Port of Miami

Miami-Dade County Seaport Department

A Department of Miami-Dade County, Florida

2009 Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2009

MIAMI-DADE COUNTY

MIAMI-DADE COUNTY, SEAPORT DEPARTMENT
A Department of Miami-Dade County, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2009

Table of Contents

MIAMI-DADE
COUNTY
Delivering Excellence Every Day

INTRODUCTORY SECTION

MIAMI-DADE
COUNTY

Delivering Excellence Every Day

ELECTED AND APPOINTED OFFICIALS
MIAMI-DADE COUNTY, FLORIDA

CARLOS ALVAREZ, *MAYOR*

BOARD OF COUNTY COMMISSIONERS
DENNIS C. MOSS, CHAIRMAN
JOSÉ "PEPE" DIAZ, VICE-CHAIRMAN

BARBARA J. JORDAN
DISTRICT 1

DORRIN D. ROLLE
DISTRICT 2

AUDREY M. EDMONSON
DISTRICT 3

SALLY A. HEYMAN
DISTRICT 4

BRUNO A. BARREIRO
DISTRICT 5

REBECA SOSA
DISTRICT 6

CARLOS A. GIMENEZ
DISTRICT 7

KATY SORENSON
DISTRICT 8

DENNIS C. MOSS, CHAIRMAN
DISTRICT 9

SEN. JAVIER D. SOUTO
DISTRICT 10

JOE A. MARTINEZ
DISTRICT 11

JOSÉ "PEPE" DIAZ, VICE-CHAIRMAN
DISTRICT 12

NATACHA SEIJAS
DISTRICT 13

HARVEY RUVIN
CLERK OF COURTS

GEORGE M. BURGESS
COUNTY MANAGER

ROBERT A. CUEVAS JR.
COUNTY ATTORNEY

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March 19, 2010

Honorable Carlos Alvarez, Mayor
Honorable Chairman Dennis C. Moss,
and Members of the Board of County Commissioners

Honorable Harvey Ruvin, Clerk of Courts

Mr. George M. Burgess, County Manager

Ladies and Gentlemen:

We are pleased to present the Miami-Dade County Seaport Department ("the Seaport") Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 2009, pursuant to Florida State law. The financial statements were prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board ("GASB") and audited by a firm of independent certified public accountants retained by the County and paid from its public funds. This report may also be accessed via the internet at http://www.miamidade.gov/portofmiami.

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

Independent Audit

KPMG, a firm of licensed certified public accountants, has audited the Seaport's financial statements. The audit was performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. The goal of the independent audit was to obtain reasonable assurance as to whether the financial statements were free from material misstatement. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The scope of the audit was sufficient to satisfy State, Federal, County Charter, and bond covenant requirements. KPMG's opinion resulting from the audit is included in this CAFR.

Profile of the Government and Government Structure

The Seaport, a department of Miami-Dade County ("the County"), operates as an enterprise fund of the County. An enterprise fund is used to account for activity in which the cost of providing goods and services are primarily recovered through the fees charged to the users of such goods and services. The County owns the Dante B. Fascell Port of Miami-Dade ("the Port). The Port is operated by the Miami-Dade Seaport Department (the Seaport).

The Port is the largest cruise home port in the world and is among the top 12 container ports in the United States. The Port is an island port and, as such, occupies approximately 540 acres of land. For fiscal year 2009, the Seaport handled approximately 4.1 million passengers. During this same period, approximately 6.8 million tons of cargo and close to 0.8 million TEUs (twenty-foot equivalent units), were processed through the Port.

Budgetary Process and Control

Annually as part of the budget process, the Seaport recommends rates to provide for anticipated operating expenses, capital improvement and debt service requirements. By October 1st, the beginning of the new fiscal year, the Board of County Commissioners adopts an annual budget for the Seaport's recommended rates, operating expenses, capital outlays and debt service payments. An analysis of revenue and operating expenses for the fiscal year ended September 30, 2009 can be found in the MD&A section of this report. Capital Projects are budgeted in the year anticipated to be obligated and, in the subsequent years, the unused budget is re-appropriated until the project is complete, consequently an annual comparison of these expenses is not included in this report.

The Seaport controls current expenses at both the functional and operating division levels. Through the Seaport's management reporting system, which includes responsibility centers, division managers are responsible for budgetary items that are controllable at their level. Since all expenses are controllable, this dual monitoring of expenses serves to strengthen overall fiscal, management, and internal controls.

Factors Affecting Financial Conditions

The information presented in the financial statements primarily focuses on the Seaport's financial position, results of operations and cash flows for the current and preceding fiscal years. However, the Seaport's financial status and outlook are best understood when the focus is on previous, existing and future resources and claims on those resources. This broader concept is used to assess its financial condition, which reflects the current financial position as well as the prospects that today's financial position will improve or deteriorate (please refer to the Management's Discussion and Analysis). Additionally, the economic condition and outlook of Miami-Dade County, the Seaport's primary trading partners, the cruise lines and cargo terminal operators; long-term debt management; capital construction management; cash management and investments; and risk financing, should be considered when evaluating the Seaport's financial condition. Following is a brief discussion of each of these factors.

Economic Condition and Outlook

The Miami-Dade economy experienced a downturn following the effects of the same recessionary conditions driving the national economy. This report outlines the status of these conditions throughout fiscal year 2009 and forecasts the area's economic outlook for fiscal year 2010. Last year's outlook anticipated that fiscal year 2009 would be a year of low expectations for the Miami-Dade economy. It was assumed that the slump-like economic conditions of the time might affect Miami-Dade, mainly due to the national recession that began in December 2007. There were different opinions, from economists, on the depth of the recession and the assumed pace and extent of the recovery. The latter half of the fiscal year showed signs of recovery although signals were somewhat mixed. Data from key measures on employment, such as job growth and unemployment, suggests that the economy did not rebound as expected. The effects of the recession were felt throughout Miami-Dade's economy as most of the leading economic indicators closed with poor performances with the exception of home sales. Total payroll employment declined throughout the state and in Miami-Dade County, though relatively more in the former than the latter, while the unemployment rate climbed significantly higher.

Miami-Dade's economic strength primarily comes from—the visitor industry and national and international trade and commerce. The year-over-year increases in these two sectors were not replicated in fiscal 2009, partly due to the slowdown in the U.S. economy. Consequently, activity levels were constrained by the ongoing national recession. There was also a significant slowdown in the global economy, particularly in Europe and Asia, which faced similar situations to those in the U.S. These conditions had a negative impact on the number of visitors and the volume of exports.

Economic activity, as measured by taxable sales, was slightly down throughout fiscal year 2009, probably reflecting consumer lack of confidence and uncertainty. Improving consumer confidence is an important factor in increasing consumer spending. Total taxable sales were down 9.2%. Retail sales, without factoring information, declined by 8.0% compared to the previous year. Consistent with the past three fiscal years, Miami-Dade County fared somewhat better than the State in relative taxable sales. As such, the average decline in taxable sales for the County was not as pronounced as the statewide average, which declined by 10.7%. There were also declines in Tourism and Recreation and Consumer Non-Durables, which reported declines of 6.1% and 4.7%, respectively.

■ ***International Trade and Commerce***

At the Port, cargo activity, measured in Twenty Foot Equivalents Units (TEUs) decreased by approximately 2.5% compared to a decrease of approximately 6.4% in fiscal year 2008. The Seaport expects for cargo activity to remain flat from the current year or increase slightly from the 2009 fiscal year. The Seaport is optimistic regarding international commerce in Miami-Dade and predicts higher volume levels in freight and cargo activity movement through the Port. The optimism is based on the assumption that the new, highly incentivized agreements, coupled with the addition of new cargo services, will increase activity. Additionally, the Seaport is negotiating terms for a new long-term contract with one of its cargo partners, which is expected to increase revenues.

During last fiscal year, the Seaport entered into two long-term cargo terminal operator agreements, which benefited the Seaport financially during the 2009 fiscal year. The new agreements have encouraged competition. The Seaport has also been successful in maintaining existing services as well as attracting new services.

The Americas continue to represent a major share of the Seaport's total cargo. For fiscal year 2009, the Americas and Caribbean accounted for approximately 48% (Caribbean—18% South America—10%, Central America—20%). This was followed by the Far East, Asia and the Pacific with 33%. The balance of approximately 19% consisted mostly from Europe, with minimal volume from, North America, the Middle East, Southwest Asia, and Africa.

■***Competition***

Regional competition, industry wide consolidation and the economic downturn contributed to a slight decrease of approximately 2.6%, when measured in TEUs. This decrease caused the Seaport's cargo revenues to remain flat. This is significant considering many U.S. ports experienced double digit decreases. The Seaport's commitment to expanding its cargo business, coupled with new, highly incentivized cargo contracts contributed to overall cargo activity remaining almost flat, when the nationwide trend has been to significantly decrease. The Seaport is confident that with its aggressive marketing efforts, Miami-Dade County's multicultural community, its worldwide trade connections and the commitment of its leadership and business partners, cargo business will rebound and grow. The Seaport remains optimistic and is anticipating cargo activity growth in fiscal year 2010.

■***Tourism***

Following several record years, total visitors decreased slightly, by approximately 1.4% in 2009. In total, 11.9 million people visited Miami-Dade County during the year, slightly short of the 12 million overnight visitors recorded in the previous year. The number of domestic visitors was down approximately 1.5% to about 6.2 million, while international visitors declined approximately 1.2% to approximately 5.7 million. This reflected a visitor market mix of 52.3% domestic and 47.7% international. Despite these declines, visitor satisfaction with their stay continued at high levels as travelers are noting the increase in improved attractions, upgraded and expanded hotels, and great beaches.

The success in attracting still relatively high numbers of visitors is the result of a successful marketing campaign by the Greater Miami Convention and Visitors Bureau to promote and sustain year-round tourism and the strategy to target vacationers not only from within the U.S., but from Europe and Latin America as well. In 2009, visitors spent approximately $16.6 billion, about half a billion less than the $17.1 billion spent in 2008. This decline is more likely due to lower lodging rates at hotels and economized spending in the area. As in the past, the major portion of total spending can be attributed to international visitor spending.

Miami International Airport (MIA) passengers remained flat at 33.9 million passengers, compared to a slight increase of approximately 2.4% in fiscal year 2008. This outcome consists of slight declines in both domestic and international air passengers. As such, in 2009, MIA saw international air passengers decrease by less than one percent to approximately 15.9 million; while domestic air passengers also declined by less than one percent to approximately 17.9 million. Aviation officials are predicting that passenger traffic in fiscal year 2010 will stay about the same as in the previous year. This is based on the continued addition of flights from MIA to more destinations domestically and around the world. The Airport's performance was also shared at the Port of Miami.

■ ***Future Outlook***

The Seaport is anticipating for passenger volumes to remain flat or decrease slightly, from fiscal year 2009. In December 2008, the Board of County Commissioners approved a new long-term contract with one of the Seaport's cruise partners. The new agreement guarantees revenue that, up until this year, was not guaranteed. The new agreement provides the Seaport with the opportunity to homeport the cruise line's F3 class cruise-ships. The F3 class ships are among the largest passenger cruise ships in the world. As a result of its commitment to its capital development plan, the Seaport is able to accommodate these and other new, larger cruise ships, which are expected to weigh over 150,000 to 220,000 gross registered tons and carry approximately 3,600 to 6,400 passengers. The construction of a 750 space garage has almost been completed and is expected to be operational during fiscal year 2010.

After a year of decline in the economy, the future outlook for fiscal year 2010 is on track for conservative expectations for Miami-Dade County with prospects slightly better than the previous—2009 year. As the U.S. economy continues to struggle to emerge from the recession, a generally hesitant macro-based view can be drawn about the performance of Miami-Dade's economy from the leading indicators measured by job losses, high unemployment, and weak consumer spending. Most of the unfavorable conditions center on the area's job and real estate markets. These are the markets that will, by and large, define the local economy in the coming year. First, it is jobs; more than any other measure that could signal a real recovery. Unless employers have enough confidence and enough sales to hire new people, any improvement will fall short.

Trade activities are predicted to rebound due to favorable trends with countries to the south. While the impacts of the national recession on the local economy may hinder an optimistic projection for a good performance in all measures, the County's economy is large and quite diversified that even with the presence of these concerns and the current recessionary pressures it will likely hold up better than in most of the large urban areas in the nation. This is the consensus among economists and most analysts, regarding Miami-Dade's economy in the upcoming year. Members of the tourist industry are predicting marginal improvements this year. There is optimism due in part to the return of discretionary travelers and improvements in corporate bookings in 2010. Another reason: the hosting of major events like the Super Bowl and the Miami International Boat Show.

In general, the Miami-Dade economy is not strongly influenced by national conditions. In summary, fiscal year 2010 is foreseen as a year of hope amid signs of recovery for the Miami-Dade County economy and its most vital industries, including trade, transportation, tourism, and real estate. In conclusion, fiscal 2010 in Miami-Dade will most likely be a close replica of the previous year but the economy should begin to show more signs of recovery.

Long Term Financial Planning

■ ***Construction Management***

The Seaport's proposed Capital Improvement Program for the period October 1, 2008 through September 30, 2015 is budgeted at $373.8 million. Of this amount, approximately $290.5 million, $70.2 million and $13.1 million will be funded by debt proceeds, federal and state grants, respectively. Of the $373.8 million, approximately $101.6 million, $178.2 million, $57.7 million and $24.0 million will fund port facility improvements, dredging, cargo facilities improvements and equipment acquisition, respectively. The balance will fund passenger facilities improvements—$6.2 million and security improvements—$6.1 million.

The Seaport secured Congressional approval in the fall of 2007 for the Phase III Miami Harbor Project. This phase of the project calls for deepening the Port of Miami's south channel to a depth of 50 feet from the existing -42 feet. The -50 feet depth harbor will make the Port of Miami one of three seaports along the U.S. east coast capable of accommodating Post Panamax container vessels at this depth.

Additional information regarding the Seaport's capital improvement program can be found in the Management's Discussion and Analysis ("MD&A) section and the Notes to the Financial Statements section of this report. CHART I summarizes the funding sources for the Seaport's capital improvement program for next fiscal year and fiscal years 2010-2015.

CHART 1

CIP FUNDING SOURCES

($ IN THOUSANDS)

Revenue	**Fiscal Year 2010**	**Fiscal Year 2011-2015**	**Total**
Debt Proceeds	$ 38,619	$ 251,836	$ 290,455
Federal Grants	130	70,081	70,211
State Grants	3,850	9,260	13,110
Total	$ 42,599	$ 331,177	$ 373,776

CIP PROJECT SUMMARY

($ IN THOUSANDS)

Expenditures	**Fiscal Year 2010**	**Fiscal Year 2011-2015**	**Total**
Cargo facilities Improvements	$ 14,440	$ 43,252	$ 57,692
Equipment acquisition	2,000	22,000	24,000
Passenger facilities improvements	6,238	-	6,238
Port facilities improvements	12,046	89,500	101,546
Dredging	1,810	176,425	178,235
Security improvements	6,065	-	6,065
	$ 42,599	$ 331,177	$ 373,776

Debt Administration

The Seaport has followed a program to eliminate high interest rate debt in favor of lower cost debt through refinancing and calling debt when feasible. The Seaport is continuing to address opportunities to take advantage of market conditions in the current low interest rate environment.

Debt by type is summarized in CHART 2. The required debt service coverage ratio for "net revenues" as defined by the Seaport's Master Bond Ordinance, Miami-Dade County Ordinance 88-66, is a blend resulting from 1.25 of maximum principal and interest for revenue bond issues and a 1.10 of maximum principal and interest payments for general obligation bond issues. Excluded from this calculation is the subordinate debt comprised of various Sunshine State loans and the Capital Acquisition Bond which have coverage requirements of 1.0. Actual coverage for the past three years is shown in **CHART** 3.

Chart 2
Debt By Type
(in thousands)

Debt Type	Par Amount Outstanding	Gross Interest Expense	Outstanding Interest Rates
Revenue and Revenue Refunding Bonds	$ 58,000	$ 20,813	4.00 -- 6.20%
General Obligation Revenue Bonds	$ 130,370	$ 69,220	4.40 -- 6.50%
Sunshine State Loans	$ 338,305	$ 76,827	0.95 -- 1.46%
Capital Acquisition Bond	$ 68,630	$ 55,278	3.00 -- 5.13%

Chart 3
Debt Service Coverage

Fiscal Year	Primary Coverage
2009	**1.35**
2008	1.50
2007	1.17
2006	1.86
2005	1.12
2004	1.06

Security

Securing the Seaport and providing an environment conducive to efficient commerce will present certain challenges for the foreseeable future. In addition to operational issues, funding needs for security have increased dramatically from both operational and capital perspectives. The Seaport is currently compliant and is ranked as one of the two most secured ports in Florida.

The Port of Miami continues to be recognized as of one of Florida's leading ports. Cutting edge technology and progressive procedures are in place that provide heightened levels of protection and simultaneously support compliance with port business policies. Partners in this comprehensive initiative include: U.S. Custom and Border Protection, U.S. Coast Guard, Florida Department of Law Enforcement, Florida Fish and Wildlife Commission, Miami-Dade Police and Fire Rescue Departments and others working to achieve a shared, united mission. These efforts are actually helping to move legitimate commerce in a faster, more seamless and cost effective manner than ever before.

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Miami-Dade Seaport Department for its comprehensive annual financial report for the fiscal year ended September 30, 2008. This was the tenth consecutive year that the Seaport received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

This report could not have been prepared on a timely basis without the efficient and dedicated services of the Seaport's Finance Division staff. We are grateful to all Seaport employees who assisted and contributed to its preparation. We also thank the Mayor, the Miami-Dade Board of County Commissioners, the County manager and his staff, the County Attorney's Office and other County departments for their continued assistance in enabling the Seaport to fulfill its role in promoting international trade and economic development in Miami-Dade County.

Respectfully submitted,

Bill Johnson,
Port Director

Juan Kuryla,
Deputy Port Director

Miriam N. Abreu, CPA
Chief Financial Officer

Jose M. Fernandez, CPA
Port Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Miami-Dade County Seaport Department, Florida

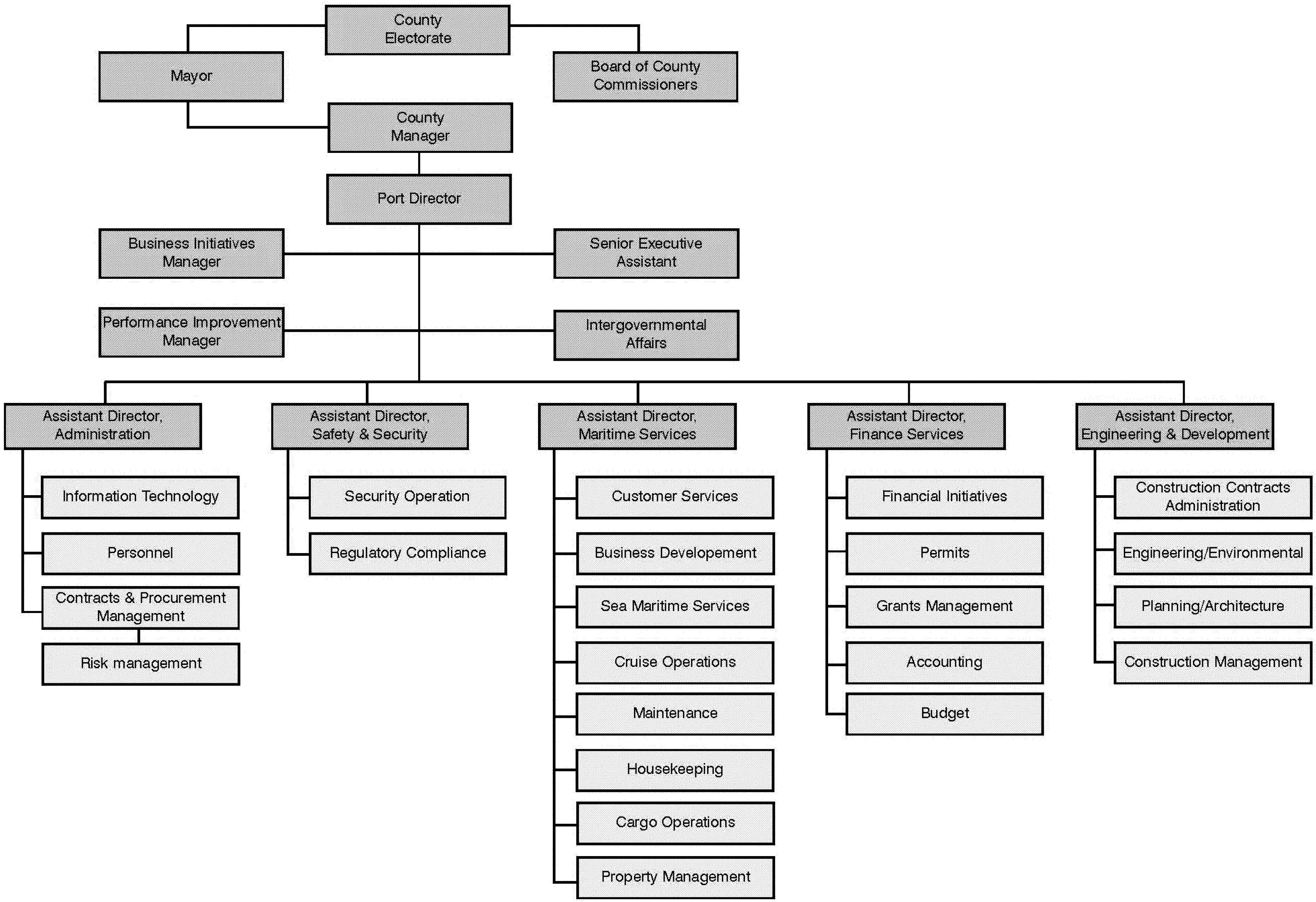
For its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Miami-Dade Seaport Department Organizational Chart



FINANCIAL SECTION

KPMG LLP
Suite 2000
200 South Biscayne Boulevard
Miami, FL 33131

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Miami-Dade County Seaport Department (the Seaport), an enterprise fund of Miami-Dade County, Florida, as of and for the years ended September 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Seaport's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in note 1, the financial statements present only the Seaport and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida, as of September 30, 2009 and 2008, and the changes in its financial position and where applicable, its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Miami-Dade County Seaport Department, an enterprise fund of Miami-Dade County, Florida, as of September 30, 2009 and 2008, and the changes in financial position and cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2010 on our consideration of the Seaport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 20 through 26 and the schedule of funding progress for the retiree health plan on page 62 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Miami-Dade County Seaport Department, an enterprise fund of Miami-Dade County, Florida. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

March 19, 2010
Certified Public Accountants

Management's Discussion and Analysis (MD&A) (unaudited)

The following narrative provides an overview of the Miami-Dade County Seaport Department's (the "Seaport") financial activities for the fiscal years ended September 30, 2009 and 2008. The MD&A represents management's analysis of the Seaport's financial condition, performance, long-term debt, and economic factors. The MD&A should be read in conjunction with the financial information of the transmittal letter in the introductory section, the financial statements, the accompanying notes and the statistical section. The financial statements consist of the statements of net assets; the statements of revenues, expenses, and changes in net assets; the statements of cash flows; and the notes.

The statement of net assets presents the financial position of the Seaport as of a specific date. It provides information about the nature and amount of resources (assets) and obligations (liabilities), with net assets being the difference between assets and liabilities. Increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Seaport is improving or deteriorating.

The statement of revenues, expenses, and changes in net assets presents information showing how the Seaport's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs which might coincide with the timing of the related cash flows.

The statement of cash flows presents the cash activities of the Seaport segregated in the following four major categories: operating, non-capital financing, capital and related financing and investing. These statements also present the changes in cash and cash equivalents of the Seaport.

The notes to the financial statements provide required disclosures and other information that is essential to a full understanding of data provided in the statements.

Financial analysis of the Seaport Department

Governmental Accounting Standards require that the Seaport prepare an analysis of the Seaport's overall financial position and results of its operations to assist readers in assessing whether the Seaport's financial position has improved or deteriorated when compared to the prior year. All amounts are expressed in millions, unless indicated otherwise.

The difference between the Seaport's assets and liabilities is its net assets. The Seaport's net assets are summarized, in **Table I** below. Net assets may be used to assess the financial position of the Seaport. Total Seaport net assets as of September 30, 2009 were $212.3 million, comprising of approximately $161.8 million in invested in capital assets net of related debt; approximately $43.2 million in restricted for debt service and construction and unrestricted net assets of approximately $7.3 million. Total Seaport net assets as of September 30, 2008 were $208.1 million, comprising of approximately $204.2 million in invested in capital assets net of related debt; approximately $19.1 million in restricted for debt service and a deficit in unrestricted net assets of ($15.2) million. Total Seaport net assets as of September 30, 2007 were $206.4 million, comprising of approximately $191.5 million in invested in capital assets net of related debt; approximately $21.3 million in restricted for debt service and a deficit in unrestricted net assets of ($6.4) million.

Table I

SUMMARY STATEMENT OF NET ASSETS
AS OF SEPTEMBER 30,
(IN MILLIONS)

	Fiscal Year 2009	Change from Fiscal Year 2008	Fiscal Year 2008	Change from Fiscal Year 2007	Fiscal Year 2007
Capital assets, net	$ 746.9	$ 13.5	$ 733.4	$ 3.7	$ 729.7
Current and other assets	84.0	40.5	43.5	(27.5)	71.0
Total assets	830.9	54.0	776.9	(23.8)	800.7
Long-term liabilities outstanding	580.3	53.5	526.8	(13.0)	539.8
Other liabilities	38.3	(3.7)	42.0	(12.5)	54.5
Total liabilities	618.6	49.8	568.8	(25.5)	594.3
Net assets:					
Invested in capital assets net of related debt	161.8	(42.4)	204.2	12.7	191.5
Restricted	43.2	24.1	19.1	(2.2)	21.3
Unrestricted (deficit) and other	7.3	22.5	(15.2)	(8.8)	(6.4)
Total net assets.	$ 212.3	$ 4.2	$ 208.1	$ 1.7	$ 206.4

The decrease in invested in capital assets net of related debt, from fiscal year 2008 to 2009 is attributed to the issuance of the 2009 Capital Asset Acquisition Bonds in fiscal year 2009. The Seaport maintains committed to developing the Port for the future. As a result of this commitment, the Seaport is currently updating its master plan through year 2035. The plan will be a useful roadmap for the Seaport to ensure that it maintains its unique leadership in the cruise and cargo industries. The increase in restricted for debt service can be attributed to an increase in outstanding debt service, in accordance with related amortization schedules and increases in required reserves—as a result of the new debt. During FY 2008, the Seaport temporarily funded, from operations, approximately $15 million in capital projects pending the issuance of bonds. Since unrestricted assets were used to temporarily fund the capital expenses it reduced the Seaport’s unrestricted net assets. Consequently, upon reimbursing itself for these expenses in the current year, it contributed to increasing the Seaport’s unrestricted net assets.

The increase in invested in capital assets net of related debt, from fiscal year 2007 to 2008 is attributed to the continued commitment to the Seaport’s Master Development Plan, coupled with reducing the related debt in fiscal year 2008. Through its aggressive 25 year master plan, the Port is moving forward with future revenue generating projects.

The increase in deficit unrestricted net assets from fiscal year 2007 to 2008 is primarily attributed to the funding of approximately $15 million of capital expenses from the Seaport’s operating fund, pending reimbursement from a bond issuance in fiscal 2009. Currently, the Seaport’s operating budget does not factor the recovery of depreciation. However, as the Seaport continues to renegotiate its existing cruise and cargo contracts, it anticipates that with contracts similar to the ones entered into during the 2008 fiscal year, depreciation will be recovered. During the 2008 fiscal year, the Seaport entered into two new cargo terminal agreements. Collectively, these agreements, coupled with existing agreements, increased guaranteed revenues to approximately $60 million. This represents approximately 64% of the current year’s operating revenues. The two new cargo terminal operator contracts, in addition to requiring minimum throughput, they also include a land rent component, which is expected to generate approximately $8.0 million in additional revenue to the Port next year.

The Seaport’s fiscal year 2008-09 continues various cost control measures and revenue enhancement initiatives. Additionally, the Seaport will continue working with existing business partners as well as reaching out to potential business partners to continue to maintain and expand cargo activity.

The increase in operating revenues can be attributed to a slight increase in cruise revenue and other categories due to increased activity and related tariff rates. More detailed information, regarding the change in net assets between fiscal years 2008 and 2009 and 2007 and 2008 is included in the following pages.

Table II summarizes the change in the Seaport's net assets. Total net assets, as of September 30, 2009, were approximately $212.3 million, representing an increase of approximately $4.2 million from prior year. The increase, from prior year is attributed to increases in unrestricted and other net assets of $41.8 million and restricted assets of $4.8 million, offsetting decrease in invested in capital assets, net of related debt of $42.4 million. Total net assets, as of September 30, 2008, were approximately $208.1 million, representing an increase of approximately $1.7 million from prior year. The increase, from prior year is attributed to decreases in unrestricted net assets of $8.8 million and restricted assets of $2.2 million. This decrease was partially offset with an increase in invested in capital assets, net of related debt of $12.7 million. Additional information on the changes is discussed in the following pages.

Table II

Change in Net Assets
For the Fiscal Year Ended September 30,
(in millions)

	Fiscal Year 2009	Change from Fiscal Year 2008	Fiscal Year 2008	Change from Fiscal Year 2007	Fiscal Year 2007
Operating revenues					
Cruise wharfage	$ 28.8	$ 2.7	$ 26.1	$ 3.9	$ 22.2
Cargo wharfage	15.7	0.4	15.3	(0.9)	16.2
Cruise dockage	11.4	(2.0)	13.4	2.5	10.9
Cargo dockage	3.5	(0.3)	3.8	(0.5)	4.3
Container crane user fees	8.2	0.3	7.9	(0.6)	8.5
Rentals	14.9	5.8	9.1	1.9	7.2
Ground transportation	1.4	0.1	1.3	0.3	1.0
Parking	10.7	0.9	9.8	2.0	7.8
Misc. charges and fees	5.5	(2.5)	8.0	1.5	6.5
Total operating revenue	100.1	5.4	94.7	10.1	84.6
Investment earnings	0.2	(0.8)	1.0	(2.1)	3.1
Other nonoperating	-	(2.7)	2.7	2.7	-
Total revenues	100.3	1.9	98.4	10.7	87.7
Operating expenses	69.0	7.4	61.6	(2.4)	64.0
Depreciation	20.8	0.9	19.9	2.0	17.9
Interest expense	19.4	(3.0)	22.4	(2.9)	25.3
Other nonoperating expenses	0.2	0.2	-	(12.4)	12.4
Total Expenses	109.4	5.5	103.9	(15.7)	119.6
Net income (loss) before contributions	(9.1)	(3.6)	(5.5)	26.4	(31.9)
Capital contributions	13.3	6.1	7.2	(20.6)	27.8
Change in net assets	4.2	2.5	1.7	5.8	(4.1)
Net assets at beginning of year	208.1	1.7	206.4	(4.1)	210.5
Net assets at end of year	$ 212.3	$ 4.2	$ 208.1	$ 1.7	$ 206.4

Operating revenues for fiscal year 2009 were $100.1 million, an increase of $5.4 million over fiscal year 2008. The increases in cruise and cargo revenue can be attributed to increases in rates. The increase in rentals can be attributed to recognizing 12 months of revenue for open ground rent for two cargo terminal operator agreements, compared to recognizing partial year in fiscal year 2008 as a result of the effective dates of the contracts. Operating revenues for fiscal year 2008 were $94.7 million, an increase of $10.1 million over fiscal year 2007. The increases in cruise wharfage and cruise dockage can be attributed to the increases of approximately 9.2% in cruise passengers and 10.7% in the passenger ships over the prior year and increases in the corresponding tariff rates. The decreases of the cargo wharfage, cargo dockage and container crane user fees can be attributed to the decreases in cargo activities, resulting from the economic slowdown. The increase in rentals can be attributed to two new cargo terminal operator agreements, which guarantee approximately $8.0 million per year. The revenue earned for the current year was prorated based on the effective date of each of the agreements.

Table III summarizes and compares the Seaport's operating revenues.

Table III

Summary of Operating Revenues
For the Period Ended September 30,
(in millions)

	Fiscal Year 2009	Change from Fiscal Year 2008	Fiscal Year 2008	Change from Fiscal Year 2007	Fiscal Year 2007
Operating Revenues					
Cruise wharfage	$ 28.8	$ 2.7	$ 26.1	$ 3.9	$ 22.2
Cargo wharfage	15.7	0.4	15.3	(0.9)	16.2
Cruise dockage	11.4	(2.0)	13.4	2.5	10.9
Cargo dockage	3.5	(0.3)	3.8	(0.5)	4.3
Container crane user fees	8.2	0.3	7.9	(0.6)	8.5
Rentals	14.9	5.8	9.1	1.9	7.2
Ground transportation	1.4	0.1	1.3	0.3	1.0
Parking	10.7	0.9	9.8	2.0	7.8
Miscellaneous fees and charges	5.5	(2.5)	8.0	1.5	6.5
Total revenues	$ 100.1	$ 5.4	$ 94.7	$ 10.1	$ 84.6

Operating expenses for fiscal year 2009 increased approximately 7.4 million from fiscal year 2008. The increase is mostly attributed to utilities and general and administration. The increase in utilities is attributed to consumption, rate increases and the utility charges previously billed to customers and offset against the related utility expense now are charged as part of a composite rental fee. Since the utility component is not itemized in the composite rate, there is no longer an offset against expense. The increase in general and administrative is attributed to an increase in personnel cost as a result of additional staff, merit, COLA and other salary and fringe adjustments. Additionally, during the year the Seaport incurred additional expenses under outside contracts as a result of new maintenance agreements and other specific experience contracts to support the Seaport's operations, development and financial matters. The Seaport continues its commitment to contain costs and the increases from fiscal year 2008 were not major.

Operating expenses for fiscal year 2008 decreased approximately $2.4 million from the previous year. The decrease is attributed mostly to reductions in cargo operations, maintenance, utilities, gantry cranes and general and administration expenses of $0.3 million, $0.6 million, $0.7 million, $2.4 million and $0.2 million, respectively, with offsetting increases in cruise operations and security expenses of $1.1 million and $0.7 million, respectively. The Seaport has made a commitment to reducing or containing costs. It has put specific cost control measures in place that allow the Seaport to correlate expenses to all of its maritime activities. This is evident by the decrease in expenses from last year. With the exception of Cruise Operations, which had a slight increase as a result of the increase in cruise passenger activity and revenue for the year, and security, which had a slight increase, the Seaport successfully lowered costs in all other areas and activities.

Table IV below summarizes the Seaport's operating expenses.

Table IV

Summary of Operating Expenses (Exclusive of Depreciation)
For the Fiscal Year Ended September 30,
(in millions)

	Fiscal Year 2009	Change from Fiscal Year 2008	Fiscal Year 2008	Change from Fiscal Year 2007	Fiscal Year 2007
Operating Expenses:					
Cruise Operations	$ 6.5	$ 0.7	$ 5.8	$ 1.1	$ 4.7
Cargo Operations	1.4	-	1.4	(0.3)	1.7
Maintenance	6.2	(0.2)	6.4	(0.6)	7.0
Utilities	5.1	3.0	2.1	(0.7)	2.8
Marketing and Advertising	1.7	0.4	1.3	-	1.3
Gantry Cranes	8.0	0.4	7.6	(2.4)	10.0
Security	21.1	0.1	21.0	0.7	20.3
General and administration	19.0	3.0	16.0	(0.2)	16.2
Total Operating Expenses	$ 69.0	$ 7.4	$ 61.6	$ (2.4)	$ 64.0

Capital assets and debt administration

Capital assets

The Seaport's total investment in capital assets, net of accumulated depreciation, at September 30, 2009, September 30, 2008 and September 30, 2007 was $746.9 million, $733.4 million and $729.7 million, respectively. This represents an increase of $13.5 million, from fiscal year 2008 to 2009 and an increase of $3.7 million from fiscal year 2007 to 2008. The increases between the 2008 and 2009 fiscal years and 2007 and 2008 fiscal years are attributed to projects in the Seaport's Master Plan and acquisition of other capital assets necessary for the ongoing operations of the Seaport. Additional information in changes in capital assets can be found in Note 4 of the Financial Statements and in the Construction Management Section in the transmittal letter. Table V below summarizes the components of the Seaport's investment in capital assets.

Table V

Capital Assets
As of September 30,
(in millions)

	Fiscal Year 2009	Change from Fiscal Year 2008	Fiscal Year 2008	Change from Fiscal Year 2007	Fiscal Year 2007
Land and related costs	$ 198.6	$ (0.1)	$ 198.7	$ (0.2)	$ 198.9
Buildings, transit sheds and terminals	272.1	(13.0)	285.1	7.8	277.3
Machinery and equipment	27.5	2.4	25.1	4.0	21.1
Improvements other than buildings	202.7	(6.6)	209.3	12.4	196.9
Construction in progress	46.0	30.8	15.2	(20.3)	35.5
Totals	$ 746.9	$ 13.5	$ 733.4	$ 3.7	$ 729.7

During fiscal year 2009, several small construction projects completed were not significant. Examples of these projects include the south wharf cargo rehabilitation and RIPRAP project. The significant projects under construction in accordance with the Seaport's Master Development program are as follows:

PROJECTS UNDERWAY

• Construction of new traffic circulation patterns and roadways
• Enhancements of certain cruise terminals
• Additional cruise passenger parking
• Cargo yard improvements
• Acquisition, construction and implementation of cruise terminal and gateway security enhancements

Debt administration

At September 30, 2009 and 2008 and 2007, the Seaport had $595.3 million, $537.8 million and $548.4 million, respectively, in bonds and loan agreements outstanding. The net increase of $57.5 million from fiscal year 2008 is attributed to the issuance of the 2009 capital asset acquisition bond of $68.6 million, offsetting annual principal payments according to the amortization schedule of approximately $11.1 million and $10.6 million, from fiscal years 2008 to 2009 and 2007 to 2008, respectively. Additional long-term debt detail can be found in Notes 5 and 9 to the financial statements.

During fiscal year 2008, the Seaport refinanced several of its Sunshine State Loans. The objective of the refinancing was to minimize the interest rate volatility. The major difference between the old debt agreements and the new debt agreements was the acquisition of a letter of credit. The letter of Credit is for a three year period (June 2, 2008 through June 2, 2011). Pursuant to the terms of the loan agreements, in the event that the credit facility provider does not extend the term of the credit facility and the County and the Sunshine State Loan Commission are unable to provide an alternate credit facility, the County shall prepay the loan in full by paying the then allocable optional prepayment price on or before 60 days prior to the expiration of the credit facility. Table VI summarizes the Seaport's long-term debt liabilities.

Table VI

Outstanding Long-Term Debt
As of September 30,
(in millions)

	Fiscal Year 2009	Change from Fiscal Year 2008	Fiscal Year 2008	Change from Fiscal Year 2007	Fiscal Year 2007
Seaport general obligation bonds	$ 130.4	$ (4.2)	$ 134.6	$ (3.9)	$ 138.5
Seaport revenue bonds	58.0	(3.4)	61.4	(3.2)	64.6
Sunshine state loans	338.3	(3.5)	341.8	(3.5)	345.3
Capital acquisition bond	68.6	68.6	-	-	-
Totals	$ 595.3	$ 57.5	$ 537.8	$ (10.6)	$ 548.4

In September 2002 Moody's Investors Service assigned an underlying rating of A2 with a stable outlook to Miami-Dade County, Florida's $85 million outstanding Seaport Revenue Bonds. As stated by Moody's, this rating reflects the Seaport's record of fiscal stability, strong coverage of senior parity debt service by net revenues and the Seaport's competitive position as the world's largest cruise port and major international cargo hub. Moody's has also assigned underlying ratings of Aa3 on the Seaport's outstanding General Obligation Bonds and Al on the outstanding Sunshine State Loans.

Other Obligations. The Seaport participates in the County's self-insurance program for workers' compensation, general liability and automotive liability insurance. Certain group health insurance programs are also self insured, subject to certain stop loss provisions. Detailed information about the Seaport's liability from reported and unreported claims is included in Note 12. Other obligations include accrued vacation pay and sick leave, accrued health insurance benefits for retirees, arbitrage liability, and other contingent liabilities.

Economic factors and next year's budget and rates

International trade activity levels decreased approximately 8% throughout fiscal year 2009. Most of the exports are exported to South America, Central America and Caribbean. The downturn in the economies of these regions as a result of the global recession in 2009, resulted in the reduction of consumption of essential goods contributing to the decrease of exports.

For the 2009 fiscal year, cargo activity, measured in Twenty Foot Equivalent Units (TEUs) decreased approximately 2.5%, from the prior year, compared to a decrease of 6.4% in fiscal year 2007. The decrease was primarily attributed to the slowdown in the economy and industry consolidation. During the 2009 fiscal year, the Seaport implemented new service incentive rates, which were successful in attracting new services from competitor ports. Additionally, the new cargo agreements, entered into during the 2008 fiscal year are expected to provide the platform for increased throughput in the upcoming year. This is based on the expectation that economic growth in Latin America will continue to improve and that trade with Europe, South America, and Asia, particularly China, will increase.

During fiscal year 2009, the Seaport experienced a decrease in European, South American, Caribbean and Middle Eastern trade, of 17.2%, 24.1%, 10.9% and 12.7%, respectively. The primary reason for this decrease is the downturn in the economies in these regions. These decreases were partially offset by increases in the Asian, Central American and Mexican and North American trade of approximately 1.47%, .36% and 73.83%, respectively. These increases can be attributed primarily to perishable and consumable goods traded with these regions. Additionally, the Seaport is optimistic that with new service rates and the highly volume driven incentive agreements cargo activity should increase.

The Seaport expects its cruise activity to maintain current levels or increase slightly. In December 2008, the Board of County Commission approved a new long-term contract with one of its cruise partners. This new agreement increases the Seaport's guaranteed revenue. Additionally, it positions the Port of Miami to homeport the new F3 class cruise passenger ship, which will be among the largest ships in the world. The Seaport will commit resources and passengers over the contract term. The Seaport broke ground on a new 750 vehicle garage during Fiscal Year 2009. The garage is expected to be operational during the 2010 Fiscal Year.

Annually the Seaport reviews and recommends modifications to Terminal Tariff No. 010 to ensure the Seaport's ability to meet its budgetary obligations through Tariff revenues. The Adopted Budget for fiscal year 2009 includes fee increases in all Tariff categories. During fiscal year 2010, the Port Management will continue reevaluating its rate structure to assist the Seaport in capturing its cost and enhance revenue.

Request for Information

This financial report is designed to provide customers, creditors and other interested parties with a general overview of the Seaport's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Controller
Miami-Dade Seaport Department
1015 North America Way
Miami, Florida 33132

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MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statements of Net Assets
As of September 30, 2009 and September 30, 2008

Assets	**2009**	2008
Current assets:		
Cash and cash equivalents	**$ 2,398,820**	$ 851,755
Investments	**11,525,521**	268,058
Accounts receivable, less allowance for doubtful accounts of $3,758,430 and $4,857,050 at September 30, 2009 and September 30, 2008	**8,494,267**	9,014,710
Other receivable	**—**	356,600
Prepaid expenses and other current assets	**4,833,589**	4,432,653
Total unrestricted assets	**27,252,197**	14,923,776
Restricted assets:		
Current restricted assets:		
Cash and cash equivalents	**11,092,754**	7,502,548
Investments	**30,152,053**	14,677,352
Due from other governments	**5,072,128**	1,882,138
Total current restricted assets	**46,316,935**	24,062,038
Total current assets	**73,569,132**	38,985,814
Noncurrent assets:		
Noncurrent restricted assets		
Investments	**7,055,974**	2,291,852
Total noncurrent restricted assets	**7,055,974**	2,291,852
Capital Assets:		
Land and related costs	**198,595,642**	198,658,106
Buildings, transit sheds and terminals	**422,035,029**	423,546,300
Improvements other than buildings	**279,646,771**	279,485,082
Machinery and equipment	**43,869,194**	38,923,824
Construction in progress	**45,926,162**	15,185,342
Total capital assets	**990,072,798**	955,798,654
Less accumulated depreciation	**(243,197,290)**	(222,407,035)
Capital assets, net	**746,875,508**	733,391,619
Deferred charges:		
Deferred bond issuance costs, net	**3,463,426**	2,216,879
Total noncurrent assets	**757,394,908**	737,900,350
Total assets	**$ 830,964,040**	$ 776,886,164

(Continued)

The accompanying notes to the financial statements are an integral part of these statements.

Statements of Net Assets (cont.)
As of September 30, 2009 and September 30, 2008

Liabilities and Net Assets		**2009**		2008
Current liabilities (payable from unrestricted assets):				
Accounts payable and accrued expenses	**$**	**2,779,676**	$	2,453,224
Accrued payroll and related expenses		**720,978**		688,782
Compensated absenses		**1,620,493**		1,545,565
Accrued interest payable		**665,168**		855,541
Current portion of loans payable		**3,500,000**		3,500,000
Current portion of capital acquisition bond payable		**300,000**		—
Current portion of master lease agreement		**1,728,631**		1,561,678
Unearned revenue		**913,744**		83,746
Due to other Miami-Dade County funds		**2,733,913**		10,331,297
Total current liabilities (payable from unrestricted assets)		**14,962,603**		21,019,833
Current liabilities (payable from restricted assets):				
Current portion of revenue and general obligation bonds payable		**8,090,000**		7,595,000
Accrued interest payable		**5,054,897**		5,306,123
Accounts payable and accrued expenses		**4,508,027**		638,801
Contracts and retainage payable		**5,306,147**		7,038,431
Deferred grant receipts		**—**		455,150
Mitigation - Consent order		**400,846**		—
Total current liabilities (payable from restricted assets)		**23,359,917**		21,033,505
Total current liabilities		**38,322,520**		42,053,338
Long-term liabilities:				
Bonds payable, less unamortized discount and loss of $7,894,894 and $8,672,180 at September 30, 2009 and September 30, 2008, respectively		**172,385,106**		179,697,821
Loans payable, less unamortized deferred loss of $2,053,390 and $2,133,390 at September 30, 2009 and September 30, 2008, respectively		**332,751,610**		336,171,610
Capital acquisition bond payable, plus unamortized premium of $323,039 at September 30, 2009		**68,653,039**		—
Master lease agreement		**1,092,488**		2,821,120
Mitigation - Consent order		**—**		3,146,000
Compensated absenses		**4,746,867**		4,288,959
Other		**690,512**		601,752
Total long-term liabilities		**580,319,622**		526,727,262
Total liabilities		**618,642,142**		568,780,600
Net Assets				
Invested in capital assets, net of related debt		**161,838,060**		204,261,269
Restricted for debt service and reserve		**23,894,573**		19,078,188
Restricted for construction and other		**19,263,316**		—
Unrestricted net assets (deficits)		**7,325,949**		(15,233,893)
Total Net Assets	**$**	**212,321,898**	$	208,105,564

(Concluded)

The accompanying notes to the financial statements are an integral part of these statements.

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statements of Revenues, Expenses and Changes in Net Assets
For the twelve months ended September 30, 2009 and September 30, 2008

		2009		2008
Operating revenue:				
Cruise wharfage	$	**28,831,212**	$	26,077,666
Cargo wharfage/dockage		**19,175,977**		19,082,480
Cruise dockage		**11,364,352**		13,414,025
Container crane user fees		**8,179,635**		7,922,231
Rentals		**14,855,800**		9,105,954
Ground transportation		**1,424,765**		1,266,670
Parking		**10,686,072**		9,791,817
Miscellaneous charges and fees		**5,539,668**		8,036,881
Total operating revenues		**100,057,481**		94,697,724
Operating expenses:				
Cruise operations		**6,501,673**		5,798,828
Cargo operations		**1,388,793**		1,408,545
Maintenance		**6,268,932**		6,304,376
Utilities		**5,102,331**		2,110,275
Marketing and advertising		**1,679,540**		1,293,251
Gantry cranes		**8,042,448**		7,641,089
Security		**21,095,643**		20,974,518
General and administrative		**18,919,331**		16,047,924
Total operating expenses before depreciation		**68,998,691**		61,578,806
Operating income before depreciation		**31,058,790**		33,118,918
Depreciation		**20,790,257**		19,862,998
Operating income		**10,268,533**		13,255,920
Nonoperating revenues (expenses):				
Investment earnings		**247,266**		960,179
Interest expense, net of capitalized interest		**(19,448,374)**		(22,409,240)
Other, net		**(166,271)**		2,733,540
Total nonoperating revenues (expenses)		**(19,367,379)**		(18,715,521)
Loss before capital contributions		**(9,098,846)**		(5,459,601)
Capital contributions		**13,315,180**		7,211,854
Change in net assets		**4,216,334**		1,752,253
Total net assets - Beginning		**208,105,564**		206,353,311
Total net assets - Ending	$	**212,321,898**	$	208,105,564

The accompanying notes to the financial statements are an integral part of these statements.

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statements of Cash Flows
For the twelve months ended September 30, 2009 and September 30, 2008

		2009		2008
Cash flows from operating activities:				
Cash received from customers and tenants	**$**	**99,846,243**	$	91,608,947
Cash paid to suppliers		**(42,760,057)**		(28,805,240)
Cash paid to employees for services		**(33,256,710)**		(29,622,942)
Net cash provided by operating activities		**23,829,476**		33,180,765
Cash flows from capital and related financing activities:				
Capital grants received		**10,026,640**		5,726,565
Principal payments:				
Bonds		**(7,595,000)**		(7,120,000)
Notes and loans		**(3,500,000)**		(3,500,000)
Interest paid		**(19,033,591)**		(25,321,093)
Purchase of capital assets		**(34,882,356)**		(31,852,949)
Proceeds from Dredging Settlement		**—**		625,000
Proceeds from issuance of long term debt		**67,541,122**		—
Net cash provided by (used for) capital and related financing activities		**12,556,815**		(61,442,477)
Cash flows from investing activities:				
Investments purchased		**(48,733,548)**		(17,290,795)
Proceeds from sale and maturities of investments		**17,237,262**		23,313,803
Interest and dividends from investments		**247,266**		1,013,712
Net cash (used for) provided by investing activities		**(31,249,020)**		7,036,720
Net increase (decrease) in cash and cash equivalents		**5,137,271**		(21,224,992)
Cash and cash equivalents (including restricted assets) at beginning of year		**8,354,303**		29,579,295
Cash and cash equivalents (including restricted assets) at end of year	**$**	**13,491,574**	$	8,354,303

(Continued)

The accompanying notes to the financial statements are an integral part of these statements

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statements of Cash Flows (cont.)
For the twelve months ended September 30, 2009 and September 30, 2008

		2009		2008
Reconciliation of operating income to net cash provided by operating activities				
Operating income	**$**	**10,268,533**	$	13,255,920
Adjustments to reconcile operating income to net cash				
Depreciation		**20,790,257**		19,862,998
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable, net		**520,443**		(1,598,343)
(Increase) decrease in prepaid expenses and other current assets		**(400,936)**		(43,781)
Increase (decrease) in accounts payable, accrued expenses and due to other Miami-Dade County Funds		**(7,270,932)**		1,733,443
Increase (decrease) in accrued payroll and related expenses and compensated absenses		**107,124**		1,271,120
Increase (decrease) in master lease agreement		**(1,561,679)**		(1,410,849)
Increase (decrease) in unearned revenue		**829,998**		(79,589)
Increase (decrease) in other liabilities		**546,668**		189,846
Net cash provided by operating activities	**$**	**23,829,476**	$	33,180,765

Noncash investing, capital and financing activities:

During fiscal year 2009, the Seaport had a change in construction and related liabilities of $2,136,942, which impacted the cash uses for capital and related financing activities.

In fiscal year 2008, the Seaport refinanced $225,900,000 of its loans outstanding and incurred a deferred loss of $2,160,057.

During fiscal year 2008, the Seaport had a change in construction and related liabilities of $10,884,574, which impacted the cash uses for capital and related financing activities. Additionally, the Seaport capitalized $2,588,133 during the same year.
For fiscal years 2009 and 2008, the Seaport did not record or receive any noncash capital contributions.

(Concluded)

The accompanying notes to the financial statements are an integral part of these statements

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(1) General Description

The Miami-Dade County Seaport Department (the "Seaport") is a department of Miami-Dade County, Florida (the "County") established for the purpose of operating the Dante B. Fascell Port of Miami-Dade. Miami-Dade County purchased the Port of Miami from the City of Miami for $1.3 million in 1960 and announced plans to construct a new and improved port on the island property along the south side of the ship channel. The new, improved port included Dodge Island, joined by the bridge to the Miami mainland, plus, immediately to the southeast of Dodge Island, Lummus Island. The two islands later would be joined by fill to form the contiguous island port that exists today.

The accompanying financial statements present only the Seaport and are not intended to present the financial position of the County and results of its operations and its cash flows, in conformity with generally accepted accounting principles in the United States.

(2) Summary of significant accounting policies

(a) Basis of Accounting and Reporting Entity
The Seaport functions as a self-supporting enterprise fund of the County. An enterprise fund is used to account for the financing of services to the public on a continuing basis with costs recovered primarily through user charges. Accordingly, the Seaport's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

(b) Application of FASB Pronouncements to Proprietary Funds
GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, gave the option of adopting Financial Accounting Standards Board (FASB) standards issued after November 30, 1989, unless the latter contradict GASB pronouncements, or not following FASB standards issued after such date. The Seaport elected the option of not following FASB standards issued after that date.

(c) Cash and Cash Equivalents and Investments
The Seaport maintains substantially all of its cash and investments with the County's pool of cash and investments, except for those situations in which separate cash and investment accounts are required to be maintained in accordance with legal restrictions. The Seaport's share of the total pooled cash and investments (including accrued interest), as well as non-pooled cash and investments, is displayed in the statements of net assets as "Cash and Cash Equivalents" and "Investments" under the current unrestricted and current and long-term restricted captions. Income earned or losses arising from pooled cash and investments are allocated by the County on a monthly basis to the appropriate funds and entities based on their respective average daily balances. 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 Seaport 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 (see note 3). The net change in the fair value at September 30, 2009 and 2008 is included as part of investment earnings in the accompanying statements of revenues, expenses and changes in net assets.

For purposes of the statements of cash flows, the Seaport considers amounts in demand deposits as well as short-term investments with an original maturity of three months or less from the date acquired to be cash equivalents.

(d) Allowance for Doubtful Accounts
The allowance balance was $3.8 million and $4.9 million for fiscal years 2009 and 2008, respectively. During fiscal years 2009 and 2008, following Board of County Commission approval, the Seaport wrote-off $1,282,849 and $1,641,378, respectively of uncollectable receivables. The Seaport recorded adjustments to the allowance of $184,229 and $498,870 for fiscal years 2009 and 2008, respectively, with an offset to the respective revenue category in the statements of revenues, expenses and changes in net assets.

(e) Restricted Assets
The use of certain assets is restricted by specific bond covenants and other legal requirements. Assets so designated are identified as restricted assets on the statements of net assets.

(f) Application of Restricted and Unrestricted Assets
The Seaport's policy when both restricted and unrestricted assets are available to be used for a certain purpose is to use restricted assets first, then use unrestricted assets as needed.

(g) Capital Assets and Depreciation
Property and equipment are recorded at cost, except for property contributed by third parties, which is recorded at fair market value at the date of contribution. Expenditures for maintenance, repairs, minor renewals and betterments are expensed as incurred. Major renewals and betterments are treated as property additions. When property is disposed of, the cost and related accumulated depreciation is eliminated from the accounts and any gain or loss on the transaction is reflected in the statements of revenues, expenses, and changes in net assets.

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 Seaport Department capitalizes all assets with a historical cost of $1,000 or more and a useful life of one year or greater. The Seaport uses the straight-line depreciation method over the following estimated useful lives:

Buildings and structures	25-50 years
Improvements other than buildings	15-50 years
Machinery and equipment	5-25 years

(h) Interest on Indebtedness
Interest is charged to expense as incurred, except for interest related to borrowings used for construction projects which is capitalized, net of interest earned on construction funds borrowed. Interest incurred during the fiscal year 2009 was $19.4 million. In fiscal year 2008, the Seaport incurred approximately $22.4 million, net of capitalized interest of $2,588,133.

(i) Refunding of Debt
For current and advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense on a straight-line basis over the remaining life of the old debt or the life of the new debt, whichever is shorter. The deferred refunding loss amount is reported as a deduction from the debt in the accompanying financial statements.

(j) Bond Discount and Issuance Costs
Discount on bonds and bond issuance costs are amortized using the straight-line method over the life of the related bond issue since the results are not significantly different from the effective interest method of amortization.

(k) Compensated Absences
The Seaport accounts for compensated absences by accruing a liability for employees' compensation for future absences according to the guidelines of GASB Statement No. 16, Accounting for Compensated Absences. As of September 30, 2009 and 2008, long-term liabilities for compensated absences were $4.7 million and $4.3 million, respectively and short-term liabilities for compensated absences were $1.6 million and $1.5 million, respectively.

(l) Revenue and Expense Classifications
Items of income and expense relating to Seaport property and operations including wharfage, dockage, rentals, gantry cranes, ground transportation, water and electric services, parking fees and miscellaneous port services are classified as operating revenue and expenses. All other revenue and expenses are classified as non-operating. The components of the major revenue captions are:

Cruise Wharfage — revenue from charges assessed per passenger when embarking from or debarking to Seaport property.

Cruise Dockage — revenue from charges assessed to cruise vessels for use of berthing space.

Cargo Wharfage — revenue from charges assessed for cargo for the use of the Seaport to load and unload cargo from vessels.

Cargo Dockage — revenue from charges assessed to cargo vessels for use of berthing space.

(m) Rates, Fees, Rentals and Other Charges
If not specified by contract, the Seaport's rates, fees, rentals and other charges are published in Terminal Tariff No.010 and are subject to the rate covenant provisions of Ordinance 88-66 ("Master Bond Ordinance") governing senior lien bonds (see note 5). Pursuant to this covenant, the Seaport agrees that it will maintain the present level of rates, fees, rentals and other charges unless the Seaport Director requests and concurs with recommendations by the Seaport's consulting engineers for revisions. The consulting engineer reviews the rates and issues recommendations to meet the Master Bond Ordinance's provisions. The Seaport reviews its tariffs annually during the budget process for any necessary revisions.

(n) Pension Plan
The Seaport contributes to the Florida Retirement System, a cost-sharing multi-employer plan. Under GASB Statement No. 27, Accounting for Pensions by State and Local Government Employers ("GASB No. 27"), employers that participate in multi-employer defined benefit plans are required to measure and disclose an amount for annual pension costs on the accrual basis of accounting. In fiscal year 2005, the Department adopted the provisions, pertaining to pension transactions, of GASB Technical Bulletin No. 2004-2 Recognition of Pension Benefit Expenditures/Expenses and Liabilities by Cost Sharing Employers ("the Bulletin"). The adoption of the Bulletin did not have an impact on the financial statements of the Seaport. The provisions of the Bulletin pertaining to other postemployment benefits (OPEB) transactions were applied simultaneously with the adoption of GASB Statement 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

(o) Grants
Grants received for the acquisition or construction of capital assets are recorded as capital contributions in the statements of revenues, expenses and changes in net assets, when earned. Grants are earned when costs relating to such capital assets, which are reimbursable under the terms of the grants, have been incurred.

(p) Use of estimates
The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(q) Reclassification
Certain prior year amounts have been reclassified to conform with the current year presentation.

(3) Cash, Cash Equivalents, and Investments

The County pools substantially all cash, cash equivalents and investments, except for those amounts that are required to be held in trust or escrow accounts pursuant to bond ordinances. The Department’s share of the total pooled cash and investments is segregated between “Cash and Cash Equivalents” and “Investments” on the accompanying statements of net assets in proportion to the percentages contained in the County’s analysis of its pooled cash. Interest earned on pooled cash and investments is allocated to the Department based upon its average daily balance in those assets during the allocation period. The County investments are required to be in accordance with Florida Statute 218.415 and the County’s Investment Policy (“the Policy”). The County’s overall investment objectives are, in order of priority, the safety of principal, liquidity of funds and maximizing investment income.

The carrying amounts of the Seaport's local deposits were $13.5 million and $8.4 million as of September 30, 2009 and 2008, respectively. All cash deposits are held in qualified public depositories pursuant to the Florida Security for Public Deposits Act (the “Act”), Chapter 280 Florida Statutes. These deposits are considered fully insured since the Act requires all qualified public depositories to pledge, as security, eligible collateral with a market value equal to or greater than the average daily or monthly balance of all public deposits multiplied by the depository’s collateral pledging level. The pledging level ranges from 50% to 125% depending upon the depository’s financial condition and establishment period. All collateral must be deposited with a State 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.

The Seaport's share in the County's investments included the following at September 30, (in thousands):

Investment Type	2009 Fair Value	2008 Fair Value
Federal Home Loan Mortgage Corporation	**$ 9,094**	$ 1,570
Federal Home Loan Bank	**9,017**	4,335
Federal Farm Credit Bank	**9,212**	1,761
Fannie Mae	**10,180**	4,071
Interest Bearing Account	**7,176**	-
Time Deposits	**163**	194
Treasury Notes	**3,892**	2,257
Commercial Paper	**-**	3,049
Total	**$ 48,734**	$ 17,237

(a) Credit Risk

The County's Investment Policy (the Policy), minimizes credit risk by restricting authorized investments to: 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 the State of Florida 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 two rating agencies which are Standard & Poor's (A1), Moody's (P1), or Fitch (F1); 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 two nationally recognized rating agencies (as noted for commercial paper above), 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. All Repos shall be governed by a standard SIFMA ("Securities Industry and Financial Markets Association") Master Repurchase Agreement; municipal securities issued by U.S. state or local governments, having at time of purchase, a stand-alone credit rating of AA or better assigned by two or more recognized credit rating agencies or a short-term credit rating of A1/P1 or equivalent from one or more recognized credit rating agencies. 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 table below summarizes the investments by type and credit ratings at September 30,

Investment Type	2009 Credit Rating	2008 Credit Rating
Federal Home Loan Mortgage Corporation	AAA	AAA
Federal Home Loan Bank	AAA	AAA
Federal Farm Credit Banks	AAA	AAA
Fannie Mae	AAA	AAA
Commercial Paper	-	AI/PI

(b) Custodial Credit Risk

The Policy requires that time deposits made in banks and savings and loan associations must be made with qualified public depositories in accordance with Chapter 280, Florida Statutes. The County deposits funds only in qualified public depositories, pursuant to Florida Statutes 280.02, which are defined as banks, savings banks, or savings associations organized under the laws of the United States with an office in the State of Florida that is authorized to receive deposits, and has deposit insurance under the provisions of the FDIC. At September 30, 2009, all of the County's bank deposits were in qualified public depositories and as such the deposits are not exposed to custodial credit risks. Securities may be purchased only through financial institutions that are state-certified public depositories. For third-party custodial agreements, the County will execute a Custodial Safekeeping Agreement with a commercial bank. All securities purchased and/or collateral obtained by the County shall be the property of the County and be held apart from the assets of the financial institution.

(c) 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. Prior to any investment in the Pool, approval must be received from the Board of County Commissioners. 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 interest bearing time deposits or demand accounts with no more than 5% deposited with any one issuer.

There is no limit on the percent of the total portfolio that may be invested in direct obligations of the U.S. Treasury or 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 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 acceptances with a maximum of 10% with any one issuer, but a maximum of 60% of the portfolio may be invested in both commercial paper and bankers acceptances. 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. Investments in derivative products shall be prohibited by Miami-Dade County. A maximum of 25% of the portfolio may be directly invested in municipal obligations, up to 5% with any one municipal issuer.

The following issuers held 5% or more of the investment portfolio at September 30,

Issuer	2009 % of Portfolio	2008 % of Portfolio
Federal Home Loan Bank	**18.50**	25.20
Federal Home Loan Mortgage Corporation	**18.66**	9.10
Fannie Mae	**20.89**	23.60
Federal Farm Credit Bank	**18.90**	10.20

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

(d) 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. The County had the following investments with the respective weighted average maturity in years at September 30,

Investment Type	2009 Weighted Average in Years	2008 Weighted Average in Years
Federal Home Loan Mortgage Corporation	**1.01**	1.23
Federal Home Loan Bank	**0.79**	0.52
Federal Farm Credit Bank	**1.56**	1.27
Fannie Mae	**0.67**	0.70
Time Deposits	**0.42**	0.34
Commercial Paper	**-**	0.03
Treasury Notes	**0.62**	0.60

(e) Foreign Currency Risk
The Policy limits the County's foreign currency risk by excluding foreign investments as an investment option.

(f) Cash Requirements
During fiscal year 2009, the Seaport maintained the reserves required by the Master Bond Ordinance (see note 5) and made, from available operating and nonoperating revenue, all transfers and deposits required by the Master Bond Ordinance and other subordinated debt agreements.

(4) Capital assets

Capital asset activity for the years ended September 30, 2009 and 2008, was as follows (in thousands):

	Balance at 9/30/07	Additions	Deletions	Balance at 9/30/08	Additions	Deletions	Balance at 9/30/09
Capital assets, not being depreciated:							
Land and related costs	$ 198,873	$ 177	$ (391)	$ 198,659	$ 911	$ (974)	$ 198,596
Construction in progress	35,480	16,760	(37,055)	15,185	32,095	(1,354)	45,926
Total capital assets, not being depreciated	234,353	16,937	(37,446)	213,844	33,006	(2,328)	244,522
Capital assets being depreciated:							
Buildings, transit sheds and terminals	404,381	19,165	-	423,546	575	(2,086)	422,035
Improvements other than buildings	260,697	18,788	-	279,485	956	(794)	279,647
Machinery and equipment	32,813	6,111	-	38,924	4,945	-	43,869
Total capital assets being depreciated	697,891	44,064	-	741,955	6,476	(2,880)	745,551
Less accumulated depreciation for:							
Buildings, transit sheds and terminals	(127,096)	(11,300)	-	(138,396)	(11,576)	-	(149,972)
Improvements other than buildings	(63,744)	(6,478)	-	(70,222)	(6,680)	-	(76,902)
Machinery and equipment	(11,705)	(2,084)	-	(13,789)	(2,534)	-	(16,323)
Total accumulated depreciation	(202,545)	(19,862)	-	(222,407)	(20,790)	-	(243,197)
Total capital assets, being depreciated, net	495,346	24,202	-	519,548	(14,314)	(2,880)	502,354
Total capital assets, net	$ 729,699	$ 41,139	$ (37,446)	$ 733,392	$ 18,692	$ (5,208)	$ 746,876

(5) Long-term Debt

(a) Bond Covenant

Under the provisions of Master Ordinance 88-66, as amended, (the "Ordinance") authorizing the issuance of senior lien bonds, the County has issued Seaport Revenue Bonds and Seaport General Obligation Bonds on a parity basis. Principal is paid annually on October 1 for all Revenue and General Obligation Bonds; interest is paid semiannually on October 1 and April 1 every year. The revenue bonds are payable solely from the revenue of the Seaport and are not general obligations of the County. The general obligation bonds are payable primarily from the revenue of the Seaport, and, to the extent that the revenue of the Seaport is insufficient, are payable from ad valorem taxes levied on property in Miami-Dade County without limit as to rate or amount. The Ordinance requires the County to maintain and revise the schedule of rates and fees at the Seaport such that revenue will be sufficient to provide an amount at least equal to the total of: (a) 100 percent of operating expenses (seaport operations, as defined), as computed from the annual budget; (b) 125 percent of the maximum principal and interest requirements on all revenue bonds for any future fiscal year plus 110 percent of the maximum principal and interest requirements on general obligation bonds for any future fiscal year; (c) 100 percent of the debt service reserve account deposit requirement; and (d) 100 percent of the amount established in the annual budget to be deposited to the reserve maintenance fund in the current fiscal year. The net revenue requirements for maximum principal and interest applicable to Revenue Bonds and General Obligation Bonds were met in fiscal year 2009 and fiscal year 2008.

(b) Seaport Revenue Bonds
Seaport Revenue Refunding Bonds, Series 1990E —On August 1, 1990, the County issued $29.4 million of Seaport Refunding Revenue Bonds, Series 1990E, Bonds the proceeds of which, together with other legally available moneys, were used to repay $29.4 million of the County's outstanding Seaport Revenue Bonds Series 1985. On September 29, 1995, the Series 1990E Bonds were partially refunded by issuance of the Seaport Revenue Refunding Bonds Series 1995 which prepaid $15.6 million of the then outstanding $27.3 million. The Series 1990E Bonds were paid-off during fiscal year 2009.

Seaport Revenue Refunding Bonds, Series 1995 —On September 29, 1995, the County issued $44.9 million of Seaport Refunding Revenue Bonds Series 1995, the proceeds of which, together with other legally available moneys, were used to: (1) prepay $16.9 million of the $17.3 million outstanding for Seaport Revenue Refunding Bonds Series 1988A; (2) prepay $13.3 million of the $13.6 million outstanding for Seaport Revenue Refunding Bonds Series 1988B; (3) prepay $15.6 million of the $27.3 million outstanding for Seaport Revenue Refunding Bonds Series 1990E; and (4) to pay issuance costs. The Series 1995 Bonds are scheduled for payment through the year 2015.

Seaport Revenue Bonds, Series 1996 —On November 21, 1996, the County issued $29.3 million of Seaport Revenue Bonds, Series 1996. The net proceeds of $28.8 million were used to: (1) pay the costs of capital improvements to certain of the Seaport Department's passenger terminal facilities; (2) pay issuance costs; (3) and to fund a portion of the Reserve Account Requirement for the Series 1996 Revenue Bonds. The Series 1996 Bonds are scheduled for payment through the year 2026.

(c) Seaport General Obligation Bonds
Seaport General Obligation, Refunding Bonds, Series 1996 —On January 18, 1996, the County issued $149.9 million of Seaport General Obligation Refunding Bonds, Series 1996 ("Series 1996 G.O. Refunding Bonds"). The net proceeds of approximately $149.7 million, together with approximately $6.6 million of other available Seaport funds were used to: (1) fund the escrow account used to advance refund approximately $138.3 million of the outstanding Seaport General Obligation Bonds; (2) fund $4.4 million for the balance of the Reserve Account Requirement for the Series 1996 G.O. Refunding Bonds; and (3) pay issuance costs.

The Series 1996 G.O. Refunding Bonds are payable primarily from the revenue of the Seaport on a parity basis with the Seaport's outstanding Revenue Bonds and the portion of the Series 1992 Bonds not refunded by the Series 1996 G.O. Bonds. The Series 1996 G.O. Bonds are additionally a general obligation of the County, and, to the extent that the revenue of the Seaport is insufficient to pay debt service on the Series 1996 G.O. Refunding Bonds, are payable from ad valorem taxes levied on all taxable property in the County without limit as to rate or amount. The series 1996 G.O. Refunding Bonds are scheduled for payment through 2026.

(d) Loans Payable and Sunshine State Governmental Finance Commission
The loans payable represent junior lien debt of the Seaport and are subordinate to all other outstanding Seaport debt. Additionally, all covenants associated with the loan agreements for the Sunshine State Governmental Financing Commission loans are applicable to the County and not the Seaport.

(e) Sunshine State Loans
The loans payable are secured by a covenant of the County to appropriate in its annual budget sufficient funds from legally available non-ad valorem revenue to satisfy the debt service requirements on the loans. Although the security for the loans payable is the promise to budget legally available non-ad valorem revenue, the actual debt service is to be paid solely from available Seaport revenue; accordingly, the debt has been reflected in the accompanying financial statements.

1987 Sunshine State Loan—On July 21, 1987, the Board of County Commissioners enacted an ordinance authorizing the County to incur indebtedness in an aggregate principal amount not to exceed $50 million, in the form of a loan from the Sunshine State Governmental Financing Commission (the "Commission"), for the primary purposes of financing certain improvements for the Port of Miami, acquiring certain gantry cranes in operation at the Port of Miami and defeasing certain indebtedness incurred with respect to such gantry cranes and the payment of loan expenses. The loan had a balloon payment for any outstanding balance, due on July 1, 2012.

On October 19, 1987, the County entered into such loan agreement with the Commission in the amount of $50 million. Initially, the Seaport entered into an agreement with the County whereby such borrowing was to be repaid under a debt structure of interest only for five years and level debt service amortization over a period of 25 years beginning in 1994. In fiscal year 1996, the County agreed to allow the Seaport to defer amortizing principal on the loan until the year 2000 so the Seaport could meet other commitments. The loan was restructured during the 2006 fiscal year. As a result of the restructuring, the “balloon” payment has been replaced with principal installment payments. The first of these payments was due in 2006 and the final maturity will be in 2016. The original maturity of July 2012 has been deferred to July 2016.

1995 Sunshine Loan - On April 4, 1989, the Board of County Commissioners enacted an ordinance authorizing the County to incur indebtedness in an aggregate principal amount not to exceed $40 million, in the form of a loan from the First Municipal Loan Council's Pooled Loan Program (Florida League of Cities First Municipal Loan Program), for the primary purposes of financing certain improvements at the Port of Miami, acquiring certain gantry cranes in operation at the Port of Miami, funding capitalized interest, and the payment of loan expenses.

On May 31, 1989, the County, on behalf of the Seaport, entered into such loan agreement with the First Municipal Loan Council in the amount of $40 million. On November 28, 1995, the loan was refinanced in the amount of $41.39 million through a loan from the Commission. The 1995 Sunshine Loan is a fully amortizing loan with principal due annually beginning October 1, 2012 through its scheduled maturity date on December 1, 2020. The loan was restructured during the 2006 fiscal year. As a result of the restructuring, the original first principal repayment in December 2012 has been deferred to December 2016 and the final maturity has been extended from December 2020 to December 2033.

1998 Sunshine Loan - On April 21, 1998, the Board of County Commissioners enacted an ordinance authorizing the County to incur indebtedness in an aggregate principal amount not to exceed $35 million, in the form of a loan from the Commission, for the primary purposes of providing matching funds for grants received to finance certain cruise terminal and cargo berthing improvements at the Port of Miami, to refinance a portion of the Seaport revenue refunding bonds, and provide for the payment of loan expenses.

On October 6, 1998, the County, on behalf of the Seaport, entered into such loan agreement with the Commission in the amount of $20.6 million. The 1998 Sunshine Loan is a fully amortizing loan with principal due annually beginning October 1, 1999 through its scheduled maturity date on October 1, 2023. The loan was restructured during the 2006 fiscal year. As a result of the restructuring, the original first principal repayment in December 2012 has been deferred to December 2016 and the final maturity has been extended from December 2020 to December 2033.

1999 Sunshine Loan—On February 28, 1998, the Board of County Commissioners enacted an ordinance authorizing the County to incur indebtedness in an aggregate principal amount not to exceed $120 million, in the form of a loan from the Commission, for the primary purposes of providing matching funds for grants received to finance certain cruise terminal and cargo berthing improvements at the Port of Miami and provide for the payment of loan expenses. On September 28, 1999, the County, on behalf of the Seaport, entered into such loan agreement with the

Commission in the amount of $36 million. The 1999 Sunshine Loan is a fully amortizing loan with principal due annually beginning October 1, 2000 through its scheduled maturity date on October 1, 2024. The loan was restructured during the 2006 fiscal year. As a result of the restructuring, the principal payments were deferred until October 2015 and the final maturity has been extended from October 2015 to December 2033.

2001 Sunshine Loan—On June 19, 2001, the Board of County Commissioners enacted an ordinance authorizing the County to incur indebtedness in an aggregate principal amount not to exceed $199 million, in the form of a loan from the Commission. The primary purposes of said loans are for paying the cost of capital improvements at the Port of Miami, refunding outstanding Port obligations and providing for the payment of loan expenses.

On September 2, 2001, the County, on behalf of the Seaport, entered into two loan agreements with the Commission, one for $108 million Tax Exempt AMT Commercial Paper Revenue Notes and one for $42 million Tax Exempt Commercial Paper Revenue Notes, both totaling $150 million. The 2001 Sunshine loans are fully amortizing loans with principal due annually beginning October 1, 2002 through their scheduled maturity dates on October 1, 2028. The loan was restructured during the 2006 fiscal year. As a result of the restructuring, the principal payments were deferred until October 2015 and the final maturity has been extended from October 2015 to December 2032.

2005 Sunshine Loan - On August 23, 2005, the Board of County Commissioners enacted an ordinance authorizing the County to incur indebtedness in an aggregate principal amount not to exceed $75 million, in the form of a loan from the Commission. The primary purposes of said loan are for paying the cost of capital improvements at the Port of Miami and providing for the payment of loan expenses.

On September 30, 2005, the County, on behalf of the Seaport, entered into a loan agreement with the Commission for $75 million Tax Exempt Commercial Paper Notes. The 2005 Sunshine loan is a fully amortizing loan with principal due annually beginning September 1, 2021 through the scheduled maturity date on September 1, 2035.

On June 2, 2008, the County, on behalf of the Seaport, entered into refinancing agreements with the Sunshine State Governmental Financing Commission, to refinance all loans, except the 1987 Loan. The purpose of the refinance was to minimize the Seaport's interest rate exposure and minimize the interest rate volatility. Additionally, the Seaport entered into the new agreements in order to acquire a letter of credit. The letter of credit is effective for a three year period (June 2, 2008 through June 2, 2011). The refinancing did not have an effect on the terms, principal payments or amortization.

The major difference between the old debt agreements and the new debt agreements was the acquisition of a letter of credit. The letter of credit is for a three year period (June 2, 2008 through June 2, 2011). Pursuant to the terms of the loan agreements, in the event that the credit facility provider does not extend the term of the credit facility and the County and the Sunshine State Governmental Financing Commission are unable to provide an alternate credit facility, the County shall prepay the loan in full by paying the then allocable optional prepayment price on or before 60 days prior to the expiration of the credit facility.

As result of the refinancing, the Seaport recognized a deferred loss on refunding of $2,160,057. One of the terms that remained between the old debt and the new debt was variable interest rate. Consequently, because of the uncertainty of interest rates, especially in the current, unstable economic instability there was no economic gain or loss calculated on the transaction. Additionally, since the principal balance of the new debt remained the same as the old debt, the calculation of economic gain or loss would be based on the present value of the unamortized issuance cost of the old debt and the present value of the unamortized issuance cost of the new debt.

(f) Capital Asset Acquisition Bonds

Capital Asset Acquisition Bonds, Series 2009A —On September 3, 2009, the County issued $68.6 million of Capital Asset Acquisition Special Obligation Bonds, Series 2009A (Series 2009A). The total proceeds of approximately $69.0 million were used to: (1) pay the costs of capital improvements to certain of the Seaport's passenger terminal facilities, dredging projects, and other improvements; (2) pay issuance costs; (3) and to fund the Reserve Account Requirement for the Series 2009A. Net proceeds received by the Seaport Department after funding required reserves and paying issuance costs were approximately $67.5 million. The Series 2009A are scheduled for payment through the year 2039.

(g) Long-Term Debt Summary

A summary of the Seaport's outstanding debt for the fiscal years ended September 30, 2009 and 2008 is presented in the following table (dollars in thousands):

Description	Date of Issuance	Interest Rate	Amount Issued	Year of Maturity	Outstanding Balance 2009	Outstanding Balance 2008
Dade County Seaport Revenue Bonds:						
Series 1990E (Refunding Bonds)	1990	6.20%-8.00%	29,400	2008	$ -	$ 1,485
Series 1995 (Refunding Bonds)	1995	4.60%-6.20%	44,950	2015	**35,245**	36,415
Series 1996	1996	4.00%-5.50%	29,270	2026	**22,755**	23,495
Less:						
Unamortized discount and deferred amounts					**(592)**	(923)
Current portion					**(3,620)**	(3,395)
					53,788	57,077
Dade County Seaport General Obligation Bonds:						
Series 1996 (Refunding Bonds)	1996	4.40%-6.50%	149,950	2026	**130,370**	134,570
Less:						
Unamortized discount and deferred amounts					**(7,303)**	(7,749)
Current portion					**(4,470)**	(4,200)
					118,597	122,621
Sunshine State Loans:						
1987 Loan	1987	0.95%	50,000	2016	**31,245**	34,745
1995 Loan	1995	1.46%	41,390	2033	**41,390**	41,390
1998 Loan	1998	1.46%	20,605	2033	**17,095**	17,095
1999 Loan	1999	1.46%	36,000	2033	**30,575**	30,575
2001 Loan	2001	1.46%	150,000	2032	**143,000**	143,000
2005 Loan	2005	1.46%	75,000	2035	**75,000**	75,000
Less:						
Unamortized deferred amounts					**(2,053)**	(2,134)
Current portion					**(3,500)**	(3,500)
					332,752	336,171
Capital Asset Acquisition Bond:						
Series 2009A	2009	3.00%-5.13%	68,630	2039	**68,630**	-
Plus:						
Unamortized premium amount					**323**	-
Less:						
Current portion					**(300)**	-
					68,653	
Total long-term debt, net					**$ 573,790**	$ 515,869

(h) Debt Service Requirements

The Seaport's debt service requirements to maturity by type, including the current portion, at September 30, 2009, are as follows (in thousands):

Year Ending September 30,	Revenue Bonds	G.O. Bonds	State Loans	Cap. Acq. Bond	Total
Principal					
2010	$ 3,620	$ 4,470	$ 3,500	$ 300	$ 11,890
2011	5,475	4,755	4,000	310	14,540
2012	5,815	5,070	4,000	320	15,205
2013	6,140	5,330	4,500	2,505	18,475
2014	6,490	5,600	5,600	2,510	20,200
2015-2019	17,670	32,620	56,365	12,550	119,205
2020-2024	7,350	41,885	63,900	12,550	125,685
2025-2029	5,440	30,640	97,900	12,535	146,515
2030-2034	-	-	90,540	12,525	103,065
2035-2039	-	-	8,000	12,525	20,525
Total	58,000	130,370	338,305	68,630	595,305
Interest					
2010	3,192	6,663	4,769	1,887	16,511
2011	2,916	6,363	4,734	3,257	17,270
2012	2,584	6,079	4,696	3,244	16,603
2013	2,243	5,812	4,657	3,231	15,943
2014	1,882	5,532	4,610	3,125	15,149
2015-2019	4,994	22,931	21,349	13,967	63,241
2020-2024	2,543	13,433	16,888	11,220	44,084
2025-2029	459	2,407	11,592	8,286	22,744
2030-2034	-	-	3,454	5,135	8,589
2035-2039	-	-	78	1,926	2,004
Total	20,813	69,220	76,827	55,278	222,138
Principal and Interest					
2010	6,812	11,133	8,269	2,187	28,401
2011	8,391	11,118	8,734	3,567	31,810
2012	8,399	11,149	8,696	3,564	31,808
2013	8,383	11,142	9,157	5,736	34,418
2014	8,372	11,132	10,210	5,635	35,349
2015-2019	22,664	55,551	77,714	26,517	182,446
2020-2024	9,893	55,318	80,788	23,770	169,769
2025-2029	5,899	33,047	109,492	20,821	169,259
2030-2034	-	-	93,994	17,660	111,654
2035-2039	-	-	8,078	14,451	22,529
Total	$ 78,813	$ 199,590	$ 415,132	$ 123,908	$ 817,443

State loans are variable rate debt with interest calculated on the basis of the interest paid in the last month of the fiscal year.

(6) Defeasance of Debt

At September 30, 2009 and 2008, there were no defeased bonds outstanding.

(7) Master Lease Agreement

The County has entered into a Master Agreement and an Office Space Building Lease Agreement (the "Master Lease Agreement") with a cruise ship company (the "Company"). Pursuant to this Master Lease Agreement, the Company obtained a $16.5 million loan from a private lender ("the Lender") to finance the turnkey construction of an office building at the Seaport. Upon the issuance of a certificate of occupancy on December 28, 1990, the County obtained the building from the Company and executed a nonrecourse promissory note for $16.5 million at a fixed interest rate of 10.2%. The Lender's collateral for the note consisted of an assignment of the annual rent of approximately $1,937,000 which is equal to the debt service under the terms of the loan to be paid by the Company under a 20-year lease agreement for the building.

During fiscal year 2001, the Company paid off the remaining balance of the loan. At this time, under the terms of the Master Lease Agreement, the Company is receiving deferred rental credits from the Seaport until the 20 year repayment period expires. The balance of the Master Lease Agreement was $2.8 million and $4.4 million as of September 30, 2009 and 2008, respectively.

(8) Operating Lease Agreements

The Seaport has several operating leases consisting principally of the leasing of land, office space and warehouses to several tenants. The lease agreements consist of both cancelable and noncancelable agreements. The agreements expire over the next 20 years.

Future minimum lease income under the noncancelable operating leases (with initial or remaining lease terms in excess of one year) as of September 30, 2009 are summarized in the table below

(in thousands):

Year ending September 30,	**Operating Leases**
2010	$ 11,504
2011	9,837
2012	8,536
2013	8,151
2014	7,707
2015-2019	37,723
2020-2024	30,490
Total rental income	$ 113,948

(9) Long-term Obligation Activity

Changes in long-term obligations for the year ending September 30, 2009 are as follows (in thousands):

	Balance at 9/30/08	Increase	Decrease	Balance at 9/30/09	Due within One year
Bonds, loans and capital acquisition bond payable:					
Revenue bonds	$ 61,395	$ -	$ 3,395	$ 58,000	$ 3,620
General obligation bonds	134,570	-	4,200	130,370	4,470
Sunshine State loans	341,805	-	3,500	338,305	3,500
Capital acquisition bond	-	68,630	-	68,630	300
Net unamortized discounts, premium and deferred amounts	(10,806)	-	(1,181)	(9,625)	-
Total	526,964	68,630	9,914	585,680	11,890
Other liabilities:					
Master lease agreement	$ 4,382	$ -	$ 1,562	$ 2,820	$ 1,729
Arbitrage rebate	-	-	-	-	-
Compensated absences	5,835	2,649	2,117	6,367	1,620
Mitigation liability-consent order	3,146	401	3,146	401	401
Other	635	85	29	691	-
Total	13,998	3,135	6,854	10,279	3,750
Total long-term liabilities	$ 540,962	$ 71,765	$ 16,768	$ 595,959	$ 15,640

Changes in long-term obligations for the year ending September 30, 2008 are as follows (in thousands):

	Balance at 9/30/07	Increase	Decrease	Balance at 9/30/08	Due within One year
Bonds and loans payable:					
Revenue bonds	$ 64,575	$ -	$ 3,180	$ 61,395	$ 3,395
General obligation bonds	138,510	-	3,940	134,570	4,200
Sunshine State loans	345,305	-	3,500	341,805	3,500
Unamortized discounts and deferred amounts	(9,450)	2,134	(778)	(10,806)	-
Total	538,940	2,134	9,842	526,964	11,095
Other liabilities:					
Master lease agreement	$ 5,793	$ -	$ 1,411	$ 4,382	$ 1,562
Arbitrage rebate	892	-	892	-	-
Compensated absences	4,779	2,979	1,923	5,835	1,546
Mitigation liability-consent order	2,439	731	24	3,146	-
Other	445	223	33	635	33
Total	14,348	3,933	4,283	13,998	3,141
Total long-term liabilities	$ 553,288	$ 6,067	$ 14,125	$ 540,962	$ 14,236

(10) Restricted Assets

Restricted assets represent bond proceeds and other moneys required to be restricted for debt service and maintenance and improvements under the terms of outstanding bond and other contractual agreements.

Assets restricted for debt service are for the payment of bond principal and interest. Assets restricted for reserve maintenance are for the payment of unusual or extraordinary maintenance or repairs of Seaport properties that are intended to extend the life of the asset.

Under the terms of outstanding bond and other contractual agreements, assets were restricted for the following purposes (in thousands):

		2009		2008
Debt service	**$**	**23,895**	$	19,078
Capital grants receivable		**5,072**		1,882
Improvement and construction		**24,406**		5,394
Total	**$**	**53,373**	$	26,354

(11) Employment Benefits

(a) Pension Plan

The Seaport, as a department of the County, participates in the Florida Retirement System (the "FRS"), a cost-sharing, multi-employer retirement plan, which covers substantially all of the Seaport's full-time and part-time employees. The FRS was created in 1970 by consolidating several employee retirement systems. The FRS is noncontributory and is administered by the State of Florida. 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.

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, 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. Benefits under the plan vest after six years of service. Employees who retire at or after age 62, with six years of credited service, are entitled to an annual retirement benefit, payable monthly for life. The FRS also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by State of Florida statutes.

Pension costs for the Seaport as required and defined by the FRS ranged between 9.85% to 20.92% of gross salaries for fiscal years 2009, 2008 and 2007. For the fiscal years ended September 30, 2009, 2008 and 2007, the County contributed 100 percent of the annual required contributions. These contributions aggregated $284 million, $281 million, and $272 million, respectively, which represents 13.0%, 13.1% and 12.9% of covered payroll, respectively, and 11.2%, 10.8% and 11.1% of the total contributions required of all participating agencies for fiscal years 2009, 2008 and 2007, respectively. The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. Employer contributions rates are established by state law as a level percentage of payroll (Chapter 121.70 Florida Statutes). Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature. Pension costs of the Seaport for the years ended September 30, 2009, 2008, and 2007, as required and defined by the System, were $2.4 million, $2.2 million, and $1.9 million, respectively. These amounts are included in operating expenses in the accompanying statements of revenues, expenses and changes in net assets.

The complete financial report of the FRS may be obtained by writing to Division of Retirement, P.O. Box 9000, Tallahassee, Florida, 32315-9000; or by contacting Research & Education by email at rep@dms.myflorida.com. or by phone toll-free at 877-FRS-1FRS (877-377-1737), at 850-488-5706 in the Tallahassee local calling area, or at SUNCOM 278-5706.

(b) Postemployment Benefits Other than Pensions

During the 2008 fiscal year, the Seaport adopted the requirements of Governmental Accounting Standards Board Statement 45 (GASB 45) for other post-employment benefits (OPEB). This statement requires that the County accrue the cost of the County's retiree health subsidy and OPEB during the period of employees' active employment as the benefits are being earned. It requires the unfunded actuarial accrued liability be disclosed in order to accurately account for the total future cost of OPEB and the financial impact on the County. The financial impact of the adoption of this statement is reflected in the accompanying financial statements.

Plan Description. Miami-Dade County ("the County") administers a single-employer defined benefit healthcare plan ("the Plan") that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the County's group health insurance plan, which covers both active and retired members. Benefits are established and may be amended by the Miami-Dade County Board of County Commissioners ("the BCC"), whose powers derive from F.S. 125.01(3) (a). The Plan does not issue a publicly available financial report.

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)

Benefits:
The medical plans offered provide hospital, medical and pharmacy coverage. Pre-65 retirees are able to select from five medical plans as follows.

- AvMed POS
- AvMed HMO High Option
- AvMed HMO Low Option
- JMH HMO High Option
- JMH HMO Low Option

Post-65 retirees are able to select from five medical plans as follows. The County only contributes to post-65 retirees electing an AvMed Medicare Supplement Plan.

- AvMed Medicare Supplement Low Option
- AvMed Medicare Supplement High Option with RX
- AvMed Medicare Supplement High Option without RX
- JMH HMO High Option
- JMH HMO Low Option

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 age 65 and over	302
Total	30,889

Funding Policy. 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 contributed an average of 21% of the cost for the AvMed POS plan, 41% for the AvMed HMO High and AvMed HMO Low plans in fiscal year 2008. The JMH HMO plans receive no explicit contribution. However, it is the County's policy that after fiscal year 2008 its per capita contribution for retiree health care benefits will remain at the 2008 dollar level.

The pre-65 retirees also receive an implicit subsidy from the County since they are underwritten with the active employees. The implicit contribution is approximately 5% of the cost. The pre-65 cost is approximately 57% greater than the combined pre-65 and active cost. The post-65 retiree contributions also vary by plan and tier with the County contributing an average of 28% of the entire plan cost. For fiscal years 2009 and 2008, the Seaport contributed $264,000 and $117,000 to the plan, respectively.

The postretirement medical and dental benefits are currently funded on a pay-as-you go basis (i.e., Miami-Dade County funds on a cash basis as benefits are paid). No assets have been segregated and restricted to provide postretirement benefits.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. This same methodology is used to determine the Seaport's Annual OPEB and Net OPEB Obligation. A summary of these amounts for the Seaport can be found below.

The Seaport's annual OPEB costs for the fiscal years 2009 and 2008, and the related information for the plan are as follows (dollar amounts in thousands):

	Fiscal year 2009	Fiscal year 2008
Annual required contribution	**$ 351**	$ 332
Interest on net OPEB obligation	**10**	
Adjustment to annual required contribution	**(10)**	-
Annual OPEB cost	**351**	332
Contributions made	**(264)**	(117)
Increase in net OPEB obligation	**87**	215
Net OPEB obligation-beginning of year	**215**	-
Net OPEB obligation-end of year	**$ 302**	$ 215

The Seaport's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2009 and 2008 were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2009	**$ 351**	**86.0%**	**$ 302**
9/30/2008	$ 332	**64.8%**	$ 215

Funded Status and Funding Progress. The schedule below shows the County's balance of the actuarial accrued liability (AAL), all of which was unfunded as of September 30, 2009 (dollar amounts in thousands).

Schedule of Funding Progress
For the Retiree Health Plan
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll ©	UAAL as % of Covered Payroll ([b-a]/c)
10/1/2008	**$ -**	**$ 255,259**	**$ 255,259**	**0%**	**$ 1,527,564**	**17%**
10/1/2007	$ -	$ 242,331	$ 242,331	0%	$ 1,483,072	16%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions by the County are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial cost method used in the valuation to determine the Actuarial Accrued Liability (AAL) and the Actuarial Required Contribution (ARC) was the Projected Unit Credit Method with service prorated. Under this method, the total present value of benefits is determined by projecting the benefit to be paid after the expected retirement date (or other event) and discounting those amounts to the valuation date. The normal cost is computed by dividing the total present value of benefits by the participant's total service (actual plus expected service) at retirement. The AAL under this method represents the total present value of benefits multiplied by the ratio of the participant's actual service to date and divided by expected service at retirement. The AAL for participants currently receiving payments and deferred vested participants is calculated as the actuarial present value of future benefits expected to be paid. No normal cost for these participants is payable. The AAL and normal costs were calculated at the measurement date, which is the beginning of the applicable fiscal year using standard actuarial techniques.

The following summarizes other significant methods and assumptions used in valuing the AAL and benefits under the plan.

Actuarial valuation date	10/01/2008
Amortization method	Level percentage of payroll, closed
Remaining amortization periods	30 years
Actuarial assumptions:	
Discount rate	4.75%
Payroll growth assumption	3.00%
Health care cost trend rates	10% initial to 5.25% ultimate
Mortality table	RP 2000

Further, the valuation assumes that the County will continue to fund the liability on a pay-as-you-go basis and that the County's policy is that its per-capita contribution for retiree benefits will remain at the 2008 level. As a result, the retiree contributions will be increased to the extent necessary so that they are sufficient to provide for the difference between the gross costs and the fixed County contributions.

The Seaport recorded an $87,000 and $215,000 expense for fiscal years 2009 and 2008, respectively in its operating section of the financial statements. Additionally, the Seaport recorded $302,000 and $215,000 in Net OPEB liability in fiscal years 2009 and 2008, respectively, in the Statements of Net Assets, under Other long-term liabilities.

(12) Risk Management

The County's Risk Management Division (the "RMD") administers workers' compensation and general and automobile liability self-insurance programs. The Seaport, along with other County Departments, participates in the County's self-insurance programs. Certain group health insurance programs are also self-insured. An independent administrator administers the programs.

Seaport properties are covered under the County's Master Property Insurance Program. The County purchases coverage through commercial carriers. The insurance program contains a $5 million deductible per occurrence for most perils. A $200 million deductible per occurrence applies to named windstorm losses. The current County wide limit for named windstorm is $375 million (inclusive of deductible). Coverage for the Seaport's gantry cranes are provided through a combination of the County's program and a policy purchased by the crane management company. During fiscal years 2009 and 2008 there were no property damage claims at the Seaport that exceeded the commercial coverage.

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. For the years ended September 30, 2009 and 2008, the Seaport incurred approximately $1.9 million and $1.8 million in insurance costs, respectively.

The estimated liability for reported and unreported claims of the self-insurance programs administered by RMD is determined annually based on the estimated ultimate cost 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 the application of historical experience. The estimate of incurred, but not reported, losses are based on historical experience and is performed by an independent actuary. The long-term portion of the estimated liability is recorded in the internal service fund of the County and thus is not allocated down to the Seaport. This amount was $1,128,839 and $1,113,299 in fiscal years 2009 and 2008, respectively. At September 30, 2009 and 2008, the Seaport recorded current liabilities in the statements of net assets for self-insurance claims of approximately $390,161 and $311,701, respectively.

(13) Due from other governments

The Seaport has received state and federal grants for various cruise and cargo improvements including a harbor-dredging project. As of September 30, 2009 and 2008, total receivables were $5.1 million and $1.9 million, respectively. State grant receivables as of September 30, 2009 and 2008, totaled $2.6 million and $1.4 million, respectively, and are invoiced to the granting agency upon payment by the Seaport to the contractor. Federal grant receivables as of September 30, 2009 and 2008 were $2.5 million and $.5 million, respectively, and are invoiced to the granting agency upon payment by the Seaport to the contractor.

(14) Related-party transactions

Various departments within the County provide goods, administration, public safety, maintenance and various other services to other operating departments. Charges for these services are determined using direct and indirect cost allocation methods or amounts determined based upon direct negotiations between the related parties. Charges for services provided to the Seaport by other County departments included as operating expenses in the accompanying statements of revenues, expenses and changes in net assets amounted to approximately $19.8 million and $20.3 million for the years ended September 30, 2009 and 2008, respectively.

The following table presents a list of providers of services and respective charges for the years ended September 30, 2009 and 2008 (in thousands):

	2009	2008
Audit and Management Services	**$ 110**	$ 110
Fire	**2,500**	2,400
Fleet Management	**710**	1,119
General Fund	**2,017**	2,745
Information Technology	**952**	1,023
Miami-Dade Police	**9,493**	9,894
Public Works	**733**	154
Solid Waste	**176**	229
Miami-Dade Water and Sewer	**2,295**	2,065
Other	**795**	542
Total	**$ 19,781**	$ 20,281

(15) Commitments, Contingencies and Guarantees

(a) Gantry Crane Maintenance 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 indicated 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 percent and are reduced by excess usage fees paid by the Operating Company. The Seaport has received approximately $500,000 (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 amount has been recorded in the accompanying financial statements.

The Operating Company has filed a counterclaim against the County alleging 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 affect 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 for fiscal years 2009 and 2008 were approximately $8.2 million and $7.9 million, respectively. These amounts can be found in the statements of revenues, expenses and changes in net assets. Container crane user operating expenses for fiscal years 2009 and 2008 were approximately $8.0 million and $7.6 million, respectively. These amounts can be found in the statements of revenues, expenses and changes in net assets.

(b) Cruise Terminal Usage Agreements and Terminal Operating Agreement

During fiscal years 1998 and 1999, the Board 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 agreements also provides for container yard improvements and reduced reefer rates.

The terminal usage agreements are 15-year contracts with either one or two five-year renewal options wherein each line guarantees to pay minimum annual revenue 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 incentives ranging from 27 percent to a maximum of 33 percent from the published wharfage and dockage rates. Annual dockage and wharfage increases are capped, with only one increase per annum.

(c) Dredging Project

The Seaport entered into a contract in 1994 with a dredging company for the dredging of the Port of Miami's south channel. The total cost of the project, including two approved change orders, was approximately $40.5 million. The performance of the contractual obligation was backed by a performance bond. In January 1997, the dredging company filed for Chapter 11 bankruptcy protection and shortly thereafter demobilized its equipment and abandoned the project. In March 1998, the dredging company rejected the contract and prompted the County to make formal demand on the performance bond company ("bond company"). When the bond company neither tendered the amount of the bond to the County, nor promptly started the project, the County filed suit against the bond company.

On January 24, 2006, the County and bond company reached a settlement whereby the bond company waived all rights to counterclaims and agreed to pay a total of $22.5 million to the Seaport Department. On February 24, 2006, the Seaport received $21.3 million with additional payments totaling $1.25 million to be made in subsequent fiscal years. In fiscal year 2007, the Seaport received $625,000 and the remaining balance of $625,000 was received in fiscal year 2008. As of September 30, 2008, the Seaport recorded a liability of approximately $1.1 million due to the U.S. Army Corp of Engineers (USACOE), representing the final payment for the Dredge II Project.

(d) 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 has recognized an expense and related liability for the fiscal year 2002 in the amount of $2.5 million. In fiscal year 2009, the Seaport paid $2.3 million to partially satisfy the Consent Order. The remaining balance to satisfy the Consent Order of $0.4 million is recorded as a current liability as of September 30, 2009.

(e) Building Lease Agreement
The Seaport entered into an office building lease agreement (the "Lease 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 possess fee simple title to the Building. Under the terms of the Lease Agreement, the Lessee is to pay base rent of an amount per year equal to the amount per year of 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 Lease 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 until any other uncertainties regarding the contract are resolved, the Seaport has not included such asset and related liability, if any, in its financial statements.

(f) Litigation
The Seaport as a department of the County is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The County, after reviewing the current status of all pending and threatened litigation with respect to the operations of the Seaport, believes that while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity, are adequately covered by the County's self-insurance program or will not have a material adverse effect upon the financial position of the Seaport.

(g) Federal and State Grants
Federal grant awards are subject to audit in accordance with OMB Circular A-133 to determine compliance with the terms and conditions of the grant awards. State of Florida grant awards are subject to audit by the respective Florida grantor agencies. It is management's opinion that no material liabilities will result from any such audits.

(h) Arbitrage Rebate Liability
Federal tax law requires that arbitrage interest earnings be remitted to the federal government, unless the local government qualifies for an exemption. For fiscal years 2009 and 2008, the Seaport did not record any liability of interest earned on bond proceeds invested in taxable securities in excess of interest cost. Arbitrage rebates are payable five years from the date of the bond issuance and each five years thereafter and is recorded as other liability in the financial statements.

(i) Construction
The Department had contractual commitments of $31.0 million and $97.9 million in construction commitments, which include cruise and cargo improvements and other infrastructure improvements and new construction at September 30, 2009 and 2008, respectively.

(j) Implementation of New Accounting Standards

In June 2007, the GASB issued Statement 51 - *Accounting and Financial Reporting for Intangible Assets.* This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. An absence of sufficiently specific authoritative guidance has resulted in inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The Seaport expects to comply with the provisions of this statement at the appropriate time.

In June 2008, the GASB issued Statement 53 - *Accounting and Financial Reporting for Derivative Instruments.* This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By entering into these arrangements, governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. Derivative instruments associated with changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. Derivative instruments, however, also can expose governments to significant risks and liabilities. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swap options, forward contracts, and futures contracts. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2009. The Seaport expects to comply with the provisions of this statement at the appropriate time.

(k) Letter of Credit

On July 24, 2007, the Board of County Commissioners (the Board), adopted Resolution R-889-07 approving the Master Agreement which requires the County to participate in the development of the Port Tunnel. One of the County's commitments towards the tunnel project was to provide an irrevocable letter of credit (LOC) to fund its share of a $150 million Geotechnical and Relief Contingency Reserve. The County's share of the Geotechnical and Relief Contingency Reserve is $75 million. The Geotechnical and Relief Contingency Reserve is to be used first to pay any unforeseen geotechnical costs associated with the digging of the tunnel and with respect to the County, certain other relief events. The Master Agreement provides that the County shall deliver the LOC at the time Florida Department of Transportation (FDOT) and the concessionaire enter into a concession agreement.

On September 25, 2009, the County entered into a Reimbursement Agreement (LOC) with Wachovia Bank, National Association (the Bank) in the amount of $75 million for the County's share of the Geotechnical and Relief Contingency Reserve. The LOC will automatically extend for an additional one year effective September 25, 2010 and each September 25 thereafter unless the Bank shall have notified the County in writing at least 120 days prior to such date and the Beneficiary in writing at least 30 days prior to such date, as from time to time extended pursuant to the terms of the LOC, that the Bank not extend such applicable Expiration Date.

The amount drawn under the LOC shall be converted to an interest-only Line of Credit (the Credit Line) on the date of the draw. Interest accrued on the Credit Line shall be payable on February 25, 2011, February 25, 2012, February 25, 2013, February 25, 2014 and September 25, 2014.

On September 25, 2014, the outstanding amount of the Credit Line shall be converted to a term loan. The principal and interest on the Term Loan shall be payable on September 25, 2015 and annually thereafter on each September 25 through September 25, 2019. The first of four principal payments shall be equal to one tenth of the Term Loan Amount and the final installment shall be equal to the balance of the Term Loan. The outstanding of the Term Loan rate shall bear interest of the effective base rate plus two percent per annum.

The Seaport anticipates and has programmed into its capital development plan issuing bonds to pay the LOC.

As of September 30, 2009 the Seaport had not drawn down on the letter of credit.

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REQUIRED SUPPLEMENTARY INFORMATION

Miami-Dade County, Seaport Department

Required Supplementary Information

Schedule of Funding Progress
For the Miami-Dade County Retiree Health Plan
(in thousands)
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as % of Covered Payroll ([b-a]/c)
10/1/2008	**$ -**	**$ 255,259**	**$ 255,259**	**0%**	**$ 1,527,564**	**17%**
10/1/2007	$ -	$ 242,331	$ 242,331	0%	$ 1,483,072	16%

See Accompanying Auditor's Report

STATISTICAL SECTION

Statistical Section

This part of the Seaport's comprehensive annual financial report presents information to assist users, from a historical perspective, use the information provided in the financial statements, notes to the financial statements, and required supplementary to assess the department's overall financial health.

<u>Contents</u>

Financial Trends

These schedules contain information to assist readers assess how the Department's financial position has changed over time. (Pages 65-66)

Revenue Capacity

These schedules contain information to assist readers assess the variables affecting the Department's revenue capabilities. (Page 67)

Debt Capacity

These schedules contain information to assist readers assess the Department's debt burden and its ability to issue new debt. (Pages 68-71)

Demographic and Economic Information

These schedules contain demographic and economic information to assist readers understands the environment within which the Department's financial activities take place. (Pages 72-75)

Operating Information

These schedules contain service and infrastructure data to assist readers understand how the information in the Department's financial report relates to the services the Department provides and activities it performs. (Pages 76-77)

Sources: Unless otherwise note, the information from these schedules is derived from the comprehensive annual financial reports for the relevant year. The Seaport Department implemented GASB Statement 34 in fiscal year 2002; schedules presenting net asset information include information beginning in that year.

Miami-Dade County Seaport Department
Schedule of Changes in Net Assets (Unaudited)
Last eight fiscal years (in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009
Operating revenues	$ 76,288	$ 78,511	$ 74,576	$ 80,360	$ 82,113	$ 84,568	$ 94,698	$ 100,057
Investment earnings	5,221	2,463	2,408	2,350	3,815	3,100	960	247
Other nonoperating	1,023	1,554	1,640	-	21,350	-	2,734	-
Total revenues	82,532	82,528	78,624	82,710	107,278	87,668	98,392	100,304
Operating expenses	42,804	44,429	49,011	53,180	61,210	64,021	61,579	68,999
Depreciation	14,943	15,974	15,189	14,872	16,132	17,927	19,863	20,790
Interest expense	20,133	22,770	18,516	19,113	23,938	25,280	22,409	19,448
Other nonoperating expenses	2,094	3,283	1,643	1,474	289	12,359	-	166
Total expenses	79,974	86,456	84,359	88,639	101,569	119,587	103,851	109,403
Net income (loss) before contributions	2,558	(3,928)	(5,735)	(5,929)	5,709	(31,919)	(5,459)	(9,099)
Contributions	8,299	14,604	30,438	15,315	7,343	27,730	7,212	13,315
Change in net assets	10,857	10,676	24,703	9,386	13,052	(4,189)	1,753	4,216
Net assets at beginning of year	141,869	152,726	163,402	188,105	197,491	210,542	206,353	208,106
Invested in capital assets, net of related debt	124,799	131,032	153,190	163,676	183,185	191,448	204,261	161,838
Restricted for debt service	21,833	24,457	23,117	29,720	23,901	21,257	19,078	23,895
Restricted for construction and other								19,263
Unrestricted and other	6,094	7,913	11,798	4,095	3,456	(6,352)	(15,233)	7,326
Net assets at end of year	$ 152,726	$ 163,402	$ 188,105	$ 197,491	$ 210,542	$ 206,353	$ 208,106	$ 212,322

Data prior to fiscal year 2002 was not available due to the implementation of GASB 34

Miami-Dade County Seaport Department
Schedule of Revenue and Expenses (Unaudited)
Last Ten Fiscal Years (in thousands)

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
OPERATING REVENUES:										
Cruise Wharfage	$ 16,160	$ 17,334	$ 19,234	$ 20,994	$ 18,727	$ 20,292	$ 21,468	$ 22,235	$ 26,078	$ 28,831
Cargo Wharfage	14,220	14,707	15,764	16,043	17,168	17,245	17,046	16,190	15,312	15,705
Dockage	11,087	11,834	13,043	14,828	13,415	15,573	15,908	15,168	17,184	14,835
Container Crane Fees	10,357	10,776	11,054	9,634	10,120	11,068	10,299	8,525	7,922	8,180
Rentals	6,800	7,126	7,258	6,720	6,455	6,628	6,884	7,213	9,106	14,856
Ground Transportation	2,250	2,199	797	1,085	419	611	783	1,012	1,267	1,425
Parking	3,847	4,044	5,173	5,751	5,239	5,252	6,123	7,778	9,792	10,686
Miscellaneous	3,838	4,185	3,965	3,456	3,033	3,691	3,602	6,447	8,037	5,539
	68,559	72,205	76,288	78,511	74,576	80,360	82,113	84,568	94,698	100,057
OPERATING EXPENSES:										
Cruise Operations	2,327	2,544	2,739	3,281	3,491	3,600	4,138	4,766	5,799	6,502
Cargo Operations	1,902	2,391	2,899	2,093	2,093	1,840	1,806	1,618	1,409	1,389
Maintenance	3,915	3,624	6,935	7,651	6,154	7,711	5,949	6,954	6,304	6,269
Utilities	575	977	719	277	1,510	1,482	3,274	2,791	2,110	5,102
Marketing & Advertising	1,634	1,313	1,076	1,019	1,120	1,762	1,824	1,307	1,293	1,680
Gantry Cranes	6,256	7,439	8,570	8,186	9,723	9,535	10,533	10,018	7,641	8,042
Security	4,036	4,031	6,591	9,931	10,921	15,152	18,408	20,345	20,975	21,096
General & Administration	11,404	8,349	13,275	11,991	14,348	12,098	15,278	16,222	16,048	18,919
Total Operating Expenses	32,049	30,668	42,804	44,429	49,360	53,180	61,210	64,021	61,579	68,999
Operating income before depreciation	36,510	41,537	33,484	34,082	25,216	27,180	20,903	20,547	33,119	31,058
DEPRECIATION	12,331	13,946	14,943	15,974	15,188	14,872	16,132	17,927	19,863	20,790
Operating Income	24,179	27,591	18,541	18,108	10,028	12,308	4,771	2,620	13,256	10,268
NON-OPERATING REVENUES (EXPENSES):										
Interest Income, net	1,295	1,871	5,221	2,463	2,407	2,350	3,815	3,100	960	247
Interest expense, net	(21,858)	(21,336)	(20,133)	(22,770)	(18,516)	(19,113)	(23,938)	(25,280)	(22,409)	(19,448)
Operating grants			1,023	1,554	1,640	-	-	-	-	-
Operating transfers			(773)	(1,624)	(219)	(222)	(289)	-	-	-
Other income (expense)	(903)	(1,593)	(1,321)	(1,659)	(1,423)	(1,252)	21,350	(12,359)	2,734	(166)
Income (loss) before Capital Contributions	2,713	6,533	2,558	(3,928)	(6,083)	(5,929)	5,709	(31,919)	(5,459)	(9,099)
External Capital Contributions (1)		7,599	8,299	14,603	30,437	15,314	7,343	27,730	7,212	13,315
Net income (loss)	$ 2,713	$ 14,132	$ 10,857	$ 10,675	$ 24,354	$ 9,385	$ 13,052	$ (4,189)	$ 1,753	$ 4,216

Note (1) Pursuant to GASB 33's provisions, the County began accounting for and disclosing contributed assets in fiscal year 2001

Miami-Dade County Seaport Department
Schedule of Revenue Per Ton (Unaudited)
Last Ten Fiscal Years (in thousands)

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Cargo revenue	$ 28,405	$ 29,306	$ 30,972	$ 30,009	$ 31,231	$ 33,927	$ 32,653	$ 29,025	$ 27,004	$ 27,356
Tonnage	7,805	8,247	8,682	9,002	9,230	9,474	8,654	7,835	7,430	6,831
Revenue per ton	$ 3.64	$ 3.55	$ 3.57	$ 3.33	$ 3.38	$ 3.58	$ 3.77	$ 3.70	$ 3.63	$ 4.00

Schedule of Revenue Per Passenger (Unaudited)
Last Ten Fiscal Years (in thousands)

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Cruise Revenue	$ 23,419	$ 25,345	$ 28,123	$ 31,490	$ 28,199	$ 30,251	$ 32,067	$ 33,094	$ 39,492	$ 40,195
Passengers	3,365	3,391	3,643	3,961	3,500	3,605	3,731	$ 3,787	4,138	4,110
Revenue per passenger	$ 6.96	$ 7.47	$ 7.72	$ 7.95	$ 8.06	$ 8.39	$ 8.59	$ 8.74	$ 9.54	$ 9.78

Miami-Dade County Seaport Department
Schedule of Revenue Bond Debt Service Coverage
Last Ten Fiscal Years (Unaudited)
(in thousands)
Based on Maximum Debt Service Requirements

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Primary Debt Coverage										
Net Operating Revenues	$ 36,510	$ 41,537	$ 33,484	$ 34,082	$ 25,565	$ 27,180	$ 20,903	$ 20,547	$ 33,119	$ 31,058
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)
Other Income							22,500	2,696	-	-
Non-Cash Items	622	655	1,107	901	464	19	787	4,269	2,786	1,661
Unrestricted Interest	966	1,536	661	42	175	120	101	968	175	40
Revenues Available	$ 36,161	$ 41,791	$ 33,315	$ 33,088	$ 24,267	$ 25,382	$ 42,354	$ 26,543	$ 34,143	$ 30,822
Revenue Bonds Maximum Debt Service Required	9,167	9,167	9,020	8,399	8,399	8,399	8,399	8,399	8,399	8,399
Coverage Required 125%	11,459	11,459	11,275	10,499	10,499	10,499	10,499	10,499	10,499	10,499
Net Revenue Coverage	316%	365%	295%	315%	231%	242%	403%	253%	325%	294%

Note: Coverage requirement under master bond ordinance is 125% of maximum principal and interest for revenue bonds.

Miami-Dade County Seaport Department
Schedule of General Obligation Bond Debt Service Coverage
Last Ten Fiscal Years (Unaudited)
(in thousands)
Based on Maximum Debt Service Requirements

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Primary Debt Coverage										
Net Operating Revenues	$ 36,510	$ 41,537	$ 33,484	$ 34,082	$ 25,565	$ 27,180	$ 20,903	$ 20,547	$ 33,119	$ 31,058
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)
Other Income							22,500	2,696	-	-
Non-Cash Items	622	655	1,107	901	464	19	787	4,269	2,786	1,661
Unrestricted Interest	966	1,536	661	42	175	120	101	968	175	40
Revenues Available	$ 36,161	$ 41,791	$ 33,315	$ 33,088	$ 24,267	$ 25,382	$ 42,354	$ 26,543	$ 34,143	$ 30,822
G O Bonds Maximum Debt Service Required	11,282	11,282	11,282	11,282	11,282	11,149	11,149	11,149	11,149	11,149
Coverage Required 110%	12,410	12,410	12,410	12,410	12,410	12,264	12,264	12,264	12,264	12,264
Net Revenue Coverage	291%	337%	268%	267%	196%	207%	345%	216%	278%	251%

Note: Coverage requirement under master bond ordinance is 110% of maximum principal and interest for GO bonds.

Miami-Dade County Seaport Department
Schedule of Combined Debt Service Coverage
Last Ten Fiscal Years (Unaudited)
(in thousands)
Based on Maximum Debt Service Requirements

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Primary Debt Coverage										
Net Operating Revenues	$ 36,510	$ 41,537	$ 33,484	$ 34,082	$ 25,565	$ 27,180	$ 20,903	$ 20,547	$ 33,119	$ 31,058
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)
Other Income							22,500	2,696	-	-
Non-Cash Items	622	655	1,107	901	464	19	787	4,269	2,786	1,661
Unrestricted Interest	966	1,536	661	42	175	120	101	968	175	40
Revenues Available	$ 36,161	$ 41,791	$ 33,315	$ 33,088	$ 24,267	$ 25,382	$ 42,354	$ 26,543	$ 34,143	$ 30,822
Revenue Bonds Maximum Debt Service Required	9,167	9,167	9,020	8,399	8,399	8,399	8,399	8,399	8,399	8,399
Coverage Required 125%	11,459	11,459	11,275	10,499	10,499	10,499	10,499	10,499	10,499	10,499
G O Bonds Maximum Debt Service Required	11,282	11,282	11,282	11,282	11,282	11,149	11,149	11,149	11,149	11,149
Coverage Required 110%	12,410	12,410	12,410	12,410	12,410	12,264	12,264	12,264	12,264	12,264
Excess coverage required greater (less) than maximum coverage	3,420	3,420	3,383	3,228	3,228	3,215	3,215	3,215	3,215	3,215
Needed to Meet Coverage	23,869	23,869	23,685	22,909	22,909	22,763	22,763	22,763	22,763	22,763
Net Revenues Coverage	151%	175%	141%	144%	106%	112%	186%	117%	150%	135%

Note: Coverage requirement under master bond ordinance is 125% and 110% of maximum principal and interest for revenue bonds and GO bonds, respectively.

Miami-Dade County Seaport Department
Schedule Ratios of Outstanding Debt by Type (Unaudited)
Last Ten Fiscal Years (in thousands)

Fiscal year	G.O. Bonds	Revenue Bonds	Loans	Capital Acquisition Bond	Total Debt	Ratio of Debt to TEUs	Ratio of Debt to Cruise passengers
2000	155,715	98,890	145,570	-	400,175	461	119
2001	153,505	85,515	294,305	-	533,325	558	157
2002	151,170	77,895	292,985	-	522,050	532	143
2003	149,925	75,510	289,455	-	514,890	495	130
2004	149,010	73,015	283,310	-	505,335	500	144
2005	145,710	70,375	352,295	-	568,380	539	158
2006	142,215	67,555	348,710	-	558,480	572	150
2007	138,510	64,575	345,305	-	548,390	620	145
2008	134,570	61,395	341,805	-	537,770	649	130
2009	130,370	58,000	338,305	68,630	595,305	738	145

Miami-Dade Seaport Department
Schedule of Annual Total Tonnage (Unaudited)
Last Ten Fiscal Years (in thousands)

Year	Total	Difference	% Change
2000	7,805	-	0.0%
2001	8,247	442	5.7%
2002	8,682	435	5.3%
2003	9,002	320	3.7%
2004	9,230	228	2.5%
2005	9,474	244	2.6%
2006	8,654	(820)	-8.7%
2007	7,835	(819)	-9.5%
2008	7,430	(405)	-5.2%
2009	6,831	(599)	-8.1%

Miami-Dade Seaport Department
Schedule of Total Annual TEUs (Unaudited)
Last Ten Fiscal Years (in thousands)

Year	TEUs	Difference	% Change
2000	868	-	0.0%
2001	956	88	10.1%
2002	981	25	2.6%
2003	1,041	60	6.1%
2004	1,010	(31)	-3.0%
2005	1,054	44	4.4%
2006	977	(77)	-7.3%
2007	885	(92)	-9.4%
2008	828	(57)	-6.4%
2009	807	(21)	-2.5%

Miami-Dade Seaport Department
Schedule of Historical Tonnage Analysis (Unaudited)
Last Ten Fiscal Years (in thousands)

Year	Export Tons	% of Total	Import Tons	% of Total	Total
2000	3,342	43%	4,463	57%	7,805
2001	3,620	44%	4,627	56%	8,247
2002	3,646	42%	5,036	58%	8,682
2003	3,536	39%	5,466	61%	9,002
2004	3,611	39%	5,619	61%	9,230
2005	3,701	39%	5,773	61%	9,474
2006	3,352	39%	5,302	61%	8,654
2007	3,462	44%	4,373	56%	7,835
2008	3,655	49%	3,775	51%	7,430
2009	3,500	51%	3,331	49%	6,831

Miami-Dade Seaport Department
Schedule of Annual Total Passengers (Unaudited)
Last Ten Fiscal Years (in thousands)

Year	Total	Difference	% Change
2000	3,365	-	0.0%
2001	3,391	26	0.8%
2002	3,643	252	7.4%
2003	3,961	318	8.7%
2004	3,500	(461)	-11.6%
2005	3,605	105	3.0%
2006	3,731	126	3.5%
2007	3,787	56	1.5%
2008	4,138	351	9.3%
2009	4,110	(28)	-0.7%

Miami-Dade Seaport Department
Schedule of Miami-Dade County Population
(Unaudited)

Years	Resident Population	Change	Annual Percent Change
1900	4,955	-	
1910	11,933	6,978	140.8%
1920	42,752	30,819	258.3%
1930	142,955	100,203	234.4%
1940	267,739	124,784	87.3%
1950	495,084	227,345	84.9%
1960	935,047	439,963	88.9%
1970	1,267,792	332,745	35.6%
1980	1,625,781	357,989	28.2%
1990	1,937,000	311,219	19.1%
1991	1,968,000	31,000	1.6%
1992	1,986,000	18,000	0.9%
1993	1,943,000	-43,000	-2.2%
1994	2,010,000	67,000	3.4%
1995	2,056,588	46,588	2.3%
1996	2,087,000	30,412	1.5%
1997	2,117,000	30,000	1.4%
1998	2,140,000	23,000	1.1%
1999	2,179,000	39,000	1.8%
2000	2,253,362	74,362	3.4%
2001	2,284,000	30,638	1.4%
2002	2,313,000	29,000	1.3%
2003	2,343,000	30,000	1.3%
2004	2,372,000	29,000	1.2%
2005	2,422,000	50,000	2.1%
2006	2,437,000	15,000	0.6%
2007	2,402,208	-34,792	-1.4%
2008	2,387,170	-15,038	-0.6%
2009	2,398,245	11,075	0.5%

Source: Miami- Dade County Planning Department

MIAMI-DADE SEAPORT DEPARTMENT

DEMOGRAPHIC AND ECONOMIC INFORMATION

(Unaudited)

SCHEDULE OF PRINCIPAL EMPLOYERS,

CURRENT YEAR AND NINE YEARS AGO

	2009			2000		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	38,819	1	3.18%	35,469	1	3.21%
Miami-Dade County	29,000	2	2.38%	30,000	2	2.72%
U.S. Federal Government	19,900	3	1.63%	18,276	3	1.66%
Florida State Government	16,100	4	1.32%	18,100	4	1.64%
Baptist Health Systems of South Flori	12,468	5	1.02%	8,191	6	0.74%
Jackson Health System	12,000	6	0.98%	7,800	7	0.71%
University of Miami	12,000	7	0.98%	7,500	8	0.68%
American Airlines	11,625	8	0.95%	4,000	10	0.36%
Miami-Dade College	9,000	9	0.74%	9,000	5	0.82%
Precision Response Corporation	8,000	10	0.66%	2,591	12	0.23%
Bellsouth Corporation-Florida	7,025	11	0.58%			
Florida Power & Light Company	5,798	12	0.48%	2,345	13	0.21%
Winn-Dixie Stores	4,982	13	0.41%			
City of Miami	4,400	14	0.36%	3,400	11	0.31%
Publix Super Markets	4,100	15	0.34%	4,240	9	0.38%
	195,217		16.02%	150,912		13.68%

Source: The Beacon Council, Miami, Florida, Miami Business Profile

MIAMI-DADE SEAPORT DEPARTMENT

DEMOGRAPHIC AND ECONOMIC STATISTICS

(Unaudited)

CURRENT YEAR AND NINE YEARS AGO

Year	Population	Total Personal (in thousands of dollars)	Per Capita Personal Income	Unemployment Rate	Civilian Labor Force	Median Age
2000	2,259,863	57,922,341	$ 25,631	5.1%	1,103,485	36
2001	2,284,083	60,401,717	$ 26,445	6.1%	1,098,226	36
2002	2,308,355	62,664,565	$ 27,147	6.6%	1,079,850	37
2003	2,322,093	64,764,869	$ 27,891	5.9%	1,083,357	37
2004	2,338,382	69,724,010	$ 29,817	5.4%	1,097,454	37
2005	2,356,378	75,090,488	$ 31,867	4.3%	1,113,560	37
2006	2,376,343	82,481,222	$ 34,709	3.8%	1,158,801	37
2007	2,402,208	85,978,571	$ 35,791	3.6%	1,192,231	38
2008	2,387,170	(1)	(1)	5.3%	1,205,913	39
2009	2,398,245	(1)	(1)	8.9%	1,218,871	39

Source: U.S. Department of Commerce, Economics and Statistics Administration.
Bureau of Economic Analysis/Regional Economic Information System.
Florida Agency for Workforce Innovation, Labor Market Statistics.
U.S. Census Bureau, 2000 Census Population, and 2001 to 2005 American Community
Miami-Dade County, Department of Planning and Zoning, Research Section.
University of Florida, Bureau of Economic and Business Research.

Legend: (1) Information unavailable.

Miami-Dade Seaport Department
Schedule of Insurance in Force
(Unaudited)

Coverage/Insu And Insurance Company	Policy Period	Details of Coverage	Limits of Coverage
Crime Policy			
Fidelity & Deposit Co. of Maryland	08/19/09 - 08/19/10	Employee Theft Theft of Money and Securities	$1,000,000 $500,000
Accidental Death:			
Hartford Life Insurance Co.	08/29/09 - 08/29/10	Accidental death and dismemberment	$25,000
Property Insurance:			
Various companies	05/03/09 - 05/03/10	Real & Personal Property	Various
Automobile Liability	Continuous	Self-insured	$100,000 per/person $200,000 per occurrence pursuant to F.S. 768.28
General Liability	Continuous		$100,000 per/person $200,000 per occurrence pursuant to F.S. 768.28
Workers' Compensation	Continuous	Self-insured	Statutory coverage F.S. 440

Miami-Dade County Seaport Department
Schedule of Full-time Seaport employees by function (Unaudited)
Last ten fiscal years

Function/program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Cruise & Housekeeping	42	48	60	59	59	62	67	67	69	64
Cargo Operations	19	19	19	22	22	20	26	26	18	15
Port Security	57	57	58	95	95	94	108	112	126	135
Maintenance	60	70	67	75	75	75	96	97	116	84
Marketing & Advertising	14	11	11	8	8	14	15	14	11	10
Administration & Engineering	59	67	68	79	79	73	72	71	71	102
Total	251	272	283	338	338	338	384	387	411	410

Schedule of Capital Asset Indicators (Unaudited)
Last ten fiscal years

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Number of gantry cranes	10	10	10	10	10	12	12	9	9	9
Number of passenger terminals	11	11	11	10	10	10	10	12	12	12

During FY 2000, three terminals were consolidated into two, in order to accommodate larger vessels

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