securities. Although these mutual funds are United States dollar-denominated and United States exchange-traded, the underlying investments expose the Plan to an additional degree of foreign currency risk.

Other Postemployment Benefits (Unaudited)

The Governmental Accounting Standards Board issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45) in June 2004. This Statement requires employers to accrue the cost of other postemployment benefit (OPEB) plans while employees who will receive these benefits are providing services to the employer. For Miami-Dade County, GASB 45 must be adopted in the year beginning October 1, 2007 (Fiscal Year 2008).

Actuarial Accrued Liability:
The County's postemployment health and medical benefits plan in effect during fiscal year 2007 required retirees to cover the cost of coverage, with no contributions from the County. In preparation for implementing Statement No. 45, the County obtained an actuarial valuation of its OPEB as of October 1, 2007. The actuarial study, dated August 2007, calculated the County's unfunded actuarial accrued liability (UAAL) to be $140,908,000.

Effective January 1, 2008, a new plan was put into place and a new actuarial study was ordered. Based on the actuarial report, dated July 2008, the estimate of the County's UAAL is $641,430,000. The annual OPEB expense for fiscal year 2008 is estimated to be $64,638,000.

Funding Policy: The postemployment medical and dental benefits are currently funded on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits.

Summary of Plan Provisions:
The County's OPEB Plan effective January 1, 2008, is described below.

Miami-Dade County provides pre-65 and post-65 postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. The medical plans offered provide hospital, medical and pharmacy coverage. The County contributes to both the pre-65 and post-65 retiree medical coverage. Retirees pay the full cost of dental coverage.

Medical contributions vary based on plan and tier. For pre-65 retirees, the County explicitly contributes from zero to 41% of the cost, depending on the plan. The post-65 retiree contributions also vary by plan and tier, with the County contributing an average of 28% of the entire plan cost.

Eligibility: To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under the Florida Retirement System (FRS) and pay required contributions.

- Regular Class (All employees not identified as members of the Special Risk Class)
    - Eligibility for Unreduced Pension Benefits under FRS
        - Age 62 with 6 years of service
        - 30 years of service (no age requirement)
        - Eligibility for Reduced Pension Benefits under FRS

- Special Risk Class (Police Officers, Firefighters and Corrections Officers)
    - Eligibility for Unreduced Pension Benefits under FRS
        - Age 55 with 6 years of special risk service
        - 25 years of special risk service (no age requirement)

  - Age 52 and 25 years of creditable service, including special risk service and up to maximum of 4 years of active duty wartime military service credit,
  - Regular Class criteria

- Eligibility for Reduced Pension Benefits under FRS
  - 6 years of service (no age requirement)

Number of Covered Participants:

Actives	27,063
Retirees under age 65	1,344
Eligible spouses under age 65	747
Retirees age 65 and over	1,433
Eligible spouses age 65 and over	302
Total	30,889

Note 10 - Contingencies and Commitments

North Terminal Development Program (NTD)

In 1989, the Aviation Department agreed to allow a major carrier (collectively, the parties) to create an international passenger hub at MIA. The North Terminal Development Project (NTD or the Project) evolved out of this plan and commitment to improve the level and quality of services to passengers. The carrier worked with the Aviation Department to develop the concept plan for NTD and in October 1995, the parties entered into a Lease, Construction and Financing Agreement (the LCF Agreement), which authorized the carrier to design and construct the Project.

The LCF Agreement was approved by the Board in 1995 and provided for costs up to $974.9 million. In July 1999, the parties agreed to the First Amendment which increased the scope of work and the costs to $1.3 billion. In January 2002, the parties agreed to the Second Amendment which eliminated the 250 flights per day requirement in the LCF Agreement. In April 2002, the parties entered into the Third Amendment which increased the costs to $1.5 billion.

Due to the complexity of the project, coordination and construction problems, along with insufficient project management and controls, the project encountered substantial delays and significant cost overruns resulting in a series of unprocessed and unpaid claims from subcontractors and suppliers related to change orders and cost overruns. As a result of the aforementioned delays and issues, the Aviation Department assumed responsibility for the management and completion of the Project with the assistance of consultants.

A Fourth Amendment was entered into between the parties, which was approved by the Board on June 21, 2005. The Fourth Amendment primarily terminated the carrier's management of the Project and attempted to resolve the unprocessed and unpaid claims. Under the Fourth Amendment, the carrier has agreed to contribute to the Project $105 million, payable in installments over a period of ten years beginning in fiscal year 2005. The contribution shall be maintained in a claims reserve fund to pay such claims. Once all claims have been settled, any excess funds available are retained by the Aviation Department to be applied to construction of the Project. The first installment in the amount of $15 million was received during fiscal year 2005, the second installment in the amount of $15 million was received in July 2006 and the third installment in the amount of $10 million was received in July 2007. They were recognized as other revenue in the statement of revenues, expenses, and changes in net assets of the corresponding fiscal year. The Aviation Department's best estimate is an allowance for uncollectible amounts equal to 100% of the unpaid balance.

Although it is probable that the Aviation Department will have to pay claims associated with the NTD Project, the total amount to be paid or accrued cannot be reasonably estimated. As of September 30, 2007, $54.83 million of claims had been paid and none had been accrued and included in accounts payable and accrued expenses in the statements of net assets.

Environmental Matters

In August 1993, the Miami-Dade County Aviation Department ("MDAD" or "Aviation Department") and the Dade County Department of Environmental Resources Management (DERM) entered into a Consent Order. Under the Consent Order, the Aviation Department was required to correct environmental violations resulting from various tenants' failure to comply with their environmental obligations at the Airport including those facilities previously occupied by Eastern Airlines and Pan Am Airlines. In addition, the Aviation Department had a preliminary study performed by an independent engineering firm to estimate the cost to correct the environmental violations noted in the Consent Order. This study was used as a basis to record the environmental remediation liability as of September 30, 1993. In each subsequent year, the Aviation Department has received an updated study performed by MACTEC Engineering and Consulting, f/k/a LAW Engineering and Environmental Services, Inc. (LAW), an independent engineering firm to further update the estimated costs to correct the environmental violations noted in the Consent Order based on additional information and further refinement of estimated costs to be incurred.

As a result of the updated study and costs incurred in fiscal year 2007, the total cumulative estimate to correct such violations was $236.2 million. This estimate allows for uncertainties as to the nature and extent of environmental reparations and the methods, which must be employed for the remediation. The cumulative amount of environmental expenditures spent through September 30, 2007 approximated $130.8 million.

During fiscal year 1998, a new Consent Order ("FDEP Consent Order") was signed with the State of Florida Department of Environmental Protection ("FDEP"). The new FDEP Consent Order encompasses and replaces the DERM agreement and includes additional locations. The FDEP Consent Order includes all locations at the Miami International Airport (MIA) that are contaminated, as well as additional sites where contamination is suspected. The Aviation Department included other sites where contamination is suspected in the FDEP Consent Order under a "Protective Filing". If contamination is documented at these sites, the State would be required to incur the costs of remediation. Because the State will be required to pay for remediation of sites filed in the Protective Filing and because the contamination at the sites is unknown, an accrual amount is not reflected in the Opinion of Cost report.

Currently, the County has several pending lawsuits in State Court against the Potentially Responsible Parties ("PRPs") and insurers to address recovery of past and future damages associated with the County's liability under the FDEP Consent Order. As of September 30, 2007, the Aviation Department has received approximately $49 million from the State, insurance companies and PRP's.

The Aviation Department has recorded a liability of $105.4 million at September 30, 2007, representing the unexpended environmental remediation costs based on the Opinion of Cost performed by MACTEC. Management has allocated a portion of bond proceeds to fund this obligation and believes that the remaining amount can be funded from recoveries and the operations of the Aviation Department. The liability recorded by the Aviation Department does not include an estimate of any environmental violations at the three general aviation airports or at the two training airports. Management is not aware of any such liabilities and the occurrence of any would not be material to the financial statements.

In addition to the studies conducted to determine the environmental damage to the sites occupied by Eastern and Pan Am, the Aviation Department caused studies to be performed to determine the amount required to remove or otherwise contain the asbestos in certain buildings occupied by the airlines. The Aviation Department has also estimated the amount required to remove or otherwise contain the asbestos in buildings other than those occupied by Eastern and Pan Am. The studies estimate the cost to correct such damage related to all buildings to be approximately $4.5 million. Such amounts do not represent a liability of the Aviation Department until such time as a decision is made by the Aviation Department's management to make certain modifications to the buildings, which would require the Aviation Department to correct such matters. As such, no liability was recorded at September 30, 2007.

Settlement Agreement

In 1993, the County entered into a settlement agreement with the Florida Department of Environmental Protection ("FDEP") resulting in very limited restrictions on new sewer construction in certain areas of the County until adequate capacity becomes available in the wastewater system. Subsequently, in 1994 and 1995, two consent decrees were entered into with the U.S. Environmental Protection Agency ("EPA") whereby the County accelerated its improvement program of the wastewater system, subject to a schedule of stipulated penalties if certain established completion dates are not met.

On April 29, 2004, the Consent Order, OGC File No. 03-1376, was entered into between the State of Florida Department of Environment Protection and Miami-Dade County. It requires the County to provide high level disinfection for the effluent prior to injection, by April 2009. The total project cost of these improvements is approximately $600 million.

On May 10, 2006, Miami-Dade County and the South Florida Water Management District entered into an Interim Consumption Use Authorization and Agreement to authorize the withdrawal of up to 349.75 million gallons of water per day from the existing wellfields, for a duration of 18 months, to allow the County time to complete all the tasks required to complete a pending permit application for a twenty year consumptive use permit. The 20 year Consumption Use Permit (CUP) was obtained in December 2007 and requires that all the water needed for future demands come from alternative sources.

Closure and Postclosure Care Costs

Current laws and regulations require the County to place final covers on landfill cells as they are closed and perform certain maintenance and monitoring functions at the landfill cell sites for thirty years after closure. These laws and regulations also require the County, on an annual basis, to disclose the extent of its financial responsibility for the costs involved, which are referred to as "closure and postclosure care" costs. The County was in compliance with these requirements as of September 30, 2007.

At September 30, 2007, the County's total liability for landfill closure and postclosure care costs was approximately $108.7 million. Of this amount, $74.7 million relates to active landfills and approximately $34 million relates to inactive landfills.

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

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

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

The liability balance of $74.7 million as of September 30, 2007, represents an increase of approximately $4.9 million when compared to the preceding year. This resulted from the combined effects of (1) a net amortization credit of approximately $5.3 million in the current period adjusting the recorded liability to the amount required to be recognized based on the current estimates for closure and postclosure care costs and the use of approximately 84.4% of the existing landfill capacity, and (2) reductions of approximately $407 thousand for amounts paid or due to vendors actually performing closure or postclosure work during the current period on closed “cells” of active landfills.

Unrecognized costs of approximately $23.5 million as of September 30, 2007 will be amortized on a current basis as the existing estimated capacity of approximately 5.4 million tons at September 30, 2007 is used. This estimated capacity is expected to last until 2013 based on current waste flows.

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

The liability balance of the inactive landfills as of September 30, 2007 is approximately $34.0 million. When compared to the preceding year, the liability balance increased approximately $98 thousand reflecting the offsetting effects of (1) expenses recognized in the current period of approximately $1.7 million and (2) reductions of approximately $857 thousand for amounts paid or due to vendors actually performing closure and postclosure work during the current period.

Construction Commitments

As of September 30, 2007, the County’s enterprise funds had contracts and commitments totaling $2.183 billion, as follows:

- Miami-Dade Transit, $87.6 million;
- Miami-Dade Water and Sewer Department, $73.9 million;
- Public Health Trust, $329.2 million;
- Aviation Department, $1.6 billion;
- Solid Waste Department, $2.9 million; and
- Miami-Dade Seaport Department, $90.2 million.

The Reserve for Encumbrances at September 30, 2007, for the Capital Project Funds reflect construction commitments entered into by the County. The following table sets forth these commitments by program classification (in thousands):

Street and Safety Improvements	$	90,734
Recreational Facilities and Cultural Improvements		52,106
Public Safety Facilities		15,009
Judicial and Correctional Facilities		6,783
Physical Environment		23,226
Health		3,058
General Governmental Facilities		26,985
Total	$	217,901

Gantry Cranes Operating Agreement

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

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

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

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

On May 19, 1998, pursuant to Resolutions R-456-98 and R-514-98, the County terminated the Agreement with the Operating Company and entered into an Interim Gantry Crane Management Agreement (the "Interim Agreement") with a company (the "Interim Operator") to take over the maintenance of the gantry cranes.

On June 6, 1999, the Board of County Commissioners adopted Resolution R-671-99 adopting in principle the Crane Maintenance Company Business Plan proposed by the Seaport and recommended by the County Manager. This plan provided for the creation of a not-for profit-company, Port of Miami Crane

Management, Inc. ("Crane Management"), to replace the Interim Operator. On August 5, 2002, the County and Crane Management entered into an Agreement for maintenance and management of the container handling cranes and cargo handling equipment at the Port. The term of the Agreement is for a period of five years with a renewal option for another five years at the County's sole discretion. Crane Management became fully operational in October 2002 and took over the maintenance of the Port's gantry cranes. Crane Management is responsible to a board of directors appointed by the Board of County Commissioners, the County Manager, the Port Director, and Port users. Container crane user revenues and operating expenses for fiscal year 2007 totaled $8.5 million and $10.0 million, respectively.

Consent Order

During fiscal year 2002, the Miami-Dade County Board of County Commissioners authorized the County Manager to execute a Consent Order between the State of Florida Department of Environmental Protection ("FDEP") and Miami-Dade County for settlement of Miami Harbor dredging permit violations committed by the Seaport's former dredging contractor. Accordingly, the Seaport recognized an expense and related liability for the fiscal year 2002 in the amount of $2.5 million, which was the amount estimated to satisfy the Consent Order. As of September 30, 2007, $2.4 million was the remaining balance. The County is pursuing potential reimbursement opportunities through the United States Corps of engineers Miami federal harbor Project.

Building Lease/Terminal Usage Agreements

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

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

During fiscal years 1998 and 1999, the County approved various resolutions authorizing the County Manager to execute terminal usage agreements with two major cruise lines (the "Lines") and a terminal operating agreement with one of the cargo terminal operators. These agreements provide certain wharfage and dockage incentive discounts from the published tariff in return for annual revenue guarantees and preferential berthing arrangements at certain terminal facilities. The cargo terminal operator agreement also provides for container yard improvements and reduced reefer rates.

The terminal usage agreements are 15 year contracts with five-year renewal options wherein each line guarantees to pay minimum annual revenues of not less than $6.5 million in the first year and increasing annually thereafter during the initial term of the agreements. The lines receive incentive discounts ranging from 27% to a maximum of 33% from the published wharfage and dockage rates. Annual dockage and wharfage increases are capped, with only one increase per annum.

Interlocal Agreement

The County entered into an interlocal agreement (the "Interlocal Agreement") with the City of Miami Beach, Florida (the "City") in 1996 regarding the use and disposition of the two-thirds (2/3) portion of the Convention Development Tax (the "Tax"). The Tax is imposed by the County, pursuant to Section 212.0305(4)(b) of the Florida Statutes, on the leasing or letting of transient rental accommodations. Prior to this agreement, the Tax proceeds were collected by the County and remitted to the City of Miami

Beach as security for the payment of debt service on any bonds secured by the Tax. The Interlocal Agreement provides that the tax proceeds be held by the County for projects permitted by State law and distributed after debt service is paid on the Miami-Dade County Special Obligation and Refunding Bonds Taxable Series 1996A and Series 1996B (the "1996 Senior Lien Bonds") and an annual operating subsidy payment of $1.5 million (the "Operating Subsidy") is remitted to the City for the Miami Beach Convention Center Complex (the "Complex").

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

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

Agreement with Florida Department of Transportation

The Florida Department of Transportation (FDOT), in cooperation with the County, has borrowed $433 million from the United States Department of Transportation (USDOT) under the Transportation Infrastructure Financing Innovation Act (TIFIA) loan program. Approximately $269 million of the loan proceeds will be used to construct the Miami Intermodal Center and approximately $164 million for a consolidated rental car facility (RCF) adjacent to the Airport. The $164 million is to be used by FDOT to purchase the land needed for the RCF and then design and construct the facility. The portion of the loan relating to the RCF will be repaid through the collection of the Customer Facility Charges (CFCs) from car rental company customers at the Airport. The remainder of the loan will be repaid by the State. The repayment of the TIFIA loan is not secured by revenues or any other revenues of the Aviation Department. On December 7, 1999 the County entered into a Memorandum of Understanding (MOU) with FDOT. The MOU provides that FDOT's portion of the TIFIA loan is $269 million and that MDAD's portion of the TIFIA loan is approximately $164 million. This funding of $164 million is expressly for the purpose of paying FDOT for the cost of the land underlying the RCF and the construction of the RCF. MDAD has agreed to purchase from FDOT all land acquired by FDOT for use in connection with the RCF site as part of the capital cost for the RCF. As of September 30, 2007 the purchase by MDAD from FDOT has not taken place, the purchase cannot occur until FDOT completes the construction of the RCF. The negotiation and purchase of the land and the RCF is estimated to take place shortly after the RCF's current estimated completion date of January 2010. As such, as of September 30, 2007 MDAD has not recorded the loan payable in its accounting records.

On April 1, 2005, a security agreement was entered into among USDOT, FDOT, and the County regarding FDOT's loan agreement for the TIFIA loan in an amount up to $170 million. Under the security agreement the USDOT requires as a condition to loaning the TIFIA funds to FDOT that FDOT and the County pledge and assign to a fiscal agent a security interest in the Pledged Revenues, which includes the CFC's collected by MDAD and any contingent rent that is imposed by the County on participating car rental companies in the event CFCs are not sufficient to meet the debt service requirements. As to the nature of the payment by MDAD to FDOT, MDAD is under no obligation to expend its own funds for the purchase. All payments to FDOT for the purchase of the land and the RCF will come exclusively from a pool of funds made of Customer Facility Charge proceeds (as well as any contingent rents that are imposed on the rental car companies).

On July 19, 2007 the Board of County Commissioners approved the First Amendment to the Rental Car Concession Agreement and Facility Lease Agreement (the RCCA). The RCCA was one of the contractual documents all rental car companies desiring to participate in the RCF were required to sign. Resolution No. R-910-07 approving the First Amendment also accepted FDOT's new estimate of $370 million for the design and construction costs of the RCF, and approved an increase in MDAD portion of the TIFIA loan from $164 million to $270 million, with the balance of the costs to be paid by the CFCs already collected from rental car company customers. The RCCA as amended confirmed that the debt service of the RCF portion of the TIFIA loan and additional RCF financing shall be paid solely from CFCs and contingent rent, if any. In no event shall MDAD be required use general airport revenues for the payment of debt service on the RCF portion of the TIFIA loan or any additional RCF financing.

Other Commitments

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

Departure Incentive Program
The County offered a Departure Incentive Program (the "Program") to employees with ten years of continuous service who were eligible for an unreduced Florida Retirement System benefit on or before January 31, 1996, and to employees who completed 20 years or more of continuous service, regardless of age, on or before January 31, 1996. The Program offered single health insurance coverage in a County approved group health plan or a $300 a month cash payment for a minimum of eight years or until the employee becomes eligible for Medicare. The total estimated cost of the Program, discounted at 5%, is approximately $3.3 million and is recorded in long-term debt.

Arbitrage Rebates
At September 30, 2007, the County recorded obligations to rebate arbitrage interest earnings on certain General Obligation and Special Obligation Refunding and Equipment Floating Bonds (the "Bonds") issued after the passage of the Tax Reform Act of 1986. The proceeds of the bonds were used to refund existing debt and to finance certain capital projects and acquisitions accounted for within the governmental and proprietary fund types of the County.

The rebate to the Federal Government, required to be paid within five years from the date of issuance and each five years thereafter, is estimated to be approximately $5.1 million as of September 30, 2007. The liability related to governmental activities, not expected to be paid with available financial resources, is $3.1 million and is recorded in long-term debt. The liability related to the enterprise funds at September 30, 2007 amounted to $2.0 million, and is also included in long-term debt. The ultimate amount of the County's obligation will be determined based on actual interest earned.

Federal and State Grants

Federal grant awards are audited in accordance with OMB Circular A-133 and state grants are audited in accordance with Florida Rules of the Auditor General, Section 10.550 and the State of Florida Single Audit Act to determine that the terms and conditions of the grant awards have been complied with. Amounts received or receivable from grantor agencies are subject to audit adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. It is the County management's opinion that no material liabilities will result from any such audits.

On March 20, 2003, the U.S. Department of Transportation, Office of the Inspector General (OIG) issued Report No. AV-2003-030 entitled Oversight of Airport Revenue in connection with their audit of amounts paid to Miami-Dade County by the Miami-Dade Aviation Department (MDAD). The OIG reported Miami-Dade County diverted MDAD revenues of approximately $38 million from 1995 to 2000. On August 9, 2005, upon receiving additional information from MDAD, the OIG agreed to adjust the finding to $8.1 million, plus interest. The Oversight of Airport Revenue report was then updated to include the years 2001 through 2005, and the total diversion of revenues was increased to $12 million, plus interest of $2.3 million for a total of $14.3 million. Miami-Dade County repaid MDAD $1 million annually during fiscal years 2004 through 2006, In fiscal year 2007 the County repaid MDAD $2.3 million leaving an unpaid balance of $9.0 million as of September 30, 2007. The $9.0 million unpaid balance will be repaid by the County in quarterly installments of $564.3 thousand over the next four fiscal years.

Annual Operating Agreement

In accordance with the annual operating agreement between the Public Health Trust (the "Trust") and the University of Miami (the "University"), the Trust pays certain amounts for staff and services to be provided by the University. Under the annual operating agreement, costs incurred by the Trust for the year ended September 30, 2007 were approximately $129.6 million. At September 30, 2007 the Trust had a liability to the University of approximately $3 million.

Note 11 – Restatements - Prior Period Adjustments

Fund statements

Beginning fund balance / net assets reflect prior period adjustments to restate amounts in previous year statements. The prior period adjustments took place in the Documentary Stamp Surtax Special Revenue Fund, the Other Housing Programs Special Revenue Fund, and the Housing Nonmajor Enterprise Fund. The effect of restatement of fund balance / net assets in the fund statements is as follows (in thousands):

	Other Governmental Funds	Other (Non-Major) Enterprise Funds
At September 30, 2006:		
Fund Balance/Net Assets - as previously reported	$ 1,660,599	$ 68,898
Adjustments:		
(1) To correct allowance for uncollectible mortgages receivable in the Documentary Stamp Surtax Fund	(116,421)	
(2) To properly recognize revenues when earned in the Surtax fund	(2,449)	
(3) To correct accounts payable in Other Housing Programs, and various other adjustments	(19,618)	
(4) To adjust capital assets of the Housing Other (Non-Major) Enterprise Fund		(290)
(5) To adjust various accounts of the Housing Other (Non-Major) Enterprise Fund		(1,006)
Total prior period adjustments	(138,488)	(1,296)
Fund Balance/Net Assets - restated	$ 1,522,111	$ 67,602

Government-wide statements

Beginning net assets reflect prior period adjustments to restate amounts in previous year statements. The prior period adjustments took place in the Documentary Stamp Surtax Special Revenue Fund, the Other Housing Programs Special Revenue Fund, and the Housing Nonmajor Enterprise Fund. Their effect in the government-wide statements is as follows (in thousands):

At September 30, 2006	Governmental Activities	Business-type Activities
Net Assets - as previously reported	$ 2,636,442	$ 5,023,856
Adjustments:		
(1) To adjust capital assets and accumulated depreciation (Note 4)	110,231	
(2) To adjust allowance for uncollectible mortgages in the Surtax fund	(116,421)	
(3) To properly recognize revenues in the Surtax fund	(2,449)	
(4) To correct accounts payable in Other Housing Programs and various other adjustments	(19,618)	
(5) Other	(1,357)	
(6) To adjust capital assets of the Housing Other (Non-Major) Enterprise Fund		(290)
(7) To adjust various accounts of the Housing Other (Non-Major) Enterprise Fund		(1,006)
Total adjustments	(29,614)	(1,296)
Net Assets - restated	$ 2,606,828	$ 5,022,560

The above adjustments were not identifiable to any specific activity in FY 2006.

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Note 12 - Interfund Transfers and Balances

(in thousands)

		TRANSFER FROM			
		General Fund	Nonmajor Governmental	Miami-Dade Transit	Solid Waste Department
T	General Fund		$ 17,928		
R	Nonmajor Governmental	$ 268,545	108,155		
A	Miami-Dade Transit Department	138,773	152,598		
N.	Public Health Trust	160,707	190,872		
	All Others		800		
T					
O	Total Transfers Out	$ 568,025	$ 470,353		

The General Fund transfer out of $568 million includes: $138.8 million to the Miami-Dade Transit Department (MDT) to support its operations in accordance with the Maintenance of Effort Agreement (MOE); $160.7 million to Public Health Trust from ad valorem taxes to support its operations; $25.2 million to the Debt Service Fund to make debt service payments as they become due; $95.6 million to the Capital Projects Fund to fund capital projects as per the approved budget; and $62.1 million to the Community and Social Development Fund to finance its programs in accordance with the approved budget.

The Nonmajor Governmental transfer out of $470.4 million includes $152.6 million to Miami-Dade Transit from the People's Transportation Plan (half penny transit system sales surtax), and $190.9 million to the Public Health Trust from the Health Development Fund (half penny indigent sales surtax).

		DUE FROM			
		General Fund	Nonmajor Governmental	Miami-Dade Transit	Solid Waste Department
D	General Fund		$ 39,957	$ 152,283	$ 3,319
U	Nonmajor Governmental	$ 7,967	17,642	85,464	-
E	Internal Service Fund		187	7,841	2,260
	Miami-Dade Transit Department		10,550	-	-
	Solid Waste Department		844	-	-
T	Aviation Department	24,657	5,634	-	-
O	Water and Sewer Department		12,551	-	-
	Public Health Trust	1,225	29,439	-	-
	All Others		426		
	Total Due to Other Funds	$ 33,849	$ 117,230	$ 245,588	$ 5,579

The General Fund balance of $152.3 million due from Miami-DadeTransit includes a Long-term Advance Receivable of $44.7 million not scheduled to be collected in the subsequent year (an increase of $4.7 million from fiscal year 2006), and $107.6 million recorded as Due from Other Funds. The Nonmajor Governmental Funds balance of $85.5 million due from Miami-Dade Transit includes a Long-term Advance Receivable of $76.0 million not scheduled to be collected in the subsequent year and $3.5 million due to the People's Transportation Fund (PTP) ($79.5 million total due to PTP), and $6 million due to other nonmajor governmental funds.

(Continued)

TRANSFER FROM					
Seaport Department	Aviation Department	Water and Sewer Department	Public Health Trust	Internal Service Fund	Total Transfer In
					$ 17,928
					376,700
					291,371
					351,579
					800
					$ 1,038,378

DUE FROM					
Seaport Department	Aviation Department	Water and Sewer Department	Public Health Trust	Internal Service Fund	Total Due to Other Funds
$ 7,375	$ 11,261	$ 8,198	$ 21,438		$ 243,831
-	5,135	929	963		118,100
270	1,705	1,911	19,107		33,281
-	-	-	-		10,550
-	-	-	-		844
-	-	-	-		30,291
-	-	-	-		12,551
-	-	-	-		30,664
					426
$ 7,645	$ 18,101	$ 11,038	$ 41,508		$ 480,538

Note 13 – Subsequent Events

Local Government Surplus Fund Investment Pool

As discussed in Note 3, at September 30, 2007, Miami-Dade County had $514,667,468 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (the Pool). During the month of November 2007, the County began making withdrawals from the Pool until all funds were withdrawn by November 27, 2007.

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool.

The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately $12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk. These assets had an approximate value of $2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Pool A participants may withdraw 15% of their balance or $2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principal value of Pool B assets is not readily determinable.

Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

Auction Rate Bonds, Variable Rate Demand Bonds and Sunshine State Governmental Financing Commission Loans

Subsequent to year end, several of the bond insurers have been placed on ratings watch as a result of the “Sub-prime” mortgage crises and some have been downgraded from AAA to B by rating agencies due to their exposure to asset-backed securities. Auction rate securities and other variable rate debt obligations trade based on the insurance ratings, or on the letter of credit backing the obligation. Since the bond insurers have been placed on ratings watch, the financial markets have experienced significant turmoil and the auction rate bonds have traded at much higher rates than normal. Additionally, the County has loans outstanding from the Sunshine State Governmental Financing Commission which are commercial paper obligations backed by insurance and a line of credit.

On March 4, 2008, the Board adopted Resolution No. R-216-08, which authorized staff to do all things necessary to reduce the County’s interest rate exposure to auction rate bonds and assist the Sunshine State Governmental Financing Commission in restructuring one or more of the outstanding Loans.

As of September 30, 2007, the following auction rate bonds, variable rate demand bonds and Sunshine State Governmental Financing Commission loans were outstanding:

Description	Outstanding Amount
Bonds:	
Aviation Auction Rate, Series 2003E	$ 139,700,000
Capital Asset Auction Rate, Series 2002B	$ 11,275,000
Capital Asset Auction Rate, Series 2007B	$ 17,450,000
Juvenile Courthouse Auction Rate, Series 2003B	$ 45,850,000
Water & Sewer System Revenue Bonds, Series 1994	$ 416,075,000
Water & Sewer System Revenue Refunding Variable Rate Demand Bonds, Series 2005	$ 295,240,000
Sunshine State Loans:	
Series 1986 Program:	
Seaport Loan	$ 38,245,000
Parks Bleachers	$ 1,285,746
Naranja Lakes Loan #1	$ 5,000,000
Naranja Lakes Loan #2	$ 4,500,000
Commercial Paper Program:	
Transit $100 Million PTP Loan (2004)	$ 82,915,000
Various Projects $71 Million Loan (2005)	$ 56,600,000
Various Projects $100 Million Loan (2006)	$ 94,763,000
Various Projects $49 Million Loan (2001)	$ 27,185,000
PHT $56.2 Million Loan (2005)	$ 50,000,000
Seaport $150.9 Million (AMT) Loan	$ 150,900,000
Seaport $81.160 Million (Non-AMT) Loan	$ 81,160,000
Seaport $75 Million Loan (2005)	$ 75,000,000

The County is looking at various options to reduce the risk of paying higher interest rates due to the continued instability in the variable rate market. These options include:

- The conversion of Auction Rate Bonds to a fixed rate mode
- The conversion of Auction Rate Bonds to a variable rate mode supported by a letter of credit from a financial institution
- The refunding of Auction Rate Bonds, Variable Rate Bonds or Sunshine Loans through a private placement or loan from a qualified banking institution
- Obtaining alternate bond insurance from an insurer that has stronger credit and is not on credit watch

On March 17, 2008, the Aviation Series 2003E Bonds were converted from their original auction rate mode to a fixed rate mode of interest, pursuant to the authorization provided under Resolution No. R-187-08 adopted by the Board on February 21, 2008.

On April 10, 2008, the County closed on two bank loans for the refunding of the Capital Asset Auction Rate Bonds, Series 2002B, outstanding in the principal amount of $11,275,000 and the Capital Asset Acquisition Auction Rate Bonds, Series 2007B, in the outstanding amount of $17,450,000.

On June 2, 2008, the Sunshine State Governmental Financing Commission restructured the Miami Dade Loans under the Commercial Paper Program in the amount of $530,638,000 with the substitution of the letter of credit provider. The County is still working with the Sunshine Commission in the restructuring of the Series 1986 Program which calls for the replacement of the credit facility provider. It is anticipated that the restructuring will be completed on August 1, 2008.

On July 15, 2008, the Water and Sewer System Revenue Bonds, Series 1994 were refunded with the issuance of the Water and Sewer System Revenue Refunding Bonds, Series 2008B in the amount of $374,555,000. The refunding of the Series 1994 Bonds “triggered” the termination of the Interest Swap Agreement associated with the Series 1994 Bonds, which resulted in a termination payment, in the amount of $76,400,000, which was funded with the issuance of the Water and Sewer System Revenue Bonds, Series 2008A, in the amount of $68,300,000 and other available funds of the Water and Sewer Department. The Series 2008 A&B Bonds were issued as fixed rate bonds, with final maturity on 2022.

On July 17, 2008, the Board adopted Resolution No. R-837-08 which authorized the conversion of the Juvenile Courthouse Auction Rate Bonds, Series 2003B from auction rate mode of interest to a variable rate mode. The County is currently scheduled to convert to variable rate bonds on September 5, 2008.

Other Issuances

On April 30, 3008, the County issued $99,600,000 Miami-Dade County General Obligation Bonds (Building Better Communities Bond Program) Series 2008A. The proceeds from the Series 2008A Bonds will be used as a contribution towards the County’s obligation to pay a portion of the costs to construct the Port Tunnel Project. The bonds pay interest ranging from 4.00%-5.00%, with final maturity in 2038.

On June 24, 2008, the County closed $52,000,000 Sunshine State Loan, proceeds of which will be used to pay or reimburse the County for the cost of acquiring certain capital equipment and/or constructing certain capital improvements.

On June 24, 2008, the County issued $274,565,000 Miami-Dade County Transit System Sales Surtax Revenue Bonds, Series 2008 to: (i) pay all or portion of the cost of certain transportation and transit projects; (ii) currently refund the outstanding Sunshine State Loan; and (iii) pay the costs of issuance of the Series 2008 Bonds, including premiums for a municipal bond insurance policy and a municipal bond debt service reserve insurance policy. The bonds pay interest ranging from 4.75%-5.00%, with final maturity in 2038.

On June 26, 2008, the County issued the Miami-Dade County Aviation Revenue Bonds, Series 2008A and Series 2008B in the aggregate principal amount of $600,000,000. The Series 2008 A and B Bonds were issued to provide long-term financing for projects comprising portions of the Aviation Department’s CIP. The bonds pay interest ranging from 4.00%-5.50%, with final maturity in 2041.